



**Current report no.:** 28/2016

**Date:** 2016-02-10

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

**Title:** Registration of pledge on the assets of a substantial value and effective date of the framework agreement concluded with WĘGŁOKOKS S.A.

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

**Content of the report:**

With reference to the current report no. 71/2015 of 18<sup>th</sup> November 2015, the Management Board of FERRUM S.A. (Issuer, Company) informs that it became aware on 10<sup>th</sup> February 2016 that the final collateral was established referring to the framework agreement dated 17<sup>th</sup> November 2015 signed with WĘGŁOKOKS S.A. (WĘGŁOKOS), the subject of which is to define i.e. framework terms of cooperation as for the delivery of iron and steel materials and semi-manufactured products (Agreement), therefore the condition of the effective date of the Agreement was fulfilled.

With regard to the effective date of the Agreement, the Issuer assumes that the deliveries of the production materials shall be commenced in March 2016. The Issuer reminds that the Agreement deliveries shall be completed by purchasing the materials by WĘGŁOKOKS and their re-sale to the Company under the terms specified in the executory contracts specifying detailed delivery parameters, whereas the total amount of WĘGŁOKOS financial commitment resulting from the concluded executory contracts, including the gross receivables from the Issuer due to the material orders, cannot exceed the equivalent of 10 m EUR gross.

At the same time, the Issuer informs that the pledge referred to hereinabove was established by FERRUM S.A. for the benefit of WĘGŁOKOKS on the production line owned by the Issuer as a result of the respective entry registered by the District Court Katowice – Wschód in Katowice, IX Commercial Division – the Land and Mortgage Register on 29<sup>th</sup> January 2016.

The pledge was registered up to the highest security value of 13 m EUR. The value of the pledged object according to the prepared evaluation amounts 17,4 m PLN that exceeds 10% of the Issuer's equity capital being the criterion for acknowledging the assets as the assets of substantial value.

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

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

| <b>Date</b> | <b>Position</b>                          | <b>First name and surname</b> |
|-------------|--|-------------------------------|
| 2016-02-10  | President of the Management Board        | Konrad Mitterski              |
| 2016-02-10  | Holder of a Commercial Power of Attorney | Barbara Sterkowicz            |