

Ostrów Mazowiecka, 24 January 2020

## CURRENT REPORT NO. 2/2020

**Subject:** inside information - preliminary information on the Issuer's financial results for Q4 2019.

The Management Board of FABRYKI MEBLI "FORTE" S.A. with its registered office in Ostrów Mazowiecka (hereinafter: Issuer or Company) hereby publishes preliminary information on the financial results of the FABRYKI MEBLI "FORTE" S.A. Capital Group (hereinafter: Capital Group) achieved in Q4 2019.

According to preliminary calculations, the approximate value of consolidated sales revenue of the Capital Group in Q4 2019 amounted to PLN 337 million (including PLN 19 million in respect of surplus furniture board manufactured in the Group's own plant and sold outside the Group) vs PLN 297 million in the comparative period of 2018 (including PLN 15 million sales of board outside the Group).

The estimated amount of the Capital Group's consolidated EBIT for Q4 2019 amounted to PLN 33 million, which means an increase by 74% as compared to the same period of 2018 (PLN 19 million).

The estimated amount of the Capital Group's consolidated EBITDA for Q4 2019 was PLN 47 million, compared to PLN 32 million in Q4 2018, i.e. + 47%.

The Management Board of the Company informs that two events had a one-off impact on lowering EBIT in Q4 2019: inclusion in other operating costs of PLN 2.5 million for co-financing the construction of a runway in Suwałki and a PLN 5 million write-down on inventory.

The Management Board's decision to create an additional write-down on inventory is due to the fact that part of it (mainly raw materials and semi-finished products) does not meet the requirements of the German market, valid from 2020, concerning the permissible formaldehyde emissions, or relates to products withdrawn from the sales offer.

The estimated amount of the Capital Group's consolidated EBITDA in 2019 amounted to PLN 141 million, which means an increase by 20% as compared to the same period of 2018 (PLN 117 million).

The Forte Group's net financial debt ratio at the end of Q4 2019 does not exceed the levels agreed with institutions financing the Group.

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 2019.

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