



Current Report: 18/2020

Date: 2020-05-25

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for Q1 2020

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 25th May 2020, with regard to the completion of financial data aggregation process initiated in order to prepare the extended consolidated report for Q1 2020, it was decided to publish the initial standalone and consolidated financial results.

Stand-alone net revenue from sales of products, goods and materials in Q1 2020 amounted to app. PLN 116 743 thousand and was higher by ca. PLN 23 053 thousand, i.e. 25%, than the revenue of comparable period of previous year. In Q1 2020 the Company started implementation of deliveries for OGP GAZ-SYSTEM S.A. on the basis of partial agreement mentioned in current report no. 54/2019. Comparing to analogical period of previous year, the Issuer registered increase of gross profit from PLN 3 763 thousand to PLN 4 518 thousand. In Q1 2020 the Company achieved operating profit of ca. PLN 210 thousand, instead of operating loss in Q1 2019 of PLN 2 118 thousand. Due to value updating of some liabilities in foreign currency, which were subject to accrual valuation in accordance with MSR/MSSF rules, financial costs increased in comparison to Q1 2019. Interest costs of loans and credits and the aforementioned accrual valuation resulted in the Issuer's net loss in Q1 2020 in the amount of PLN 4 326 thousand, which was lower by ca. PLN 392 thousand comparing to net loss in Q1 2019.

Consolidated net revenue from sales of products, goods and materials in Q1 2020 amounted to app. PLN 141 373 thousand, which means increase in the amount of PLN 33 998 thousand, i.e. 32%, in comparison to the revenue of comparable period of previous year. Higher net consolidated revenue from sales resulted from higher sales of products in both the parent company FERRUM S.A. and affiliated company ZKS FERRUM S.A. In comparison to analogical period of previous year FERRUM Capital Group (Group) recorded increased gross profit from sales of PLN 8 423 thousand versus PLN 8 141 thousand. Consolidated operating profit of the Group in Q1 2020 amounted to app. PLN 1 834 thousand and was higher by ca. PLN 1 417 thousand than operating profit in Q1 2019. On the level of net result the Group in Q1 2020 recorded net loss of app. PLN 2 733 thousand, which is by ca. PLN 225 thousand lower in comparison to net loss in Q1 2019.

Detailed information on the final financial results of the Company and FERRUM Capital Group for Q1 2020, as well as their operating prospects resulting from COVID-19 epidemic shall be made public on 1st June 2020.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2020-05-25	President of the Management Board	Krzysztof Kasprzycki
2020-05-25	Vice-President of the Management Board	Honorata Szlachetka