

Ostrów Mazowiecka, 26.04.2023

CURRENT REPORT No. 4 / 2023

Subject: inside information – preliminary information on the Issuer's financial results for Q5 of the financial year beginning 1 January 2022 and ending 31 March 2023

The Management Board of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka (the Issuer, the Company) hereby provides preliminary information on the financial results of the FABRYKI MEBLI "FORTE" S.A. Group (the Group) achieved in Q5 of the financial year beginning 1 January 2022 and ending 31 March 2023.

According to preliminary calculations, the Group's consolidated sales revenue in Q5 2022_2023 i.e. from 01.01.2023 to 31.03.2023 amounted to approx. PLN 325 million (including PLN 32 million in respect of surplus furniture board manufactured in the Group's own board factory, i.e. TANNE Sp. z o.o. sold outside the Group.) vs PLN 356 million in the comparative period of 2022 i.e. from 01.01.2022 to 31.03.2022 (including PLN 62 from sales of board outside the Group), which means that it was 9% lower compared to the corresponding period of 2022.

The estimated value of the Group's consolidated EBIT for Q5 2022_2023 i.e. from 01.01.2023 to 31.03.2023 was PLN 10 million, compared to PLN 32 million in the corresponding period of 2022 (a decrease by 69%).

EBIT for the 15 months of 2022_2023 i.e. from 01.01.2023 to 31.03.2023 was PLN 98 million, compared to PLN 211 million in the corresponding period of 2021_2022 (a decrease by 54%).

The estimated value of the Group's consolidated EBITDA for Q5 2022_2023 i.e. from 01.01.2023 to 31.03.2023 was PLN 23 million, compared to PLN 46 million in the corresponding period of 2022 (a decrease by 50%).

The Group's EBITDA for the 15 months of 2022_2023 amounted to PLN 167 million, compared to PLN 280 in the corresponding 15-month period of 2021_2022 (a decrease by 40%).

The financial result for Q5 2022_2023 included additional 15,000 CO2 emission allowances sold by the subsidiary TANNE at the price of EUR 94 EUR per allowance, which generated an additional one-off income of PLN 7 million.

Excluding the impact of the profit on the sale of CO2 emission allowances, the Group's EBIT for the 15 months of 2022_2023 would be PLN 63 million, compared to PLN 211 million in the corresponding period of 2021_2022 (a decrease by 70%), and for Q5 2022_2023 it would be PLN 3 million, compared to PLN 32 million in Q1 2022 (a decrease by 91%).

The Issuer's Management Board further informs that in March 2023 the Group finalised annexes to loan agreements with all financing banks, under which the Net Debt/EBITDA ratio causing a breach was increased from 3.0 to 6.0 until 30.06.2023.

In the opinion of the Company's Management Board, the following factors contributed to the decrease in profitability in Q5 2022_2023:

- increase in electricity prices (until the end of 2022, the Company purchased energy under a long-term contract with a guarantee of prices significantly lower than those currently in force);
- a significant decrease in demand for wood-based board due to a decline in demand for furniture translated into lower profitability of board sales;
- salary increases for employees in the production and warehouse areas.

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 the financial year 2022_2023 beginning 1 January 2022 and ending 31 March 2023.

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