



**Extract
of consolidated
financial report
for the period
ended 31.12.2021**

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

Ostrów Mazowiecka, 12 kwietnia 2022 roku

www.FORTE.com.pl

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CONSOLIDATED SELECTED FINANCIAL DATA

	in thousands of PLN		in thousands of EUR	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Sales revenue	1 326 909	1 160 007	289 876	259 260
Profit on operating activities	178 592	142 327	39 015	31 810
Profit before tax	151 797	83 362	33 162	18 631
Net profit attributable to equity owners of the Parent company	110 829	49 551	24 212	11 075
Total comprehensive income for the period	94 359	12 330	20 614	2 756
Net cash flow from operating activities	146 367	165 125	31 975	36 905
Net cash flow from investment activities	-39 300	41 070	-8 585	9 179
Net cash flow from financial activities	-166 314	-173 461	-36 333	-38 768
Net increase (decrease) in cash and cash equivalents	-59 440	33 634	-12 985	7 517
Number of shares	23 930 769	23 930 769	23 930 769	23 930 769
Net profit per share attributable to equity owners of the parent (in PLN/EUR)	4,63	2,07	1,01	0,46
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total assets	1 437 464	1 471 965	312 533	318 966
Total liabilities	642 621	675 755	139 718	146 432
Long-term liabilities	319 022	322 797	69 362	69 948
Short-term liabilities	323 599	352 958	70 357	76 484
Total equity attributable to equity owners of the Parent company	792 215	793 647	172 243	171 979
Share capital	23 931	23 931	5 203	5 186
Book value per share (in PLN/EUR)	33,10	33,27	7,20	7,21

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the period ended	
	31 December 2021	31 December 2020
Continued operations		
Revenue from sales of goods, products, materials and services	1 326 909	1 160 007
Cost of sales	783 586	685 623
Gross profit from sales	543 323	474 384
Other operating revenue	5 244	24 541
Costs of sales	257 136	253 993
General administrative costs	87 216	63 016
Other operating costs	25 623	39 589
Profit on operating activities	178 592	142 327
Financial revenue	3 212	1 407
Financial costs	23 295	52 287
Loss on derivative financial instruments	-1 485	-1 661
Share in the loss of investments valued at equity method	-5 227	-6 424
Profit before tax	151 797	83 362
Income tax	40 902	33 809
Profit on continued operations of the period	110 895	49 553
Profit of the period	110 895	49 553
Attributable to:		
Non-controlling shareholders	66	2
Shareholders of the Parent Company	110 829	49 551
Profit per share:		
Basic profit per one share on continued operations	4,63	2,07
Profit per one share	4,63	2,07
Diluted profit per one share on continued operations	4,63	2,07
Diluted profit per one share	4.63	2,07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the reporting period ended	
	31 December 2021	31 December 2020
Profit of the period	110 895	49 553
Other net comprehensive income before tax, including:	-20 730	-46 513
Items which in the future will not be reclassified to the profit and loss account	1 152	-245
Revaluation of employee benefit obligations	1 152	-245
Items which in the future may be reclassified to the profit and loss account	-21 882	-46 268
Foreign exchange differences on translation of foreign operations	-557	2 062
Other comprehensive income for a cash flow hedge	-21 325	-48 330
Deferred tax connected with items of comprehensive income		
Deferred tax connected with items which in the future will not be reclassified to the profit and loss account	199	-48
Deferred tax regarding employee benefits	199	-48
Deferred tax connected with items which in the future may be reclassified to the profit and loss account	-4 393	-9 242
Deferred tax regarding hedge accounting	-4 393	-9 242
Other comprehensive income	-16 536	-37 223
Total comprehensive income for the period	94 359	12 330
Attributable to:		
Non-controlling shareholders	66	2
Shareholders of the Parent Company	94 293	12 328

CONSOLIDATED STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	31 December 2021	31 December 2020
ASSETS		
Non-current assets	975 862	1 019 849
Tangible fixed assets	833 405	845 035
Intangible assets	16 729	17 520
Investment in subsidiaries	550	652
Other long-term financial assets	5 063	468
Real estate investment	51 667	64 036
Assets on deferred tax	68 448	92 138
Current assets	461 602	452 116
Current assets other than held for sale	456 258	447 216
Inventory	239 457	178 917
Trade and other receivables	186 993	180 040
Income tax receivables	584	106
Financial assets	639	128
Cash and cash equivalents	28 585	88 025
Assets held for sale	5 344	4 900
TOTAL ASSETS	1 437 464	1 471 965
LIABILITIES		
Total equity	794 843	796 210
Equity (attributable to shareholders of the Parent Company), including:	792 215	793 647
Basic equity	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capital	-14 477	-36 737
Retained earnings	668 205	691 897
Capital attributable to non-controlling shareholders	2 628	2 563
Long-term liabilities	319 022	322 797
Provision for benefits after the employment period	4 506	5 327
Interest-bearing loans and borrowings	241 968	233 638
Trade and other long-term liabilities	1 306	1 666
Accruals	1 610	37 563
Financial liabilities due to lease	25 641	22 761
Liabilities due to financial derivative instruments	38 995	19 163
Other long-term financial liabilities	4 996	2 679
Short-term liabilities	323 599	352 958
Trade and other liabilities	225 814	170 993
Contract liabilities	1 723	1 783
Accruals	362	2 311
Income tax liabilities	4 705	16 527
Current portion of interest-bearing loans and borrowings	83 090	153 902
Financial liabilities due to lease	834	2 102
Liabilities due to financial derivative instruments	4 060	2 568
Provision for benefits after the employment period	682	500
Other accruals	2 329	2 272
Total liabilities	642 621	675 755
TOTAL LIABILITIES	1 437 464	1 471 965

CONSOLIDATED CASH FLOW STATEMENT

	For the period ended	
	31 December 2021	31 December 2020
Cash flows from operating activities		
Profit of the period	110 895	49 553
Adjustments by:	59 137	119 517
Share in the loss of investments valued at equity method	5 227	6 424
Depreciation	54 685	55 797
Foreign exchange (gains)/losses	-1 589	29 470
Interest income	-29	-327
Interest expense	6 738	9 690
Dividend income	-371	-8
(Profit)/ loss on investment activities	-1 145	20 167
Current tax recognised in the profit and loss account	40 902	33 809
Received subsidies	0	-13 791
Change in receivables	-6 953	-38 994
Change in inventories	-62 923	10 279
Change in liabilities, excluding loans and borrowings	14 404	3 543
Change in provisions	-1 083	1 744
Change in fair value	9 684	1 074
Other adjustments	1 590	640
Cash flows from operating activities	170 032	169 070
Income tax paid	-23 665	-3 945
Net cash flows from operating activities	146 367	165 125
Cash flows from investment activities		
Sale of tangible assets	4 796	305
Inflows from disposal of associates	76	0
Purchase of intangible assets	-2	-1 287
Purchase of tangible fixed assets	-36 008	-20 762
Real property investments	-126	-185
Purchase of shares in associates	0	-6
Cash overtaken in purchase of shares in associates	0	3 423
Purchase of other debt and equity instruments	-4 609	-198
Sale of other debt and equity instruments	0	61 221
Dividends received	369	8
Repayment of borrowings related entities	0	66
Repayment of borrowings unrelated entities	705	103
Borrowings granted related entities	-3 301	-1 618
Borrowings granted unrelated entities	-1 200	0
Net cash flows from investing activities	-39 300	41 070
Cash flows from financing activities		
Inflows from loans and borrowings taken out	22 024	9 230
Repayment of loans and borrowings	-82 985	-184 539
Repayment of leasing liabilities	-2 367	-2 312
Payment of dividends to non-controlling	-95 725	-1
Interest paid	-7 261	-9 630
Subsidies	0	13 791
Net cash flows from financial activities	-166 314	-173 461
Net increase/ (decrease) in cash and cash Equivalents before exchange differences	-59 247	32 734
Net foreign exchange differences (from the opening balance translation)	-193	900
Net increase /(decrease) in cash and cash Equivalents	-59 440	33 634
Opening balance of cash	88 025	54 391
Closing balance of cash, including:	28 585	88 025
of limited disposability	793	5 483

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2021

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share capital	Share premium	Retained earnings	Other reserve capital	Total capital attributed to controlling shareholders	Total capital of non-controlling shareholders	Total equity
As at 1 January 2020	23 931	114 556	664 511	-21 813	781 185	17	781 202
Error adjustments	-	-	-23 868	23 868	-	-	-
Changes in Accounting Principles (Policy)	-	-	1 569	-1 569	-	-	-
As at 1 January 2020 after adjustments	23 931	114 556	642 212	486	781 185	17	781 202
Payment of dividend for 2019	-	-	-	-	-	-	-
Including an entity for consolidation	-	-	145	-	145	2 553	2 698
Other changes	-	-	-11	-	-11	-9	-20
Current result	-	-	49 551	-	49 551	2	49 553
Other comprehensive income for the period	-	-	-	-37 223	-37 223	-	-37 223
Comprehensive income for the period	-	-	49 551	-37 223	12 328	2	12 330
Change in equity	-	-	49 685	-37 223	12 462	2 546	15 008
As at 31 December 2020	23 931	114 556	691 897	-36 737	793 647	2 563	796 210

Commentary to the Group results and basic economic-financial amounts**Financial data of the Fabryki Mebli „FORTE” S.A. Group**

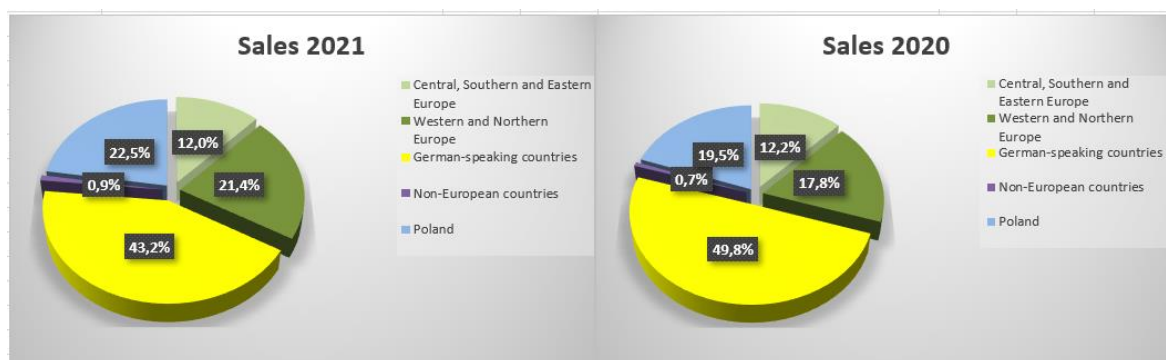
Item	2021	2020	% change 2021/2020
Sales revenue	1 326 909	1 160 007	14,4%
Cost of sales	783 586	685 623	14,3%
Gross profit on sales	543 323	474 384	14,5%
Gross margin on sales %	40,9%	40,9%	
Selling costs	257 136	253 993	1,2%
G&A costs	87 216	63 016	38,4%
Operating profit (EBIT)	178 592	142 327	25,5%
EBITDA	233 277	198 124	17,7%
Share in profit/loss of subsidiaries valued under the equity method	-5 227	-6 424	-18,6%
Gross profit	151 796	83 362	82,1%
Net profit	110 894	49 553	123,8%
Net profit margin %	8,4%	4,3%	
Return on equity (ROE)	14,0%	6,2%	
Return on assets (ROA)	7,7%	3,4%	

In 2021, **sales revenue** amounted to PLN 1 326 909 thousand and, despite the ongoing Covid-19 pandemic, it was higher by 14.4% (in terms of value by PLN 166 902 thousand) as compared to the previous year. In the reporting period, the highest growth dynamics was observed for revenue from sales of raw chipboard to customers outside the Group, which amounted to PLN 173 855 thousand vs. PLN 66 877 thousand in the previous year (157.38%). It was mainly the result of increasing market prices of chipboard and the continuing high demand.

The Management Board estimates that the positive impact of a weakening PLN/EUR exchange rate in 2021 vs 2020, above the levels hedged by the Group's option corridor policy in sales revenue for 2021, amounted to PLN 40 000 thousand.

Export sales of the FORTE Group totalled PLN 1 028 940 thousand – 77.5 % of total sales (in 2020 – PLN 934 304 thousand – 80.5 %). Sales in the Polish market in 2021 amounted to PLN 297 969 thousand (22.5%) against PLN 225 702 thousand (19.5%) in the corresponding period of 2020.

The percentage of sales in individual markets was as follows: German-speaking countries 43.2% (49.8% - 2020), other Western and Northern Europe 21.4% (17.8% - 2020), Poland 22.5% (19.5% - 2020), Central, Southern and Eastern Europe 12.0% (12.2% - 2020), non-European countries 0.9% (0.7% - 2020).



Selling costs – the selling costs to revenue ratio amounted to 19.4% versus 21.9% in the corresponding period last year. In terms of value, selling costs decreased by PLN 3 143 thousand. The reason for the above percentage decrease is an increase in the share of revenue from sales of chipboard to external customers with in-house collection, i.e. without transport costs on the part of the Group.

G&A costs – the G&A costs to revenue ratio stood at 6.6%, versus 5.4% last year. This increase in costs vs. the comparative period is a result of salary changes made during the reporting period as well as further changes in the Group's organisation.

Operating profit amounted to PLN 178 592 thousand (13.5% of revenue), compared to PLN 142 327 thousand (12.3% of revenue) in 2020.

This significant increase in the level of profitability compared to 2020 is the result of the following factors and measures implemented by the Group:

- weakening of the PLN/EUR exchange rate,
- increase in the market price of chipboard, which had a positive impact on the margin on sales outside the Group,
- further implementation of the Lean Management philosophy in the management of key processes across the Group and further cost consolidation.

The operating result for the reporting period was charged with a one-off write-down of the value of investment real properties to their fair value of PLN (-) 10 808 thousand. The write-down was made on the basis of valid real property valuations obtained in connection with the plans to sell these real properties.

In addition, the Group established a provision of PLN 8 497 thousand recognised in other operating expenses in Q4 2021 as a result of the negative position of the Ministry of Development and Technology regarding the return of the full amount of the received subsidy including interest by TANNE. The amount of the established provision is part of the value of the subsidy, which in 2021 and in previous years was recognised in other operating income of the subsidiary – in proportion to the depreciation of fixed assets covered by the subsidy. The amount of the established provision offset against the amount of the subsidy written down to other operating income for 2021 amounts to PLN 6 186 thousand.

Result on financial operations amounted to PLN (-) 20 083 thousand.

The negative result was affected, in particular, by the established provision for budget interest of (-) PLN 15,278 thousand in connection with the decision received by TANNE Sp. z o.o. from the Ministry of Development and Technology to terminate the state aid agreement of 19 November 2015 and the resulting need to return the full amount of the received subsidy including interest.

In the reporting period, **net profit** totalled PLN 110 894 thousand (8.4% of revenue), compared to PLN 49 553 thousand (4.3% of revenue) in 2020.

Financial data of Fabryki Mebli „FORTE” S.A.

Item	2021	2020	% change 2021/2020
Sales revenue	1 160 207	1 100 104	5,5%
Cost of sales	752 253	710 268	5,9%
Gross profit on sales	407 953	389 836	4,6%
Gross margin on sales %	35,16%	35,44%	-0,8%
Selling costs	276 868	276 885	0,0%

G&A costs	71 674	51 065	40,4%
Operating profit (EBIT)	55 155	51 279	7,6%
EBITDA	79 425	76 208	4,2%
Gross profit	103 742	47 554	118,2%
Net profit	90 383	33 324	171,2%
Net profit margin %	7,8%	3,0%	
Return on equity (ROE)	16,8%	5,9%	
Return on assets (ROA)	9,8%	3,8%	

Due to the current structure of the FORTE Group, in which vertical integration of the added value chain is spread across individual companies, the Management Board does not comment on the above separate financial data, as the analysis of separate financial statements of the Parent Company does not make full economic sense.

Characteristics of assets and liabilities

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

Liquidity and efficiency analysis	2021	2020
Current ratio (current assets/current liabilities)	1,4	1.3
Quick ratio (current assets – inventories/current liabilities)	0,7	0.8
Receivable turnover in days (average trade receivables*365/sales revenue)	36	34
Inventory turnover in days (average inventories*365/cost of sales)	97	98
Liability turnover in days (average trade liabilities*365/cost of sales)	32	41
Current asset turnover in days (average current assets*365/sales revenue)	125	134

Characteristics of balance sheet items	2021		2020		% change 2021/2020
	PLN '000	% of balance sheet total	PLN '000	% of balance sheet total	
Non-current assets	975 862	68%	1 019 849	69%	-4,3%
Current assets	456 258	32%	447 216	31%	2,0%
Current assets available for sale	5 344	0%	4 900	0%	0,0%
Total assets	1 447 742	100%	1 471 965	100%	-2,3%
Equity	794 842	55%	796 210	54%	-0,2%
Non-current liabilities and provisions	319 022	22%	322 797	22%	-1,2%
Current liabilities and provisions	323 600	23%	352 958	24%	-8,3%
Total equity and liabilities	1 447 742	100%	1 471 965	100%	-2,3%

Non-current assets decreased by PLN 43 987 thousand, mainly due to revaluation of the fair value of investment real properties held by the Group (PLN 10 127 thousand) and as a result of partial use of assets for deferred tax due to tax relief in connection with business operations carried out by TANNE Sp. z o.o. and DYSTRI-FORTE Sp. z o.o. in the Special Economic Zone (PLN 20 998 thousand).

In **current assets**, the most significant increase was recorded for inventories (PLN 60 540 thousand), and the most significant decrease – for cash and cash equivalents item (PLN 59 440 thousand).

On **liabilities** side, the most significant changes relate to: increase in liabilities under derivative financial instruments by PLN 21 324 thousand and a decrease in liabilities under bank loans by PLN 62 482 thousand and under income tax by PLN 11 822 thousand.

Financial data of Fabryki Mebli „FORTE” S.A.

Liquidity and efficiency analysis	2021	2020
Current ratio (current assets/current liabilities)	1,6	1.2
Quick ratio (current assets – inventories/current liabilities)	0,8	0.7
Receivable turnover in days (average trade receivables*365/sales revenue)	40	36
Inventory turnover in days (average inventories*365/cost of sales)	72	68
Liability turnover in days (average trade liabilities*365/cost of sales)	45	47
Current asset turnover in days (average current assets*365/sales revenue)	106	109

Characteristics of balance sheet items	2021		2020		% change 2021/2020
	PLN '000	% of balance sheet total	PLN '000	% of balance sheet total	
Non-current assets	565 318	61%	563 657	64%	0,3%
Current assets	357 558	39%	314 614	36%	13,6%
Total assets	922 876	100%	878 271	100%	5,1%
Equity	536 632	58%	560 220	64%	-4,2%
Non-current liabilities and provisions	158 680	17%	45 929	5%	245,5%
Current liabilities and provisions	227 565	25%	272 122	31%	-16,4%
Total equity and liabilities	922 876	100%	878 271	100%	5,1%

Non-current assets rose by PLN 1 661 thousand, mainly as a result of an increase in tangible fixed assets by PLN 1 889 thousand. This increase in tangible fixed assets is mainly the result of intense investment activities carried out by the parent company on its construction facilities.

In **current assets**, a large increase was recorded for inventories by PLN 43 008 thousand (for finished goods by PLN 23 640 thousand, and for materials by PLN 19 609 thousand) and a significant increase for cash by PLN 6 407 thousand.

On **liabilities** side, a shift in the proportion of current and non-current liabilities was most significant.

In non-current liabilities, an increase was recorded mainly for liabilities under bank loans and borrowings by PLN 85 917 thousand, liabilities under derivative financial instruments by PLN 21 631 thousand and lease liabilities by PLN 2 865 thousand. There was also an increase in liabilities to entities valued using the equity method (PLN 2 317 thousand).

Current liabilities decreased mainly for the current part of bank loans and borrowings by PLN 36 549 thousand and for income tax liabilities by PLN 11 850 thousand. Lease liabilities also decreased by PLN 1 282 thousand. Current liabilities increased for trade and other liabilities by PLN 2 943 thousand and for liabilities under derivative financial instruments by PLN 1 492 thousand.

Characteristics of the policy on the development directions of the Issuer's Group. Key development directions of the Group

For the FORTE Group, 2021 was another year that was clearly affected by the global pandemic situation. Despite this, the Group almost repeated the 2020 turnover in the individual markets and at the same time significantly increased its revenues from sales of raw chipboard. In the second half of the year, rapidly rising raw material costs, which could not be directly translated into product prices, caused a slow decline in the profitability of furniture sales, which will probably have an impact on the next year.

In 2022, the Group will focus on measures aimed at increasing profitability in order to return to dynamic growth in furniture sales in European markets by further increasing market share in individual countries and adjusting the product offer accordingly. In the longer term, the Group will also develop outside Europe, including through the established Joint Venture in India.

However, taking into account the current situation related to Russia's aggression in Ukraine, and its significant impact on the business environment, as well as the ongoing COVID-19 pandemic, the Management Board sees a real and significant threat that may have a negative impact on the Group's operations in 2022, both in terms of maintaining the production flow and the continuity of supplies to customers in Europe.

SELECTED FINANCIAL DATA

	in thousands of PLN		in thousands of EUR	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Sales revenue	1 160 207	1 100 104	253 459	245 872
Profit on operating activities	55 155	51 279	12 049	11 461
Profit before tax	103 742	47 555	22 663	10 628
Profit (Loss) for the period	90 383	33 324	19 745	7 448
Total comprehensive income for the period	72 135	-5 791	15 759	-1 294
Net cash flows from operating activities	25 501	47 585	5 571	10 635
Net cash flows from investing activities	32 065	-8 032	7 005	-1 795
Net cash flows from financial activities	-50 936	-76 984	-11 127	-17 206
Net increase (decrease) in cash and cash equivalents	6 630	-37 431	1 448	-8 366
Number of shares	23 930 769	23 930 769	23 930 769	23 930 769
Declared or paid dividend per share (in PLN/EUR)	4,00	0,00	0,87	0,00
Net loss per share (in PLN/EUR)	3,78	1,39	0,83	0,31
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total assets	922 876	878 271	200 651	190 316
Total liabilities	386 244	318 051	83 977	68 920
Long-term liabilities	158 680	45 929	34 500	9 953
Short-term liabilities	227 565	272 122	49 477	58 967
Total equity	536 632	560 220	116 674	121 396
Share capital	23 931	23 931	5 203	5 186
Book value per share (in PLN/EUR)	22,42	23,41	4,88	5,07

PROFIT AND LOSS ACCOUNT

	For the period ended	
	31 December 2021	31 December 2020
Continued operations		
Revenue from sales of goods, products, materials and services	1 160 207	1 100 104
Cost of sales	752 253	710 268
Gross profit from sales	407 953	389 836
Other operating revenue	2 237	13 712
Costs of sales	276 868	276 885
General administrative costs	71 674	51 065
Other operating costs	6 493	24 319
Profit on operating activities	55 155	51 279
Financial revenue	56 796	6 390
Financial costs	2 981	3 690
Share in the loss of investments valued at equity method	-5 227	-6 424
Profit before tax	103 742	47 555
Income tax	13 360	14 231
Profit on continued operations of the period	90 383	33 324
Profit of the period	90 383	33 324
Profit per share	31 December 2021	31 December 2020
Basic profit (loss) per one share on continued operation	3,78	1,39
Profit (loss) per share		
Diluted profit (loss) per one share on continued operation	3,78	1,39
Diluted profit (loss) per one share	3,78	1,39

STATEMENT OF COMPREHENSIVE INCOME

	For the reporting period ended	
	31 December 2021	31 December 2020
Profit (loss) of the period	90 383	33 324
Other net comprehensive income before tax, including:	-22 441	-48 405
Items which in the future will not be reclassified to the profit and loss account	- 1 052	-251
Revaluation of employee benefit obligations	1 052	-251
Items which in the future may be reclassified to the profit and loss account	-23 493	-48 154
Foreign exchange differences on translation of foreign operations	-371	489
Other comprehensive income for a cash flow hedge	-23 122	-48 643
Deferred tax connected with items of comprehensive income		
Deferred tax connected with items which in the future will not be reclassified to the profit and loss account	200	-48
Deferred tax regarding employee benefits	200	-48
Deferred tax connected with items which in the future may be reclassified to the profit and loss account	-4 393	-9 242
Deferred tax regarding hedge accounting	-4 393	-9 242
Other comprehensive income	-18 248	-39 115
Total comprehensive income for the period	72 135	-5 791

STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	31 December 2021	31 December 2020
ASSETS		
Non-current assets	565 318	563 657
Tangible fixed assets	269 688	267 799
Intangible assets	615	1 032
Investment in subsidiary	289 782	289 883
Other long-term financial assets	2 518	2 792
Assets on deferred tax	2 715	2 151
Current assets	357 558	314 614
Inventory	170 111	127 102
Trade and other receivables	171 395	177 687
Other financial assets	2 039	2 220
Cash and cash equivalents	14 012	7 605
TOTAL ASSETS	922 876	878 271
LIABILITIES		
Total equity	536 632	560 220
Basic equity	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capital	-32 543	-14 296
Retained earnings	430 688	436 029
Long-term liabilities	158 680	45 929
Interest-bearing loans and borrowings	85 917	-
Provision for benefits after the employment period	4 027	4 816
Payables to units priced at MPW	4 996	2 679
Liabilities due to financial derivative instruments	37 332	15 701
Subsidies	811	-
Financial liabilities due to lease	25 598	22 733
Short-term liabilities	227 565	272 122
Trade and other liabilities	178 202	175 556
Contract liabilities	1 639	1 237
Subsidies	362	300
Current portion of interest-bearing loans and borrowings	34 951	71 500
Financial liabilities due to lease	756	2 038
Liabilities due to financial derivative instruments	4 060	2 568
Income tax liabilities	4 603	16 453
Provision for benefits after the employment period	663	497
Other accruals	2 329	2 273
Total liabilities	386 244	318 051
TOTAL LIABILITIES	922 876	878 271

CASH FLOW STATEMENT

	For the period ended	
	31 December 2021	31 December 2020
Cash flows from operating activities		
Profit (loss) of the period	90 383	33 324
Adjustments by:	-43 302	16 333
Share in the loss of investments valued at equity method	5 227	6 424
Depreciation	24 270	24 928
Foreign exchange (gains)/losses	-1 160	2 021
Interest income	-83	-425
Interest expense	3 075	2 413
Dividend income	-55 623	-151
(Profit)/loss on investment activities	-311	25
Change in receivables	6 763	-45 954
Change in inventories	-43 009	11 406
Change in liabilities, excluding loans and borrowings	2 714	13 505
Change in provisions	485	170
Current tax recognised in the profit and loss account	13 360	14 231
Subsidies granted	-	-12 445
Other adjustments	989	185
Income tax paid/received	-21 580	-2 072
Net cash flows from operating activities	25 501	47 585
Cash flows from investment activities		
Sale of tangible fixed assets	422	266
Purchase of intangible fixed assets	0	-136
Purchase of shares in associated company	0	-594
Purchase of tangible fixed assets	-21 212	-16 427
Dividends received	55 623	151
Interest received	101	778
Borrowings granted to related entities	-3 301	-6 878
Repayment of borrowings granted to related entities	809	14 808
Other inflows/outflows	-376	0
Net cash flows from investing activities	32 065	-8 032
Cash flows from financing activities		
Inflows from loans and borrowings taken out	50 524	0
Repayment of loans and borrowings	0	-84 630
Interest paid	-3 454	-2 598
Repayment of leasing liabilities	-2 283	-2 201
Subsidies	0	12 445
Dividends paid	-95 723	0
Net cash flows from financial activities	-50 936	-76 984
Net increase (decrease) in cash and cash equivalents	6 630	-37 431
Net foreign exchange differences (from the opening balance translation)	-223	395
Opening balance of cash	7 605	44 641
Closing balance of cash, including:	14 012	7 605
of limited disposability	318	15

STATEMENT OF CHANGES IN EQUITY

for the period ended on 31 December 2021

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

STATEMENT OF CHANGES IN EQUITY

for the year ended on 31 December 2020

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
As at 1 January 2020	23 931	114 556	402 705	24 819	566 011
Changes in Accounting Principles (Policy)	-	-	-	-	-
As at 1 January 2020 after adjustments	23 931	114 556	402 705	24 819	566 011
Current result	-	-	33 324	-	33 324
Other comprehensive income for the period	-	-	-	-39 115	(39 115)
Comprehensive income for the period	-	-	33 324	-39 115	(5 791)
Change in equity	-	-	33 324	-39 115	(5 791)
As at 31 December 2020	23 931	114 556	436 029	-14 296	560 220

Signature of the person entrusted with bookkeeping:**Chief Accounting
Anna Wilczyńska**

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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
Mariusz Jacek Gazda**

.....

**Member of the Management Board
Andreas Disch**

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**Member of the Management Board
Walter Stevens**

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Ostrów Mazowiecka, 12 April 2022