

Ostrów Mazowiecka, 25.07.2022

CURRENT REPORT no. 18/2022

Subject: inside information – preliminary information on the Issuer's financial results for Q2 2022

The Management Board of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka (the Issuer or the Company) hereby provides preliminary information on the financial results of the FABRYKI MEBLI "FORTE" S.A. Group (the Group) achieved in Q2 2022.

According to preliminary calculations, the Group's consolidated sales revenue in Q1 2022 amounted to PLN 333 million (including PLN 91 million in respect of surplus furniture board manufactured in the Group's own plant, i.e. TANNE Sp. z o.o., sold outside the Group) vs PLN 310 million in the comparative period of 2021 (including 41 million from sales of board outside the Group), which means that it was 7% higher than in 2021.

The estimated value of the Group's consolidated EBIT for Q2 2022 was PLN 22 million, compared to PLN 41 million in the corresponding period of 2021 (a decrease by 46%).

EBIT for the entire H1 2022 was PLN 54 million, compared to PLN 86 million in the corresponding period of 2021 (a decrease by 37%).

The estimated value of the Group's consolidated EBITDA for Q2 2022 was PLN 36 million, compared to PLN 55 million in Q2 2021 (a decrease by 34%).

The Group's EBITDA for the entire H1 2022 totalled PLN 82 million, compared to PLN 113 million in the corresponding period of 2021 (a decrease by 27%).

The main reason for a decline in profitability is the high increase in the cost of raw materials and production materials (primarily wood and wood-based materials), the transfer of which to the customer is delayed. At the same time, a marked slowdown in the furniture market can be observed in Q2 2022, which adversely affects the dynamics of furniture sales in all markets served by the Company. In terms of volume, furniture sales in Q1 2022 are almost 10% lower than in the same period of the previous year.

A positive factor in Q2 2022 was the furniture board market, where, in view of the severely limited supply despite the lower demand for furniture, it was possible to translate increasing production costs into the price of the product, while fully utilising the capacity of the chipboard factory, i.e. TANNE Sp. z o.o.

The Issuer's Management Board also informs that in Q2 2022, the Group created a write-down of PLN 4.6 million for the shares of Yestersen Sp. z o.o. upon receipt of information that Yestersen Sp. z o.o. had closed its showroom and its online shop. The created write-down was charged to financial costs of the reporting period.

The Issuer's Management Board informs that the above financial results are estimates only and may differ from the final figures that will be presented in the report for Q2 2022.

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