

**Current Report:** 30/2021**Date:** 2021-11-23**Name of the Issuer:** FERRUM S.A.**Title:** Conclusion of agreements with GAZ-SYSTEM by Consortium with FERRUM's participation**Legal basis:** Art. 17 item 1 MAR – inside information**Content of the Report:**

With reference to current report no. 21/2021 regarding offers placed by Consortium with FERRUM S.A.'s participation as the most profitable in proceeding organized by Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. (GAZ-SYSTEM, Ordering Party), the Management Board of FERRUM S.A. (Company, Issuer) hereby informs that on 23rd November 2021 Consortium composed of Izostal S.A. (Consortium Leader), the Issuer (Consortium Partner) and Stalprofil S.A. (Consortium Partner) concluded with GAZ-SYSTEM two separate agreements on implementation of Part 1 (Agreement no. 1) and Part 2 (Agreement no. 2) of investment task entitled: "Delivery of coated steel pipes for Pipeline Gustorzyn-Wronów and Dolna Odra order no. 2".

The subject of the aforementioned agreements is supplying the Ordering Party with externally coated and internally painted steel pipes and the agreements' implementation shall take place within the period from mid-May 2022 till the end of October 2022 within Part 1 and within the period from April 2022 till the end of August 2022 within Part 2 of the abovementioned investment task.

The Consortium's remuneration for due execution of the Agreement no. 1 and Agreement no. 2 is ca. PLN 186.3 mio. net, which is equivalent to ca. PLN 229.2 mio. gross, and ca. PLN 51.1 mio. net, which is equivalent to PLN 62.8 mio. gross, respectively. The difference in value of the offers placed by Consortium and the value of concluded agreements results from stipulations regarding valorization, variability of costs and production. Moreover the Company informs that the Issuer's share of Consortium's remuneration for implementation of the aforementioned agreements shall result from the scope of work involvement of the Consortium's parties in particular stages of preparing and execution of deliveries, which is still being under stipulations.

Stipulations of Agreement no. 1 and Agreement no. 2 are analogous within the possibilities 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 the Ordering Party because of reasons on Consortium's side. The total amount of penalties is limited to 20% of remuneration defined in particular 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. The Consortium members bear joint responsibility with regard to the Ordering Party.

Due to deliveries resulting from the aforementioned agreements, Consortium granted the Ordering Party quality guarantee and warranty for the period of 36 months.

The remaining conditions of agreements mentioned above, including the renouncement and termination terms, do not differ from the conditions applied in these type of contracts.



FERRUM S.A.

Steel pipes

Hollow sections

Coating

Established in 1874

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2021-11-23	President of the Management Board	Krzysztof Kasprzycki
2021-11-23	Vice-President of the Management Board	Honorata Szlachetka