



Current report no.: 44/2020

Date: 2020-11-02

Name of the Issuer: FERRUM S.A.

Title: Concluding an agreement on execution and delivery of stove shells by affiliated company ZKS FERRUM

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 2nd November 2020 the Issuer's affiliated company ZKS FERRUM S.A. (ZKS FERRUM) concluded with a British entity seated in London (Ordering Party) an agreement on execution and delivery by ZKS FERRUM to the Ordering Party of stove shells (Agreement).

Total estimated value of remuneration for executing the Agreement is ca. EUR 4.3 mio. net, which is equivalent to ca. PLN 19.7 mio. net in accordance with exchange rate of the National Bank of Poland as of the day of its concluding.

The Agreement shall be executed in three parts and execution date of particular parts of the Agreement was stipulated to be: end of July 2021, end of July 2022 and mid-October 2024, respectively.

The Agreement foresees the possibility of imposing contractual penalties by the Ordering Party, inter alia due to delivery delays (in total limited to 10% of the Agreement value), as well as due to delays in filing key documents (in total limited to 5% of the Agreement value).

In accordance with the Agreement, ZKS FERRUM shall issue a guarantee of troubleshooting for the period of 24 months from the delivery date. Moreover, in order to guarantee that ZKS FERRUM will execute the Agreement, the Issuer shall sign a corporate guarantee (warranty agreement) in favor of the Ordering Party, which will secure ZKS FERRUM's obligations resulting from the Agreement up to the amount of PLN 9.8 mio., binding until mid-October 2024.

Remaining terms and conditions of the Agreement, including possibility of its renouncing or terminating, do not differ from standard ones applied for this type of agreements.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2020-11-02	President of the Management Board	Krzysztof Kasprzycki
2020-11-02	Vice-President of the Management Board	Honorata Szlachetka