

The Management Board of Feerum S.A. based in Chojnów ("the Issuer") informs that on October 16, 2019 it received, signed by circulation, a contract for the sale of silo complexes and equipment for silo complexes ("the Agreement"), dated October 11, 2019, concluded between the Issuer and EPICENTR K LLC with its registered office in Kiev (Ukraine) ("Purchaser"). The total value of the Agreement is 3.100.000,00 EUR (i.e. 13.320.700,00 PLN at the average exchange rate of the National Bank of Poland of November 16, 2019). Pursuant to the Agreement, the Issuer is obliged to carry out silo designs, produce designed silos and certain additional silo equipment elements, ensure transport of silos and silo equipment elements to locations specified in the Agreement located on the territory of Ukraine, provide warranty service and carry out training of the Purchaser's personnel on current silo handling. The Issuer is not responsible for the assembly and commissioning of the delivered silos.

The Agreement will enter into force provided that the Export Credit Insurance Corporation Joint Stock Company ("KUBE") makes a final decision on insuring the amounts due under the Agreement (condition precedent). In the event that the above condition precedent is not met by November 30, 2019, the Agreement will expire.

In accordance with the schedule attached to the Agreement (the "Schedule"), the Issuer will carry out all silo deliveries by September 30, 2020.

The Purchaser shall pay an advance of 15% of the value of the Agreement towards the price, i.e. in the amount of 465.000,00 EUR (i.e. 1.998.105,00 PLN according to the average exchange rate of the National Bank of Poland from November 16, 2019) within 60 days from the date of entry of the Agreement, provided that the Issuer provides the insurance policy issued by KUBE. The remaining part of the price will be paid by the Employer in 10 equal, half-yearly installments, payable on February 28 and August 31 in each subsequent calendar year from February 28, 2021.

The contract will be financed in the so-called "Supplier credit" thanks to insurance provided by KUBE. Under this financing scheme, in the event of an undisputed claim under the Agreement, the Issuer will dispose of the claim at a discount to a selected bank or financial institution. The Purchaser undertook to establish, in accordance with Ukrainian law, security for the benefit of KUBE or an entity that will acquire receivables under the Agreement from the Issuer, in the form of a pledge on delivered silo components and a mortgage on commissioned silo complexes.

If the Issuer fails to deliver the subject of the Agreement within the time limits provided in the Schedule, the Issuer shall pay to the Purchaser a contractual penalty of 10.000,00 EUR (i.e. 42.970,00 PLN at the average exchange rate of the National Bank of Poland of November 16, 2019) for each day delays, with the proviso that the total amount of contractual penalties calculated in this way may not exceed 5% of the value of the Agreement.

In the event that the Issuer fails to perform the warranty repair within the time limits specified in the Agreement, the Issuer shall pay to the Purchaser a contractual penalty in the amount equivalent to 10% of the price of the defective part that has not been replaced or repaired under the warranty.

Monetary claims of the Purchaser arising from the Agreement, including contractual penalties calculated by the Purchaser under the Agreement, may not be offset against the Issuer's claims on account of the sale price.

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

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