

Ostrów Mazowiecka, 12 August 2019

## **CURRENT REPORT NO. 21/2019**

Subject: confidential information

The Management Board of FABRYKI MEBLI "FORTE" S.A. with its registered office in Ostrów Mazowiecka (hereinafter: FORTE or Company) informs that during the ongoing audit of the results for H1 2019, it has been established that the amount of PLN 5 million spent by the Company under the contract made on 2 August 2017 between FORTE and the City of Suwałki for co-financing the construction of a runway in Suwałki, shall be recognised, according to the opinion of the Company's Auditor, on a one-off basis in operating costs of Q2 2019.

The Company recognised thus far, to the best of its knowledge, the amounts transferred for this purpose as prepayments until runway construction is completed and the required use permits are obtained (PLN 2.5 million transferred in Q4 2018 and PLN 2.5 million in Q4 2019).

Therefore, the Management Board of the Company, in reference to the current report no. 18/2019 of 25 July 2019 regarding preliminary information about financial results for Q2 2019, informs that preliminary adjusted financial data of Fabryki Mebli "FORTE" S.A. are as follows:

- EBIT for Q2 2019 – PLN 8 million
- EBITDA for Q2 2019 – PLN 22 million.

The estimated amount of the consolidated EBITDA of the Capital Group for H1 2019 is PLN 61 million.

The Management Board of the Company informs that upon inclusion of the additional amount of PLN 5 million in the costs of Q2 2019, the Capital Group did not break the covenants agreed with the banks.

Given that the Company is obliged under the contract for co-financing the construction of an airport to allocate another PLN 5 million for this purpose, the Management Board has started negotiations with financing institutions so that this expense may be treated as "one off" and is not included in the calculation of the agreed debt ratios.

**Legal basis:** Art. 17 sec. 1 of Market Abuse Regulation (MAR) – confidential information