

Management Board of Feerum S.A. based in Chojnów ("Issuer") informs that on July 18, 2023, it signed an agreement ("Agreement") with Fortune Spółka z ograniczoną odpowiedzialnością based in Cieszymów ("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 Cieszymowo, Mikołajki Pomorskie commune.

The Issuer agreed to perform the subject of the agreement between October 1, 2023 and June 15, 2024.

The Ordering Party will pay the Issuer remuneration under the Agreement in the total amount of PLN 17,195,400.00 gross (i.e. PLN 13,980,000.00 net) ("Remuneration") as follows: (i) 20% of the Remuneration is payable as an advance within 7 days from the date of conclusion of the Agreement and presentation of security for the repayment of the advance payment by the Issuer, (ii) 90% of the Remuneration, including the advance payment, is payable in parts as part of the progress of work, based on monthly progress reports; (iii) the remaining 10% of the Remuneration will be paid after final acceptance.

The security for the refund of the advance payment by the Issuer is a bank guarantee corresponding to 20% of the Agreement amount, as well as the transfer of ownership by the Issuer of parts of the devices produced under the Agreement with a value of not less than PLN 4,000,000.00 to the Ordering Party, however, transfer of ownership releases the security in the form of a bank guarantee. The issuer is responsible for the safekeeping and condition of the property transferred.

The Issuer granted the Ordering Party a 24-month warranty for the delivered devices, starting from the moment of final acceptance.

The Agreement provides for the right to withdraw from the Agreement by each party in cases specified in the Agreement of failure to implement the provisions of the Agreement by the other party, but no later than April 30, 2024.

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 0.05% of the net value of the Agreement for each day of delay, (ii) delay in the completion of individual stages in relation to the schedule, in the amount 0.05% of the net value of the Agreement for each day of delay, and (iii) delay in the deadline for removing the defect in the amount of 0.02% of the value of the net Remuneration for each day of delay. The Issuer is entitled to charge a contractual penalty in the event of a delay resulting from the Ordering Party's breach of obligations regarding the implementation of the execution schedule in the amount of 0.02% of the value of the Net Remuneration for each day of delay. Each Party has the right to charge the other party with a contractual penalty in the amount of 10% of the net remuneration if: (i) the party withdraws from the Agreement for reasons attributable to the other party, (ii) the other Party withdraws from the Agreement for reasons attributable to it, and (iii) the other party withdraws from the Agreement unjustifiably.

The total contractual penalty payable by either party under the Agreement may not exceed 10% of the value of the net remuneration, and in the event of damage exceeding the value of contractual penalties, the parties have the right to claim compensation exceeding the amount of contractual penalties on general principles.

The parties' liability for damages, both contractual and tortious, for damages actually suffered by the other party is limited to an amount equivalent to 15% of the net value of the Agreement. Under the same principles and within the same liability limit, the parties are liable for lost profits.

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