

CURRENT REPORT No.31 / 2020

Subject: Inside information - preliminary information on the Issuer's financial results for Q3 2020

The Management Board of FABRYKI MEBLI "FORTE" S.A. with its registered office in Ostrów Mazowiecka (hereinafter: the Issuer, the Company) publishes preliminary information on the financial results of the FABRYKI MEBLI "FORTE" S.A. Capital Group. (hereinafter: the Capital Group or the Group) achieved in Q3 2020.

According to preliminary calculations, the consolidated sales revenue of the Capital Group in Q3 2020 amounted to approx. PLN 347 million (including PLN 17 million of sales of surplus furniture board manufactured in the Group's own plant, i.e. TANNE Sp. z o.o.) vs PLN 264 million in the comparative period of 2019 (including PLN 16 million from sales of board outside the Group), which means that it was 31% higher.

Cumulatively, after the three quarters of 2020, the Capital Group's sales revenue amounted to PLN 778 million, compared to PLN 839 million for the nine-month period of 2019 (a decrease by 7%)

The estimated value of the Capital Group's consolidated EBIT for Q3 2020 was PLN 50 million, compared to PLN 19 million in the corresponding period of 2019.

The consolidated EBIT for the three quarters of 2020 was at the level of 74 million, compared to PLN 51 million in the corresponding period of 2019 (an increase by 45%).

The estimated value of the Capital Group's consolidated EBITDA for Q3 2020 was PLN 64 million, compared to PLN 33 million in the corresponding period of 2019 (an increase by 94%).

The consolidated EBITDA for the three quarters of 2020 amounted to PLN 116 million, compared to PLN 94 for the three quarters of 2019 (an increase by 23%).

The Management Board of the Company informs that the results of the Capital Group after the three quarters of 2020 were influenced by the following significant events:

- other operating income includes co-financing received by the Group companies from the Guaranteed Employee Benefits Fund for June this year totalling PLN 4 million;
- other operating expenses include PLN 4.5 million as a provision for future conventional penalties resulting from delays in deliveries to customers in Q3 2020

The Management Board of the Company estimates that the positive impact resulting from the weakening of the PLN/EUR exchange rate above the levels secured by the Company's option corridor policy in the results for Q2 and Q3 this year amounted to PLN 8 million, as compared to the corresponding period of 2019, of which PLN 5.5 million in Q3 alone.

In Q3 2020, the Group entered into an agreement with the financing banks, in which the covenants concerning debt levels included in the Group's loan agreements were changed. These levels were not exceeded at the end of Q3 2020.

With regard to the current epidemiological situation related to the spread of SARS-CoV-2 coronavirus, the Management Board of the Company informs that starting from July this year, all plants and

companies of the Group have been working full-time with full orders. Until the publication of this report, work was not stopped at any of the locations due to the pandemic.

Taking into account the worsening epidemiological situation in Europe day by day, the Management Board of the Company sees a real and significant threat that may have a negative impact on the Group's operations, both in terms of maintaining manufacturing operations and continuity of supplies to our customers in Europe, as a result of restrictions currently being introduced in individual countries.

The Management Board of the Company informs that the financial results provided above are estimates and may differ from the final data, which will be presented in the report for Q3 2020.

Legal basis: Article 17 (1) of Market Abuse Regulation (MAR).