



Current Report: 20/2020

Date: 2020-06-19

Name of the Issuer: FERRUM S.A.

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

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

Content of the Report:

The Management Board of FERRUM S.A. (Company, Issuer) informs that on 19th June 2020 the Company concluded with Izostal S.A. (Izostal) two agreements on the Issuer's delivery to Izostal of steel pipes (Agreements).

Net value of the Agreements is ca. EUR 8.01 mio. and EUR 3.83 mio., respectively. Total net value of remuneration from the Agreements is ca. EUR 11.87 mio., which is equivalent to ca. PLN 52.89 mio. net according to the exchange rate of the National Bank of Poland binding as of the day of signing the Agreements.

Sales on the basis of the Agreements shall be executed until the end of November 2020 in case of the Agreement with the value of EUR 3.83 mio. and until mid-January 2021 in case of the other Agreement.

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

The Agreement foresees the possibility of imposing contractual penalties, 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 the Issuer's side, whereas total amount of penalties is limited to 10% of net remuneration. 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 Agreements, 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 |
|-------------|--|-------------------------------|
| 2020-06-19 | President of the Management Board | Krzysztof Kasprzycki |
| 2020-06-19 | Vice-President of the Management Board | Honorata Szlachetka |