



Current Report: 56/2019

Date: 2019-12-09

Name of the Issuer: FERRUM S.A.

Title: Concluding an agreement with Izostal S.A. on purchase of steel pipes

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

Content of the Report:

The Management Board of FERRUM S.A. (the Ordering Party, Company) informs that due to investment task Poland – Slovakia Pipeline on 9th December 2019 the Company concluded with Izostal S.A. (Izostal, the Executing Party) an agreement on mutual sale and delivery by Izostal of steel pipes for the purpose of building the aforementioned pipeline (Agreement).

Execution time is March – April 2020.

Total value of the Agreement gross remuneration is ca. EUR 12.1 mio., which is equivalent to ca. PLN 51.9 mio. gross according to the exchange rate of the National Bank of Poland binding as of the day of signing the Agreement.

The Executing Party granted quality guarantee and warranty for the period of 36 months.

The Agreement foresees the possibility of imposing contractual penalties by the Ordering Party, inter alia due to delay in deliveries, delay in removal of defects stated during the guarantee and warranty period or renouncement by any party because of reasons on Izostal's side, whereas total amount of penalties is limited to 20% of net remuneration defined in the Agreement. Should the reserved contractual penalty not cover in whole the damage suffered by the Ordering Party, the Ordering Party is entitled to claim compensation exceeding the amount of the contractual penalty. Moreover the parties may seek compensation on the basis of general terms of the Commercial Companies Code.

The remaining terms and conditions of the Agreement, including the renouncement and termination terms, do not differ from standard ones applied in this type of agreements.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2019-12-09	President of the Management Board	Krzysztof Kasprzycki
2019-12-09	Vice-President of the Management Board	Honorata Szlachetka