



# Extract of consolidated financial report for the period ended 31.03.2022

**FABYKI MEBLI „FORTE” S.A.  
CAPITAL GROUP**

Ostrów Mazowiecka, 17 maja 2022 roku

[www.FORTE.com.pl](http://www.FORTE.com.pl)

**TABLE OF CONTENTS**

Consolidated selected financial data.....	3
Consolidated Profit and loss account.....	5
Consolidated statement of comprehensive income.....	6
Consolidated statement of financial situation (balance sheet).....	7
Consolidated cash flow statement.....	8
Consolidated statement of changes in equity.....	9
Consolidated statement of changes in equity.....	9
1. Seasonality of operations.....	10
2. Revenues and costs.....	10
3. Other operating revenues.....	10
4. Other operating cost.....	10
5. Financial revenue.....	11
6. Financial costs.....	11
7. Costs by type.....	11
Financial data of the Fabryki Mebli „FORTE” S.A. Group.....	12
Profit and loss account.....	14
Statement of comprehensive income.....	15
Statement of financial situation (balance sheet).....	16
Cash flow statement.....	17
Statement of changes in equity.....	18
Statement of changes in equity.....	18

**CONSOLIDATED SELECTED FINANCIAL DATA**

	in thousands of PLN		in thousands of EUR	
	31 March 2022 (unaudited)	31 March 2021 (unaudited)	31 March 2022 (unaudited)	31 March 2021 (unaudited)
Sales revenue	355 566	298 629	76 512	65 316
Profit on operating activities	32 165	45 136	6 921	9 872
Profit before tax	29 150	39 742	6 273	8 692
Net profit attributable to equity owners of the Parent company	68 413	26 849	14 721	5 872
Total comprehensive income for the period	45 163	19 642	9 718	4 296
Net cash flow from operating activities	-22 552	23 083	-4 853	5 049
Net cash flow from investment activities	- 9 355	-6 469	-2 013	-1 415
Net cash flow from financial activities	49 446	2 292	10 640	501
Net increase (decrease) in cash and cash equivalents	17 539	18 906	3 774	4 135
Number of shares	23 930 796	23 930 796	23 930 796	23 930 796
Net profit per share attributable to equity owners of the parent (in	2,86	1,12	0,62	0,24
	31 March 2022 (unaudited)	31 December 2021 (audited)	31 March 2022 (unaudited)	31 December 2021 (audited)
Total assets	1 540 627	1 437 464	331 140	312 533
Total liabilities	700 621	642 621	150 590	139 718
Long-term liabilities	397 454	319 022	85 428	69 362
Short-term liabilities	303 167	323 599	65 162	70 357
Total equity	837 390	792 215	179 987	172 243
Share capital	23 931	23 931	5 144	5 203
Book value per share (in PLN/EUR)	34,99	33,10	7,52	7,20

**SELECTED FINANCIAL DATA**

	in thousands of PLN		in thousands of EUR	
	31 March 2022 (unaudited)	31 March 2021 (unaudited)	31 March 2022 (unaudited)	31 March 2021 (unaudited)
Sales revenue	295 103	277 852	63 501	60 771
Profit on operating activities	-10 255	14 022	-2 207	3 067
Profit before tax	-12 218	12 544	-2 629	2 744
Profit of the period	-11 523	8 296	-2 480	1 814
Total comprehensive income for the period	-36 073	442	-7 762	97
Net cash flows from operating activities	-11 672	-6 918	-2 512	-1 513
Net cash flows from investing activities	-42 262	-5 194	-9 094	-1 136
Net cash flows from financial activities	70 063	24 170	15 076	5 286
Net increase in cash and cash (equivalents)	16 128	12 058	3 470	2 637
Number of shares	23 930 796	23 930 796	23 930 796	23 930 796
Declared or paid dividend per share (in PLN/EUR)	0,00	0,00	0,00	0,00
Net profit per share (in PLN/EUR)	-0,48	0,35	-0,10	0,08
	31 March 2022 (unaudited)	31 December 2021 (audited)	31 March 2022 (unaudited)	31 December 2021 (audited)
Total assets	930 762	878 271	199 721	190 316
Total liabilities	370 100	318 051	79 415	68 920
Long-term liabilities	58 196	45 929	12 488	9 953
Short-term liabilities	311 904	272 122	66 928	58 967
Total equity	560 662	560 220	120 306	121 396
Share capital	23 931	23 931	5 135	5 186
Book value per share (in PLN/EUR)	23,43	23,41	5,03	5,07

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	For the reporting period ended	
	31 March 2022 ( unaudited)	31 March 2021 ( unaudited)
Revenue from sales of goods, products and materials and services	355 566	298 629
Cost of sales	230 904	168 212
<b>Gross profit from sales</b>	<b>124 662</b>	<b>130 417</b>
Other operating revenue	582	948
Costs of sales	70 481	61 769
General administrative costs	21 549	23 810
Other operating costs	1 048	650
<b>Profit on operating activities</b>	<b>32 165</b>	<b>45 136</b>
Financial revenue	1 291	44
Financial costs	2 290	4 251
Loss on derivative financial instruments	-325	-406
Share in the loss of investments valued at equity method	-1 692	-781
<b>Profit before tax</b>	<b>29 150</b>	<b>39 742</b>
Income tax	-39 250	12 898
<b>Profit on continued operations of the period</b>	<b>68 400</b>	<b>26 844</b>
<b>Profit of the period</b>	<b>68 400</b>	<b>26 844</b>
Attributable to:		
Non-controlling shareholders	-13	-5
Shareholders of the Parent Company	68 413	26 849
<b>Profit per share:</b>		
Basic profit per one share on continued operations	2,85	1,12
<b>Profit per one share</b>	<b>2,85</b>	<b>1,12</b>
Diluted profit per one share on continued operations	2,85	1,12
<b>Diluted profit per one share</b>	<b>2,85</b>	<b>1,12</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	For the reporting period ended	
	31 March 2022 ( unaudited)	31 March 2021 ( unaudited)
<b>Profit of the period</b>	<b>68 400</b>	<b>26 844</b>
<b>Other net comprehensive income before tax</b>	<b>-29 004</b>	<b>-9 002</b>
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>-29 004</b>	<b>-9 002</b>
Foreign exchange differences on translation of foreign operations	183	49
Other comprehensive income for a cash flow hedge	-29 187	-9 051
Other adjustments		
<b>Deferred tax connected with items which in the future may be reclassified to the profit and loss account</b>	<b>-5 767</b>	<b>1 800</b>
Deferred tax regarding hedge accounting	-5 767	1 800
<b>Other comprehensive income</b>	<b>-23 237</b>	<b>-7 202</b>
<b>Total comprehensive income for the period</b>	<b>45 163</b>	<b>19 642</b>
<b>Attributable to:</b>		
Non-controlling shareholders	-13	-5
Shareholders of the Parent Company	45 176	19 647

**CONSOLIDATED STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)**

	<b>31 March 2022</b> ( unaudited)	<b>31 December 2021</b> ( audited)
<b>Non-current assets</b>	<b>1 016 262</b>	<b>975 862</b>
Tangible fixed assets	827 464	833 405
Intangible assets	16 638	16 729
Subsidiaries	550	550
Other long-term financial assets	5 065	5 063
Real estate investment	51 667	51 667
Assets on deferred tax	114 879	68 448
<b>Current assets</b>	<b>524 365</b>	<b>461 602</b>
<b>Current assets other than held for sale</b>	<b>524 365</b>	<b>456 258</b>
Inventory	268 303	239 457
Trade and other receivables	203 546	186 993
Income tax receivables	620	584
Financial assets	5 879	639
Cash and cash equivalents	46 017	28 585
<b>Assets held for sale</b>	<b>0</b>	<b>5 344</b>
<b>TOTAL ASSETS</b>	<b>1 540 627</b>	<b>1 437 464</b>
<b>LIABILITIES</b>	<b>840 005</b>	<b>794 843</b>
<b>Total equity</b>	<b>837 390</b>	<b>792 215</b>
<b>Equity (attributable to shareholders of the Parent Company), including:</b>		
Basic equity	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capital	-37 714	-14 477
Retained earnings	736 618	668 205
<b>Capital attributable to non-controlling shareholders</b>	<b>2 615</b>	<b>2 628</b>
<b>Long-term liabilities</b>	<b>397 454</b>	<b>319 022</b>
Provision for benefits after the employment period	4 505	4 506
Interest-bearing loans and borrowings	299 489	241 968
Trade and other long-term liabilities	1 156	1 306
Subsidies	1 599	1 610
Financial liabilities due to lease	27 153	25 641
Liabilities due to financial derivative instruments	56 806	38 995
Other long-term financial liabilities	6 746	4 996
<b>Short-term liabilities</b>	<b>303 167</b>	<b>323 599</b>
Trade and other liabilities	200 171	225 814
Contract liabilities	1 801	1 723
Subsidies	357	362
Income tax liabilities	2 537	4 705
Current portion of interest-bearing loans and borrowings	79 209	83 090
Financial liabilities due to lease	645	834
Liabilities due to financial derivative instruments	15 436	4 060
Provision for benefits after the employment period	682	682
Other accruals	2 329	2 329
Total liabilities	700 622	642 621
<b>TOTAL LIABILITIES</b>	<b>1 540 627</b>	<b>1 437 464</b>

**CONSOLIDATED CASH FLOW STATEMENT**

	<b>3 months ended 31.03.2022 ( unaudited)</b>	<b>3 months ended 31.03.2021 ( unaudited)</b>
<b>Cash flows from operating activities</b>		
<b>Profit of the period</b>	<b>68 400</b>	<b>26 844</b>
<b>Adjustments by:</b>	<b>- 87 334</b>	<b>-1 918</b>
Share of loss of associates and joint ventures accounted for using equity method	1 692	781
Depreciation	13 813	13 769
Foreign exchange (gains)/losses	2 024	3 891
Interest income	-56	0
Interest costs	1 632	1 909
Profit/( Loss) on investing activity	- 365	-34
Change in receivables	-16 553	-1 627
Change in inventories	- 28 846	-45 660
Change in liabilities, excluding loans and borrowings	- 21 473	11 887
Change in accruals and deferrals	0	263
Current tax recognised in the profit and loss account	- 39 250	12 898
Other adjustments	48	5
<b>Cash flows from operating activities</b>	<b>- 18 834</b>	<b>24 926</b>
Income tax paid	- 3 618	-1 843
<b>Net cash flows from operating activities</b>	<b>- 22 552</b>	<b>23 083</b>
<b>Cash flows from investment activities</b>		
Sale of tangible fixed assets	5 515	59
Purchase of intangible fixed assets	200	0
Purchase of tangible assets	- 9 887	-6 528
Repayment of borrowings granted	17	0
Borrowings granted	- 5 200	0
<b>Net cash flows from investing activities</b>	<b>- 9 355</b>	<b>-6 469</b>
<b>Cash flows from financing activities</b>		
Inflows from borrowings taken out	76 192	25 426
Repayment of borrowings	- 24 475	-20 645
Repayment of leasing liabilities	- 444	-577
Dividends paid to non-controlling shareholders	0	-2
Interest paid	- 1 827	-1 910
<b>Net cash flows from financial activities</b>	<b>49 446</b>	<b>2 292</b>
<b>Net (increase)/ decrease in cash and cash (equivalents) before impact of foreign exchange differences</b>	<b>17 539</b>	<b>18 906</b>
Net foreign exchange differences (from the opening balance translation)	- 107	-76
<b>Net (increase)/ decrease in cash and cash (equivalents)</b>	<b>17 432</b>	<b>18 830</b>
Opening balance of cash	<b>28 585</b>	<b>88 025</b>
Closing balance of cash, including:	<b>46 017</b>	<b>106 855</b>
<i>of limited disposability</i>	<i>506</i>	<i>53</i>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period ended 31 March 2022 ( unaudited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total capital attributed to controlling shareholders	Total capital of non-controlling shareholders	Total equity
<b>As at 1 January 2022</b>	<b>23 931</b>	<b>114 556</b>	<b>668 205</b>	<b>-14 477</b>	<b>792 215</b>	<b>2 628</b>	<b>794 843</b>
Current result	0	0	68 413	0	68 413	-13	68 400
Other comprehensive income for the period	0	0	0	-23 237	-23 237	0	-23 237
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>68 413</b>	<b>-23 237</b>	<b>45 176</b>	<b>-13</b>	<b>45 163</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>68 413</b>	<b>-23 237</b>	<b>45 176</b>	<b>-13</b>	<b>45 164</b>
<b>As at 31 March 2022</b>	<b>23 931</b>	<b>114 556</b>	<b>736 618</b>	<b>-37 714</b>	<b>837 390</b>	<b>2 615</b>	<b>840 005</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period ended 31 December 2021 (audited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total capital attributed to controlling shareholders	Total capital of non-controlling shareholders	Total equity
<b>As at 1 January 2021</b>	<b>23 931</b>	<b>114 556</b>	<b>691 897</b>	<b>-36 737</b>	<b>793 647</b>	<b>2 563</b>	<b>796 210</b>
Payment of dividend	0	0	-95 723	0	-95 723	-2	-95 725
Other changes	0	0	-38 798	38 796	-2	1	-1
Current result	0	0	110 829	0	110 829	66	110 895
Other comprehensive income for the period	0	0	0	-16 536	-16 536	0	-16 536
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>110 829</b>	<b>-16 536</b>	<b>94 293</b>	<b>66</b>	<b>94 359</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-23 692</b>	<b>22 260</b>	<b>-1 432</b>	<b>65</b>	<b>-1 367</b>
<b>As at 31 December 2021</b>	<b>23 931</b>	<b>114 556</b>	<b>668 205</b>	<b>-14 477</b>	<b>792 215</b>	<b>2 628</b>	<b>794 843</b>

**1. Seasonality of operations**

	Domestic revenues	Share % in total quarter revenues	Export revenues	Share % in total quarter revenues	Revenues from sales of products, materials, goods and services	Share % in annual revenues
I Q 2022	71 324	20%	284 242	80%	355 566	-
<b>2022</b>	<b>71 324</b>	<b>20%</b>	<b>284 242</b>	<b>80%</b>	<b>355 566</b>	<b>-</b>
I Q 2021	55 837	19%	242 792	81%	298 629	23%
II Q 2021	58 732	19%	251 237	81%	309 969	23%
III Q 2021	88 036	26%	251 736	74%	339 772	26%
IV Q 2021	95 364	25%	283 175	75%	378 539	28%
<b>2021</b>	<b>297 969</b>	<b>22%</b>	<b>1 028 940</b>	<b>78%</b>	<b>1 326 909</b>	<b>100%</b>

**2. Revenues and costs****Sales revenues and geographic structure**

	For the reporting period ended	
	31.03.2022 (unaudited)	31.03.2021 (unaudited)
<b>Sales revenues</b>		
Revenues from sales of:	<b>354 211</b>	<b>297 197</b>
- products	289 581	271 012
- goods	1 423	1 518
- materials	63 206	24 668
Revenues from sales of services	1 355	1 431
<b>Total net revenues from sales</b>	<b>355 566</b>	<b>298 629</b>
<b>Geographic structure</b>		
country	71 324	55 837
export	284 242	242 792
- including from related entities	1 931	1 867

**3. Other operating revenues**

	For the reporting period ended	
	31.03.2022 (unaudited)	31.03.2021 (unaudited)
<b>Other operating revenues</b>		
Gain on sale of property, plant and equipment	15	42
Gain on sale of investment estate	156	0
Subsidies	15	625
Compensations	171	202
Other	224	79
<b>Total other operating revenues</b>	<b>582</b>	<b>948</b>

**4. Other operating cost**

	For the reporting period ended	
	31.03.2022 (unaudited)	31.03.2021 (unaudited)
<b>Other operating costs</b>		
Create of impairment write-downs	0	1
Liquidation and impairment losses on property, plant and equipment	4	13

Scrapping of inventory	484	257
Donations	105	3
Penalties and compensations	388	230
Costs of eliminating damages	25	98
Other	41	47
<b>Total other operating costs</b>	<b>1 048</b>	<b>650</b>

#### 5. Financial revenue

Financial revenue	For the reporting period ended	
	31.03.2022 (unaudited)	31.03.2021 (unaudited)
Gain on sale financial assets	198	0
Interest	104	44
Exchange differences of financial assets and liabilities	989	0
Other	1	0
<b>Financial revenues, total</b>	<b>1 291</b>	<b>44</b>

#### 6. Financial costs

Financial costs	For the reporting period ended	
	31.03.2022 (unaudited)	31.03.2021 (unaudited)
Interest on loans and borrowings	1 199	1 555
Interest on leasing	296	82
Interest on budget	746	107
Exchange differences of financial assets and liabilities	0	2 455
Other	49	51
<b>Financial costs, total</b>	<b>2 290</b>	<b>4 251</b>

#### 7. Costs by type

Costs by type	For the reporting period ended	
	31.03.2022 (unaudited)	31.03.2021 (unaudited)
Amortisation	13 813	13 769
Consumption of materials and energy	145 670	126 906
External services	54 805	51 426
Taxes and fees	4 673	4 342
Payroll	56 690	60 198
Social insurance and other benefits	15 177	13 491
Other costs by type	4 189	2 391
<b>Costs by type</b>	<b>295 017</b>	<b>272 523</b>
Change in product inventory and accruals	14 455	35 531
Manufacturing cost of products for internal purposes	948	958
Costs of sales	70 481	61 769
General administrative costs	21 549	23 810
<b>Manufacturing cost of sold products and services</b>	<b>187 582</b>	<b>150 455</b>
<b>Value of goods and materials sold</b>	<b>43 322</b>	<b>17 757</b>
<b>Costs of sales</b>	<b>230 904</b>	<b>168 212</b>

## Financial data of the Fabryki Mebli „FORTE” S.A. Group

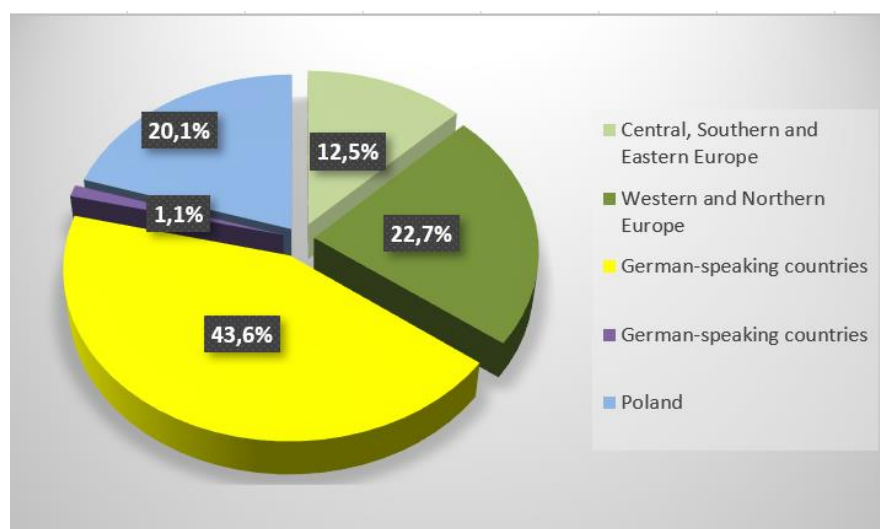
Item	31.03.2022 ( unaudited)	31.03.2021 ( unaudited)	% change
Sales revenue	355 566	298 629	19%
Cost of sales	230 904	168 212	37%
Gross profit on sales	124 662	130 417	-4%
Gross margin on sales %	35.1%	43.7%	
Selling costs	70 481	61 769	14%
G&A costs	21 549	23 810	-9%
Operating profit (EBIT)	32 165	45 136	-29%
EBITDA	45 978	58 905	-22%
Share in profit/loss of subsidiaries valued under the equity method	-1 692	-781	117%
Gross profit	29 150	39 742	-27%
Net profit	68 400	26 844	155%
Return on sales (ROS)	19.2%	9.0%	
Return on equity (ROE)	8.1%	3.3%	
Return on assets (ROA)	4.4%	1.8%	

After Q1 2022, **sales revenue** amounted to PLN 355 566 thousand and was higher by 19% (in terms of value by PLN 56 937 thousand) as compared to the corresponding period last year.

Sales of surplus furniture board manufactured in our own plant outside the Group amounted to PLN 62 358 thousand (in Q1 2021 – 23 968 thousand) and was higher by 160% compared to the comparative period last year.

Export sales of the FORTE Group totalled PLN 284 242 thousand – 80% of total sales (in Q1 2021 – PLN 242 792 thousand – 81 %). Sales in the Polish market amounted to PLN 71 324 thousand (20%) against PLN 55 837 thousand (19%) in the corresponding period of 2021.

The percentage of sales in individual markets is presented in the chart below.



The largest share in sales belonged to German-speaking countries – 44% and Western and Northern Europe – 23%. Domestic sales accounted for 20% of the Group's sales revenue.

**Gross margin on sales** stood at a level of 35.1%, which is 8.6 percentage point lower than in the corresponding period last year (43.7%).

**Selling costs** - the selling costs to revenue ratio amounted to 19.8% versus 20.7% in the corresponding period last year. In terms of value, selling costs increased by PLN 8 712 thousand due to higher sales revenue.

**G&A costs** - the G&A costs to revenue ratio stood at 6.1% versus 8% in Q1 2021.

**Operating profit** amounted to PLN 32 165 thousand (9% of revenue), compared to PLN 45 136 thousand (15.1% of revenue) in Q1 2021.

The main reason for a decline in operating profit was a high increase in the cost of raw materials, primarily wood and wood-based products, which already had a negative impact on the results of Q4 2021 and will also significantly affect the results of Q2 2022.

**Result on financial operations** amounted to PLN (-) 999 thousand. The negative result was affected, in particular, by interest on loans, borrowings and lease of PLN (-) 1 495 thousand recognised in financial costs and by budget interest of PLN (-) 746 thousand (paid as a consequence of a negative opinion of the Ministry of Development and Technology towards the return of the full amount of the subsidy received by TANNE, including interest).

In the reporting period, **net profit** totalled PLN 68 400 thousand (19.2% of revenue), compared to PLN 26 844 thousand in the corresponding period of 2021 (9% of revenue).

This increase in net profit for the reporting period was directly influenced by creating an asset of PLN 46 059 thousand for a tax relief to be used by the TANNE Sp. z o.o. in connection with returning the subsidy to the Ministry of Development and Technology and running business activities in a special economic zone.

Characteristics of balance sheet items	31.03.2022		31.12.2021		% change
	PLN '000	% of balance sheet total	PLN '000	% of balance sheet total	PLN '000
Non-current assets	1 016 262	66%	975 862	68%	4%
Current assets	524 365	34%	456 258	32%	15%
Assets held for sale	0	0%	5 344	0%	-100%
<b>Total assets</b>	<b>1 540 627</b>	<b>100%</b>	<b>1 437 464</b>	<b>100%</b>	7%
Equity					
Non-current liabilities and provisions	840 005	55%	794 843	55%	6%
Current liabilities and provisions	397 454	26%	319 022	22%	25%
<b>Total equity and liabilities</b>	<b>303 167</b>	<b>19%</b>	<b>323 599</b>	<b>23%</b>	-6%

**Non-current assets** rose by PLN 40 400 thousand, mainly as a result of creating a deferred tax asset (an increase by PLN 46 431 thousand compared to 31 December 2021).

**Current assets** increased by PLN 68 107 thousand, which was mostly influenced by an increase in: inventories by PLN 28 846 thousand, cash by PLN 17 432 thousand and other receivables by PLN 9 391 thousand. The increase in inventories was mainly due to maintaining a safe buffer of raw materials in connection with their rising prices and reduced supply, and the increase in inventories of finished goods was due to the lack of expected growth in furniture sales.

On the **liabilities** side, the most significant changes relate to an increase in: retained earnings by PLN 68 413 thousand due to the profit generated in the reporting period, liabilities under derivative financial instruments by PLN 29 187 thousand due to their negative valuation, liabilities under loans and borrowings by PLN 56 640 thousand due to their use and trade liabilities by PLN 27 668 due to increased purchases of raw materials for production. On the liabilities side, there was a further increase in the negative value of other capital reserves in connection with the negative result on currency options in the amount of PLN (-) 48 857 thousand.

**PROFIT AND LOSS ACCOUNT**

	For the reporting period ended	
	31 March 2021 ( unaudited)	31 March 2021 ( unaudited)
Revenue from sales of goods, products and materials and services	295 103	277 852
Cost of sales	212 345	175 071
<b>Gross profit from sales</b>	<b>82 758</b>	<b>102 781</b>
Other operating revenue	157	212
Costs of sales	74 227	68 173
General administrative costs	17 943	20 217
Other operating costs	1 000	581
<b>Operating profit</b>	<b>-10 255</b>	<b>14 022</b>
Financial revenue	922	221
Financial costs	1 193	-918
Share in the loss of investments valued at equity method	-1 692	-781
<b>Profit before tax</b>	<b>-12 218</b>	<b>12 544</b>
Income tax	-695	4 248
(Profit)/ loss on continued operations of the period	-11 523	8 296
<b>(Profit)/ loss of the period</b>	<b>-11 523</b>	<b>8 296</b>
<b>(Profit)/ loss per share:</b>		
Basic profit per one share on continued operations	-0,48	0,35
Diluted profit per one share on continued operations	-0,48	0,35

**STATEMENT OF COMPREHENSIVE INCOME**

	For the reporting period ended	
	31 March 2022 ( unaudited)	31 March 2021 ( unaudited)
<b>Profit (loss) of the period</b>	<b>-11 523</b>	<b>8 296</b>
<b>Other net comprehensive income before tax</b>		
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>-30 318</b>	<b>-9 654</b>
Foreign exchange differences on translation of foreign operations	-59	-180
Other comprehensive income for a cash flow hedge	-30 259	-9 474
<b>Deferred tax connected with items of comprehensive income</b>		
<b>Deferred tax connected with items which in the future may be reclassified to the profit and loss account</b>	<b>-5 767</b>	<b>1 800</b>
Deferred tax regarding hedge accounting	-5 767	1 800
<b>Other comprehensive income</b>	<b>-24 550</b>	<b>-7 854</b>
<b>Total comprehensive income for the period</b>	<b>-36 073</b>	<b>442</b>

**STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)**

	<b>31 March 2022</b> ( unaudited)	<b>31 December 2021</b> ( audited)
<b>Non-current assets</b>	<b>606 777</b>	<b>565 318</b>
Tangible fixed assets	270 874	269 688
Intangible assets	529	615
Investment in subsidiary	289 782	289 782
Assets on deferred tax	10 215	2 715
Other long-term financial assets	35 376	2 518
<b>Current assets</b>		
<b>Current assets other than held for sale</b>	<b>388 955</b>	<b>357 558</b>
Inventory	190 850	170 111
Trade and other receivables	166 524	171 395
Other financial assets	1 608	2 039
Cash and cash equivalents	29 972	14 012
<b>Assets held for sale</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>995 732</b>	<b>922 876</b>
<b>Total equity</b>	<b>500 558</b>	<b>536 632</b>
Basic equity	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capital	-57 093	-32 543
Retained earnings	419 165	430 688
<b>Long-term liabilities</b>	<b>255 943</b>	<b>158 680</b>
Provision for benefits after the employment period	4 027	4 027
Longterm interest-bearing loans and borrowings	161 033	85 917
Subsidies	800	811
Financial liabilities due to lease	27 123	25 598
Other financial liabilities	6 746	4 996
Liabilities due to financial derivative instruments	56 214	37 332
<b>Short-term liabilities</b>	<b>239 231</b>	<b>227 565</b>
Trade and other liabilities	185 177	178 202
Contract liabilities	1 801	1 639
Subsidies	357	362
Income tax liabilities	2 455	4 603
Current portion of interest-bearing loans and borrowings	30 439	34 951
Financial liabilities due to lease	574	756
Liabilities due to financial derivative instruments	15 436	4 060
Provision for benefits after the employment period	663	663
Other accruals	2 329	2 329
<b>Total liabilities</b>	<b>495 174</b>	<b>386 244</b>
<b>TOTAL LIABILITIES</b>	<b>995 732</b>	<b>922 876</b>



**CASH FLOW STATEMENT**

	<b>3 months ended 31 March 2022</b> ( unaudited)	<b>3 months ended 31 March 2021</b> ( unaudited)
<b>Cash flow from operating activity</b>		
<b>Profit/ (loss) of the period</b>	<b>-11 523</b>	<b>8 296</b>
<b>Adjustments by:</b>	<b>3 037</b>	<b>-14 067</b>
Share of profit (loss) of associates and joint ventures accounted for using equity method	1 692	781
Amortisation	6 050	6 147
Foreign exchange (gains)/losses	62	874
Interest income	-83	-12
Interest costs	1 145	653
Dividends received	0	-169
Profit/( Loss) on investing activity	209	8
Change in receivables	4 874	5 703
Change in inventories	-20 739	-42 601
Change in liabilities, excluding loans and borrowings	10 893	10 250
Current tax recognised in the profit and loss account	-695	4 248
Other adjustments	48	51
<b>Cash flows from operating activities</b>	<b>-8 486</b>	<b>-5 772</b>
Income tax paid	-3 187	-1 147
<b>Net cash flows from operating activities</b>	<b>-11 672</b>	<b>-6 918</b>
<b>Cash flows from investment activities</b>		
Sales of property, plant and equipment and intangible assets	15	0
Purchases of property, plant and equipment and intangible assets	-9 170	-5 619
Dividends received	0	169
Interest received	40	51
Repayment of borrowings granted	205	0
Borrowings granted	-33 552	205
Other	200	0
<b>Net investment cash flow</b>	<b>-42 262</b>	<b>-5 194</b>
<b>Cash flows from financing activities</b>		
Inflow from loans and borrowings taken out	76 192	25 426
Repayment of loans and borrowings	-4 768	0
Repayment of leasing liabilities	-424	0
Interest paid	-937	-703
Repayment of leasing liabilities	0	-553
<b>Net financial cash flow</b>	<b>70 063</b>	<b>24 170</b>
<b>Net (increase) decrease in cash and cash equivalents</b>	<b>16 128</b>	<b>12 058</b>
Net foreign exchange differences	-168	-82
<b>Opening balance of cash</b>	<b>14 012</b>	<b>7 605</b>
<b>Cash at end of year, including:</b>	<b>29 972</b>	<b>19 581</b>
- of limited disposability	84	2

**STATEMENT OF CHANGES IN EQUITY**

for the period ended on 31 March 2022 ( unaudited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
<b>As at 1 January 2022</b>	<b>23 931</b>	<b>114 556</b>	<b>430 688</b>	<b>-32 543</b>	<b>536 632</b>
Current result	0	0	-11 523	0	-11 523
Other comprehensive income for the period	0	0	0	-24 550	-24 550
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-11 523</b>	<b>-24 550</b>	<b>-36 073</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-11 523</b>	<b>-24 550</b>	<b>-36 073</b>
<b>As at 31 March 2022</b>	<b>23 931</b>	<b>114 556</b>	<b>419 165</b>	<b>-57 093</b>	<b>500 558</b>

**STATEMENT OF CHANGES IN EQUITY**

for the year ended on 31 December 2021 (audited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
<b>As at 1 January 2021</b>	<b>23 931</b>	<b>114 556</b>	<b>436 029</b>	<b>-14 296</b>	<b>560 220</b>
Dividends paid	-	-	-95 723	-	-95 723
Current result	-	-	90 383	-	90 383
Other comprehensive income for the period	-	-	-	-18 248	-18 248
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>90 383</b>	<b>-18 248</b>	<b>72 135</b>
<b>Change in equity</b>	<b>-</b>	<b>-</b>	<b>-5 340</b>	<b>-18 248</b>	<b>-23 588</b>
<b>As at 31 December 2021</b>	<b>23 931</b>	<b>114 556</b>	<b>430 688</b>	<b>-32 543</b>	<b>536 632</b>

**Signature of the person entrusted with bookkeeping:**

**Chief Accounting  
Anna Wilczyńska**

.....

**Signatures of all members of the Management Board:**

**President of the Management Board  
Maciej Formanowicz**

.....

**Member of the Management Board  
Maria Małgorzata Florczuk**

.....

**Member of the Management Board  
Andreas Disch**

.....

**Member of the Management Board  
Mariusz Jacek Gazda**

.....

**Member of the Management Board  
Walter Stevens**

.....

Ostrów Mazowiecka, 17<sup>th</sup> May 2022