



Presentation of the results for three quarters of 2019

December 3, 2019

Representing person



Piotr Wielesik

member of the board

The most important events of the third quarter of 2019

The most important events of the third quarter of 2019

Financial results for three quarters of 2019

FEERUM in Ukraine

Project Tanzania

Purchasing Policy

Strategy

Summary

The most important events of the third quarter of 2019

- ✓ At the level of financial results for three quarters of 2019, the Group achieved a significant increase in sales revenues, by 74% higher than in the same period last year. The prospects of potential contracts as well as those being implemented are optimistic for assessing the forecasts for subsequent periods.
- ✓ A significant part of the 2019 financial results will be derived from the implementation of the Tanzanian contract concluded with NFRA based in Dar es Saalam and Ukrainian contracts concluded with the company Epicentr K LLC based in Kiev. The implementation of the above contracts is proceeding as planned, which should have a direct impact on the results of the next periods, as well as on the increase in interest from potential future clients from local markets.
- ✓ The Lithuanian market, a smaller but still interesting export market for the Group. Same, as in Poland, the implementation of the investment is combined with EU subsidies, and we currently estimate the potential of this market at around 6 million PLN.
- ✓ As at the date of approval of the report for publication, the contracted orders for the Group's products for the period 2019/2020 amount to approximately 156,7 million PLN and cover 12 contracts, while the potential client portfolio includes 193,2 million PLN, of which the potential of clients awaiting EU funding and holding a permit for construction is approximately 39,6 million PLN.

Financial results for three quarters of 2019

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Sales revenues (thous. PLN)

Result for the year 2018 – 128 714 thous. PLN

1-3Q 2019

175 116 sales revenues

1-3Q 2018

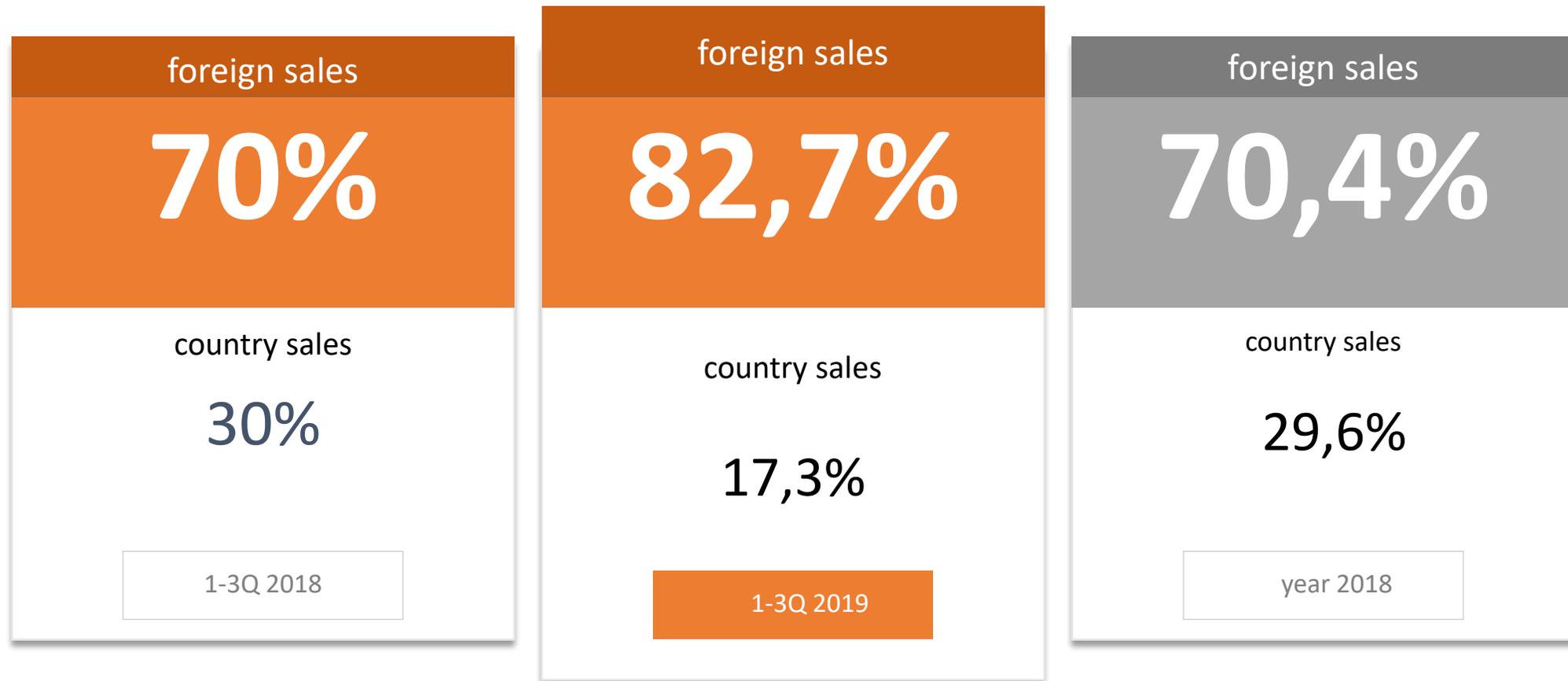
100 657 sales revenues



Przychody Grupy w przekroju obszarów geograficznych

Country	1-3Q 2019	1-3Q 2018	2018
Poland	30 332	30 234	38 063
Ukraine	127 528	8 498	11 628
Tanzania	15 743	47 083	63 305
Lithuania	1 136	13 499	13 975
Other countries	377	1 343	1 744
Total	175 116	100 657	128 714

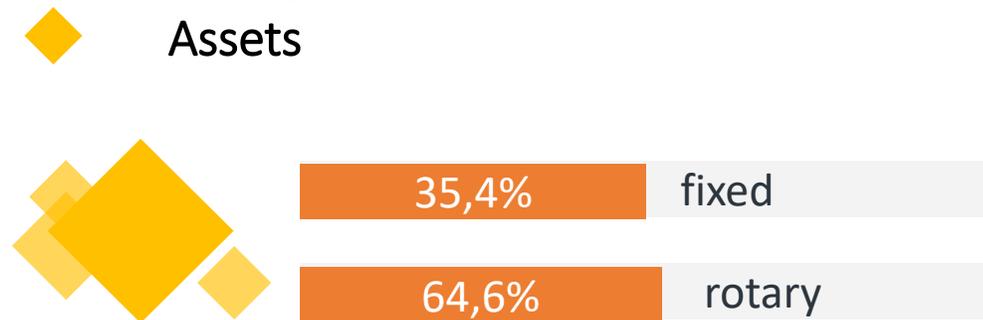
Poland vs the World



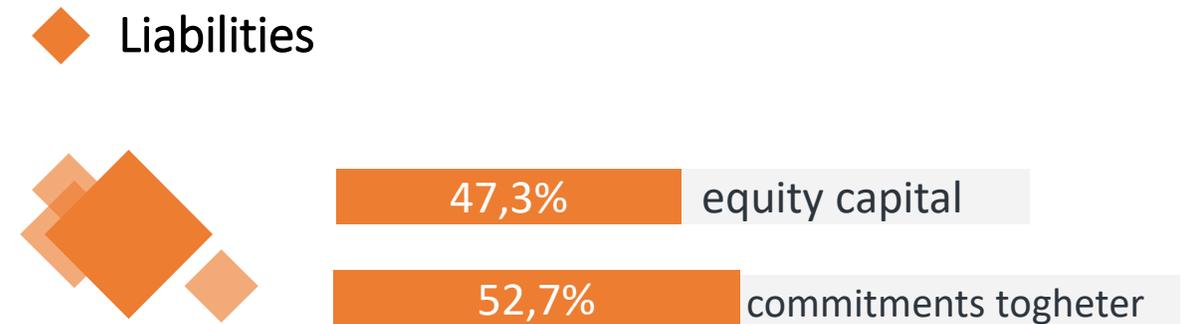
Basic financial results for three quarters of 2019

thous. PLN	1-3Q 2019	1-3Q 2018	change in %	change in thous.
Sales revenues	175 116	100 657	74,0%	74 459
Gross profit (loss) on sales	32 619	15 770	106,8%	16 848
Gross margin on sales	18,6%	15,7%	2,96 p.p.	
EBITDA	24 522	13 355	83,6%	11 167
Profitability EBITDA	14,0%	13,3%	0,74 p.p.	
Profit from operating activities (EBIT)	16 771	6 372	163,2%	10 399
Profitability on operating activity	9,6%	6,3%	3,25 p.p.	
Gross profit	16 366	8 337	96,3%	8 029
Gross profit margin	9,3%	8,3%	1,06 p.p.	
Net profit	16 336	7 817	109,0%	8 519
Return on net sales	9,3%	7,8%	1,56 p.p.	

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



Main items:



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Balance sheet total: 268,9 mln PLN

FEERUM in Ukraine

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FEERUM in Ukraine

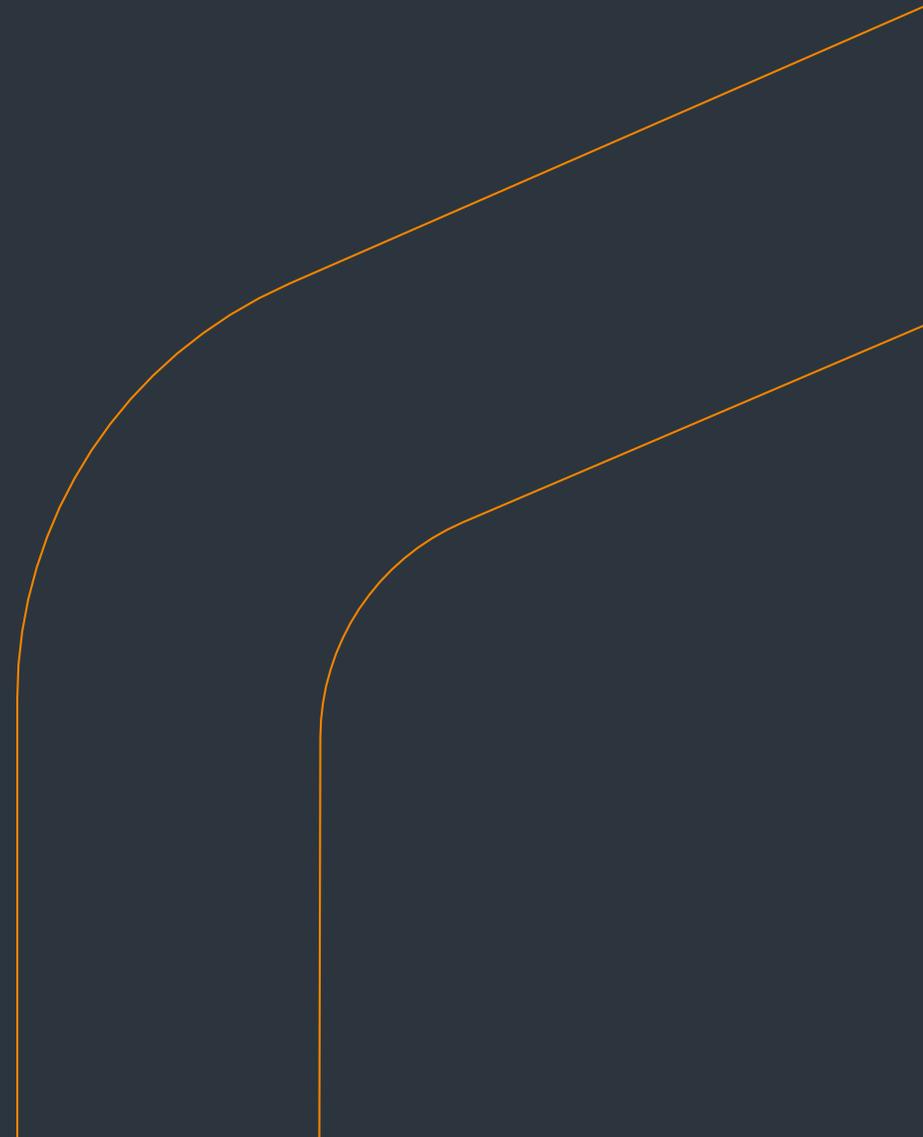
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FEERUM in Ukraine





Large scale construction

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

Performance of the Epicentr K LLC contract



Value of contracts

1st contract - 35,6 million EUR (completed); 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 - 200 MW.

We have built unique know-how for contracts with Epicentr K LLC, thanks to which the implementation of export contracts, even on a large scale, has no secrets for us.

Our experience and the possibilities of the government program give us a huge advantage over competitors from around the world.

We are distinguished primarily by the highest-class grain drying and storage technology



In the facilities for Epicentr K we used, among others:

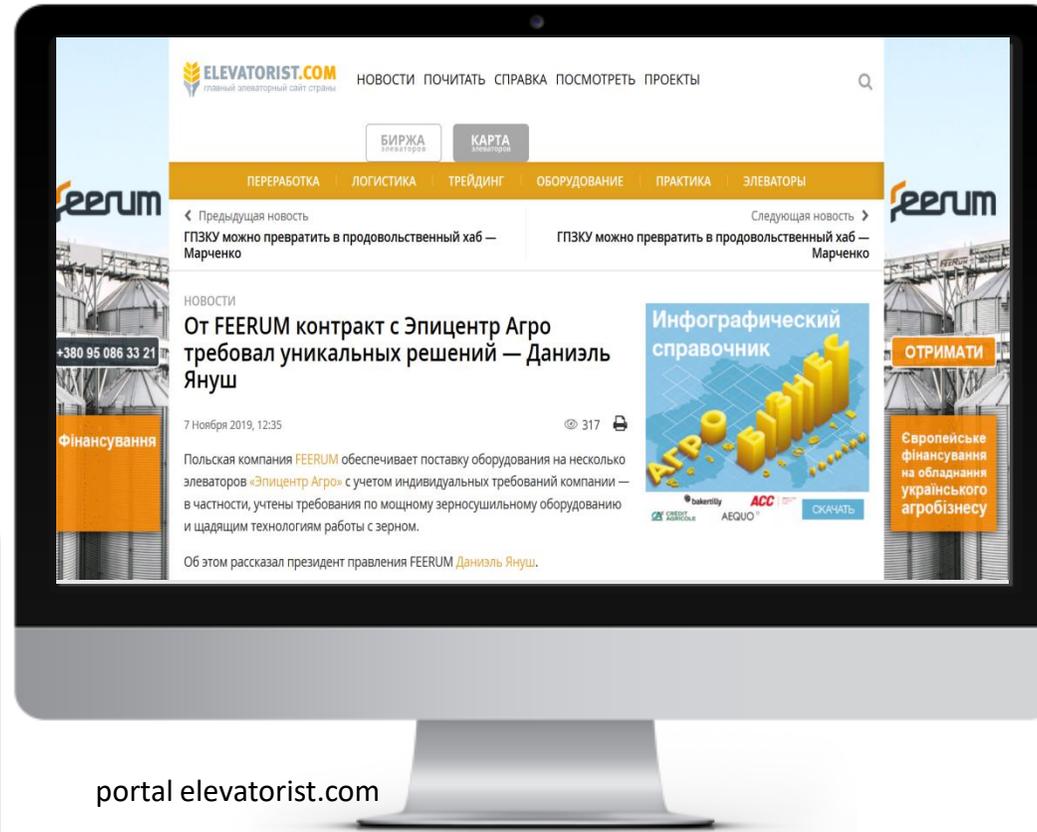
- driers with a total drying capacity of over 200 MW, thanks to them Epicentr K LLC can dry up to 40 thousand tons of corn per day
- transport equipment fully adapted to work in industrial facilities / we have redesigned, among others, distributors and gate valves
- we used highly durable, synthetic fillings for technological connections and devices
- belt conveyors - out of concern for the quality of stored grain and reduction of energy consumption

Regular FEERUM
guarantee, employee
training and service
after sales guarantee ours
plants will support
Epicenter K for several
decades.

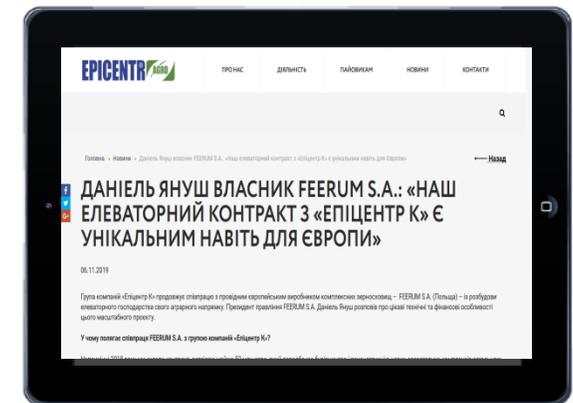


Cooperation with the company from the top ten landowners in Ukraine gives publicity and chances for further contracts

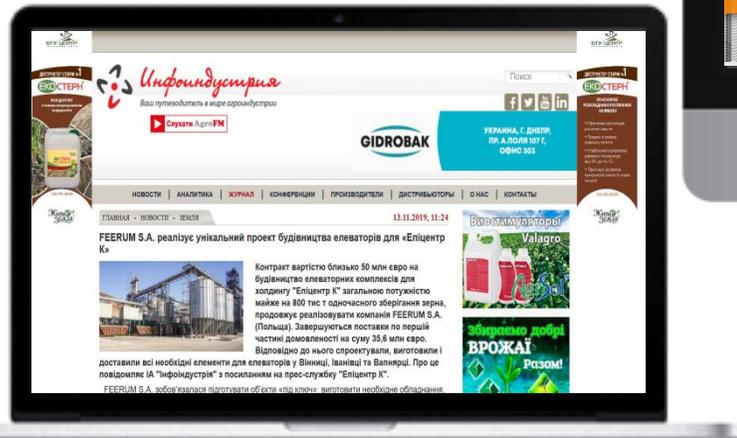
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portal elevatormarket.com



strona www: Epicentr Agro



portal Infoindustria



Daniel Janusz

Cooperation with Epicentr K LLC

„I consider cooperation with Epicentr K very promising. The Ukrainian contractor is interested in further development, and above all in the purchase of the best and innovative technologies.”

Project Tanzania

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FEERUM in Ukraine

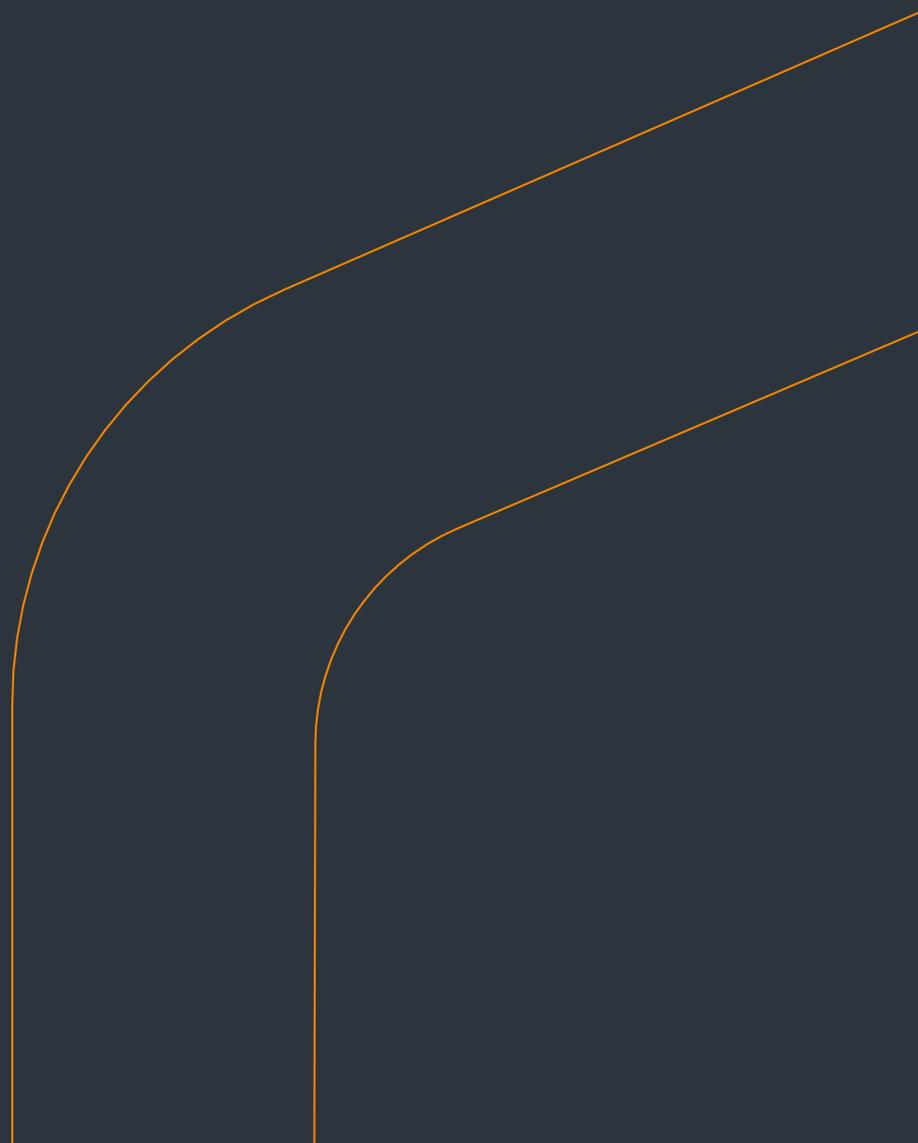
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FEERUM in Tanzania







Dodoma



Mbozi



Songea





Shinyanga



Makambako



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

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.

19,8 mln USD

The total value of payments received under the Tanzanian contract, including last month, is nearly USD 3 million.

Tanzans appreciate our work for NFRA

The Guardian

Tanzania, Poland
implementing US\$
33m-worth storing
facilities project



**The
Guardian**

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Strategy

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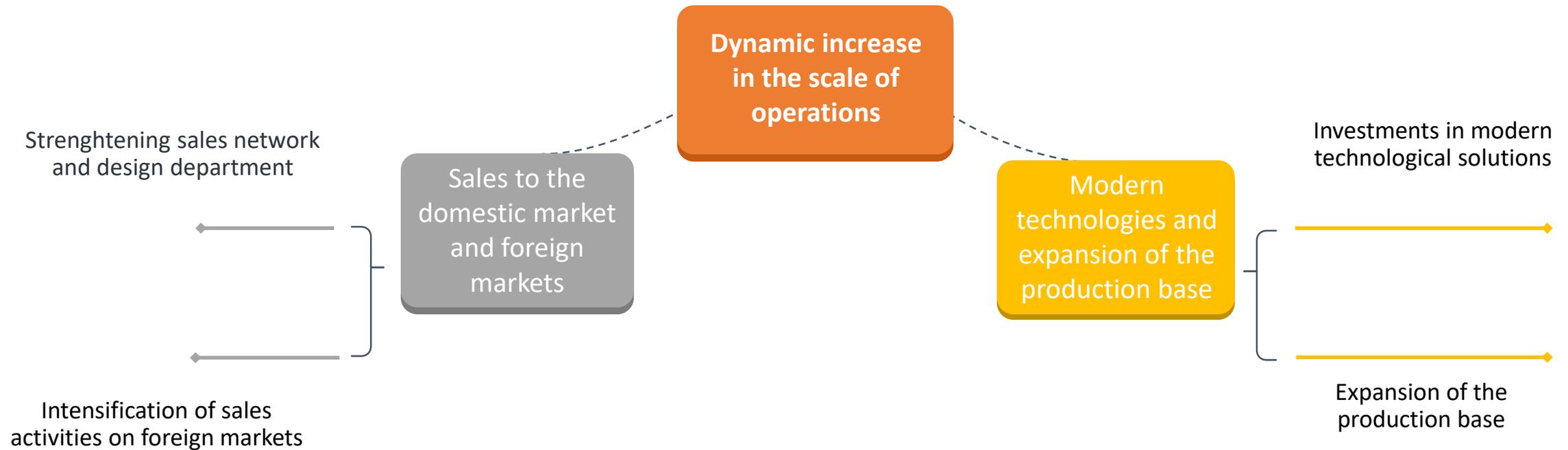
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FEERUM strategy: Obtaining an important player position on the international arena



Summary

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FEERUM - after three quarters of 2019



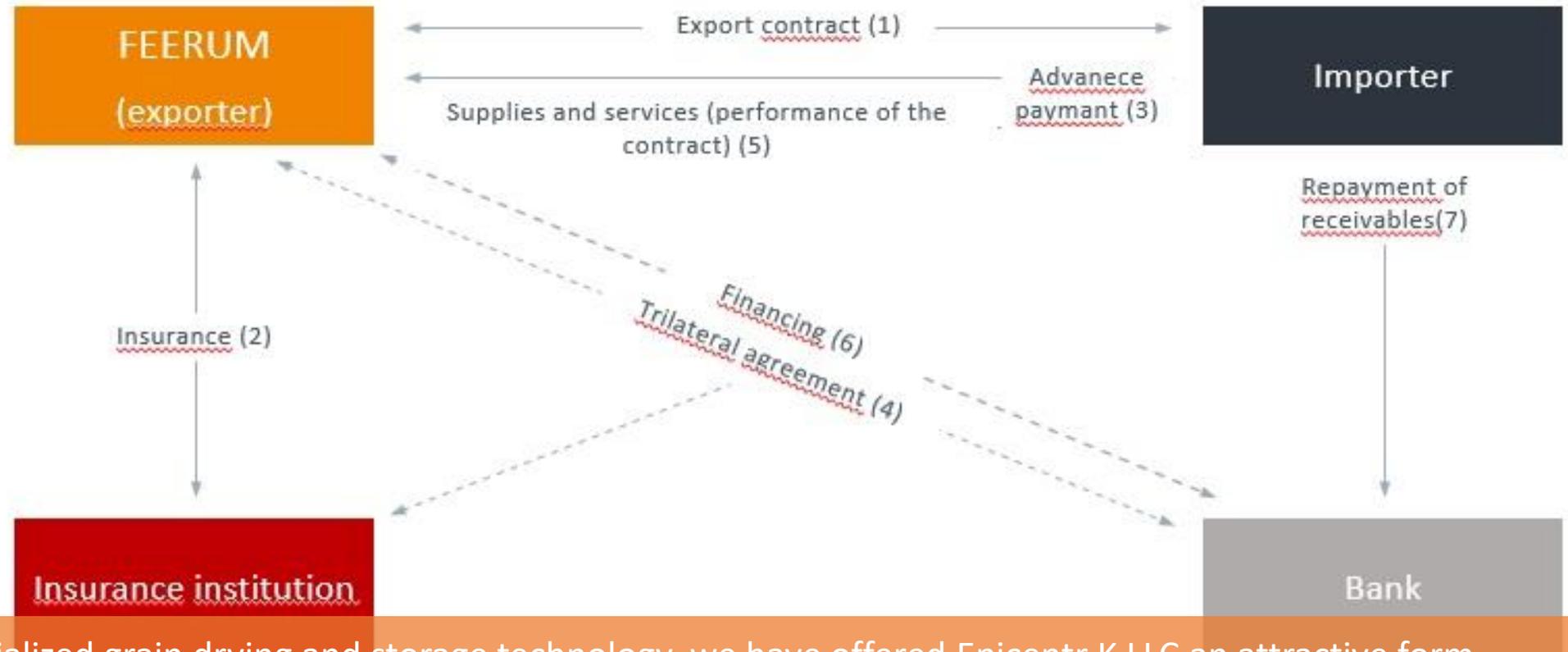
The key to success: product + financing



FEERUM has been present in Ukraine for a long time, but these are the first agreements of this scale. We want them to become our best portfolio, because all analyzes show that it will be a very important market for the Group. Its potential is enormous, storage requires 30-40 million tons of cereals. Due to the fact that financial security is crucial for operations on that market, especially when it comes to contracts of this scale, we use financing under the "supplier credit" scheme. Investment needs in Ukraine, not only in our area of interest, they are huge, and the key to success is a comprehensive offer: product plus financing.

Supplier credit

FEERUM – Importer transaction schema



In addition to specialized grain drying and storage technology, we have offered Epicentr K LLC an attractive form of investment financing along with its insurance. Our joint contracts, implemented under the "supplier credit" scheme, with insurance of the Export Credit Insurance Corporation and purchase of receivables by Bank Gospodarstwa Krajowego



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Reservation

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