



Current report no.: 26/2018

Date: 2018-05-17

Name of the Issuer: FERRUM S.A.

Title: Conclusion of a loan agreement

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

Content of the report:

The Management Board of FERRUM S.A. (Issuer, Company) informs on the conclusion on 17th May 2018 the loan agreement (Agreement) between the Company as the Borrower and Watchet Sp. z o.o. as the Lender. In accordance with the Agreement, the Lender offered the Company a cash loan on a commercial basis in the total amount of PLN 59.5 mio. (Loan), which shall be paid in two tranches (Tranche 1 in the amount of PLN 30 mio., Tranche 2 in the amount of PLN 29.5 mio.), whereas the Company shall repay the loan in one installment due within two years from the payment of Tranche 2. Provided that the Tranche 2 is not paid, the repayment shall become effective on the second anniversary of the payment of Tranche 1.

The Loan was granted for the Company current business activities, as well as to settle the liabilities and feed the working capital.

The parties decided that each Loan tranche shall be paid upon the Company request, once all formal and legal activities, specified in the Agreement and usually required in these type of contracts, are fulfilled, in particular having obtained the Company corporate approvals confirming the conclusion and execution of the Agreement, having registered all securities for the repayment of Loan and bonds, as well as once the bondholders pay off the bonds issued by the Lender as for the Loan payment.

Security for the repayment of the Loan comprises specifically: (i) the Issuer declaration of submission to enforcement up to the amount of PLN 89 250 k, (ii) the joint contractual mortgage up to the maximum amount of security equals to 150% of the Loan, (iii) registered pledge on the selected assets to the amount of the highest security in the amount of 150% of the Loan.

Moreover, the Company informs that parallel to the standard terms commonly applied in these type of contracts and regarding its termination, the parties additionally agreed that the Contract may be also terminated if the Loan is used contrary to its purpose and if the Issuer fails to purchase the production line for the spirally welded pipes, referred to in the current report no. 27/2017, within six months since signing the Agreement.

The remaining terms of the Agreement, including the other events allowing for its termination or renouncement, do not differ from the conditions applied commonly in these type of contracts.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2018-05-17	President of the Management Board	Krzysztof Kasprzycki
2018-05-17	Vice-President of the Management Board	Włodzimierz Kasztalski