

SUPERVISORY BOARD REPORT
on the evaluation of the Company and Capital Group Financial Statements and
the Management Board Reports on the business activities of the Company and
FERRUM Capital Group in 2015

Acting pursuant to Art. 382 § 3 of the Commercial Companies Code and Art. 20 item 20.2 point 4 of the Company Articles of Association, the Supervisory Board evaluated as follows:

1. *Management Board Report on the business activities of FERRUM S.A. in 2015*
2. *Management Board Report on the business activities of FERRUM Capital Group in 2015*
3. *Annual stand-alone financial statement of FERRUM S.A. for the 12-month period closed on 31st December 2015.*
4. *Annual consolidated financial statement of FERRUM Capital Group for the 12-month period closed on 31st December 2015.*
5. *Petition of the Management Board on the net loss coverage for 2015.*

The subject statements and reports were examined taking into account the materials prepared by the Management Board and the opinion issued by Deloitte Polska Sp. z o.o. Sp. komandytowa seated in Warsaw, office located in Katowice – the auditor appointed by the Supervisory Board.

The financial statements mentioned hereinabove included respectively:

- Report on FERRUM S.A. financial situation and consolidated Report on FERRUM Capital Group financial situation prepared as at 31.12.2015,
- Profit and loss account of FERRUM S.A. and consolidated profit and loss account of FERRUM Capital Group for the period from 1st January to 31st December 2015,
- Total Income Statement of FERRUM S.A. and consolidated Total Income Statement of FERRUM Capital Group for the period from 1st January to 31st December 2015,
- Statement on changes in equity of FERRUM S.A. and consolidated Statement on changes in equity of FERRUM Capital Group for the period from 1st January to 31st December 2015,
- Cash flow Statement of FERRUM S.A. and consolidated cash flow Statement of FERRUM Capital Group for the period from 1st January to 31st December 2015,
- Additional information on adopted accounting principles and other explanatory information,
- Additional explanatory information.

Table 1.
Elementary economic-financial results (in thousand PLN)

No.	Position	FERRUM S.A. 2014	FERRUM S.A. 2015	FERRUM Capital Group 2014	FERRUM Capital Group 2015
1	Net revenues from sales	395 928	254 291	439 987	311 374
2	Profit on operating activities	-5 061	- 58 711	4 034	- 51 970
3	Gross profit	-9 598	- 64 326	-2 362	- 58 110
4	Income tax	- 1 113	- 9 725	- 813	- 8 452
5	Net profit on continued activities	- 8 485	- 54 601	-1 549	- 49 658

Table 2.
Selected financial indicators of business activities of the Company and FERRUM Capital Group

No.	Position	FERRUM S.A. 2014	FERRUM S.A. 2015	FERRUM Capital Group 2014	FERRUM Capital Group 2015
1	EBITDA	4 492	- 48 880	15 099	- 39 942
2	Current ratio	0,7	0,7	0,7	0,8
3	Quick ratio	0,5	0,3	0,5	0,4
4	Liabilities to assets ratio (total)	0,7	0,8	0,7	0,8
5	Liabilities to equity ratio	2,3	5,1	2,4	4,5
6	Debt to fixed assets ratio	7,9	1,7	7,6	1,7
7	ROA	-2,9%	-24,5 %	-0,5%	-15,9%
8	ROE	-9,4%	-149,0 %	-1,6%	-103,5%
9	ROS	-2,1%	-21,5 %	-0,4%	-15,9%

The Supervisory Board became familiarized with the opinion and the report of the certified auditor Deloitte Polska Sp. z o.o. Sp. komandytowa seated in Warsaw, office located in Katowice, drafted as at 18th March 2016 with regard to the above mentioned financial statements of FERRUM S.A. and FERRUM Capital Group.

Pursuant to the submitted documents, the Supervisory Board state that the financial statements for the financial year closed as at 31st December 2015 are prepared in accordance with the International Accounting Standards and International Financial Reporting Standards approved by the European Union, and all matters not governed by the above standards are compliant to the accounting regulations of the Accounting Act of 29th September 1994, as well to the requirements of the issuers of securities admitted to the public trading. Additionally, the Supervisory Board confirm that these documents are compatible with the records and actual state of affairs.

Moreover, the Supervisory Board evaluate in favor of the internal control and risk management systems essential for FERRUM S.A. and operating in the Company in 2015.

To summarize, the Supervisory Board of FERRUM S.A. recommend the General Meeting of Shareholders to approve the below:

1. *Management Board Report on the business activities of FERRUM S.A. in 2015*
2. *Management Board Report on the business activities of FERRUM Capital Group in 2015*
3. *Annual stand-alone financial statement of FERRUM S.A. for the 12-month period closed on 31st December 2015.*
4. *Annual consolidated financial statement of FERRUM Capital Group for the 12-month period closed on 31st December 2015.*