



**Current Report:** 53/2019

**Date:** 2019-11-22

**Name of the Issuer:** FERRUM S.A.

**Title:** Initial financial results for 9 months of 2019

**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 22<sup>nd</sup> November 2019, with regard to the completion of financial data aggregation process initiated in order to prepare consolidated for Q3 2019, it was decided to publish the initial standalone and consolidated financial results for the referred period.

Stand-alone net revenue from sales of products, goods and materials in 9 months of 2019 amounted to app. PLN 311 237 thousand and was by PLN 115 986 thousand higher than the revenue of comparable period of previous year. Higher sales revenue resulted mainly from significantly higher revenue from sales of products due to increased productive capacity being the result of launching the new production line for spirally welded pipes, as well as increase of sales of high frequency welded pipes. Additionally, the consequence of increasing the production volume was lowering the constant unit production cost. Within 9 months of 2019 the goods and materials sales revenue also increased. Comparing to analogical period of previous year, the Issuer registered increase of gross profit from PLN 8 323 thousand to PLN 17 684 thousand. The Company achieved operating income of PLN 4 302 thousand in 9 months of 2019 instead of loss of PLN 1 701 thousand in 9 months of 2018. On the level of net result for 9 months of 2019 the Issuer registered loss of PLN 2 745 thousand, which was consequence of costs of external financing, including costs of loans taken out in 2018 and 2019, as well as credit obtained in PKO BP bank.

Consolidated net revenue from sales of products, goods and materials in 9 months of 2019 amounted to app. PLN 361 733 thousand, which means increase in the amount of PLN 109 379 thousand in comparison to the revenue of comparable period of previous year. Higher net consolidated revenue from sales resulted from higher sales of products mainly in the parent company FERRUM S.A. Consolidated operating profit of FERRUM Capital Group (Group) in 9 months of 2019 amounted to app. PLN 10 349 thousand, whereas FERRUM Capital Group recorded net profit of app. PLN 1 888 thousand in 9 months of 2019.

Detailed information on the final financial results of the Company and FERRUM Capital Group for Q3 2019 shall be made public on 29<sup>th</sup> November 2019.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2019-11-22	President of the Management Board	Krzysztof Kasprzycki
2019-11-22	Vice-President of the Management Board	Honorata Szlachetka