



# EXTRACT OF CONSOLIDATED **FINANCIAL REPORT**

for the period  
from **01.04.2024** to **30.06.2024**

---

FABRYKI MEBLI „FORTE” S.A. CAPITAL GROUP  
Ostrów Mazowiecka, 21 August 2024  
[www.FORTE.com.pl](http://www.FORTE.com.pl)



**TABLE OF CONTENTS**

Consolidated selected financial data.....	3
Consolidated Profit and Loss account.....	4
Consolidated statement of comprehensive income.....	5
Consolidated statement of financial situation (balance sheet).....	6
Consolidated cash flow statement.....	7
Consolidated statement of changes in equity.....	8
Consolidated statement of changes in equity.....	8
Seasonality of operations.....	9
Revenues and costs.....	9
Sales revenues.....	9
Other operating revenues.....	9
Other operating cost.....	9
Financial revenues.....	10
Financial costs.....	10
Costs by type.....	10
Commentary to the Group results and basic economic-financial amounts.....	11
Selected financial data.....	15
Profit and Loss account.....	16
Statement of comprehensive income.....	16
Statement of financial situation (balance sheet).....	17
Cash flow statement.....	18
Statement of changes in equity.....	19
Statement of changes in equity.....	19
Statement of changes in equity.....	20

**CONSOLIDATED SELECTED FINANCIAL DATA**

Consolidated financial data	in thousands of PLN		in thousands of EUR	
	01.04.2024- 30.06.2024 (unaudited)	01.04.2023- 30.06.2023 (unaudited)	01.04.2024- 30.06.2024 (unaudited)	01.04.2023- 30.06.2023 (unaudited)
Sales revenue	250 806	263 671	58 317	58 262
Profit on operating activities	9 136	2 551	2 124	564
Profit before tax	-8 207	5 605	-1 908	1 239
Net (profit) loss attributable to equity owners of the Parent company	-11 395	1 302	-2 650	288
Total comprehensive income for the period	-14 202	48 062	-3 302	10 620
Net cash flow from operating activities	28 253	16 783	6 569	3 708
Net cash flow from investment activities	3 198	-18 430	744	-4 072
Net cash flow from financial activities	-43 314	11 059	-10 071	2 444
Net (increase)/ decrease in cash and cash equivalents	-11 758	9 222	-2 734	2 038
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 Company (in PLN/EUR)	-0,48	0,05	-0,11	0,01
	30.06.2024 (unaudited)	31.03.2024 (audited)	30.06.2024 (unaudited)	31.03.2024 (audited)
Total assets	1 409 462	1 438 382	326 794	334 437
Total liabilities	513 889	528 607	119 149	122 906
Long-term liabilities	62 218	59 842	14 426	13 914
Short-term liabilities	451 671	468 765	104 723	108 992
Total equity attributable to equity owners of the Parent company	893 629	907 829	207 194	211 079
Share capital	23 931	23 931	5 549	5 564
Book value per share (in PLN/EUR)	37,34	37,94	8,66	8,82

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	<b>01.04.2024- 30.06.2024 (unaudited)</b>	<b>01.04.2023- 30.06.2023 (unaudited)</b>
Sales revenue	250 806	263 671
Cost of sales	168 429	183 902
<b>Gross profit from sales</b>	<b>82 378</b>	<b>79 769</b>
Other operating revenue	8 170	2 863
Costs of sales	54 455	57 582
General administrative costs	24 108	21 164
Other operating costs	2 848	1 335
<b>Profit on operating activities</b>	<b>9 136</b>	<b>2 551</b>
Financial revenue	173	7 916
Financial costs	15 089	5 567
Profit /(loss) on derivative financial instruments	218	322
Share in the profit/(loss) of investments valued at equity method	-2 646	384
<b>Profit before tax</b>	<b>-8 207</b>	<b>5 605</b>
Income tax	3 189	4 303
<b>Profit on continued operations of the period</b>	<b>-11 396</b>	<b>1 302</b>
<b>Profit of the period</b>	<b>-11 396</b>	<b>1 302</b>
<b>Attributable to:</b>		
Non-controlling shareholders	-1	-1
Shareholders of the Parent Company	-11 395	1 302
<b>Profit on continued operations of the period in PLN:</b>		
- basic	-0,48	0,05
- diluted	-0,48	0,05

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>01.04.2024- 30.06.2024 (unaudited)</b>	<b>01.04.2023- 30.06.2023 (unaudited)</b>
<b>Profit of the period</b>	<b>-11 396</b>	<b>1 302</b>
<b>Other comprehensive income before tax, including:</b>	<b>-3 480</b>	<b>57 782</b>
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>-3 480</b>	<b>57 782</b>
Foreign exchange differences on translation of foreign operations	-143	-453
Other comprehensive income from cash flow hedging	-3 337	58 235
<b>Deferred tax connected with items of comprehensive income</b>		
<b>Deferred tax connected with items which in the future may be reclassified to the profit and loss account</b>	<b>-674</b>	<b>11 022</b>
Deferred tax regarding hedge accounting	-674	11 022
<b>Other net comprehensive income</b>	<b>-2 806</b>	<b>46 760</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-14 202</b>	<b>48 062</b>
<b>Attributable to:</b>		
Non-controlling shareholders	-1	-1
Shareholders of the Parent Company	-14 201	48 063

**CONSOLIDATED STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)**

	<b>30 June 2024</b> <b>(unaudited)</b>	<b>31 March 2024</b> <b>( audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>940 598</b>	<b>974 592</b>
Tangible fixed assets	793 548	806 109
Intangible assets	32 218	29 271
Investment in subsidiaries	551	550
Other long-term financial assets	10 293	10 308
Real estate investment	54 313	54 313
Assets on deferred tax	10 469	12 641
Financial derivative instruments receivables	39 208	61 400
<b>Current assets</b>	<b>468 864</b>	<b>463 790</b>
<b>Current assets other then held for sale</b>	<b>468 864</b>	<b>463 790</b>
Inventory	194 518	190 648
Trade and other receivables	161 569	168 350
Financial derivative instruments receivables	81 701	63 059
Income tax receivables	11 692	10 623
Financial assets	222	190
Cash and cash equivalents	19 162	30 920
<b>TOTAL ASSETS</b>	<b>1 409 462</b>	<b>1 438 382</b>
<b>LIABILITIES</b>		
<b>Total equity</b>	<b>895 573</b>	<b>909 775</b>
<b>Equity (attributable to shareholders of the Parent Company), including:</b>	<b>893 629</b>	<b>907 829</b>
Basic equity	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capital	118 647	121 457
Retained earnings	636 495	647 885
<b>Capital attributable to non-controlling shareholders</b>	<b>1 945</b>	<b>1 946</b>
<b>Long-term liabilities</b>	<b>62 218</b>	<b>59 842</b>
Provision for benefits after the employment period	4 226	4 226
Interest-bearing loans and borrowings	3 774	3 925
Trade and other long-term liabilities	589	623
Accruals	17 886	14 917
Financial liabilities due to lease	33 999	33 769
Other long-term financial liabilities	1 743	2 382
<b>Short-term liabilities</b>	<b>451 671</b>	<b>468 765</b>
Trade and other liabilities	151 470	141 599
Contract liabilities	1 074	843
Accruals	315	320
Income tax liabilities	50	4
Current portion of interest-bearing loans and borrowings	293 838	321 074
Financial liabilities due to lease	2 176	1 964
Liabilities due to financial derivative instruments	154	366
Provision for benefits after the employment period	579	579
Other accruals	2 016	2 016
<b>Total liabilities</b>	<b>513 889</b>	<b>528 607</b>
<b>TOTAL LIABILITIES</b>	<b>1 409 462</b>	<b>1 438 382</b>

**CONSOLIDATED CASH FLOW STATEMENT**

	<b>01.04.2024- 30.06.2024 (unaudited)</b>	<b>01.04.2023- 30.06.2023 (unaudited)</b>
<b>Cash flows from operating activities</b>		
<b>Profit of the period</b>	<b>-11 396</b>	<b>1 302</b>
<b>Adjustments by:</b>	<b>41 014</b>	<b>20 758</b>
Share of profit/(loss) of associates and joint ventures accounted for using equity method	2 646	-384
Depreciation	13 994	13 796
Foreign exchange losses	302	-12 825
Interest income	-34	-27
Interest costs	5 268	5 437
(Profit)/ loss on investing activity	-7 639	-2 419
Current tax recognised in profit or loss account	3 189	4 303
Change in receivables	6 767	34 164
Change in inventories	-3 870	5 222
Change in liabilities, excluding loans and borrowings	10 588	-28 211
Change in provisions	-10	1 461
Other adjustments	9 813	241
<b>Cash flows from operating activities</b>	<b>29 619</b>	<b>22 060</b>
Income tax paid	-1 365	-5 277
<b>Net cash flows from operating activities</b>	<b>28 253</b>	<b>16 783</b>
<b>Cash flows from investment activities</b>		
Sale of intangible assets	7 556	2 646
Sale of tangible assets	185	45
Purchase of tangible fixed assets	-1 053	-20 413
Purchase of shares in related entities	0	-20
Purchase of shares in unrelated entities	0	-698
Purchase of shares in entities valued at equity method	-3 490	0
Borrowings interest received	0	10
<b>Net cash flows from investing activities</b>	<b>3 198</b>	<b>-18 430</b>
<b>Cash flows from financing activities</b>		
Inflows from loans and borrowings taken out	0	35 807
Repayment of loans and borrowings	-27 748	-18 559
Repayment of leasing liabilities	-490	-578
Payment of dividends to non-controlling shareholders	0	-2
Interest paid	-5 287	-5 609
Other cash inflows (outflows) classified as financing activities	-9 789	0
<b>Net cash flows from financial activities</b>	<b>-43 314</b>	<b>11 059</b>
<b>Net increase/ (decrease) in cash and cash equivalents before exchange differences</b>	<b>-11 863</b>	<b>9 412</b>
Net foreign exchange differences (from the opening balance translation)	106	-190
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-11 758</b>	<b>9 222</b>
<b>Opening balance of cash</b>	<b>30 920</b>	<b>29 342</b>
<b>Closing balance of cash, including:</b>	<b>19 162</b>	<b>38 564</b>
of limited disposability	292	132

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the period of 3 months ended 30 June 2024 (unaudited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total capital attributed to controlling shareholders	Total capital of non-controlling shareholders	Total equity
<b>Status at the beginning of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>647 885</b>	<b>121 457</b>	<b>907 829</b>	<b>1 946</b>	<b>909 775</b>
Other changes	0	0	5	-4	1	0	1
<i>Current result</i>	<i>0</i>	<i>0</i>	<i>-11 395</i>	<i>0</i>	<i>-11 395</i>	<i>-1</i>	<i>-11 396</i>
<i>Other comprehensive net income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-2 806</i>	<i>-2 806</i>	<i>0</i>	<i>-2 806</i>
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-11 395</b>	<b>-2 806</b>	<b>-14 201</b>	<b>-1</b>	<b>-14 202</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-11 390</b>	<b>-2 810</b>	<b>-14 200</b>	<b>-1</b>	<b>-14 201</b>
<b>Status at the end of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>636 495</b>	<b>118 647</b>	<b>893 629</b>	<b>1 945</b>	<b>895 573</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2024 (audited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total capital attributed to controlling shareholders	Total capital of non-controlling shareholders	Total equity
<b>Status at the beginning of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>708 490</b>	<b>32 900</b>	<b>879 877</b>	<b>2 121</b>	<b>881 998</b>
Payment of dividend	0	0	0	0	0	-2	-2
Other changes	0	0	3	0	3	-2	1
<i>Current result</i>	<i>0</i>	<i>0</i>	<i>-60 607</i>	<i>0</i>	<i>-60 607</i>	<i>-171</i>	<i>-60 779</i>
<i>Other comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>88 557</i>	<i>88 557</i>	<i>0</i>	<i>88 557</i>
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-60 607</b>	<b>88 557</b>	<b>27 950</b>	<b>-171</b>	<b>27 778</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-60 605</b>	<b>88 557</b>	<b>27 952</b>	<b>-175</b>	<b>27 777</b>
<b>Status at the end of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>647 885</b>	<b>121 457</b>	<b>907 829</b>	<b>1 946</b>	<b>909 775</b>



**Seasonality of operations**

For the reporting period	Domestic revenues	Share % in total quarter revenues	Export revenues	Share % in total quarter revenues	Revenues from sales of products, materials, goods and services
I Q 2024 (04-06.2024)	53 749	21%	197 057	79%	250 806
I Q 2023 (04-06.2023)	48 546	18%	215 125	82%	263 671

**Revenues and costs****Sales revenues**

Sales revenues	For the reporting period	
	01.04.2024-30.06.2024 (unaudited)	01.04.2023-30.06.2023 (unaudited)
<b>Revenues from sales of goods, products and materials</b>	<b>246 542</b>	<b>261 186</b>
- products, including:	202 992	235 759
<i>results on the hedge accounting</i>	8 342	0
- goods	1 442	1 551
- materials	42 108	23 876
<b>Revenues from sales of services</b>	<b>4 264</b>	<b>2 485</b>
<b>Total net revenues from sales</b>	<b>250 806</b>	<b>263 671</b>
- including from related entities	5 088	2 191

**Other operating revenues**

Other operating revenues	For the reporting period	
	01.04.2024-30.06.2024 (unaudited)	01.04.2023-30.06.2023 (unaudited)
Gain on sale of property, plant and equipment	88	35
Gain on sale of intangible assets	7 556	2 646
Subsidies	22	21
Donations and compensations	224	33
Other	279	129
<b>Total other operating revenues</b>	<b>8 170</b>	<b>2 863</b>

**Other operating cost**

Other operating costs	For the reporting period	
	01.04.2024-30.06.2024 (unaudited)	01.04.2023-30.06.2023 (unaudited)
Creation of revaluation write-downs receivables	109	151
Liquidation and impairment losses on property, plant and equipment	5	262
Scrapping of inventory	285	426
Donations	75	86
Penalties and compensations	2 048	255
Damages removing costs	25	2
Other	302	152
<b>Other operating costs, total</b>	<b>2 848</b>	<b>1 335</b>

**Financial revenues**

Financial revenue	For the reporting period	
	01.04.2024- 30.06.2024 (unaudited)	01.04.2023- 30.06.2023 (unaudited)
Interest	46	35
Net foreign exchange differences	127	7 881
<b>Financial revenues, total</b>	<b>173</b>	<b>7 916</b>

**Financial costs**

Financial costs	For the reporting period	
	01.04.2024- 30.06.2024 (unaudited)	01.04.2023- 30.06.2023 (unaudited)
Interest on loans, credits	4 836	4 978
Interest on leasing	430	457
Budget interest	3	0
Other	9 820	132
<b>Financial costs, total</b>	<b>15 089</b>	<b>5 567</b>

**Costs by type**

Costs by type	For the reporting period	
	01.04.2024- 30.06.2024 (unaudited)	01.04.2023- 30.06.2023 (unaudited)
Depreciation	13 994	13 796
Consumption of materials and energy	87 964	121 664
External services	43 129	47 188
Taxes and fees	4 480	4 320
Payroll	50 151	46 761
Social insurance and other benefits	11 721	9 911
Other costs by type	3 394	3 901
<b>Costs by type</b>	<b>214 833</b>	<b>247 539</b>
Change in product inventory and accruals	4 061	6 802
Manufacturing cost of products for internal purposes	1 145	512
Scrapping of products and semi-finished products	120	358
Costs of sales	54 455	57 582
General administrative costs	24 108	21 164
<b>Manufacturing cost of sold products and services</b>	<b>130 945</b>	<b>161 121</b>
<b>Value of goods and materials sold</b>	<b>37 484</b>	<b>22 781</b>
<b>Costs of sales</b>	<b>168 429</b>	<b>183 902</b>

**Commentary to the Group results and basic economic-financial amounts**

Group performance and key economic and financial data:

Item	3 months ended 30 June 2024	3 months ended 30 June 2023	% change 2024/2023
Sales revenue	250 806	263 671	-4,9%
Cost of sales	-168 429	-183 902	-8,4%
Gross profit on sales	82 378	79 769	3,3%
Gross margin on sales %	32,8%	30,3%	
Selling costs	-54 455	-57 582	-5,4%
G&A costs	-24 108	-21 164	13,9%
Operating profit (EBIT)	9 136	2 551	258,1%
EBITDA	23 130	16 347	41,5%
Share in profit/(loss) of subsidiaries valued under the equity method	-2 646	384	-789,1%
Gross profit	-8 207	5 605	-264,4%
Net profit	-11 396	1 302	-975,3%
Net profit margin %	-4,5%	0,5%	
Return on equity (ROE)	-1,3%	0,1%	
Return on assets (ROA)	-0,8%	0,1%	

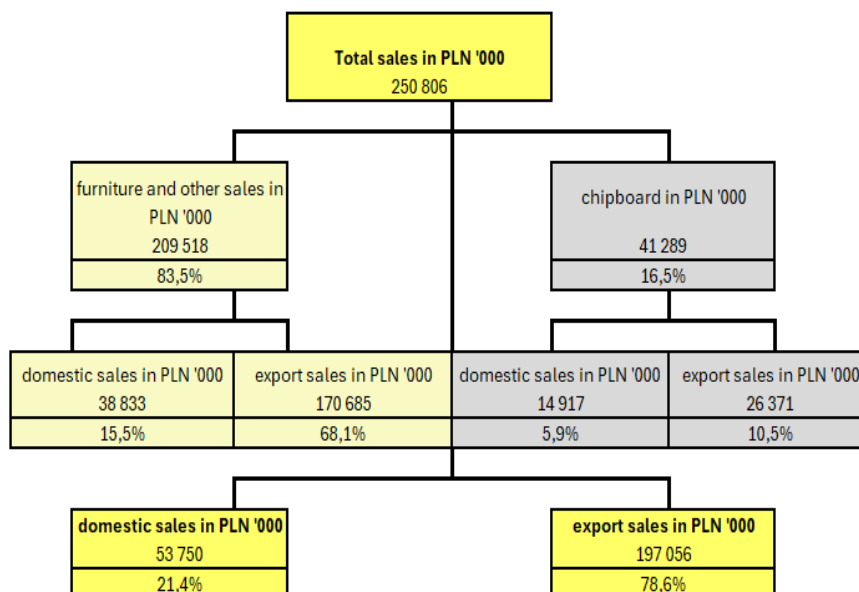
In the period April-June 2024, the FORTE Group earned **sales revenue** of PLN 250 806 thousand, compared to PLN 263 671 thousand in the same period of 2023 (a decrease by 4.9%).

**Sales of surplus chipboard** manufactured by the subsidiary TANNE accounted for 16.5% of the FORTE Group's total sales, with a 10,5% share of export sales (PLN 26 371 thousand) and a 5.9% share of domestic sales (PLN 14 917 thousand).

Chipboard sales to external customers throughout the reporting period amounted to PLN 41 288 thousand, compared to PLN 22 944 thousand in the period April-June 2023 (an increase by 80%).

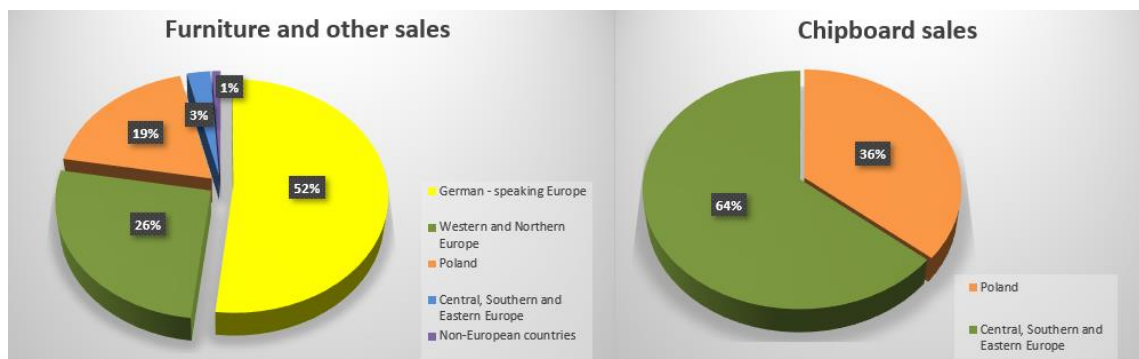
In terms of volume, however, chipboard sales in the period April-June 2024 were lower than in the comparative period by approx. 171% (57 thousand m3 in the reporting period vs. 21 thousand m3 in the comparative period).

**Furniture and other sales of the Group** accounted for 83.5% of total sales (PLN 209 518 thousand), with export sales of PLN 170 685 thousand (68.1%) and domestic sales of PLN 38 833 thousand (15.5%).



**Percentage of furniture and other sales** in individual markets was as follows: German-speaking countries 52%, Western and Northern Europe 26%, Poland 19%, Central, Southern and Eastern Europe 3% and Non-European countries 1%.

**Percentage of chipboard sales** in individual markets was as follows: Central, Southern and Eastern Europe 64%, Poland 36%.



**Gross margin on sales** stood at a level of 32.8%, which is 2.5 percentage point higher than in the corresponding period last year.

**Selling costs** – the selling costs to revenue ratio was 21.7% vs. 21.8% in the corresponding period last year. In terms of value, selling costs decreased by PLN 3 127 thousand, which was strongly correlated with the decrease in sales revenue generated by the Group in the reporting period vs. comparative period.

**G&A costs** – the G&A costs to revenue ratio was 9.6% vs. 8% in the comparative period. This increase in G&A costs is due to a provision created for an annual bonus for employees in the amount of PLN 2 000 thousand and a special bonus for Mr Maciej Formanowicz in the amount of PLN 3 500 thousand. The Supervisory Board decided to grant the bonus to Mr Maciej Formanowicz in recognition of his contribution to the establishment and development of FORTE, his many years of managing the Company and the FORTE Group, and for setting the directions for the development of the Parent Company and the FORTE Group. The bonus was paid in July 2024.

**Operating profit** amounted to PLN 9 136 thousand (3.6% of revenue), compared to PLN 2 551 thousand (1% of revenue) in the corresponding period of 2023. EBIT in the reporting period was positively influenced by the sale of 25 000 CO2 emission allowances allocated for free to TANNE. They were sold at the price of EUR 70-70.5 per allowance, which generated additional income of PLN 7 556 thousand. vs. PLN 2 656 thousand in the comparative period of the previous year. In addition, despite lower furniture sales, the Group's profitability improved as a result of optimisation and savings programmes implemented in the second half of the previous financial year.

**Result on financial operations** amounted to PLN (-) 17 344 thousand.

In the reporting period, the result on financial operations was negatively affected by interest expenses on loans totalling PLN 4 836 thousand and the funds secured by an SBLC letter of credit totalling EUR 2 269 thousand which were disbursed to Deutsche Bank in connection with the notice received on 29 May 2024 reporting a breach of the terms of a loan agreement by an Indian subsidiary. Consequently, the amount of PLN 9 775 thousand was charged to the financial expenses of the reporting period.

In addition, the result on financial operations was affected by the results of companies valued using the equity method attributable to the FORTE Group, of which SPECIFIC, an upholstered furniture manufacturer, generated a profit of PLN 1 435 thousand in the reporting period, while the Indian company incurred a loss of PLN (-) 4 081 thousand.

**Net loss** in the reporting period amounted to PLN (-) 11 396 thousand against a net profit of PLN 1 302 thousand in the same period of 2023 (a decrease by 975.3%).

The net profit for the reporting period was directly negatively affected by the use of an asset for tax reliefs by the zone companies TANNE and DYSTRIFORTE in the total amount of PLN 5 444 thousand.

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

Characteristics of balance sheet items	30.06.2024		31.03.2024		% change
	PLN '000	% of balance sheet total	PLN '000	% of balance sheet total	
Non-current assets	940 598	66,7%	974 592	67,8%	-3,5%
Current assets	468 864	33,3%	463 790	32,2%	1,1%
<b>Total assets</b>	<b>1 409 462</b>	<b>100%</b>	<b>1 438 382</b>	<b>100%</b>	<b>-2,0%</b>
Equity	895 573	63,5%	909 775	63,2%	-1,6%
Non-current liabilities and provisions	62 218	4,4%	59 842	4,2%	4,0%
Current liabilities and provisions	451 671	32,0%	468 765	32,6%	-3,6%
<b>Total equity and liabilities</b>	<b>1 409 462</b>	<b>100%</b>	<b>1 438 382</b>	<b>100%</b>	<b>-2,0%</b>

**Non-current assets** decreased by PLN 33 994 thousand. The largest decrease was observed in tangible fixed assets, caused by depreciation of assets and simultaneous limitation of investments in the reporting period (a decrease by PLN 12 651 000). There was also a significant decrease (by PLN 22 192 thousand) in non-current receivables from derivative financial instruments hedging foreign exchange risk as a result of the maturity dates of option strategies and the shift of their valuation to current receivables.

**Current assets** increased by PLN 5 074 thousand. This increase in current assets per balance was influenced by an increase in current receivables by PLN 18 642 thousand due to the above-mentioned valuation of option strategies, an increase in inventories by PLN 3 870 thousand, a decrease in cash balance by PLN 11 758 thousand and a decrease in trade receivables by PLN 6 782 thousand compared to March 2024.

On the **liabilities** side, the most significant changes involve an increase in government subsidies (PLN 2 969 thousand) in connection with the CO2 emission allowances allocated for free to TANNE, some of which were disposed of in the reporting period, an increase in trade and other current liabilities by PLN 9 870 thousand and a decrease in current liabilities on account of loans by PLN 27 236 thousand as a result of the Group's lower use of overdrafts.

In the completed reporting period, the Group identified several significant factors that affected its financial performance and its growth prospects.

Negative factors:

- continued very low demand for furniture in Western European countries and for furniture board, which resulted in low sales volumes and lack of utilisation of existing production capacity;
- weakening of the EUR/PLN exchange rate

Positive factors:

- additional income from the sale of CO2 emission allowances,
- positive effect of the reduction of costs, including employment, which will be fully visible in the results of the entire financial year;
- offering collections dedicated to individual customers, extending EasyKlix furniture sales to more customers and strengthening sales through online channels;
- use of own photovoltaic farms, which significantly reduces the cost of electricity consumed

One of the key projects carried out by the Management Board together with all the Banks financing the Group was the external financing restructuring project completed with the conclusion of the Multilateral Joint Terms Agreement on 24 July 2024, which provides the FORTE Group with stable financing until March 2027. The bank covenants that the Group is obliged to meet during the financing period were established on the basis of financial projections prepared by the Management Board, reflecting the Group's current financial situation and market position, as well as the Management Board's prudent estimates during the forecast period. One of the major terms of the Agreement was to increase the Group's financing costs by approx. 1 % over the next three quarters.

The major factors which, in the opinion of the Management Board, may affect the Group's performance in the coming months of the financial year include:

- economic situation on furniture markets in Europe and on the domestic market,
- concentration of furniture associations in Europe,
- liquidity risk of customers,

- bankruptcies of furniture companies and opportunities for the FORTE Group to take over their product range,
- availability of raw materials for furniture and furniture board production and stability of their prices, with particular consideration of the policy of the Polish State Forests,
- stability of the EUR/PLN exchange rate,
- continued general social unrest and economic uncertainty in connection with the ongoing war in Ukraine and the Gaza Strip,
- effectiveness of pro-sales activities, including the introduction of upholstered furniture and furniture in the new EasyKlix easy assembly technology to the Group's product range,
- employment reduction to offset the rising costs of minimum wages,
- introduction of measures aimed at optimising working capital management,
- finalisation of the bank loan restructuring project, which will mitigate the risk of losing financial liquidity and provide the FORTE Group with stable financing for the next 3 years.

**SELECTED FINANCIAL DATA**

Financial data of Fabryki Mebli FORTE S.A.	in thousands of PLN		in thousands of EUR	
	01.04.2024- 30.06.2024 (unaudited)	01.04.2023- 30.06.2023 (unaudited, transformed)	01.04.2024- 30.06.2024 (unaudited)	01.04.2023- 30.06.2023 (unaudited, transformed)
Sales revenue	209 561	242 799	48 727	53 650
Loss on operating activities	-15 400	-21 549	-3 581	-4 762
Loss before tax	-30 840	-17 203	-7 171	-3 801
Loss for the period	-28 132	-14 415	-6 541	-3 185
Total comprehensive income for the period	-31 210	33 019	-7 257	7 296
Net cash flows from operating activities	21 806	-3 074	5 070	-679
Net cash flows from investing activities	-4 040	-14 266	-939	-3 152
Net cash flows from financial activities	-29 120	19 239	-6 771	4 251
Net increase/ (decrease) in cash and cash equivalents	-11 274	1 790	-2 621	396
Number of shares	23 930 769	23 930 769	23 930 769	23 930 769
Net profit loss per share (in PLN/EUR)	-1,18	-0,60	-0,26	-0,13
	<b>30.06.2024</b> (unaudited)	<b>31.03.2024</b> (audited)	<b>30.06.2024</b> (unaudited)	<b>31.03.2024</b> (audited)
Total assets	968 312	991 309	224 510	230 489
Total liabilities	562 757	554 544	130 479	128 937
Long-term liabilities	56 285	60 201	13 050	13 997
Short-term liabilities	506 471	494 343	117 429	114 939
Total equity	405 555	436 765	94 031	101 552
Share capital	23 931	23 931	5 549	5 564
Book value per share (in PLN/EUR)	16,95	18,25	3,93	4,24

**PROFIT AND LOSS ACCOUNT**

	<b>01.04.2024- 30.06.2024 (unaudited)</b>	<b>01.04.2023- 30.06.2023 (transformed, unaudited)</b>
Sales revenue	209 561	242 799
Cost of sales	150 506	188 506
<b>Gross profit from sales</b>	<b>59 055</b>	<b>54 293</b>
Other operating revenue	397	213
Costs of sales	51 910	57 138
General administrative costs	20 100	17 589
Other operating costs	2 842	1 327
<b>Loss on operating activities</b>	<b>-15 400</b>	<b>-21 549</b>
Financial revenue	468	7 568
Financial costs	13 262	3 606
Share in the loss of investments valued at equity method	-2 646	384
<b>Loss before tax</b>	<b>-30 840</b>	<b>-17 203</b>
Income tax	-2 708	-2 788
<b>Loss on continued operations of the period</b>	<b>-28 132</b>	<b>-14 415</b>
<b>Loss of the period</b>	<b>-28 132</b>	<b>-14 415</b>
<b>Loss per share for the period (in PLN):</b>		
- basic	-1,18	-0,60
- diluted	-1,18	-0,60

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>01.04.2024- 30.06.2024 (unaudited)</b>	<b>01.04.2023- 30.06.2023 (transformed, unaudited)</b>
<b>Loss of the period</b>	<b>-28 132</b>	<b>-14 415</b>
<b>Other comprehensive income before tax, including:</b>	<b>-3 753</b>	<b>58 456</b>
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>-3 753</b>	<b>58 456</b>
Foreign exchange differences on translation of foreign operations	-203	445
Other comprehensive income for a cash flow hedge	-3 549	58 011
<b>Deferred tax connected with items of comprehensive income</b>	<b>-674</b>	<b>11 022</b>
<b>Deferred tax connected with items which in the future may be reclassified to the profit and loss account</b>	<b>-674</b>	<b>11 022</b>
Deferred tax regarding hedge accounting	-674	11 022
<b>Other net comprehensive income</b>	<b>-3 078</b>	<b>47 434</b>
<b>Total comprehensive income for the period</b>	<b>-31 210</b>	<b>33 019</b>



**STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)**

	<b>30 June 2024</b> (unaudited)	<b>31 March 2024</b> (audited)	<b>30 June 2023</b> (transformed, unaudited)
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>557 728</b>	<b>583 406</b>	<b>623 035</b>
Tangible fixed assets	281 778	286 921	292 060
Intangible assets	15 750	15 783	15 635
Investment in subsidiaries	207 133	207 133	166 704
Other long-term financial assets	13 858	12 169	44 684
Real estate investment	0	0	40 078
Financial derivative instruments receivables	39 208	61 400	63 873
<b>Current assets</b>	<b>410 584</b>	<b>407 904</b>	<b>354 529</b>
Current assets other than those held for sale	410 584	407 904	354 529
Inventory	128 228	131 581	149 331
Trade and other receivables	148 896	149 982	146 492
Derivative financial instruments receivables	81 701	63 059	9 796
Income tax receivables	10 926	10 016	20 496
Other short-term assets	33 038	34 198	1 468
Cash and cash equivalents	7 794	19 069	26 946
<b>TOTAL ASSETS</b>	<b>968 312</b>	<b>991 309</b>	<b>977 564</b>
<b>LIABILITIES</b>			
<b>Equity</b>	<b>405 555</b>	<b>436 765</b>	<b>434 429</b>
Share capital	23 931	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556	114 556
Other reserve capitals	120 025	123 104	81 781
Retained earnings	147 043	175 175	214 161
<b>Long-term liabilities</b>	<b>56 285</b>	<b>60 201</b>	<b>52 951</b>
Deferred tax liability	16 194	19 576	13 638
Provision for benefits after the employment period	3 755	3 755	3 194
Subsidies	1 396	1 413	1 005
Financial liabilities due to lease	33 198	33 074	33 704
Other financial liabilities	1 743	2 383	1 411
<b>Short-term liabilities</b>	<b>506 471</b>	<b>494 343</b>	<b>490 184</b>
Trade and other liabilities	304 532	277 562	260 430
Contract liabilities	1 073	843	952
Subsidies	315	320	334
Current portion of interest-bearing loans and borrowings	196 048	211 282	223 808
Financial liabilities due to lease	1 950	1 782	1 903
Provision for benefits after the employment period	538	538	447
Other provisions	2 016	2 016	2 310
<b>Total liabilities</b>	<b>562 757</b>	<b>554 544</b>	<b>543 135</b>
<b>TOTAL LIABILITIES</b>	<b>968 312</b>	<b>991 309</b>	<b>977 564</b>

**CASH FLOW STATEMENT**

	<b>01.04.2024- 30.06.2024</b> (unaudited)	<b>01.04.2023 30.06.2023</b> (unaudited)
<b>Cash flow from operating activity</b>		
<b>Profit/ (loss) of the period</b>	<b>-28 132</b>	<b>-14 415</b>
<b>Adjustments by:</b>	<b>50 848</b>	<b>14 475</b>
Share in the loss of investments valued at equity method	2 646	-384
Amortisation	6 276	6 110
Foreign exchange (profit)/loss	51	-4 625
Interest income	-452	-446
Interest costs	3 458	3 477
Dividends	0	-149
(Profit)/ Loss on investing activity	-83	227
Change in receivables	1 077	27 487
Change in inventories	3 353	2 892
Change in liabilities, excluding loans and borrowings	27 433	-17 450
Change in provisions	-5	-5
Current tax recognised in profit or loss account	-2 708	-2 788
Other	9 804	129
<b>Operating cash flow</b>	<b>22 717</b>	<b>60</b>
Income tax paid	-911	-3 135
<b>Net operating cash flow</b>	<b>21 806</b>	<b>-3 074</b>
<b>Cash flows from investment activities</b>		
Sale of tangible fixed assets	185	45
Purchases of tangible fixed assets	-734	-13 752
Purchase of shares in related entities	0	-20
Purchase of shares in unrelated entities	0	-698
Purchase of shares in entities valued at equity method	-3 490	0
Dividends received	0	149
Interest received	0	10
<b>Net investment cash flow</b>	<b>-4 040</b>	<b>-14 266</b>
<b>Cash flows from financing activities</b>		
Inflow from loans and borrowings taken out	0	23 408
Repayment of loans/credits	-15 426	0
Repayment of leasing liabilities	-432	-564
Interest paid	-3 487	-3 605
Other cash inflows (outflows) classified as financing activities	-9 775	0
<b>Net financial cash flow</b>	<b>-29 120</b>	<b>19 239</b>
<b>Increase/ (decrease) in cash and cash equivalents before exchange differences</b>	<b>-11 353</b>	<b>1 898</b>
Net foreign exchange differences	79	-109
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-11 274</b>	<b>1 790</b>
<b>Opening balance of cash</b>	<b>19 069</b>	<b>25 157</b>
<b>Cash at end of year, including:</b>	<b>7 794</b>	<b>26 946</b>
- of limited disposability	34	11

**STATEMENT OF CHANGES IN EQUITY**

for the period ended on 30 June 2024 (unaudited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
<b>Status at the beginning of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>175 175</b>	<b>123 104</b>	<b>436 765</b>
<i>Current result</i>	0	0	-28 132	0	-28 132
<i>Other comprehensive income for the period</i>	0	0	0	-3 078	-3 078
<b>Comprehensive income for the period</b>	0	0	-28 132	-3 078	-31 210
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-28 132</b>	<b>-3 078</b>	<b>-31 210</b>
<b>Status at the end of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>147 043</b>	<b>120 025</b>	<b>405 555</b>

**STATEMENT OF CHANGES IN EQUITY**

for the period ended on 31 March 2024 (audited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
<b>Status at the beginning of the period before corrections</b>	<b>23 931</b>	<b>114 556</b>	<b>277 989</b>	<b>14 547</b>	<b>431 022</b>
Merge with Forte Brand	0	0	-49 413	19 800	-29 613
<b>Status at the beginning of the period after corrections</b>	<b>23 931</b>	<b>114 556</b>	<b>228 576</b>	<b>34 347</b>	<b>401 409</b>
<i>Current result</i>	0	0	-53 401	0	-53 401
<i>Other comprehensive income for the period</i>	0	0	0	88 757	88 757
<b>Comprehensive income for the period</b>	0	0	-53 401	88 757	35 356
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-53 401</b>	<b>88 757</b>	<b>35 356</b>
<b>Status at the end of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>175 175</b>	<b>123 104</b>	<b>436 765</b>

**STATEMENT OF CHANGES IN EQUITY**

for the period ended on 30 June 2023 (unaudited, transformed)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
<b>Status at the beginning of the period before corrections</b>	<b>23 931</b>	<b>114 556</b>	<b>277 989</b>	<b>14 547</b>	<b>431 022</b>
Connection with Forte Brand	0	0	-49 413	19 800	-29 613
<b>Status at the beginning of the period after corrections</b>	<b>23 931</b>	<b>114 556</b>	<b>228 576</b>	<b>34 347</b>	<b>401 409</b>
<i>Current result</i>	<i>0</i>	<i>0</i>	<i>-14 415</i>	<i>0</i>	<i>-14 415</i>
<i>Other comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>47 434</i>	<i>47 434</i>
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-14 415</b>	<b>47 434</b>	<b>33 019</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-14 415</b>	<b>47 434</b>	<b>33 019</b>
<b>Status at the end of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>214 161</b>	<b>81 781</b>	<b>434 429</b>

**Signature of the person entrusted with bookkeeping:**

**Chief Accounting  
Anna Wilczyńska**

.....

**Signatures of all members of the Management Board:**

**President of the Management Board  
Maria Małgorzata Florczuk**

.....

**Member of the Management Board  
Mariusz Jacek Gazda**

.....

**Member of the Management Board  
Walter Stevens**

.....

Ostrów Mazowiecka, 21<sup>st</sup> August, 2024