



Current Report: 18/2019

Date: 2019-05-27

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for Q1 2019

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 27th May 2019, with regard to the completion of financial data aggregation process initiated in order to prepare extended consolidated for Q1 2019, it was decided to publish the initial standalone and consolidated financial results for the referred period.

Stand-alone net revenue from sales of products, goods and materials in Q1 2019 amounted to app. PLN 93 690 thousand and was by PLN 35 780 thousand higher than the revenue of comparable period of previous year. Higher sales revenue resulted mainly from higher revenue from sales of products by ca. PLN 35 255 thousand, which was influenced mainly by launching the new production line for spirally welded pipes in Q2 2018. Moreover, gross profit of ca. PLN 3 763 thousand is a result of increase of production volume. In comparison to comparable period of previous year, gross profit increased by PLN 2 278 PLN. The achieved revenue from sales in Q1 2019 are results of operations undertaken in 2019, inter alia of launching the new production line and limiting the Issuer's indebtedness.

However, sales increase did not result in increasing the Company's operating result, comparing to comparable period of previous year, because in comparable period of 2018 the result on other operating activity constituted a significant surplus. In Q1 2019 the Issuer recorded operating loss of app. PLN 2 118 thousand and net loss of ca. PLN 4 718 thousand, which was mainly influenced by costs of external financing.

Consolidated net revenue from sales of products, goods and materials in Q1 2019 amounted to app. PLN 107 375 thousand, which means increase in the amount of PLN 25 569 thousand in comparison to the revenue of comparable period of previous year. Higher net consolidated revenue from sales resulted from higher sales of products mainly in the parent company FERRUM S.A. Consolidated operating profit of FERRUM Capital Group (Group) in Q1 2019 amounted to app. PLN 417 thousand, whereas FERRUM Capital Group recorded net loss of app. PLN 2 958 thousand in Q1 2019, which was influenced inter alia by costs of external financing of the Issuer.

Detailed information on the final financial results of the Company and FERRUM Capital Group for Q1 2019 shall be made public on 30th May 2019.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2019-05-27	President of the Management Board	Krzysztof Kasprzycki
2019-05-27	Vice-President of the Management Board	Honorata Szlachetka