

Ostrów Mazowiecka, on the 1st February 2017

CURRENT REPORT NO. 5/2017

Refers: Confidential information- conclusion of transaction of change of interest rate

The Management Board of FABRYKI MEBLI „FORTE” S.A. with its seat in Ostrów Mazowiecka (further: Issuer) hereby informs that as of 1 February 2017 it obtained an information from the Issuer's subsidiary, that is TANNE Sp. z o.o. with its seat in Warsaw (further: TANNE), regarding confirmation by Powszechna Kasa Oszczędności Bank Polski S.A. (further: PKO BP S.A.) of conclusion of transaction of change of interest rate into a fixed one (further: IRS Transaction), constituting interest rate risk hedge, related to the loan agreement granted to TANNE on 17 October 2016 of which the Issuer informed within the current report no. 40/2016.

Basic terms of IRS Transaction concluded between TANNE and PKO BP S.A. include:

-nominal amount and transaction currency- EUR 49,000,000.00-(35% of nominal amount of loan),

-reference rate: EURIBOR 3M,

-start date of first interest period-20.09.2018

-first exchange of interest payments-20.12.2018

-completion date for IRS Transaction-14.10.2024

-depreciation and interest periods-in accordance with the agreed schedule,

Interest base for both swap legs (fixed and variable interest payments)- Act/360.

In the opinion of the Issuer's Management Board, conclusion of IRS Transaction will ensure hedging of future interest payments against increase of interest rates.

Legal basis: art. 17 (1) of MAR Regulation