



FABRYKI MEBLI „FORTE” S.A. CAPITAL GROUP

# EXTRACT OF CONSOLIDATED FINANCIAL REPORT

For the period  
from 01.04.2024 to 31.12.2024

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Ostrów Mazowiecka, 27 February 2025  
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**CONSOLIDATED SELECTED FINANCIAL DATA**

Consolidated financial data	in thousands of PLN		in thousands of EUR	
	01.04.2024	01.04.2023	01.04.2024	01.04.2023
	31.12.2024 (unaudited)	31.12.2023 (unaudited)	31.12.2024 (unaudited)	31.12.2023 (unaudited)
Sales revenue	772 454	757 633	179 703	169 455
Profit/(loss) on operating activities	35 783	-3 941	8 325	-881
Profit/(loss) before tax	27 117	-11 297	6 308	-2 527
Net profit/(loss) attributable to equity owners of the Parent company	21 572	-69 319	5 018	-15 504
Total comprehensive income for the period	3 032	12 286	705	2 748
Net cash flow from operating activities	83 348	91 028	19 390	20 360
Net cash flow from investment activities	-934	-31 142	-217	-6 965
Net cash flow from financial activities	-8 388	-56 290	-1 951	-12 590
Net (increase)/decrease in cash and cash equivalents	74 055	3 522	17 228	788
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)	0,90	-2,90	0,21	-0,65
	in thousands of PLN		in thousands of EUR	
	31.12.2024	31.03.2024	31.12.2024	31.03.2024
	(unaudited)	(audited)	(unaudited)	(audited)
Total assets	1 470 321	1 438 382	344 096	334 437
Total liabilities	557 514	528 607	130 474	122 906
Long-term liabilities	334 758	59 842	78 343	13 914
Short-term liabilities	222 757	468 765	52 131	108 992
Total equity attributable to equity owners of the Parent company	910 876	907 829	213 170	211 079
Share capital	23 931	23 931	5 601	5 564
Book value per share (in PLN/EUR)	38,06	37,94	8,91	8,82

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	<b>01.04.2024</b> <b>31.12.2024</b> (unaudited)	<b>01.04.2023</b> <b>31.12.2023</b> (unaudited)	<b>3 months ended</b> <b>31.12.2024</b> (unaudited)	<b>3 months ended</b> <b>31.12.2023</b> (unaudited)
Sales revenue	772 454	757 633	293 552	281 967
Cost of sales	505 695	534 433	186 595	202 624
<b>Gross profit from sales</b>	<b>266 759</b>	<b>223 200</b>	<b>106 956</b>	<b>79 343</b>
Other operating revenue	9 692	15 759	1 160	11 664
Costs of sales	165 734	167 317	59 919	58 235
General administrative costs	61 662	64 719	19 622	24 074
Other operating costs	13 272	10 865	6 710	748
<b>Profit/(loss) on operating activities</b>	<b>35 783</b>	<b>-3 941</b>	<b>21 865</b>	<b>7 950</b>
Financial revenue	3 114	11 384	826	9 076
Financial costs	26 768	18 012	5 169	5 850
Profit/(loss) on derivative financial instruments	369	1 096	17	356
Share in the profit/(loss) of investments valued at equity method	14 620	-1 824	1 979	-970
<b>Profit/(loss) before tax</b>	<b>27 117</b>	<b>-11 297</b>	<b>19 516</b>	<b>10 562</b>
Income tax	5 558	58 047	-10	9 753
<b>Profit/(loss) on continued operations of the period</b>	<b>21 559</b>	<b>-69 344</b>	<b>19 526</b>	<b>809</b>
<b>Profit/(loss) of the period</b>	<b>21 559</b>	<b>-69 344</b>	<b>19 526</b>	<b>809</b>
<b>Attributable to:</b>				
Non-controlling shareholders	-13	-26	-7	1
Shareholders of the Parent Company	21 572	-69 319	19 533	808
<b>Profit/(loss) on continued operations of the period in PLN:</b>				
- basic	0,90	-2,90	0,82	0,03
- diluted	0,90	-2,90	0,82	0,03

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>01.04.2024</b> <b>31.12.2024</b> (unaudited)	<b>01.04.2023</b> <b>31.12.2023</b> (unaudited)	<b>3 months ended</b> <b>31.12.2024</b> (unaudited)	<b>3 months ended</b> <b>31.12.2023</b> (unaudited)
<b>Profit/(loss) of the period</b>	<b>21 559</b>	<b>-69 344</b>	<b>19 526</b>	<b>809</b>
<b>Other comprehensive income before tax, including:</b>	<b>-22 655</b>	<b>100 543</b>	<b>-17 515</b>	<b>68 089</b>
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>-22 655</b>	<b>100 543</b>	<b>-17 515</b>	<b>-70 518</b>
Foreign exchange differences on translation of foreign operations	-1 290	-56	-31	255
Hedge accounting	-21 364	100 600	-17 483	67 835
<b>Deferred tax connected with items which in the future may be reclassified to the profit and loss account</b>	<b>-4 129</b>	<b>18 914</b>	<b>-3 319</b>	<b>25 031</b>
Deferred tax regarding hedge accounting	-4 129	18 914	-3 319	25 031
<b>Other net comprehensive income</b>	<b>-18 526</b>	<b>81 630</b>	<b>-14 196</b>	<b>55 293</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>3 032</b>	<b>12 286</b>	<b>5 329</b>	<b>56 102</b>
<b>Attributable to:</b>				
Non-controlling shareholders	-13	-26	-7	1
Shareholders of the Parent Company	3 046	12 311	5 336	56 100

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

	31 December 2024 (unaudited)	31 March 2024 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>903 386</b>	<b>974 592</b>
Tangible fixed assets	770 868	806 109
Intangible assets	31 668	29 271
Investment in subsidiaries	551	550
Other long-term financial assets	10 094	10 308
Real estate investment	54 316	54 313
Assets on deferred tax	11 994	12 641
Investments valued at equity method	14 813	0
Financial derivative instruments receivables	9 084	61 400
<b>Current assets</b>	<b>566 934</b>	<b>463 790</b>
<b>Current assets other then held for sale</b>	<b>566 934</b>	<b>463 790</b>
Inventory	200 379	190 648
Trade and other receivables	166 530	168 351
Financial derivative instruments receivables	93 644	63 059
Income tax receivables	1 168	10 623
Financial assets	239	190
Cash and cash equivalents	104 974	30 920
<b>TOTAL ASSETS</b>	<b>1 470 321</b>	<b>1 438 382</b>
<b>LIABILITIES</b>		
<b>Total equity</b>	<b>912 807</b>	<b>909 775</b>
<b>Equity (attributable to shareholders of the Parent Company), including:</b>	<b>910 876</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	102 932	121 457
Retained earnings	669 458	647 885
<b>Capital attributable to non-controlling shareholders</b>	<b>1 931</b>	<b>1 946</b>
<b>Long-term liabilities</b>	<b>334 758</b>	<b>59 842</b>
Provision for benefits after the employment period	4 225	4 226
Interest-bearing loans and borrowings	277 031	3 925
Trade and other long-term liabilities	582	623
Accruals	19 059	14 917
Financial liabilities due to lease	33 861	33 769
Other long-term financial liabilities	0	2 383
<b>Short-term liabilities</b>	<b>222 757</b>	<b>468 765</b>
Trade and other liabilities	149 604	141 600
Contract liabilities	2 136	843
Accruals	310	320
Income tax liabilities	35	4
Current portion of interest-bearing loans and borrowings	65 643	321 074
Financial liabilities due to lease	2 510	1 964
Liabilities due to financial derivative instruments	0	366
Provision for benefits after the employment period	579	579
Other accruals	1 941	2 016
<b>Total liabilities</b>	<b>557 514</b>	<b>528 607</b>
<b>TOTAL LIABILITIES</b>	<b>1 470 321</b>	<b>1 438 382</b>

**CONSOLIDATED CASH FLOW STATEMENT**

	<b>01.04.2024</b>	<b>01.04.2023</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
	(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) of the period</b>	<b>21 559</b>	<b>-69 344</b>
<b>Adjustments by:</b>	<b>53 086</b>	<b>151 602</b>
Share of profit/(loss) of associates and joint ventures accounted for using equity method	-14 620	1 824
Depreciation	41 896	41 214
Foreign exchange losses	-2 275	-17 362
Interest income	-860	-75
Interest costs	15 482	17 603
Dividend income	-243	-104
(Profit)/ loss on investing activity	-7 141	-12 120
Current tax recognised in profit or loss account	5 558	58 047
Change in receivables	1 821	43 023
Change in inventories	-9 732	46 750
Change in liabilities, excluding loans and borrowings	11 993	-28 376
Change in provisions	-76	1 281
Other adjustments	11 282	-103
<b>Cash flows from operating activities</b>	<b>74 645</b>	<b>82 258</b>
Income tax paid	8 703	8 770
<b>Net cash flows from operating activities</b>	<b>83 348</b>	<b>91 028</b>
<b>Cash flows from investment activities</b>		
Sale of intangible assets	7 581	12 042
Sale of tangible assets	758	452
Sale of shares in investments valued at equity method	2	0
Purchase of tangible fixed assets	-6 737	-43 007
Investments in real estate	-3	-50
Purchase of shares in unrelated entities	0	-698
Purchase of shares in investments valued at equity method	-3 490	0
Dividends received	243	104
Borrowings interest received	816	30
Borrowings granted to related entities	-103	-15
<b>Net cash flows from investing activities</b>	<b>-934</b>	<b>-31 142</b>
<b>Cash flows from financing activities</b>		
Inflows from loans and borrowings taken out	42 879	19 369
Repayment of loans and borrowings	-23 562	-56 029
Repayment of leasing liabilities	-1 595	-1 627
Payment of dividends to non-controlling shareholders	-2	-2
Interest paid	-16 119	-18 001
Other inflows/outflows	-9 990	0
<b>Net cash flows from financial activities</b>	<b>-8 388</b>	<b>-56 290</b>
<b>Net increase in cash and cash equivalents before exchange differences</b>	<b>74 026</b>	<b>3 596</b>
Net foreign exchange differences (from the opening balance translation)	29	-73
<b>Net increase in cash and cash equivalents</b>	<b>74 055</b>	<b>3 523</b>
<b>Opening balance of cash</b>	<b>30 920</b>	<b>29 342</b>
<b>Closing balance of cash, including:</b>	<b>104 974</b>	<b>32 865</b>
of limited disposability	1 132	88

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period ended 31 December 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>As at 1 April 2024</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>
Payment of dividend	0	0	0	0	0	-2	-2
Other changes	0	0	1	0	2	0	2
<i>Current result</i>	<i>0</i>	<i>0</i>	<i>21 572</i>	<i>0</i>	<i>21 572</i>	<i>-13</i>	<i>21 559</i>
<i>Other comprehensive income for the period</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-18 526</i>	<i>-18 526</i>	<i>0</i>	<i>-18 526</i>
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>21 572</b>	<b>-18 526</b>	<b>3 046</b>	<b>-13</b>	<b>3 032</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>21 573</b>	<b>-18 526</b>	<b>3 047</b>	<b>-15</b>	<b>3 032</b>
<b>As at 31 December 2024</b>	<b>23 931</b>	<b>114 556</b>	<b>669 458</b>	<b>102 932</b>	<b>910 876</b>	<b>1 931</b>	<b>912 807</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period 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>As at 1 April 2023</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	2	0	2	-2	0
<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>27 779</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>As at 31 March 2024</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>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period ended 31 December 2023 (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>As at 1 April 2023</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	2	0	2	-2	0
<i>Current result</i>	0	0	-69 319	0	-69 319	-26	-69 344
<i>Other comprehensive income for the period</i>	0	0	0	81 630	81 630	0	81 630
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-69 319</b>	<b>81 630</b>	<b>12 311</b>	<b>-26</b>	<b>12 286</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-69 316</b>	<b>81 629</b>	<b>12 313</b>	<b>-29</b>	<b>12 284</b>
<b>As at 31 December 2023</b>	<b>23 931</b>	<b>114 556</b>	<b>639 173</b>	<b>114 530</b>	<b>892 189</b>	<b>2 092</b>	<b>894 281</b>

**Seasonality of operations**

<b>For the reporting period</b>	Domestic revenues	Share % in total quarter revenues	Export revenues	Share % in total quarter revenues	Revenues from sales of products, materials, goods and services
For the period of 3 months 04-06.2024	53 749	21%	197 057	79%	250 806
For the period of 3 months 07-09.2024	58 761	26%	169 335	74%	228 096
For the period of 3 months 10-12.2023	78 358	27%	215 194	73%	293 552
	<b>190 868</b>		<b>581 586</b>		<b>772 454</b>
For the period of 3 months 04-06.2023	48 546	18%	215 125	82%	263 671
For the period of 3 months 07-09.2023	46 206	22%	165 789	78%	211 995
For the period of 3 months 10-12.2023	56 778	20%	225 189	80%	281 967
	<b>151 530</b>		<b>606 103</b>		<b>757 633</b>

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

<b>Sales revenues</b>	<b>For the reporting period</b>	
	<b>01.04.2024 31.12.2024</b> (unaudited)	<b>01.04.2023 31.12.2023</b> (unaudited)
<b>Revenues from sales of goods, products and materials</b>	<b>760 102</b>	<b>748 603</b>
- products, including <i>results on the hedge accounting</i>	637 355 42 761	658 802 3 852
- goods	7 483	5 781
- materials	115 263	84 020
<b>Revenues from sales of services</b>	<b>12 352</b>	<b>9 030</b>
<b>Total net revenues from sales</b>	<b>772 454</b>	<b>757 633</b>
- including from related entities	9 567	7 731

**Other operating revenues**

<b>Other operating revenues</b>	<b>For the reporting period</b>	
	<b>01.04.2024 31.12.2024</b> (unaudited)	<b>01.04.2023 31.12.2023</b> (unaudited)
Reversal of impairment write-downs receivables	1	81
Reversal of impairment write-downs others	227	625
Gain on sale of property, plant and equipment	46	355
Gain on sale of intangible assets	7 556	12 042
Subsidies	576	1 749
Donations and compensations	609	424
Other	676	482
<b>Total other operating revenues</b>	<b>9 692</b>	<b>15 759</b>

**Other operating cost**

<b>Other operating costs</b>	<b>For the reporting period</b>	
	<b>01.04.2024</b>	<b>01.04.2023</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
	(unaudited)	(unaudited)
Creation of revaluation write-downs inventories	48	0
Creation of revaluation write-downs receivables	129	273
Liquidation and impairment losses on property, plant and equipment	31	277
Scrapping of inventory	1 252	1 851
Donations	187	235
Penalties and compensations	2 514	404
Loss on disposal of property, plant and equipment	431	0
Damages removing costs	109	313
Unused production capacity	8 021	7 287
Other	550	225
<b>Other operating costs, total</b>	<b>13 272</b>	<b>10 865</b>

**Financial revenues**

<b>Financial revenue</b>	<b>For the reporting period</b>	
	<b>01.04.2024</b>	<b>01.04.2023</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
	(unaudited)	(unaudited)
Gain on sale of shares in investments valued at equity method	2	0
Dividends	243	104
Interest	872	44
Credit valuation at amortised cost	0	335
Exchange differences of financial assets and liabilities	1 998	10 898
Other	0	3
<b>Financial revenues, total</b>	<b>3 114</b>	<b>11 384</b>

**Financial costs**

<b>Financial costs</b>	<b>For the reporting period</b>	
	<b>01.04.2024</b>	<b>01.04.2023</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
	(unaudited)	(unaudited)
Interest on loans, credits	14 188	16 218
Interest on leasing	1 291	1 283
Budget interest	1	1
Credit valuation at amortised cost	1 437	0
Other	9 851	510
<b>Financial costs, total</b>	<b>26 768</b>	<b>18 012</b>

**Costs by type**

<b>Costs by type</b>	<b>For the reporting period</b>	
	<b>01.04.2024</b>	<b>01.04.2023</b>
	<b>31.12.2024</b> (unaudited)	<b>31.12.2023</b> (unaudited)
Depreciation	41 896	41 214
Consumption of materials and energy	290 994	288 744
External services	134 064	135 042
Taxes and fees	13 476	12 499
Payroll	147 012	139 966
Social insurance and other benefits	32 926	33 697
Other costs by type	10 368	11 543
<b>Costs by type</b>	<b>670 736</b>	<b>662 706</b>
Change in product inventory and accruals	-1 319	-28 289
Manufacturing cost of products for internal purposes	3 647	1 641
Scrapping of products and semi-finished products	753	1 048
Unused production capacity	8 021	7 287
Costs of sales	165 734	167 317
General administrative costs	61 662	64 719
<b>Manufacturing cost of sold products and services</b>	<b>432 236</b>	<b>448 985</b>
Value of goods and materials sold	73 458	85 449
<b>Costs of sales</b>	<b>505 695</b>	<b>534 433</b>

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

Group performance and key economic and financial figures:

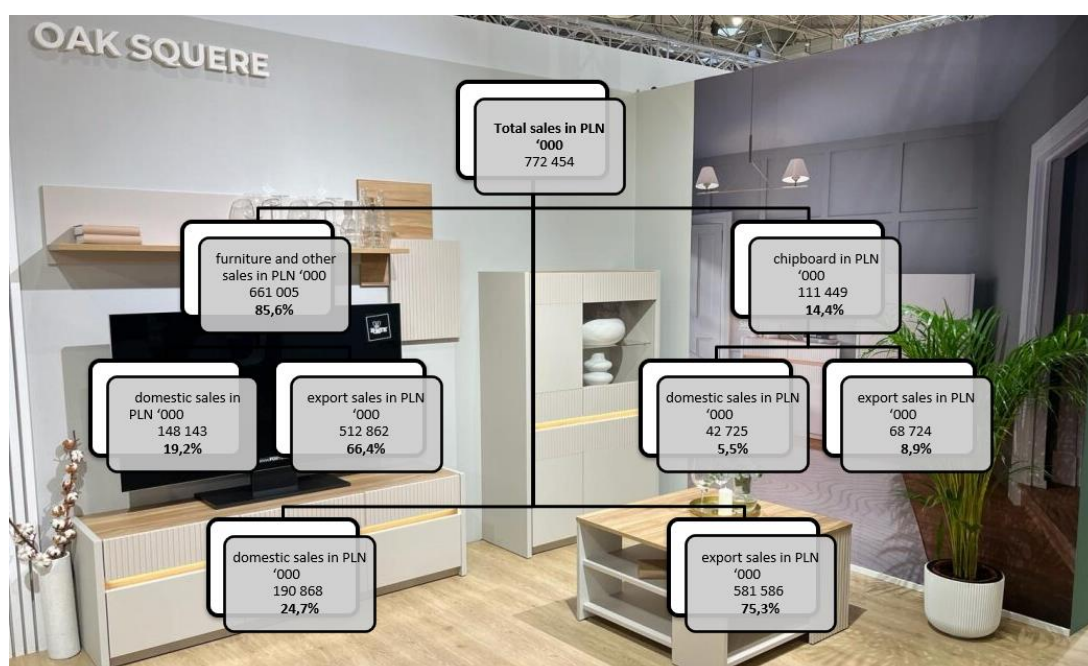
Item	01.04.2024 31.12.2024 in PLN '000	01.04.2023 31.12.2023 in PLN '000	Change in PLN '000	% change
Sales revenue	772 454	757 633	14 821	2,0%
Cost of sales	-505 695	-534 433	-28 740	-5,4%
Gross profit on sales	266 759	223 200	43 559	19,5%
Gross margin on sales %	34,5%	29,5%		
Selling costs	-165 734	-167 317	-1 583	-0,9%
G&A costs	-61 662	-64 719	-3 057	-4,7%
Operating profit (EBIT)	35 783	-3 941	39 724	1008,0%
EBITDA	77 679	37 273	40 406	108,4%
Share in profit/(loss) of subsidiaries valued under the equity method	14 620	-1 824	16 444	901,5%
Gross profit/(loss)	27 117	-11 297	38 414	340,0%
Net profit/(loss)	21 559	-69 344	90 903	131,1%
Return on sales (ROS)	2,79%	-9,20%		
Return on equity (ROE)	2,36%	-7,80%		
Return on assets (ROA)	1,47%	-4,90%		

In the period April - December 2024, the FORTE Group earned **sales revenue** of PLN 772 454 thousand, compared to PLN 757 633 thousand in the same period of 2023 (an increase by 2%).

**Sales of surplus chipboard** manufactured by the subsidiary TANNE accounted for 14.4% of the FORTE Group's total sales, with a 8.9% share of export sales (PLN 68 724 thousand) and a 5.5% share of domestic sales (PLN 42 725 thousand).

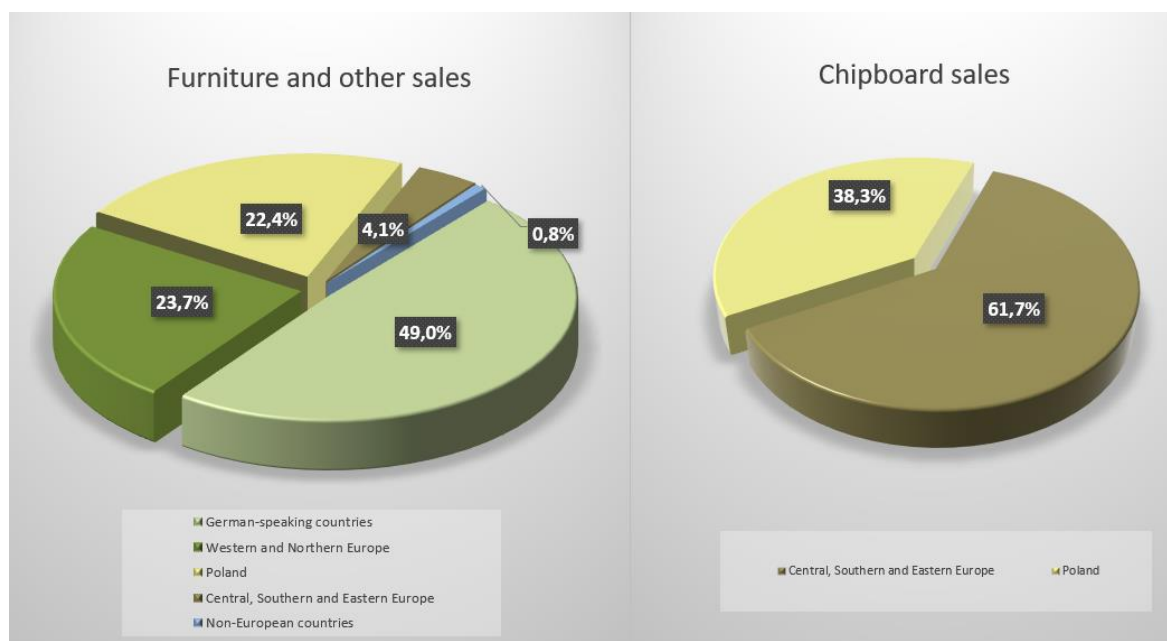
Chipboard sales to external customers throughout the reporting period amounted to PLN 111 449 thousand, compared to PLN 82 236 thousand in the period April - December 2023 (an increase by 35.5%).

**Furniture and other sales of the Group** accounted for 85.6% of total sales (PLN 661 005 thousand), with export sales of PLN 512 862 thousand (66.4%) and domestic sales of PLN 148 143 thousand (19.2%).



**Percentage of furniture and other sales** in individual markets was as follows: German-speaking countries 49 %, Western and Northern Europe 24 %, Poland 22 %, Central, Southern and Eastern Europe 4 % and Non-European countries 1 %.

**Percentage of chipboard sales** in individual markets was as follows: Poland 62 %, Central, Southern and Eastern Europe 38 %.



**Gross margin on sales** stood at the level of 34.5%, which is 5 p.p. pp. higher than in the corresponding period last year.

**Selling costs** – the selling costs to revenue ratio was 21.5% vs. 22.1% in the corresponding period last year. In terms of value, selling costs decreased by PLN 1 582 thousand, mainly as a result of a decrease in sales revenue (PLN 637 355 thousand vs. PLN 658 802 thousand in the corresponding period).

**G&A costs** – the G&A costs to revenue ratio decreased (to 8.0% against 8,5% in the comparative period). The G&A costs were mostly affected by provisions created for non-compete compensation of PLN 3 805 thousand and for a special bonus of PLN 3 500 thousand payable to the former CEO of the Parent Company – Mr Maciej Formanowicz, as well as the cost of an additional bonus for employees and a bonus for the Management Board in the amount of PLN 6 800 thousand. Despite the above-mentioned expenses recognised in G&A costs, the optimisation measures implemented by the Group allowed for a reduction in G&A costs throughout the reporting period in relation to the comparative period.

**Operating profit** amounted to PLN 35 783 thousand, compared to PLN (-) 3 941 thousand in the corresponding period of 2023. EBIT in the reporting period was positively influenced by the result achieved on hedging transactions securing the Group's exchange rate risk (PLN 42 761 thousand vs. PLN 3 852 thousand in the comparative period). This strategy significantly improved the Group's results, which, with a majority share of exports in the Group's total sales, would have been significantly lower due to the strengthening EUR/PLN exchange rate – the average exchange rate for the 9 months of the financial year was 4.3 vs. 4.49 in the previous period (a decrease by 4.3%). Additionally, the Group's results also show benefits of the optimisation and cost-saving programmes implemented by the Management Board starting in the second half of the previous financial year.

**Result on financial operations** amounted to PLN (-) 23 654 thousand.

The most significant item of financial expenses was interest on bank loans totalling PLN 14 188 thousand and the cost of using the SBLC letter of credit in the equivalent amount of PLN 9 775 thousand in favour of Deutsche Bank due to the breach of the terms of the loan agreement by the Indian jointly-owned subsidiary.

The result on financial operations in the ended reporting period was positively influenced by exchange rate gains on valuation of foreign currency assets and liabilities, which totalled PLN 1 998 thousand on the financial income side.

**Net profit** in the reporting period amounted to PLN 21 559 thousand against a loss of PLN (-) 69 344 thousand in the same period of 2023. The most significant burden on the Group's net result was deferred tax of PLN (-) 4 776 thousand in the completed reporting period vs. PLN (-) 57 524 thousand in the comparative period, when there was a partial release of the deferred tax asset created for tax reliefs by zone companies in the amount of PLN 35 355 thousand, as well as the release of an asset for the tax loss of FORTE BRAND in the amount of PLN 12 097 thousand in connection with its merger with the Parent Company and the lack of succession to account for tax losses.

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

Characteristics of balance sheet items	31.12.2024 (unaudited)		31.03.2024 (audited)		Change in PLN '000
	PLN '000	% of balance sheet total	PLN '000	% of balance sheet total	
Non-current assets	903 386	61,4%	974 592	67,8%	-7,3%
Current assets	566 934	38,6%	463 790	32,2%	22,2%
<b>Total assets</b>	<b>1 470 320</b>	<b>100%</b>	<b>1 438 382</b>	<b>100%</b>	<b>2,2%</b>
Equity	912 806	62,1%	909 775	63,2%	0,3%
Non-current liabilities and provisions	334 757	22,8%	59 842	4,2%	459,4%
Current liabilities and provisions	222 757	15,1%	468 765	32,6%	-52,5%
<b>Total equity and liabilities</b>	<b>1 470 320</b>	<b>100%</b>	<b>1 438 382</b>	<b>100%</b>	<b>2,2%</b>

**Non-current assets** decreased by PLN 71 206 thousand.

The largest decrease in non-current assets was reported for non-current receivables from derivative financial instruments hedging against foreign exchange risk, as a result of shifting their valuation to current receivables due to the approaching maturity dates of options held (by PLN 52 316 thousand). In addition, tangible fixed assets decreased (by PLN 35 241 thousand) due to an excess of depreciated assets over capital expenditure incurred in the reporting period.

**Current assets** increased by PLN 103 144 thousand. The most significant increase compared to the end of the previous financial year was reported for cash (by PLN 74 054 thousand) and derivative financial instruments (by PLN 30 585 thousand) due to the reclassification of non-current receivables from the valuation of option strategies to current receivables, as well as for inventories (by PLN 9 731 thousand).

On the **liabilities** side, the most significant changes involve transferring current loan liabilities to non-current liabilities (by PLN 273 106 thousand) as a result of the Joint Terms Agreement concluded by the Group with all financing banks with a set loan repayment schedule until the end of March 2027.

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, which resulted in low sales volumes and lack of utilisation of existing production capacity;
- strengthening of the PLN/EUR exchange rate;
- increasing concentration on the markets of Western European countries, mainly on the German market.

Positive factors:

- positive impact of the adopted hedging strategy designed to mitigate the decline in the EUR/PLN exchange rate;
- 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 (by approx. 16%);
- positive effect of investments made in reducing the quantitative consumption of energy (both thermal and electrical), which additionally lowers the operating costs and carbon footprint of the Forte Group.

The major factors which, in the opinion of the Management Board, may affect the Group's performance in the following reporting periods include:

- economic situation on furniture markets in Europe and on the domestic market,
- stability of the EUR/PLN exchange rate,
- concentration of furniture associations in Europe,
- liquidity risk of customers,

- bankruptcies of furniture companies and opportunity 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,
- effective pro-sales activities, including the introduction of upholstered furniture and furniture in the new EasyKlix easy assembly technology to the Group's product range,
- implementation of cost optimisation and working capital management measures,
- continuing general social unrest and economic uncertainty due to ongoing armed conflicts.

In the coming months, the Group will focus on activities aimed at increasing profitability and developing new sales destinations in order to counteract the negative effects of the recession affecting both the furniture and board market.

The main risks in the last quarter of the financial year will be:

- uncertain economic situation in the EU, in particular recession on the German and French markets, which significantly reduces consumers' willingness to purchase durable goods;
- as regards furniture board production, the FORTE Group and the entire market face high uncertainty regarding the availability and price of raw wood, sourced largely from the State Forests, whose future policy is still uncertain;
- uncertain geopolitical situation affects the continued reduced demand for furniture, the risk of disruptions to supply chains and the high dynamics of exchange rate fluctuations, which will have an impact on the Group's performance in the near future.



## SELECTED FINANCIAL DATA

Financial data of Fabryki Mebli FORTE S.A.	in thousands of PLN		in thousands of EUR	
	01.04.2024	01.04.2023	01.04.2024	01.04.2023
	31.12.2024 (unaudited)	31.12.2023 (unaudited, amended)	31.12.2024 (unaudited)	31.12.2023 (unaudited, amended)
Sales revenue	660 702	681 458	153 705	152 417
Profit/(loss) on operating activities	-8 990	-52 785	-2 091	-11 806
Profit/(loss) before tax	-5 429	-49 720	-1 263	-11 121
Profit/(loss) for the period	-349	-65 688	-81	-14 692
Total comprehensive income for the period	-19 159	16 128	-4 457	3 607
Net cash flows from operating activities	34 051	30 030	7 922	6 717
Net cash flows from investing activities	31 890	-25 235	7 419	-5 644
Net cash flows from financial activities	-5 806	-6 571	-1 351	-1 470
Net increase/(decrease) in cash and cash equivalents	60 154	-1 764	13 994	-395
Number of shares	23 930 769	23 930 769	23 930 769	23 930 769
Declared or paid dividend per share (in PLN/EUR)	0,00	0,00	0,00	0,00
Net profit/(loss) per share (in PLN/EUR)	-0,01	-2,74	0,00	-0,61
	in thousands of PLN		in thousands of EUR	
	31.12.2024 (unaudited)	31.03.2024 (audited)	31.12.2024 (unaudited)	31.03.2024 (audited)
Total assets	991 080	991 309	231 940	230 489
Total liabilities	573 474	554 544	134 209	128 937
Long-term liabilities	231 903	60 201	54 272	13 997
Short-term liabilities	341 571	494 343	79 937	114 939
Total equity	417 606	436 765	97 731	101 552
Share capital	23 931	23 931	5 601	5 564
Book value per share (in PLN/EUR)	17,45	18,25	4,08	4,24

**PROFIT AND LOSS ACCOUNT**

	<b>01.04.2024</b> <b>31.12.2024</b> (unaudited)	<b>01.04.2023</b> <b>31.12.2023</b> (unaudited, amended)	<b>3 months ended</b> <b>31.12.2024</b> (unaudited)	<b>3 months ended</b> <b>31.12.2023</b> (unaudited, amended)
Sales revenue	660 702	681 458	256 472	242 037
Cost of sales	457 866	515 888	168 539	176 478
<b>Gross profit from sales</b>	<b>202 836</b>	<b>165 570</b>	<b>90 933</b>	<b>65 559</b>
Other operating revenue	1 410	1 210	1 015	477
Costs of sales	158 208	162 577	57 650	55 848
General administrative costs	50 153	53 772	15 903	20 489
Other operating costs	4 875	3 218	2 072	742
<b>Profit/(loss) on operating activities</b>	<b>-8 990</b>	<b>-52 785</b>	<b>13 322</b>	<b>-11 041</b>
Financial revenue	9 438	16 156	1 103	11 115
Financial costs	20 496	11 266	3 603	3 733
Share in the loss of investments valued at equity method	14 620	-1 824	1 979	-970
<b>Profit/(loss) before tax</b>	<b>-5 429</b>	<b>-49 720</b>	<b>12 800</b>	<b>-4 630</b>
Income tax	-5 079	15 968	-2 742	11 582
<b>Profit/(loss) on continued operations of the period</b>	<b>-349</b>	<b>-65 688</b>	<b>15 193</b>	<b>-16 212</b>
<b>Profit/(loss) of the period</b>	<b>-349</b>	<b>-65 688</b>	<b>15 193</b>	<b>-16 212</b>
<b>Profit/(loss) per share for the period (in PLN):</b>				
- basic	-0,01	-2,74	0,63	-0,68
- diluted	-0,01	-2,74	0,63	-0,68

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>01.04.2023</b> <b>31.12.2023</b> (unaudited)	<b>01.04.2023</b> <b>31.12.2023</b> (unaudited, amended)	<b>3 months</b> <b>ended</b> <b>31.12.2024</b> (unaudited)	<b>3 months</b> <b>ended</b> <b>301.12.2023</b> (unaudited, amended)
<b>Profit/(loss) of the period</b>	<b>-349</b>	<b>-65 688</b>	<b>15 193</b>	<b>-16 212</b>
<b>Other comprehensive income before tax, including:</b>	<b>-22 939</b>	<b>100 729</b>	<b>-17 467</b>	<b>68 706</b>
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>-22 939</b>	<b>100 729</b>	<b>-17 467</b>	<b>68 706</b>
Foreign exchange differences on translation of foreign operations	-1 208	1 183	0	1 355
Other comprehensive income for a cash flow hedge	-21 730	99 546	-17 467	67 351
<b>Deferred tax connected with items which in the future may be reclassified to the profit and loss account</b>	<b>-4 129</b>	<b>18 914</b>	<b>-3 319</b>	<b>12 797</b>
Deferred tax regarding hedge accounting	-4 129	18 914	-3 319	12 797
<b>Other net comprehensive income</b>	<b>-18 810</b>	<b>81 816</b>	<b>-14 148</b>	<b>55 910</b>
<b>Total comprehensive income for the period</b>	<b>-19 159</b>	<b>16 128</b>	<b>1 045</b>	<b>39 698</b>

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

	<b>31.12.2024</b> (unaudited)	<b>31.03.2024</b> (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>533 426</b>	<b>583 406</b>
Tangible fixed assets	273 019	286 921
Intangible assets	15 689	15 783
Investment in subsidiaries	207 083	207 133
Investments valued at equity method	14 813	0
Other long-term assets	13 737	12 169
Derivative financial instruments receivables	9 084	61 400
<b>Current assets</b>	<b>457 653</b>	<b>407 904</b>
Inventory	135 324	131 581
Trade and other receivables	149 361	149 982
Derivative financial instruments receivables	93 644	63 059
Income tax receivables	0	10 016
Other short-term assets	103	34 198
Cash and cash equivalents	79 222	19 069
<b>TOTAL ASSETS</b>	<b>991 080</b>	<b>991 309</b>
<b>LIABILITIES</b>		
<b>Equity</b>	<b>417 606</b>	<b>436 765</b>
Share capital	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capitals	104 294	123 104
Retained earnings	174 826	175 175
<b>Long-term liabilities</b>	<b>231 903</b>	<b>60 201</b>
Deferred income tax provision	10 368	19 576
Provision for benefits after the employment period	3 755	3 755
Interest-bearing loans and borrowings	182 430	0
Subsidies	2 905	1 413
Financial liabilities due to lease	32 445	33 074
Other financial liabilities	0	2 383
<b>Short-term liabilities</b>	<b>341 571</b>	<b>494 343</b>
Trade and other liabilities	291 324	277 562
Contract liabilities	2 024	843
Subsidies	310	320
Current portion of interest-bearing loans and borrowings	43 316	211 282
Financial liabilities due to lease	2 118	1 782
Provision for benefits after the employment period	538	538
Other provisions	1 941	2 016
<b>Total liabilities</b>	<b>573 474</b>	<b>554 544</b>
<b>TOTAL LIABILITIES</b>	<b>991 080</b>	<b>991 309</b>

**CASH FLOW STATEMENT**

	<b>01.04.2024</b> <b>31.12.2024</b> (unaudited)	<b>01.04.2023</b> <b>31.12.2023</b> (unaudited, amended)
<b>Cash flow from operating activity</b>		
<b>Profit/(loss) of the period</b>	<b>-349</b>	<b>-65 688</b>
<b>Adjustments by:</b>	<b>24 384</b>	<b>84 556</b>
Share in the loss of investments valued at equity method	-14 620	1 824
Depreciation	18 459	18 171
Foreign exchange profit/ (loss)	-1 825	-6 769
Interest income	-1 443	-1 306
Interest costs	10 527	10 851
Dividends income	-5 483	-3 722
Profit/ (Loss) on investing activity	451	-60
Change in receivables	621	27 334
Change in inventories	-3 743	14 151
Change in liabilities, excluding loans and borrowings	16 642	8 079
Change in provisions	-89	-145
Current tax recognised in profit or loss account	-5 079	15 968
Other	9 967	179
<b>Operating cash flow</b>	<b>24 035</b>	<b>18 868</b>
Income tax paid	10 016	11 162
<b>Net operating cash flow</b>	<b>34 051</b>	<b>30 030</b>
<b>Cash flows from investment activities</b>		
Sale of tangible fixed assets	734	434
Purchases of tangible fixed assets	-4 733	-28 567
Purchase of shares in related parties	0	-40
Purchase of shares in unrelated parties	0	-698
Purchase of shares of company valued at equity method	-3 490	0
Real estate investments	0	-50
Sell of shares of company valued at equity method	2	0
Dividends received	5 483	3 722
Interest received	3 631	30
Repayment of borrowings granted to related entities	30 366	0
Borrowings granted to related parties	-103	-65
<b>Net investment cash flow</b>	<b>31 890</b>	<b>-25 235</b>
<b>Cash flows from financing activities</b>		
Inflow from loans and borrowings taken out	31 912	6 174
Repayment of loans and borrowings	-15 377	0
Repayment of leasing liabilities	-1 404	-1 496
Interest paid	-11 162	-11 249
Other inflows/outflows	-9 775	0
<b>Net financial cash flow</b>	<b>-5 806</b>	<b>-6 571</b>
<b>Increase/(decrease) in cash and cash equivalents before exchange differences</b>	<b>60 134</b>	<b>-1 776</b>
Net foreign exchange differences	19	12
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>60 154</b>	<b>-1 764</b>
<b>Opening balance of cash</b>	<b>19 069</b>	<b>25 157</b>
<b>Cash at end of year, including:</b>	<b>79 222</b>	<b>23 393</b>
- of limited disposability	779	37

**STATEMENT OF CHANGES IN EQUITY**

for the 9 months ended 31 December 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	-349	0	-349
<i>Other comprehensive income for the period</i>	0	0	0	-18 810	-18 810
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-349</b>	<b>-18 810</b>	<b>-19 159</b>
<b>Change in equity</b>	<b>0</b>	<b>0</b>	<b>-349</b>	<b>-18 810</b>	<b>-19 159</b>
<b>Status at the end of the period</b>	<b>23 931</b>	<b>114 556</b>	<b>174 826</b>	<b>104 294</b>	<b>417 606</b>

**STATEMENT OF CHANGES IN EQUITY**

for the year 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>	<b>0</b>	<b>0</b>	<b>-53 401</b>	<b>88 757</b>	<b>35 356</b>
<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 9 months ended 31 December 2023 (unaudited)

	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>	<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, 27<sup>th</sup> February, 2025