

### CURRENT REPORT No. 3 / 2024

**Subject:** inside information – preliminary information on the Issuer's financial results for 9 months of the financial year beginning 1 April 2023 and ending 31 March 2024 and for Q3 of the financial year

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) for 9 months of the financial year beginning 1 April 2023 and ending 31 March 2024 and for Q3 of the financial year.

According to preliminary calculations, the Group's consolidated sales revenue for the nine-month period of financial year 2023-24 amounted to approx. PLN 758 million (including PLN 81 million in respect of surplus furniture board manufactured at the Group's own board factory, i.e. TANNE Sp. z o.o. sold outside the Group) vs PLN 918 million in the corresponding period of 2022 (including PLN 175 million from sales of board outside the Group), i.e. it was 18% lower than in the corresponding period of 2022.

The estimated consolidated sales revenue in Q3 of financial year 2023-24, i.e. from 1 October 2023 to 31 December 2023 amounted to PLN 282 million (including PLN 41 million in respect of surplus furniture board manufactured at the Group's own board factory, i.e. TANNE Sp. z o.o. sold outside the Group) vs PLN 335 million in the corresponding period of 2022, i.e. from 1 October 2022 to 31 December 2022 (including PLN 43 million from sales of board outside the Group), i.e. it was 16 % lower than in the corresponding period of 2022.

The estimated consolidated EBIT of the Group for the nine-month period of financial year 2023-24 amounted to PLN (-) 4 million, compared to PLN 56 million in the corresponding period of 2022.

The estimated consolidated EBIT of the Group for Q3 of financial year 2023-24 was PLN 8 million, compared to PLN 35 million in the corresponding period of 2022.

The estimated consolidated EBITDA of the Group for the nine-month period of financial year 2023-24 amounted to PLN 37 million, compared to PLN 98 in the corresponding period of 2022 (a decrease by 62%).

The estimated consolidated EBITDA of the Group for Q3 of financial year 2023-24 was PLN 22 million, compared to PLN 49 million in the corresponding period of 2022 (a decrease by 56%).

The Q3 result in financial year 2023-24 was positively impacted by income from the sale of CO2 emission allowances for a total of PLN 9.4 million and the subsidy received by the subsidiary TANNE Sp. z o.o. in the amount of PLN 1.7 million under the programme "Aid for energy-intensive industry related to natural gas and electricity prices".

Q3 EBIT in financial year 2023-24 was adversely affected by the creation of a provision for workforce reduction costs in the amount of PLN 3 million. Originally, the Company intended to create a provision for costs related to workforce reduction in the Group in the amount of PLN

7 million, as announced in current report no. 15/2023 of 3 November 2023. The actual costs related to the reduction of employment in the FORTE Group will amount to approx. PLN 3 million and will cover a total of 237 employees of the entities comprising the Group.

The restructuring of employment in the FORTE Group will allow for an annual reduction of personnel costs by approx. PLN 16 million.

The Management Board of FORTE, taking into account current market trends, is introducing additional programmes to adapt the Issuer's organisation to the current situation, the effects of which will be seen in the following quarters. Apart from personnel reduction, the Group is working on further improvement of production efficiency, reduction of other personnel-related costs, reduction of the amount of generated waste, better use of materials, optimisation of energy consumption as well as reduction of energy costs through the investment in photovoltaics – installed capacity of 11 MW.

The Issuer's Management Board informs that as of 31 December 2023, the financial debt to EBITDA ratio was 5.1. The Management Board submitted applications to the financing Banks in due time to obtain approvals to set the debt/EBITA ratio at 5.5 as of 31 December 2023, to which the Banks have provisionally agreed and which are currently being processed by the credit committees. At the same time, the Group is negotiating with the Banks the acceptable debt ratio for the following quarters, taking into account the Group's current market and financial situation.

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 Q3 of financial year 2023-24.

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