

Ostrów Mazowiecka, on the 12th of August 2016

## **CURRENT REPORT NO. 32/2016**

**Refers:** confidential information-conclusion of significant agreement by the Issuer

The Management Board of FABRYKI MEBLI "FORTE" S.A. with its seat in Ostrów Mazowiecka (further referred to as: Company) bearing in mind current report no. 41/2015 of the 3rd of November 2015 hereby informs that on the 12th of August 2016 it concluded with ING Bank Śląski S.A. (further referred to as: Bank) with its seat in Katowice a subsequent supplementary agreement to the loan agreement from the 24th of June 2003. The subject of the supplementary agreement is an increase of loan amount up to the amount of PLN 100,000,000.00 (in words: one hundred million zloty) and a change of loan security.

Loan security has been changed, that is the Issuer signed a blank promissory personal note together with promissory note declaration, a registered pledge up to the maximum amount of security of PLN 120,000,000 (in words: one hundred and twenty million zloty) was set on the working capital in the form of reserves located in the plant of the Issuer in Suwałki at ul. Północna 30 and in Ostrów Mazowiecka at ul. Biała 1 being the set of movable items with variable content, constituting an organized economic unit. Furthermore, registered pledge on the movable property located in the Issuer's plant in Suwałki at ul. Północna 30 was increased from the maximum amount of security of PLN 54,000,000.00 (in words: fifty four million zloty) to the amount of PLN 120,000,000.00 (in words: one hundred and twenty million zloty).

Ad additional security remained capped mortgage of total amount of PLN 54,000,000.00 (in words: fifty four million zloty) established on perpetual usufruct rights to the land property located in Suwałki at ul. Północna 30 and on property rights to buildings and devices located therein as well as cession of rights from insurance policies covering the subject of movable property.

Both loan agreement and the supplementary agreement do not contain any specific conditions which would vary from standard applicable provisions within this type of agreements.

As assessed by the Management Board of the Issuer the supplementary agreement concluded on this day shall be considered as a significant agreement since an increase of the loan amount up to the amount of PLN 100,000,000.00 (in words: one hundred million zloty) exceeds the value of at least 10% of Company own capital as indicated in the recently published consolidated annual report.

**Legal basis:** art. 17, sec. 1 MAR-confidential information