



Current report no.: 37/2016

Date: 2016-03-18

Name of the Issuer: FERRUM S.A.

Title: Revised strategy on business financing variants

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

Content of the report:

With reference to the current report no. 66/2014 of 10th December 2014 regarding acceptance of financial and operational restructuring strategy of the FERRUM Capital Group (Strategy), the Management Board of FERRUM S.A. (Issuer, Company) informs that it decided on 18th March 2016 to revise the Strategy regarding variants for the acquisition of additional financing sources for the Company, with particular reference to the issue of shares. Pursuant to the above, the Management Board of the Issuer shall shortly direct to the General Meeting of Shareholders to adopt resolutions on the rights issuance and amendments to the Company Statute.

Following the Management Board intent, the application filed with the general meeting shall include the below:

- increase of the Company share capital with the amount not higher than 37.919.324,34 PLN, i.e. up to the amount of 113.757.973,02 PLN to be done through the issue of Company shares with the pre-emptive rights to subscribe for series "F" of 12.271.626 shares, of nominal value 3,09 PLN per share,
- shares of the new issue to be included in the dividend on the date specified by the General Meeting of Shareholders,
- pre-emptive rights of the newly issued shares are to be entitled with the previous Company shareholders proportioned 2-1 i.e. two pre-emptive rights of shares of series „A”, „B”, „C”, „D”, „E” entitle to one share of series „F”.
- intended dematerialization and application for admission and introduction of pre-emptive rights, rights to shares and shares of the new issue to be traded on the regulated market administered by the Warsaw Stock Exchange,
- intended closed offering of shares in view of the Art. 431 § 2 point 2 Commercial Companies Code processed according to the provisions of the Act on Public Offering (...) of 29th July 2005, provided that the Shares of series „F” not included in the underlying and additional orders could be offered by the Company Management Board to its appointed persons,
- authorization of the Management Board to determine the final amount of which the share capital is to be increased, whereas the respective amount cannot be lower than 3.09 PLN and not higher than 37.919.324,34 PLN, and to decide on the share issuing price of series „F”,

At the same time the Issuer informs that the Company Management Board shall address the Company Supervisory Board and financing institutions with regard to the approval of the share capital increase and of the revised strategy as described hereinabove.



FERRUM S.A.

Steel pipes

Hollow sections

Coating

Established in 1874

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

| Date | Position | First name and surname |
|-------------|--|-------------------------------|
| 2016-03-18 | President of the Management Board | Konrad Mitterski |
| 2016-03-18 | Vice-president of the Management Board | Włodzimierz Kasztalski |