



**Current Report:** 40/2020

**Date:** 2020-09-23

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

**Title:** Initial financial results for the I half-year 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 23rd September 2020, with regard to the completion of financial data aggregation process initiated in order to prepare extended consolidated report for the I half-year 2020, 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 the I half-year 2020 amounted to app. PLN 232 813 thousand and was by PLN 36 358 thousand, i.e. by ca. 19% higher than the revenue of comparable period of previous year. In the I half-year 2020 the Company implemented deliveries to OGP GAZ-SYSTEM S.A. within partial agreement being subject to current report no. 54/2019. Comparing to analogical period of previous year, the Issuer registered increase of gross profit from PLN 10 843 thousand to PLN 13 907 thousand. In I half-year 2020 the Company achieved operating profit of ca. PLN 3 214 thousand, higher by ca. PLN 571 thousand than the operating profit in I half-year 2019. On the level of net result in the I half-year 2020 the Issuer registered loss of PLN 2 531 thousand, which was consequence of costs of external financing, i.e. 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 the I half-year 2020 amounted to app. PLN 287 276 thousand, which means increase by the amount of PLN 56 240 thousand, i.e. by ca. 24% 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. Comparing to analogical period of previous year, FERRUM Capital Group (Group) registered increase of gross profit from sales from PLN 17 416 thousand to PLN 21 322 thousand. Consolidated operating profit of the Group in the I half-year 2020 amounted to app. PLN 6 234 thousand. The Group recorded net loss of app. PLN 273 thousand in the I half-year 2020 instead of net profit of PLN 205 thousand in the I half-year 2019. Consolidated net loss in the I half-year 2020 results from inter alia higher amount of income tax in comparison to analogical period of previous year

Detailed information on the final financial results of the Company and FERRUM Capital Group for the I half-year 2020 shall be made public on 30th September 2020.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

| <b>Date</b> | <b>Position</b>                        | <b>First name and surname</b> |
|-------------|--|-------------------------------|
| 2020-09-23  | President of the Management Board      | Krzysztof Kasprzycki          |
| 2020-09-23  | Vice-President of the Management Board | Honorata Szlachetka           |