

The Management Board of Feerum S.A. based in Chojnów (the "**Issuer**") informs that on December 1, 2020, it decided to withdraw from 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 (the "**Agreement**") belonging to *National Food Reserve Agency* based in Dodoma (United Republic of Tanzania) ("**Purchaser**"). The Issuer informed about the conclusion of the Agreement in the current report No. 19/2016 of December 22, 2016.

Pursuant to the provisions of the Agreement, to which the provisions of Tanzanian law apply, on December 1, 2020, the Issuer submitted a termination notice to the Purchaser (*Termination Notice*). The basis for submitting the said declaration are gross violations of the provisions of the Agreement (*Fundamental Breach of the Contract*) by the Ordering Party consisting in particular for the period of relevant tax exemptions in Tanzania in the field of VAT and import charges necessary to conduct day-to-day business there. Moreover, the basis for the submission of the said declaration by the Issuer is the occurrence of force majeure events (*Force Majeure*) related to the COVID-19 coronavirus pandemic and the resulting restrictions.

The decision to withdraw from the Agreement is dictated by the need to limit financial losses caused by the current implementation of the project in question in Tanzania, as well as the lack of cooperation on the part of the Purchaser in order to take any corrective actions.

The Issuer will consider taking possible and reasonable legal steps in Tanzania to protect its rights and pursue any claims.