

Ostrów Mazowiecka, on the 10th of June 2016

### **CURRENT REPORT NO. 25/2016**

Subject: conclusion of Annex to the significant agreement by the Issuer

The Management Board of FABRYKI MEBLI „FORTE” S.A. with its seat in Ostrów Mazowiecka (further referred to as the Issuer) hereby informs that on the 10th of June 2016 it concluded with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna with its seat in Warsaw (further referred to as PKO BP S.A.) and annex to the loan agreement on the current account of the 14th of February 2000. Pursuant to the hereby annex the maximum amount of loan has been increased by PLN 45,000,000.00 (in words: forty five million zloty), that is up to the amount of PLN 100,000,000.00 ( in words: one hundred million zloty).

The loan security is the Total bail stipulated mortgage up to the amount of PLN 120,000,000.00 (in words: one hundred and twenty milion zloty) on the perpetual usufruct right to the developed land property of the Issuer and buildings located on this property, constituting a separate from land subject of property located in Hojnówka at ul. 3-go Maja 51 and in Ostrów Mazowiecka at ul. Biała 1. The repayment of the loan is further secured with an in blanco promissory note with a promissory note declaration, transfer of rights from property insurance agreements on which the mortgage was placed and a registered pledge on items marked as species (wrestling) located at the Branch of the Issuer in Hajnówka of total value of PLN 32.455.503,34 (in words: thirty two million, four hundred and fifty five thousand, five hundred and three zloty and thirty four grosz).

The book value of the assets within the accounts of the Issuer on which the mortgage amounts to PLN 61,595,954.11 as per the status on the 31st of March 2016. Whilst the book value of the assets on which the registered pledge was set amounts to PLN 32,460,833.36 according to the status as of 31st of March 2016.

Financial conditions of the concluded annex do not differ from commonly applied conditions in these types of agreements.

No provisions concerning contractual penalties have been included in the annex.

There are no relations between the Issuer, persons managing and supervising the Issuer and PKO BP S.A.

The amount of loan exceeds the value of 10% of own capital of the Issuer which constitutes the criterion for considering the annex as a significant agreement.

**Legal basis:** Art. 56 section 1 point 2 of the Act of the 29th of July 2005 on Public Offer and Conditions of Introducing Financial Instruments to Organised Trading and on Public Companies (Journal of Laws from 2013, item 1382).