



Current Report: 31/2020

Date: 2020-08-04

Name of the Issuer: FERRUM S.A.

Title: Information on cooperation between FERRUM S.A. and Severstal Distribution

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

Content of the Report:

The Management Board of FERRUM S.A. (Issuer, Company) informs that due to receiving on 4th August 2020 from Severstal Distribution SIA seated in Riga (Lithuania) (Severstal) of an order confirmation with the value of ca. PLN 30.82 mio. net, regarding the Company's purchase of steel products, the estimated total value of orders placed with Severstal within last 12 months is equivalent to ca. PLN 75.6 mio. net. The value mentioned above includes only cost transactions for specified steel products.

Order of biggest value within the aforementioned period is the order specified above dated 4th August 2020 for the Company's purchase of steel products from Severstal. The order shall be fully executed until March 2021.

The order was confirmed due to implementation of partial agreement under Framework Agreement concluded also on 4th August 2020, which specifies general conditions of cooperation within Severstal's deliveries of defined steel products to the Issuer within the forthcoming 6 years. In accordance with the Framework Agreement, the Issuer is entitled to placing orders in form of partial agreements, which define detailed parameters of deliveries.

The Framework Agreement specifies the range of contractual penalties, first of all referring to timely deliveries and payments, whereas total value of penalties shall not exceed 20% of the partial agreement value. Moreover, the parties' responsibility due to partial agreements shall be limited to 100% of gross remuneration. Additionally, the Issuer is entitled to claim compensation exceeding the value of contractual penalties on general conditions.

The remaining terms and conditions of the Framework Agreement, as well as the partial agreement, including the ones referring to quality guarantee, withdrawing from the agreements and terminating them, do not differ from standard ones applied for this type of agreements.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2020-08-04	President of the Management Board	Krzysztof Kasprzycki
2020-08-04	Holder of a Commercial Power of Attorney	Wojciech Zeidler