



Presentation of results for the first quarter of 2020

June 30, 2020

The most important events of the first quarter of 2020

The most important events of the first quarter of 2020

Financial results for the first quarter of 2020

FEERUM in Ukraine

Tanzania project

Strategy

Summary

The most important events of the first quarter of 2020

- ✓ In the **first quarter of 2020**, the Group obtained **sales revenues higher by over 34%** compared to the same period last year. **Net profit increased by over 195%** to 4,2 million PLN compared to the first quarter of last year.
- ✓ The Ukrainian contracts implemented at the turn of 2019/2020 confirm the consistent implementation of the plan to strengthen presence on export markets.
 - ✓ The company continues the implementation of the second significant contract concluded with the Ukrainian contractor EPICENTR K in the fourth quarter of 2018, worth 14,3 million EUR. The implementation of export exports in the scope of the above contract at the end of the first quarter of 2020 covered over 95% of the contract value.
 - ✓ In terms of the last two contracts concluded in December 2019, due to the fact that the date of commencement of their implementation fell during the COVID-19 coronavirus pandemic, the contracting authority limited the amount of equipment purchased under the larger contract to 18,3 million EUR (from 26 million EUR) and suspended the implementation of one of the facilities - which resulted in the termination of the contract for 8,9 million EUR. Acc. to The Management Board of the Company, a contract for Epicentr K with a value of 18,3 million EUR, together with contracts for domestic clients form a satisfying company portfolio of orders for the current year.
- ✓ The implementation of the Tanzanian contract due to the lengthy acceptance procedures by the Tanzanian institutions participating in the project implementation was extended **until December 31, 2020**. The Tanzanian contract is practically completed, the last deliveries are sent to Africa. Ground and foundation works are advanced and steel structures are being assembled.
- ✓ As at the date of approval of the report for publication, the contracted orders for the Group's products for the period 2020/2021 amount to approximately **163,6 million PLN** and include 31 contracts, while the potential client portfolio includes **226,4 million PLN**, of which the potential of clients awaiting EU funding and holding a permit for construction is approximately **28,0 million PLN**.

Financial results for the first quarter of 2020

The most important events of the first quarter of 2020

Financial results for the first quarter of 2020

FEERUM in Ukraine

Tanzania project

Strategy

Summary

Sales revenues (thous. PLN)



I quarter 2020

35 905

sales revenues

I quarter 2019

26 735

sales revenues

Results for the year 2019 – 242 874 thousand PLN

The Group's revenues in geographical terms

Country	01.01 -31.03.2020	01.01 -31.03.2019
Poland	5 124	8 753
Export	30 782	17 982
Ukraine	29 668	9 729
Tanzania	492	7 909
Lithuania	607	0
Other countries	15	344
Total	35 905	26 735

Foreign sales



I quarter 2020

85,7% 14,3% domestic sales

I quarter 2019

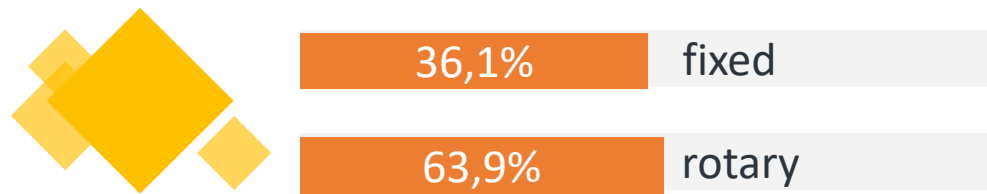
67,3% 32,7% domestic sales

Basic financial results for I quarter of 2020

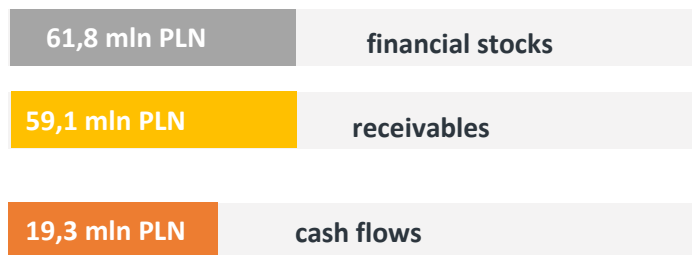
thous. PLN	I quarter 2020	I quarter 2019	Change in %
Sales revenues	35 905	26 735	34,3%
Gross profit (loss) on sales	5 828	4 188	39,2%
Gross margin on sales	16,2%	15,7%	0,57 p.p.
EBITDA	5 665	3 593	57,7%
Profitability EBITDA	15,8%	13,4%	2,34 p.p.
Profit from operating activities (EBIT)	3 254	1 457	123,4%
Profitability on operating activity	9,1%	5,4%	3,61 p.p.
Gross profit	4 205	1 435	193,0%
Gross profit margin	11,7%	5,4%	6,34 p.p.
Net profit	4 205	1 425	195,1%
Return on net sales	11,7%	5,3%	6,38 p.p.

The structure of the balance sheet as at March 31, 2020

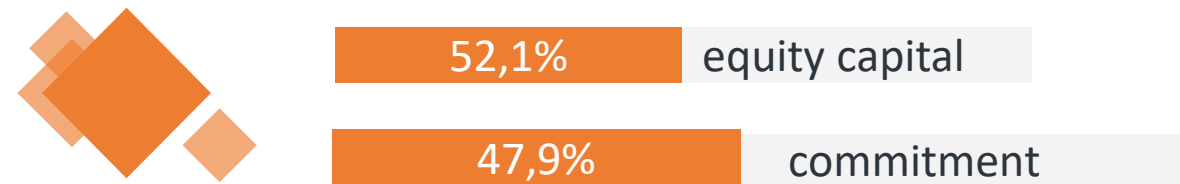
Assets



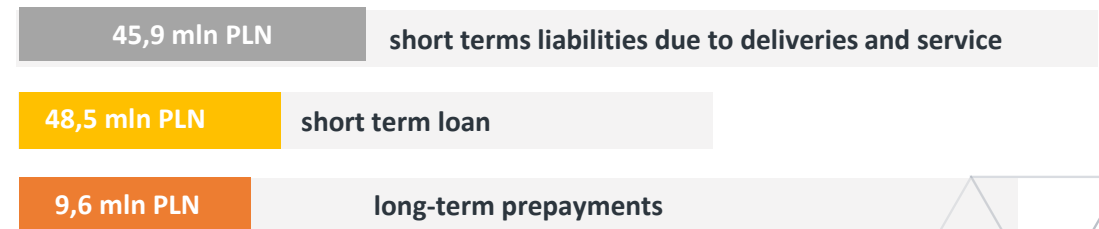
Main items:



Liabilities



Main items:



Balance sheet total: 252,9 mln PLN

FEERUM in Ukraine

The most important events of the first quarter of 2020

Financial results for the first quarter of 2020

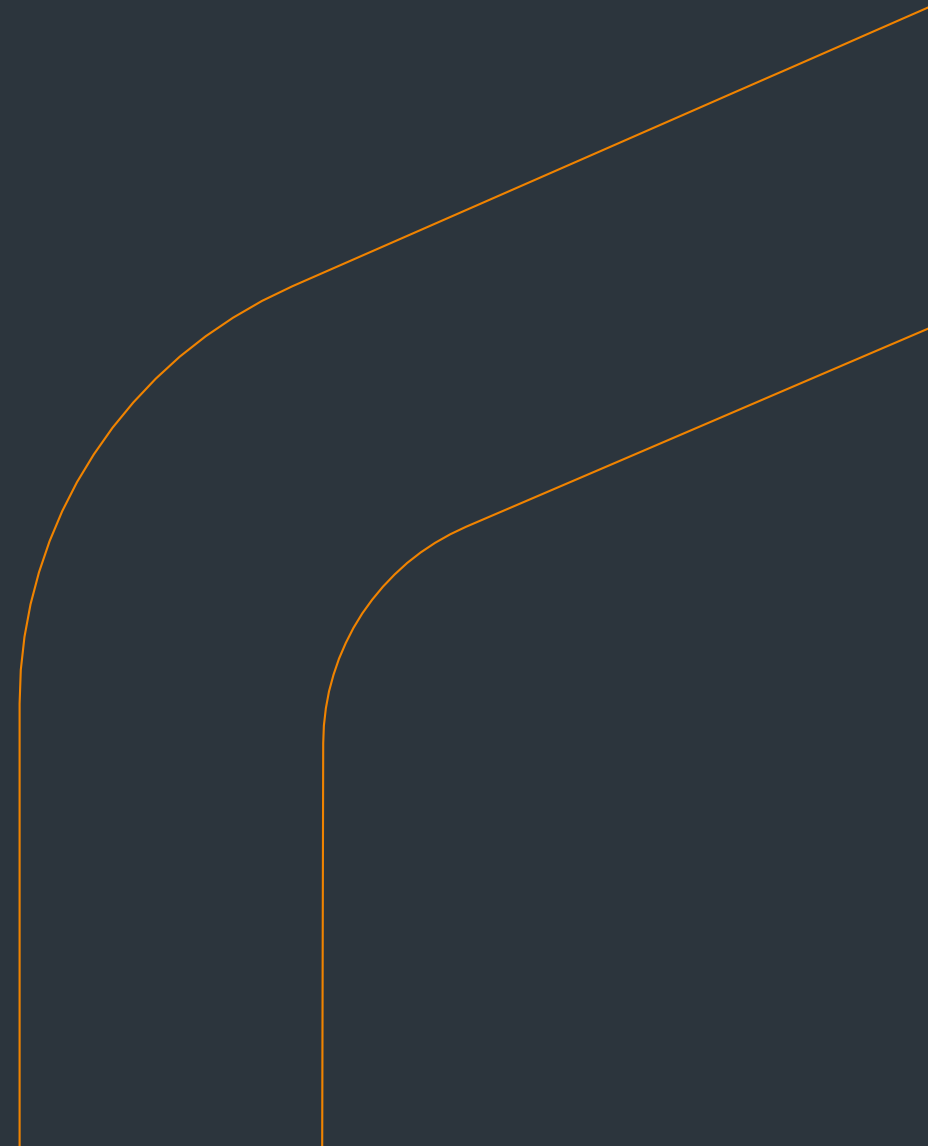
FEERUM in Ukraine

Tanzania project

Strategy


Summary

FEERUM in Ukraine





Ivanovka facility for Epicentr K LLC before commissioning
Capacity - nearly 150 thousand m³



Modern grain drying technology

In EpicentrK LLC facilities we used dryers with a total drying capacity of over 200 MW.

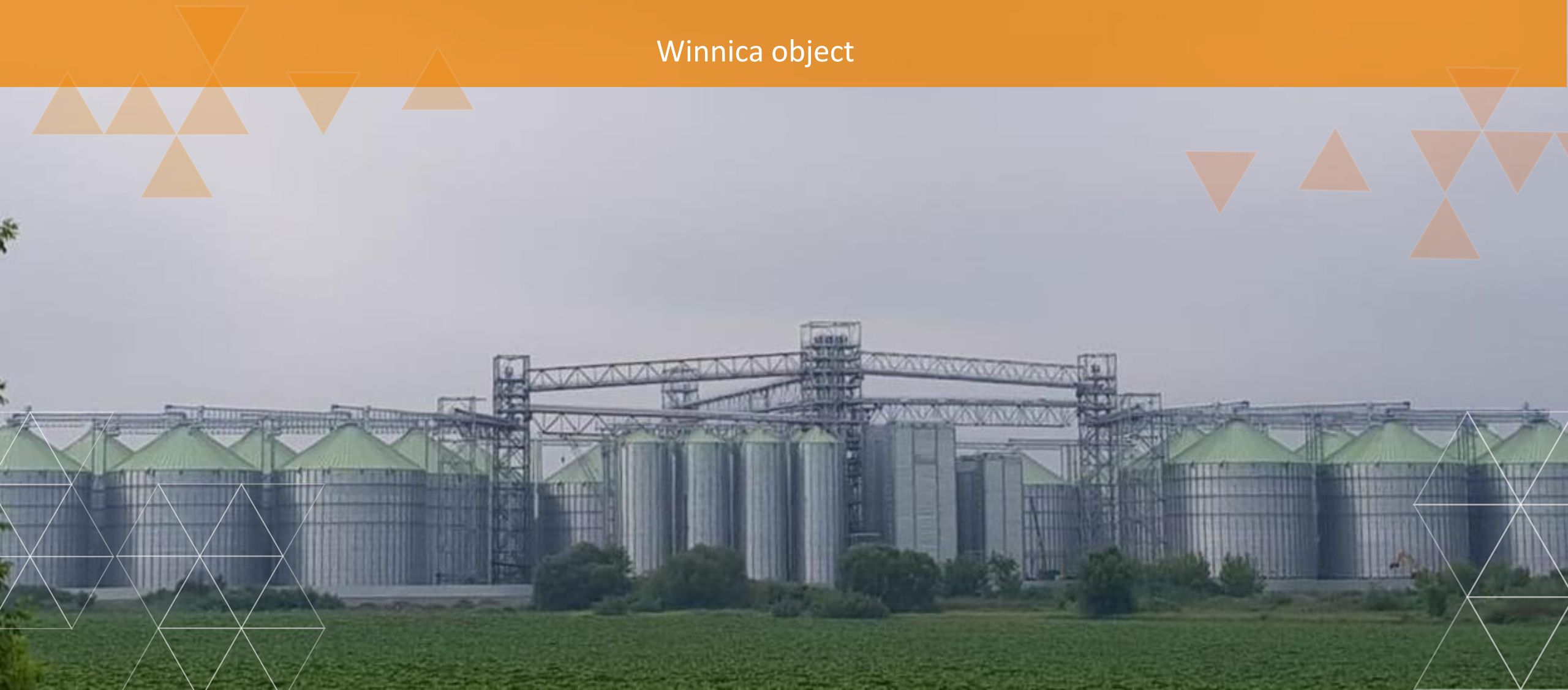
Thanks to them, it is possible to dry up to 40 thousand tons of corn per day.

At the Ivanovka facility, it will be possible to dry 4,5 thousand tons of corn grain per day.

1 million tons

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

Winnica object





Zakupne object



Warranty, employee training and after-sales service guarantee that FEERUM will support Epicenter K LLC for several decades.

Transport devices have been fully adapted for work in industrial facilities.

We are the only company in the industry we use hot polymer processing - valves, valves, conveyors and elevators. This will extend their continuous operation up to five times.





The potential of the Ukrainian market is enormous, 30-40 million tons of cereals require storage.
The key to success is the comprehensive offer: product plus financing.
FEERUM's offer, supported by financing under the "supplier loan" scheme, perfectly fits the needs of this market.

We also carry out investments for other clients in the Ukrainian market



Oratov object



Daniel Janusz

Cooperation with Epicentr K LLC

„The agro sector is a very promising area of activity of Epicentr K, and further projects with the participation of Feerum, which will increase the storage capacity of our client, are in our opinion only a matter of time.”

Tanzania project

The most important events of the first quarter of 2020

Financial results for the first quarter of 2020

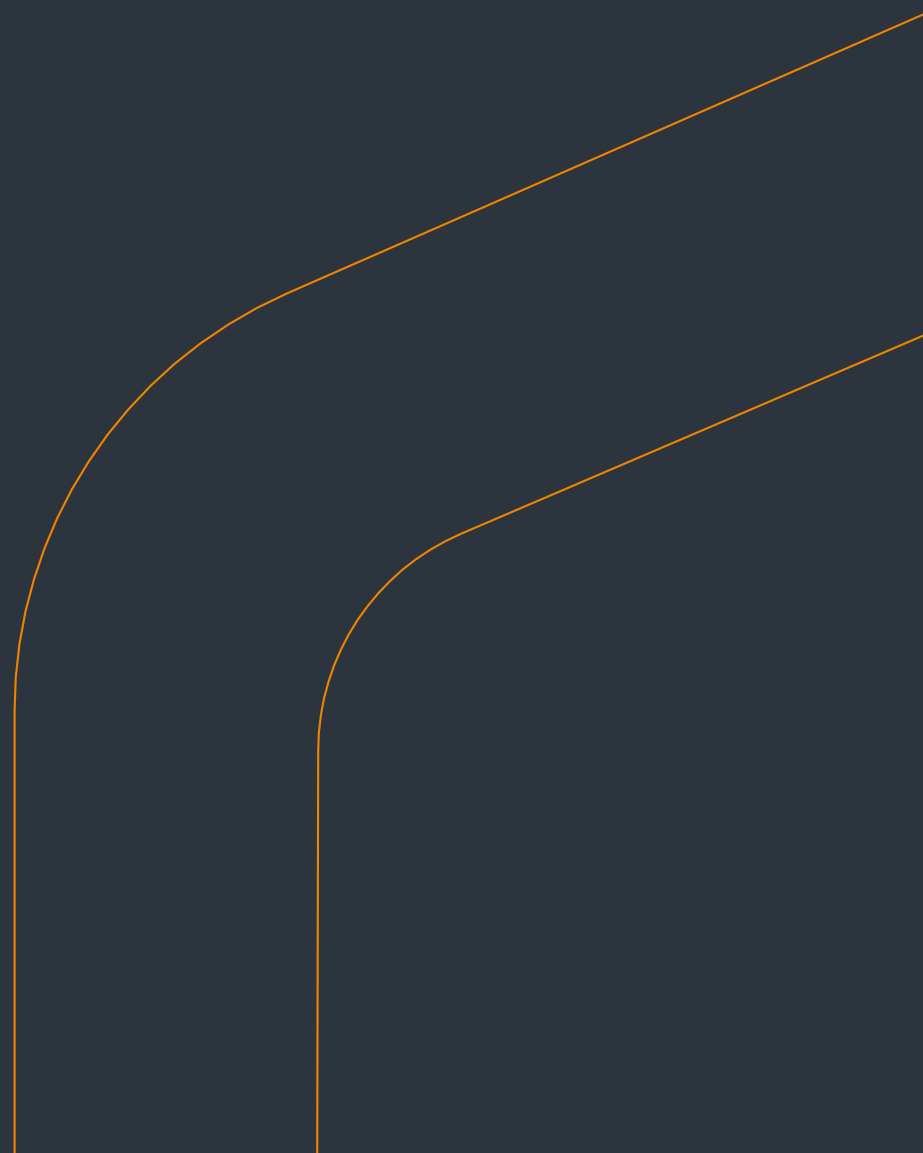
FEERUM in Ukraine

Tanzania project

Strategy

Summary

FEERUM in Tanzania





Dodoma



Mbozi



Songea



Makambako



Shinyanga



Contract extension

Prolonged approval procedures by the Tanzanian institutions participating in the project resulted in its extension until December 31, 2020.



In parallel with the installation of roofs and sheathing, we conduct further foundation works for another silos, flat warehouses, other parts of warehouse complexes and social buildings.

Strategy

The most important events of the first quarter of 2020

Financial results for the first quarter of 2020

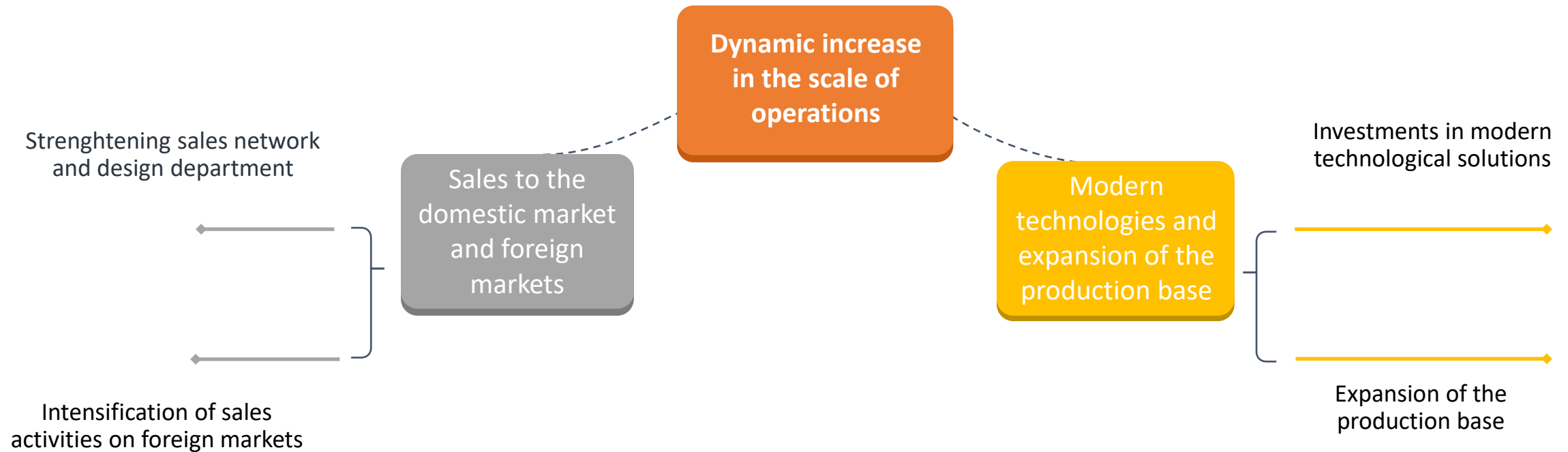
FEERUM in Ukraine

Tanzania project

Strategy

Summary

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





Innovative solutions for agriculture

Foreign markets offering attractive growth prospects, due to the potential for the development of the agricultural industry and processing of agricultural production, and in particular noting the needs associated with their modernization, constitute the target export areas.

The innovative process supported by a comprehensive strategy is an effective method and stable force for generating growth, and modernizations of agricultural equipment are today the basic condition for functioning on global markets.

Summary

The most important events of the first quarter of 2020

Financial results for the first quarter of 2020

FEERUM in Ukraine

Tanzania project

Strategy

Summary

FEERUM after 1 quarter 2020





feerum

FEERUM JSC.

6 Okrzei Street
59-225 Chojnów
Polska

+48 76 81 96 738
+48 76 81 88 485
sekretariat@feerum.pl

www.feerum.pl

Reservation

This study has been prepared solely for information purposes. It does not constitute advertising or offering securities in public trading. The study uses information sources that FEERUM S.A. considers it credible and accurate, but there is no guarantee that it is comprehensive and fully reflects the facts. The study may contain statements regarding the future, which constitute investment risk or a source of uncertainty and may significantly differ from the actual results. FEERUM S.A. is not responsible for the effects of decisions taken on the basis of this study. Responsibility rests solely with those who use the study.