Consolidated quarterly report of the FAMUR Group Q1 2019

FAMUR S.A. | ul. Armii Krajowej 51 | 40-698 Katowice, Poland | phone: +48 32 359 63 00 | fax: +48 32 359 66 77 | famur@famur.com.pl | www.famur.com |
District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register | KRS No. 0000048716 | Industry Identification No. 270641528 | Tax Identification No. 634-012-62-46 |
Share capital: PLN 5,747,632.12, paid in full.

Katowice, May 30th 2019

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE FAMUR GROUP

Amounts in PLN '000

Interim condensed statement of financial position of the FAMUR Group

ASSETS	Mar 31 2019	Dec 31 2018	Mar 31 2018
Non-current assets	**1,211,247**	**1,157,961**	**1,084,220**
Intangible assets	269,663	272,202	271,225
Property, plant and equipment	651,395	600,959	629,305
Long-term receivables	44,046	61,766	53,053
Long-term investments	150,353	126,554	85,861
Other non-current assets (prepayments and accrued income)	1,907	2,113	2,793
Deferred tax assets	93,883	94,367	41,983
Current assets	**1,779,079**	**1,721,593**	**2,003,010**
Inventories	378,433	352,484	349,831
Trade receivables	844,715	961,265	904,275
Other short-term receivables	52,626	49,664	92,959
Current assets held for trading	5	5	12
Current financial assets	24,783	30,264	14,752
Cash and cash equivalents	445,769	297,931	607,318
Other current assets (prepayments and accrued income)	11,626	7,456	12,729
Non-current assets classified as held for sale	21,123	22,524	21,135
Total assets	**2,990,325**	**2,879,554**	**3,087,230**
EQUITY AND LIABILITIES			
Equity	**1,661,362**	**1,587,360**	**1,586,305**
Share capital	5,748	5,748	5,594
Treasury shares (negative value)	-3	-3	-3
Statutory reserve funds	796,512	796,512	715,170
Revaluation reserve	2,541	2,199	1,088
Other capital reserves	114,502	114,502	113,663
Translation reserve	-5,522	-10,464	-1,058
Retained earnings	784,122	716,088	631,646
Equity attributable to owners of the parent	1,697,901	1,624,582	1,466,101
Non-controlling interests	-36,539	-37,222	120,204
Liabilities and provisions for liabilities	**1,309,946**	**1,274,263**	**1,486,684**
Provisions for liabilities	158,381	147,391	177,888
Long-term bank borrowings and other debt instruments	390,114	383,938	400,583
Non-current lease liabilities	62,017	20,829	10,583
Other non-current liabilities	16,341	115,175	116,326
Trade payables	247,092	271,056	380,549
Tax payable	80,170	88,842	46,184
Short-term bank borrowings and other debt instruments	43,177	51,640	83,509
Current lease liabilities	13,358	11,958	16,215
Other current liabilities	261,849	148,467	239,138
Other liabilities (accruals and deferred income)	37,447	34,967	15,709
Liabilities directly related to non-current assets classified as held for sale	**19,017**	**17,931**	**14,241**
Total equity and liabilities	**2,990,325**	**2,879,554**	**3,087,230**

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Interim condensed consolidated statement of profit or loss of the FAMUR Group

		3 months ended
CONTINUING OPERATIONS	Mar 31 2019	Mar 31 2018
Net revenue	**473,566**	**501,529**
Costs of products, goods and materials sold	339,693	404,772
Gross profit	**133,873**	**96,756**
Other income	11,778	14,729
Distribution costs	6,204	5,714
Administrative expenses	35,397	37,054
Other expenses	15,676	16,249
Operating profit	**88,374**	**52,469**
Finance income	11,794	13,758
Finance costs	14,406	19,678
Profit before extraordinary items	**85,762**	**46,550**
Share in net profit of equity-accounted entities	80	338
Profit before tax	**85,842**	**46,888**
Income tax	20,033	6,397
Net profit from continuing operations	65,808	40,491
Discontinued operations	-100	-1,560
Net profit attributable to:		
- owners of the parent	65,002	32,788
- non-controlling interests	706	6,143
Net profit	**65,708**	**38,931**
Number of shares	574,763,212	559,440,500
Earnings per share (PLN)	0.11	0.06

Interim condensed consolidated statement of comprehensive income of the FAMUR Group

		3 months ended
	Mar 31 2019	Mar 31 2018
Net profit/(loss)	65,708	38,931
Exchange differences	4,943	-932
Valuation of assets		-8
Cash flow hedges	422	-1,275
Actuarial gains/(losses)	-158	-1,838
Income tax on components of other comprehensive income	-50	723
Total other comprehensive income	5,157	**-3,330**
Total comprehensive income	**70,865**	**35,601**
- attributable to owners of the parent	70,182	29,713
- attributable to non-controlling interests	683	5,888

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Interim condensed consolidated statement of cash flows of the FAMUR Group

	Mar 31 2019	*3 months ended* Mar 31 2018
OPERATING ACTIVITIES		
Profit/(loss) before tax	**85,842**	**46,888**
Total adjustments	**115,338**	**12,292**
Depreciation and amortisation	46,783	50,969
Foreign exchange (gains)/losses	3,223	-1,621
Interest and share of profit (dividend)	2,290	2,992
Gain/(loss) on investing activities	-417	-534
Change in provisions	-8,444	-25,933
Change in inventories	-2,290	-38,751
Change in receivables	115,382	116,086
Change in current liabilities, net of bank borrowings and other debt instruments	-19,814	-80,730
Income taxes paid	-6,179	-4,658
Change in accruals and prepaid expenses	-16,697	-8,891
Other adjustments	1,500	3,362
Net cash from operating activities	**201,180**	**59,180**
INVESTING ACTIVITIES		
Cash provided by investing activities	**6,908**	**45,496**
Disposal of intangible assets and property, plant and equipment	1,488	8,281
Disposal of investment property and intangible assets	-	-
Cash provided by financial assets	5,420	37,215
Other cash provided by investing activities	-	-
Cash used in investing activities	**55,286**	**33,363**
Purchase of intangible assets and property, plant and equipment	55,121	32,375
Purchase of investment property and intangible assets	15	26
Cash used on financial assets	103	963
Other cash used in investing activities	48	-
Net cash from investing activities	**-48,379**	**12,133**
FINANCING ACTIVITIES		
Cash provided by financing activities	**912**	**21,436**
Net proceeds from issue of shares and other equity instruments and from contributions to equity	-	-
Borrowings	75	21,396
Issue of debt securities	-	-
Other cash provided by financing activities	837	40
Cash used in financing activities	**6,750**	**167,193**
Buy-back of shares	-	-
Dividends and other distributions paid to owners	-	192
Repayment of borrowings and other debt instruments	527	158,501
Payment of other financial liabilities	-	-
Payment of finance lease liabilities	2,399	3,969
Interest	3,584	4,328
Other cash used in financing activities	240	204
Net cash from financing activities	**-5,838**	**-145,756**
Total net cash flows	**146,963**	**-74,444**
Effect of exchange rate fluctuations on cash held	875	-
Cash at beginning of period	297,931	681,762
Cash at end of period	445,769	607,318

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Interim condensed consolidated statement of changes in equity of the FAMUR Group

Jan-Mar 2019	Share capital	Treasury shares	Capital reserves	Statutory reserve funds	Foreign exchange lifferences	Retained earnings, including revaluation capital reserve	Equity attributable to on-controlling interests	Total equity
Balance as at Jan 1 2019	5,748	-3	114,502	796,512	-10,465	718,288	-37,222	1,587,360
Exchange differences	-	-	-	-	4,943	-	-	4,943
Cash flow hedges	-	-	-	-	-	422	-	422
Actuarial gains/(losses)	-	-	-	-	-	-130	-28	-158
Income tax on components of other comprehensive income	-	-	-	-	-	-55	5	-50
Net profit/(loss)	-	-	-	-	-		-	0
Balance as at Jan 1 2019	-	-	-	-	-	65,002	706	65,708
Total comprehensive income	-	-	-	-	**4,943**	**65,239**	**683**	**70,865**
Other (including first-time consolidation)	-	-	-	-	-	3,137	-	3,137
Balance as at Mar 31 2019	**5,748**	**-3**	**114,502**	**796,512**	**-5,522**	**786,664**	**-36,539**	**1,661,362**

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Jan–Mar 2018	Share capital	Treasury shares	Capital reserves	Statutory reserve funds	Foreign exchange differences	Retained earnings, including revaluation capital reserve	Equity attributable to non-controlling interests	Total equity
Balance as at Jan 1 2018	5,594	-3	113,663	715,170	-82	601,324	114,316	1,549,982
Exchange differences	-	-	-	-	-976	364	-318	-930
Valuation of assets	-	-	-	-	-	-8		-8
Cash flow hedges	-	-	-	-	-	-1,275		-1,275
Actuarial gains/(losses)	-	-	-	-	-	-1,860	21	-1,839
Income tax on components of other comprehensive income	-	-	-	-	-	680	42	722
Net profit/(loss)	-	-	-	-	-	32,788	6,143	38,931
Total comprehensive income	-	-	-	-	**-976**	**30,689**	**5,888**	**35,601**
Other (including first-time consolidation)	-	-	-	-	-	722	-	722
Balance as at Mar 31 2018	**5,594**	**-3**	**113,663**	**715,170**	**-1,058**	**632,735**	**120,204**	**1,586,305**

Jan–Dec 2018	Share capital	Treasury shares	Capital reserves	Statutory reserve funds	Foreign exchange ifferences	Retained earnings, including revalua-tion capital reserve	Equity attributable to non-controlling interests	Total equity
Balance as at Jan 1 2018	5,594	-3	113,663	715,170	-82	601,324	114,316	1,549,982
Exchange differences	-	-	-	-	-10,382	-	-	-10,382
Restatement following reclassification to investment property	-	-	-	-	-	1,515	-	1,515
Cash flow hedges	-	-	-	-	-	-1,426	-	-1,426
Actuarial gains/(losses)	-	-	-	-	-	-1,157	-59	-1,216
Income tax on components of other comprehensive income	-	-	-	-	-	113	-	113
Profit of associates and other comprehensive income	-	-	-	-	-	795	-	795

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Net profit (loss)	-	-	-	-	-	207,876	11,648	219,524
Total comprehensive income	**-**	**-**	**-**	**-**	**-10,382**	**207,716**	**11,589**	**208,923**
Profit distribution	-	-	839	145	-	-984	-	-
Issue of shares	154	-	-	-	-	-	-	154
Accounting for business combination	-	-	-	81,197	-	163,127	-163,127	81,197
Dividend	-	-	-	-	-	-252,896	-	-252,896
As at Dec 31 2018	**5,748**	**-3**	**114,502**	**796,512**	**-10,464**	**718,287**	**-37,222**	**1,587,360**

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1. Statement of compliance and basis of preparation of consolidated financial statements

Basis of preparation of consolidated financial statements

The consolidated quarterly report of the FAMUR Group comprises:

- The consolidated financial statements of the FAMUR Group for the period from January 1st 2019 to March 31st 2019, including the statement of financial position, the statement of profit or loss together with the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows;
- The condensed separate financial statements of FAMUR S.A. (the Issuer) for the period from January 1st 2019 to March 31st 2019, including the statement of financial position, the statement of profit or loss together with the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows;
- The comparative financial data:

  - as at December 31st 2018 and March 31st 2018, presented in the interim condensed consolidated statement of financial position;

  - for the three months to March 31st 2018 presented in the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of cash flows;

  Furthermore, the interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of comprehensive income present data for the three months ended March 31st 2019 and comparative data for the three months ended March 31st 2018.
- Information required under the Minister of Finance's Regulation of March 29th 2018 on current and periodic reports to be published by issuers of securities.

These interim condensed consolidated financial statements do not include all the information and disclosures required in full-year financial statements and should therefore be read in conjunction with the Company's consolidated financial statements prepared in accordance with IAS/IFRS for the financial year ended December 31st 2018.

These interim condensed consolidated financial statements have not been reviewed by a qualified auditor.

These interim condensed consolidated financial statements have been prepared on the assumption that the Group companies will continue as going concerns in the foreseeable future. Except for the subsidiary Ex-Coal sp. z o.o. (formerly Kopex-Ex-Coal sp. z o.o.), as at the date of authorisation of these financial statements no circumstances were identified which would indicate any threat to the Group companies continuing as going concerns.

Unless indicated otherwise, all amount are stated in thousands of złotys (PLN '000).

As permitted under Par. 62.1 of the Regulation, the Parent (FAMUR S.A.) does not issue a separate quarterly report.

Statement of compliance

This consolidated quarterly report has been prepared by applying uniform accounting principles to similar transactions and other events under similar circumstances.

These consolidated financial statements have been prepared in accordance with the historical cost principle, with the exception of revaluation of derivative financial instruments, which are measured by the Group at fair value.

2. Key accounting principles

The financial statements of the FAMUR Group are prepared in accordance with the International Financial Reporting Standards. In particular, this report has been prepared in accordance with IAS 34 *Interim Financial Reporting*, and – to the extent not covered in the IFRS – in accordance with the Accounting Act

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and the Minister of Finance's Regulation on current and periodic reports to be published by issuers of securities, dated March 29th 2018 (Dz.U.2018.757 of April 20th 2018).

3. Material changes in estimates and presentation of items disclosed in the financial statements

No changes were made to the presentation of comparative data in the consolidated financial statements and the condensed separate financial statements of FAMUR S.A. for the first quarter of 2019.

In view of the entry into force, starting from 2019, of the new accounting standard IFRS 16 concerning the recognition of leases in financial statements, the estimated effect of the change on key figures in the consolidated financial statements of the FAMUR Group for Q1 2019 is as follows (with respect to EBITDA and net profit) and as at March 31st 2019 (with respect to balance-sheet items):

- Consolidated EBITDA up by PLN 684 thousand;
- Consolidated financial debt up by PLN 57,182 thousand;
- Consolidated total assets up by PLN 58,087 thousand;
- Consolidated net profit and equity down by PLN 110 thousand.

4. Discontinued operations

Following the acquisition of control of PRIMETECH S.A. (formerly KOPEX S.A.), as of the second half of 2017 the results of the PRIMETECH Group have been included in the consolidated financial statements of the FAMUR Group. In connection with the restructuring programme implemented at the PRIMETECH Group (formerly the KOPEX Group), with one of key objectives being to adapt the PRIMETECH Group's structure to the market reality and to dispose of redundant assets, including non-strategic assets or assets that fail to bring the expected return on investment, the consolidated financial statements of the FAMUR Group include separate information on discontinued operations. Below are presented the revenues, expenses and cash flows associated with the discontinued operations, which include operations in Serbia and Indonesia as well as production for the construction market.

Discontinued operations

	3 months ended Jan 1– Mar 31 2019	*3 months ended* Jan 1–Mar 31 2018
Revenue	**6,879**	**6,260**
Cost of sales	5,441	5,844
Gross profit/(loss)	**1,438**	**417**
Distribution costs	270	304
Administrative expenses	1,649	1,308
Profit/(loss) on sales	**-481**	**-1,196**
Other income	467	253
Other expenses	150	163
Operating profit/(loss)	**-164**	**-1,106**
Finance income	137	56
Finance costs	27	498
Profit/(loss) before tax	**-54**	**-1,548**
Income tax	46	12
Net profit, attributable to:	**-100**	**-1,560**
owners of the parent	-	-1560
Cash flows from operating activities	623	-130
Cash flows from investing activities	-497	0
Cash flows from financing activities	-36	-5
Total cash flows from discontinued operations	**90**	**-135**

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5. About the FAMUR Group

The FAMUR Group is a manufacturer of machinery and equipment for the mining and power industries, able to supply complete mining systems for mines, turn-key coal feeding systems for power plants, and specialist loading and handling equipment for ports. The Group specialises in delivery of comprehensive mechanised longwall systems for coal mines; design and delivery of IT systems for back-to-back management of coal mining processes (from the face to the surface); delivery of reloading and handling systems for the power sector and ports; and delivery of surface mining systems.

FAMUR S.A. of Katowice ("FAMUR", "the Company"), manufacturer of longwall shearer loaders and roadheaders, scraper and belt conveyors, floor-mounted railways, powered roof supports and other machinery for the mining industry, is the parent of the FAMUR Group. In August 2006, FAMUR SPÓŁKA AKCYJNA (then FABRYKA MASZYN FAMUR SPÓŁKA AKCYJNA) became a listed company. As at March 31st 2019, 574.7m FAMUR shares were traded on the Warsaw Stock Exchange (abbreviated name: FAMUR; ticker code: FMF). In 2017, the Company took control of the KOPEX Group by acquiring a controlling interest in KOPEX S.A. of Katowice, which is currently registered under the name of PRIMETECH S.A. and is also a listed company, with 15.6m shares traded on the Warsaw Stock Exchange as at September 30th 2018 (abbreviated name: PRIMETECH; ticker code: PTH). For the purposes of this report, in order to maintain the historical continuity of events, the Company will also use the name KOPEX S.A.

Underground

The FAMUR Group is a leading global manufacturer of longwall machinery and systems for underground mining. An important part of the Group's business is production of equipment for coal mining from 1- to 6-metre thick coal seams. The components of longwall systems include shearer loaders, powered roof supports and scraper conveyors. The Group offers shearer loaders with capacities from 250 to 1,300 kW, while the range of operation of powered roof supports is from 0.8 to 6.0 m. The Group's offering also includes hydraulic actuators and controls, in particular hydraulic supports, pilot controls, and power hydraulics. The diameters of supports and actuators offered by the Group range from 50 to 440 mm.

The Underground segment also manufactures equipment for transport and handling of bulk materials used, for example, in underground mines. The product mix for the hard coal mining industry includes underground belt conveyors, surface belt conveyors, as well as various underground means of transport for logistics purposes, such as cable-driven floor-mounted railways, diesel-powered suspended monorails, diesel-powered floor-mounted railways, diesel-powered locomotives, mechanical winches, and complete equipment for material transport and man-riding units.

The Underground segment’s business also includes the manufacture of roadheading systems. The key element of a roadheading system are roadheaders, which are used primarily to excavate galleries and drill tunnels. Roadheaders offered by the Group can excavate galleries with sections of up to 37 m^2, in rocks with a compressive strength of up to 110 MPa. At the end of 2015 and beginning of 2016, the FAMUR Group expanded its product portfolio to include drilling rigs, drills, dinting loaders and loaders used in hard coal mines.

Surface segment

Another important category of products offered by the FAMUR Group, integrated with its business conducted on the market of handling and transport systems, hoisting equipment and equipment for surface mining, is the machinery and equipment delivered by FAMUR FAMAK S.A., whose operations lie at the core of the Surface segment’s business. FAMUR FAMAK S.A. is a leading supplier of:

- handling and continuous transport equipment, such as stacker-reclaimers, loaders, stackers, wheeled excavators, scraper loaders, wagon tippers, wheeled scrapers, belt conveyors,

- Hoisting equipment, such as bridge cranes, gantry cranes, container cranes, port cranes and shipyard cranes;

- basic machines used in open-pit mining, such as bucket-wheel excavators, crawler stackers, caterpillar transporters, and mobile conveyors.

As part of the Surface segment, FAMUR FAMAK S.A. also delivers back-to-back coal feeding and slag removal systems, relying on its 70 years of experience in this area. Our competence in the supply of bulk material transport and handling systems is confirmed by the projects we have completed for the Kozienice, Opole, Łagisza and Jaworzno power plants.

The company's products are intended in particular for:

– mechanisation of handling processes on open storage sites for bulk and granular materials at power plants, CHP plants, coke plants, mines, cement plants and ports;
– In-plant transport, assembly, disassembly and repair works;
– Transport and assembly of heavy sections and blocks for ship building;
– Mechanisation of handling processes in ports;
– Container handling;
– unloading of bulk materials from open rail cars.

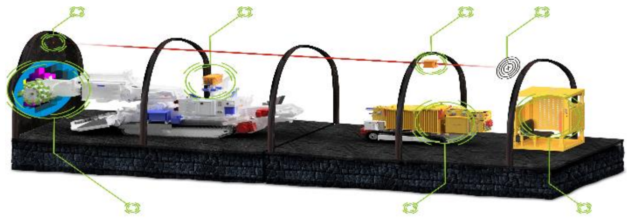
With access to the resources of FUGO-Projekt sp. z o.o., BPiRI Separator sp. z o.o., SKW Biuro Projektowo-Techniczne sp. z o.o., and Fugo S.A., the Company has extensive capabilities in engineering design. In 2017, the production capacities of the Surface segment increased significantly following the acquisition of Fugo Sp. z o.o. and an organised part of Famago’s business. The increased capacities will allow the Company to provide a full range of quality services based on its own engineering design resources, manufacturing assets and service facilities.

In the Surface segment, the FAMUR Group also offers a wide range of surface infrastructure design and construction solutions for mines and mine shaft hoists. The scope of the Group's services includes design and building services, construction of reinforced concrete and steel structures, delivery and assembly of machinery and equipment, as well as start-up and maintenance services. The Group also builds haulage lines, including solutions based on belt conveyors of proprietary design.

Electrical Equipment

Following the acquisition of control over the PRIMETECH Group (formerly KOPEX Group) and the integration of the two organisations, since the second half of 2017 the FAMUR Group has had two new business lines: Electrical Equipment and Mining Services.

The Electrical Equipment segment's activities comprise design and manufacture of power supply and switchgear equipment for mining machinery, electronic components, development and deployment of IT solutions, implementation of industrial automation systems, development of technical systems and devices, and integration of power and automation systems.



The segment ensures full support of investment projects in this area, and provides services, in particular 24/7 servicing of mining equipment, repairs and equipment upgrades.

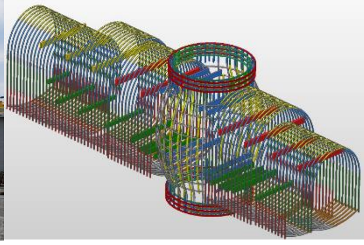
The Electrical Equipment segment develops and successively implements innovative solutions as part of the 'E-mine' project. 'E-mine' is a collection of systems, solutions and tools supporting the operation of machinery. The system integrates machinery and equipment in the areas of mining operations, ensuring transfer of information as well as control and partial automation of certain processes. 'E-mine' surpasses the customer's expectations as it facilitates convenient and safe operation of machinery and provides customers with full information on the machines they use. One of the solutions offered in response to the trend to enhance process autonomy is the roadheader positioning and remote control system, which enables operators to work safely far from the immediate dangers of the machine's working environment.

The FAMUR Group's main entity from the segment is Elgór+Hansen S.A.

Mining Services

The segment's activity is based on more than 70 years of experience of Przedsiębiorstwo Budowy Szybów S.A. (PBSz S.A.). The segment also includes the operations of ŚTW Dalbis Sp. z o.o. and the service and trade operations of PRIMETECH S.A. (formerly KOPEX S.A.), including its commodity trading activities.

In the reporting period, the core of this business segment was formed by PBSz S.A., which belonged to a small group of highly specialised companies providing underground construction services in Poland and abroad. The company performs a wide range of engineering design services related to coal, ore, salt and other minerals mining, in particular vertical (mainly shafts and winzes) and horizontal excavations and tunnels. It has technical, organisational and logistic capabilities to complete even the most difficult projects, from the design stage to mine construction on a turnkey basis.



The segment provides mining construction services, including:

- Shaft and sub-shaft sinking;
- Deepening of existing shafts and sub-shafts;
- Installation of shaft reinforcement, ancillary shaft equipment, pipelines and cables;
- Comprehensive modernisation of shaft hoists;
- Construction of storage facilities for excavated material and reservoirs;
- Repairs of shaft supports and entries, shafts outfitting, storage facilities for excavated material;
- Stone and stone/coal excavating;
- Design services for mining construction, including conceptual and project design documentation (technical, technological, detailed design, as-built);

as well as commodity trading.

In connection with the FAMUR Group's focus on continuing its core business activities, steps were taken with a view to making a divestment in the Mining Services segment by selling PBSz S.A. to an external investor. The final agreement with Jastrzębska Spółka Węglowa S.A. for the sale of shares in PBSz S.A. was executed after the reporting date, i.e. on May 20th 2019, as announced by the Company in Current Report No. 25/2019. For more information, see 'Changes in the FAMUR Group in Q1 2019 and after the reporting date' on page 15.

6. Composition of the FAMUR Group

The process of building the Group started in 2003 with the acquisition of NFUG NOWOMAG S.A. by FAMUR. After several years of strong growth, when more than a dozen new companies joined the Group strengthening its product portfolio, the Group evolved from a supplier of stand-alone machinery to a supplier of comprehensive solutions for the mining, power and bulk handling sectors. As at March 31st 2019, the Group was composed of the parent and 40 subsidiaries. FAMUR S.A. of Katowice is the Group's parent. The chart on page 17 presents the entities indirectly or directly controlled by the Company as at March 31st 2019 (subject to the notes below the chart).

Simplified organisational structure of the FAMUR Group

In 2017, the Company made a key acquisition marking the successful completion of the consolidation process on the Polish market of mining systems manufacturers. By acquiring the PRIMETECH Group (formerly the KOPEX Group), the Group expanded both its product offering and geographical footprint. The transaction was also a milestone accelerating the FAMUR Group's foreign expansion.

Changes in the FAMUR Group in Q1 2019 and after the reporting date:

- **Liquidation of OOO FAMUR UKRAINA**

  On January 22nd 2019, i.e. after the reporting date, OOO FAMUR Ukraina was deleted from the business register.

- **Change of name of FAMUR PEMUG**

  On January 23rd 2019, i.e. after the reporting date, the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, registered the change of FAMUR Pemug Sp. z o.o.'s name to Pemug Sp. z o.o.

- **Sale of shares in FUGO PROJEKT Sp. z o.o.**

  An agreement of March 5th 2019 for the sale of 1,720 shares in Fugo Projekt Sp. z o.o. came into effect on March 8th 2019, i.e. after the reporting date. Under the agreement, FAMUR FAMAK S.A. sold all of its holding (i.e. 1,720 shares) to a buyer outside the Group, and the company ceased to be a member of the FAMUR Group as of March 8th 2019.

- **FAMUR ESTATE Sp. z o.o. name change**

  On March 1st 2019, pursuant to a resolution adopted by the shareholders of FAMUR ESTATE sp. z o.o., the Company's name was changed to DE ESTATE sp. z o.o. The change was registered by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, on May 24th 2019.

- **Changes involving PBSz S.A.**

  In connection with the FAMUR Group's focus on continuing its core business activities (machinery), steps were taken with a view to making a potential divestment in the Mining Services segment by selling PBSz S.A. to an external investor. The sale of PBSz S.A. was envisaged already at the time of execution of the PRIMETECH Group (formerly the KOPEX Group) restructuring agreement at the end of 2016, as one of the options enabling the repayment of a significant portion of the debt covered by the agreement.

  On December 21st 2018, the representatives of Jastrzębska Spółka Węglowa S.A. (as the Buyer) and PBSz1 Sp. z o.o. and Primetech S.A. (subsidiaries of the Company, as the Sellers) entered into a conditional agreement whereby the Sellers agreed to sell 4,430,476 shares in Przedsiębiorstwo Budowy Szybów S.A. of Tarnowskie Góry ("PBSz"), representing 95.01% of PBSz's share capital. As a result of negotiations, the final transaction price was agreed at PLN 204m (Current Report No. 73/2018).

  On May 20th 2019, the Company announced the execution of the Final PBSz Share Sale Agreement (the "Agreement") − Current Report No. 25/2019. Under the Agreement, the Sellers sold the Buyer an equity interest in PBSz, comprising 4,430,476 shares with a total par value of PLN 13,025,599.44, representing 95.01% of the PBSz share capital and 4,430,476 votes at the PBSz General Meeting, or 95.01% of total voting rights (the "Shareholding").

  The total selling price of the Shareholding was PLN 204,000,000, of which PLN 199,000,000 was paid on the transaction closing date, while PLN 5,000,000 was retained as a guarantee for the warranties of the Company and the Seller, and will be settled within three months from the transaction closing date.

  In Current Report No. 26/2019, the Company announced that on May 20th 2019 it was notified of a transfer of funds to PKO BP SA, acting as a paying agent and security agent, to prepay the entire Tranche B of PRIMETECH S.A.'s debt, totalling PLN 210,515,860.72 (principal and interest).

Companies consolidated as at March 31st 2019:

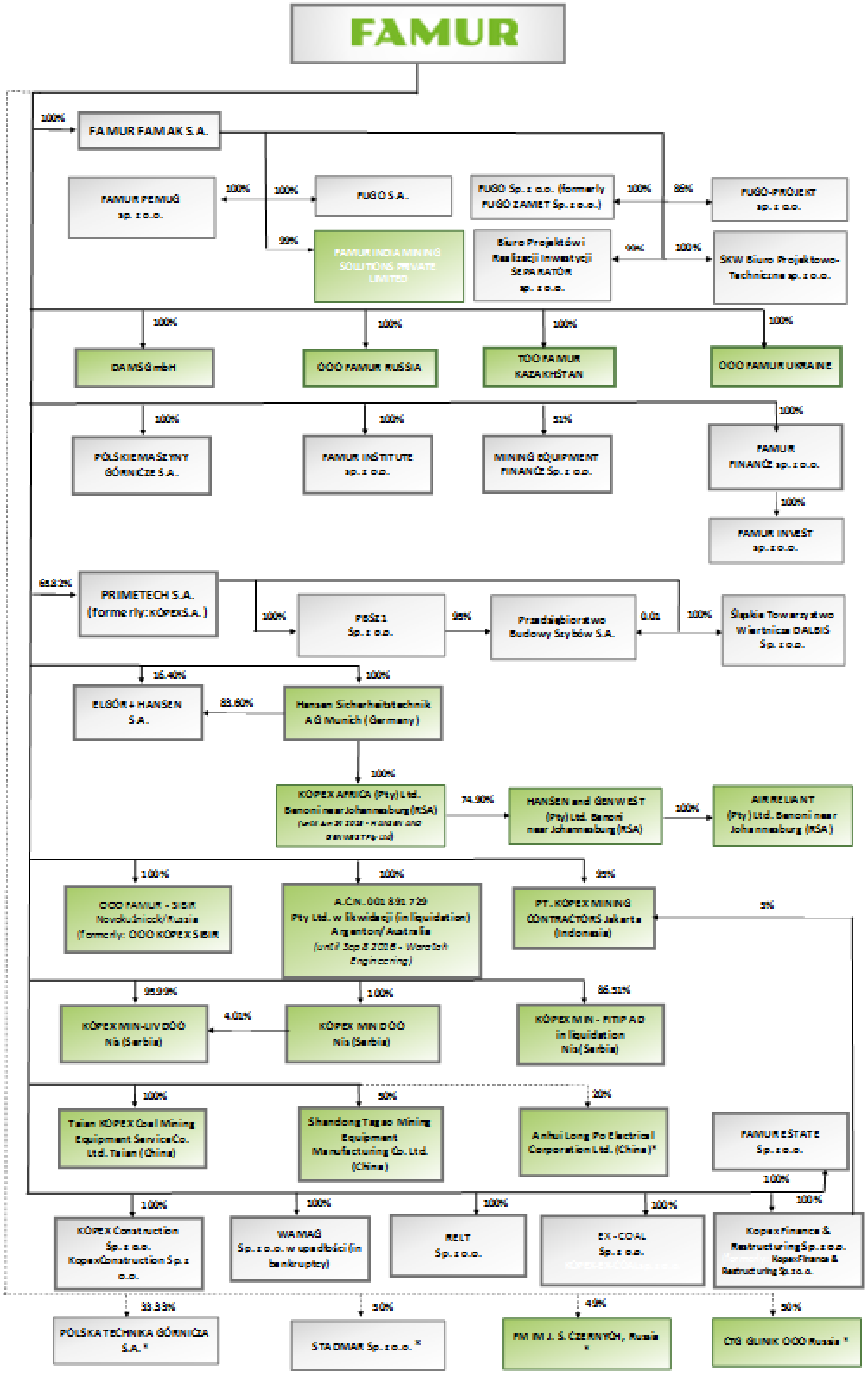
	Company	Registered office	wnership interest, *including: indirect interest*	Acquisition of control/ incorporation
1	FAMUR S.A.	Katowice		
2	FAMUR FAMAK S.A.	Kluczbork	100%	2014
3	PEMUG Sp. z o.o. (formerly FAMUR PEMUG Sp. z o.o.)	Katowice	100%	2007
4	POLSKIE MASZYNY GÓRNICZE S.A.	Katowice	100%	2005
5	FUGO Sp. z o.o. (formerly FUGO ZAMET Sp. z o.o.)	Konin	100%	2017

	Company	Registered office	wnership interest, *including: indirect interest*	Acquisition of control/ incorporation
6	FUGO S.A.	Kluczbork	100%	2014
7	FAMUR FINANCE SP. Z O.O.	Katowice	100%	2013
8	FAMUR INVEST SP. Z O.O.	Katowice	100%	2015
9	PRIMETECH S.A. (formerly KOPEX S.A.)	Katowice	65.82%	2017
10	K-CONSTRUCTION Sp. z o.o. (formerly KOPEX CONSTRUCTION Sp. z o.o.)	Katowice	100%	2017
11	PRZEDSIĘBIORSTWO BUDOWY SZYBÓW S.A.	Tarnowskie Góry	62.53%	2017
12	RELT Sp. z o.o.	Bytom	100%	2017
13	HANSEN SICHERHEITSTECHNIK AG (Germany)	Germany	100%	2017
14	ELGÓR+HANSEN S.A.	Chorzów	100%	2017
15	KOPEX AFRICA (Pty) Ltd	South Africa	100%	2017
16	HANSEN and GENWEST (Pty) Ltd (South Africa)	South Africa	74.90%	2017
17	KOPEX MIN (Serbia)	Serbia	100%	2017
18	KOPEX MIN-LIV (Serbia)	Serbia	100%	2017
19	PT KOPEX MINING CONTRACTORS (Indonesia)	Indonesia	100%	2017
20	OOO FAMUR SIBIR (Russia) (formerly OOO KOPEX SIBIR)	Russia	100%	2017
21	ŚLĄSKIE TOWARZYSTWO WIERTNICZE DALBIS sp. z o.o.	Tarnowskie Góry	65.82%	2017
22	EX-COAL Sp. z o.o. (previously KOPEX-EX-COAL Sp. z o.o.)	Przeciszów	100%	2017
23	TAIAN KOPEX COAL MINING EQUIPMENT SERVICE Co. Ltd (China)	China	100%	2017
24	AIR RELIANT (Pty) Ltd (South Africa)	South Africa	74.90%	2017
25	FAMUR FINANCE & RESTRUCTURING Sp. z o.o. (formerly KOPEX FINANCE & RESTRUCTURING Sp. z o.o.)	Katowice	100%	2017
26	PBSZ1 sp. z o. o.	Katowice	62.53%	2017
27	Mining EQUIPMENT FINANCE sp. z o.o. (*)	Katowice	51.00%	2017
28	OOO FAMUR Rosja	Russia	100%	
29	TOO FAMUR Kazachstan	Kazachstan	100%	

** An associate accounted for with the equity method.*

Structure of the FAMUR Group

Organisational structure of the FAMUR Group
as at December 31st 2018



Note: Companies based abroad are marked in green.
*) The entities are not subsidiaries.
Source: FAMUR Group, Kopex Group

7. Discussion of significant events and the FAMUR Group's financial position

Presented below are significant events at the FAMUR Group that were announced by the parent in its current reports.

Significant events in the first quarter of 2019 and after the reporting date

- **Execution of a contract for delivery of new conveyors to PGG S.A., KWK ROW Branch:** On February 26th 2019, the Company was notified that a contract of February 15th 2019 for the delivery of new face conveyors and beam stage loaders in 2019 and 2020 was signed by Polska Grupa Górnicza S.A., KWK ROW Branch, as the other party to the contract. The contract value was PLN 75,950,000.00 (VAT exclusive). The contract will be performed in stages, based on orders issued by PGG. According to its terms, the last order should be completed by the end of the second quarter of 2020. The terms and conditions of the contract do not differ from standard market terms applied in contracts of this type. (Current Reports No. 9/2019, 11/2019)
- **Execution of contracts for delivery of new conveyors for PGG S.A., KWK Piast-Ziemowit Branch:** On March 11th 2019, the Company was notified that Polska Grupa Górnicza S.A., KWK Piast-Ziemowit Branch, signed contracts of February 12th 2019 for the execution of Project 1 and Project 2, involving delivery of new armoured scraper conveyors and crushers, and delivery of new beam stage loaders and belt tail pieces. The total value of the contracts was PLN 65,562,67.00 (VAT exclusive). The contracts will be performed in stages, based on orders issued by PGG. According their terms, the last order should be completed in Q1 2021. The terms and conditions of the contracts do not differ from standard market terms applied in contracts of this type. (Current Report No. 8/2019 and Current Report No. 14/2019)
- **Selection of FAMUR's bid and execution of agreement for deliveries to LW Bogdanka:** On March 6th 2019, the Company was notified of the selection by Lubelski Węgiel BOGDANKA S.A. (LW Bogdanka S.A.) of the Company's bid in a contract award procedure conducted under the Public Procurement Law by way of an open tender under No. 725/IZP/PFR/2018 for the performance of Project 2, i.e. delivery of a brand-new complete powered roof support system for walls 305 m long, compatible with equipment covered by Project 1, consisting in the upgrade of JOY 4LS3 shearer loader and the delivery of brand-new scraper conveyor and a beam stage loader along with electrical equipment. In the course of the tender procedure, LW Bogdanka S.A. selected the bid submitted for Project 2 by the consortium of the Company (consortium leader) and Hydrotech S.A. of Rybnik (consortium member). On April 16th 2019, the Company announced that the Parties signed the contract. The value of the contract was PLN 95,042,500.00 (net of VAT). The contract will be performed in stages, according to the agreed schedule. It is planned to be completed by the end of January 2020. The other terms and conditions of the contract do not differ from standard market terms applied in contracts of this type (Current Report No. 13/2019 and Current Report No. 19/2019).
- **Contract for delivery of a longwall system to Kazakhstan:** On March 15th 2019, the Company's Management Board announced that a contract for the delivery of a longwall system to the Shahtinskaya mine, dated March 14th 2019, was signed by ArcelorMittal Temirtau as the other party to the contract. The contract value was EUR 21,750,000.00, or PLN 93,605,475.00 as translated at the EUR/PLN mid exchange rate of March 15th 2019, i.e. EUR 1 = PLN 4.3037. The contract will be performed in stages, according to the agreed schedule. According to its terms, the completion date is expected in Q4 2019. The terms and conditions of the contract do not differ from standard market terms applied in contracts of this type. (Current Report No. 10/2019 and Current Report No. 16/2019)
- **Execution of annexes to Agreements with ICBC – Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna), Branch in Poland.** On May 8th 2019, the Company's Management Board announced that it had signed annexes to the revolving working capital facility agreement of May 12th 2016 and to the master guarantee facility agreement of June 24th 2016 with Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna), Branch in Poland. The Company announced the execution of the agreements in Current Report No. 36/2016 of June 24th 2016. Taken together, the limits under the annexes to the agreements totalled PLN 130,000,000 (PLN 80m under

the revolving working capital facility agreement and PLN 50m under the master guarantee facility agreement). The annexes extended the maturity dates of the facilities as follows: 1. Maturity date for the revolving working capital facility agreement: May 12th 2022. 2. Maturity date of the guarantee facility agreement: June 24th 2024. The other material terms and conditions of the agreements remained unchanged (Current Report No. 20/2019).

- **Execution of notes programme agreement and contemplated issuance of notes** On May 9th 2019, further to Current Report No. 53/2015 of December 18th 2015, Current Report No. 86/2017 of December 22nd 2017 and Current Report No. 72/2018 of December 21st 2018, in which the Company announced that it had established and launched, and then extended until December 31st 2019, a notes programme under which the Company may issue notes up to a total principal amount (nominal value) of PLN 500,000,000.00 (the "**Notes Programme"**), the Company's Management Board announced that the Company signed a notes programme agreement (the "**Programme Agreement**") with Santander Bank Polska S.A., acting as the Issue Arranger, Dealer and Technical Agent, and with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, acting as the Issue Arranger, Dealer, Calculation Agent and Documentation Agent, under which the Issuer may carry out multiple notes issues as part of the Notes Programme (Current Report No. 21/2019). For a broader discussion, see section 12 *Securities* on page 29 of this Report.
- **Execution of agreement for the sale of shares in Przedsiębiorstwo Budowy Szybów S.A. to Grupa Jastrzębska Spółka Węglowa S.A.** On December 21st 2018, representatives of the Company's subsidiaries PRIMETECH S.A. (formerly KOPEX S.A.) and PBSz 1 Sp. z o.o. as the Sellers, and Jastrzębska Spółka Węglowa S.A. ("JSW") as the Buyer entered into a conditional agreement whereby the Sellers agreed to sell 4,430,476 shares in Przedsiębiorstwo Budowy Szybów S.A. of Tarnowskie Góry ("PBSz"), representing 95.01% of PBSz's share capital. As a result of the negotiations, the final transaction price was agreed at PLN 204,000,000.00, of which PLN 199,000,000.00 will be paid on the transaction closing date and PLN 5,000,000.00 will be retained to guarantee the sellers' warranties and will be settled after the transaction closing date, however not later than three months after that date. The entire amount of the transaction proceeds will be applied towards repayment of credit liabilities to release the security established over PBSz shares and assets. The conditional agreement includes the key boundary conditions provided for in the term sheet for the sale transaction, as reported by the Company in Current Report No. 43/2018. The signing of the final sale agreement and closing of the transaction are subject to prior satisfaction of conditions precedent (with one remaining to be satisfied, namely the registration of amendments to PBSZ's Articles of Association), agreement of the terms of a corporate guarantee to be issued by the Company to secure Jastrzębska Spółka Węglowa S.A.'s potential claims, and execution of agreements with financial creditors of Primetech S.A., specifying the procedures for the transaction execution and settlement of the sale price. The transaction, if executed, will have no effect on the Company's separate profit or loss or its ability to pay dividend, as the sellers will be PBSz1 Sp. z o.o. and Primetech S.A., the Company's subsidiaries. In connection with the conditional agreement for sale of shares in PBSZ, executed on December 21st 2018 by the Company's subsidiaries Primetech S.A. (formerly KOPEX S.A.) and PBSZ 1 Sp. z o.o., on March 20th 2019 Primetech S.A. (formerly KOPEX S.A.) received a letter from Jastrzębska Spółka Węglowa S.A. ("JSW"), requesting additional security against potential damage or loss it may incur if the sale of PBSZ S.A. is completed and the legal successors of Katowicki Holding Węglowy S.A. ("KWH") actually raise claims against PBSZ S.A. JSW's request was based on the National Public Prosecutor's Office's announcements of the detention of KHW employees on allegations of mismanagement of KHW's affairs and causing damage to that company by contracting, in 2009, a consortium including PBSZ S.A. to carry out work which the Prosecutor's Office deemed useless both technologically and economically. Considering that the legal successors of KHW may claim compensation from PBSZ if the charges of the National Public Prosecutor's Office should be confirmed, which could reduce the value of PBSZ, JSW requested Primetech S.A. to provide additional security for JWS's potential claims by granting a guarantee by a third party of a recognised financial standing or a corporate guarantee by Famur. Being interested in the implementation of the conditional agreement to sell shares in PBSZ, after the reporting date the Company issued a PLN 14.5m corporate guarantee to resolve JSW's concerns about the risk of losses it may incur after the purchase of PBSZ shares. In the Company's opinion, there is no direct link between the charges against KHW employees and PBSZ S.A. as a member of the consortium performing the contracted work. The National Public Prosecutor's Office does not refer to PBSZ S.A.

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as being responsible for the situation. It should also be stressed that, despite the lapse of more than three years from the performance and settlement of the contract referred to in the Prosecutor's Office's announcement, PBSZ has received no claims in relation to it. The Company further explains that events that are the subject matter of the proceedings conducted by the National Public Prosecutor's Office occurred when PBSZ was not a member of the Company's Group. On May 10th 2019, the Company's Management Board announced that the last condition precedent of the conditional agreement for the sale of shares in PBSz had been fulfilled. As all conditions precedent had been fulfilled, the Parties signed the final agreement on May 20th 2019. Under the Agreement, the Sellers sold the Buyer an equity interest in PBSz, comprising 4,430,476 shares with a total par value of PLN 13,025,599.44, representing 95.01% of the PBSz share capital and 4,430,476 votes at the PBSz General Meeting, or 95.01% of total voting rights (the "Shareholding"). The total selling price of the Shareholding was PLN 204,000,000, of which PLN 199,000,000 was paid on the transaction closing date, while PLN 5,000,000 was retained as a guarantee for the warranties of the Company and the Seller, and will be settled within three months from the transaction closing date. The effect of the transaction on the Company's financial performance was described in the 2018 report (Current Reports No. 4/2018, No. 43/2018, No. 58/2018, No. 65/2018, No. 73/2018, No. 22/2019, and No. 25/2019).

- **Prepayment of debt under Tranche B of the Restructuring Agreement.** Immediately after the Company communicated its intention to enter into the Agreement for the sale of shares in PBSz S.A. to JSW S.A., on May 20th 2019 it announced that funds had been transferred to PKO BP SA, acting as a paying agent and security agent, to prepay the entire Tranche B of PRIMETECH S.A.'s debt, totalling PLN 210,515,860.72 (principal and interest) (Current Report No. 26/2019).
- **Execution of a contract for the delivery of a longwall system with the necessary equipment to JSW S.A. KWK Knurów-Szczygłowice Ruch Szczygłowice.** On May 14th 2019, the Company's Management Board announced that it had been notified of the execution by the other party, i.e. Jastrzębska Spółka Węglowa S.A. (JSW), of a contract dated May 13th 2019 for the delivery of a longwall system with the necessary equipment to JSW KWK Knurów-Szczygłowice Ruch Szczygłowice. The contract was signed following the final resolution of a tender procedure. Its value is PLN 123,720,281.70 (net of VAT). The contract will be performed in a step-by-step approach, according to the agreed schedule, and it should be completed within 20 weeks of its date (late Q3 / early Q4 2019). The terms and conditions of the contract do not differ from standard terms applied in contracts of this type (Current Report No. 23/2019).
- **Selection of FAMUR bid and call to sign lease contract for gallery drilling systems with JSW S.A.** On May 17th 2019, the Company's Management Board announced that on the report release date it had been notified of the selection of its bid and called to sign a contract following the final resolution of a tender procedure run by Jastrzębska Spółka Węglowa S.A. Production Support Plant. The contract, to be signed with Jastrzębska Spółka Węglowa S.A. as the Principal, concerns the lease of 5 new roadheaders with a minimum compressive strength of 90 MPa along with the necessary equipment, for the purposes of JSW S.A. KWK Borynia – Zofiówka – Jastrzębie. The maximum value of the contract is PLN 47,423,880 (including VAT). The contract duration is 1,080 calendar days. The execution of the contract will be announced by the Company in a separate current report.
- **Recommendation for dividend payment.** On May 20th 2019, the Company's Management Board announced the adoption of a resolution recommending to the Company's General Meeting payment of dividend totalling PLN 206,914,756.32 from the profit generated in 2018 and from retained earnings, i.e. PLN 0.36 per share. The amount corresponds more or less to 100% of the consolidated net profit attributable to owners of the parent. The proposed dividend record date is July 10th 2019, and the dividend payment date is July 22nd 2019. The Management Board's recommendation regarding payment of dividend was submitted for assessment by the Company's Supervisory Board (Current Report No. 27/2019). The Supervisory Board gave a positive opinion on the Management Board's proposal concerning the allocation of the Company's profit for 2018. The opinion was included in the Report of the FAMUR S.A. Supervisory Board for 2018, attached to Current Report No. 29/2018 of May 20th 2019 and available on the Company's website at: https://famur.com/walne-zgromadzenie/
- **Notice of the Annual General Meeting.** On May 20th 2019, the Company published a notice of the Company's Annual General Meeting (AGM) to be held at ul. Armii Krajowej 51 in Katowice, Poland,

at 11:00 on June 17th 2019. The AGM notice as well as draft resolutions and documents to be placed on the agenda were published by the Company in appendices to Current Report No. 28/2019 and Current Report No. 29/2019. They are also available on the Company's website at: https://famur.com/walne-zgromadzenie/

- **Execution of a contract with OOO Polskie Maszyny of Moscow.** On May 21st 2019, the Company's Management Board announced that a contract for the delivery of equipment to be used in the Russian Federation by the Osinnikovskaya mine owned by OOO RUK and for the supervision of its assembly had been signed between the Company and OOO Polskie Maszyny of Moscow as the Customer. The scope of deliveries agreed in the contract includes sections of a powered roof support system and a set of scraper conveyors, including an armoured face conveyor and a beam stage loader with auxiliary equipment. The total value of the contract is EUR 22,823,079.00, or PLN 98,264,766.63 as translated at the EUR/PLN mid exchange rate of May 21st 2019, i.e. EUR 1 = PLN 4.3055. Under the contract, the machinery and equipment should be delivered in line with the contract schedule, by mid November 2019 at the latest. The other terms and conditions of the contract do not differ from standard market terms applied in contracts of such type (Current Report No. 30/2019).
- **Selection of FAMUR bid and call to sign lease contract for 10 roadheaders and related equipment with JSW S.A.** On May 30th 2019, the Company's Management Board announced that it had been notified of the selection of the Company's bid and called to sign a contract following the final resolution of a tender procedure run by Jastrzębska Spółka Węglowa S.A. Production Support Plant. The contract, to be signed with Jastrzębska Spółka Węglowa S.A., concerns the execution of three tasks (from among the four covered by the tender procedure), i.e. the lease of 10 (among 12) roadheaders with necessary electric systems for supplying power to the road head for the purposes of JSW S.A. KWK Knurów-Szczygłowice (the "Contract"). The VAT-inclusive value of the contract will be PLN 103,707,450 (PLN 84,315,000.00 VAT exclusive). The contract duration is 1,095 calendar days for each roadheader. The other terms and conditions of the contract do not differ from standard market terms applied in contracts of such type (Current Report No. 30/2019).

Factors and events of non-recurring nature having a material bearing on financial performance

No significant non-recurring events occurred in the first quarter of 2019 that would have had a material bearing on financial performance.

Sales

In the first three months of 2019, FAMUR S.A. and its subsidiaries earned PLN 473.6m in consolidated revenue, down 5.6%, or PLN 28m, year on year. The nature of the business activities carried out by the Company's group and the nature of its contracts may give rise to quarterly variations in sales, depending on the manufacturing cycle of long-term contracts. As a result of the performance of contracts concluded in late 2018 and early 2019, the Company expects to generate a higher revenue in its largest business segment in the coming quarters.

In the Underground segment, revenues earned in Q1 2019 was driven by revenue from lease contracts for shearer loaders and roadheaders and from the aftermarket. Other sales drivers included the performance of contracts to manufacture longwall systems for the Russian market, as well as powered roof supports and conveyors for the Polish market, including for JSW S.A. and Polska Grupa Górnicza S.A.

In the Surface segment, revenue was mainly attributable to export sales of handling and hoisting equipment and surface mining equipment for the Austrian, Bulgarian and Dutch markets where, having reinforced its position (completed contract for the delivery of a transport and handling system to EMO Rotterdam), Famur Famak S.A. is delivering a grab-type ship-to-shore unloading system for Tata Steel IJmuiden. Domestic sales were driven by revenue from the contract for a coal dressing plant at the KWK Budryk coal mine.

The Mining Services segment generated revenue mostly from the performance of contracts for services by Przedsiębiorstwo Budowy Szybów S.A. for domestic customers, drilling services provided by the ŚTW Dalbis, and from coal sales.

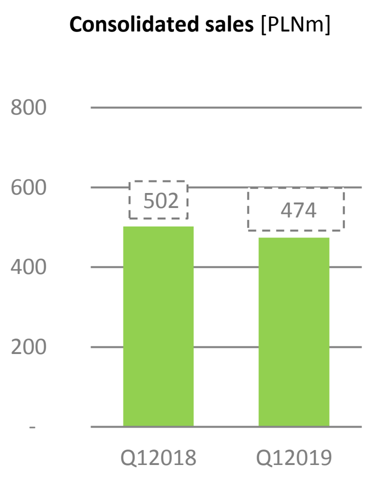
The Electrical Equipment segment executed some orders for the FAMUR Group companies (mostly for the Underground segment), but its revenue was derived mainly from sales to external customers, including JSW and PGG, as well as to other business partners. Some of the segment's sales are generated by companies based in South Africa.

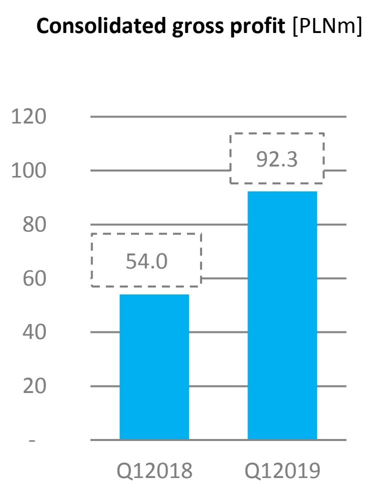
The Parent's revenue after Q1 2019 was PLN 296m, down by 8.3% year on year.

Gross profit margin

In the first three months of 2019, the FAMUR Group posted a consolidated gross profit of PLN 92.3m, earning a gross profit margin of 19.5% vs. 10.5% reported after the first three months of 2018, when the consolidated gross profit came in at PLN 54m.

The results in the period under analysis were an outcome of a favourable market environment, as well as improvement in the Company's efficiency, mainly attributable to successful efforts to optimise expenses and increase the share of revenue from lease and aftermarket services in the Group's revenue mix.





Net other income/expenses

The Group generated an operating profit of PLN 88.4m, compared with PLN 52.4m after Q1 2018, which resulted in a higher operating margin: 18.7% vs. 10.5% after Q1 2018.

Net other expenses of PLN -3.9m reduced the operating profit for the first three months of 2019. The main items of other income (PLN 11.8m) were income from scrapping (PLN 3.2m) and damages (PLN 2.5m). The main items of other expenses (PLN -15.7m) were costs of warranty repairs (PLN -7.8m) and inventory write-downs (PLN 1.8m).

FAMUR S.A. posted an operating profit of PLN 71.6m, compared with PLN 34.7m in the corresponding period of 2018.

Net finance income/costs and net profit

The Group reported net finance costs of PLN -2.6m in Q1 2019. The largest contributors to finance income included interest (PLN 4.4m) and foreign exchange gains (PLN 6m, including realised FX gains of PLN 5.97m). The most significant items of finance costs were interest (PLN -7.5m) and foreign exchange losses (PLN -5.2m, including realised FX losses of PLN -0.8m).

The FAMUR Group's net profit for the first three months of 2019 amounted to PLN 65.7m vs. 38.9 in the first three months of 2018. The Group generated a profit margin of 13.9%, compared with 7.8% in the same period in 2018.

On a standalone basis, FAMUR S.A. earned a net profit of PLN 53.5m for Q1 2019, compared with PLN 23.2m generated in Q1 2018.

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Debt and cash

The FAMUR Group's balance of bank borrowings and other debt instruments, lease liabilities and short-term investments is presented below.

		Mar 31 2019	Dec 31 2018
FAMUR Group			
1.	**Borrowings and other debt instruments**	**433,290**	435,578
	- long-term	390,114	383,938
	- including: Primetech Group (restructuring agreement)*	189,762	189,762
	- including: FAMUR S.A. (restructuring agreement)*	185,000	185,000
	- short-term	43,177	51,640
	- including: Primetech Group (restructuring agreement)*	20,058	20,238
	- including: other	23,119	31,402
2.	**Lease liabilities**	**75,375**	32,787
	- long-term	62,017	20,829
	- short-term	13,358	11,958
3.	**Notes**	109,091	110,432
4.	**Cash**	**445,769**	**297,931**
5.	**Gross debt**	**617,756**	**578,797**
6.	**Net debt**	**171,987**	**280,866**

*) Liabilities under the restructuring agreement comprise Tranches A and B. Tranche C was prepaid in 2017. As at March 31st 2019, only Tranche B remained outstanding at the PRIMETECH Group (formerly KOPEX). It was effectively assigned to PBSz S.A.'s assets. The remaining debt under the restructuring agreement was transferred to FAMUR S.A. upon the demerger of PRIMETECH (formerly KOPEX).
On May 20th 2019, in connection with the conclusion of the agreement to sell PBSz S.A. to JSW, the entire Tranche B of PRIMETECH S.A.'s debt was prepaid.

The Group's long-term and short-term borrowings and other debt instruments plus lease liabilities totalled PLN 508.7m. The Group's gross financial debt, including notes in issue, stood at PLN 617.8m (37% of equity). The consolidated net financial debt was PLN 172m, compared with PLN 280.9m reported at the end of 2018. Due to the high positive financial result and positive cash flows in Q1 2019, the FAMUR Group's net debt fell by PLN 109m, and the total leverage expressed as net debt to EBITDA was low at 0.3x.

As at the end of March 2019, the FAMUR Group had equity of PLN 1,661m, providing a good base for financing the Group's future growth capex.

The parent's standalone debt under bank borrowings and other debt instruments, leases and notes stood at PLN 463.3m at the end of March 2019, while its cash and cash equivalents amounted to nearly PLN 205.3m.

Cash flows

For Q1 2019, the FAMUR Group posted positive net cash flows of PLN 147m, compared with negative net cash flows of PLN -74m in Q1 2018. The Group's consolidated net cash from operating activities in Q1 2019 was PLN 201m, compared with PLN 59m in the corresponding period of 2018. Net cash from investing activities was negative at PLN -48m, compared with positive net cash flows of PLN 12m a year earlier. The increase in expenses in 2019 was caused mainly by higher expenditure on property, plant and equipment (due to machinery upgrades).The Group's net cash from financing activities was negative at PLN -6m, compared with PLN -146m reported in Q1 2018 (due to loan repayments).

8. Factors with potential bearing on results

- High dynamics of economic growth in Poland, especially in the manufacturing industry, and the construction and assembly industry, may contribute to continued wage pressures as well as growth in service costs and prices of raw materials, mainly steel. This may result in fluctuations in margins reported by the FAMUR Group. The margin management policy takes into account those risks, and consequently the Group's companies take steps to maintain satisfactory margins, for instance by adopting appropriate pricing basis for their products, signing long-term contracts with suppliers of raw materials, and building a wide network of cooperating partners.

- For several years, the Group companies have been carefully monitoring the market of coal producers and the market of machinery and equipment for the mining industry. As a result of its analysis, the Company decided to implement a permanent operational costs optimisation programme for its business. The results achieved by the FAMUR Group are the effect of its deliberate and tight policies in the areas of finance and business organisation. The continuous monitoring of factors which might undermine its financial stability helps the FAMUR Group anticipate and respond to the risks, e.g. by recognising provisions or impairment losses.
- The FAMUR Group's revenue is largely dependent on investment expenditures made by mines – in the case of the Underground segment, and by power industry and transport and handling sector operators – in the case of the Surface area. Such capex may involve upgrades and repairs of the mines' existing machinery, as well as purchases of new machines in preparation for access to new longwall panels (the same applies to the power industry and transport and handling sector). Lease of shearer loaders and roadheaders, supply of spare parts and provision of maintenance services are additional revenue sources. Because the Group derives a substantial part of its revenue from the domestic market, capital expenditure of the Polish mining industry is a significant revenue driver.
- The mining market is subject to periodic changes. Following a challenging period for the coal mining industry, particularly in 2014–2016, the situation improved significantly over the last few quarters. Intensive measures to restore profitability taken at the main mining companies, together with coal price hikes on international markets since the second half of 2016, as well as continued high coal prices on the domestic market have prevented further erosion of their performance. Since 2017, there has been a noticeable increase in the pace and number of investment projects carried out by Polish mining companies. The capital expenditure of the Polish mining sector is expected to remain high on the back of modernisation processes at the main mining companies which, according to their announced plans and available information, expect continued significant capital expenditures until 2020.
- A downward trend in coal prices has been observed on global exchanges for several months; should this trend continue for a longer time, it may lead to discontinuation or reduction of new investment in the development of production capacity in the coal mining sector. Famur monitors the situation on and forecasts for external and local markets on an ongoing basis. The Company is taking steps to prepare for the possible new market environment, both in the Underground segment and by further strengthening its other segments, in particular cargo handling.

Source: https://gornictwo.wnp.pl/notowania/ceny_wegla/?zakres=3

- At the same time, forecasting of long-term coal market trends is related to developments in the energy market, which relies on the assumption that within the next several decades the populations and incomes will grow, stimulating higher consumption of energy globally.

- In the long term though, a rise in the mining sector's expenditure will also depend on an improvement in production efficiency and company earnings, as well as the roll-out of a performance improvement programme by Poland's largest coal producer. Today, the real challenge for the mining sector is to raise financing for the announced investment plans, which are in turn necessary to maintain the continuity of coal production.

  The FAMUR Group aims to be a partner for Polish mining companies as a supplier of comprehensive, domestically made technological solutions, offering efficiency and reliability at competitive prices. Given our experience in delivering cutting-edge, tailor-made solutions, we are a supplier ready to meet all technical, technological and quality requirements of our customers.
- The economic situation of the Polish mining industry and the industry operators' decisions as to whether or not pursue investment projects may have a bearing on the results generated by the FAMUR Group. These considerations underlie the Group's decision to increase its presence in foreign markets and expand its portfolio of products and services, especially those dedicated to the strategic energy industry. At the same time, FAMUR has been consistently pursuing its GO GLOBAL international expansion programme. The Company intends to reinforce its foreign expansion and does not rule out further acquisitions or strategic alliances given that the current market is a favourable environment for such transactions.
- Based on regular monitoring of the current situation on and forecasts for the domestic and global raw materials and energy markets, the Company developed the FAMUR Strategy for 2019–2023 and the dividend policy defined in the Strategy. The adopted Strategy defines the assumptions, objectives and growth directions for the Company's Group, including the assumptions of the Go Global programme (described above) and product diversification, based on the Group's existing business potential. By pursuing the Strategy, the FAMUR Group intends to become the preferred global supplier of comprehensive and innovative solutions for the mining and material handling industries. Consistent and effective pursuit of the Strategy's objectives should enable the FAMUR Group to stabilise its operating performance while further expanding its business scale in accordance with the adopted geographical and sector expansion programme (mainly hard rock mining).
- Following the acquisition of a majority interest in PRIMETECH S.A. by FAMUR S.A., in the recent quarters the Company conducted intensive work to integrate the FAMUR and PRIMETECH Groups. As expected by the Management Boards of both companies, the formal integration and establishment of the target structure of the new group was completed in mid 2018, marking the end of long efforts to consolidate Polish manufacturers of mining machinery and equipment under a single strong brand able to successfully compete in international markets. The merger of Poland's two largest manufacturers of mining machinery and equipment has created a real opportunity for building a strong Polish player capable of successfully competing with global market leaders. In the past, similar consolidation processes in the electromechanical industry were carried out in other countries, e.g. Germany and the US. FAMUR's and PRIMETECH's (formerly KOPEX) know-how, experience and market positions offer a platform for promoting Polish technological solutions on international markets and exporting a full suite of proven products and services. The integrated companies have become one of the largest industrial enterprises in Poland. Their combined potential makes them Europe's key producer of deep mining equipment and one of few global manufacturers of complete longwall systems. Once carried out, the consolidation process will on the one hand enable the Group to build an offering which – in terms of prices, quality, technological solutions and efficiency – will support Polish coal mines in their efforts to improve efficiency and profitability of coal production, and on the other hand will provide stability and support for international expansion of the Group and implementation of its growth programmes. One of the key objectives of the integrated Groups is consistent work on improving innovation and autonomy levels in mining solutions based on the concept of Smart Mine and Industry 4.0.
- In past years, the FAMUR Group also pursued consolidation efforts in the Surface segment. In 2016, FAMUR FAMAK purchased the design offices Separator Sp. z o.o. and SKW Biuro Projektowo-Techniczne, thus concentrating in its hands key credentials in the area of handling equipment design. Given the significantly rising production volume of the Surface segment and the need for cooperation with external partners, which negatively affects margins and know-how

protection, in 2017 the FAMUR Group acquired Fugo Zamet Sp. z o.o. with a manufacturing plant in Konin and an organised part of Famago's business, whose key asset is a manufacturing plant in Zgorzelec. Both acquisitions doubled the production capacities of the Surface segment. In this way, the FAMUR FAMAK Group concentrated all key capabilities in the design, manufacturing, assembly and maintenance, meeting the high criteria of its customers in terms of quality and technology, and becoming a national leader in the industry. The Surface segment has been taking consistent steps aimed at increasing its sales exposure to foreign markets, especially in the highly prospective cargo handling and transport sector. The results of these efforts translate into a growing number of new projects implemented in numerous regions, including Western Europe, the Balkans and India.

- Effective diversification of sales revenue, for instance by ensuring a significant contribution to revenue from contracts performed in the Surface segment, as well as consolidation of all activities relating to Electrical Equipment into a single operating segment help diversify the risk posed by the correlation of revenue and the business cycle of energy raw materials. In line with its strategy, the FAMUR Group plans to further diversification by expanding its business activities in the hard rock mining (HRM) segment.

- As it offers its products and services on numerous foreign markets, the FAMUR Group is exposed to geopolitical risks. They can materialise in numerous regions of the world, in various forms. These risks can translate into trade wars and customs protectionism, negative investment sentiments of the private and public sectors, instability in global financial markets, fluctuations in commodity prices or exchange rates. Potential materialisation of geopolitical risks in particular foreign markets may cause the FAMUR Group's economic performance to deteriorate. FAMUR and its subsidiaries will take these risk factors into account when signing new contracts and no contracts with foreign companies in financial distress will be concluded. The Company will seek to take out insurance for its significant export contracts with Korporacja Ubezpieczeń Kredytów Eksportowych (KUKE) or rely on the support of similar institutions.
- Exchange rates may affect the results for individual periods, however, the FAMUR Group minimises currency risk by such means as natural hedging, advance payments for deliveries and application of certain instruments envisaged by the hedging policy, such as currency forwards, with the objective of using this form of hedging to protect the operating margins under the Group's contracts. For valuation of forward contracts, see Section 21 of this report. The Company also uses hedge accounting.

9. Industrial and geographical segments

The FAMUR Group's main products are − in the Underground segment: plant and equipment comprising the longwall systems, roadheaders, belt conveyors and supporting equipment, and in the Surface segment: loading and hoisting equipment, together with comprehensive construction of mine shaft hoists. The Mining Services segment is engaged both in the sale of engineering and construction services and in a stable coal trading business. The Electrical Equipment segment carries out activities addressed to customers in Poland and abroad (including through its companies in South Africa). The table below presents the results generated by the Company's business segments and the segments' contributions to total revenue for the 3 months of 2019.

FAMUR

Continuing operations

	Underground	Surface	Electrical Equipment*	Mining Services*	Total
Jan–Mar 2019					
Revenue	308,898	69,529	23,217	71,922	**473,566**
Cost of sales	196,301	64,669	16,594	62,128	**339,693**
Gross profit	112,596	4,860	6,623	9,794	**133,873**
Gross margin	*36.5%*	*7.0%*	*28.5%*	*13.6%*	*28.3%*
Profit on sales	87,334	-2,425	2,068	5,295	**92,272**
Sales margin	*28.3%*	*-3.5%*	*8.9%*	*7.4%*	*19.5%*
Segment's share in revenue	*65.2%*	*14.7%*	*4.9%*	*15.2%*	*100.0%*

	Underground	Surface	Electrical Equip-ment*	Mining Services*	Total
Jan–Mar 2018					
Revenue	357,793	71,125	11,857	60,753	**501,529**
Cost of sales	277,731	67,262	7,058	52,722	**404,772**
Gross profit	80,062	3,864	4,799	8,031	**96,756**
Gross margin	*22.4%*	*5.4%*	*40.5%*	*13.2%*	*19.3%*
Profit on sales	49,937	-1,122	1,005	4,169	**53,989**
Sales margin	*14.0%*	*-1.6%*	*8.5%*	*6.9%*	*10.8%*
Segment's share in revenue	*71.3%*	*14.2%*	*2.4%*	*12.1*	*100.0%*

Source: the Company; data in PLN '000.

After the first three months of 2019, the FAMUR Group recorded a year-on-year decrease in the Underground segment's revenue by -13%. In view of the schedules of the contracts made in late 2018 and early 2019, the Company expects to improve its revenue in the next quarters of the year. The segment's revenue was primarily driven by foreign and domestic contracts; sale of powered roof support systems; delivery of longwall systems; lease of shearer loaders and roadheaders with maintenance services; and manufacture and sale of scraper and belt conveyors, mainly for customers in Poland, as well as aftermarket operations. At the same time, the segment's profitability was boosted by an improvement in FAMUR S.A.'s operating efficiency, favourable market environment, and a solid mix of ongoing contracts, aftermarket sales and services, including lease.

The revenue of the Surface segment recorded a slight decline (2%) compared with the same period last year. In pursuit of its strategic goals of revenue diversification, the FAMUR Group intends to maintain its strong position in the sector of electromechanical equipment for the strip mining and power sectors and in the sector of cargo transport and handling systems. The persistently rather low margin in the Surface segment was attributable to the execution of the final phase of long-term contracts signed in previous years, whose initial cost base did not take into account the unpredictable growth in costs at the end of 2017 and beginning of 2018, which affected the amount of recognised profit.

The Mining Services segment recorded an 18% increase in revenue year on year on the back of higher sales of coal and mining services at Primetech S.A., as well as higher revenue from work performed as part of PBSz S.A. operations. Aside from sales and services, provided mainly on the French and Spanish markets, the segment generated revenue on the Polish market, mostly from work performed for KGHM, Tauron Upstream, JSW, and PGG. Given the sale of PBSz, the Company expects a revenue decline in this segment in the coming quarters.

A significant growth in the revenue of the Electrical Equipment segment (up by 96% year on year) was driven by a higher number of executed contracts, in particular by the FAMUR Group companies in South Africa. Increase were recorded, among others, in sales of IT systems and automation, as well as explosion protection and methane monitoring equipment.

Geographical structure of revenue

In the first three months of 2019, the FAMUR Group’s export sales accounted for approximately 31% of total revenue. In nominal terms, export sales totalled PLN 147.3m. A slight decline in domestic and export sales results from the production cycle of the contracts.

The table below presents the shares of individual foreign markets in the Group's total revenue.

Revenue	Q1 2019	Q1 2018	Change	Share
Poland	326,234	345,220	-5.5%	68.9%
Russia and CIS	78,036	70,622	10.5%	16.5%
European Union	52,116	60,311	-13.6%	11.0%
Other Europe	45	3,727	-98.8%	0.0%
Other*	17,134	21,649	-20.9%	3.6%
Total	**473,566**	**501,529**	**-5.6%**	**100%**
Poland	326,234	345,221	-5.5%	68.9%
Total exports	147,331	156,308	-5.7%	31.1%

The sales dynamics on individual foreign markets may differ quarter by quarter, depending on the country in which a contract is performed. The high unit value of contracts performed by the FAMUR Group may significantly change the shares of individual geographical markets in total export sales (by dozen or so or even several dozen percentage points), depending on project size and manner of execution.

The total value of FAMUR Group’s long-term commercial agreements (other than leases), as announced by the Company in current reports, was approximately PLN 875m as of Q4 2018, with approximately PLN 360m attributable to export contracts. Between the beginning of 2019 and the date of issue of this Report, the respective figures were approximately PLN 552m and approximately PLN 190m.

Russia and other CIS countries continue to be the key markets for FAMUR proprietary solutions. First deliveries were also made to the Canadian market, and a contract for an automated Mikrus system for the Chinese market is ongoing. The effective consolidation in the Surface business allowed the FAMUR Group to build capabilities to successfully compete on both domestic and foreign markets also in this segment. Consistent steps have been taken to increase sales exposure to foreign markets, especially in the highly prospective cargo handling and transport sector. These efforts, combined with a growing number of credentials, lead to execution of projects in the Netherlands, Austria, Germany, the Balkans and other markets. Through Famak India Pvt Ltd, the Group continues operations in the Indian market, in the area of cargo handling machinery designed for the local market.

The contribution of exports to total revenue is attributable to the strong capabilities of the FAMUR Group and an upturn on global commodity markets. The FAMUR Group’s brand awareness on international markets is increasing gradually. It is associated with the high quality of products ‘made in Europe’, their technological advancement, stable aftermarket service, and competitive prices.

10. Impairment losses and provisions

The FAMUR Group's consistently tight financial policy, including the ongoing monitoring of factors which might undermine its financial stability, helps the FAMUR Group anticipate and respond to risks, e.g. by recognising provisions and impairment losses.

In Q1 2019, no material changes were recorded in balances, provisions, or deferred tax assets of the Group or the Company. The same is true for impairment losses on receivables. The table below presents changes in provisions and impairment losses and write-downs on assets at the Company and at the FAMUR Group.

	Mar 31 2019	Change	Dec 31 2018
FAMUR Group			
Long-term provisions for retirement and similar benefits	32,141	-600	32,741
Short-term provisions for retirement and similar benefits	20,792	2,557	18,235
Other long-term provisions	6,756	-701	7,457
Other short-term provisions	75,033	3,818	71,215
Deferred tax liabilities	23,660	5,917	17,743
Deferred tax assets	93,883	-484	94,367
Impairment losses on receivables	139,247	866	138,381
Inventory write-downs	38,902	-1,112	40,014
Impairment losses on property, plant and equipment and intangible assets	15,109	613	14,496

	Mar 31 2019	Change	Dec 31 2018
Company			
Long-term provisions for retirement and similar benefits	26,594	-776	27,370
Short-term provisions for retirement and similar benefits	14,346	1,876	12,470
Other long-term provisions	5,028	46	4,982
Other short-term provisions	59,944	-3,692	63,636
Deferred tax liabilities	10,851	4,281	6,570
Deferred tax assets	80,839	-2,068	82,907
Impairment losses on receivables	122,741	738	122,003
Inventory write-downs	27,741	-506	28,247
Impairment losses on property, plant and equipment and intangible assets	3,199	-6	3,205

11. Seasonality of operations

Neither FAMUR S.A.'s nor the Group's operations were subject to any seasonal or cyclical changes in the reporting period. It should be noted, however, that given the significant value of individual contracts whose performance may last more than one quarter the Group's quarterly revenues and profits may fluctuate.

12. Securities

Shares

Registration of share capital increase and amendments to the Company's Articles of Association

On May 8th 2018, the Company was notified of the registration, on May 7th 2018, by the District Court for Katowice-Wschód of Katowice, 8th Commercial Division of the National Court Register, of the increase in the Company's share capital made by way of the issue of Series F shares and of the related amendments to the Company's Articles of Association. Following the registration, the Company's share capital is PLN 5,747,632.12 and consists of 574,763,212 Series A, B, C, D, E and F shares with a par value of PLN 0.01 per share, namely:

a) 432,460,830 Series A ordinary bearer shares;

b) 49,039,170 Series B ordinary bearer shares;

c) 4,970,000 Series C ordinary bearer shares;

d) 43,677,000 Series D ordinary bearer shares;

e) 29,293,500 Series E ordinary registered shares, to be converted into bearer shares at the shareholder's request;

f) 15,322,712 Series F ordinary bearer shares

Moreover, following the registration the relevant provisions of the Company's Articles of Association concerning the amount of the share capital were amended.

Registration of FAMUR S.A. Series F shares in the CSDP, setting of the Reference Day and withdrawal of KOPEX S.A. shares

FAMUR

Since the assimilation, the number of shares traded under the ISIN code PLFAMUR00012 has been 545,469,712. The total number of FAMUR S.A. shares is 574,763,212, comprising the aforementioned Series A, B, C, D and F bearer shares and also 29,293,500 Series E ordinary registered shares, which may be converted into bearer shares at a shareholder's request.

For the shareholder structure, see the "List of shareholders entitled to attend General Meeting" below in this report.

Notes

In December 2015, the Company entered into a notes issue agreement. Under the Notes Programme, the Company may issue Notes up to the aggregate nominal value of PLN 500m. The term of the Notes Programme, that is the period during which the Company's Management Board may pass a resolution to issue individual series of Notes under the Programme, will expire not later than on December 31st 2018, subject to the cap on the aggregate nominal value of the Notes under the Programme.

During the term of the Programme, FAMUR S.A. issued secured Series A bearer Notes in book-entry form, with an aggregate nominal value of PLN 108m and an issue price of PLN 1 thousand per Note. The Series A Notes were issued under Polish law. In each interest period, the Series A Notes bear interest at a floating rate based on 6M WIBOR plus a margin, with interest paid every six months. The security for Noteholders are two blank promissory notes and a declaration of voluntary submission to enforcement under Art. 777.1.5 of the Polish Code of Civil Procedure. The maximum enforcement amount was set at 125% of the total nominal value of the Notes in issue.

The Series A Notes were converted into securities in book-entry form and registered at the Central Securities Depository of Poland on January 12th 2016, and were assigned ISIN code PLFAMUR00038. The issue date is thus January 12th 2016, and the redemption date is January 13th 2020.

On March 18th 2016, the Management Boards of the WSE and BondSpot passed resolutions to introduce the Series A Notes issued by FAMUR S.A. to trading in the WSE ATS and BondSpot ATS. March 31st 2016 was set as the first day of trading in the Series A Notes issued by FAMUR S.A.

On December 21st 2018, in Current Report 72/2018, the Company announced that by way of a resolution of the Management Board and with the consent of the Company's Supervisory Board given under Art. 15.2.18 of the Company's Articles of Association, on December 21st 2018 the Company decided to extend until December 31st 2019 the term of the Notes Programme, that is the period during which the Company's Management Board may pass resolutions to issue individual series of notes under the Notes Programme launched based on the Management Board's Resolution No. 94/2015 of December 18th 2015, subject to the terms and conditions of the Programme. The other terms and conditions of the Programme remained unchanged. The Company announced the Programme in Current Report No. 53/2015 of December 18th 2015, Current Report No. 54/2015 of December 22nd 2015, Current Report No. 2/2016 of January 12th 2017, and Current Report No. 86/2017 of December 22nd 2017. The extension of the Notes Programme's term will give the Company's Management Board flexibility in deciding on issuance of further tranches of the notes depending on financing requirement related to intensification of activity on the market and growth of the organisation, as well as in response to developments in the economic environment, while ensuring the same basis for issues of new notes, if any, during the term when other notes remain outstanding under the Programme.

On May 9th 2019, in Current Report No. 21/2019 – with reference to the current reports specified above, in which the Company announced that it had established and launched, and then extended until December 31st 2019, a notes programme under which the Company may issue notes up to a total principal amount (nominal value) of PLN 500,000,000.00 (the "Notes Programme") – the Company's Management Board announced that the Company signed a notes programme agreement (the "Programme Agreement") with Santander Bank Polska S.A., acting as the Issue Arranger, Dealer and Technical Agent, and with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, acting as the Issue Arranger, Dealer, Calculation Agent and Documentation Agent, under which the Issuer may carry out multiple bond issues as part of the Notes Programme.

Under the Programme Agreement, the Company may, among other things, carry out multiple bond issues as part of the Notes Programme based on the following rules:

1. the total value of notes issued under the Notes Programme (including the Series A notes with a total nominal value of PLN 108,000,000.00 issued by the Company on January 12th 2016 pursuant to the

Management Board's resolution of December 21st 2015, as communicated by the Company in Current Report No. 2/2016 of January 12th 2016) may not exceed the total nominal value of the Notes Programme;

2. the maturity period of each series of notes may not exceed seven years. The maturity and redemption terms will be defined in the terms and conditions of a given series of notes, which may provide for early redemption at the Issuer's option or at a bondholder's option as specifically provided for in relevant the terms and conditions;

3. if any notes are issued on or before June 30th 2019, they will be issued under an offering procedure stipulated in Art. 33.2 of the Polish Act on Notes of January 15th 2015 (consolidated text: Dz. U. of 2018, item 483, as amended);

4. if any notes are issued after June 30th 2019, they will be issued under a procedure agreed upon between the parties to the Programme Agreement, taking into account any changes to the legal regime applicable to bond issues;

5. the notes will be issued in book-entry form and will be registered with the Central Securities Depository of Poland;

6. the notes may be admitted to trading in the multilateral trading facility operated by BondSpot S.A. or the Warsaw Stock Exchange;

7. the Issuer's obligations under the notes will only be of a pecuniary nature and will consist in payment of the principal amount along with interest;

8. the notes will bear interest at floating rates.

The Company intends to issue notes under the Notes Programme, in conformity with the above rules, in the second quarter of 2019, subject to appropriate conditions prevailing on the debt securities market. The Company's final decision on an issue of notes and its detailed terms and conditions will be made at the time when a relevant resolution is voted on by the Company's Management Board. If an issue of notes is successfully carried out, the Issuer will publish a relevant notice in a separate report (Current Report No. 21/2019).

13. Dividend

No dividends were paid to shareholders by the parent FAMUR S.A. during Q1 2019.

On May 20th 2019, the Company's Management Board announced the adoption of a resolution recommending to the Company's General Meeting payment of dividend totalling PLN 206,914,756.32 from the profit generated in 2018 and from retained earnings, i.e. PLN 0.36 per share. The amount corresponds more or less to 100% of the consolidated net profit attributable to owners of the parent. The proposed dividend record date is July 10th 2019, and the dividend payment date is July 22nd 2019. As announced by the Company, the Management Board's recommendation regarding payment of dividend was submitted for assessment by the Company's Supervisory Board (Current Report No. 27/2019). The Supervisory Board gave a positive opinion on the Management Board's proposal concerning the allocation of the Company's profit for 2018. The opinion was included in the Report of the FAMUR S.A. Supervisory Board for 2018, attached to Current Report No. 29/2018 of May 20th 2019 and available on the Company's website at: https://famur.com/walne-zgromadzenie/

14. Events relating to previous years

No material events relating to previous years occurred in the reporting period.

15. Profit forecast

The Board decided not to release forecasts for 2019.

16. List of shareholders entitled to attend General Meeting

As at March 31st 2019 and the date of this report, the Company's share capital amounted to PLN 5,747,632.12 and was divided into 574,632,212 Series A, B, C, D, E and F shares with a par value of PLN 0.01 per share. All outstanding shares are ordinary shares without any preference in terms of profit distribution or voting rights at the General Meeting. There are no other securities conferring any special control rights. Also, the Management Board is not aware of any agreements that could lead to future changes in the shareholder structure.

Shareholding structure as at January 1st 2019

The table below shows the shareholding structure as at January 1st 2019, based on data from the Company's most recent General Meeting and notifications received prior to the reporting date. The lists show shareholders with major holdings of FAMUR S.A. shares as at the relevant reporting date. The materiality level is 5% of the share capital.

Shareholder	Number of shares	Number of voting rights at GM	% of total voting rights at GM	% of share capital
TDJ Equity I Sp. z o.o.	327,009,251	327,009,251	56.89%	56.89%
Nationale-Nederlanden OFE	39,849,000	39,849,000	6.93%	6.93%
OFE AVIVA Santander**	52,400,000	52,400,000	9.12%	9.12%
Treasury shares**	4,616	4,616	0.0008%	0.0008%
Other shareholders (excluding treasury shares)	155,500,345	155,500,345	27.05%	27.05%
Total	**574,763,212**	**574,763,212**	**100.00%**	**100.00%**

Source: the Company; To the best of the Company's knowledge based on data from the most recent General Meeting and in accordance with notifications received
***OFE AVIVA Santander (formerly AVIVA OTWARTY FUNDUSZ EMERYTALNY AVIVA BZ WBK of Warsaw; change of name as of November 15th 2018); data as at October 10th 2018 (EGM).*

**** Held indirectly through subsidiaries; no voting rights are exercised on the treasury shares.*

On January 8th and January 9th 2018, the Company received notifications from its shareholder TDJ Equity I Sp. z o.o., stating that in connection with the TDJ Strategy for 2018–2022 an accelerated book building process ("ABB") was carried out for the purpose of sale by the shareholder of up to 57,476,321 ordinary bearer shares in the Company, in book-entry form, representing up to 10.0% of the Company's share capital and up to 10.0% of total voting rights in the Company ("Sale Shares"). The ABB process was completed on January 9th 2019 and the number of the Sale Shares was set at 57,476,321, or 10.0% of the Company's share capital and 10.0% of total voting rights in the Company (Current Report No. 1/2019 of January 8th 2019, Current Report No. 2/2019 of January 9th 2019). Following the execution by TDJ Equity I Sp. z o.o. of block transactions to sell a total of 57,476,321 Company shares, TDJ Equity I Sp. z o.o.'s share in the Company's share capital and total voting rights in the Company decreased.

On March 11th 2019, TDJ Equity I Sp. z o.o. notified the Company of the acquisition of all shares in FAMUR S.A. which were disposed of simultaneously by the following persons: Beata Zawiszowska (Vice President of the FAMUR S.A.'s Management Board, Chief Financial Officer), Dawid Gruszczyk (Vice President of the FAMUR S.A.'s Management Board, Underground Domestic Sales), Tomasz Jakubowski (Vice President of the FAMUR S.A.'s Management Board, Underground Operations), and Ewa Łaska (as a person closely related to Waldemar Łaski, a person discharging managerial responsibilities at FAMUR S.A. as Vice President of the FAMUR S.A.'s Management Board, Surface), ("Notifying Parties"). Following the transactions, TDJ Equity I Sp. z o.o. increased its interest in the Company's share capital by 2,319,358 (two million, three hundred and nineteen thousand, three hundred and fifty-eight) shares. The full text of the notifications was announced by the Company in Current Report No. 15/2019 of March 11th 2019 and further corrections.

The table below shows the shareholding structure as at March 31st 2019, based on data from the Company's most recent General Meeting and notifications received prior to the reporting date. The lists show shareholders with major holdings of FAMUR S.A. shares as at the relevant reporting date. The materiality level is 5% of the share capital.

FAMUR

Shareholding structure as at March 31st 2019

Shareholder	Number of shares	Number of voting rights at GM	% of total voting rights at GM	% of share capital
TDJ Equity I Sp. z o.o.*	271,852,288	271,852,288	47.30%	47.30%
Nationale-Nederlanden OFE**	39,849,000	39,849,000	6.93%	6.93%
OFE AVIVA Santander*	52,400,000	52,400,000	9.12%	9.12%
Treasury shares***	4,616	4,616	0.0008%	0.0008%
Other shareholders (excluding treasury shares)	210,657,308	210,657,308	36.65%	36.65%
Total	**574,763,212**	**574,763,212**	**100.00%**	**100.00%**

Source: Company; To the best of the Company's knowledge based on data from the most recent General Meeting and in accordance with notifications received
** In accordance with notifications of January 11th 2019 (Current Report No. 3/2019).*

***OFE AVIVA Santander (formerly AVIVA OTWARTY FUNDUSZ EMERYTALNY AVIVA BZ WBK of Warsaw; change of name as of November 15th 2018); data as at October 10th 2018 (EGM).*

**** Held indirectly through subsidiaries; no voting rights are exercised on the treasury shares.*

On April 8th 2019, the Company published notifications of exceeding 10% of total voting rights at the Company's General Meeting by funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. ("NN"), i.e. Nationale-Nederlanden Otwarty Fundusz Emerytalny ("OFE") and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny ("DFE"), settled on April 1st and April 5th 2019. Following the change, the investment funds managed by NN hold a total of 57,974,127 Company shares, representing 10.09% of the Company's share capital and carrying the right to 57,974,127 votes, or 10.09% of total voting rights at the Company's General Meeting (Current Reports No. 17/2019 and No. 18/2019).
Shareholding structure as at the date of this report

The table below shows the shareholding structure after the reporting date, based on data from the Company's most recent General Meeting and notifications received. The materiality level is 5% of the share capital.

Shareholding structure as at the issue date of this Report

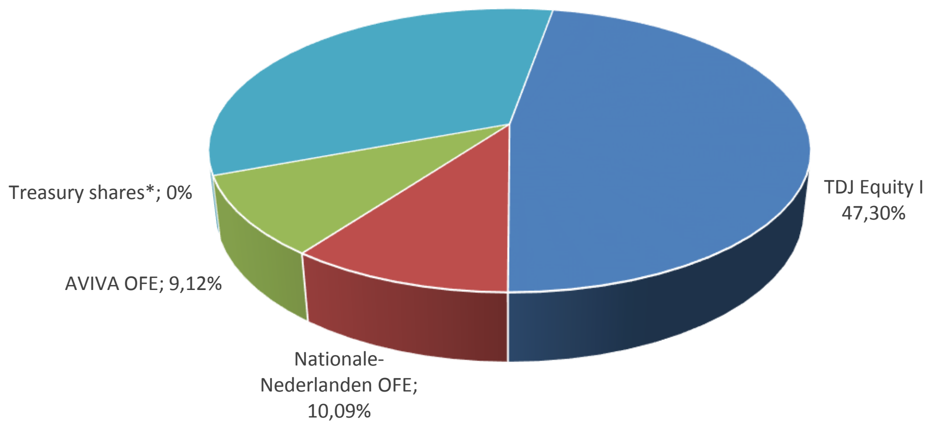
Shareholder	Number of shares	Number of voting rights at GM	% of total voting rights at GM	% of share capital
TDJ Equity I Sp. z o.o.	271,852,288	271,852,288	47.30%	47.30%
Nationale-Nederlanden OFE*	57,974,127	57,974,127	10.09%	10.09%
OFE AVIVA Santander**	52,400,000	52,400,000	9.12%	9.12%
Treasury shares**	4,616	4,616	0.00%	0.0008%
Other shareholders (excluding treasury shares)	192,532,181	192,532,181	33.50%	33.50%
Total	**574,763,212**	**574,763,212**	**100.00%**	**100.00%**

Source: the Company; To the best of the Company's knowledge based on data from the most recent General Meeting and in accordance with notifications received
*** Data as at April 8th 2019 (aggregate value for accounts of OFE and DFE funds managed by NN PTE).*
***OFE AVIVA Santander (formerly AVIVA OTWARTY FUNDUSZ EMERYTALNY AVIVA BZ WBK of Warsaw; change of name as of November 15th 2018); data as at October 10th 2018 (EGM).*

**** Held indirectly through subsidiaries; no voting rights are exercised on the treasury shares.*

The list of shareholders representing at least 5% of votes has not changed since the last interim report presenting the shareholding structure.

FAMUR S.A. shareholding structure as at the issue date of this Report



17. Shares held by management and supervisory personnel

In the reporting period, i.e. from January 1st 2019 to March 11th 2019, shares in FAMUR S.A. held by Members of the Management Board carried a total of 1.68% of votes at the Company's General Meeting. In the reporting period, Members of the Supervisory Board did not hold any shares in the Company.

In accordance with the notifications received by the Company, on March 11th 2019 Beata Zawiszowska (Vice President of FAMUR S.A.'s Management Board, Chief Financial Officer), Dawid Gruszczyk (Vice President of FAMUR S.A.'s Management Board, Underground Domestic Sales), Tomasz Jakubowski (Vice President of FAMUR S.A.'s Management Board, Underground Operations), and Ewa Łaska (as a person closely related to Waldemar Łaski, a person discharging managerial responsibilities at FAMUR S.A. as Vice President of FAMUR S.A.'s Management Board, Surface) disposed of their shareholdings in the Company. The full text of the notifications was announced by the Company in Current Report No. 15/2019 of March 11th 2019 and further corrections.

The table below shows holdings of Company shares held by the individual Management Board Members prior to their disposal to TDJ Equity I sp. z o.o. in transactions reported to the Company on March 11th 2019 by means of the notifications referred to in Article 19(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 ("MAR"). The relevant information and the content of the notifications were published by the Company in Current Reports No. 15/2019 of March 11th, 13th, 15th and 18th 2019.

Company shares held by Management Board Members until March 11th 2019

Management Board Member	No. of shares	% share
Dawid Gruszczyk	875,000	0.1522%
Tomasz Jakubowski	804,175	0.1399%
Beata Zawiszowska	321,000	0.0558%
Zdzisław Szypuła	1,497	0.0003%

As at March 31st 2019 and as at the issue date of this Report, Members of the Company's Management Board and Supervisory Board do not hold any shares in the Company.

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18. Material proceedings pending before courts, arbitration or public administration bodies

In Q1 2019 and as at the issue date of this Report, there were no court, arbitration or administrative proceedings pending that would be material from the perspective of the Company or its Group.

19. Related-party transactions

The related-party transactions made in Q1 2019 were executed on an arm's length basis and, in the opinion of the Management Board, were typical and routine transactions.

20. Sureties and guarantees issued and changes in contingent liabilities

FAMUR Group's contingent liabilities

		Mar 31 2019	Dec 31 2018
Consolidated data			
1.	Contingent receivables	-	-
2.	Contingent liabilities	**321,449**	**311,280**
	- guarantees issued, including:	219,344	226,149
	- *bid bonds*	22,399	18,211
	- *performance bonds*	140,603	141,559
	- *other*	56,342	66,379
	- surety bonds and promissory notes issued to financial institutions	5,371	5,990
	- purchase of debt	96,733	78,025
	- other	-	1,116

21. Other information

Workforce

As at the reporting date of March 31st 2019, the FAMUR Group had 5,229 employees.

Changes in Management Board composition

The following change in the composition of the Company's Management Board took place in Q1 2019.

The functions of individual Management Board Members were changed. As of January 1st 2019, as announced by the Company in Current Report No. 52/2018 of September 26th 2018, Adam Toborek's function changed from Vice President to Vice President, Export Sales Underground, and Dawid Gruszczyk's function changed from Vice President to Vice President, Domestic Sales Underground.

On February 26th 2019, Bartosz Bielak resigned as the Company's Vice President of the Management Board, Chief Strategy and Development Officer, with effect from February 28th 2019, citing personal reasons for his resignation. Mr Bielak was appointed to the Management Board in September 2017 and his responsibilities included preparation of the Company's growth strategy for 2019–2023 (announced in September 2018) and divestment processes. Bartosz Bielak will work for the FAMUR Group as an adviser, providing advice on such issues as the Company's growth through acquisitions, including in the Hard Rock Mining segment. The Company announced his resignation in Current Report No. 12/2019.

Composition of FAMUR S.A.'s Management Board as at January 1st 2019:

1. Mirosław Bendzera – President of the Management Board
2. Beata Zawiszowska – Vice President, Chief Financial Officer
3. Adam Toborek – Vice President of the Management Board
4. Dawid Gruszczyk – Vice President of the Management Board
5. Bartosz Bielak – Vice President of the Management Board, Chief Strategy and Development Officer
6. Tomasz Jakubowski – Vice President of the Management Board, Chief Operating Officer, Underground segment
7. Waldemar Łaski – Vice President of the Management Board, Surface segment

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Composition of FAMUR S.A.'s Management Board as at March 31st 2019 and the date of this Report:

1. Mirosław Bendzera – President of the Management Board
2. Beata Zawiszowska – Vice President, Chief Financial Officer
3. Adam Toborek – Vice President of the Management Board
4. Dawid Gruszczyk – Vice President of the Management Board
5. Tomasz Jakubowski – Vice President of the Management Board, Chief Operating Officer, Underground Segment
6. Waldemar Łaski – Vice President of the Management Board, Surface segment

Changes in the composition of the Supervisory Board

There were no changes in the composition of the Company's Supervisory Board in Q1 2019.

Composition of FAMUR S.A.'s Supervisory Board as at March 31st 2019 and the date this Report:

1. Tomasz Domogała – Chairman of the Supervisory Board
2. Czesław Kisiel – Deputy Chairman of the Supervisory Board
3. Jacek Leonkiewicz – Member of the Supervisory Board
4. Magdalena Zajączkowska-Ejsymont – Member of the Supervisory Board
5. Tomasz Kruk* - Member of the Supervisory Board
6. Dorota Wyjadłowska* - Member of the Supervisory Board
7. Michał Nowak – Member of the Supervisory Board

**Supervisory Board member meeting statutory independence criteria.*

Valuation of forwards at FAMUR Group as at March 31st 2019

The Group takes steps to minimise foreign exchange risk by using natural hedging and by pursuing a defined hedging policy, entering into FX forwards to hedge its currency risk exposures, requiring advance payments in the case of some of its transactions, and applying hedge accounting, which was implemented at the parent as of the beginning of 2017. The following table presents the FAMUR Group's derivative instruments measured as at the reporting date, i.e. March 31st 2019.

Derivatives (groups of instruments)	**Planned settlement date** hedged cash flow or group of cash flows	**Value of future cash flows** at forward rate	**Market value of hedging transactions** (corresponding to their fair value) as at Mar 31 2019	**Hedged** risk
Forward – sale of EUR	Q2 2019	35,955	35,778	Currency risk
Forward – sale of EUR	Q3 2019	37,176	36,701	Currency risk
Forward – sale of EUR	Q4 2019	110,463	110,299	Currency risk
Forward – sale of EUR	Q1 2020	103,932	103,911	Currency risk
Forward – sale of EUR	Q4 2020	1,660	1,649	Currency risk
Forward – purchase of EUR	Q2 2019	1,163	1,134	Currency risk
Forward – purchase of EUR	Q2 2019	1,079	1,038	Currency risk
Forward - sale of USD	Q2 2019	574	585	Currency risk
Forward - sale of USD	Q3 2019	3,553	3,597	Currency risk
Forward - sale of USD	Q4 2019	1,077	1,090	Currency risk
IRS	Q1 2020	108,000	108,195	Interest rate risk

Interim condensed separate financial statements of FAMUR S.A. for Q1 2019

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF FAMUR S.A.

Accounting policies applied in the preparation of the report for Q1 2019

This report has been prepared in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), which have been applied by the Company since January 1st 2005. In particular, this report has been prepared in accordance with the requirements of IAS 34 *Interim Financial Reporting* and – to the extent not provided for in the IFRS – with the requirements of the Accounting Act. Unless stated otherwise, all amounts in PLN '000.

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Interim condensed statement of financial position of FAMUR S.A.

	Mar 31 2019	Dec 31 2018	Mar 31 2018
ASSETS			
Non-current assets	**1,135,127**	**1,088,349**	**885,972**
Intangible assets	198,145	200,478	166,887
Property, plant and equipment	410,100	365,080	270,626
Long-term receivables	17,607	30,794	19,515
Long-term investments	437,979	414,229	405,835
Other non-current assets (prepayments and accrued income)	1,307	1,431	1,888
Deferred tax assets	69,989	76,337	21,222
Current assets	**1,094,035**	**1,075,776**	**1,116,260**
Inventories	258,419	259,851	198,054
Trade receivables	563,817	609,447	555,980
Other short-term receivables	18,319	26,883	27,205
Current assets held for trading	5	5	0
Current financial assets	34,117	38,988	44,549
Cash and cash equivalents	205,350	127,642	286,074
Other current assets (prepayments and accrued income)	5,564	3,924	4,398
Non-current assets classified as held for sale	8,445	9,036	-
Total assets	**2,229,162**	**2,164,125**	**2,002,232**
EQUITY AND LIABILITIES			
Equity	**1,365,503**	**1,311,613**	**1,154,779**
Share capital	5,748	5,748	5,594
Statutory reserve funds	930,773	930,773	653,254
Revaluation reserve	2,641	2,299	1,187
Other capital reserves	162,213	162,213	373,984
Retained earnings	264,128	210,580	120,760
Liabilities and provisions for liabilities	**863,660**	**852,512**	**847,453**
Provisions for liabilities	105,913	108,458	85,615
Long-term bank borrowings and other debt instruments	195,279	194,175	-
Non-current lease liabilities	48,218	180	505
Other non-current liabilities	823	108,910	109,982
Trade payables	153,033	140,799	276,228
Tax payable	57,659	60,527	23,464
Short-term bank borrowings and other debt instruments	101,768	151,809	152,570
Current finance lease liabilities	8,932	444	450
Other current liabilities	163,166	59,588	181,996
Other liabilities (accruals and deferred income)	28,869	27,622	16,644
Total equity and liabilities	**2,229,162**	**2,164,125**	**2,002,232**

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Interim condensed statement of profit or loss of FAMUR S.A.

	3 months ended	
CONTINUING OPERATIONS	Mar 31 2019	Mar 31 2018
Net revenue	**296,052**	**322,974**
Costs of products, goods and materials sold	194,775	262,504
Gross profit	**101,277**	**60,470**
Other income	7,804	6,212
Distribution costs	1,169	4,188
Administrative expenses	20,437	16,936
Other expenses	15,882	10,894
Operating profit	**71,594**	**34,664**
Finance income	3,732	7,295
Finance costs	6,668	12,521
Profit before tax	**68,658**	**29,439**
Income tax	15,109	6,220
Net profit from continuing operations	53,548	23,219
Discontinued operations	-	-
Net profit	**53,548**	**23,219**
number of shares	574,763,212	559,440,500
Earnings per share (PLN)	0.09	0.04

Interim condensed statement of comprehensive income of FAMUR S.A.

	3 months ended	
	Mar 31 2019	Mar 31 2018
Net profit/(loss)	**53,548**	**23,219**
Valuation of assets	-	-8
Cash flow hedges	422	-1,266
Actuarial gains/(losses)	-	-1,879
Income tax on components of other comprehensive income	-80	598
Total other comprehensive income	**342**	**-2,547**
Total comprehensive income	**53,890**	20,672

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Interim condensed statement of cash flows of FAMUR S.A.

	Mar 31 2019	*3 months ended* Mar 31 2018
OPERATING ACTIVITIES		
Profit/(loss) before tax	**68,658**	**29,439**
Total adjustments	**103,002**	**31,467**
Depreciation and amortisation	37,447	26,222
Foreign exchange (gains)/losses	128	0
Interest and share of profit (dividend)	2,869	2,878
Gain/(loss) on investing activities	-801	-8
Change in provisions	-1,756	5,015
Change in inventories	1,432	-29,561
Change in receivables	71,668	-23,314
Change in current liabilities, net of bank borrowings and other debt instruments	-6,280	52,080
Income taxes paid	-1,440	-780
Change in accruals and prepaid expenses	-265	-1,064
Other adjustments	0	-
Net cash from operating activities	**171,660**	**60,905**
INVESTING ACTIVITIES		
Cash provided by investing activities	**12,280**	**3,591**
Disposal of intangible assets and property, plant and equipment	1,404	1,889
Cash provided by financial assets	10,876	1,703
Other cash provided by investing activities	-	-
Cash used in investing activities	**52,596**	**20,998**
Purchase of intangible assets and property, plant and equipment	46,837	20,035
Purchase of investment property and intangible assets	-	-
Cash used on financial assets	5,758	963
	-	
Net cash from investing activities	**-40,316**	**-17,407**
FINANCING ACTIVITIES		
Cash provided by investing activities	**-**	**14,353**
Net proceeds from issue of shares and other equity instruments and from contributions to equity	-	
Borrowings	-	14,353
- including from related entities	-	14,353
Proceeds from issue of debt securities	-	-
Other cash provided by financing activities	-	-
Cash used in investing activities	**53,636**	**154,523**
Dividends and other distributions paid to owners	-	-
Repayment of borrowings and other debt instruments	50,000	150,000
- including to related entities	-	-
Other financial liabilities	-	-
Payment of finance lease liabilities	115	136
Interest	3,520	4,387
Other cash used in financing activities	-	-
Net cash from financing activities	**-53,636**	**-140,170**
Total net cash flows	**77,708**	**-96,671**
Cash at beginning of period	127,642	382,745
Cash at end of period	205,350	286,074

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Interim condensed statement of changes in equity of FAMUR S.A.

Jan–Mar 2019	Share capital	Capital reserves	Statutory reserve funds	Revaluation reserve	Retained earnings	Total equity
Balance as at Jan 1 2019	**5,748**	**162,213**	**930,773**	**2,299**	**210,580**	**1,311,613**
Exchange differences	-	-	-	-	-	-
Financial assets available for sale	-	-	-	-	-	-
Cash flow hedges	-	-	-	422	-	422
Actuarial gains/(losses)	-	-	-	-	-	-
Income tax on components of other comprehensive income	-	-	-	-80	-	-80
Net profit/(loss)	-	-	-	-	53,548	53,548
Total comprehensive income	**-**	**-**	**-**	**342**	**53,548**	**53,548**
Balance as at Mar 31 2019	**5,748**	**162,213**	**930,773**	**2,641**	**264,128**	**1,365,502**

Jan–Dec 2018	Share capital	Capital reserves	Statutory reserve funds	Revaluation reserve	Retained earnings	Total equity
Balance as at Jan 1 2018	**5,594**	**373,984**	**653,254**	**2,221**	**99,063**	**1 134 116**
Net profit	-	-	-	-	153,435	153,435
Other comprehensive income	-	-	-	78	-793	-715
Issue of shares	154	-	-	-	-	154
Merger with Primetech S.A.	-	-	277,519	-	-	277,519
Dividend	-	-211,771	-	-	-41,125	- 252,896
Balance as at Dec 31 2018	**5,748**	**162,213**	**930,773**	**2,299**	**210,580**	**1,311,613**

Jan–Mar 2018	**Share capital**	**Capital reserves**	**Statutory reserve funds**	**Revaluation reserve**	**Retained earnings**	**Total equity**
Balance as at Jan 1 2018	**5,594**	**373,984**	**653,254**	**2,221**	**99,063**	**1,134,116**
Exchange differences	-	-	-	-	-	-
other	-	-	-	-8	-	- 8
Cash flow hedges	-	-	-	- 1,266	-	- 1,266
Actuarial gains/(losses)	-	-	-	-	- 1,879	- 1,879
Income tax on components of other comprehensive income	-	-	-	241	357	598
Net profit/(loss)	-	-	-	-	23,219	23,219
Total comprehensive income	**-**	**-**	**-**	**- 1,033**	**21,696**	**20,663**
Balance as at Mar 31 2018	**5,594**	**373,984**	**653,254**	**1,187**	**120,760**	**1,154,779**