

Ostrów Mazowiecka, 26 July 2018

CURRENT REPORT NO. 27 / 2018

Subject: confidential information - preliminary information on the Issuer's financial results for the second quarter of 2018

Management Board FABRYKI MEBLI "FORTE" S.A. with its registered office in Ostrów Mazowiecka (hereinafter: Issuer, Company), hereby publishes preliminary information on the financial results of the Capital Group FABRYKI MEBLI "FORTE" S.A. (hereinafter: the Capital Group) achieved in the second quarter of 2018.

According to preliminary calculations, the approximate value of consolidated sales revenues of the Capital Group in the second quarter of 2018 amounted to PLN 258 million, compared to PLN 243 million in the corresponding period of 2017. In the entire six-month period of 2018, the estimated value of consolidated turnover was PLN 554 million, compared to PLN 536 million achieved in 2017.

The estimated consolidated EBIT of the Capital Group for the second quarter of 2018 amounted to PLN 23.2 million, compared to PLN 17.3 million in 2017.

In the entire six-month period of 2018, the estimated EBIT result amounted to PLN 39.1 million compared to PLN 57.7 million achieved in 2017.

The estimated consolidated EBITDA result of the Capital Group for the second quarter of 2018 amounted to PLN 34.6 million, compared to PLN 23.7 million in 2017, which means an increase in EBITDA profitability from 9.6% to 13.4% in II sq.

In the entire six-month period of 2018, the estimated value of the EBITDA result was PLN 57.9 million compared to PLN 70.1 million achieved in 2017.

The Management Board of the Company informs that the financial results given above are estimates and may differ from the final data, which will be presented in the interim report for the first half of 2018.

The Issuer's Management Board, commenting on the presented results, confirms that in accordance with the announcements included in the first quarter of 2018, the basic factor influencing the increase in EBITDA profitability in the second quarter of 2018 was the launch of own production of raw board in the subsidiary Tanne Sp. z o. o. Due to the partial consumption of external purchase plates in this quarter (preventive stocks), the EBITDA margin does not fully reflect the effect that the Capital Group will obtain using almost exclusively its own raw material in the production process. It should be noted that the raw plate production plant is still in the process of starting up and, according to the Management Board, production capacity will be assumed at the turn of the third and fourth quarter of this year. Looking at the turnover achieved by the Company in the second quarter of 2018, the Issuer's Management Board confirms that they are below the expectations it had at the end of the first quarter.

Legal basis: Article 17 para. 1 of MAR Regulation.