



Current Report: 63/2016

Date: 2016-07-15

Name of the Issuer: FERRUM S.A.

Title: Conclusion of registered pledge agreements in respect of the arrangements with financing institutions

Legal basis: Art. 17 item 1 MAR – inside information

Content of the Report:

With reference to the current report no. 6/2016 of 16th January 2016 as well as to the subsequent reports concerning extension of the terms to perform the conditions resulting from the arrangements entered into with the financing institutions, the Management Board of FERRUM S.A. (Issuer, Company) informs that by fulfilling the obligation which the Issuer presented in the above mentioned current report, it concluded with Bank Millennium S.A. and mFaktoring S.A. agreements on the registered pledge established over the inventory being production materials and finished goods.

Pursuant to the agreement with Bank Millennium S.A. (Pledgee I), in favor of the pledgee the Company created a second-ranking registered pledge over the inventory consisting of production materials located in the Company warehouses, encumbered with security interests in favor of the existing creditor secured on this inventory, the net value of which amounted to PLN 4 mio. as of 10th July 2016 (Group I), up to the highest amount of security of PLN 25 mio. Additionally, in favor of the Pledgee I the Issuer created a first-ranking registered pledge over the inventory consisting of finished goods, production materials and production in progress, located in the Company warehouses, which shall be purchased by the Company as a result of a reverse transfer of inventory title made by the Pledgee I, the net value of which amounted to PLN 28 mio. as of 10th July 2016 (Group I), up to the highest amount of security of PLN 25 mio.

In accordance with the agreement with mFaktoring S.A. (Pledgee II), in favor of the pledgee the Company created a registered pledge on Group I with third priority of satisfaction after the existing creditor and Pledgee I are secured, up to the highest amount of security of app. PLN 74 mio., and also the first-ranking registered pledge on Group II, up to the highest amount of security of app. PLN 74 mio. and without prejudice to higher priority of registered pledge of the Pledgee I.

As for the remaining scope provisions of the above mentioned agreements do not differ from the standard terms applied with these type of contracts.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2016-07-15	President of the Management Board	Konrad Miterski
2016-07-15	Vice-President of the Management Board	Krzysztof Kasprzycki