



**Current Report:** 44/2019

**Date:** 2019-10-14

**Name of the Issuer:** FERRUM S.A.

**Title:** Information on turnover with entities from Izostal Group

**Legal basis:** Art. 17 item 1 MAR – inside information

**Content of the Report:**

The Management Board of FERRUM S.A. (Issuer, Company) informs that on 14<sup>th</sup> October 2019, due to confirming an order (Agreement) in favour of Kolb Sp. z o.o. (Kolb) – an entity affiliated to Izostal S.A. (together creating Izostal Capital Group) – total value of turnover between FERRUM and Izostal Group in the period from 12<sup>th</sup> September 2019, i.e. from the date of publishing previous current report on this category of turnover with Izostal S.A., amounted to app. PLN 47 mio. net.

Order of biggest value is the Agreement with the value of app. EUR 5.2 mio, which is equivalent to app. PLN 22.6 mio. net in accordance with the exchange rate of the National Bank of Poland binding as of the day of confirming this order. Sale of pipes in Kolb's favour on the basis of the Agreement shall be executed until mid-May 2020.

The Agreement foresees the possibility of calculating contractual penalties, inter alia due to delivery delays, delays in fixing the pipes, as well as in case of its termination by any party due to reasons on the Company's side. Total value of contractual penalties was limited to 5% of the remuneration net value. Moreover, the parties agreed that if the perspective contractual penalties calculated within the Agreement do not cover the damage or the damage reason is not included in the contractual penalties provisions, the parties may seek compensation on the basis of general terms of the Commercial Companies Code.

In the remaining scope the conditions of orders executed between the Company and entities from Izostal Group do not differ from standard conditions applied in this type of orders. The aforementioned total value of orders with Izostal Group consists of both cost and income transactions.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2019-10-14	President of the Management Board	Krzysztof Kasprzycki
2019-10-14	Vice-President of the Management Board	Honorata Szlachetka