

Ostrów Mazowiecka, dated 12 April 2018

CURRENT REPORT NO. 7/2018

Re: confidential information – signing of a Letter of Intent (LOI) for delivery of manufacturing line equipment for a new furniture factory in the city of Suwałki

FABRYKI MEBLI “FORTE” S.A. (hereinafter referred to as the Issuer or Company) advises that on 12 April 2018 a Letter of Intent (LoI) was signed with HOMAG GROUP (hereinafter referred to as HOMAG POLSKA Sp. z o.o., HOMAG Group AG and HOMAG GmbH) concerning design, fabrication and delivery of the manufacturing lines’ equipment for a new, fifth furniture plant in the city of Suwałki. The parties to the Letter of Intent (LoI) assume that the value of future contract will total approximately EUR 60 M, net, and its implementation will be divided into three phases. The first phase, providing for the capacity at the level of 50.000 packs per week should be completed approx. Q3 2019. The last phase of future contract provides for the start of production in approximately mid 2021. Once the investment project has been completed and final performance tests have been run the planned target capacity of new plant is at the level of 106.000 packs per week.

Pursuant to the Letter of Intent (LoI) the other material terms and conditions of the future contract should be agreed on and the contract should be signed by 31 May 2018.

According to the Issuer’s Management Board the signing of the Letter of Intent (LoI) and entering into a future contract for delivery of manufacturing lines for a new furniture manufacturing plant will significantly enhance Company’s production capacity and will enable it to attain its strategic goals.

Legal grounds: Art. 17, par. 1 of the Market Abuse Regulation (MAR)