

The Management Board of Feerum S.A. with its seat in Chojnów („**Issuer**”) informs that on September 3, 2020, the Issuer concluded with the company "FERMERSKE HOSPODARSTVO AHROTSENTR" with its seat in Bilina Wielka (Ukraine) („**Purchaser**”) a conditional agreement regarding the comprehensive implementation of a warehouse and drying facility consisting of grain silos (the „**Agreement**”). The total value of the Agreement is 16.163.613,00 EUR (i.e. 71.412.458,60 PLN at the average exchange rate of the National Bank of Poland as of September 3, 2020). Pursuant to the Agreement, the Issuer is obliged to comprehensively implement the warehouse and drying facility („**Project**”), in particular to design the facility, produce silo elements, ensure the transport of silo elements to the location specified in the Agreement, located in Ukraine, perform construction works and assembly works of the facility on the territory of Ukraine, commissioning of the facility and provision of warranty service and training of the Purchaser's personnel in the field of ongoing facility maintenance.

The contract will enter into force after the fulfillment of the following conditions precedent:

- 1) insurance of cash receivables under the Agreement by Export Credit Insurance Corporation Joint Stock Company („**KUKE**”); and
- 2) acquisition by a bank or financial institution operating in Poland (“**Financing Entity**”) of cash receivables under the Agreement.

In accordance with the schedule attached to the Agreement („**Schedule**”), the Issuer will implement the Project by December 30, 2021.

Purchaser will pay an advance payment 15% of the Agreement value - i.e. in the amount of 2.424.543,00 EUR (i.e. 10.711.873,43 PLN according to the average exchange rate of the National Bank of Poland from September 3, 2020) - after the entry into force of the Agreement and within 5 business days of receiving an advance invoice and an insurance policy issued by KUKE from the Issuer. The remaining part of the price will be paid by the Purchaser in 10 equal, semi-annual installments, the first of which will be payable on the last day of the month on which the 5-month period commencing on the Project completion date specified in the Schedule will expire.

The intention of the parties to the Agreement is that the receivables with deferred payment date under the Agreement - in the total amount not exceeding 13.739.070,00 EUR (i.e. 60.700.585,17 PLN according to the average exchange rate of the National Bank of Poland on September 3, 2020), i.e. the difference between the total value of the Agreement amounting to 16.163.613,00 EUR (i.e. 71.412.458,60 PLN at the average exchange rate of the National Bank of Poland as of September 3, 2020) and the amount of the advance payment of 2.424.543,00 EUR (i.e. 10.711.873,43 PLN according to the average exchange rate of the National Bank of Poland as of September 3, 2020) - have been insured by KUKE. Obtaining the said insurance requires, inter alia, a positive assessment by KUKE of the terms of the Agreement and the financial condition of the Purchaser, as well as the conclusion of an appropriate insurance contract.

In addition, the intention of the parties to the Agreement is to finance it in the so-called "supplier credit" thanks to the above KUKE insurance. Under the subject financing scheme, in the event of an undisputed claim under the Agreement, the Issuer will sell the claim at a discount to the Financing Entity. Acquisition by the Financing Entity of receivables under the Agreement requires, inter alia, a positive assessment by the Financing Entity of the terms of the Agreement and the financial condition of the Ordering Party, as well as the conclusion of an appropriate agreement for the purchase of receivables.

Pursuant to the provisions of the Agreement, the Parties undertook to submit relevant applications and provide all information and documents necessary to make a decision on insurance of the receivables under the Agreement by KUKE and the acquisition of receivables under the Agreement by the Financing Entity. In the near future, the parties of the Agreement will provide KUKE and selected potential

Financing Entities with relevant applications, documents and information necessary to assess the possibility of insurance and purchase the receivables under the Agreement.

The Purchaser undertook to establish, in accordance with Ukrainian law, a security for the benefit of KUKKE or the Financing Entity in the form of a pledge on the delivered silo elements and a mortgage on the silo complex that has been handed over for work.

Any possible cash liabilities of the Purchaser resulting from the Agreement, including any damages, cannot be set off against the Issuer's liabilities due to the sale price.

The Issuer is entitled to withdraw from the Agreement within 120 days from the date of signing the Agreement without any negative consequences.

Any disputes that may arise in connection with the Agreement shall be submitted by the parties to the Arbitration Court at the Polish Chamber of Commerce in Warsaw. The substantive law regulating contractual relations is Polish law.

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