



Current Report: 14/2016

Date: 2016-01-27

Name of the Issuer: FERRUM S.A.

Title: Establishment of registered pledges on the assets of substantial value

Legal basis: Art. 56 item 1 point 2 Act on Public Offering – current and periodic information

Content of the Report:

The Management Board of FERRUM S.A. (Issuer, Company) informs that on 26th January 2016 it became aware that on 21st January 2016 the District Court Katowice – Wschód in Katowice, IX Commercial Division – the Register of Pledges, made entries to the registered pledges established by FERRUM S.A. for the benefit of WĘGLOKOKS S.A. (WĘGLOKOKS) on all the shares of the subsidiary Zakład Konstrukcji Spawanych FERRUM S.A. (ZKS FERRUM) held by the Issuer. The pledges were established jointly on 4.852.990 of ZKS FERRUM shares of nominal value 10 PLN per share, equivalent to 100% of the Company equity capital. Nominal value of the shares mentioned hereinabove amounts in total 48.529.900 PLN.

The registered pledges were established up to the highest collateral amount of 13 m EUR.

Firm value of ZKS FERRUM shares, on which the subject pledges were registered amounts app. 20,9 m PLN in the Issuer's accounting books.

The Issuer considers investment in ZKS FERRUM shares as a long-term project.

The above registered pledges are one type of the collateral to the Framework Agreement (Agreement) concluded on 17th November 2015 with WĘGLOKOKS, the subject of which, among others, is to specify the framework terms of cooperation as for the delivery of steel materials and semi-manufactured products. The Company informed about entering into the Agreement in the current report no. 71/2015 of 18th November 2015.

The Issuer informs that there are no relations between the Issuer, its managing or supervising persons and WĘGLOKOKS and its managing persons. The Issuer holds 4.852.990 of ZKS FERRUM that gives right to the same number of votes and corresponds to 100% share in the equity capital and general number of votes respectively.

The Issuer accepted 10% of the Company's equity capital as a criterion for acknowledging the assets, on which the subject pledges were established, as the assets of substantial value.

Detailed legal basis: § 5 item 1 point 1 of the Minister of Finance Regulation of 19th February 2009 on current and periodic information [...].

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2016-01-27	President of the Management Board	Konrad Milterski
2016-01-27	Vice-president of the Management Board	Włodzimierz Kasztalski