



Current Report: 48/2023

Date: 2023-11-22

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for the 9 months of 2023

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 22nd November 2023, with regard to the completion of financial data aggregation process initiated in order to prepare consolidated report for 9 months of 2023, it has been decided to publish the initial standalone and consolidated financial results.

Stand-alone net revenue from sales of products, goods and materials in 9 months of 2023 amounted to app. PLN 434 170 thousand and was by ca. PLN 220 231 thousand, i.e. by ca. 34%, lower than the revenue of comparable period of previous year. Lower revenue resulted mainly from adjusting the Issuer's sales structure to its key customers' demand level, including inter alia OGP GAZ-SYSTEM. In Q3 2023 the macroeconomic circumstances were unfavorable and application of steel products declined. Lower demand for the Issuer's products resulted from inter alia shortage of means for implementation of strategic investments along with initial budget plans adjustment of the leading investors in market sectors for which the Company delivers its products. The Issuer's gross profit on sales in 9 months of 2023 amounted to app. PLN 19 457 thousand, compared to PLN 52 783 thousand in comparable period of previous year. In 9 months of 2023 the Company achieved operating profit of ca. PLN 11 077 thousand, lower by PLN 13 584 thousand than operating profit in 9 months of 2022. The Issuer's net result in 9 months of 2023 is profit of ca. PLN 168 thousand, whereas net profit in 9 months of 2022 amounted to app. PLN 8 525 thousand.

Consolidated net revenue from sales of products, goods and materials in 9 months of 2023 amounted to app. PLN 486 879 thousand, which means decrease by the amount of ca. PLN 232 129 thousand, i.e. by ca. 32% in comparison to the revenue of comparable period of previous year. Consolidated gross profit on sales in 9 months of 2023 amounted to ca. PLN 29 060 thousand compared to PLN 64 579 thousand in 9 months of 2022. Consolidated operating profit of the FERRUM Capital Group (Group) in 9 months of 2023 amounted to app. PLN 15 207 and was lower by ca. PLN 12 226 thousand than operating profit in 9 months of 2022. The Group achieved net loss of app. PLN 1 731 thousand, whereas in the 9 months of 2022 net profit was PLN 8 846 thousand.

Moreover, the Issuer informs that the aforementioned initial results were aggregated in accordance with the Company's best knowledge and under the proviso that no circumstances occur during further works, which would result in necessity of significant one-shot operations of accounting nature.

Detailed information on the final financial results of the Company and FERRUM Capital Group in the 9 months of 2023 shall be made public on 29th November 2023.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2023-11-22	President of the Management Board	Krzysztof Kasprzycki
2023-11-22	Vice-President of the Management Board	Honorata Szlachetka