

The Management Board of Feerum S.A. with its registered seat in Chojnów (the “**Issuer**”) informs that on 27 November 2018, the Issuer concluded with EPICENTR K LLC with its registered seat in Kiev (Ukraine) (the “**Ordering Party**”) an agreement for the sale of five grain silo complexes (the “**Agreement**”). The total value of the Agreement is EUR 35,587,902.35 (i.e. PLN 152,739,718.10 according to the average exchange rate of the National Bank of Poland of 27 November 2018). Pursuant to the Agreement, the Issuer is obliged to prepare silos’ projects, manufacture of designed silos, transport of silos to locations specified in the Agreement located on the territory of Ukraine, provide a warranty service and training of the Ordering Party’s personnel in the scope of ongoing silos’ service. The Issuer is not responsible for assembly and launching of the delivered silos.

The agreement will come into force provided that Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna (the “**KUKE**”) will adopt the final decision on the insurance of receivables under the Agreement (condition precedent). In the event that the above condition precedent will not be met by 24 December 2018, the Agreement expires.

In the letter of intent delivered to the Issuer on 27 November 2018, KUKE expressed the will to take all necessary steps to issue a final decision on the insurance of receivables under the Agreement by 21 December 2018.

According to the schedule attached to the Agreement (the “**Schedule**”), the Issuer will perform all deliveries of silos until 1 October 2019.

The Ordering Party will pay an advance payment in the amount of 15% of the Agreement’s value, i.e. in the amount of EUR 5,338,185.35 (i.e. PLN 22,101,995.70 according to the average exchange rate of the National Bank of Poland of 27 November 2018) within 10 days from the date of entry into force of the Agreement, provided that the Issuer will deliver an insurance policy issued by KUKE. The remaining part of the price will be paid by the Ordering Party in 10 equal, half-yearly installments, payable on 31 March and 30 September in each subsequent calendar year from 31 March 2020.

The Agreement will be financed from the so called “supplier’s credit” due to insurance provided by KUKE. Under the financing scheme, in the case of an indisputable receivable aroused under the Agreement, the Issuer will sell the receivable with a discount to a selected bank or financial institution. The Ordering Party is obliged to establish, in accordance with Ukrainian law, collateral for KUKE or an entity that will acquire receivables from the Issuer under the Agreement, in the form of a pledge on the delivered silos’ elements and a mortgage on the silos complexes that were put into use.

In the event that the Issuer fails to provide the elements required to launch silos within the Schedule, the Issuer will pay the Ordering Party a contractual penalty of EUR 40,000.00 (i.e. PLN 171,676.00 according to the average exchange rate of the National Bank of Poland of 27 November 2018), for each day of delay, provided that the total amount of the charged contractual penalties in this manner may not exceed 5% of the Agreement’s value.

If the Issuer fails to perform a warranty repair within the time limits specified in the Agreement, the Issuer will pay the Ordering Party a contractual penalty in the amount equivalent to 10% of the price of the defective part which has not been replaced or repaired under the guarantee.

The Ordering Party’s monetary receivables arising under the Agreement, including the contractual penalties, may not be deducted with the Issuer’s receivables.

Any disputes that may arise in connection with the Agreement will be settled by the Court of Arbitration at the National Chamber of Commerce in Warsaw. The contractual relationship is governed by Polish law.

The other terms of the Agreement do not differ from those commonly used in this type of agreements.