



# FABRYKI MEBLI „FORTE” S.A. CAPITAL GROUP

Extract of consolidated financial report  
for the period ended 30.09.2020

FABRYKI MEBLI  
„FORTE” S.A.  
ul. Biała 1  
07-300 Ostrów Mazowiecka  
Polska  
[www.forte.com.pl](http://www.forte.com.pl)

Ostrów Mazowiecka, 23 listopada 2020 roku

## TABLE OF CONTENTS

Consolidated selected financial data.....	2
Consolidated profit and loss account.....	3
Consolidated statement of comprehensive income.....	4
Consolidated statement of financial situation (balance sheet).....	5
Consolidated cash flow statement.....	6
Consolidated statement of changes in equity.....	7
Consolidated statement of changes in equity.....	8
Consolidated statement of changes in equity.....	9
Seasonality of operations.....	10
Revenues and costs.....	10
Sales revenues.....	10
Other operating revenues.....	10
Other operating cost.....	10
Financial revenues.....	11
Financial costs.....	11
Costs by type.....	11
Commentary to the Group results and basic economic-financial amounts.....	12
Selected financial data.....	15
Profit and loss account.....	16
statement of comprehensive income.....	17
statement of financial situation (balance sheet).....	18
Cash flow statement.....	19
statement of changes in equity.....	21
statement of changes in equity.....	22
statement of changes in equity.....	23

## CONSOLIDATED SELECTED FINANCIAL DATA

	in thousands of PLN		in thousands of EUR	
	30.09.2020	30.09.2019 (converted)	30.09.2020	30.09.2019 (converted)
Sales revenue	777 791	839 212	175 091	194 776
Profit (loss) on operating activities	74 591	51 167	16 791	11 876
Profit (loss) before tax	43 022	28 265	9 685	6 560
Net (profit) loss attributable to equity owners of the Parent company	24 881	9 466	5 601	2 197
Total comprehensive income for the period	(20 877)	522	(4 700)	121
Net cash flow from operating activities	84 562	129 465	19 036	30 048
Net cash flow from investment activities	(14 913)	(22 005)	(3 357)	(5 107)
Net cash flow from financial activities	(95 849)	(99 511)	(21 577)	(23 096)
Net (increase) decrease in cash and cash equivalents	(26 200)	7 949	(5 898)	1 845
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)	1,04	0,40	0,23	0,09
	<b>30.09.2020</b>	<b>31.12.2019</b>	<b>30.09.2020</b>	<b>31.12.2019</b>
Total assets	1 507 781	1 571 021	333 079	368 914
Total liabilities	747 456	789 819	165 118	185 469
Long-term liabilities	326 883	252 854	72 211	59 376
Short-term liabilities	420 573	536 965	92 907	126 093
Total equity attributable to equity owners of the Parent company	760 311	781 185	167 958	183 441
Share capital	23 931	23 931	23 931	23 931
Book value per share (in PLN/EUR)	31,77	32,64	7,02	7,67

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	For the 9 months ended 30 September 2020 (unaudited)	For the 3 months ended 30 September 2020 (unaudited)	For the 9 months ended 30 September 2019 (converted, unaudited)	For the 3 months ended 30 September 2019 (converted, unaudited)
<b>Continued operations</b>				
Revenue from sales of goods, products and materials	773 922	345 721	835 236	262 779
Revenue from sales of services	3 869	1 280	3 976	1 148
<b>Sales revenue</b>	<b>777 791</b>	<b>347 001</b>	<b>839 212</b>	<b>263 927</b>
Cost of sales of sold goods, products and materials	(467 955)	(205 559)	(542 858)	(165 813)
Cost of sales of sold services	(2 597)	(621)	(2 731)	(704)
<b>Cost of sales</b>	<b>(470 552)</b>	<b>(206 180)</b>	<b>(545 589)</b>	<b>(166 517)</b>
<b>Gross profit from sales</b>	<b>307 239</b>	<b>140 821</b>	<b>293 623</b>	<b>97 410</b>
Other operating revenue	18 635	6 915	4 816	938
Costs of sales	(176 105)	(75 414)	(190 158)	(59 972)
General administrative costs	(43 532)	(16 861)	(43 936)	(14 518)
Other operating costs	(31 646)	(5 149)	(11 009)	(2 716)
<b>Profit on sale of assets</b>	<b>-</b>	<b>-</b>	<b>(2 169)</b>	<b>(2 169)</b>
<b>Profit on operating activities</b>	<b>74 591</b>	<b>50 312</b>	<b>51 167</b>	<b>18 973</b>
Financial revenue	691	145	1 500	(2 466)
Financial costs	(25 884)	(6 394)	(18 068)	(9 659)
Loss on derivative financial instruments	(1 256)	(390)	(1 346)	(432)
Share in the loss of investments valued at equity method	(5 120)	(1 268)	(4 988)	(1 685)
<b>Profit before tax</b>	<b>43 022</b>	<b>42 405</b>	<b>28 265</b>	<b>4 731</b>
Income tax	(18 135)	(10 581)	(18 724)	(7 707)
<b>Profit / (loss) on continued operations of the period</b>	<b>24 887</b>	<b>31 824</b>	<b>9 541</b>	<b>(2 976)</b>
<b>Profit/ (loss) of the period</b>	<b>24 887</b>	<b>31 824</b>	<b>9 541</b>	<b>(2 976)</b>
Attributable to:				
Shareholders of the Parent Company	<b>24 881</b>	<b>31 822</b>	<b>9 466</b>	<b>(3 062)</b>
Non-controlling shareholders	6	2	75	86
Profit (loss) on continued operations of the period in PLN:				
- basic	1,04	1,34	0,40	(0,13)
- diluted	1,04	1,34	0,40	(0,13)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	For the 9 months ended 30 September 2020 (unaudited)	For the 3 months ended 30 September 2020 (unaudited)	For the 9 months ended 30 September 2019 (converted, unaudited)	For the 3 months ended 30 September 2019 (converted, unaudited)
<b>Profit/ (loss) of the period</b>	<b>24 887</b>	<b>31 824</b>	<b>9 541</b>	<b>(2 976)</b>
<b>Other net comprehensive income, including:</b>	<b>(45 764)</b>	<b>(10 576)</b>	<b>(9 019)</b>	<b>(22 769)</b>
<b>Items which in the future will not be reclassified to the profit and loss account</b>	<b>(18 527)</b>	-	<b>9 469</b>	-
Certificates valuation	(18 527)	-	9 469	-
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>(27 237)</b>	<b>(10 576)</b>	<b>(18 488)</b>	<b>(22 769)</b>
Foreign exchange differences on translation of foreign operations	1 994	445	(58)	131
Dividends paid	(1)	(1)	-	-
Hedge accounting	(44 581)	4 911	(35 633)	(47 451)
Hedge costs	8 508	(18 533)	13 259	19 241
Differed tax	6 862	2 613	3 944	5 306
Other	(19)	(11)	-	4
<b>Total comprehensive income for the period</b>	<b>(20 877)</b>	<b>21 248</b>	<b>522</b>	<b>(25 745)</b>
<b>Attributable to:</b>				
Shareholders of the Parent Company	(20 874)	21 247	447	(25 831)
Non-controlling shareholders	(3)	1	75	86

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

	<b>30 September 2020 (unaudited)</b>	<b>31 December 2019 ( audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>1 098 176</b>	<b>1 168 776</b>
Tangible fixed assets	847 951	876 778
Intangible assets	16 400	16 857
Financial assets	71 791	94 963
Real estate investment	54 835	54 780
Assets on deferred tax	107 199	111 484
Investments valued at equity method	-	464
Receivables due to financial derivative instruments	-	13 450
<b>Current assets</b>	<b>409 605</b>	<b>402 245</b>
Inventory	191 823	189 196
Trade and other receivables	182 380	135 373
Receivables due to financial derivative instruments	471	16 924
Income tax receivables	1	1 697
Accruals	4 693	3 130
Financial assets	1 830	1 534
Cash and cash equivalents	28 407	54 391
<b>TOTAL ASSETS</b>	<b>1 507 781</b>	<b>1 571 021</b>
<b>LIABILITIES</b>		
<b>Total equity</b>	<b>760 325</b>	<b>781 202</b>
<b>Equity (attributable to shareholders of the Parent Company), including:</b>	<b>760 311</b>	<b>781 185</b>
Basic equity	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Exchange differences on translation of foreign operations	2 009	15
Revaluation reserve from hedging instruments	(28 159)	7 943
Hedge cost	19 776	12 885
Other Revaluation reserves	(63 537)	(45 010)
Incentive Scheme	2 354	2 354
Other reserve capital	530 295	484 613
Retained earnings	159 086	179 898
<b>Capital attributable to non-controlling shareholders</b>	<b>14</b>	<b>17</b>
<b>Long-term liabilities</b>	<b>326 883</b>	<b>252 854</b>
Interest-bearing loans and borrowings	249 613	165 661
Payables to units priced at MPW	2 189	-
Deferred income tax provision	-	15 386
Provision for benefits after the employment period	4 627	4 620
Deferred revenues and accruals	36 231	37 773
Financial liabilities due to lease	23 102	24 430
Liabilities due to financial derivative instruments	9 245	2 328
Other long-term liabilities	1 876	2 656
<b>Short-term liabilities</b>	<b>420 573</b>	<b>536 965</b>
Trade and other liabilities	193 306	162 325
Contract liabilities	1 416	640
Current portion of interest-bearing loans and borrowings	206 200	365 378
Deferred revenues and accruals	2 057	2 059
Liabilities due to income tax	11 624	-
Provisions	2 933	2 994
Financial liabilities due to lease	2 337	2 123
Liabilities due to financial derivative instruments	700	1 446
<b>Total liabilities</b>	<b>747 456</b>	<b>789 819</b>
<b>TOTAL LIABILITIES</b>	<b>1 507 781</b>	<b>1 571 021</b>

**CONSOLIDATED CASH FLOW STATEMENT**

	For the 9 months ended 30 September 2020 (unaudited)	For the 3 months ended 30 September 2020 (unaudited)	For the 9 months ended 30 September 2019 (converted, unaudited)	For the 3 months ended 30 September 2020 (converted, unaudited)
<b>Cash flows from operating activities</b>				
<b>Profit / (loss) of the period</b>	<b>24 881</b>	<b>31 822</b>	<b>9 466</b>	<b>(3 062)</b>
<b>Adjustments by:</b>	<b>59 681</b>	<b>4 552</b>	<b>119 999</b>	<b>58 601</b>
Share in the profit/ loss of investments valued at equity method	5 120	1 268	4 988	1 685
Profit/(loss) of non-controlling shareholders	4	-	75	86
Depreciation	41 968	13 950	42 770	14 290
Foreign exchange (gains)/losses	24 142	5 751	6 206	10 358
Net interest and dividends	7 432	2 078	11 134	3 635
Profit/(loss) on investment activities	68	(72)	2 042	2 146
Change in receivables	(47 007)	(67 053)	(5 338)	(15 666)
Change in inventories	(2 627)	(13 237)	11 404	128
Change in liabilities, excluding loans and borrowings	33 590	58 689	9 587	10 879
Change in accruals and deferrals	(3 108)	(3 240)	(6 057)	(4 368)
Income tax paid	(5 957)	(794)	16 083	23 844
Current tax recognised in the profit and loss account	18 135	10 581	18 724	7 707
Foreign exchange differences	(63)	(34)	55	60
Change in provisions and assets on deferred tax	1 197	646	8 332	3 976
Other adjustments	685	(8)	(6)	(159)
Subsidy	(13 898)	(3 973)	-	-
<b>Net cash flows from operating activities</b>	<b>84 562</b>	<b>36 374</b>	<b>129 465</b>	<b>55 539</b>
<b>Cash flows from investment activities</b>				
Sale of tangible fixed assets and intangible assets	187	83	347	143
Purchase of tangible fixed assets and intangible assets	(13 293)	(5 127)	(22 672)	(5 280)
Real property investments	(54)	(54)	(3)	78
Sale of financial assets	-	-	12 125	12 125
Purchase of financial assets	(1)	-	(12 527)	(12 127)
Dividends received	8	8	323	-
Interest received	11	8	47	47
Repayment of borrowings granted	100	-	1 500	975
Borrowings granted	(1 673)	-	(1 142)	(1 099)
Other expenditures	(198)	(198)	(3)	-
<b>Net cash flows from investing activities</b>	<b>(14 913)</b>	<b>(5 280)</b>	<b>(22 005)</b>	<b>(5 138)</b>
<b>Cash flows from financing activities</b>				
Inflows from loans and borrowings taken out	8 884	8 884	-	-
Repayment of loans and borrowings	(109 056)	(54 932)	(85 126)	(53 333)
Repayment of leasing liabilities	(1 587)	(448)	(2 383)	(356)
Dividends paid	(1)	(1)	(1)	(1)
Interest paid	(7 987)	(2 432)	(11 997)	(3 765)
Government subsidies	13 898	3 973	-	-
Other expenditures	-	-	(4)	18
<b>Net cash flows from financial activities</b>	<b>(95 849)</b>	<b>(44 956)</b>	<b>(99 511)</b>	<b>(57 437)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(26 200)</b>	<b>(13 862)</b>	<b>7 949</b>	<b>(7 036)</b>
Net foreign exchange differences (from the opening balance translation)	216	(36)	(27)	365
<b>Opening balance of cash</b>	<b>54 391</b>	<b>42 305</b>	<b>46 562</b>	<b>61 155</b>
<b>Closing balance of cash, including:</b>	<b>28 407</b>	<b>28 407</b>	<b>54 484</b>	<b>54 484</b>
- of limited disposability	916	916	122	122

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period ended 30 September 2020 (unaudited)

	Attributable to the shareholders of the Parent Company											
	Share capital	Share premium	Foreign exchange differences on consolidation	Other revaluation reserve	Incentive Scheme	Retained earnings	Revaluation reserve from hedging instruments	Hedge costs	Other reserve capital	Total	Capital attributable to non-controlling shareholders	Total equity
<b>As at 1 January 2020</b>	<b>23 931</b>	<b>114 556</b>	<b>15</b>	<b>(45 010)</b>	<b>2 354</b>	<b>179 898</b>	<b>7 943</b>	<b>12 885</b>	<b>484 613</b>	<b>781 185</b>	<b>17</b>	<b>781 202</b>
Changes in Accounting Principles	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 1 January 2020 after adjustments</b>	<b>23 931</b>	<b>114 556</b>	<b>15</b>	<b>(45 010)</b>	<b>2 354</b>	<b>179 898</b>	<b>7 943</b>	<b>12 885</b>	<b>484 613</b>	<b>781 185</b>	<b>17</b>	<b>781 202</b>
Losses covered out of the reserve capital	-	-	-	-	-	3 135	-	-	(3 135)	-	-	-
Transfer to reserve capital	-	-	-	-	-	(49 039)	-	-	49 039	-	-	-
Current result	-	-	-	-	-	24 881	-	-	-	24 881	6	24 887
Dividend paid	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Investment Certificates valuation	-	-	-	(18 527)	-	-	-	-	-	(18 527)	-	(18 527)
Hedge cost for the period	-	-	-	-	-	-	-	22 160	-	22 160	-	22 160
Amount reclassified to sale revenue	-	-	-	-	-	-	9 842	(13 652)	-	(3 810)	-	(3 810)
Hedge accounting regarding hedge accounting	-	-	-	-	-	-	(54 423)	-	-	(54 423)	-	(54 423)
Deferred tax regarding hedge accounting	-	-	-	-	-	-	8 479	(1 617)	-	6 862	-	6 862
Foreign exchange differences	-	-	1 994	-	-	-	-	-	-	1 994	-	1 994
Transfers between capitals	-	-	-	-	-	229	-	-	(229)	-	-	-
Other	-	-	-	-	-	(11)	-	-	-	(11)	(8)	(19)
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1 994</b>	<b>(18 527)</b>	<b>-</b>	<b>25 099</b>	<b>(36 102)</b>	<b>6 891</b>	<b>(229)</b>	<b>(20 874)</b>	<b>(3)</b>	<b>(20 877)</b>
<b>As at 30 September 2020</b>	<b>23 931</b>	<b>114 556</b>	<b>2 009</b>	<b>(63 537)</b>	<b>2 354</b>	<b>159 086</b>	<b>(28 159)</b>	<b>19 776</b>	<b>530 295</b>	<b>760 311</b>	<b>14</b>	<b>760 325</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2019 (audited)

	Attributable to the shareholders of the Parent Company											
	Share capital	Share premium	Foreign exchange differences on consolidation	Other revaluation reserve	Incentive Scheme	Retained earnings	Revaluation reserve from hedging instruments	Hedge costs	Other reserve capital	Total	Foreign exchange differences on consolidation Equity of non-controlling interest	Other revaluation reserve Total equity
<b>As at 1 January 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>(87)</b>	<b>(54 902)</b>	<b>2 354</b>	<b>60 144</b>	<b>(495)</b>	<b>17 687</b>	<b>447 132</b>	<b>732 629</b>	<b>3 293</b>	<b>613 613</b>
Changes in Accounting Principles (Policy) IFRS 12	-	-	-	-	-	122 309	-	-	-	-	-	122 309
<b>As at 1 January 2019 after adjustments</b>	<b>23 931</b>	<b>114 556</b>	<b>(87)</b>	<b>(54 902)</b>	<b>2 354</b>	<b>182 453</b>	<b>(495)</b>	<b>17 687</b>	<b>447 132</b>	<b>732 629</b>	<b>3 293</b>	<b>735 922</b>
Impairment of retained earnings to reserve capital	-	-	-	-	-	2 534	-	-	(2 534)	-	-	-
Reclassification to reserve capital	-	-	-	-	-	(40 015)	-	-	40 015	-	-	-
Payment of dividend for 2018	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Sale of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	(3 353)	(3 353)
Provision for benefits after the employment period	-	-	-	-	-	(304)	-	-	-	(304)	-	(304)
Current result	-	-	-	-	-	35 230	-	-	-	35 230	78	35 308
Hedge cost for the period	-	-	-	-	-	-	-	3 304	-	3 304	-	3 304
Amount reclassified to sale revenue	-	-	-	-	-	-	(8 409)	(9 233)	-	(17 642)	-	(17 642)
Hedge accounting	-	-	-	-	-	-	18 830	-	-	18 830	-	18 830
Deferred tax regarding hedge accounting	-	-	-	-	-	-	(1 983)	1 127	-	(856)	-	(856)
Investment Certificates	-	-	-	9 892	-	-	-	-	-	9 892	-	9 892
Foreign exchange differences	-	-	102	-	-	-	-	-	-	102	-	102
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>102</b>	<b>9 892</b>	<b>-</b>	<b>34 926</b>	<b>8 438</b>	<b>(4 802)</b>	<b>-</b>	<b>48 556</b>	<b>78</b>	<b>48 634</b>
<b>As at 31 December 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>15</b>	<b>(45 010)</b>	<b>2 354</b>	<b>179 898</b>	<b>7 943</b>	<b>12 885</b>	<b>484 613</b>	<b>781 185</b>	<b>17</b>	<b>781 202</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period ended 30 September 2019 (converted, unaudited)

	Attributable to the shareholders of the Parent Company											
	Share capital	Share premium	Foreign exchange differences on consolidation	Other revaluation reserve	Incentive Scheme	Retained earnings	Revaluation reserve from hedging instruments	Hedge costs	Other reserve capital	Total	Capital attributable to non-controlling shareholders	Total equity
<b>As at 1 January 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>(87)</b>	<b>(54 902)</b>	<b>2 354</b>	<b>60 144</b>	<b>(495)</b>	<b>17 687</b>	<b>447 132</b>	<b>610 320</b>	<b>3 293</b>	<b>613 613</b>
Changes in Accounting Principles (Policy)	-	-	-	-	-	122 309	-	-	-	122 309	-	122 309
<b>As at 1 January 2019 after adjustments</b>	<b>23 931</b>	<b>114 556</b>	<b>(87)</b>	<b>(54 902)</b>	<b>2 354</b>	<b>182 453</b>	<b>(495)</b>	<b>17 687</b>	<b>447 132</b>	<b>732 629</b>	<b>3 293</b>	<b>735 922</b>
Losses covered out of the reserve capital	-	-	-	-	-	2 534	-	-	(2 534)	-	-	-
Transfer to reserve capital	-	-	-	-	-	(40 015)	-	-	40 015	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Sales of financial assets	-	-	-	-	-	-	-	-	-	-	(3 353)	(3 353)
Current result	-	-	-	-	-	9 466	-	-	-	<b>9 466</b>	75	<b>9 541</b>
Investment Certificates valuation	-	-	-	9 469	-	-	-	-	-	<b>9 469</b>	-	<b>9 469</b>
Hedge cost for the period	-	-	-	-	-	-	-	18 566	-	<b>18 566</b>	-	<b>18 566</b>
Amount reclassified to sale revenue	-	-	-	-	-	-	(6 009)	(5 307)	-	<b>(11 316)</b>	-	<b>(11 316)</b>
Hedge accounting	-	-	-	-	-	-	(29 624)	-	-	<b>(29 624)</b>	-	<b>(29 624)</b>
Deferred tax regarding hedge accounting	-	-	-	-	-	-	6 463	(2 519)	-	<b>3 944</b>	-	<b>3 944</b>
Foreign exchange differences	-	-	(58)	-	-	-	-	-	-	<b>(58)</b>	-	<b>(58)</b>
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(58)</b>	<b>9 469</b>	<b>-</b>	<b>9 466</b>	<b>(29 170)</b>	<b>10 740</b>	<b>-</b>	<b>447</b>	<b>75</b>	<b>522</b>
<b>As at 30 September 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>(145)</b>	<b>(45 433)</b>	<b>2 354</b>	<b>154 438</b>	<b>(29 665)</b>	<b>28 427</b>	<b>484 613</b>	<b>619 066</b>	<b>14</b>	<b>733 090</b>

**Seasonality of operations**

	Domestic revenues	Share % in total quarter revenues	Export revenues	Share % in total quarter revenues	Revenues from sales of products, materials, goods and services	Share % in annual revenues
I Q 2020	52 430	19%	223 964	81%	276 394	-
II Q 2020	32 601	21%	121 795	79%	154 396	-
III Q 2020	67 305	19%	279 696	81%	347 001	-
<b>Total 3 Q 2020</b>	<b>152 336</b>	<b>20%</b>	<b>625 455</b>	<b>80%</b>	<b>777 791</b>	
I Q 2019	43 760	14%	275 751	86%	319 511	27%
II Q 2019	44 244	17%	211 530	83%	255 774	22%
III Q 2019	39 480	15%	224 447	85%	263 927	22%
IV Q 2019	56 228	17%	281 178	83%	337 406	29%
<b>Total 2019</b>	<b>183 712</b>	<b>16%</b>	<b>992 906</b>	<b>84%</b>	<b>1 176 618</b>	<b>100%</b>

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

	<b>For the reporting period ended</b>	
<b>Sales revenues</b>	<b>30.09.2020</b>	<b>30.09.2019</b>
	(unaudited)	(unaudited)
<b>Revenues from sales of goods, products and materials</b>		
- products	725 139	783 462
- goods	5 160	6 528
- materials	43 623	45 246
<b>Revenues from sales of services</b>	3 869	3 976
<b>Total net revenues from sales</b>	<b>777 791</b>	<b>839 212</b>
- including from related entities	7 666	5 573

**Other operating revenues**

	<b>For the reporting period ended</b>	
<b>Other operating revenues</b>	<b>30.09.2020</b>	<b>30.09.2019</b>
	(unaudited)	(unaudited)
Reversal of impairment write-downs	384	1 607
Gain on sale of property, plant and equipment	6	161
Subsidies	15 443	2 096
Compensations	2 549	790
Other	253	162
<b>Total other operating revenues</b>	<b>18 635</b>	<b>4 816</b>

**Other operating cost**

	<b>For the reporting period ended</b>	
<b>Other operating costs</b>	<b>30.09.2020</b>	<b>30.09.2019</b>
	(unaudited)	(unaudited)
Creation of revaluation write-downs	4 117	190
Liquidation and impairment losses on property, plant and equipment	29	11
Scrapping of inventory	662	2 198
Donations	50	1 773
Penalties and compensations	5 075	1 657
Court costs	12	7
Unused production capacity	18 587	-

Other	3 114	5 173
<b>Total other operating costs</b>	<b>31 646</b>	<b>11 009</b>

**Financial revenues**

Financial revenue	For the reporting period ended	
	30.09.2019 (unaudited)	30.09.2019 (unaudited)
Dividends	8	323
Credit valuation at amortised cost	125	304
Interest	407	474
Other	151	399
<b>Financial revenues, total</b>	<b>691</b>	<b>1 500</b>

**Financial costs**

Financial costs	For the reporting period ended	
	30.09.2020 (unaudited)	30.09.2019 (unaudited)
Interest on loans and leasing	8 762	11 162
Commission on loans	265	950
Exchange differences of financial assets and liabilities	16 790	5 311
Other	67	645
<b>Financial costs, total</b>	<b>25 884</b>	<b>18 068</b>

**Costs by type**

Costs by type	For the reporting period ended	
	30.09.2020 (unaudited)	30.09.2019 (unaudited)
Depreciation	41 968	42 770
Consumption of materials and energy	281 933	336 782
External services	141 044	161 710
Taxes and fees	9 280	9 874
Payroll	144 076	138 611
Social insurance and other benefits	39 478	33 751
Other costs by type	6 457	7 845
<b>Costs by type</b>	<b>664 236</b>	<b>731 343</b>
Unused production capacity	(18 587)	-
Change in product inventory and accruals	(177)	370
Manufacturing cost of products for internal purposes	(662)	(2 219)
Costs of sales	(176 105)	(190 158)
General administrative costs	(43 532)	(43 936)
<b>Manufacturing cost of sold products and services</b>	<b>425 173</b>	<b>495 400</b>
Value of goods and materials sold	45 379	50 189
<b>Costs of sales</b>	<b>470 552</b>	<b>545 589</b>

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

Group performance and key economic and financial data:

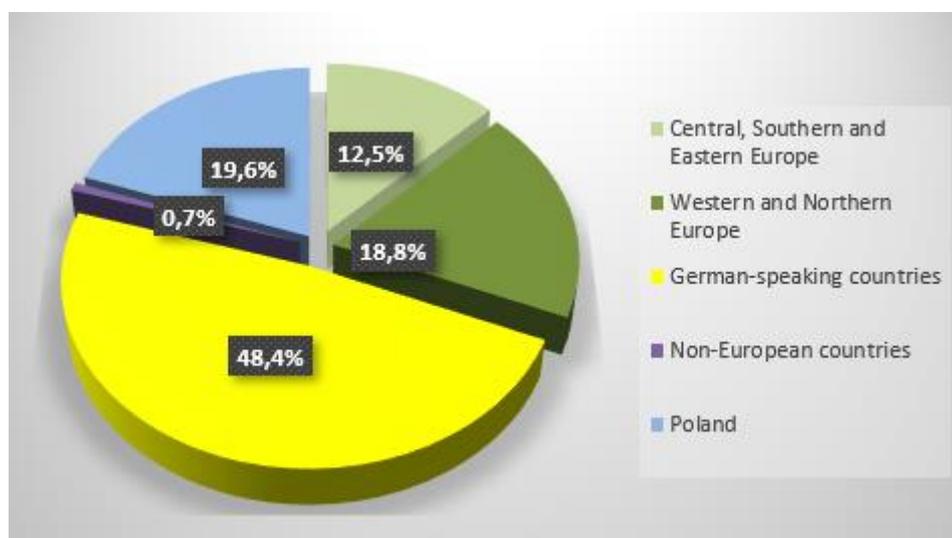
Item	9 months ended 30 Sept 2020	9 months ended 30 Sept 2019 (converted)	% change	3 months ended 30 Sept 2020	3 months ended 30 Sept 2019 (converted)	% change
Sales revenue	777 791	839 212	(7.3%)	347 001	263 927	31.5%
Cost of sales	(470 552)	(545 589)	(13.8%)	(206 180)	(166 517)	23.8%
Gross profit on sales	307 239	293 623	4.6%	140 821	97 410	44.6%
Gross margin on sales %	39.5%	35.0%		40.6%	36.9%	
Selling costs	(176 105)	(190 158)	(7.4%)	(75 414)	(59 972)	25.7%
G&A costs	(43 532)	(43 936)	(0.9%)	(16 861)	(14 518)	16.1%
Operating profit (EBIT)	74 591	51 167	45.8%	50 312	18 973	165.2%
EBITDA	116 559	93 937	24.1%	64 262	33 263	93.2%
Share in profit/loss of subsidiaries valued under the equity method	(5 120)	(4 988)	2.6%	(1 268)	(1 685)	(24.7%)
Gross profit	43 022	28 265	52.2%	42 405	4 731	796.3%
Net profit	24 887	9 541	160.8%	31 824	(2 976)	1 169.4%
Net profit margin %	3.2%	1.1%		9.2%	(1.1%)	
Return on equity (ROE)	3.3%	1.2%		4.2%	(0.4%)	
Return on assets (ROA)	1.7%	0.6%		2.1%	(0.2%)	

- After 3Q 2020, the FORTE Group's **sales revenue** amounted to PLN 777 791 thousand, compared to PLN 839 212 thousand in the corresponding period of 2019 (a decrease by 7.3%).

The sales of surplus raw board produced by the subsidiary TANNE in the reporting period amounted to PLN 41 979 thousand, compared to PLN 42 122 thousand in the corresponding period of 2019.

Export sales of the FORTE Group totalled PLN 625 455 thousand – 80.4 % of total sales (after 3Q 2019 – PLN 711 728 thousand – 84.8 %). Sales in the Polish market amounted to PLN 152 336 thousand (19.6 %) against PLN 127 484 thousand (15.2 %) in the corresponding period of 2019.

The percentage of sales in individual markets was as follows: German-speaking countries 48.4% (50.47% - 3Q 2019), Western and Northern Europe 18.8% (21.23% - 3Q 2019), Poland 19.6% (15.19% - 3Q 2019), Central, Southern and Eastern Europe 12.5% (12.79% - 3Q 2019), non-European countries 0.7% (0.32% - 3Q 2019).



This decrease in revenue in the reporting period reflects the negative effects of the COVID-19 pandemic and the related trade restrictions and closure of sales markets since the last decade of March. From May, the slow lifting of restrictions began in individual European countries, which allowed the Group to achieve sales in Q2 at only 40% below 2019. Realised sales revenue in Q3 2020 was 31.5% higher compared to the same period of the previous year, which allowed the Group to significantly minimise the effects of low sales in previous quarters of this year.

- **Gross margin on sales** stood at a level of 39.5%, which is 4.5 pp higher than in the corresponding period last year.

The main factor influencing the margin increase was the high EUR/PLN exchange rate throughout Q2 and Q3, which, with a high share of export sales and at the same time the majority of costs being incurred in PLN, translated into an increased profitability.

The Management Board of the Company estimates that the positive impact resulting from the weakening of the PLN vs. EUR exchange rate above the levels secured by the Parent Company under the option corridor policy, as reflected in its Q2 and Q3 results, was ca. PLN 8 000 thousand, compared to the corresponding period of 2019, of which in Q3 alone this impact totalled ca. PLN 5 500 thousand.

The second factor having a positive impact on the increase in sales profitability vs. 2019 were the effects of integrated actions implemented from the end of 2018, both in the area of the product offer, the policy of cooperation with customers, and the improvement of cost and quality efficiency through the consistent implementation of the lean management philosophy in all areas of the Forte Group.

- **Selling costs** totalled PLN 176 105 thousand and decreased in terms of numbers compared to 3Q 2019 by PLN 14 053 thousand. The selling costs to revenue ratio was 22.6% versus 22.7% in the corresponding period last year.

- **G&A costs** amounted to PLN 43 532 thousand compared to PLN 43 936 thousand in the corresponding period of 2019. The G&A costs to revenue ratio stood at 5.6% versus 5.2% in the comparative period.

- **Operating profit** amounted to PLN 74 591 thousand (9.6% of revenue), compared to PLN 51 167 thousand (6.1% of revenue) in the corresponding period of 2019.

In the reporting period, other operating costs were charged with PLN 18 587 thousand for costs of unused production capacity during the COVID-19 pandemic. In addition, PLN 4 117 thousand was recognised under other operating costs as allowances for receivables of a jointly controlled Indian company and PLN 2 500 thousand as a subsidy to co-finance the construction of a runway in Suwałki as well as PLN 4 500 thousand as a provision for future conventional penalties resulting from delays in deliveries to customers in Q3 2020.

Other operating income includes a subsidy from the Guaranteed Employee Benefits Fund under the so-called anti-crisis shield for employee salaries for April – June totalling PLN 13 898 thousand.

- **Result on financial operations** amounted to PLN (-) 25 193 thousand. The most significant items of the Group's financial operations include the cost of interest on loans taken out, which in the reporting period amounted to PLN (-) 6 422 thousand and foreign exchange losses, mainly on valuation of foreign-currency loans, totalling PLN (-) 12 747 thousand.

- In the reporting period, the realised **net profit** totalled PLN 24 887 thousand (3.2% of revenue), compared to PLN 9 541 thousand in the corresponding period last year (1.1% of revenue).

Characteristics of balance sheet items	30.09.2020		31.12.2019		% change 2020/2019
	PLN '000	% of balance sheet total	PLN '000	% of balance sheet total	
Non-current assets	1 098 176	73%	1 168 776	74%	(6.0%)
Current assets	409 605	27%	402 245	26%	1.8%
<b>Total assets</b>	<b>1 507 781</b>	<b>100%</b>	<b>1 571 021</b>	<b>100%</b>	<b>(4.0%)</b>
Equity	760 325	50%	781 202	50%	(2.7%)
Non-current liabilities and provisions	326 883	22%	252 854	16%	29.3%
Current liabilities and provisions	420 573	28%	536 965	34%	(21.7%)
<b>Total equity and liabilities</b>	<b>1 507 781</b>	<b>100%</b>	<b>1 571 021</b>	<b>100%</b>	<b>(4.0%)</b>

**Non-current assets** fell by PLN 70 600 thousand, mainly in the item of tangible fixed assets (PLN 28 827 thousand) as a result of excess depreciation over capital expenditure incurred in the reporting period and a decrease in financial assets by PLN 23 172 due to their negative valuation.

**Current assets** increased by PLN 7 360 thousand.

The most significant changes occurred in trade and other receivables - an increase by PLN 47 007 thousand as a result of increased sales, and in cash - a decrease by PLN 25 984 thousand as a result of investment loan instalments suspended in Q2 and repaid in September 2020.

On **liabilities** side, there was a significant increase in non-current liabilities under bank loans by PLN 83 952 thousand and a decrease in deferred income tax liability by PLN 15 386 thousand.

In current liabilities, there was a decrease by PLN 116 392 thousand, mainly in the item of liabilities relating to the current part of bank loans – PLN 159 178 thousand and an increase in trade and other liabilities - PLN 30 981 thousand.

## SELECTED FINANCIAL DATA

	in thousands of PLN		in thousands of EUR	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Sales revenue	740 835	804 680	166 772	186 761
Profit (loss) on operating activities	17 791	699	4 005	162
Profit (loss) before tax	13 244	2 054	2 981	477
Profit (loss) for the period	6 851	(897)	1 542	(208)
Total comprehensive income for the period	(21 575)	(17 909)	(4 857)	(4 157)
Net cash flows from operating activities	3 111	7 595	700	1 763
Net cash flows from investing activities	(2 024)	(5 940)	(456)	(1 379)
Net cash flows from financial activities	(31 927)	(16 845)	(7 187)	(3 910)
Net increase (decrease) in cash and cash equivalents	(30 840)	(15 190)	(6 943)	(3 526)
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)	0,29	(0,04)	0,06	(0,01)
	<b>30.09.2020</b>	<b>31.12.2019</b>	<b>30.09.2020</b>	<b>31.12.2019</b>
Total assets	895 886	926 971	197 907	217 675
Total liabilities	351 450	360 960	77 638	84 762
Long-term liabilities	34 977	194 196	7 727	45 602
Short-term liabilities	316 473	166 764	69 911	39 160
Total equity	544 436	566 011	120 270	132 913
Share capital	23 931	23 931	5 287	5 620
Book value per share (in PLN/EUR)	22,75	23,65	5,03	5,55

**PROFIT AND LOSS ACCOUNT**

	For the 9 months ended 30 September 2020 (unaudited)	For the 3 months ended 30 September 2020 (unaudited)	For the 9 months ended 30 September 2019 (converted, unaudited)	For the 3 months ended 30 September 2019 (converted, unaudited)
<b>Continued operations</b>				
Revenue from sales of products, goods and Revenue from sales of services	735 631 5 204	328 672 1 792	798 370 6 310	248 348 1 883
<b>Sales revenue</b>	<b>740 835</b>	<b>330 464</b>	<b>804 680</b>	<b>250 231</b>
Cost of sales of sold products, goods and materials Cost of sales of sold services	(483 333) (1 907)	(216 444) (715)	(553 881) (3 247)	(170 180) (751)
<b>Cost of sales</b>	<b>(485 240)</b>	<b>(217 159)</b>	<b>(557 128)</b>	<b>(170 931)</b>
<b>Gross profit from sales</b>	<b>255 595</b>	<b>113 305</b>	<b>247 552</b>	<b>79 300</b>
Other operating revenue Costs of sales General administrative costs Other operating costs	13 481 (191 881) (34 976) (24 428)	4 305 (82 580) (13 846) (5 068)	2 880 (204 642) (34 134) (10 957)	313 (63 310) (11 221) (2 706)
<b>Operating profit (loss)</b>	<b>17 791</b>	<b>16 116</b>	<b>699</b>	<b>2 376</b>
Financial revenue Financial costs Share in the profit/ loss of investments valued at equity method	3 954 (3 381) <b>(5 120)</b>	313 (550) <b>(1 268)</b>	11 107 (4 764) <b>(4 988)</b>	7 495 (695) <b>(1 686)</b>
<b>Profit (loss) before tax</b>	<b>13 244</b>	<b>14 611</b>	<b>2 054</b>	<b>7 490</b>
Income tax	(6 393)	(4 453)	(2 951)	(2 408)
<b>Profit (loss) on continued operations of the period</b>	<b>6 851</b>	<b>10 158</b>	<b>(897)</b>	<b>5 082</b>
<b>Profit (loss) of the period</b>	<b>6 851</b>	<b>10 158</b>	<b>(897)</b>	<b>5 082</b>
<b>Profit (loss) per share for the period (in PLN):</b>				
- basic	0,29	0,43	(0,04)	0,21
- diluted	0,29	0,43	(0,04)	0,21

**STATEMENT OF COMPREHENSIVE INCOME**

	For the 9 months ended 30 September 2020 (unaudited)	For the 3 months ended 30 September 2020 (unaudited)	For the 9 months ended 30 September 2019 (converted, unaudited)	For the 3 months ended 30 September 2019 (converted, unaudited)
<b>Profit (loss) of the period</b>	<b>6 851</b>	<b>10 158</b>	<b>(897)</b>	<b>5 082</b>
<b>Other net comprehensive income, including:</b>	<b>(28 426)</b>	<b>(10 986)</b>	<b>(17 012)</b>	<b>(22 734)</b>
<b>Items which in the future may be reclassified to the profit and loss account</b>	<b>(28 426)</b>	<b>(10 986)</b>	<b>(17 012)</b>	<b>(22 734)</b>
Hedge accounting	(44 627)	4 778	(34 018)	(47 170)
Hedge cost	8 508	(18 533)	13 259	19 241
Deffered tax	6 862	2 613	3 944	5 306
Exchange differences from translation	831	156	(197)	(111)
<b>Total comprehensive income for the period</b>	<b>(21 575)</b>	<b>(828)</b>	<b>(17 909)</b>	<b>(17 652)</b>

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

	<b>30 September 2020</b> (unaudited)	<b>31 December 2019</b> (converted, audited)
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>562 635</b>	<b>587 511</b>
Tangible fixed assets	264 892	273 934
Intangible assets	1 057	1 496
Investment in subsidiaries and entities	289 880	289 880
Loans granted	2 147	8 197
Investments valued at equity method	-	466
Other long-term receivables	88	88
Receivables due to derivative financial instruments	-	13 450
Income tax assets	4 571	-
<b>Current assets</b>	<b>333 251</b>	<b>339 460</b>
Reserves	138 139	138 507
Trade and other receivables	175 731	129 733
Receivables due to derivative financial instruments	471	16 924
Income tax receivables	-	1 691
Accruals	2 452	1 997
Loans granted	2 789	5 967
Cash and cash equivalents	13 669	44 641
<b>TOTAL ASSETS</b>	<b>895 886</b>	<b>926 971</b>
<b>LIABILITIES</b>		
<b>Equity</b>	<b>544 436</b>	<b>566 011</b>
Share capital	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Revaluation reserve from hedging instruments	(24 430)	11 718
Hedge costs	19 776	12 885
Business combination capital	(1 073)	(1 073)
Incentive Scheme	2 354	2 354
Other reserve capitals	390 010	393 145
Retained earnings	19 025	9 039
Exchange differences from translation	287	(544)
<b>Long-term liabilities</b>	<b>34 977</b>	<b>194 196</b>
Payables to units priced at MPW	2 189	-
Interest-bearing loans and borrowings	-	152 468
Deferred income tax provision	-	13 125
Provision for benefits after the employment period	4 187	4 187
Financial liabilities due to lease	23 085	24 416
Liabilities to derivative financial instruments	5 516	-
<b>Short-term liabilities</b>	<b>316 473</b>	<b>166 764</b>
Trade and other liabilities	183 833	161 166
Contract liabilities	1 358	582
Liabilities due to income tax	11 129	-
Current portion of interest-bearing loans and borrowings	114 365	-
Provisions	2 824	2 977
Financial liabilities due to lease	2 264	2 039
Liabilities to derivative financial instruments	700	-
<b>Total liabilities</b>	<b>351 450</b>	<b>360 960</b>
<b>TOTAL LIABILITIES</b>	<b>895 886</b>	<b>926 971</b>

**CASH FLOW STATEMENT**

	For the 9 months ended 30 September 2020 (unaudited)	For the 3 months ended 30 September 2020 (unaudited)	For the 9 months ended 30 September 2019 (converted, unaudited)	For the 3 months ended 30 September 2019 (converted, unaudited)
<b>Cash flow from operating activity</b>				
<b>Profit/ (loss) of the period</b>	<b>6 851</b>	<b>10 158</b>	<b>(897)</b>	<b>5 082</b>
<b>Adjustments by:</b>	<b>(3 740)</b>	<b>(44 474)</b>	<b>8 492</b>	<b>(10 419)</b>
Share in the profit/ loss of investments valued at equity method	5 120	1 268	4 988	1 686
Amortisation	18 805	6 225	19 718	6 615
Foreign exchange (profit)/loss	2 352	1 217	(121)	(671)
Net interest and dividends	1 520	125	165	962
(Profit)/ Loss on investing activity	72	(72)	(5 738)	(5 634)
Change in receivables	(45 996)	(64 700)	2 924	(10 908)
Change in inventories	370	(8 721)	(8 959)	(9 554)
Change in liabilities, excluding loans and borrowings	24 693	20 825	(28 478)	(19 201)
Change in prepayments and accruals	(606)	(1 055)	2 901	(112)
Change in provisions	(10 833)	(3 758)	(1 051)	(126)
Income tax paid	(4 406)	(86)	17 969	23 990
Current tax recognised in profit or loss	17 226	8 211	4 002	2 534
Subsidy	(12 564)	(3 939)	-	-
Other	507	(14)	172	-
<b>Net operating cash flow</b>	<b>3 111</b>	<b>(34 316)</b>	<b>7 595</b>	<b>(5 337)</b>
<b>Cash flows from investment activities</b>				
Sales of property, plant and equipment and intangible assets	147	82	252	48
Purchases of property, plant and equipment and intangible assets	(10 374)	(4 066)	(11 695)	(1 324)
Purchase of financial assets	-	-	(14 000)	(14 000)
Dividends received	151	151	3 479	152
Interest received	118	29	193	61
Borrowings granted	(1 673)	-	(1 141)	(1 098)
Repayment of borrowings granted	9 608	9 112	4 847	2 071
Sales of financial assets	-	-	12 125	12 125
Purchase of financial assets	(1)	-	-	-
<b>Net investment cash flow</b>	<b>(2 024)</b>	<b>5 308</b>	<b>(5 940)</b>	<b>(1 965)</b>
<b>Cash flows from financing activities</b>				
Loans and borrowings granted	-	-	-	(17 041)
Repayment of loans and borrowings	(40 938)	10 434	(10 530)	(10 530)
Interest paid	(2 039)	(393)	(3 997)	(1 234)
Repayment of leasing liabilities	(1 514)	(420)	(2 318)	(330)
Government subsidies	12 564	3 939	-	-
<b>Net financial cash flow</b>	<b>(31 927)</b>	<b>13 560</b>	<b>(16 845)</b>	<b>(29 135)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(30 840)</b>	<b>(15 448)</b>	<b>(15 190)</b>	<b>(36 437)</b>
Net foreign exchange differences	132	55	150	(196)

<b>Opening balance of cash</b>	<b>44 641</b>	<b>29 172</b>	<b>34 878</b>	<b>55 779</b>
<b>Cash at end of year, including:</b>	<b>13 669</b>	<b>13 669</b>	<b>19 538</b>	<b>19 538</b>
of limited disposability	52	52	72	72

**STATEMENT OF CHANGES IN EQUITY**

for the period ended on 30 September 2020 (unaudited)

	Share capital	Supplementary capital from share premium	Exchange differences from translation	Foreign exchange differences	Revaluation reserve from hedging instruments	Hedge costs	Other reserve capital	Business combination capital	Incentive Scheme	Total
<b>As at 1 January 2020</b>	<b>23 931</b>	<b>114 556</b>	<b>9 039</b>	<b>(544)</b>	<b>11 718</b>	<b>12 885</b>	<b>393 145</b>	<b>(1 073)</b>	<b>2 354</b>	<b>566 011</b>
Changes in adopted accounting principles (policy)	-	-	-	-	-	-	-	-	-	-
Error adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at 1 January 2020 after adjustments</b>	<b>23 931</b>	<b>114 556</b>	<b>9 039</b>	<b>(544)</b>	<b>11 718</b>	<b>12 885</b>	<b>393 145</b>	<b>(1 073)</b>	<b>2 354</b>	<b>566 011</b>
Losses covered out of the reserve capital	-	-	3 135	-	-	-	(3 135)	-	-	-
Hedge costs for the period	-	-	-	-	-	22 160	-	-	-	<b>22 160</b>
Amount reclassified to sale revenue	-	-	-	-	9 842	(13 652)	-	-	-	<b>(3 810)</b>
Hedge accounting	-	-	-	-	(54 469)	-	-	-	-	<b>(54 469)</b>
Deffered tax regarding hedge accounting	-	-	-	-	8 479	(1 617)	-	-	-	<b>6 862</b>
Current result	-	-	6 851	-	-	-	-	-	-	<b>6 851</b>
Valuation of operations valued at equity method-exchange differences	-	-	-	831	-	-	-	-	-	<b>831</b>
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>6 851</b>	<b>831</b>	<b>(36 148)</b>	<b>6 891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21 575)</b>
<b>As at 30 September 2020</b>	<b>23 931</b>	<b>114 556</b>	<b>19 025</b>	<b>287</b>	<b>(24 430)</b>	<b>19 776</b>	<b>390 010</b>	<b>(1 073)</b>	<b>2 354</b>	<b>544 436</b>

**STATEMENT OF CHANGES IN EQUITY**

for the year ended on 31 December 2019 (audited)

	Share capital	Supplementary capital from share premium	Retained earnings/ (accumulated loss)	Exchange differences from translation	Revaluation reserve from hedging instruments	Hedge costs	Other reserve capital	Business combination capital	Incentive Scheme	Total
<b>As at 1 January 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>21 303</b>	-	<b>3 266</b>	<b>17 687</b>	<b>395 679</b>	<b>(1 073)</b>	<b>2 354</b>	<b>577 703</b>
Changes in adopted accounting principles (policy)	-	-	(11 349)	(661)	-	-	-	-	-	(12 010)
<b>As at 1 January 2019 after adjustments</b>	<b>23 931</b>	<b>114 556</b>	<b>9 954</b>	<b>(661)</b>	<b>3 266</b>	<b>17 687</b>	<b>395 679</b>	<b>(1 073)</b>	<b>2 354</b>	<b>565 693</b>
Impairment of retained earnings to reserve capital	-	-	2 534	-	-	-	(2 534)	-	-	-
Hedge costs for the period	-	-	-	-	-	3 304	-	-	-	<b>3 304</b>
Amount reclassified to sale revenue	-	-	-	-	(8 409)	(9 233)	-	-	-	<b>(17 642)</b>
Hedge accounting	-	-	-	-	18 844	-	-	-	-	<b>18 844</b>
Deferred tax regarding hedge accounting	-	-	-	-	(1 983)	1 127	-	-	-	<b>(856)</b>
Provision for benefits after the employment period	-	-	(315)	-	-	-	-	-	-	<b>(315)</b>
Current result	-	-	(3 134)	-	-	-	-	-	-	<b>(3 134)</b>
Valuation of operations valued at equity method-exchange differences	-	-	-	117	-	-	-	-	-	<b>117</b>
<b>Comprehensive income for the period</b>	-	-	<b>(3 449)</b>	<b>117</b>	<b>8 452</b>	<b>(4 802)</b>	-	-	-	<b>318</b>
<b>As at 31 December 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>9 039</b>	<b>(544)</b>	<b>11 718</b>	<b>12 885</b>	<b>393 145</b>	<b>(1 073)</b>	<b>2 354</b>	<b>566 011</b>

**STATEMENT OF CHANGES IN EQUITY**

for the period ended on 30 September 2019 (converted, unaudited)

	Share capital	Supplementary capital from share premium	Retained earnings/ (accumulated loss)	Exchange differences from translation	Revaluation reserve from hedging instruments	Hedge costs	Other reserve capital	Business combination capital	Incentive Scheme	Total
<b>As at 1 January 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>21 303</b>	<b>-</b>	<b>3 266</b>	<b>17 687</b>	<b>395 679</b>	<b>(1 073)</b>	<b>2 354</b>	<b>577 703</b>
Changes in adopted accounting principles (policy)	-	-	(11 349)	(661)	-	-	-	-	-	(12 010)
<b>As at 1 January 2019 after adjustments</b>	<b>23 931</b>	<b>114 556</b>	<b>9 954</b>	<b>(661)</b>	<b>3 266</b>	<b>17 687</b>	<b>395 679</b>	<b>(1 073)</b>	<b>2 354</b>	<b>565 693</b>
Impairment of retained earnings to reserve capital	-	-	2 534	-	-	-	(2 534)	-	-	-
Hedge costs for the period	-	-	-	-	-	18 566	-	-	-	<b>18 566</b>
Amount reclassified to sale revenue	-	-	-	-	(6 009)	(5 307)	-	-	-	<b>(11 316)</b>
Hedge accounting	-	-	-	-	(28 009)	-	-	-	-	<b>(28 009)</b>
Deferred tax regarding hedge accounting	-	-	-	-	6 463	(2 519)	-	-	-	<b>3 944</b>
Current result	-	-	(897)	-	-	-	-	-	-	<b>(897)</b>
Valuation of operations valued at equity method-exchange differences	-	-	-	(197)	-	-	-	-	-	<b>(197)</b>
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(897)</b>	<b>(197)</b>	<b>(27 555)</b>	<b>10 740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17 909)</b>
<b>As at 30 September 2019</b>	<b>23 931</b>	<b>114 556</b>	<b>11 591</b>	<b>(858)</b>	<b>(24 289)</b>	<b>28 427</b>	<b>393 145</b>	<b>(1 073)</b>	<b>2 354</b>	<b>547 784</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  
Maciej Formanowicz**

.....

**Member of the Management Board  
Andreas Disch**

.....

**Member of the Management Board  
Klaus Dieter Dahlem**

.....

**Member of the Management Board  
Maria Małgorzata Florczyk**

.....

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

.....

Ostrów Mazowiecka, 23<sup>rd</sup> November, 2020