



Current Report: 63/2017

Date: 2017-11-22

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for 9 months of 2017

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 2017, with regard to the completion of financial data aggregation process initiated in order to prepare extended consolidated quarterly report of the Company and FERRUM Capital Group for the Q3 of 2017, it was decided to publish the initial financial results for 9 months of 2017.

Stand-alone net revenue from sales of products, goods and materials in 9 months of 2017 amounted to app. PLN 184 137 thousand and was by PLN 9 812 thousand lower than the revenue of comparable period of previous year. Lower sales regarded mainly products, which resulted from inter alia lower sales amount of comparing to 9 months of 2016. In 9 months of 2017 the Issuer's operating loss amounted to app. PLN 30 869 thousand and net loss to app. PLN 32 833 thousand.

The financial results decreased due to inter alia:

1. revaluation of the investment property in 1HY 2017, which affected the operating result downside by PLN 18 963 thousand;
2. lower products profitability on the level of gross profit on sales;
3. higher price level of hot rolled coils used for production.

Consolidated net revenue from sales of products, goods and materials in 9 months of 2017 amounted to app. PLN 239 727 thousand and was by PLN 2 483 thousand higher than the revenue of comparable period of previous year. Consolidated operating loss of FERRUM Capital Group in 9 months of 2017 amounted to app. PLN 27 639 thousand and net loss to app. PLN 30 188 thousand, particularly as a result of decreased financial stand-alone results of the Issuer.

Furthermore the Issuer reminds that the detailed information on the final financial results of the Company and FERRUM Capital Group in 9 months of 2017 shall be made public on 29th November 2017.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

| Date | Position | First name and surname |
|-------------|--|-------------------------------|
| 2017-11-22 | President of the Management Board | Krzysztof Kasprzycki |
| 2017-11-22 | Vice-President of the Management Board | Grzegorz Kowalik |