



Current Report: 16/2019

Date: 2019-04-19

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for 2018

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 2019, 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 2018, it was decided to publish the initial financial results.

Stand-alone net revenue from sales of products, goods and materials in 2018 amounted to app. PLN 276 376 thousand and was by PLN 30 339 thousand higher than the revenue of previous year. This difference results mainly from higher sale of products by ca. PLN 50 813 thousand, which was directly caused by, inter alia, launching the new production line for spirally welded pipes in QII 2018 (production line). Moreover, the Issuer's financial result for the year 2018 at the level of sales gross profit was higher by ca. PLN 11 591 thousand, and products sales profitability on this level increased by ca. 4.3% points with regard to comparable period of previous year. Moreover, in previous financial year the Issuer recorded operating loss in the amount of ca. PLN 5 897 thousand and net loss of ca. PLN 13 631 thousand. The net financial result was influenced mainly by the costs of external financing.

Consolidated net revenue from sales of products, goods and materials in 2018 amounted to app. PLN 353 171 thousand and was by ca. PLN 47 414 thousand higher than the revenue in previous year. Consolidated operating profit of FERRUM Capital Group in 2018 amounted to app. PLN 5 418 thousand. Increased consolidated operating profit in 2018 resulted from, inter alia, improved result and margins on gross sales of both the Issuer and its affiliated companies. On the level of net financial result the Capital Group recorded in 2018 a net loss of ca. PLN 5 533 thousand, instead of the loss of PLN 46 857 thousand in previous year.

Comparing the net financial results of the Company and the Capital Group without taking the revaluation of appraisal of the Issuer's investment property into account, which was the subject of the Company's current report no. 55/2018, the stand-alone financial result in 2018 was higher than the one in 2017 by ca. PLN 20 162 thousand, and the consolidated one was higher by ca. PLN 25 964 thousand.

Detailed information on the final financial results of the Company and FERRUM Capital Group in 2018 shall be made public on 26th April 2019.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2019-04-19	President of the Management Board	Krzysztof Kasprzycki
2019-04-19	Vice-President of the Management Board	Honorata Szlachetka