

The Management Board of Feerum S.A. based in Chojnów ("the Issuer") informs that on November 5, 2019 he received a demand for payment from the companies: Civil Loths Enterprises Ltd., EA Electrical Power Solutions Ltd., BMB Construction Co. Ltd. and Hamerkop International Ltd ("Demand for Payment"). These entities are Tanzanian subcontractors of the Issuer in the implementation of the contract for the construction of five grain silo complexes and storage facilities in the territory of the United Republic of Tanzania and the revitalization of existing storage facilities of December 22, 2016 (as amended) (the "Agreement") concluded between the Issuer and National Food Reserve Agency ("NFRA"). The Issuer informed about the conclusion of the Agreement in current report no. 19/2016 of December 22, 2016.

The total amount of claims referred to in the above-mentioned demand for payment against the Issuer due to construction and assembly works related to the project implemented under the Agreement is 2.764.490,62 USD (i.e. 10.590.210,67 PLN according to the average exchange rate of the National Bank of Poland of November 5, 2019).

The Issuer, in response to the Demand for Payment, informed subcontractors, in a letter of November 5, 2019, that payment for undisputed liabilities in the total amount of 1.181.488,24 USD (i.e. 4.526.006,84 USD at the average exchange rate of the National Bank of Poland of November 5, 2019) will be made in the coming days from funds received from NFRA on November 5, 2019. The Issuer informed about receiving partial payment from NFRA under the Agreement in current report no. 33/2019 of November 5, 2019. Other claims of subcontractors, which according to the initial assessment of the Issuer are overstated in relation to the actual progress of works, will be verified in detail in the coming days by the Issuer's branch in Tanzania, which is responsible for the implementation of the Agreement. The Issuer, in accordance with the contracts concluded with subcontractors and current practice, will pay subcontractors for the work performed, documented by relevant acceptance protocols and VAT invoices. The representative representing the subcontractors agreed to the proposed procedure.