

CURRENT REPORT No. 4 / 2024

Subject: inside information – preliminary information on the Issuer's financial results for the financial year beginning 1 April 2023 and ending 31 March 2024 and for Q4 of the financial year

The Management Board of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka (the Issuer, the Company) hereby publishes preliminary information on the financial results of the FABRYKI MEBLI "FORTE" S.A. Group (the Group) for 12 months of the financial year beginning 1 April 2023 and ending 31 March 2024 (financial year 2023-24) and for Q4 of the financial year.

According to preliminary calculations, the Group's consolidated sales revenue for the twelve-month period of financial year 2023-24 amounted to approx. PLN 1 031 million (including PLN 115 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 1 243 million in the corresponding period of 2022-23 (including PLN 208 million from sales of board outside the Group), i.e. it was 17% lower than in the corresponding period of 2022-23.

The estimated consolidated sales revenue in Q4 of financial year 2023-24, i.e. from 1 January 2024 to 31 March 2024, amounted to PLN 273 million (including PLN 34 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 325 million in the corresponding period of 2022-23, i.e. from 1 January 2023 to 31 March 2023 (including PLN 32 million from sales of board outside the Group), i.e. it was 16 % lower than in the corresponding period of 2022-23.

The estimated consolidated EBIT of the Group for the twelve-month period of financial year 2023-24 was PLN (-) 2 million, compared to PLN 66 million in the corresponding period of 2022-23.

The estimated consolidated EBIT of the Group for Q4 of financial year 2023-24 amounted to PLN 2 million, compared to 10 million in the corresponding period of 2022-23.

The estimated consolidated EBITDA of the Group for the twelve-month period of financial year 2023-24 amounted to PLN 53 million, compared to PLN 121 in the corresponding period of 2022-23 (a decrease by 56%).

The estimated consolidated EBITDA of the Group for Q4 of financial year 2023-24 was PLN 16 million, compared to PLN 23 million in the corresponding period of 2022-23 (a decrease by 33%).

The result on currency options hedging the exchange rate risk in the amount of PLN 7 million had a positive impact on the increase in sales revenue/EBIT of Q4 of financial year 2023-24. The contracted level of the EUR/PLN exchange rate for currency options in the reporting period amounted to 4.53 vs. average quarterly EUR/PLN exchange rate of 4.32. In addition, the Company released provisions for bonuses to customers as they failed to reach turnover thresholds of PLN 3 million.

The above financial results reflect the difficult situation of the European furniture industry as a whole. It is mostly impacted by restricted consumption as a result of the economic situation caused, among other things, by high inflation and events in the Middle East and Ukraine.

The Issuer's Management Board informs that as of 31 March 2024, the financial debt to EBITDA ratio was 5.8. The Management Board timely applied to the financing Banks for consent to set the debt/EBITA ratio at 6.8 as of 31 March 2024, to which the Banks initially consented. The applications are currently being processed by credit committees of individual Banks. At the same time, the Group is well advanced in negotiating joint credit documentation with the Banks, including the acceptable debt ratio for subsequent 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 the financial year 2023-24.

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