



Current report no.:	12/2020
Date:	2020-03-20
Name of the Issuer:	FERRUM S.A.
Title:	Notification on the change of share in the general number of votes in FERRUM S.A.
Legal basis:	Art. 70 point 1 Act on Public Offering – purchase or sale of substantial package of shares

Content of the report:

Acting pursuant to Art. 70 point 1 Act on the Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and Public Companies (Act), the Management Board of FERRUM S.A. (Company, Issuer) informs that on 20th March 2020 the Company received a notification on the change of share in the general number of votes in the Company prepared by Fundusz Inwestycji Polskich Przedsiębiorstw Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych submitted in line with Art. 69 of the Act, the content of which the Issuer presents as below:

„Hereby Fundusz Inwestycji Polskich Przedsiębiorstw Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych with its registered seat in Warsaw, Krucza Street 50, 00-025, Warsaw, entered into the register of investment funds kept by the District Court in Warsaw, VII Civil Division - Registering under the number RFI 1168 (“Notifier” or “FIPP”), on the basis of Art. 69 item 1 point 1) and Art. 69 item 2 point 1) letter a) of the Act of 29th July 2005 on the Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and Public Companies with further amendments (“Act”), informs that on 12th March 2020 a package transaction took place on the regulated market run by Warsaw Stock Exchange in Warsaw (“GPW”), within which the Notifier bought 15 007 057 dematerialized ordinary bearer shares of the Company from Watchet spółka z ograniczoną odpowiedzialnością seated in Warsaw, Krucza Street 50, 00-025 Warsaw, entered into the register of entrepreneurs of the National Register Court, kept by the District Court Warsaw in Warsaw, XII Commercial Division of the National Court Register under the number KRS 0000656838 (“Watchet”) (“Transaction”). Therefore, the Notifier exceeded the threshold of 33 1/3% of the total number of votes at the Company general meeting and simultaneously the so far owned share of over 10% of the general number of votes at the Company general meeting increased by more than 2% of the total number of votes at the Company general meeting, whereas, due to the fact that the Notifier purchased the shares within Transaction from its subsidiary company (i.e. Watchet) – the total number of the Company shares held by the Notifier and the total share in the general number of votes at the Company general meeting held by the Notifier directly and indirectly via the subsidiary company (i.e. Watchet) did not change – the Notifier still held directly and indirectly 28 796 429 ordinary bearer shares of the Company, equivalent to (rounded to one-hundredth of percent) 49.72% of Company equity, giving right to 28 796 429 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 49.72% of the total number of votes at the Company general meeting, whereas – after the Transaction – the Notifier held: (i) directly 24 518 681 Company ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 42.34% of the total number of votes at the Company general meeting, giving right to 24 518 681 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 42.34% of the total number of votes at the Company general meeting, and (ii) indirectly via Watchet (being a subsidiary company of the Notifier) 4 277 748 Company ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 7.39% of the Company equity, giving right to 4 277 748 votes at the Company general meeting, which



constitute (rounded to one-hundredth of percent) 7.39% of the total number of votes at the Company general meeting.

1) Date and type of event causing the change of share referred to in this notification

Change in the Notifier's state of possession of the Company shares results from the Notifier's buying from Watchet of 15 007 057 Company dematerialized ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 25.91% of the Company equity and entitling to 15 007 057 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 25.91% of the total number of votes at the Company general meeting, executed on the basis of a package transaction on Warsaw Stock Exchange in Warsaw on 12th March 2020, whereas the transaction clearing took place on 13th March 2020.

2) Number of shares owned prior to the share change and their percentage in the Company equity and number of share votes and their percentage in the total number of votes

Before the Transaction the Notifier held directly and indirectly total of 28 796 429 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 49.72% of the Company equity, entitling to 28 796 429 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 49.72% of the total number of votes at the Company general meeting, including:

- (i) directly 9 511 624 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 16.42% of the Company equity and entitling to 9 511 624 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 16.42% of the total number of votes at the Company general meeting;
- (ii) indirectly via Watchet (being the Notifier's subsidiary company) 19 284 805 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 33.30% of the Company equity and entitling to 19 284 805 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 33.30% of the total number of votes at the Company general meeting.

Before the Transaction, the Notifier was a party of the agreement defined in Art. 87 item 1 point 5) of the Act with regard to the Company, concluded with Watchet, Mezzanine Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych seated in Warsaw, Ptzyokopowa Street 33, 01-208 Warsaw, entered in the investment funds register under the number RFI 1030 ("Mezzanine") and MM Asset Management spółka z ograniczoną odpowiedzialnością seated in Dąbrowa Górnicza, Przemysłowa Street 1A, 43-300 Dąbrowa Górnicza, entered into the register of entrepreneurs of the National Register Court, kept by the District Court Katowice-Wschód in Katowice, VIII Commercial Division of the National Court Register under the number KRS 0000626568 ("MMAM") ("Agreement").

In accordance with the Notifier's best knowledge, before the Transaction the Agreement parties owned jointly 47 591 698 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 82.18% of the Company equity and giving right to 47 591 698 votes at the Company general meeting, which constituted (rounded to one-hundredth of percent) 82.18% of the total number of votes at the Company general meeting, including:

- (i) FIPP held directly 9 511 624 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 16.42% of the Company equity and entitling to 9 511 624 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 16.42% of the total number of votes at the Company general meeting;
- (ii) Watchet (being the Notifier's subsidiary company) held directly 19 284 805 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 33.30% of the Company equity and entitling



- to 19 284 805 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 33.30% of the total number of votes at the Company general meeting;
- (iii) MMAM held directly 12 196 083 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 21.06% of the Company equity and entitling to 12 196 083 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 21.06% of the total number of votes at the Company general meeting;
- (iv) Mezzanine held directly 6 599 186 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 11.40% of the Company equity and entitling to 6 599 186 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 11.40% of the total number of votes at the Company general meeting.
- 3) The number of currently owned Company shares and their percentage in the Company equity and number of share votes and their percentage in the total number of votes

Due to the fact that the Notifier purchased the Company shares within the Transaction from its subsidiary company (i.e. Watchet), after the Transaction total number of Company shares owned by the Notifier and total share in the general number of votes at the Company general meeting held by the Notifier directly and indirectly via its subsidiary company (i.e. Watchet) did not change – the Notifier still held directly and indirectly total of 28 796 429 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 49.72% of the Company equity, entitling to 28 796 429 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 49.72% of the total number of votes at the Company general meeting, including:

- (i) directly 24 518 681 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 42.34% of the Company equity and entitling to 24 518 681 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 42.34% of the total number of votes at the Company general meeting;
- (ii) indirectly via Watchet (being the Notifier's subsidiary company) 4 277 748 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 7.39% of the Company equity and entitling to 4 277 748 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 7.39% of the total number of votes at the Company general meeting.

In accordance with the Notifier's best knowledge, after the Transaction the Agreement parties still owned jointly 47 591 698 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 82.18% of the Company equity and entitling to 47 591 698 votes at the Company general meeting, which constituted (rounded to one-hundredth of percent) 82.18% of the total number of votes at the Company general meeting, including:

- (i) the Notifier held directly 24 518 681 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 42.34% of the Company equity and entitling to 24 518 681 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 42.34% of the total number of votes at the Company general meeting;
- (ii) Watchet (being the Notifier's subsidiary company) held directly 4 277 748 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 7.39% of the Company equity and entitling to 4 277 748 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 7.39% of the total number of votes at the Company general meeting;
- (iii) MMAM held 12 196 083 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 21.06% of the Company equity and entitling to 12 196 083 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 21.06% of the total number of votes at the Company general meeting;



(iv) Mezzanine held directly 6 599 186 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 11.40% of the Company equity and entitling to 6 599 186 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 11.40% of the total number of votes at the Company general meeting.

4) The Notifier subsidiaries owing the Company shares

The Notifier is still a sole equity partner of Watchet, which after the Transaction owned directly 4 277 748 Company ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 7.39% of the Company equity and giving right to 4 277 748 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 7.39% of the total number of votes at the Company general meeting.

5) Information on the persons mentioned in Art. 87 item 1 point 3 letter c) of the Act

As of the date of submitting the Notification, there are no persons mentioned in Art. 87 item 1 point 3 letter c) of the Act.

6) Number of the Company share votes calculated as explained in Art. 69b item 2 of the Act, for the purchase of which the Notifier is entitled or obligated to as the holder of the financial instruments specified in Art. 69b item 1 point 1 of the Act, and of the financial instruments referred to in Art. 69b item 1 point 2 of the Act, that are not implemented solely by way of financial transactions, type or name of these financial instruments, their expiry date or period in which purchase of the shares is or will be executed

FIPP is the owner of 4 172 206 ordinary registered bonds of B series issued by Watchet ("Bonds"). Each and every Bond shall be bought out by Watchet by transfer to the entitled bond holder, i.e. the Notifier at the moment, in the number equivalent to the following ratio: 1 Bond in exchange for 1 and 11/439 Company ordinary bearer shares. Should the so calculated number of Company shares not be a whole number, the entitled bond holder will be entitled to get the down-rounded number of Company shares. In the remaining part the entitled bond holder will get compensation in cash. Therefore, in case of buy-out of all Bonds by Watchet, the Notifier would get 4 276 748 Company ordinary bearer shares equivalent to rounded 7.38% of the Company equity and giving right to 4 276 748 votes at the Company general meeting, which constitute rounded 7.38% of the total number of votes at the Company general meeting. The final Bonds' buy-out date is 31st March 2020, whereas there is possibility of earlier Bonds' buy-out both on Watchet's demand as the issuer, as well as on the entitled bond holder's demand, i.e. the Notifier at the moment.

Moreover, the Notifier informs that transferring of 4 276 748 Company ordinary bearer shares to FIPP, on the basis of the Bonds' buy-out by Watchet, shall not change the total Company shares ownership of FIPP, as well as the Agreement parties, whereas the direct and indirect Company shares ownership state, as well as FIPP's share in the total number of votes at the Company general meeting shall change in the following way:

(i) directly the Notifier would own 28 795 429 Company ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 49.72% of the Company equity, giving right to 28 795 429 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 49.72% of the total number of votes at the Company general meeting; and

(ii) indirectly via Watchet (being the Notifier's subsidiary company) the Notifier would own 1 000 Company ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 0.002% of the Company equity, giving right to 1 000 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 0.002% of the total number of votes at the Company general meeting.



Established in 1874

7) Number of the Company share votes calculated as explained in Art. 69b item 3 of the Act, to which the financial instruments specified in Art. 69b item 1 point 2 of the Act refer directly or indirectly, type or name of these financial instruments and their expiry date

N/A

8) Total number of votes indicated in points 2, 7 and 8 and its percentage in the total number of votes
Information was presented respectively in points 3, 6 and 7 of the Notification.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2020-03-20	President of the Management Board	Krzysztof Kasprzycki
2020-03-20	Vice-President of the Management Board	Honorata Szlachetka