

Management Board of Feerum S.A. with its registered office in Chojnów ("Issuer") informs that on May 19, 2023, the Issuer concluded an agreement ("Agreement") with Farma Redło Spółka z ograniczoną odpowiedzialnością with its registered office in Redle ("Ordering Party"). The subject of the Agreement is the production, delivery, assembly and commissioning of a storage and drying facility by the Issuer.

The storage and drying facility will be located in Grzybno, Chojna commune.

The elements of the storage and drying facility will be assembled by December 20, 2023.

The Ordering Party shall pay the Issuer remuneration under the Agreement in the total amount of PLN 14,145,000.00 gross (i.e. PLN 11,500,000.00 net) ("Remuneration") as follows: (i) 15% of the Remuneration is payable as an advance within 7 days from the date of conclusion of the Agreement, (ii) 90% of the Remuneration, including the advance payment, is payable in parts as part of the progress of works, based on monthly progress reports; (iii) the remaining 10% of the Remuneration will be paid after final acceptance. The advance payment may be returned in the event of failure to perform the Agreement on time, termination or withdrawal from the Agreement, less the value of equipment and works performed in accordance with the Agreement.

The remuneration may be reduced if it is not possible to remove defects for reasons attributable to the Issuer, but not preventing the facility from being used as intended, by amounts not exceeding 5% of the value of the defective parts.

To secure the return of the advance payment and payments resulting from claims caused by improper performance of the Agreement, the Issuer established a registered pledge on a movable item - a vehicle, with the sum of the security amounting to PLN 2,130,000. In addition, in order to secure the proper performance of contractual obligations, the Issuer undertook to provide security in the form of a bank or insurance guarantee in the amount of PLN 150,000, securing claims arising from the quality guarantee and warranty.

The Issuer provided the Ordering Party with a 24-month guarantee for the delivered devices, commencing with the moment of acceptance.

The Agreement provides for the right to withdraw from the Agreement by either party in the cases specified in the Agreement when the other party fails to implement the provisions of the Agreement, but not later than by November 30, 2023. In addition, the Ordering Party may withdraw from the Agreement in any case after paying remuneration proportional to the progress of the completed works.

The Agreement provides for a contractual penalty charged to the Issuer in the event of: (i) the Issuer's delay in performing the subject of the Agreement, in the amount of 0.1% of the net value of undelivered devices for each day of delay, and (ii) in the event of a delay in removing the defect in the amount of 0, 05% of the Net Remuneration value for each day of delay. The Issuer is entitled to charge a contractual penalty in the event of a delay resulting from a breach by the Ordering Party of its obligations regarding the implementation of the executive schedule in the amount of 0.05% of the net Remuneration for each day of delay. In total, the contractual penalty payable by either party under the Agreement may not exceed 5% of the net Remuneration.

The Issuer's liability for damages, both contractual and tort, in the scope of damages actually incurred by the Ordering Party, excluding lost profits, has been limited to the amount equivalent to 5% of the total net remuneration.

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