



**Extract
of consolidated
financial report
for the period
ended 30.09.2021**

**FABRYKI MEBLI „FORTE” S.A.
Capital Group**

Ostrów Mazowiecka, 23 listopada 2021 roku

www.FORTE.com.pl

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CONSOLIDATED SELECTED FINANCIAL DATA

	in thousands of PLN		in thousands of EUR	
	30.09.2021	30.09.2020 (amended)	30.09.2021	30.09.2020 (amended)
Sales revenue	948 370	777 791	208 044	175 091
Profit (loss) on operating activities	127 153	74 591	27 894	16 791
Profit (loss) before tax	117 940	20 149	25 873	4 536
Net (profit) loss attributable to equity owners of the Parent company	87 332	6 354	19 158	1 430
Total comprehensive income for the period	88 347	(20 876)	19 381	(4 699)
Net cash flow from operating activities	76 216	84 562	16 720	19 036
Net cash flow from investment activities	(28 243)	(14 913)	(6 196)	(3 357)
Net cash flow from financial activities	(96 759)	(95 849)	(21 226)	(21 577)
Net (increase) decrease in cash and cash equivalents	(48 786)	(26 200)	(10 702)	(5 898)
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)	3,65	0,27	0,80	0,06
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Total assets	1 473 809	1 471 965	318 118	318 966
Total liabilities	684 977	675 755	147 851	146 432
Long-term liabilities	401 833	322 797	86 735	69 948
Short-term liabilities	283 144	352 958	61 116	76 484
Total equity attributable to equity owners of the Parent company	786 181	793 647	169 695	171 979
Share capital	23 931	23 931	5 165	5 186
Book value per share (in PLN/EUR)	32,85	33,16	4,85	7,19

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the 3 months ended 30 September 2021 (unaudited)	For the 9 months ended 30 September 2021 (unaudited)	For the 3 months ended 30 September 2020 (amended, unaudited)	For the 9 months ended 30 September 2020 (amended, unaudited)
Sales revenue	339 772	948 370	347 001	777 791
Cost of sales	(209 172)	(559 613)	(206 180)	(470 552)
Gross profit from sales	130 600	388 757	140 821	307 239
Other operating revenue	1 262	4 835	6 915	18 635
Costs of sales	(63 575)	(187 362)	(75 414)	(176 105)
General administrative costs	(22 283)	(64 394)	(16 861)	(43 532)
Other operating costs	(4 592)	(14 683)	(5 149)	(31 646)
Profit/ (loss) on operating activities	41 412	127 153	50 312	74 591
Financial revenue	(3 795)	1 302	145	691
Financial costs	(1 668)	(5 848)	(6 394)	(48 757)
Loss on derivative financial instruments	(361)	(1 150)	(390)	(1 256)
Share in the loss of investments valued at equity method	(1 102)	(3 517)	(1 268)	(5 120)
Profit /(loss) before tax	34 486	117 940	42 405	20 149
Income tax	(9 306)	(30 518)	(10 581)	(13 789)
Profit /(loss) on continued operations of the period	25 180	87 422	31 824	6 360
Profit/ (loss) of the period	25 180	87 422	31 824	6 360
Attributable to:				
Shareholders of the Parent Company	25 189	87 332	31 822	6 354
Non-controlling shareholders	(9)	90	2	6
Profit (loss) on continued operations of the period in PLN:				
- basic	1,05	3,65	1,33	0,27
- diluted	1,05	3,65	1,33	0,27

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the 3 months ended 30 September 2021 (unaudited)	For the 9 months ended 30 September 2021 (unaudited)	For the 3 months ended 30 September 2020 (amended, unaudited)	For the 9 months ended 30 September 2020 (amended, unaudited)
Profit/ (loss) of the period	25 180	87 422	31 824	6 360
Other comprehensive income before tax, including:	(13 841)	897	(13 188)	(34 098)
Foreign exchange differences on translation of foreign operations	286	(244)	445	1 994
Hedge accounting	(14 127)	1 141	(13 622)	(36 073)
Other	-	-	(11)	(19)
Deferred tax connected with items which in the future may be reclassified to the profit and loss account	2 744	28	2 613	6 862
Deferred tax regarding hedge accounting	2 744	28	2 613	6 862
Other net comprehensive income	(11 097)	925	(10 575)	(27 236)
Total comprehensive income for the period	14 083	88 347	21 249	(20 876)
Attributable to:				
Shareholders of the Parent Company	14 092	88 257	21 247	(20 882)
Non-controlling shareholders	(9)	90	2	6

CONSOLIDATED STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	30 September 2021 (unaudited)	31 December 2020 (audited)
ASSETS		
Non-current assets	977 521	1 019 849
Tangible fixed assets	832 666	845 035
Intangible assets	16 823	17 520
Other long-term financial assets	5 441	1 120
Real estate investment	51 369	64 036
Assets on deferred tax	71 222	92 138
Current assets	496 288	452 116
Current assets other then held for sale	491 388	447 216
Inventory	245 452	178 917
Trade and other receivables	206 430	180 040
Income tax receivables	202	106
Financial assets	133	128
Cash and cash equivalents	39 171	88 025
Assets held for sale	4 900	4 900
TOTAL ASSETS	1 473 809	1 471 965
LIABILITIES		
Total equity	788 832	796 210
Equity (attributable to shareholders of the Parent Company), including:	786 181	793 647
Basic equity	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capital	2 984	(36 737)
Retained earnings	644 710	691 897
Capital attributable to non-controlling shareholders	2 651	2 563
Long-term liabilities	401 833	322 797
Provision for benefits after the employment period	5 327	5 327
Interest-bearing loans and borrowings	309 137	233 638
Trade and other long-term liabilities	1 684	1 666
Accruals	37 820	37 563
Financial liabilities due to lease	25 687	22 761
Liabilities due to financial derivative instruments	18 626	19 163
Other long-term financial liabilities	3 552	2 679
Short-term liabilities	283 144	352 958
Trade and other liabilities	182 654	170 993
Contract liabilities	1 738	1 783
Accruals	2 307	2 311
Income tax liabilities	4 985	16 527
Current portion of interest-bearing loans and borrowings	85 314	153 902
Financial liabilities due to lease	1 395	2 102
Liabilities due to financial derivative instruments	1 963	2 568
Provision for benefits after the employment period	500	500
Other accruals	2 288	2 272
Total liabilities	684 977	675 755
TOTAL LIABILITIES	1 473 809	1 471 965

CONSOLIDATED CASH FLOW STATEMENT

	9 months ended 30.09.2021 (unaudited)	9 months ended 30.09.2020 (unaudited, amended)
Cash flows from operating activities		
Profit (loss) of the period	87 422	6 360
Adjustments by:	10 635	84 159
Share of loss of associates and joint ventures accounted for using equity method	3 517	5 120
Depreciation	41 029	41 968
Foreign exchange losses	17	24 079
Interest income	(54)	(239)
Interest costs	5 525	7 679
Dividends	(30)	(8)
(Profit)/ loss on investing activity	(1 242)	68
Change in receivables	(26 390)	(48 570)
Change in inventories	(68 918)	(2 627)
Change in liabilities, excluding loans and borrowings	14 089	32 045
Change in accruals and deferrals	921	1 197
Current tax recognised in the profit and loss account	30 518	13 789
Change in fair value	10 474	22 873
Subsidies	-	(13 898)
Other adjustments	1 179	683
Cash flows from operating activities	98 057	90 519
Income tax paid	(21 841)	(5 957)
Net cash flows from operating activities	76 216	84 562
Cash flows from investment activities		
Sale of tangible fixed assets	4 483	187
Purchase of intangible fixed assets	(2)	(39)
Purchase of tangible assets	(25 268)	(13 254)
Real estate investment	(4)	(54)
Cash from entity including to consolidation	-	(1)
Dividends	30	8
Borrowings paid by	705	111
Borrowings granted to related entities	(2 878)	(1 673)
Borrowings granted to unrelated entities	(700)	-
Net cash flows from investing activities	(28 243)	(14 913)
Cash flows from financing activities		
Borrowings taken out	67 735	8 884
Repayment of borrowings	(61 406)	(109 056)
Repayment of leasing liabilities	(1 720)	(1 587)
Dividends	(95 723)	-
Dividends paid to non-controlling shareholders	(2)	(1)
Interest paid	(5 643)	(7 987)
Subsidies	-	13 898
Net cash flows from financial activities	(96 759)	(95 849)
Net decrease in cash and cash equivalents before impact of foreign exchange differences	(48 786)	(26 200)
Net foreign exchange differences (from the opening balance translation)	(68)	216
Net decrease in cash and cash equivalents	(48 854)	(25 984)
Opening balance of cash	88 025	54 391
Closing balance of cash, including:	39 171	28 407
of limited disposability	424	916

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2021 (unaudited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total capital attributed to controlling shareholders	Total capital of non-controlling shareholders	Total equity
As at 1 January 2021	23 931	114 556	691 897	(36 737)	793 647	2 563	796 210
Dividends paid to non-controlling shareholders	-	-	(95 723)	-	(95 723)	(2)	(95 725)
Other changes	-	-	(38 796)	38 796	-	-	-
Current result	-	-	87 332	-	87 332	90	87 422
Other comprehensive income for the period	-	-	-	925	925	-	925
Comprehensive income for the period	-	-	87 332	925	88 257	90	88 347
Change in equity	-	-	(47 187)	39 721	(7 466)	88	(7 378)
As at 30 September 2021	23 931	114 556	644 710	2 984	786 181	2 651	788 832

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020 (audited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total capital attributed to controlling shareholders	Total capital of non-controlling shareholders	Total equity
As at 1 January 2020	23 931	114 556	664 511	(21 813)	781 185	17	781 202
Error adjustments	-	-	(23 868)	23 868	-	-	-
Changes in Accounting Principles (Policy)	-	-	1 569	(1 569)	-	-	-
As at 1 January 2020 after adjustments	23 931	114 556	642 212	486	781 185	17	781 202
Payment of dividend for 2019	-	-	-	-	-	-	-
Including an entity for consolidation	-	-	145	-	145	2 553	2 698
Other changes	-	-	(11)	-	(11)	(9)	(20)
Current result	-	-	49 551	-	49 551	2	49 553
Other comprehensive income for the period	-	-	-	(37 223)	(37 223)	-	(37 223)
Comprehensive income for the period	-	-	49 551	(37 223)	12 328	2	12 330
Change in equity	-	-	49 685	(37 223)	12 462	2 546	15 008
As at 31 December 2020	23 931	114 556	691 897	(36 737)	793 647	2 563	796 210

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 2021	55 837	19%	242 792	81%	298 629	-
II Q 2021	58 732	19%	251 237	81%	309 969	-
III Q 2021	88 036	26%	251 736	74%	339 772	-
Total 3 Q 2021	202 605	21%	745 765	79%	948 370	-
I Q 2020	52 430	19%	223 964	81%	276 394	24%
II Q 2020	32 601	21%	121 795	79%	154 396	13%
III Q 2020	67 305	19%	279 696	81%	347 001	30%
Total 3 Q 2020	152 336	20%	625 455	80%	777 791	
IV Q 2020	73 366	19%	308 850	81%	382 216	33%
Total 2020	225 702	19%	934 305	81%	1 160 007	100%

Revenues and costs

Sales revenues

Sales revenues	For the reporting period ended	
	30.09.2021 (unaudited)	30.09.2020 (unaudited)
Revenues from sales of goods, products and materials	944 049	773 922
- products	819 314	725 139
<i>contains result on financial derivative instruments</i>	-	3 810
- goods and materials	124 735	48 783
Revenues from sales of services	4 321	3 869
Total net revenues from sales	948 370	777 791
- including from related entities	4 826	7 666

Other operating revenues

Other operating revenues	For the reporting period ended	
	30.09.2021 (unaudited)	30.09.2020 (unaudited)
Reversal of impairment write-downs receivables	240	384
Reversal of impairment write-downs inventories	483	-
Gain on sale of property, plant and equipment	319	6
Gain on sale of intangible assets	962	-
Subsidies	1 822	15 443
Compensations	628	2 549
Other	381	253
Total other operating revenues	4 835	18 635

Other operating cost

Other operating costs	For the reporting period ended	
	30.09.2021 (unaudited)	30.09.2020 (unaudited)
Creation of revaluation write-downs receivables	432	4 117
Creation of revaluation write-downs inventories	62	-

Liquidation and impairment losses on property, plant and equipment	39	29
Scrapping of inventory	2 745	662
Donations	53	50
Penalties and compensations	820	5 075
Unused production capacity	-	18 587
Court costs	15	12
Real estate investment fair value	10 127	-
Other	390	3 114
Total other operating costs	14 683	31 646

Financial revenues

Financial revenue	For the reporting period ended	
	30.09.2021 (unaudited)	30.09.2020 (unaudited)
Dividends	30	8
Credit valuation at amortised cost	-	125
Exchange differences of financial assets and liabilities	1 136	-
Interest	136	407
Other	-	151
Financial revenues, total	1 302	691

Financial costs

Financial costs	For the reporting period ended	
	30.09.2021 (unaudited)	30.09.2020 (unaudited)
Interest on loans	3 882	8 040
Interest on leasing	340	146
Other interest	110	591
Commission on loans	472	265
Exchange differences of financial assets and liabilities	-	16 790
Credit valuation at amortised cost	482	-
Certificates fair value	346	22 873
Other	216	52
Financial costs, total	5 848	48 757

Costs by type

Costs by type	For the reporting period ended	
	30.09.2021 (unaudited)	30.09.2020 (unaudited)
Depreciation	41 029	41 968
Consumption of materials and energy	363 063	281 933
External services	157 207	141 044
Taxes and fees	13 513	9 280
Payroll	168 803	144 076
Social insurance and other benefits	35 937	39 478
Other costs by type	8 335	6 457
Costs by type	787 887	664 236
Unused production capacity	-	(18 587)
Change in product inventory and accruals	(47 442)	(177)
Manufacturing cost of products for internal purposes	(3 107)	(662)
Costs of sales	(187 362)	(176 105)
General administrative costs	(64 394)	(43 532)

Manufacturing cost of sold products and services	485 582	425 173
Value of goods and materials sold	74 031	45 379
Costs of sales	559 613	470 552

Commentary to the Group results and basic economic-financial amounts

Group performance and key economic and financial data:

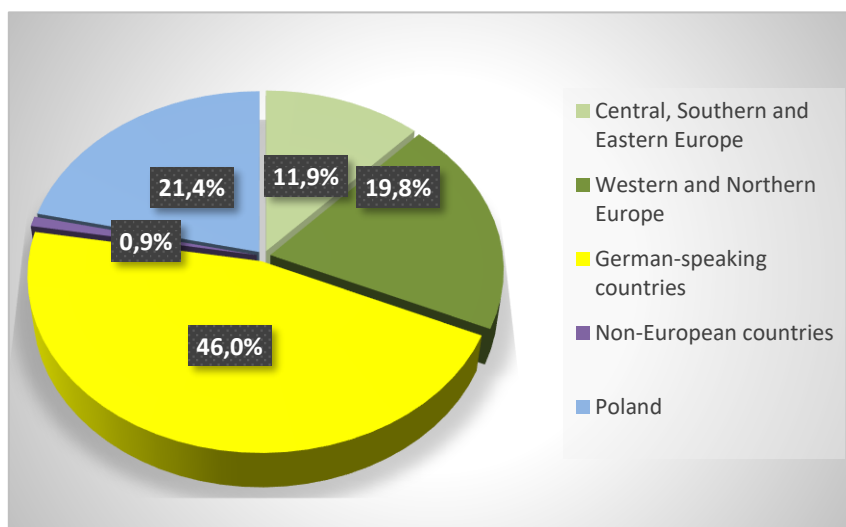
Item	9 months ended 30 Sept 2021	9 months ended 30 Sept 2020 (amended)	% change	3 months ended 30 Sept 2021	3 months ended 30 Sept 2020 (amended)	% change
Sales revenue	948 370	777 791	21,9%	339 772	347 001	(2,1%)
Cost of sales	(559 613)	(470 552)	18,9%	(209 172)	(206 180)	1,5%
Gross profit on sales	388 757	307 239	26,5%	130 600	140 821	(7,3%)
Gross margin on sales %	41,0%	39,5%		38,4%	40,6%	
Selling costs	(187 362)	(176 105)	6,4%	(63 575)	(75 414)	(15,7%)
G&A costs	(64 394)	(43 532)	47,9%	(22 283)	(16 861)	32,2%
Operating profit (EBIT)	127 153	74 591	70,5%	41 412	50 312	(17,7%)
EBITDA	168 182	116 559	44,3%	55 022	64 262	(14,4%)
Share in profit/loss of subsidiaries valued under the equity method	(3 517)	(5 120)	(31,3%)	(1 102)	(1 268)	(13,1%)
Gross profit	117 940	20 149	485,3%	34 486	42 405	(18,7%)
Net profit	87 422	6 360	1 274,6%	25 180	31 824	(20,9%)
Net profit margin %	9,2%	0,8%		7,4%	9,2%	
Return on equity (ROE)	11,1%	0,8%		3,2%	4,2%	
Return on assets (ROA)	5,9%	0,4%		1,7%	2,1%	

After 3 quarters of 2021, the FORTE Group's **sales revenue** amounted to PLN 948 370 thousand, compared to PLN 777 791 thousand in the corresponding period of 2020 (an increase by 21.9%). Sales of surplus raw board manufactured by the subsidiary TANNE in the reporting period amounted to PLN 114 977 thousand, compared to PLN 41 979 thousand in the corresponding period of 2020.

In Q3 2021 alone, sales amounted to PLN 339 772 thousand, compared to PLN 347 001 thousand in the corresponding period of 2020 (a decrease by 2%).

Export sales of the FORTE Group totalled PLN 745 765 thousand – 78.6% of total sales (after 3 quarters of 2020 – PLN 625 455 thousand – 80.4%). Sales in the Polish market amounted to PLN 202 605 thousand (21.4%) against PLN 152 336 thousand (19.6%) in the corresponding period of 2020.

The percentage of sales in individual markets was as follows: German-speaking countries 46.0% (48.4% – Q3 2020), Western and Northern Europe 19.8% (18.8% – Q3 2020), Poland 21.40% (19.6% – Q3 2020), Central, Southern and Eastern Europe 11.90% (12.5% – Q3 2020).



An increase in revenue in the entire reporting period compared to the same period last year is due to the 1.5 month downtime in the Group's operations last year as a result of the restrictions introduced in the initial phase of the pandemic.

- **Gross margin on sales** stood at a level of 41.0%, which is 1.5 pp higher than in the corresponding period last year. The main factors influencing the margin increase included the high EUR/PLN exchange rate, which was favourable to exporters throughout the reporting period of 2021 as well as an increase in market prices of chipboard, which had a positive impact on the margin on sales outside the Group.

- **Selling costs** totalled PLN 187 362 thousand and increased in terms of numbers compared to 3 quarters of 2020 by PLN 11 257 thousand. The selling costs to revenue ratio decreased to 19.8% versus 22.6% in the corresponding period last year. The reason for a percentage decrease in the selling costs to revenue ratio is an increased share of chipboard sales to external customers without transport costs, in total revenue.

- **G&A costs** stood at a level of PLN 64 394 thousand compared to PLN 43 532 thousand in the corresponding period of 2020. The G&A costs to revenue ratio stood at 6.8% versus 5.6% in 3 quarters of 2020. This increase in costs vs the comparative period was primarily due to the almost complete limitation of all expenses (including a significant reduction in all salaries) in the corresponding period of 2020 in connection with the COVID-19 lockdown, as well as salary changes made since the beginning of this year, and also further changes to the Group's organisation.

- **Operating profit** amounted to PLN 127 153 thousand (13.4% of revenue), compared to PLN 74 591 thousand (9.6% of revenue) in the corresponding period of 2020. The operating result for the reporting period was charged with a one-off write-down of the value of investment properties to their fair value of PLN (-) 10 127 thousand. This was due to obtaining up-to-date real property appraisals in connection with the plans to sell them.

- **Result on financial operations** amounted to PLN (-) 4 546 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 (-) 3 882 thousand and the excess of foreign exchange gains of PLN (+) 1 136 thousand.

- In the reporting period, **net profit** totalled PLN 87 422 thousand, compared to PLN 6 360 thousand in the corresponding period of 2020.

Characteristics of balance sheet items	30.09.2021		31.12.2020		% change 2021/2020
	PLN '000	% of balance sheet total	PLN '000	% of balance sheet total	
Non-current assets	977 521	66%	1 019 849	69%	(4,2%)
Current assets	496 288	34%	452 116	31%	9,8%
Total assets	1 473 809	100%	1 471 965	100%	0,1%

Equity	788 832	54%	796 210	54%	(0,9%)
Non-current liabilities and provisions	401 833	27%	322 797	22%	24,5%
Current liabilities and provisions	283 144	19%	352 958	24%	(19,8%)
Total equity and liabilities	1 473 809	100%	1 471 965	100%	0,1%

Non-current assets fell by PLN (-) 42 328 thousand, mainly as a result of a decrease in deferred income tax assets PLN (-) 20 916 thousand, a decrease in tangible fixed assets due to depreciation of assets held and a decrease in the value of investment properties due to their write-down and sale.

Current assets increased by PLN (+) 44 172 thousand. The most significant increase in current assets was recorded for inventories PLN (+) 66 535 thousand and for trade receivables PLN (+) 26 390 thousand. The most significant decrease in current assets was recorded for cash PLN (-) 48 854 thousand. Such a significant increase in the level of inventories compared to the comparative period is due to the unusual situation in 2020 when the Group was unable to execute orders on an ongoing basis and thus prepare inventories for Q4, which is usually a high season.

On the **liabilities** side, the most significant change occurred in retained earnings – a decrease by PLN (-) 47 187 and in other reserve capitals – an increase by PLN (+) 39 721 thousand.

In non-current liabilities, there was an increase by PLN (+) 79 036 thousand, mainly in non-current liabilities under bank loans PLN (+) 75 499 following the renewal of the Parent Entity's main loan agreements for the next three years.

In current liabilities, there was a decrease by PLN (-) 69 814 thousand, mainly in liabilities related to the current part of working capital loans (-) PLN 68 588 thousand following the above-mentioned annexation of loan agreements and in income tax liabilities PLN (-) 11 542 thousand. An increase was recorded for trade and other liabilities by PLN (+) PLN 11 385 thousand, mainly as a result of increased purchases of raw materials. The Forte Group pays its liabilities to suppliers on time.

In Q3 2021, unlike in 2020, there was no significant increase in customer orders following the end of lockdowns in the sales markets where the Group is present. Q3 2021 in terms of production and orders was comparable to low season periods in 2019 and earlier.

Importantly, the number of orders at the end of Q3 and the current quarter also shows no signs of a significant uptick in orders from our customers in Q4.

The current situation related to the next wave of COVID-19 and the information about the growing number of cases appearing in individual countries cause additional uncertainty regarding the level of turnover in Q4 2021 and Q1 2022, which is usually a high season.

The level of the Group's net financial debt ratio at the end of Q3 2021 was around 1.6, which is well below the levels agreed with financing institutions.

In the period covered by these financial statements, all bank loan agreements of the Parent Entity were renewed while the available credit limits were maintained at the current level.

The FORTE Group's investment budget for 2021 is approx. PLN 47 million, the capital expenditure is financed from the Group's own funds.

The most important investments in 2021 include: machinery (purchase of a HOMAG machine – a narrow edge banding machine, purchase of a weighing and counting machine), continued modernisation of fire protection systems (sprinkler installation in Suwałki, separation of fire zones in production halls in Ostrów Mazowiecka, Białystok and Suwałki, preparation of a project to modernise the sprinkler installation in Ostrów Mazowiecka). Modernisation of the lighting installation using LED technology was continued and a project to modernise indoor lighting was prepared for the plant in Hajnówka and Białystok. Moreover, a comprehensive construction of new traction battery charging stations for battery trolleys at the plant in Ostrów Mazowiecka and in Hajnówka was completed (similar projects are being prepared for Białystok and Suwałki). The investment budget of the TANNE factory for the entire year 2021 is nearly PLN 13 million, of which the key projects include: the completed purchase of a new VOLVO front-end loader, the ongoing modernisation and expansion of the sprinkler system in 4 production buildings and the most important project with a total budget of approx. PLN 6 million – improving the fire safety of the production line in the “dry” zone.

The Management Board does not see any risks related to ensuring the Group's continued liquidity or to financing the planned investments.

An area that may carry financial risk for the Group in the future is the open issue of the subsidy received by TANNE from the Ministry of Development and Technology for the construction of a chipboard factory. The Company has so far fulfilled the condition of incurring eligible expenses, while it has not fulfilled the condition of creating a certain number of new jobs. This is mainly due to the fact that the Management Board withheld the decision to build the fifth furniture factory in connection with the outbreak of the COVID-19 pandemic and the accompanying uncertainty as to the future prosperity of the furniture market. The deadline for meeting the contractual terms is the end of 2023. The Company's

Management Board has taken steps to annex the agreement in terms of reducing the required number of new jobs or reducing the amount of the subsidy in relation to the number of missing jobs, however, at the time of publication of these financial statements, the Company still does not have a final decision in this matter.

SELECTED FINANCIAL DATA

	in thousands of PLN		in thousands of EUR	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Sales revenue	838 196	740 835	183 875	166 772
Profit (loss) on operating activities	31 636	17 791	6 940	4 005
Profit (loss) before tax	82 323	13 244	18 059	2 981
Profit (loss) for the period	73 853	6 851	16 201	1 542
Total comprehensive income for the period	73 552	(21 575)	16 129	(4 857)
Net cash flows from operating activities	(19 143)	3 111	(4 199)	700
Net cash flows from investing activities	40 490	(2 024)	8 882	(456)
Net cash flows from financial activities	(15 245)	(31 927)	(3 344)	(7 187)
Net increase (decrease) in cash and cash equivalents	6 102	(30 840)	1 339	(6 943)
Number of shares	23 930 769	23 930 769	23 930 769	23 930 769
Declared or paid dividend per share (in PLN/EUR)	4,00	0,00	0,88	0,00
Net profit (loss) per share (in PLN/EUR)	3,09	0,29	0,68	0,06
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Total assets	936 422	878 271	202 124	190 316
Total liabilities	398 404	318 051	85 995	68 920
Long-term liabilities	183 733	45 929	39 658	9 953
Short-term liabilities	214 671	272 122	46 336	58 967
Total equity	538 018	560 220	116 130	121 396
Share capital	23 931	23 931	5 165	5 186
Book value per share (in PLN/EUR)	22,48	23,41	4,85	5,07

PROFIT AND LOSS ACCOUNT

	For the 3 months ended 30 September 2020 (unaudited)	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 2020 (unaudited)
Sales revenue	291 105	838 196	330 464	740 835
Cost of sales	(198 230)	(546 847)	(217 159)	(485 240)
Gross profit from sales	92 875	291 349	113 305	255 595
Other operating revenue	334	1 441	4 305	13 481
Costs of sales	(68 927)	(203 833)	(82 580)	(191 881)
General administrative costs	(18 307)	(53 201)	(13 846)	(34 976)
Other operating costs	(2 013)	(4 120)	(5 068)	(24 428)
Operating profit	3 962	31 636	16 116	17 791
Financial revenue	1 767	56 234	313	3 954
Financial costs	(825)	(2 029)	(550)	(3 381)
Share in the profit/ loss of investments valued at equity method	(1 103)	(3 518)	(1 268)	(5 120)
Profit before tax	3 801	82 323	14 611	13 244
Income tax	(2 250)	(8 470)	(4 453)	(6 393)
Profit/ (loss) on continued operations of the period	1 551	73 853	10 158	6 851
Profit of the period	1 551	73 853	10 158	6 851
Profit per share for the period (in PLN):				
- basic	0,06	3,09	0,43	0,29
- diluted	0,06	3,09	0,43	0,29

STATEMENT OF COMPREHENSIVE INCOME

	For the 3 months ended 30 September 2020 (unaudited)	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 2020 (unaudited)
Profit of the period	1 551	73 853	10 158	6 851
Other comprehensive income before tax	(14 690)	(359)	(13 599)	(35 288)
Items which in the future may be reclassified to the profit and loss account				
Foreign exchange differences on translation of foreign operations	(250)	(215)	156	831
Other comprehensive income for a cash flow hedge	(14 440)	(144)	(13 755)	(36 119)
Deferred tax connected with items of comprehensive income	2 744	28	2 613	6 862
Deferred tax connected with items which in the future may be reclassified to the profit and loss account				
Deferred tax regarding hedge accounting	2 744	28	2 613	6 862
Other net comprehensive income	(11 946)	(331)	(10 986)	(28 426)
Total comprehensive income for the period	(10 395)	73 522	(828)	(21 575)

STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	30 September 2021 (unaudited)	31 December 2020 (audited)
ASSETS		
Non-current assets	558 194	563 657
Tangible fixed assets	263 145	267 799
Intangible assets	703	1 032
Investment in subsidiaries and entities	289 886	289 886
Other long-term assets	2 379	2 789
Assets on deferred tax	2 081	2 151
Current assets	378 228	314 614
Reserves	183 308	127 102
Trade and other receivables	178 847	177 687
Other short-term assets	2 464	2 220
Cash and cash equivalents	13 609	7 605
TOTAL ASSETS	936 422	878 271
LIABILITIES		
Equity	538 018	560 220
Share capital	23 931	23 931
Surplus of share sale above their nominal value	114 556	114 556
Other reserve capitals	(14 627)	(14 296)
Retained earnings	414 158	436 029
Long-term liabilities	183 733	45 929
Payables to units priced at MPW	3 552	2 679
Interest-bearing loans and borrowings	132 102	-
Provision for benefits after the employment period	4 816	4 816
Payables due to derivative financial instruments	16 451	15 701
Financial liabilities due to lease	25 624	22 733
Accruals	1 188	-
Short-term liabilities	214 671	272 122
Trade and other liabilities	178 279	175 556
Contract liabilities	1 730	1 237
Current portion of interest-bearing loans and borrowings	23 672	71 500
Liabilities due to tax	4 925	16 453
Provisions	2 784	2 770
Financial liabilities due to lease	1 317	2 038
Payables due to derivative financial instruments	2 568	2 568
Total liabilities	398 404	318 051
TOTAL LIABILITIES	936 422	878 271

CASH FLOW STATEMENT

	30 September 2021 (unaudited)	30 September 2020 (unaudited)
Cash flow from operating activity		
Profit/ (loss) of the period	73 853	6 851
Adjustments by:	(73 094)	666
Share in the loss of investments valued at equity method	3 518	5 120
Amortisation	18 245	18 805
Foreign exchange (profit)/loss	(503)	2 352
Interest income	(42)	(368)
Interest costs	2 499	1 930
Dividends	(55 284)	(151)
(Profit)/ Loss on investing activity	(170)	72
Change in receivables	(1 096)	(46 449)
Change in inventories	(56 205)	370
Change in liabilities, excluding loans and borrowings	7 297	24 540
Change in provisions	14	-
Current tax recognised in profit or loss	8 471	6 393
Other	162	(11 948)
Income tax paid	(19 902)	(4 406)
Net operating cash flow	(19 143)	3 111
Cash flows from investment activities		
Sale of tangible fixed assets and intangible assets	241	147
Purchases of tangible fixed assets and intangible assets	(12 387)	(10 374)
Purchase of financial assets	-	(1)
Dividends received	55 284	151
Interest received	75	118
Borrowings granted	(2 878)	(1 673)
Repayment of borrowings granted	607	9 608
Other outflows	(452)	-
Net investment cash flow		
Cash flows from financing activities		
Inflow from loans and borrowings taken out	84 745	-
Repayment of loans and borrowings	-	(40 938)
Government subsidies	-	12 564
Dividend paid	(95 723)	
Interest paid	(2 608)	(2 039)
Repayment of leasing liabilities	(1 659)	(1 514)
Net financial cash flow	(15 245)	(31 927)
Net increase (decrease) in cash and cash equivalents	6 102	(30 840)
Net foreign exchange differences	98	132
Opening balance of cash	7 605	44 641
Cash at end of year, including:	13 609	13 669
- of limited disposability	61	52

STATEMENT OF CHANGES IN EQUITY

for the period ended on 30 September 2021 (unaudited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
As at 1 January 2021	23 931	114 556	436 029	(14 296)	560 220
Dividends paid	-	-	(95 724)	-	(95 724)
Current result	-	-	73 853	-	73 853
Other comprehensive income for the period	-	-	-	(331)	(331)
Comprehensive income for the period	-	-	73 853	(331)	73 522
Change in equity	-	-	(21 871)	(331)	(22 202)
As at 30 September 2021	23 931	114 556	414 158	(14 627)	538 018

STATEMENT OF CHANGES IN EQUITY

for the year ended on 31 December 2020 (audited)

	Share capital	Share premium	Retained earnings	Other reserve capital	Total equity
As at 1 January 2020	23 931	114 556	402 184	25 340	566 011
Changes in Accounting Principles (Policy)	-	-	521	(521)	-
As at 1 January 2020 after adjustments	23 931	114 556	402 705	24 819	566 011
Current result	-	-	33 324	-	33 324
Other comprehensive income for the period	-	-	-	(39 115)	(39 115)
Comprehensive income for the period	-	-	33 324	(39 115)	(5 791)
Change in equity	-	-	33 324	(39 115)	(5 791)
As at 31 December 2020	23 931	114 556	436 029	(14 296)	560 220

Signature of the person entrusted with bookkeeping:

**Chief Accounting
Anna Wilczyńska**

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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
Maria Małgorzata Florczuk**

.....

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

.....

**Member of the Management Board
Walter Stevens**

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Ostrów Mazowiecka, 23rd November, 2021