



**Current Report:** 17/2016

**Date:** 2016-01-29

**Name of the Issuer:** FERRUM S.A.

**Title:** Establishment of registered pledges regarding the arrangements with the financing institutions.

**Legal basis:** Art. 56 item 5 Act on Public Offering – revision of information

**Content of the Report:**

The Management Board of FERRUM S.A. (Issuer, Company) informs that on 29<sup>th</sup> January 2016 it became aware that the District Court Katowice – Wschód in Katowice, the XI Land and Mortgage Register made entries of the collateral in the form of revision/establishment by FERRUM S.A. of registered pledges with reference to the agreement of the final repayment terms of due liabilities concluded with the financing institutions i.e. Bank Millennium S.A. (Bank Millennium), ING Bank Śląski S.A. (Bank ING) and mFaktoring S.A. (mFaktoring) (hereinafter referred to as the Financing Institutions), about which the Company informed in the current report no. 84/2015 of 23<sup>rd</sup> December 2015.

The collateral as mentioned hereinabove includes as below:

- entry on 27<sup>th</sup> January 2016 for Bank ING of the revised registered pledge on the production line, as a result of which the highest security value in the amount of 42,0 m PLN was lowered to 41,7 m PLN (value of the pledged object in the Issuer's accounting books as on 31.12.2015 amounted app. 42,2 m PLN);
- entry on 27<sup>th</sup> January 2016 for Bank Millennium of the revised registered pledge on the production line, as a result of which the highest security value in the amount of 85,2 m PLN was lowered to 49,1 m PLN (value of the pledged object in the Issuer's accounting books as on 31.12.2015 amounted app. 1,1 m PLN);
- entry on 21<sup>st</sup> January 2016 for Bank ING of the registered pledge on the production line with the definition of the highest security value in the amount of 41,7 m PLN (value of the pledged object according to the evaluation amounted to 17,4 m PLN);
- entry on 22<sup>nd</sup> January 2016 of the registered pledge on 1.438.663 bearer shares of Zakład Konstrukcji Spawanych FERRUM S.A. (ZKS FERRUM) for the benefit of mFaktoring with the definition of the highest security value in the amount of 74,2 m PLN (value of the pledged object in the Issuer's accounting books as on 31.12.2015 amounted app. 14,4 m PLN).

The registered pledge for mFaktoring was established jointly on 1.438.663 ZKS FERRUM bearer shares of the nominal value 10 PLN per share, corresponding to 29,6% of the company equity capital. The nominal value of the above shares amounts in total 14.386.630 PLN. The Issuer's investment in ZKS FERRUM shares is a long-term one. The Issuer holds 4.852.990 of ZKS FERRUM shares giving right to the equivalent number of votes and corresponding to 100% of share in the equity capital and the general number of votes respectively.



The Issuer informs that there are no relations between the Issuer, its managing or supervising persons and the Financing Institutions and its managing persons.

The Issuer accepted 10% of the Company's equity capital as a criterion for acknowledging the assets, on which the above mentioned security was established, as the assets of substantial value.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2016-01-29	President of the Management Board	Konrad Mitterski
2016-01-29	Vice-president of the Management Board	Włodzimierz Kasztalski