



<b>Current report no.:</b>	18/2016
<b>Date:</b>	2016-02-03
<b>Name of the Issuer:</b>	FERRUM S.A.
<b>Title:</b>	Establishment of registered pledges and change of the mortgages regarding the arrangements with the financing institutions.
<b>Legal basis:</b>	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 2<sup>nd</sup> February 2016 it became aware that the District Court Katowice – Wschód in Katowice, the XI Land and Mortgage Register registered the changes in the mortgages established by FERRUM S.A. and that the same Court, IX Commercial Division – the Register of Pledges made entries on the subsequent 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 28<sup>th</sup> January 2016 for mFaktoring of the registered pledge on the transportation system used in the production process, 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. 1,2 m PLN);
- entry on 28<sup>th</sup> January 2016 for mFaktoring of the registered pledge on the production line with the definition of the highest security value in the amount of 74,2 m PLN (value of the pledged object according to the evaluation amounted to 42,2 m PLN);
- entry on 27<sup>th</sup> January 2016 for Bank Millennium of the change of the contractual mortgage established on the property (land and related buildings) owned by Ferrum and located in Katowice on Porcelanowa Street, as a result of which the highest security value in the amount of 102 m PLN was lowered to 49,1 m PLN (value of the property in the Issuer's accounting books as on 31.12.2015 amounted app. 9,7 m PLN);
- entry on 28<sup>th</sup> January 2016 for Bank Millennium of the contractual joint mortgage established on the investment property and other properties (land and related buildings) owned by Ferrum and located in Katowice respectively: on Porcelanowa and Murckowska Street, district Bogucice – Zawodzie and on Porcelanowa Street, as a result of which the highest security value in the amount of 68,0 m PLN was lowered to 49,1 m PLN (value of the property in the Issuer's accounting books as on 31.12.2015 amounted app. 64,8 m PLN);
- entry on 22<sup>nd</sup> January 2016 of the registered pledge on 3.414.327 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. 6,5 m PLN);

The registered pledge for mFactoring was established jointly on 3.414.327 ZKS FERRUM bearer shares of the nominal value 10 PLN per share, corresponding to 70,4% of the company equity capital. The nominal value of the above shares amounts in total 34.143.270 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.

The Company informed about the registration of the four pledges being a concurrent collateral of the liabilities with the Financing Institutions in the current report no. 17/2016 of 29<sup>th</sup> January 2016.

#### **SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2016-02-03	Vice-president of the Management Board	Włodzimierz Kasztalski
2016-02-03	Holder of a Commercial Power of Attorney	Jakub Podsiadło