



Presentation of results for the first half of 2019

1 October 2019

Representing person



Piotr Wielesik

member of the board

The most important events of the first half of 2019

The most important events of the first half of 2019

Financial results for the first half of 2019

FEERUM in Ukraine

Tanzania project

Strategy

Summary

The most important events of the first half of 2019

- **In the first half of 2019**, the company generated 38% increase in revenues, up to 89 million PLN. The portfolio of contracts under implementation and potential new contracts allow optimism to assess the perspectives of subsequent periods.
- The Tanzanian contract is being implemented as planned - currently the last deliveries are being made. The status of ground and foundation works is very advanced, the assembly of steel structures has also begun.
- The contract for Epicentr K LLC (**worth 35.6 million EUR**) is also being implemented as planned. In addition to contracts for Epicentr K LLC, further investments in Ukraine are planned.
- The current order portfolio is approximately **232 million PLN** and includes 30 contracts, while the potential portfolio of clients includes **189,8 million PLN**, of which the potential of clients awaiting EU funding and having a building permit is about **39,6 million PLN**.
- The Lithuanian market is a smaller but still interesting export market for the Group, the potential of this market is currently estimated at around **6 million PLN**.

Financial results for the first half of 2019

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Sales revenues (thous. PLN)

Result for the year 2018 – 128 714 thous. PLN

I half of the 2019

89 002 sales revenues

I half of the 2018

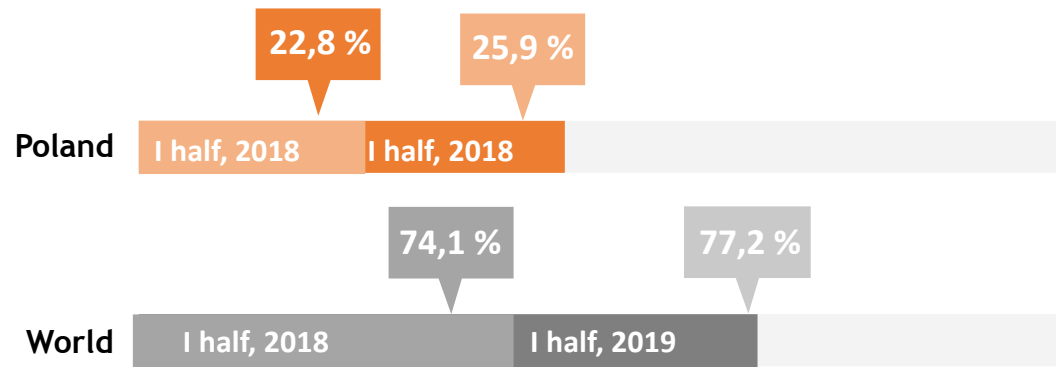
64 374 sales revenues



The Group's revenues in cross-section of geographical areas

Country	I half of the 2019	I half of the 2018	2018
Poland	20 275	16 641	38 063
Ukraine	56 524	5 523	11 628
Tanzania	10 879	31 384	63 305
Lithuania	969	10 258	13 975
Other countries	355	569	1 744
Total	89 002	64 374	128 714

Poland vs the World



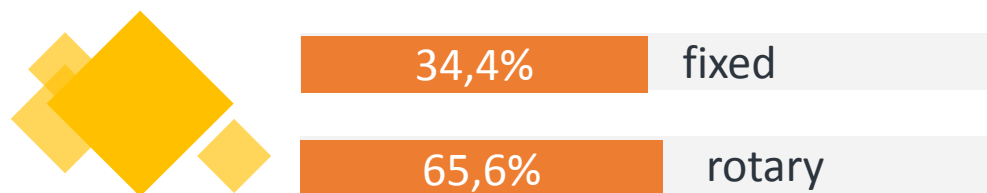
- In the first half of 2019, the Group achieved sales revenues 38% higher than those achieved in the first half a year ago.
- The significant progressive impact of the agreement with Epicentr K LLC on the achieved financial results will be visible in the second half of 2019.
- New products introduced by the Group are competitively priced, thanks to which they can successfully compete on global markets.
- FEERUM is intensively working on entering markets with more demanding climates - the manufactured constructions work perfectly even in very difficult and changing weather conditions.

Financial results for the I half of 2019

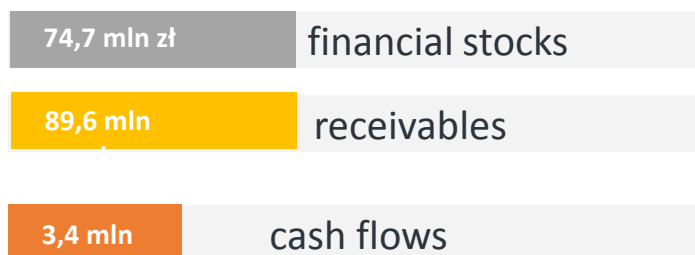
thous. PLN	I half of 2019	I half of 2018	change in %	change in thous.
Sales revenues	89 002	64 374	38,3%	24 628
Gross profit (loss) on sales	16 846	11 182	50,6%	5 664
Gross margin on sales	18,9%	17,4%	1,56%	
EBITDA	15 212	9 138	66,5%	6 074
Profitability EBITDA	17,1%	14,2%	2,90%	
Profit from operating activities (EBIT)	10 042	4 545	120,9%	5 497
Profitability on operating activity	11,3%	7,1%	4,22%	
Gross profit	9 533	6 953	37,1%	2 579
Gross profit margin	10,7%	10,8%	-0,09%	
Net profit	9 515	6 769	40,6%	2 746
Return on net sales	10,7%	10,5%	0,18%	

The structure of the balance sheet as at June,30 2019

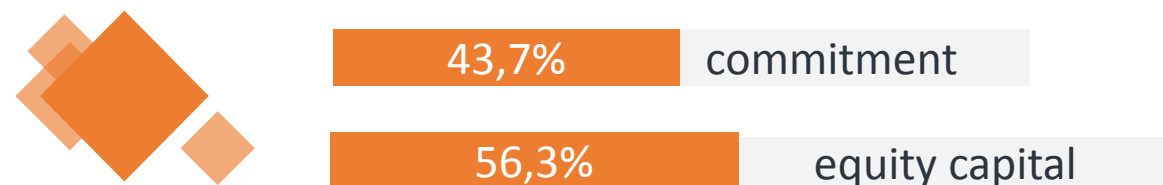
Assets



Main items:



Liabilities



Main items:



Balance sheet total: 275,1 mln PLN

FEERUM in Ukraine

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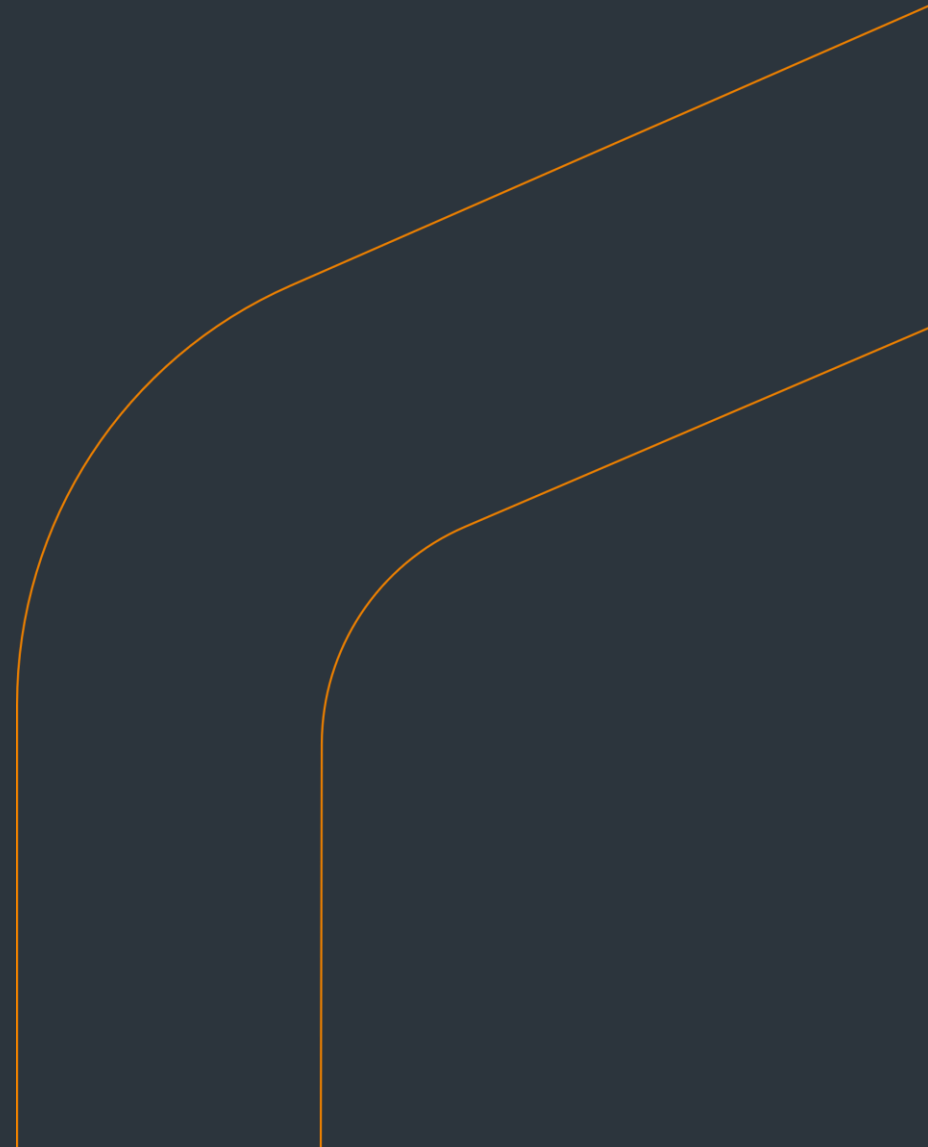
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FEERUM in Ukraine



Large scale construction



The total capacity of the facilities manufactured for Epicentr K LLC is nearly 1 million tons.

The photo on the right shows the control cabinets needed to start / operate one of the Epicentr K LLC facilities.

Performance of the Epicentr K LLC contract



Value of contracts

1st contract - 35,6 million EUR (advanced implementation); Second contract – 14,3 million EUR (in progress)

Facilities capacity - nearly 1 million tons

We used 14 000 tons of steel for the production of elements of 5 complexes under the first contract.

Characteristics of objects

The efficiency of transporting equipment - between 200 and 250 tons per hour.
Installed dryers capacity - 500 MW.

We produce with full power





Daniel Janusz

Negotiations on the Ukrainian market

„We work with several recommended Ukrainian clients in terms of their ability to use financing under the "supplier loan" scheme. The Export Credit Insurance Corporation (KUKE) is also following these customers. They are big producers, comparable to Epicentr K LLC. We are currently designing for potential orders and we are in the negotiation phase. It looks very promising.”

Tanzania project

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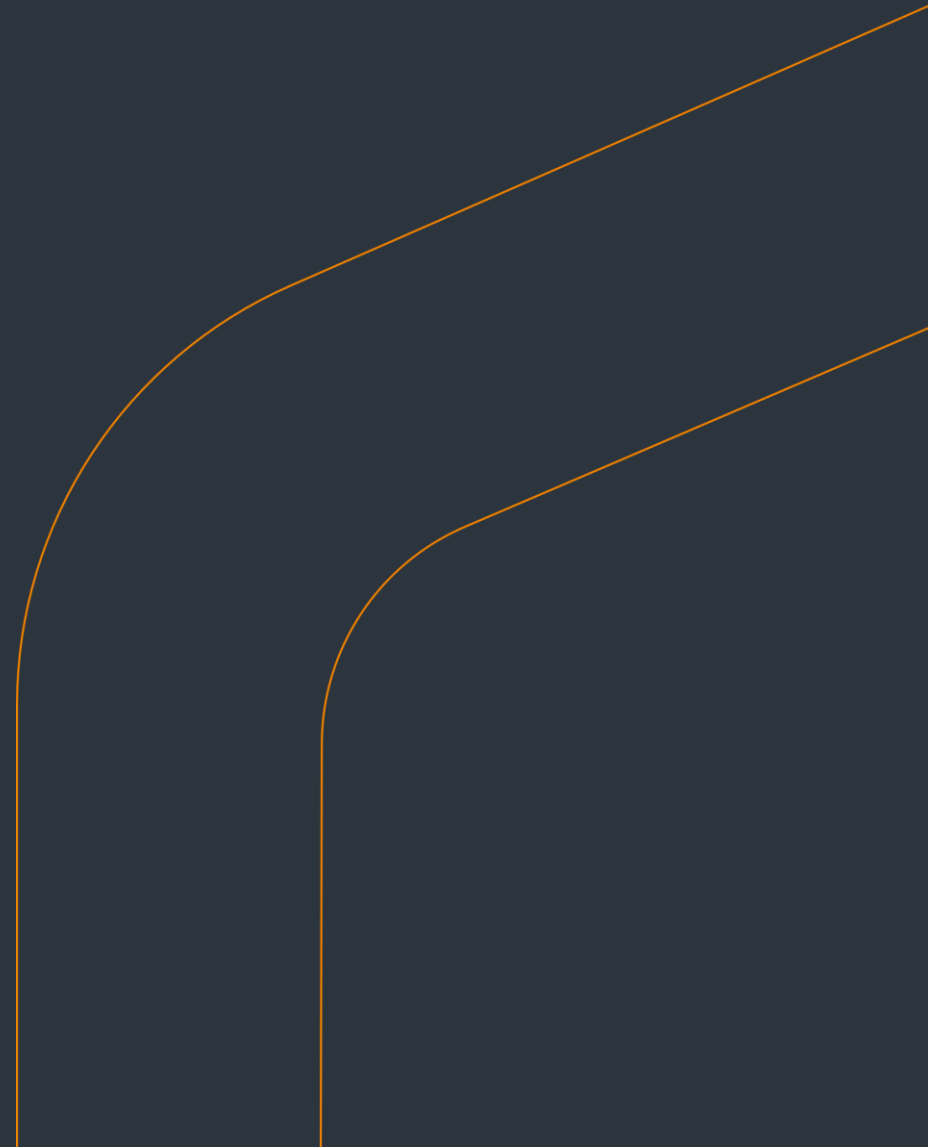
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FEERUM in Tanzania



The image shows three large, cylindrical metal silos under construction. The silos are made of corrugated metal panels held together by a blue metal frame. They are arranged in a row, with the one on the right being the most prominent. The silos have a green roof. In the foreground, several construction workers wearing yellow hard hats and orange safety vests are visible, working on the base of the silos. The background is a clear blue sky with some white clouds. The entire image is overlaid with a semi-transparent orange banner at the bottom, which contains the text "Another FEERUM silos in Africa".

Another FEERUM silos in Africa



Successful cooperation

We have created a network of reliable subcontractors for each of the 5 construction sites. We consider working with Tanzanian people very fruitful. Thanks to it, we can have a real and positive impact on the development of the Tanzanian economy.

Summary of production and shipments



97% of production

At present, we have manufactured 97% of machines and equipment needed to complete and commission the facilities in all locations.

84% of shipments

We sent to Tanzania 84% of the entire installation for all 5 construction sites

304 containers

This translated into 304, packed, transported to the port and shipped to Tanzania, containers.

As a result, we are the only Polish company that has a fully equipped and licensed construction company in Tanzania and has the full capacity to implement comprehensive "design-build-operate-maintain" projects.



Good preparation gives results!

A group of various employees is involved in the implementation of the Tanzanian contract management levels and departments, both in Tanzania and in Poland. Our own machine park gives us full independence. In turn, cooperation with subcontractors allows you to build good relations with the local population.

We are building a Polish brand in Africa



Our commitment in Africa is not empty words, but real actions. In each of the five places in Tanzania, we share our knowledge and experience, build relationships with the local community and change their surroundings for the better. Africa is a very good place to invest, also for strong companies from Poland. We are the best example.

Our construction in Dodom was visited by a delegation from the Ministry of Foreign Affairs, headed by the deputy head of the ministry Marcin Przydacz and a delegation from PAIH / September 2019.

Strategy

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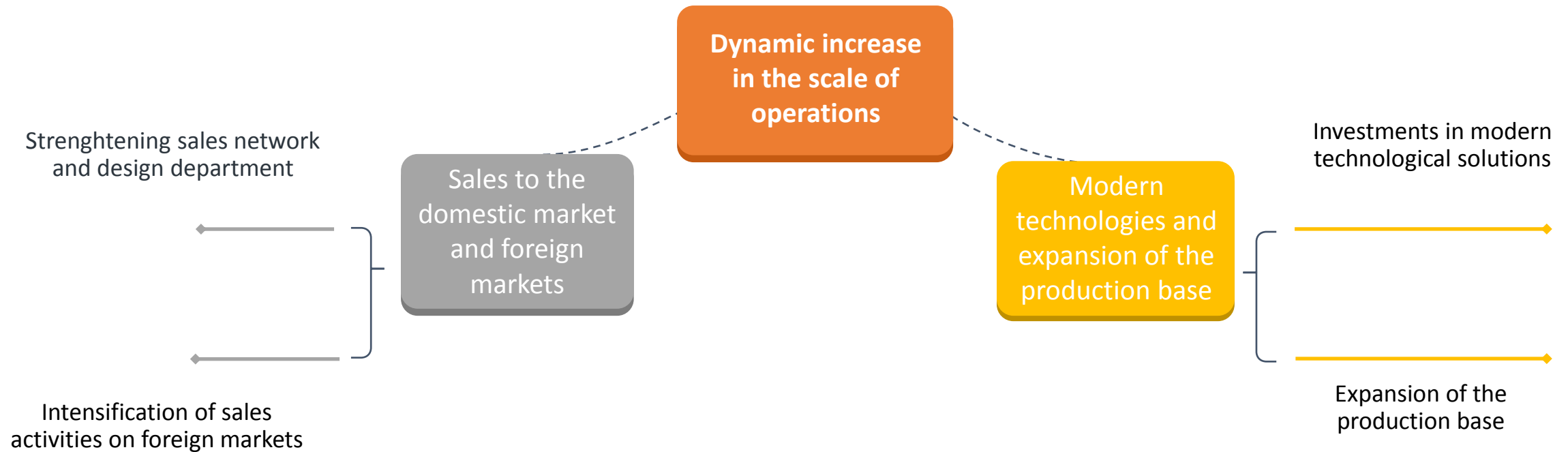
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FEERUM strategy: Obtaining an important player position on the international arena



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FEERUM – I half of the year 2019





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