



<b>Current report no.:</b>	10/2019
<b>Date:</b>	2019-03-28
<b>Name of the Issuer:</b>	FERRUM S.A.
<b>Title:</b>	Notification on the change of share in the general number of votes in FERRUM S.A.
<b>Legal basis:</b>	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 28th March 2019 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:

„I, signed underneath, acting on behalf of Watchet spółka z ograniczoną odpowiedzialnością with its registered seat in Warsaw, Krucza 50 Street, 6<sup>th</sup> floor, 00-025 Warsaw, entered into the register of entrepreneurs of the National Register Court, kept by the District Court for the city 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 by authorization of other parties of agreement specified in Art. 87 item 1 point 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”), the parties of which, apart from the Notifier, are: (i) Fundusz Inwestycji Polskich Przedsiębiorstw Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych seated in Warsaw and entered in the investment funds register under the number RFI 1168 (“FIPP”), (ii) Mezzanine Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych seated in Warsaw and entered in the investment funds register under the number 1030 (“Mezzanine”) and (iii) MM Asset Management spółka z ograniczoną odpowiedzialnością (former MW Asset Management spółka z ograniczoną odpowiedzialnością) seated in Dąbrowa Górnicza, Przemysłowa Street 1A, 43-300 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 (“MMAM”) referring to the Company (“Agreement”), on the conclusion of which the Polish Financial Supervision Authority and the Company were informed due to Art. 69 item 1 point 2) and with reference to Art. 87 item 1 point 5) of the Act, I hereby inform that on 26th March 2019 a transaction on the Company shares was made on the regulated market, within which the Notifier sold 370 000 dematerialized ordinary bearer shares of the Company to FIPP (“Transaction”). Therefore:

- a) the so far owned share of the Notifier of over 33 1/3% of the total number of votes at the Company general meeting diminished and therefore the Notifier’s share in the total number of votes at the Company general meeting is below the 33 1/3% threshold, i.e. the Notifier sold 370 000 dematerialized ordinary bearer shares of the Company to FIPP, which constitute (rounded to one-hundredth of percent) 0.64% of the Company equity, entitling to 370 000 votes at the Company general meeting, which is equivalent to (rounded to one-hundredth of percent) 0.64% of the total number of votes at the Company general meeting, whereas – after the Transaction – the Notifier holds 19 284 805 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 33.30% of the Company equity, entitling to 19 284 805 votes at the Company general



meeting, which is equivalent to (rounded to one-hundredth of percent) 33.30% of the total number of votes at the Company general meeting;

- b) total number of the Company shares held by the Agreement parties and share in the total number of votes at the Company general meeting held by the Agreement parties did not change, because the Transaction on the Company shares being the subject of this Notification took place between some of the Agreement parties.

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

Change in the Notifier's state of possession of the Company shares results from the Notifier's transferring to FIPP ownership of 370 000 Company dematerialized ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 0.64% of the Company equity and entitling to 370 000 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 0.64% of the total number of votes at the Company general meeting, executed on the basis of a package transaction on Warsaw Stock Exchange in Warsaw on 26th March 2019, whereas the transaction clearing took place on 26th March 2019.

**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**

Before the Transaction the Notifier owned 19 654 805 Company ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 33.94% of the Company equity and giving right to 19 654 805 votes at the Company general meeting, which constituted (rounded to one-hundredth of percent) 33.94% of the total number of votes at the Company general meeting.

In accordance with the Notifier's best knowledge, before the Transaction the Agreement parties owned jointly 47 591 698 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 82.18% of the Company equity and giving right to 47 591 698 votes at the Company general meeting, which constituted (rounded to one-hundredth of percent) 82.18% of the total number of votes at the Company general meeting, including:

- (i) FIPP held directly 9 141 624 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 15.79% of the Company equity and entitling to 9 141 624 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 15.79% of the total number of votes at the Company general meeting;
- (ii) Watchet held directly 19 654 805 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 33.94% of the Company equity and entitling to 19 654 805 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 33.94% of the total number of votes at the Company general meeting;
- (iii) Mezzanine held directly 6 599 186 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 11.40% of the Company equity and entitling to 6 599 186 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 11.40% of the total number of votes at the Company general meeting;
- (iv) MMAM held directly 12 196 083 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 21.06% of the Company equity and entitling to 12 196 083 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 21.06% of the total number of votes at the Company general meeting.

Due to the fact that FIPP is a sole shareholder of Watchet, FIPP, on the basis of Art. 87 item 5 point 1) of the Act, before the Transaction held total of 28 796 429 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 49.72% of the Company equity, entitling to 28 796 429 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 49.72% of the total number of votes at the Company general meeting.

**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**

After the Transaction the Notifier became owner of 19 284 805 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 33.30% of the Company equity and entitling to 19 284 805 votes at the

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Company general meeting, which constitute (rounded to one-hundredth of percent) 33.30% of the total number of votes at the Company general meeting.

In accordance with the Notifier's best knowledge, after the Transaction the Agreement parties still own jointly 47 591 698 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 82.18% of the Company equity and entitling to 47 591 698 votes at the Company general meeting, which constituted (rounded to one-hundredth of percent) 82.18 of the total number of votes at the Company general meeting, including:

- (i) FIPP holds directly 9 511 624 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 16.42% of the Company equity and entitling to 9 511 624 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 16.42% of the total number of votes at the Company general meeting;
- (ii) Watchet holds directly 19 284 805 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 33.30% of the Company equity and entitling to 19 284 805 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 33.30% of the total number of votes at the Company general meeting;
- (iii) MMAM holds directly 12 196 083 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 21.06% of the Company equity and entitling to 12 196 083 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 21.06% of the total number of votes at the Company general meeting;
- (iv) Mezzanine holds directly 6 599 186 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 11.40% of the Company equity and entitling to 6 599 186 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 11.40% of the total number of votes at the Company general meeting.

Due to the fact that FIPP is a sole shareholder of Watchet, FIPP, on the basis of Art. 87 item 5 point 1) of the Act, after the Transaction still hold total of 28 796 429 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 49.72% of the Company equity, entitling to 28 796 429 votes at the Company general meeting, equivalent to (rounded to one-hundredth of percent) 49.72% of the total number of votes at the Company general meeting.

#### **4) The Notifier subsidiaries owning the Company shares**

There are no subsidiaries subject to the Notifier which own the Company shares (directly or indirectly).

According to the Notifier's best knowledge, apart from Watchet being FIPP's subsidiary, there are no other subsidiaries of the Agreement parties, which own the Company shares (directly or indirectly).

#### **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.**

The Notifier is the owner of financial instruments specified in Art. 69b item 1 point 1 of the Act, as well as instruments specified in Art. 69b item 1 point 2 of the Act, which are not implemented solely by way of financial transactions.

FIPP, being one of the Agreement parties, is the owner of 4 172 206 ordinary registered bonds of B series issued by Watchet ("Bonds"). Each and every Bond shall be bought out by Watchet by transfer to the entitled bond holder, i.e.



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FIPP at the moment, in the number equivalent to the following ratio: 1 Bond in exchange for 1 and 11/439 Company ordinary bearer shares. Should the so calculated number of Company shares not be a whole number, the entitled bond holder will be entitled to get the down-rounded number of Company shares. In the remaining part the entitled bond holder will get compensation in cash. Therefore, in case of buy-out of all Bonds by Watchet, FIPP would get 4 276 748 Company ordinary bearer shares equivalent to (rounded to one-hundredth of percent) 7.38% of the Company equity and entitling to 4 276 748 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 7.38% of the total number of votes at the Company general meeting. The final Bonds' buy-out date is 4th September 2019, whereas there is possibility of earlier Bonds' buy-out both on Watchet's demand as the issuer, as well as on the entitled bond holder's demand, i.e. FIPP at the moment.

Moreover, the Notifier informs that transferring of 4 276 748 Company ordinary bearer shares to FIPP, on the basis of the Bonds' buy-out by Watchet, shall not change the total Company shares ownership of FIPP, as well as the Agreement parties (which means that the information presented in point 3) of this Notification would not change), whereas (a) the Notifier's direct Company shares ownership state and share in the total number of votes at the Company general meeting, as well as (ii) FIPP's direct and indirect Company shares ownership state and share in the total number of votes at the Company general meeting, would change in the following way:

- (i) directly FIPP would own 13 788 372 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 23.81% of the Company equity and entitling to 18 562 535 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 23.81% of the total number of votes at the Company general meeting; and
- (ii) indirectly via Watchet (being the Notifier's subsidiary Company) FIPP would own 15 008 057 Company ordinary bearer shares, equivalent to (rounded to one-hundredth of percent) 25.92% of the Company equity and entitling to 15 008 057 votes at the Company general meeting, which constitute (rounded to one-hundredth of percent) 25.92% of the total number of votes at the Company general meeting.

**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 inform that acting on the basis of Art. 87 item 3 of the Act, FIPP, Mezzanine and MMAM entitled Watchet, due to the existing Agreement, to submit on behalf of all Agreement parties notifications on transactions on Company shares covered by this Notification, required by appropriate legal regulations of the Act."

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2019-03-28	President of the Management Board	Krzysztof Kasprzycki
2019-03-28	Vice-President of the Management Board	Honorata Szlachetka