

CURRENT REPORT No. 1/ 2021

Subject: Inside information – preliminary information on the Issuer's financial results for Q4 2020

The Management Board of FABRYKI MEBLI "FORTE" S.A. with its registered office in Ostrów Mazowiecka (hereinafter: the Issuer, the Company) hereby provides preliminary information on the financial results of the FABRYKI MEBLI "FORTE" S.A. Capital Group. (hereinafter: the Capital Group or the Group) achieved in Q4 2020.

According to preliminary calculations, the consolidated sales revenue of the Capital Group in Q4 2020 amounted to approx. PLN 382 million (including PLN 25 million from sales of surplus furniture board manufactured in the Group's own plant, i.e. TANNE Sp. z o.o.) vs PLN 337 million in the comparative period of 2019 (including 19 million from sales of board outside the Group), which means that it was 13% higher.

Cumulatively, after the four quarters of 2020, the Capital Group's sales revenue amounted to PLN 1 159 million, compared to PLN 1 177 million in 2019 (a decrease by 1.4%).

The estimated value of the Capital Group's consolidated EBIT for Q4 2020 was PLN 68 million, compared to PLN 33 million in the corresponding period of 2019.

The consolidated EBIT for the four quarters of 2020 was at the level of 143 million, compared to PLN 84 million in the corresponding period of 2019 (an increase by 70%).

The estimated value of the Capital Group's consolidated EBITDA for Q4 2020 was PLN 82 million, compared to PLN 47 million in Q4 2019 (an increase by 74%).

The consolidated EBITDA for the four quarters of 2020 amounted to PLN 199 million, compared to PLN 141 for the four quarters of 2019 (an increase by 41%).

The Management Board of the Company informs that other operating expenses include minus PLN 2.3 million due to the partial release of a provision which was earlier created for future conventional penalties resulting from delays in deliveries to customers in Q3 2020. The provision was released as a result of agreements with customers.

The Management Board of the Company estimates that the positive impact of the weakening PLN against EUR in 2020 vs 2019, above the levels hedged by the Company's option corridor policy in the 2020 results, amounted to PLN 17 million, of which PLN 9 million in Q4 alone.

Having regard to the current epidemic situation related to the spread of SARS-CoV-2 coronavirus, the Management Board of the Company informs that starting from July 2020, all plants and companies of the Group have been working full-time with full orders. Until the publication of this report, work has not stopped at any of the locations due to the pandemic.

Considering the epidemic situation across Europe which is worsening day by day, leading to full lockdowns in the Company's main sales markets (e.g. in DACH countries), the Management Board of the Issuer sees a real and significant threat that may have a negative impact on the Capital Group's operations in Q1 2021, both in terms of maintaining its manufacturing operations and continuity of

supplies to its customers in Europe. As at the date of publication of this report, the Issuer has not made a decision to stop production at any of its production facilities and it regularly analyses reports on the planned dates of possible termination or extension of lockdowns in individual countries.

The level of the Capital Group's net financial debt ratio at the end of Q4 2020 did not exceed level 2 (it was approx. 1.7), i.e. it was well below the levels agreed with the Group's financing institutions.

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 Q4 2020.

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