



Current Report: 25/2018

Date: 2018-04-19

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for 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 19th April 2018, with regard to the completion of financial data aggregation process initiated in order to prepare yearly financial report of the Company and FERRUM Capital Group for financial year 2017, it was decided to publish the initial financial results.

Stand-alone net revenue from sales of products, goods and materials in 2017 amounted to app. PLN 246 037 thousand and was by PLN 485 thousand lower than the revenue of comparable period of previous year. Moreover in the previous financial year the Issuer recorded operating loss in the amount of ca. PLN 45 098 thousand and net loss of ca. PLN 49 153 thousand. The falloff of financial results inter alia from:

1. lower production and sale of pipes and coating;
2. higher market price of hot-rolled coils used for production, which were not fully transferred for the pipes' sale price; the price increase resulted inter alia from:
 - the European Committee introducing the anti-dumping tariffs for the producers from outside the EU,
 - necessity of indirect purchasing of the production materials, which equals to higher costs,
3. revaluation of the investment property, which influenced the operating results by minus PLN 18 963 thousand,
4. the surplus of established stock write-downs over the unbound write-downs and establishing reserves for the future liabilities.

Consolidated net revenue from sales of products, goods and materials in 2017 amounted to app. PLN 305 757 thousand and was by ca. PLN 3 077 thousand lower than the revenue in previous year. Consolidated operating loss of FERRUM Capital Group in 2017 amounted to app. PLN 41 821 thousand and net loss to app. PLN 46 857 thousand, particularly as a result of worse financial stand-alone results of FERRUM S.A.

Furthermore the Issuer reminds that the detailed information on the final financial results of the Company and FERRUM Capital Group in 2017 shall be made public on 26th April 2018.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2018-04-19	President of the Management Board	Krzysztof Kasprzycki
2018-04-19	Vice-President of the Management Board	Włodzimierz Kasztalski