



2019

COMPANY REPORT

 *Feronia*

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## DEAR LADIES AND GENTLEMEN, BUSINESS PARTNERS, FRIENDS

We have started 2019 in great hope and optimism for the year that was to come. However, this feeling did not last for very long as the previous negative industry trends have unfortunately returned to haunt us.

The economic battles between the two superpowers, namely China & USA have continued in their trading of insults as well as various sanctions against one another.

Of course, the knock-on effect was market volatility due to shortages as well as market excesses; both that have played their respective roles, by having an oscillatory effect on supplies and in return on prices, not to mention negative impact on profitability experienced by the European distributors. Although the start of the 2020 fiscal year was marked by a low-level recovery from a trough, the coronavirus („CV-19“) crisis has left a big dent in volumes and prices.

The decline was most pronounced in the automotive and engineering steel product group. Geographically, all regions and countries suffered a double-digit decline in revenue. As of mid-March, European markets have



# I

## INTRODUCTORY WORD BY THE CHAIRMAN OF THE SUPERVISORY BOARD

suffered an abrupt collapse in demand from the complete shutdown of all business activities of major European automobile manufacturers and their suppliers. In an environment of CV-19 induced commercial extremes, there were rapid falls in all main areas of construction activity and new orders slumped as clients froze spending plans.

From our current perspective, we do not expect a gradual normalisation of demand to set in until the end of the first half of 2020 at the earliest. The sustainability of the European steel distribution will depend upon meeting the formidable challenge of companies remaining economically viable against a background of major global recession.

The total inactivity was not the only record low caused by the coronavirus pandemic, but nobody is really looking to purchase at the moment. The construction sector is showing signs of a possible improvement in months to come. but we will not see any significant improvement until Q3 at the earliest.

These were just some of the trends and situations that Feronia's Board of Directors has had to deal with and manage in order to protect our market position, thanks to our inner financial strength as well as the tremendous support and understanding from our financial partners.

Equally I would like to mention my gratitude to all our steel business partners and customers for their long-term support and customer loyalty. We look forward to continuing our work with you all throughout 2020 and beyond. I would like to use this opportunity to express my appreciation, to both of those groups of important partners, for their continued support.

While mentioning our business partners I also need emphasise the importance of workforce and its professional conduct and management of the above situations. Therefore, last, but certainly not least, a great thank you to Feronia a.s managers and all the Company's employees who are continuously and with great dedication contributing to the efforts to keep Feronia a.s. at the forefront of the steel business.

I would like to wish you all a safe, healthy and prosperous year ahead.



**ROBERT KAY**  
CHAIRMAN  
SUPERVISORY BOARD

**I WOULD LIKE  
TO MENTION MY  
GRATITUDE TO ALL  
OUR STEEL BUSINESS  
PARTNERS AND  
CUSTOMERS FOR  
THEIR LONG-TERM  
SUPPORT AND  
CUSTOMER  
LOYALTY.**



IN 2019, FERONA SOLD MORE THAN  
674 THOUSAND METRIC TONS OF STEEL

674





## LADIES AND GENTLEMEN, DEAR BUSINESS PARTNERS,

A year ago, I referred to the year 2018 as the year “when the trend reversed” and highlighted a number of global factors increasingly depressing the global economy. The 2019, however, brought a further increase of these factors. The rivalry between the USA and China further escalated and the threat of trade wars between these superpowers as well as between the USA and Europe became ever more real. Perhaps, at least, in the matter of Brexit one could observe a positive shift, if we may consider positive the events in Britain which by the new parliamentary elections brought to an end the painful agony of indecision and, with the new British government we, at last, finally know that “Brexit really means Brexit”. However, even this has not brought too much assurance into the markets. The negotiations of the terms of separation will continue to be full of pitfalls and will be adding a layer of unpredictability to the markets in the months to come.

Against the backdrop of these events, it may not be too surprising that steel, as a commodity, did not perform too well. The overall decrease in the consumption, brought about by the slowdown of the leading European



## FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

## IN 2019, FERONA SOLD MORE THAN 674 THOUSAND METRIC TONS OF STEEL

economies, was further accelerated by the retreat of the automotive segment which entered the phase of its vital change, perhaps even its re-definition.

In the markets of Czech Republic, Slovakia a Poland, Feronia Group witnessed decreasing consumption and steadily decreasing trend of the prices, caused by the excess capacity. Excess capacities of the mills became again a big problem, after having receded in the past years due to the global economic boom. It is, again, a sharp reminder of the fact that the global steel industry has not been able to deal with its over-capacity.

The excess capacity increased again the volatility of the prices, the main risk in the business of steel distribution. Under the circumstances, it may be considered a success that Feronia, a.s., in 2019, sold more than 674 thousand metric tons and the whole Feronia Group a total of 977 thousand metric tons of steel products and that both Feronia, a.s. and the Feronia Group achieved profit.

The new year 2020 brought in its first months the unprecedented global economic crisis caused by the COVID-19 pandemic. Under the circumstances, I am pleased to state that Feronia, a.s. is a financially strong company cognisant of the potential risks as well as of its strengths, and, having processes, procedures and disciplines enabling it to deal with these risks. I consider

this a key fact considering the uncertainties of the coming weeks and months.

In this connections, allow me to thank all employees of Feronia, a.s. and my colleagues in the management for their efforts in working for Feronia in the difficult year 2019 and to wish them good health and plenty of energy required to face the challenges of the year 2020. I also thank our financial partners, bankers and insurers, for their continuing support and our customers for their business with Feronia.

I wish us all good health and success in the year 2020.


**FRANTIŠEK KOPŘIVA**

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE



FIXED ASSETS, REPRESENTING 39.2% OF THE VALUE  
OF ASSETS, AMOUNTED TO CZK 2,741,923 THOUSAND

39.2%





## COMPANY IDENTIFICATION

Business name	Ferona, a.s.
Identification number	26 44 01 81
Registered office	Havlíčková čp. 1043/11, 111 82 Praha 1
Date of establishment	21 <sup>st</sup> March 2001
Website	<a href="http://www.ferona.cz">www.ferona.cz</a>
Registered capital	CZK 3 000 000 000

The Company is registered in the Commercial Register maintained by the Municipal Court in Prague, Part B, Entry 7143. Originally, the Company was established as Rekulus, a.s., by a group of majority shareholders of then Ferona, a.s. (Company ID 25 79 20 75), acting in concert.

As of the relevant date, 1st April 2001, the Company, acting in the capacity of the main shareholder pursuant to Section 220p of the Commercial Code, took over Ferona, a.s. (Company ID 25 79 20 75), under a take-over agreement approved by the General Meetings of both companies on 27<sup>th</sup> June 2001. The registration of the take-over into the Commercial Register entered into legal force and effect on 29<sup>th</sup> August 2001. Under the Merger Agreement, the Company, being the successor company, assumed the capital of STEEL INVESTMENTS GROUP, a.s., the ceasing parent company, as of the relevant date, 1st January 2005.

# III

## COMPANY IDENTIFICATION



CURRENTLY, FERONA BUILDS UPON THE ACTIVITIES OF ITS LEGAL PREDECESSORS INVOLVED IN DISTRIBUTION OF METALLURGICAL PRODUCTS, WITHIN THE TEMPORAL CONTEXT OF THE HISTORY OF THEN CZECHOSLOVAKIA AFTER 1945 UNDER VARIOUS NAMES AND IN VARIOUS ORGANISATIONAL FORMS. IT IS, THEREFORE, BUILDING UPON ENTREPRENEURSHIP TRADITION STRETCHING BACK TO 1829 ON THE TERRITORY OF THE CZECH REPUBLIC.

As a joint-stock company, Ferona was formed in 1992 upon transformation of the state-owned enterprise of the same name. Within the privatisation process, from 1992 to 1994, its ownership passed from the hands of the state fully into private hands. In 2001, the majority shareholder took over the capital of Ferona a.s. and continued in its business activities. In 2004, STEEL INVESTMENTS GROUP, a.s., became the owner of the Company; it ceased to exist on the relevant date, 1 January 2005, upon merger with Ferona, a.s. and IRG Steel Limited, London, owner of STEEL INVESTMENTS GROUP, a.s., the ceasing company, became the entity controlling Ferona, a.s. Since 2017, the company IRG Steel Limited is owned by IRG Asset Management, Ltd., Nicosia.

The core **object of the Company's business** is warehouse wholesale, specialised in purchasing, storing, mod-

# IV

## BASIC CHARACTERISTICS OF THE COMPANY



ification and sale of metallurgical products, metallurgical secondary products, non-ferrous metals and associated iron and steel product portfolio. Feronia's business activities focus mainly on the domestic market. The group of customers includes, predominantly, thousands of chiefly medium and small industrial, construction, agricultural and commercial companies and traders, for which it is not efficient to purchase directly from the producers. In its sales units – wholesale warehouses as well as retail outlets – Feronia is able to attend to the widest spectrum of customers, ranging from large industrial companies to small clients.

The joint-stock company Feronia, a.s. is **organizational-ly divided** into nine territorially defined branches, Steel service centres for transverse and longitudinal division of cold and hot rolled steel coils and production of welded pipes and profiles and the company's headquarters.

Customers are invited to contact any of the above locations with their queries or purchase orders.





THE AVERAGE NUMBER OF EMPLOYEES  
WAS 887 EMPLOYEES AT THE END OF 2019

887





The Company's Board of Directors, Supervisory Board and directors are indicated as applicable as of 31<sup>st</sup> December 2019.

### BOARD OF DIRECTORS

#### František Kopřiva

Chairman of the Board of Directors born in 1951, graduated from the University of Economics, member of the statutory body since 2010

#### Miroslav Vaníček

Vice-Chairman of the Board of Directors born in 1961, graduated from the University of Economics, member of the statutory body since 2005

#### Milan Rada

Born in 1963, graduated from the University of Economics, member of the statutory body since 2005

#### Jan Moravec

Born in 1974, graduated from the Czech Technical University, member of the statutory body since 2012

#### Tomáš Balko

Born in 1976, graduated from the Constantine the Philosopher University in Nitra, member of the statutory body since 2013

**BOARD OF DIRECTORS, SUPERVISORY BOARD AND DIRECTORS**

## SUPERVISORY BOARD

### Robert Bohuslav Kay

Chairman of the Supervisory Board, born in 1949, Member of the Supervisory Board since 2005

### Jiří Hyspš

Vice-Chairman of the Supervisory Board, born in 1943, graduated from the University of Agriculture – Operations and Management Faculty, Member of the Supervisory Board since 2005

### Zdeněk Baumruk

Supervisory Board member, born in 1967, employee of the Company since 1990, member of the Supervisory Board since 2019

## DIRECTORS OF THE COMPANY

### František Kopřiva

CEO, born in 1951, graduated from the University of Economics, employed with the Company since 2012

### Pavel Horák

Logistics Director, born in 1962, graduated from the Czech Technical University, employed with the Company since 1986

### Miroslav Vaniček

Financial Director, born in 1961, graduated from the University of Economics, employed with the Company since 1985

### Tomáš Balko

Commercial Director, born in 1976, graduated from the Constantine the Philosopher University in Nitra, employed with the Company since 2013, with Feron Slovakia since 2005

### Tomáš Krejčí

Purchasing Director, born in 1968, graduated from the University of Economics, employed with the Company since 2007

### Ivo Juříčka

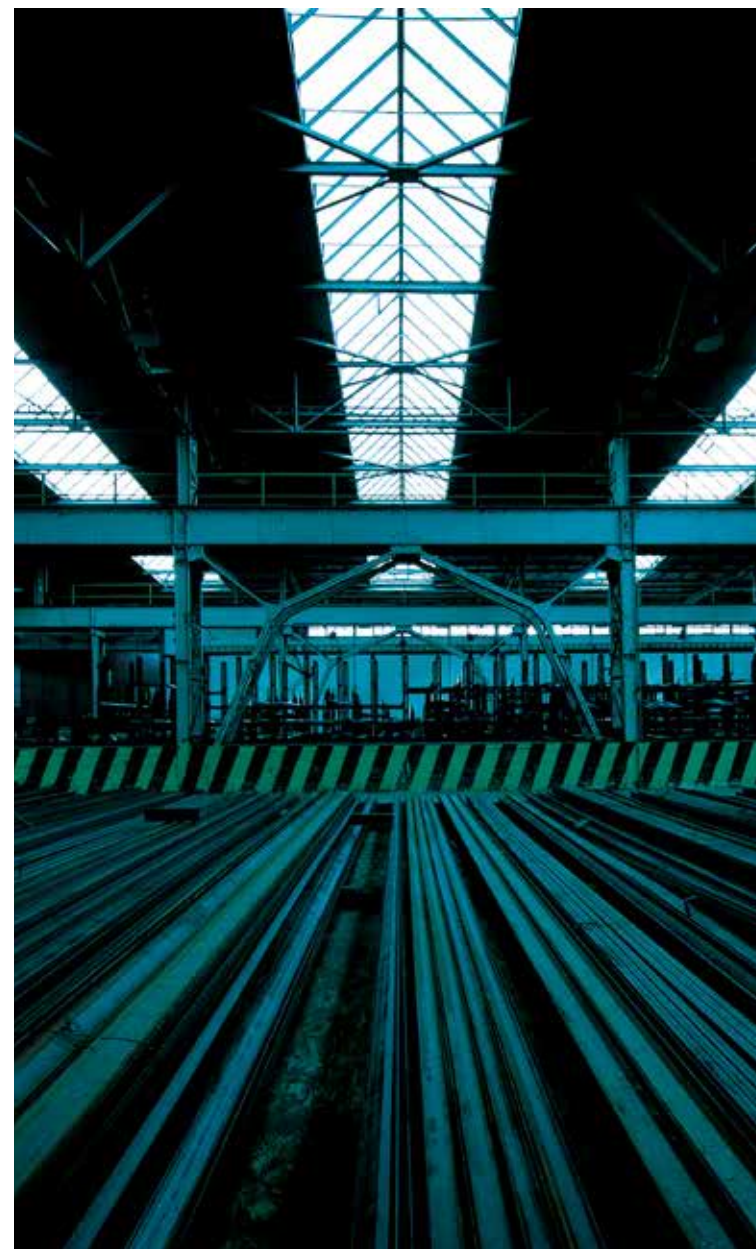
SSC Director, born in 1963, graduated from the Faculty of Metallurgy and Material Engineering of the Mining University, employed with the Company since 2003

### Jan Moravec

Corporate Audit Manager, born in 1974, graduated from the Czech Technical University, employed with the Company since 2011

### Milan Rada

IT and HR Director, born in 1963, graduated from the University of Economics, employed with the Company since 1992





The Company follows fully upon the activities of its legal predecessor that was established as a joint-stock company in 1992.

Indicator		2017	2018	2019
Tangible products sold	thousand tons	727	700	674
Revenues from products sold	CZK million	12,770	13,146	11,987
Profit and/or loss	CZK million	291	210	112
Inventories	CZK million	2,627	3,180	2,285
Short-term receivables	CZK million	1,787	1,740	1,412
Short-term payables	CZK million	1,463	1,763	997
Bank loans	CZK million	1,667	1,793	1,500
Number of employees	individuals	947	928	887



KEY INDICATORS FOR  
THE PAST THREE YEARS



# VII

## BUSINESS ACTIVITIES

FERONA RANKS AMONG THE LEADING COMPANIES IN INVENTORY SALE OF METALLURGICAL PRODUCTS, MANUFACTURED PRODUCTS, NON-FERROUS METALS AND ASSOCIATED IRONMONGERS' PRODUCT PORTFOLIO IN THE CZECH REPUBLIC. ITS MARKET SHARES VARY BY INDIVIDUAL PRODUCTS BUT, ON AVERAGE, THEY RANGE, IN THE LONG RUN, AROUND 15 TO 20% OF DELIVERIES FOR DOMESTIC CONSUMPTION.

The Company sold 673,868 tons of goods to its customers, a drop of 25,743 tons compared to 2018; it is less by 52,938 tons than in 2017.

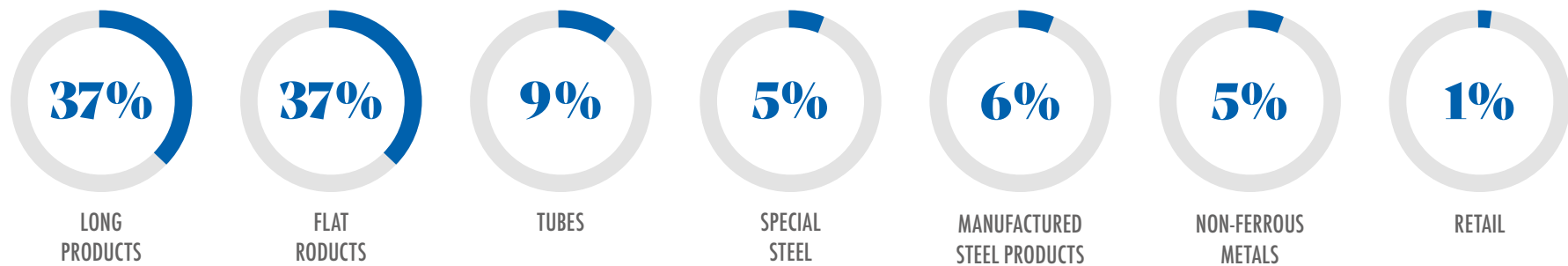
**The revenues from the goods sold** reached CZK 11,987,464,000, representing a decline of CZK 1,158,081,000 compared to 2018. Compared to 2017, the revenues are lower by CZK 782,138,000. Changes in the values were caused by drop of prices of sold goods compared to previous growth period and partially by changes in the structure of commodities sold (higher sales of rebars).

The year of 2019 was marked by a significant correction of high price levels of metallurgical products from previous years. The situation was also influenced to a greater extent by the long-term excess of supply of these products over



demand in the period of the beginning of the decline in the growth trend of the domestic and especially the German economy. These facts were influenced not only by material sales, see above, but above all by the possibility of achieving comparable levels of trade margins in individual commodities as in previous years. As a result, this meant a decline in the trade margin in the order of hundreds of millions of CZK. Balanced stocks, the use of dividing service centers, support for services, and a strict credit policy did not meet the planned goals, but when using the reserve to cover the price risk of stocks, they helped maintaining the company's positive performance.

**THE STRUCTURE OF SALES BY INDIVIDUAL PRODUCT GROUPS IN 2019 WAS AS FOLLOWS:**



Indicator	Long products	Flat products	Tubes	Special steel	Manufactured steel products	Non-ferrous metals	Retail
%	37	37	9	5	6	5	1



The Company buys products it sells on a stable basis both from domestic producers, the leading suppliers being ArcelorMittal (Liberty) Ostrava, Moravia Steel, Valsabbia, ESAB, and from foreign companies, predominantly in Slovakia (U.S. Steel Košice, Železářny Podbrezová), Poland (Mittal Poland, Celsa), Germany (Ekostahl, Stahlwerk, Salzgitter, etc.) as well as in other countries (Duferco, Buntmetall, Marcegaglia, Beltrame, Pittini etc.). There is a constant adjustment of the portfolio of suppliers to the specific market conditions. Adjustment of commercial policy to Feronia group's interests plays a major role in changing these conditions.



## INVESTMENT ACTIVITY IN THE AREA OF TANGIBLE AND INTANGIBLE ASSETS IN 2019 WAS FOCUSED ON RENEWAL AND DEVELOPMENT INVESTMENTS.

**Tangible and intangible fixed assets** worth CZK 95,486 thousand were acquired. Of which CZK 6,862 thousand amounted to investments in dividing equipment, CZK 13,902 thousand to machinery and equipment (especially crane and handling equipment). The renewal of means of transport accounted for CZK 45,744 thousand. Investments in constructions amounted to CZK 9,705 thousand. The total of CZK 7,945 thousand were issued for the purchase of intangible assets. CZK. Advance payment provided for the acquisition of assets amounted to CZK 7,568 thousand.

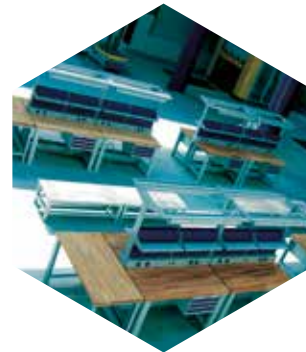
# VIII

## INVESTMENT ACTIVITIES



## O1 ARCHITECTURE

Vinařství Lahofer, Znojmo  
S-A-S STAVBY spol. s r.o.



## O2 INTERIOR

Cold rolled sheet cut at SSC,  
product of Alfa3 Luže



## O3 HEALTHCARE

Virtuoso, deliveries of flat  
products to Linet s.r.o.,  
projekt Praha

# IV

## SIGNIFICANT PROJECTS



THE AVERAGE NUMBER OF EMPLOYEES AT THE END OF 2019 WAS 887 EMPLOYEES, WHICH IS 41 PERSONS LESS THAN IN 2018 AND 60 PERSONS LESS THAN IN 2017. IN 2019, THE COMPANY FURTHER STREAMLINED ALL ITS ACTIVITIES.

The average gross monthly wage in 2019 (excluding managers) reached CZK 33,455, which is CZK 1,664 more than in 2018 and CZK 4,168 more than in 2017.

Labor costs in 2019 amounted to CZK 433,754 thousand, which means their reduction by CZK 24,119 thousand compared to 2018 and compared to 2017 a decrease of CZK 9,883 thousand. The costs of statutory social security and health insurance reached a total of CZK 134,741 thousand. and social costs within the budget of social expenditures amounted to CZK 9,840 thousand; they decreased by CZK 462 thousand compared to 2018.



STAFF

THE TRADE MARGIN IN 2019 WAS CZK 875,354 THOUSAND, WHICH IS CZK 341,103 THOUSAND LESS THAN IN 2018 AND CZK 461,915 THOUSAND LESS THAN IN 2017. REVENUES FROM SERVICES THAT ARE REPRESENTED BY TRANSPORT, DIVISION AND MODIFICATION OF MATERIALS SUCH AS BURNING OF THICK SHEETS ACCORDING TO CUSTOMER REQUIREMENTS AND SERVICES PROVIDED TO SUBSIDIARIES AMOUNTED TO CZK 200,067 THOUSAND AND DECREASED BY CZK 26,760 THOUSAND COMPARED TO 2018 AND BY CZK 6,478 THOUSAND COMPARED TO 2017.

The costs of consumed materials and energy amounted to CZK 2,609,355 thousand, of which the consumption of materials for production in the Steel Service Centres reached CZK 2,503,591 thousand, which represents 96%. The costs of contracted transport (42%), repairs and maintenance (13%), security (6.5%), professional services (7.4%), waste disposal (4.1%), advertising and promotion (4.0%) and consulting (3.3%) contribute the most to the purchased services. The company adjusted the using of the costs of consumption without consumption of material for production to the achieved revenues, and thus it decreased by CZK 50,941 thousand compared to the previous year; the largest share in the reduction has freight, decisions on the implementation of property repairs and the consumption of packaging material.

# XI

## COMMENTS ON THE PROFIT AND LOSS STATEMENT



Value added in 2019 amounted to CZK 803,167 thousand and decreased by CZK 334,621 thousand compared to 2018 and by CZK 409,816 thousand compared to 2017. Total personnel costs reached CZK 578,335 thousand, which is 5% less than in 2018. Depreciation of intangible and tangible fixed assets in the amount of CZK 181,693 thousand remained at a comparable level year-on-year.

**The operating profit** ended in a black of CZK 124,011 thousand, which is a decrease of CZK 196,955 thousand compared to the previous year, and decreased by CZK 189,278 thousand compared to 2017. The total impact of provisions on the operating profit from receivables was a settlement of CZK 128,418 thousand, of which more than half of this amount was the settlement of provisions for inventories due to price declines in the market with metallurgical products.

Interest expenses on operating loans and factoring, which amounted to CZK 60,808 thousand, increased by CZK 17,718 thousand year-on-year and remain the highest cost item in the area of current financial results. Interest income consists mainly of interest income in the group. During 2019, a dividend of CZK 14,000 thousand was paid by the subsidiary Pragmet. Financial expenses, such as bank fees and exchange rate losses, amounted to CZK 63,509 thousand, while other financial income consists mostly of exchange rate gains of CZK 38,646 thousand. The balance of exchange rate differences has a cost and represents the amount of CZK 6,153 thousand, mainly due to the recalculation of balance sheet items.

In the accounting period, the company did not record any operations affecting the **extraordinary profit or loss** and the **profit before tax** reached the value of CZK 60,461,000, thanks to savings in personnel costs and consumption even with a high decline in the creation of the business margin.

**The financial result for the accounting period** is a profit of CZK 111,681 thousand, the amount of which is significantly positively affected by the calculation of deferred tax and the dividend received.

**THE FINANCIAL  
RESULT FOR  
THE ACCOUNTING  
PERIOD IS  
A PROFIT OF  
CZK 111,681,000**

AS OF 31<sup>ST</sup> DECEMBER 2019, THE COMPANY'S TOTAL ASSETS DECREASED COMPARED TO THE PREVIOUS PERIOD AND REACHED A BOOK VALUE OF CZK 6,988,863 THOUSAND. THIS WAS MAINLY DUE TO A DECREASE IN THE VALUE OF INVENTORIES AND SHORT-TERM RECEIVABLES CAUSED BY A DECREASE IN THE PRICES OF GOODS SOLD.

**Fixed assets**, representing 39.2% of the value of assets, amounted to CZK 2,741,923 thousand. Their structure was as follows (value in thousands of CZK and % share of fixed assets):

Indicator	CZK thousand	%
Long-term intangible assets	9,315	0.3
Long-term tangible assets	1,867,884	68.1
Long-term financial assets	864,724	31.6

**Of tangible fixed assets**, the largest part consists of construction in the amount of CZK 851,424 thousand (45.6% of the total value of tangible fixed assets), movables in the amount of CZK 513,423 thousand (27.5% of the total) and land in the amount of CZK 489,254 thousand (26.2% of the total).

# XIII

## COMMENTS ON THE BALANCE SHEET



**The value of long-term financial assets**

of CZK 864,724 thousand reflects the shares owned by Ferona, a.s. on the equity of subsidiaries. For foreign financial investments, equity was at the current exchange rate of the Czech Crown to individual currencies as of 31<sup>st</sup> December 2019. As of 31<sup>st</sup> December 2019, the increase in the value of non-current financial assets compared to the previous period is mainly due to the purchase of shares in Pragmet, as the sole shareholder of this company.

**Current assets** account for 60,6% of total assets and since the beginning of the year they have decreased by CZK 1,055,520 thousand to CZK 4,232,643 thousand, mainly due to a decrease in inventories, short-term trade receivables, caused by sharp fall in prices of goods sold.

Of the total inventories, the decisive item is **inventories of merchandise**, which decreased by CZK 560,412 thousand compared to the initial state of the year and reached the value of CZK 1,771,812 thousand. The immediate turnover time of inventories of goods, calculated from the value of goods sold at cost, reached 58 days at the end of the year, a decrease of 13 days compared to the previous year. The decrease in material inventories by CZK 280,116 thousand compared to the beginning of the period is due to a fall in prices and concerns about their unstable levels.

The company has **long-term receivables** from advances mainly for principal during leases and for the activation of mobile phones.

Of the short-term receivables, the largest part is **receivables from trade relations** and, compared to the previous year, they decreased significantly to a net value of CZK 1,101,188 thousand. All receivables over 60 days past due are treated by the creation of provisions. Provisions are made for other receivables according to the assessment of their risk as at the balance sheet date. The immediate turnover time of short-term trade receivables reached 33 days at the end of the year, which means a year-on-year decrease of 5 days. Estimated accounts receivable mainly represents bonuses provided for the purchase of goods that have not been invoiced at the balance sheet date.

**Short-term financial assets** at the end of the year amounted to CZK 532,492 thousand, which represents an increase of CZK 164,826 thousand compared to the beginning of the year.

**Accruals** amounted to CZK 14,297 thousand, which is 0.20% of total assets.

**SHORT-TERM  
FINANCIAL ASSETS  
AT THE END OF THE  
YEAR AMOUNTED  
TO CZK 532,492,000  
WHICH REPRESENTS  
AN INCREASE OF  
CZK 164,826,000  
COMPARED TO  
THE BEGINNING  
OF THE YEAR.**

**AS OF 31<sup>ST</sup> DECEMBER  
2019, THE COMPANY'S  
EQUITY AMOUNTED  
TO CZK 4,389,022,000  
AND COVERS 62.8%  
OF THE TOTAL BOOK  
VALUE OF LIABILITIES**

**The registered capital** is worth CZK 3,000,000 thousand and is divided into 300 registered shares in book-entry form, each with a nominal value of CZK 10,000 thousand. The Company did not acquire its own shares in 2019.

As of 31<sup>st</sup> December 2019, the **Company's equity** amounted to CZK 4,389,022 thousand and covers 62.8% of the total book value of liabilities. An overview of the changes is described in the notes to the financial statements.

**Liabilities** amounted to CZK 2,590,630 thousand at the end of 2019 and had the following structure:

Indicator	CZK thousand	%
Long-term payables	93,968	3.6
Short-term payables	995,590	38.4
Bank loans and assistance	1,501,072	58.0

**Of the long-term liabilities**, the largest value is the deferred tax liability in the amount of CZK 53,968 thousand, the year-on-year change of which is due to a different structure of items included in the calculation and the liability for the purchase of shares.

Among short-term liabilities, **trade payables**, which amounted to CZK 808,950 thousand at the end of the year and they were due in addition to invoices withheld

because of complaints and liabilities ready to be offset, cover a decisive place by the due date. They decreased by CZK 531,066 thousand year-on-year due to a decrease in the prices of purchased goods and continuing price instability in the metallurgical products market, the company limited its purchases to its warehouses. Due to company-wide vacation, it was not possible to record all incoming invoices, and therefore, as in the past, these transactions were posted to estimated accounts passive. Even in 2019, the company was not late in paying its liabilities.

**Bank loans** without factoring amounted to CZK 1,500,000 thousand at the end of the year. As of the balance sheet date, the company drew an operating loan to finance current assets. The year-on-year decrease is due to a decrease in the value of current assets and liabilities. Regression factoring payables amounted to CZK 1,072 thousand.

**Accruals and deferrals** amounted to CZK 9,211 thous. at the end of the year, with the largest value being accrued for freight, interest and bank loan fees.



THE RESULTS OF THE ANNUAL FINANCIAL STATEMENTS SHOW THAT THE COMPANY'S FINANCIAL SITUATION IS STABLE. THE VOLUME OF SHORT-TERM RECEIVABLES AT THE END OF 2019 EXCEEDED THE AMOUNT OF SHORT-TERM LIABILITIES (EXCLUDING FINANCIAL) AND THE COMPANY WAS NOT INSOLVENT.

The company's total indebtedness is maintained at an acceptable level and the company has not experienced any problems in repaying any of its liabilities. The company maintained the trust of banks and insurance houses in 2019 as well. As of 31<sup>st</sup> December 2019, the share of external sources and other liabilities to cover the company's total assets represented only 37.2%.

The ratio of bank loans and advances to sales of goods and services fell to 12.3% at the end of 2019.

# XIII

## FINANCIAL STANDING OF THE COMPANY



Ferona, a.s. is the controlling company in the Group, which held following controlled entities and accounting units with significant influence including the entities controlled by them as of 31<sup>st</sup> December 2019:

#### FERONA SLOVAKIA, A.S.

Registered office	Bytčická 12, Žilina, Slovensko
Company ID	36401137
Other establishments	Nitra, Košice
Activity	Metallurgical products wholesale
Equity	EUR 18,169 thousand
2019 profit and/or loss – profit	EUR 263 thousand
Ferona, a.s. share in registered capital	100%
Book value of Ferona, a.s. share (net)	CZK 461,678 thousand

# XIV

**INCORPORATION OF THE COMPANY  
TO THE CONSOLIDATION GROUP**





## FERONA POLSKA, S.A.

Registered office	Mikolowska 31, Myslowice, Poland
Company ID	240569429
Other establishments	Wroclaw, Kielce
Activity	Metallurgical goods wholesale
Equity	PLN 15,812 thousand
2019 profit and/or loss – loss	PLN 198 thousand
Ferona, a.s. share in registered capital	100%
Book value of Ferona, a.s. share (net)	CZK 94,396 thousand



### FTP PLASTICS, S.R.O.

Registered office	ul. ČSA 730, Velká Bystrice
Company ID	25354418
Other establishments	FTP Slovakia, s.r.o., Bratislava, Slovakia*)
Activity	Technical plastics wholesale including assembly and installation
Equity	CZK 112,446 thousand
2019 profit and/or loss – profit	CZK 6,011 thousand
Ferona, a.s. share in registered capital	100%
Book value of Ferona, a.s. share (net)	CZK 112,446 thousand

### \*) FTP SLOVAKIA, S.R.O., BRATISLAVA

Registered office	Púchovská 14, Bratislava, Slovakia
Company ID	35861134
Other establishments	None
Activity	Technical plastics wholesale
Equity	EUR 114 thousand
2019 profit and/or loss – loss	EUR 32 thousand
FTP PLASTICS, s.r.o. share in registered capital	100%
Book value of FTP PLASTICS, s.r.o.	CZK 3,374 thousand





## PRAGMET, A.S.

Registered office	Havlíčková 1043/11, Praha 1
Company ID	25789449
Other establishments	Benátky nad Jizerou
Activity	Cutting flat products for automotive
Equity	CZK 196,204 thousand
2019 profit and/or loss – profit	CZK 26,235 thousand
Ferona, a.s. share in registered capital	100%
Book value of Ferona, a.s. share (net)	CZK 196,204 thousand

IN 2019, THE COMPANIES IN THE GROUP ACHIEVED REVENUES FROM THE SALE OF GOODS OF CZK 15,701,975 THOUSAND, WHICH IS 5% LESS THAN IN PREVIOUS YEAR. HOWEVER, THE ADDED VALUE REACHED THE AMOUNT OF CZK 1,092,935 THOUSAND AND DECREASED BY 26.7% COMPARED TO THE PREVIOUS YEAR. AS OF 31<sup>ST</sup> DECEMBER 2019, THE CONSOLIDATED OPERATING RESULT REPRESENTS A PROFIT OF CZK 180,796 THOUSAND.

**The consolidated profit** (excluding minority interests in the profit and including the share in the profit of companies in equivalence) amounted to CZK 119,800 thousand.

The value of the **assets** of the consolidation group at the end of 2019 was CZK 8,821,459 thousand and the value of **equity** reached CZK 4,401,508 thousand.



# XW

## RESULTS OF THE CONSOLIDATION GROUP



## EVENTS AFTER THE BALANCE SHEET DATE: THERE WERE NO SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE THAT WOULD AFFECT THE CONTENT OF THE FINANCIAL STATEMENTS.

At the end of 2019, news from China regarding COVID-19 (coronavirus) first appeared. In the first months of 2020, the virus spread worldwide and negatively affected many countries. Although the situation is constantly changing at the time of publication of these financial statements, it seems that the negative impact of this pandemic on world trade, on companies and on individuals may be more serious than expected before. The CZK / EUR exchange rate weakened, the value of shares on the markets fell and commodity prices fluctuated significantly. As the situation is constantly evolving, the company's management is currently unable to quantify reliably the potential impacts of these events on the company's operations. Any adverse effects, or losses, will be included by the Company in its accounting and financial statements in 2020. The Company management will continue to monitor the potential impact and take all possible steps to mitigate any adverse effects on the Company and its employees.

Based on an evaluation of all currently available information, the Company management considered the potential

# XVI

## EVENTS AFTER THE BALANCE SHEET DATE, KEY OBJECTIVES, OTHER DATA AND OUTLOOK FOR 2020

impacts of COVID-19 on its activities and business and concluded that there was no significant (material) uncertainty regarding the going concern. Due to this, the financial statements as of 31<sup>st</sup> December 2019 were prepared on the assumption that the company will be able to continue its activities.

**Basic objectives of the company** are defined in the quality policy that the company has set for a long time and verifies its compliance every year through an authorized company.

*The Quality Policy which meets The EN ISO 9001:2016 Standard* defines the following objectives:

- Increase the share of the Company in target markets with metallurgical material.
- Focus on optimizing the product portfolio and improvement of services.
- Increase efficiency of business activities.
- Adapt the portfolio of suppliers to the conditions of particular markets.
- Develop the Company's internal potential.

The above objectives have been shaped into specific groups of measures:

- Maximum employment of the cutting capacities within own service centres
- Efficient control of inventories in order to minimize price risks

- Streamlining and improving the transport of goods to customers
- Stress to efficiency and improvement of all business processes
- Application of gained experience in all companies within the Feronia Group
- Further increase the share of physical volume of sales particularly in Poland

**Further Information:** In 2019, the Company did not spend any funds on research and development, does not report significant activities in the field of environmental protection and has no organizational unit abroad.

**The financial plan for 2020** in Feronia, a.s., assumes the achievement of revenues from the sale of goods in the amount of CZK 13,204 million and the profit before tax is planned in the amount of CZK 79 million.

**The investment plan for 2020** is set at CZK 283 million. The investments will be mainly of a development nature in the form of the completion of the Ostrava complex and the replacement of the dividing line for hot-rolled coils, and the rest will be allocated to the necessary renewal of cranes and transport equipment.

**THE FINANCIAL  
PLAN FOR 2020  
IN FERONA, A.S.,  
ASSUMES THE  
ACHIEVEMENT  
OF REVENUES  
FROM THE SALE  
OF GOODS IN  
THE AMOUNT OF  
CZK 13,204 MILLION**













# XVIII



REPORTS

## CONSOLIDATED BALANCE SHEET – ASSETS

(IN CZK THOUSAND)

	Current as of 31. 12. 2019	Past as of 31. 12. 2018	Previous as of 31. 12. 2017
<b>TOTAL ASSETS</b>	<b>8 821 459</b>	<b>10 187 196</b>	<b>9 543 636</b>
<b>B. Fixed assets</b>	<b>2 790 448</b>	<b>2 863 511</b>	<b>2 959 654</b>
B.I. Intangible assets	11 688	10 272	8 333
B.II. Tangible assets	2 764 418	2 853 239	2 951 321
B.IV. Consolidation balance – active "+", negative "-"	14 342	0	0
<b>C. Current assets</b>	<b>6 005 874</b>	<b>7 302 018</b>	<b>6 557 009</b>
C.I. Inventory	3 224 205	4 381 848	3 775 942
C.II. Receivables	2 070 847	2 453 728	2 385 114
C.IV. Financial assets	710 822	466 442	395 953
<b>D. Prepaid expenses and accrued revenue</b>	<b>25 137</b>	<b>21 667</b>	<b>26 973</b>



## CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

(IN CZK THOUSAND)

	Current as of 31. 12. 2019	Past as of 31. 12. 2018	Previous as of 31. 12. 2017
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8 821 459</b>	<b>10 187 196</b>	<b>9 543 636</b>
<b>A. Equity</b>	<b>4 401 508</b>	<b>4 388 124</b>	<b>4 287 980</b>
A.I. Registered capital	3 000 000	3 000 000	3 000 000
A.II. Share premium and capital funds	122 370	258 294	312 265
A.III. Funds from profit	311 988	298 893	278 858
A.IV. Retained earnings	847 350	573 053	429 248
<b>A.V. Current profit minus minority shares</b>	<b>119 800</b>	<b>257 884</b>	<b>267 609</b>
1. Current profit/(loss)	119 800	257 884	267 609
<b>B.+C. Liabilities</b>	<b>4 410 496</b>	<b>5 728 929</b>	<b>5 191 990</b>
B. Reserves	15 290	27 206	19 315
C.I. Long-term liabilities	1 012 030	1 015 059	115 072
C.II. Short-term liabilities	3 383 176	4 686 664	5 057 603
<b>D. Deferred expenses and accrued revenue</b>	<b>9 455</b>	<b>13 152</b>	<b>11 741</b>
<b>E. Minority equity</b>	<b>0</b>	<b>56 991</b>	<b>51 925</b>
E.I. Minority capital	0	900	900
E.III. Minority funds from profit including retained earnings	0	48 024	39 788
E.IV. Minority profit for the period	0	8 067	11 237

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(IN CZK THOUSAND)

		Actual in the accounting period		
		Current as of 31. 12. 2019	Past as of 31. 12. 2018	Previous as of 31. 12. 2017
I.	Revenue from sale of products and services	1 608 331	2 755 464	2 237 024
II.	Revenue from sale of goods	15 701 975	16 526 857	15 767 560
A.	Production consumption	19 614 893	20 719 526	19 440 514
<b>B.</b>	<b>Change in internally developed inventory balance</b>	<b>42 273</b>	<b>-1 526</b>	<b>-51 225</b>
<b>C</b>	<b>Capitalisation</b>	<b>-3 439 795</b>	<b>-2 926 862</b>	<b>-2 993 926</b>
D.	Personnel expenses	752 784	790 660	763 108
E.	Adjustments of operation	102 916	207 295	319 889
	Deduction of the consolidation balance	7 172		-3 321
<b>III.</b>	<b>Other operating income</b>	<b>2 088 912</b>	<b>2 561 505</b>	<b>2 516 626</b>
<b>F.</b>	<b>Other operating expenses</b>	<b>2 138 179</b>	<b>2 631 640</b>	<b>2 586 502</b>
<b>*</b>	<b>Consolidated operating profit</b>	<b>180 796</b>	<b>423 093</b>	<b>453 027</b>
<b>VI.</b>	<b>Interest received and similar income</b>	<b>357</b>	<b>341</b>	<b>1 142</b>
<b>J.</b>	<b>Interest expense and similar expenses</b>	<b>79 019</b>	<b>60 577</b>	<b>43 148</b>
<b>VII.</b>	<b>Other financial gains</b>	<b>46 606</b>	<b>57 470</b>	<b>74 891</b>
<b>K.</b>	<b>Other financial losses</b>	<b>75 197</b>	<b>91 016</b>	<b>115 845</b>
<b>*</b>	<b>Consolidated financial profit/(loss)</b>	<b>-107 253</b>	<b>-93 782</b>	<b>-82 960</b>
<b>**</b>	<b>Consolidated profit before taxes</b>	<b>73 543</b>	<b>329 311</b>	<b>370 067</b>
<b>L.</b>	<b>Income tax</b>	<b>-46 257</b>	<b>63 360</b>	<b>91 220</b>
<b>**</b>	<b>Consolidated profit after taxes</b>	<b>119 800</b>	<b>265 951</b>	<b>278 847</b>
<b>***</b>	<b>Consolidated profit for the period minus equity shares</b>	<b>119 800</b>	<b>265 951</b>	<b>278 847</b>
	of which – Profit for the period minus equity shares	119 800	257 884	267 609
	– Minority profit for the period Profit share in equity	0	8 067	11 237
<b>****</b>	<b>Consolidated profit for the period</b>	<b>119 800</b>	<b>257 884</b>	<b>267 609</b>



## BALANCE SHEET UNABRIDGED AS OF 31. 12. 2019 – ASSETS

(IN CZK THOUSAND)

No.	ASSETS	Current period			Balance as of 01. 01. 2019
		Gross 1	Correction 2	Net 3	Net 4
	<b>TOTAL ASSETS</b>	<b>10 912 164</b>	<b>-3 923 301</b>	<b>6 988 863</b>	<b>8 103 544</b>
<b>B.</b>	<b>Fixed assets</b>	<b>5 888 497</b>	<b>-3 146 574</b>	<b>2 741 923</b>	<b>2 803 791</b>
<b>B.I.</b>	<b>Intangible assets</b>	<b>99 765</b>	<b>-90 450</b>	<b>9 315</b>	<b>8 806</b>
B.I.2.	Valuable rights	95 211	-90 450	4 761	2 577
B.I.2.1	Software	95 211	-90 450	4 761	2 577
B.I.5.	Advances to intangible assets + intangible assets in progress	4 554	0	4 554	6 229
B.I.5.2	Intangible assets in progress	4 554	0	4 554	6 229
<b>B.II.</b>	<b>Tangible assets</b>	<b>4 924 008</b>	<b>-3 056 124</b>	<b>1 867 884</b>	<b>1 957 920</b>
B.II.1.	Lands and buildings	3 039 762	-1 699 084	1 340 678	1 416 127
B.II.1.1.	Lands	489 254	0	489 254	491 771
B.II.1.2	Buildings	2 550 508	-1 699 084	851 424	924 356
B.II.2.	Tangible movable things and sets of movable things	1 870 463	-1 357 040	513 423	527 656
B.II.4.	Other tangible assets	314	0	314	314
B.II.4.3.	Other tangible assets	314	0	314	314
B.II.5.	Advances to tangible assets+tangible assets in progress	13 469	0	13 469	13 823
B.II.5.1.	Advances to tangible assets	7 568	0	7 568	8 906
B.II.5.2.	Tangible assets in progress	5 901	0	5 901	4 917
<b>B.III.</b>	<b>Financial investments</b>	<b>864 724</b>	<b>0</b>	<b>864 724</b>	<b>837 065</b>
B.III.1.	Shares – controlled or controlling person	864 724	0	864 724	837 065

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## BALANCE SHEET UNABRIDGED AS OF 31. 12. 2019 – ASSETS

(IN CZK THOUSAND)

No.	ASSETS	Current period			Balance as of 01. 01. 2019
		Gross 1	Correction 2	Net 3	Net 4
<b>C.</b>	<b>Current assets</b>	<b>5 009 370</b>	<b>-776 727</b>	<b>4 232 643</b>	<b>5 288 163</b>
<b>C.I.</b>	<b>Inventory</b>	<b>2 551 039</b>	<b>-266 023</b>	<b>2 285 016</b>	<b>3 180 424</b>
C.I.1.	Material	443 393	0	443 393	723 509
C.I.2.	Work in progress and semi-finished products	4 548	0	4 548	4 341
C.I.3.	Finished products and goods	2 037 248	<b>-265 436</b>	1 771 812	2 332 224
C.I.3.2.	Goods	2 037 248	<b>-265 436</b>	1 771 812	2 332 224
C.I.5.	Advances for inventory	65 850	<b>-587</b>	65 263	120 350
<b>C.II.</b>	<b>Receivables</b>	<b>1 925 839</b>	<b>-510 704</b>	<b>1 415 135</b>	<b>1 740 073</b>
C.II.1.	Long-term receivables	3 317	0	3 317	3 280
C.II.1.5.	Other receivables	3 317	0	3 317	3 280
C.II.1.5.2.	Long-term advances – paid	3 317	0	3 317	3 280
C.II.2.	Short-term receivables	1 922 522	-510 704	1 411 818	1 736 793
C.II.2.1.	Accounts receivable	1 611 892	-510 704	1 101 188	1 386 451
C.II.2.2.	Receivables – controlled and controlling person	167 160	0	167 160	167 440
C.II.2.4.	Other receivables	143 470	0	143 470	182 902
C.II.2.4.3.	State – tax assets	16 594	0	16 594	10 894
C.II.2.4.4.	Short-term advances – paid	4 559	0	4 559	5 437
C.II.2.4.5.	Estimated assets	121 209	0	121 209	165 192
C.II.2.4.6.	Other receivables	1 108	0	1 108	1 379
<b>C.IV.</b>	<b>Cash</b>	<b>532 492</b>	<b>0</b>	<b>532 492</b>	<b>367 666</b>
C.IV.1.	Petty cash	1 887	0	1 887	1 830
C.IV.2.	Bank accounts	530 605	0	530 605	365 836
<b>D.</b>	<b>Accruals and deferrals</b>	<b>14 297</b>	<b>0</b>	<b>14 297</b>	<b>11 590</b>
D.1.	Prepaid expenses	13 593	0	13 593	11 398
D.3.	Accrued income	704	0	704	192



**BALANCE SHEET UNABRIDGED AS OF 31. 12. 2018 – LIABILITIES AND EQUITY**

(IN CZK THOUSAND)

No.	LIABILITIES AND EQUITY	Current accounting period 5	Balance as of 01/01/2019 6
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6 988 863</b>	<b>8 103 544</b>
<b>A.</b>	<b>Equity</b>	<b>4 389 022</b>	<b>4 429 683</b>
<b>A.I.</b>	<b>Registered capital</b>	<b>3 000 000</b>	<b>3 000 000</b>
A.I.1.	Registered capital	3 000 000	3 000 000
<b>A.II.</b>	<b>Share premium and capital funds</b>	<b>169 336</b>	<b>221 678</b>
A.II.2.	Capital funds	169 336	221 678
A.II.2.1.	Other capital funds	230 542	230 542
A.II.2.2.	Adjustments to assets and liabilities	-61 206	-8 864
<b>A.III.</b>	<b>Funds from profit</b>	<b>282 489</b>	<b>271 992</b>
A.III.1.	Other reserve funds	282 489	271 992
<b>A.IV.</b>	<b>Retained earnings/(accumulated loss)</b>	<b>825 516</b>	<b>936 013</b>
A.IV.1.	Retained earnings/ loss	825 516	936 013
<b>A.V.</b>	<b>Net profit for the period</b>	<b>111 681</b>	<b>0</b>
<b>B.+ C.</b>	<b>Liabilities</b>	<b>2 590 630</b>	<b>3 661 017</b>

▼ TABLE CONTINUES ON THE FOLLOWING PAGE

## BALANCE SHEET UNABRIDGED AS OF 31. 12. 2018 – LIABILITIES AND EQUITY

(IN CZK THOUSAND)

No.	LIABILITIES AND EQUITY	Current accounting period 5	Balance as of 01. 01. 2019 6
<b>C.</b>	<b>Payables</b>	<b>2 590 630</b>	<b>3 661 017</b>
<b>C.I.</b>	<b>Long-term payables</b>	<b>93 968</b>	<b>105 077</b>
C.I.3.	Long-term advances received	0	108
C.I.8.	Deferred tax liability	53 968	104 969
C.I.9.	Other payables	40 000	0
C.I.9.3	Other payables	40 000	0
<b>C.II.</b>	<b>Short-term payables</b>	<b>2 496 662</b>	<b>3 555 940</b>
C.II.2.	Payables to credit institutions	1 500 000	1 793 262
C.II.3.	Short-term advances receives	856	1 761
C.II.4.	Accounts payable	<b>808 950</b>	<b>1 340 016</b>
C.II.8.	Other payables	186 856	420 901
C.II.8.2.	Short-term borrowings	1 072	13 120
C.II.8.3.	Payables to employees	24 169	25 791
C.II.8.4.	Social security and health insurance payable	12 437	13 364
C.II.8.5.	State – tax liabilities and subsidies	38 842	41 101
C.II.8.6.	Estimate liabilities	87 828	324 944
C.II.8.7.	Other payables	22 508	2 581
<b>D.</b>	<b>Accruals and deferrals</b>	<b>9 211</b>	<b>12 844</b>
D.1.	Accrued expenses	9 112	11 770
D.2.	Deferred income	99	1 074



**PROFIT AND LOSS ACCOUNT UNABRIDGED AS OF 31. 12. 2019**

(IN CZK THOUSAND)

No.	Narrative	Actual in accounting period	
		Current	Past
I.	Income from sale of goods and services	200 067	226 827
II.	Income from sale of goods	11 987 464	13 145 545
A.	Production consumption	13 970 072	15 161 395
A.1.	Cost of goods sold	11 112 110	11 929 088
A.2.	Material and energy consumption	2 609 355	2 949 827
A.3.	Services	248 607	282 480
B.	Change of balance of internally developed inventory	-2 211	0
C.	Capitalisation	-2 583 497	-2 926 811
D.	Personnel expenses	578 335	607 108
D.1.	Payroll	433 754	457 873
D.2.	Social security, health insurance and other expenses	144 581	149 235
D.2.1.	Social security and health insurance expenses	134 741	138 933
D.2.2.	Other expenses	9 840	10 302
E.	Adjustments to operations	53 275	191 143
E.1.	Adjustments to tangible and intangible assets	181 693	181 621
E.1.1.	Adjustments to tangible and intangible assets-permanent	181 693	181 621
E.2.	Adjustments to inventory	-69 907	15 044
E.3.	Adjustments to receivables	-58 511	-5 522
III.	Other operating income	1 680 554	2 060 273
III.1.	Income from sold fixed assets	8 406	9 427
III.2.	Income from sold materials	19 983	21 308
III.3.	Other operating income	1 652 165	2 029 538

▼ TABLE CONTINUES ON THE FOLLOWING PAGE

## PROFIT AND LOSS ACCOUNT UNABRIDGED AS OF 31. 12. 2019

(IN CZK THOUSAND)

No.	Narrative	Actual in accounting period	
		Current	Past
F.	Other operating expenses	1 728 100	2 078 844
F.1.	Residual price of sold assets	3 104	2 123
F.2.	Residual price of sold material	13 883	22 040
F.3.	Taxes and charges	15 816	15 941
F.5.	Other expenses	1 695 297	2 038 740
<b>*</b>	<b>Profit/(loss) from operations</b>	<b>124 011</b>	<b>320 966</b>
IV.	Gains on financial investments – shares	14 000	7 000
IV.1.	Gains on shares – controlling or controlled person	14 000	7 000
VI.	Interest and other similar income	5 698	4 858
VI.1.	Interest income – controlled or controlling person	5 698	4 858
J.	Interest and other similar expense	60 808	43 090
J.2.	Other interest and other similar expense	60 808	43 090
VII.	Other financial gains	41 069	50 595
K.	Other financial losses	63 509	77 928
<b>*</b>	<b>Financial profit (loss)</b>	<b>-63 550</b>	<b>-58 565</b>
<b>**</b>	<b>Profit before taxes</b>	<b>60 461</b>	<b>262 401</b>
L.	Income tax	-51 220	52 467
L.1.	– due	-219	52 336
L.2.	– deferred	-51 001	131
<b>**</b>	<b>Profit/(loss) after taxes</b>	<b>111 681</b>	<b>209 934</b>
<b>***</b>	<b>Profit for the period</b>	<b>111 681</b>	<b>209 934</b>
XII.	Net turnover for the period	13 928 852	15 495 098



 *Feronia*