



Current report no.: 43/2018

Date: 2018-07-25

Name of the Issuer: FERRUM S.A.

Title: Notification on the change of share in the general number of votes in FERRUM S.A.

Legal basis: Art. 70 point 1 Act on Public Offering – purchase or sale of substantial package of shares

Content of the report:

Acting pursuant to Art. 70 point 1 Act on the Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and Public Companies (Act), the Management Board of FERRUM S.A. (Company, Issuer) informs that on 25th July 2018 the Company received a notification on change of share in the general number of votes in the Company prepared by Watchet Sp. z o.o., submitted in line with Art. 69 of the Act, the content of which the Issuer presents as below:

„We, signed underneath, acting on behalf of Watchet Sp. z o.o. with its registered seat in Warsaw, Książęca 4 Street (5th floor), 00-498, Warsaw, entered into the register of entrepreneurs of the National Register Court, kept by the District Court Warsaw in Warsaw, XII Commercial Division of the National Court Register under the number KRS 0000656838 (hereinafter referred to as “Notifier” or “Watchet”), as well acting on behalf of other parties of agreement specified in Art. 87 item 1 pt. 5 of the Act of 29th July 2005 on the Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and Public Companies (Journal of Law of 2018, position 512 – consolidated text with further amendments, hereinafter referred to as “Act”), which the Notifier entered into with (i) Fundusz Inwestycji Polskich Przedsiębiorstw Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych seated in Warsaw and entered in the investment funds register under the number RF11168 (“FIPP”), (ii) Mezzanine Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych seated in Warsaw and entered in the investment funds register under the number 1030 (“Mezzanine”) and MW Asset Management spółka z ograniczoną odpowiedzialnością seated in Dąbrowa Górnicza, entered into the register of entrepreneurs of the National Register Court, kept by the District Court Katowice-Wschód in Katowice, VIII Commercial Division of the National Court Register under the number KRS 0000626568 (“MWAM”) referring to the company Ferrum Spółka Akcyjna with its registered seat in Katowice, Porcelanowa 11 Street, 40-246 Katowice entered into the register of entrepreneurs of the National Register Court, kept by the District Court Katowice-Wschód in Katowice, VIII Commercial Division of the National Court Register under the number KRS 0000063239 (“Company”) (“Agreement”), on the conclusion of which the Polish Financial Supervision Authority and the Company were informed due to Art. 77 item 7 and with reference to Art. 69 and art. 87 item 3 of the Act, that on 18th July 2018 the Notifier made purchase transactions on Warsaw Stock Exchange S.A. (GPW”) with regard to dematerialized shares of the Company and outside GPW with regard to non-dematerialized share of the Company, the settlement of which means that the Notifier acquired 9 473 030 (say: nine million four hundred seventy-three thousand thirty) Ferrum shares constituting (rounded to one-hundredth of percent) 16.36% in the Company equity and entitling to execute 9 473 030 (say: nine million four hundred seventy-three thousand thirty) votes on the general meeting of the Company, which equals to (rounded to one-hundredth of percent) 16.36% of the total number of votes in the Company. In result of acquiring the Company shares the Notifier: (i) standalone exceeded 33 and 1/3% of the total number of votes at the Company general meeting and (ii) along with other parties of the Agreement exceeded 75% of the total number of votes at the Company general meeting.

**1) Date and type of event causing the change of share referred to in this notification**

Obtaining by Watchet standalone of (rounded to one-hundredth of percent) 49.36% and along with other parties of the Agreement of (rounded to one-hundredth of percent) 82.18% of the total number of voted at the Company general meeting is the result of settlement on 23rd July 2018 of the call to subscribe for sale of Ferrum shares dated 24th May 2018 published on the basis of Art. 73 item 2 pt. 1 and Art. 74 item 1 of the Act by Watchet in accordance with Art. 87 item 3 of the Act, i.e. an entity indicated by the parties of the Agreement to publish the aforementioned call ("Call").

2) Number of shares owned prior to the share change and their percentage in the Company equity and number of share votes and their percentage in the total number of votes

As of the day of publishing the Call:

- i. Watchet held directly (rounded to one-hundredth of percent) 33.00% of the total number of votes at the Company general meeting, which was equivalent to 19 110 372 (say: nineteen million one hundred ten thousand three hundred seventy-two) shares of the Company and 19 110 372 (say: nineteen million one hundred ten thousand three hundred seventy-two) votes the Company general meeting;
- ii. FIPP held directly (rounded to one-hundredth of percent) 17.28% of the total number of votes at the Company general meeting, which was equivalent to 10 008 901 (say: ten million eight thousand nine hundred one) shares of the Company and 10 008 901 (say: ten million eight thousand nine hundred one) and votes the Company general meeting;
- iii. Mezzanine held directly (rounded to one-hundredth of percent) 15.54% of the total number of votes at the Company general meeting, which was equivalent to 8 999 395 (say: eight million nine hundred ninety-nine thousand three hundred ninety-five) shares of the Company and 8 999 395 (say: eight million nine hundred ninety-nine thousand three hundred ninety-five) votes the Company general meeting;
- iv. MWAM held directly no Company shares, whereas along with FIPP co-controls Watchet (each of shareholders holds 50% of equity and total number of votes at general meeting of Watchet),

which meant that Watchet (along with other parties of the Agreement) jointly held (rounded to one-hundredth of percent) 65.82% the total number of votes at the Company general meeting, which was equivalent to 38 118 668 (say: thirty-eight million one hundred eighteen thousand six hundred sixty-eight) shares of the Company and 38 118 668 (say: thirty-eight million one hundred eighteen thousand six hundred sixty-eight) votes at the Company general meeting equivalent to 65.82% of the total number of Company shares.

3) The number of currently owned Company shares and their percentage in the Company equity and number of share votes and their percentage in the total number of votes

As of the day of this notification (i.e. after settlement of the transaction of Company shares purchase by Watchet within the Call on 23rd July 2018):

- i. Watchet holds directly (rounded to one-hundredth of percent) 49.36% of the total number of votes at the Company general meeting, which is equivalent to 28 473 030 (say: twenty-eight million four hundred seventy-three thousand thirty) shares of the Company and 28 473 030 (say: twenty-eight million four hundred seventy-three thousand thirty) votes the Company general meeting;
- ii. FIPP holds directly (rounded to one-hundredth of percent) 17.28% of the total number of votes at the Company general meeting, which is equivalent to 10 008 901 (say: ten million eight thousand nine hundred one) shares of the Company and 10 008 901 (say: ten million eight thousand nine hundred one) and votes the Company general meeting;
- iii. Mezzanine holds directly (rounded to one-hundredth of percent) 15.54% of the total number of votes at the Company general meeting, which is equivalent to 8 999 395 (say: eight million nine hundred ninety-nine thousand three hundred ninety-five) shares of the Company and 8 999 395 (say: eight million nine hundred ninety-nine thousand three hundred ninety-five) votes the Company general meeting;



iv. MWAM holds directly no Company shares, whereas along with FIPP co-controls Watchet (each of shareholders holds 50% of equity and total number of votes at general meeting of Watchet), which means that Watchet (along with other parties of the Agreement) jointly holds (rounded to one-hundredth of percent) 82.18% the total number of votes at the Company general meeting, which is equivalent to 47 591 698 (say: forty-seven million five hundred ninety-one thousand six hundred ninety-eight) shares of the Company and 47 591 698 (say: forty-seven million five hundred ninety-one thousand six hundred ninety-eight) votes at the Company general meeting equivalent to 82.18% of the total number of Company shares.

4) The Notifier subsidiaries owning the Company shares

There are no subsidiaries subject to the Notifier or the other parties of the Agreement which would own the Company shares.

5) Information on the persons mentioned in Art. 87 item 1 point 3 letter c) of the Act

As of the date of submitting the Notification, there are no persons mentioned in Art. 87 item 1 point 3 letter c) of the Act.

6) Number of the Company share votes calculated as explained in Art. 69b item 2 of the Act, for the purchase of which the Notifier is entitled or obligated to as the holder of the financial instruments specified in Art. 69b item 1 point 1 of the Act, and of the financial instruments referred to in Art. 69b item 1 point 2 of the Act, that are not implemented solely by way of financial transactions, type or name of these financial instruments, their expiry date or period in which purchase of the shares is or will be executed.

N/A

7) Number of the Company share votes calculated as explained in Art. 69b item 3 of the Act, to which the financial instruments specified in Art. 69b item 1 point 2 of the Act refer directly or indirectly, type or name of these financial instruments and their expiry date

N/A

8) Total number of votes indicated on the basis of Art. 69 item 4 pt. 2, 7 and 8 of the Act and its percentage in the total number of votes

Information was presented respectively in points 2, 6 and 7 of the Notification.

Moreover we indicate , that acting on the basis of Art. 87 item 3 of the Act, FIPP, Mezzanine and MWAM authorized Watchet, due to the Agreement, to submit on behalf of all Agreement parties all notifications resulting from settlement of Company shares purchase transaction by Watchet within the Call, which are necessary due to applicable Act regulations."

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2018-07-25	President of the Management Board	Krzysztof Kasprzycki
2018-07-25	Vice-President of the Management Board	Honorata Szlachetka