

Ostrów Mazowiecka, 22 April 2021

## CURRENT REPORT NO. 8/2021

**Subject:** Inside information – preliminary information on the Issuer's financial results for Q1 2021.

The Management Board of FABRYKI MEBLI "FORTE" S.A. with its registered office in Ostrów Mazowiecka (hereinafter: the Issuer, the Company) hereby publishes preliminary information on the financial results of the FABRYKI MEBLI "FORTE" S.A. Capital Group. (hereinafter: the Capital Group or the Group) achieved in Q1 2021.

According to preliminary calculations, the consolidated sales revenue of the Capital Group in Q1 2021 amounted to approx.. PLN 298 million (including PLN 24 million from sales of surplus furniture board manufactured in the Group's own plant, i.e. TANNE Sp. z o.o.) vs PLN 276 million in the comparative period of 2020 (including PLN 16 million from sales of board outside the Group), i.e. it was 8% higher than in 2020.

The estimated value of the Capital Group's consolidated EBIT for Q1 2021 was PLN 45 million, compared to PLN 27 million in the corresponding period of 2020.

The estimated value of the Capital Group's consolidated EBITDA for Q1 2021 was PLN 59 million, compared to PLN 41 million in Q1 2020 (an increase by 44%).

The level of the Capital Group's net financial debt ratio at the end of Q1 2021 did not exceed the level of Q2 (it was approx. 1.5), i.e. it was well below the levels agreed with the Capital Group's financing institutions.

The decisions introduced at the end of Q4 2020 by individual countries, mainly of the DACH group, i.e. German-speaking countries, to completely close the markets again, as well as local restrictions introduced in other sales markets, which continue to this day, had a significant impact, although not as profound as in Q2 2020, on the Group's lower results than in Q4 2020.

On the other hand, the continued high EUR/PLN exchange rate had a significant positive impact on the Group's results in Q1 2021.

In Q1 2021, the Capital Group did not completely stop production. Activities were limited to a temporary reduction of production capacity and a significant increase in the level of inventories, so that, based on the experience of last year's lockdown, we were ready to execute orders if markets reopened.

Considering the ongoing restrictions in individual markets related to the SARS CoV-2 coronavirus pandemic, the Management Board of the Company anticipates that also in April and May 2021, the Company may introduce a temporary reduction in production, but without workforce reductions, which, similarly to Q1 this year, may have a negative impact on the Group's results for the period.

In the current situation, the date of the full lifting of restrictions on the activities of the Group's customers in individual markets is the most important factor uncertainty that may have a negative impact on the results of Q2 2021.

The Issuer's Management Board informs that the above financial results are estimates and may differ from the final data that will be presented in the report for Q4 2021.

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