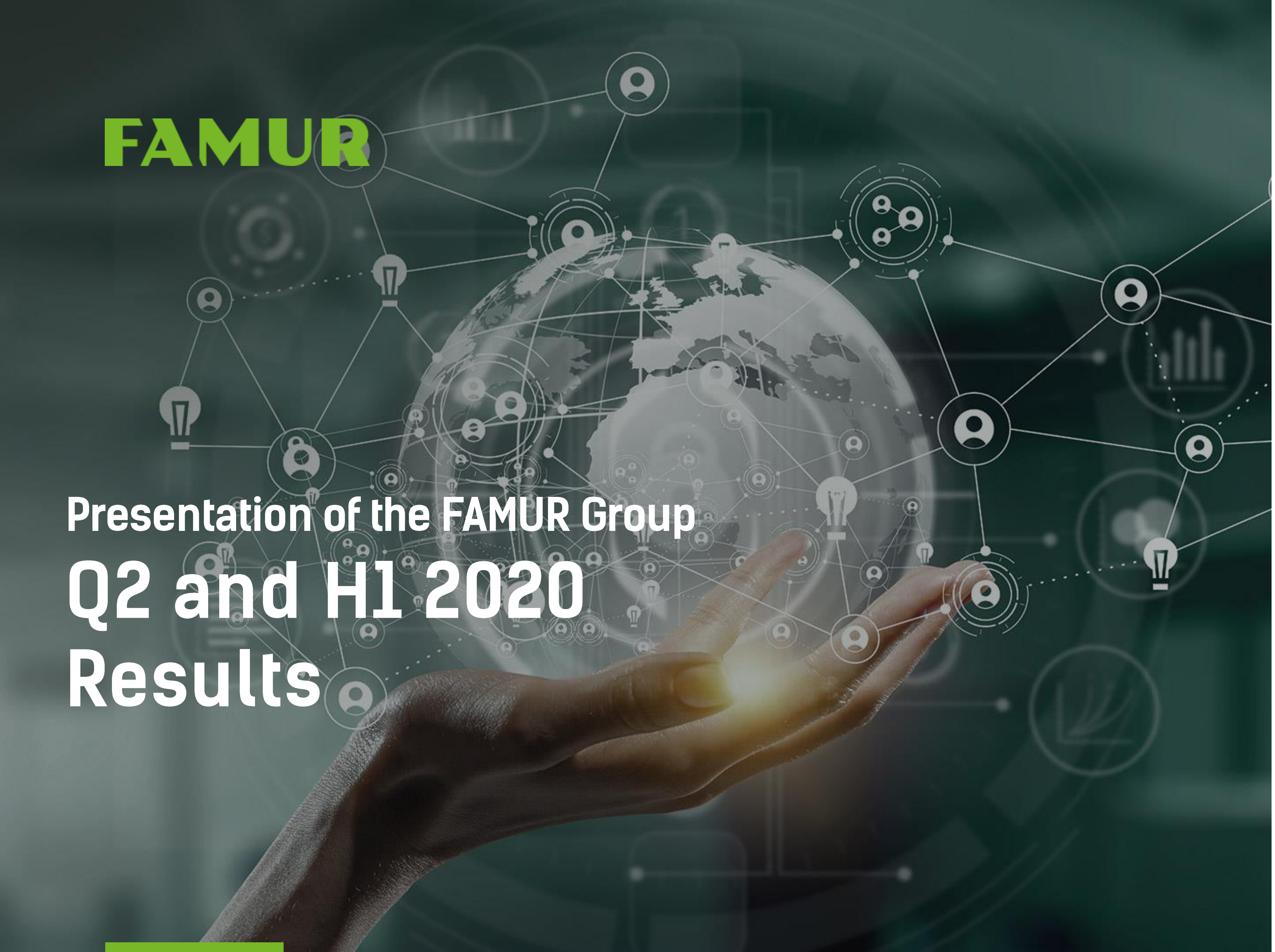

Presentation of the FAMUR Group

Q2 and H1 2020 Results

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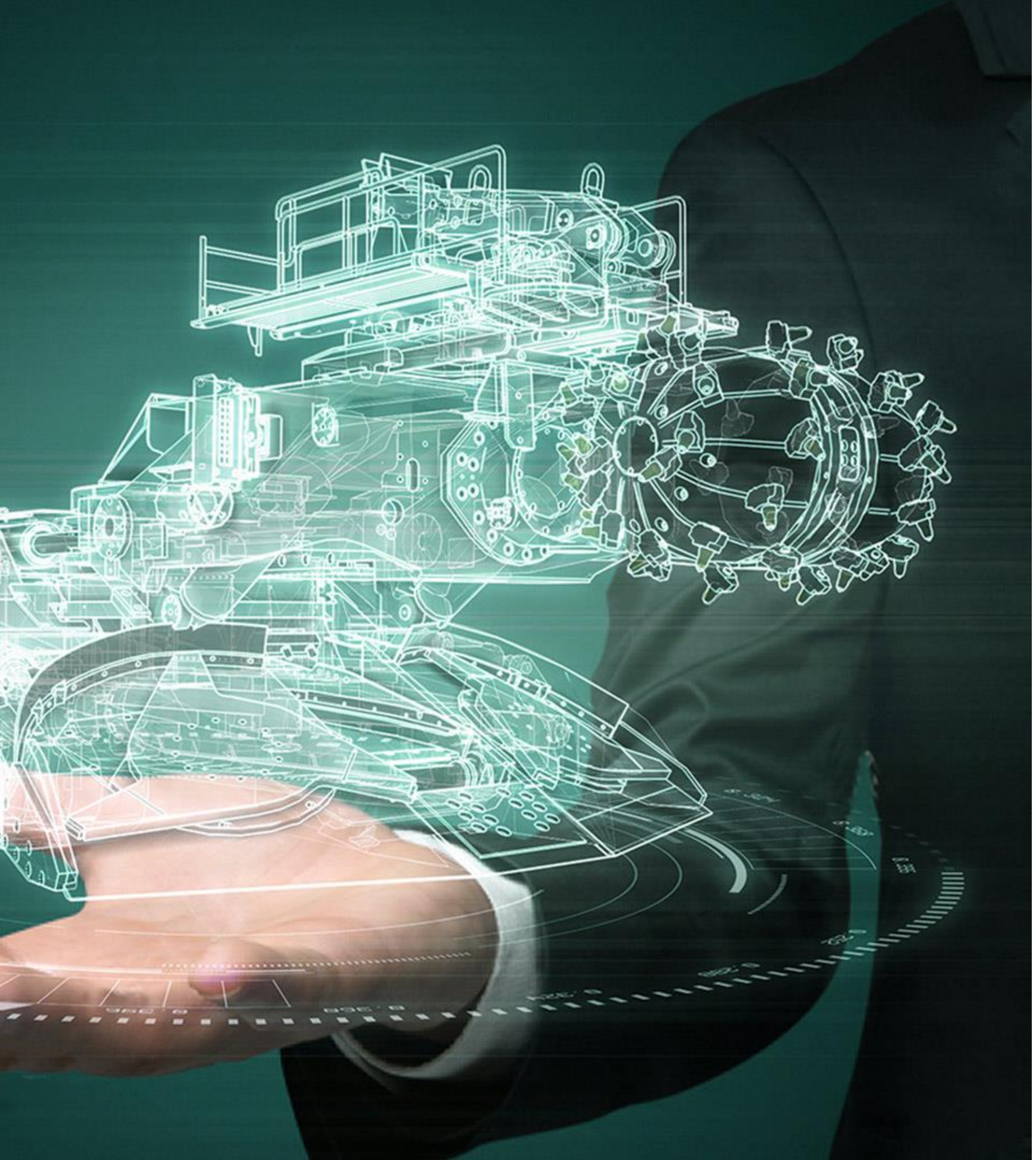
Agenda

1. Highlights
2. Financial results
3. Outlook for next quarters
4. Q&A



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1

Highlights

Mirosław Bendzera
President of the Famur Management Board

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FAMUR Group's H1 and Q2 2020 results

H1 2020

PLN 567m

revenue
down 43% year on year

PLN 221m

EBITDA
down 72m year on year
EBITDA margin: 39%

PLN 83m

net profit
down 60m year on year*

* Net of PLN 141m gain on sale of PBSz in Q2 2019

Q2 2020

PLN 223m

revenue
down 57% year on year
(down 47% on a comparable basis*)

PLN 112m

EBITDA
down 46m year on year

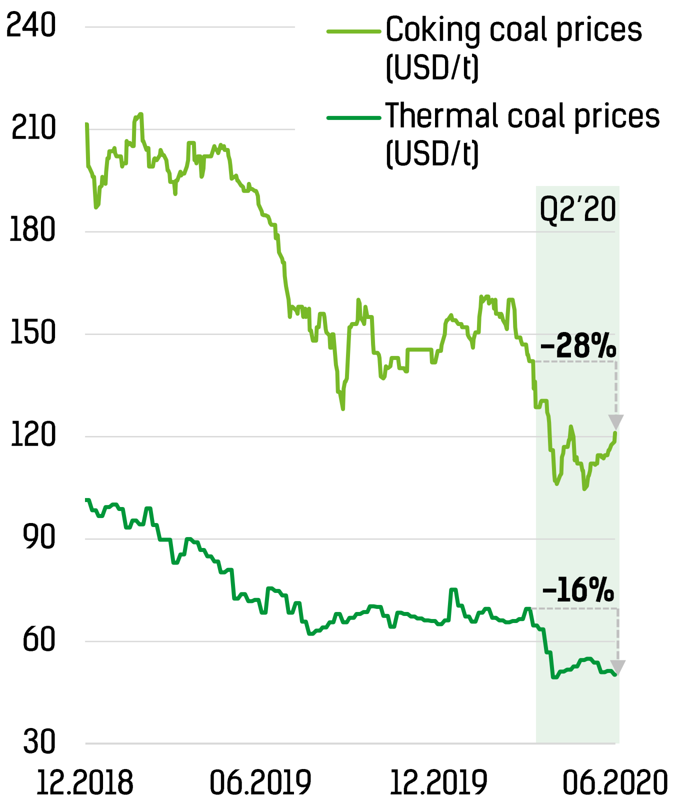
PLN 31m

net profit
down 46m year on year**

* Excluding consolidation changes
** Net of PLN 141m gain on sale of PBSz in Q2 2019

Domestic coal output down ~26% in Q2 2020 due to COVID-19 pandemic and further decline in global coal prices

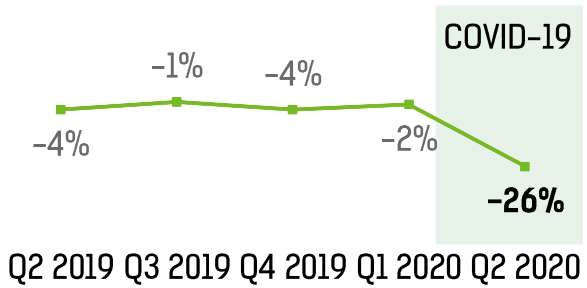
Evolution of global coal prices



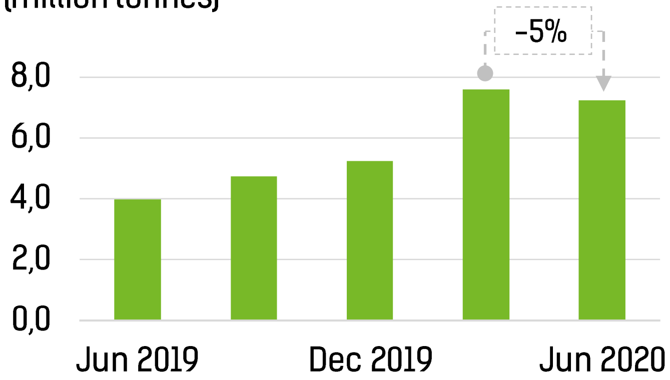
Source: Bloomberg, coking coal price index (FOB Australia SWAP), thermal coal (Australia Newcastle Port Therm)

Polish hard coal mining sector

Annual production changes by quarter



Polish producers' stocks (million tonnes)



Source: https://polskirynekwegla.pl/raport-dynamiczny/stan-zapasow-wegla-kamiennego-caly-okres-czasu, company reports.

Key market factors in Q2 2020:

- Thermal coal prices down ~16%
- Coking coal prices down ~28%
- Domestic producers' output down ~26% year on year in Q2 2020 and persistently high levels of coal stocks
- Mines temporarily scale down operations due to the COVID-19 pandemic
- Producers in Poland declare *force majeure*; PGG, JSW, Tauron and Węglokoks suspend performance of selected contracts
- Polish and foreign coal producers postpone and reduce capital expenditure
- Restrictions on cross-border movement hinder contract acquisition
- Expected restructuring of Poland's thermal coal production sector

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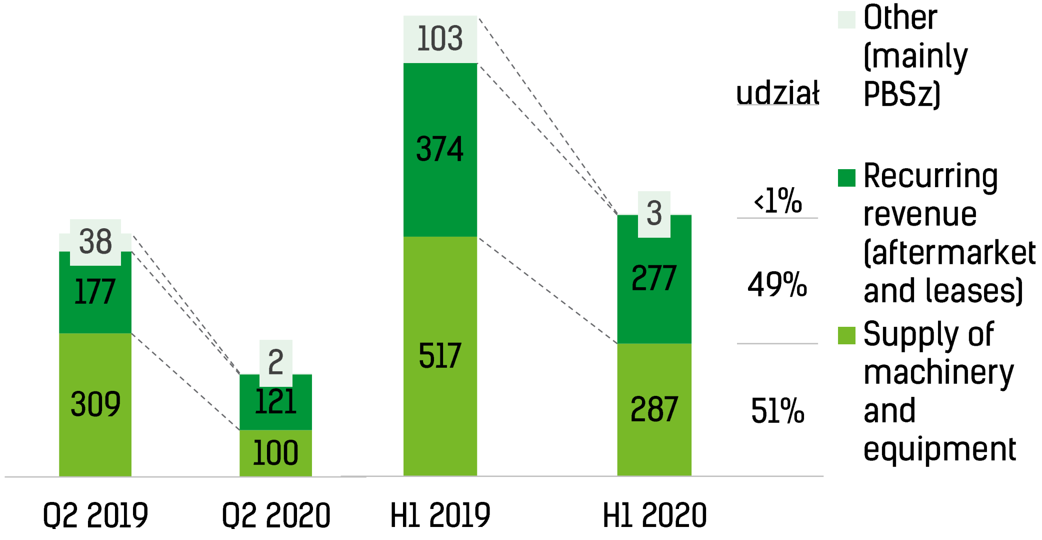
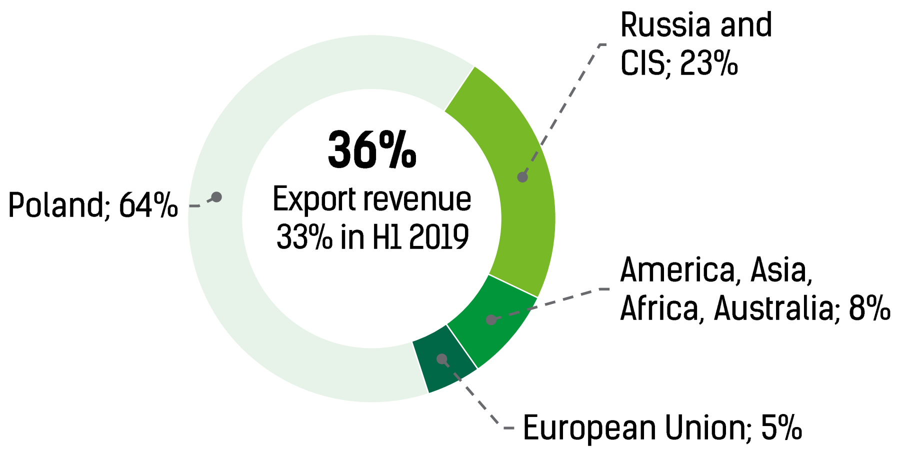
COVID-19 had a significant impact on revenue from the supply of machinery and equipment, aftermarket services and leases

Revenue by product category (PLNm)



Revenue by geographical market



- Reduced and temporarily suspended production and investment due to the COVID-19 pandemic are the primary reason for the revenue decline (lower aftermarket revenue, suspended shearer loader and roadheader leases, suspended supply of new machinery and equipment)
- Aftermarket revenue down ~26% in Q2 2020 vs Q1 2020
- Lease revenue down ~19% in Q2 2020 vs Q1 2020
- Increase in the share of export revenue to 36% in H1 2020

- One significant contract, valued at ~PLN 69m, signed in Q2 2020 (supply of 120 powered roof supports to Russia) and additional smaller orders in Russia (for a shearer loader) and Poland (including scraper and belt conveyors or maintenance contracts relating to supplied equipment)
- PLN ~ 800m backlog (supplies of machinery and equipment and leases in accordance with the contracts' terms) as at the end of June 2020

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MIKRUS – status of delivery in China

2013
- First demonstration of MIKRUS to **Shenhua Logistics Group Corporation Ltd.** (October 2013)

2013–2016
- A number of technical presentations

2016
- Visit from Shendong representatives, underground tour to see how MIKRUS operates (August 2016)

2018
- Tenders invited by **Shenhua Logistics Group Corporation Ltd.** (August 2018)
- Bid submission (October 2018)
- Conditional contract signed in Shanghai (November 2018)
- **Contract execution (December 2018)**

2019
- Project meetings with **Shenhua Logistics Group Corporation Ltd.** (February – March 2019)
- Commissioning certificate signed in Poland (October 2019)
- Equipment shipped to China (December 2019)

2020
- Supervision of assembly, surface and underground compatibility tests at the customer's site (the assembly phase supervised remotely due to the pandemic)
- Provisional Acceptance Certificate – opening of warranty period after underground start-up (Q4 2020)
- MA certification (by December 2020)

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Status of contract for delivery of longwall system to Indonesia

November 2019:
execution of a PLN 45m contract with Gerbang Daya Mandiri PT (Indonesia) for the delivery of a longwall system

April – July 2020:
remote technical acceptance with the participation of the customer

July – August 2020:
equipment shipped to Indonesia Total inflow of cash: ~ 80% of contract value

September – November 2020:
assembly supervision: FAMUR's own maintenance team or, depending on how the epidemiological situation develops, remotely through a local subcontractor

November 2020 – January 2021:
supervision of start-up and operation

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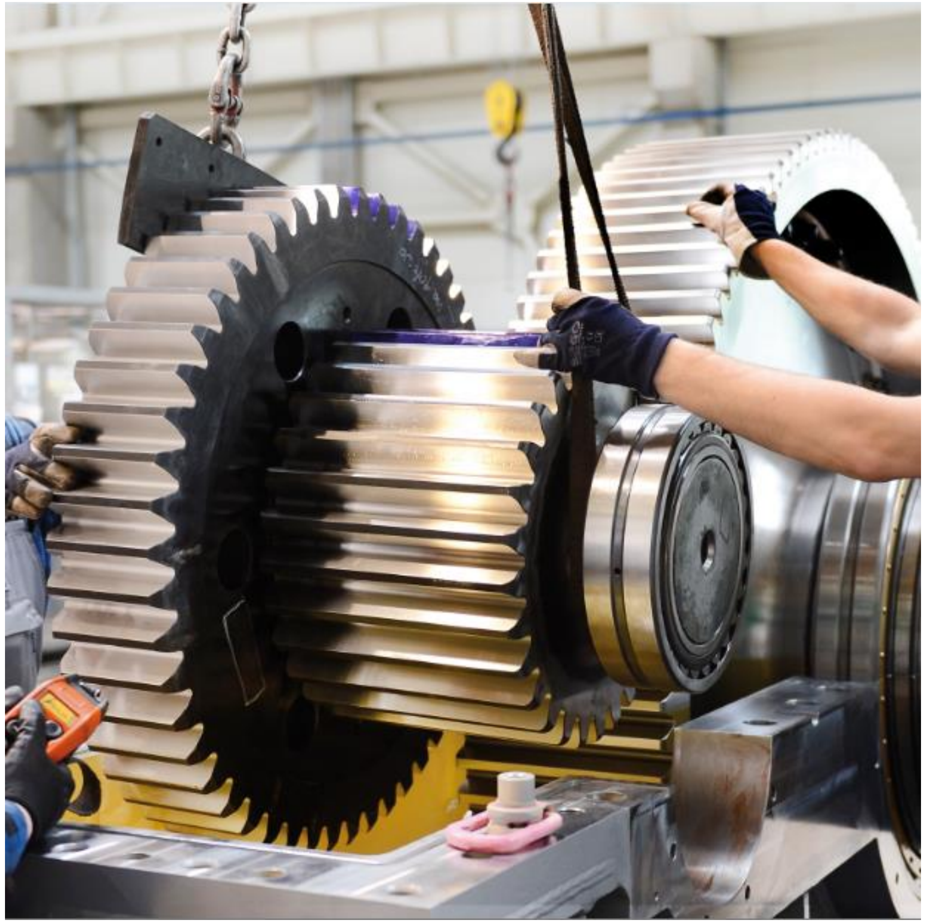
Immediate steps taken to adapt the organisation, processes and resources to a drop in orders and the COVID-19 crisis

Measures taken and results achieved in Q2 2020

- Swift and successful implementation of procedures ensuring safety of employees and protection of their health while maintaining operational continuity and ensuring uninterrupted performance of contracts and maintenance services for customers
- Effective optimisation of scraper conveyor production processes: closing down of one of the two plants (removal of 204 FTEs) while retaining technical, technological and product competencies
- Workforce reduction in central support functions (up to 84 FTEs)
- PLN ~25m of savings achieved in Q2 2020 on account of 20% working time and pay reduction (May–July), suspension of bonus schemes for 2020 (pay cut for Management Board members and employees alike) and support provided under the anti-crisis shield
- additional ~PLN 15m savings to be generated mainly in the next quarter
- EBITDA margin is at safe levels despite a 43% decline in revenue in H1 2020



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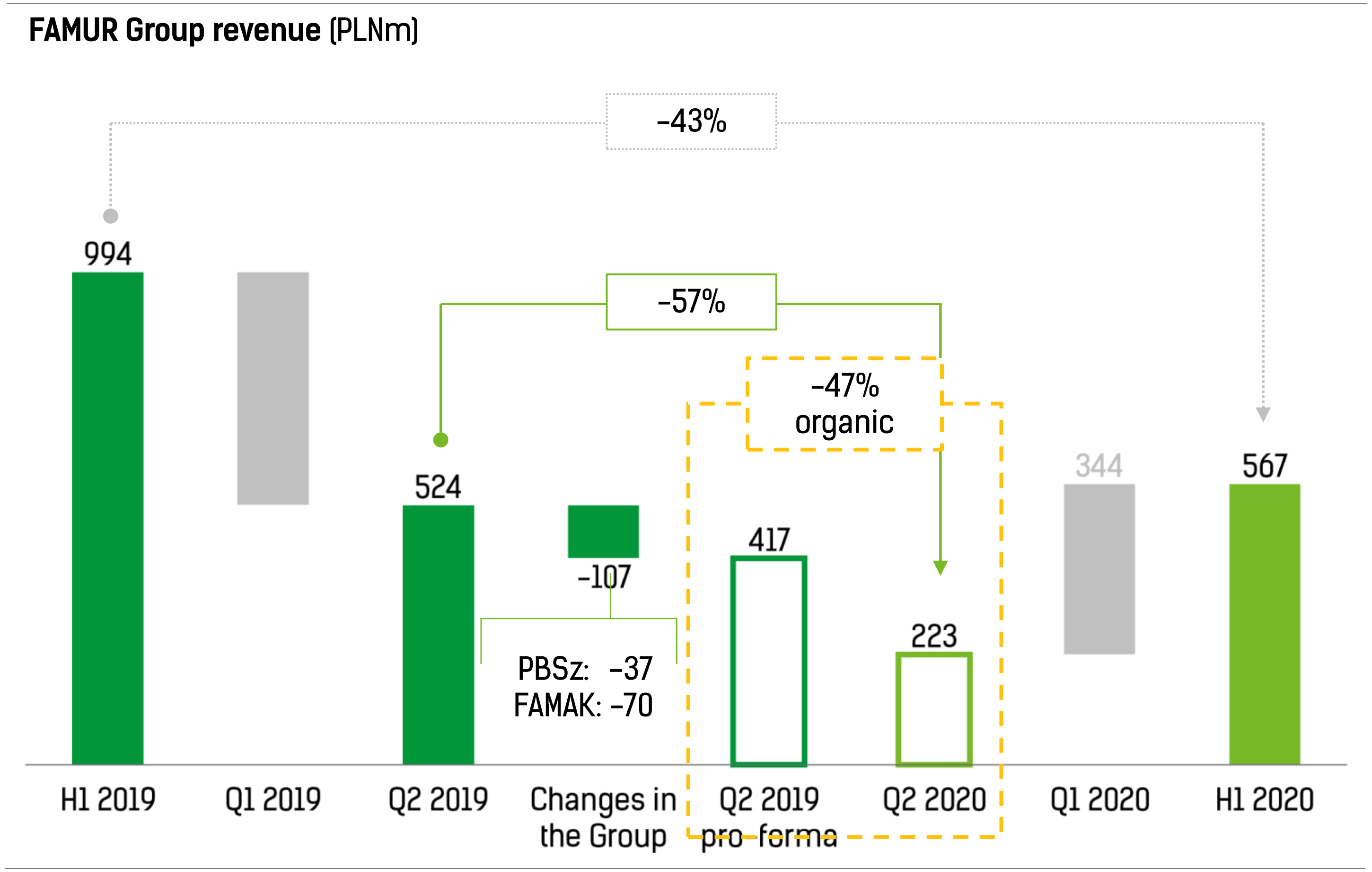
2

Financial results

Tomasz Jankowski
Famur Investor Relations

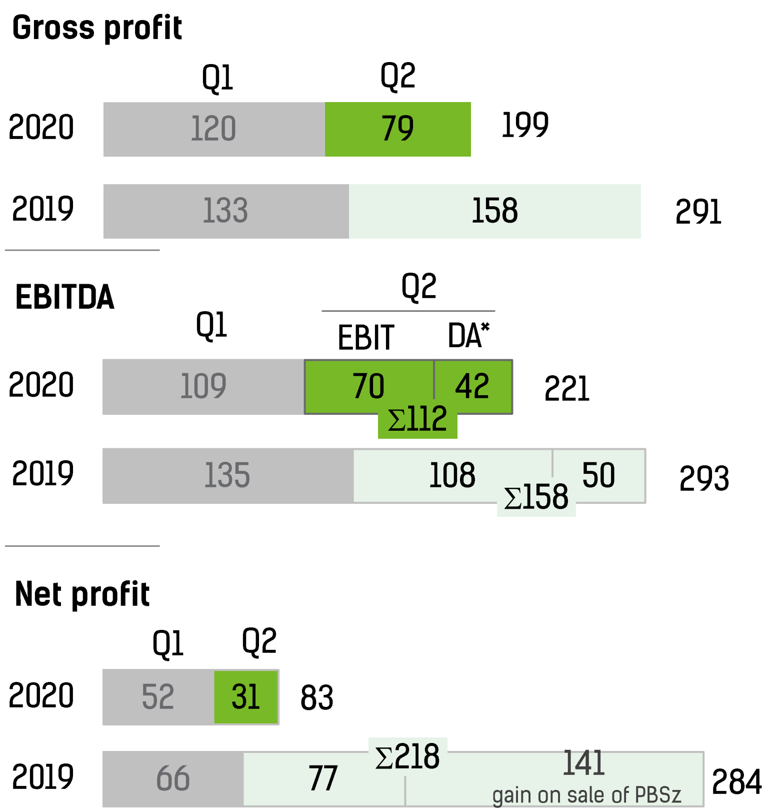
47% decline in revenue in Q2 2020 due to deteriorating market conditions and COVID-19 crisis

- 43% decrease in revenue in H1 2020:
  ~13% decrease due to deconsolidation (sale of PBSz in May 2019; no revenue from the FAMAK Group, consolidated until February 2020, as a result of loss of control),
  ~30% decline in organic revenue due to deteriorating market conditions and the economic lockdown in the wake of COVID-19
- 57% decrease in Q2 2020:
  ~10% due to deconsolidation,
  ~47% due to the COVID-19 crisis and drop in orders following further price depression on the global coal market
- 68% decline in revenue from the supply of machinery and equipment and 32% decline in recurring revenue relative to Q2 2019



Profitability analysis

PLNm



% of revenue

	Q2	H1
Gross profit 2020	35%	35%
Gross profit 2019	30%	29%
EBITDA 2020	50%	39%
EBITDA 2019	30%	29%
Net profit 2020	14%	15%
Net profit 2019	15%**	14%**

* EBIT – Operating profit/(loss)
DA – depreciation and amortisation

** Net of PLN 141m gain on sale of PBSz in Q2 2019

Key changes in Q2 2020 (y/y) in profit or loss items

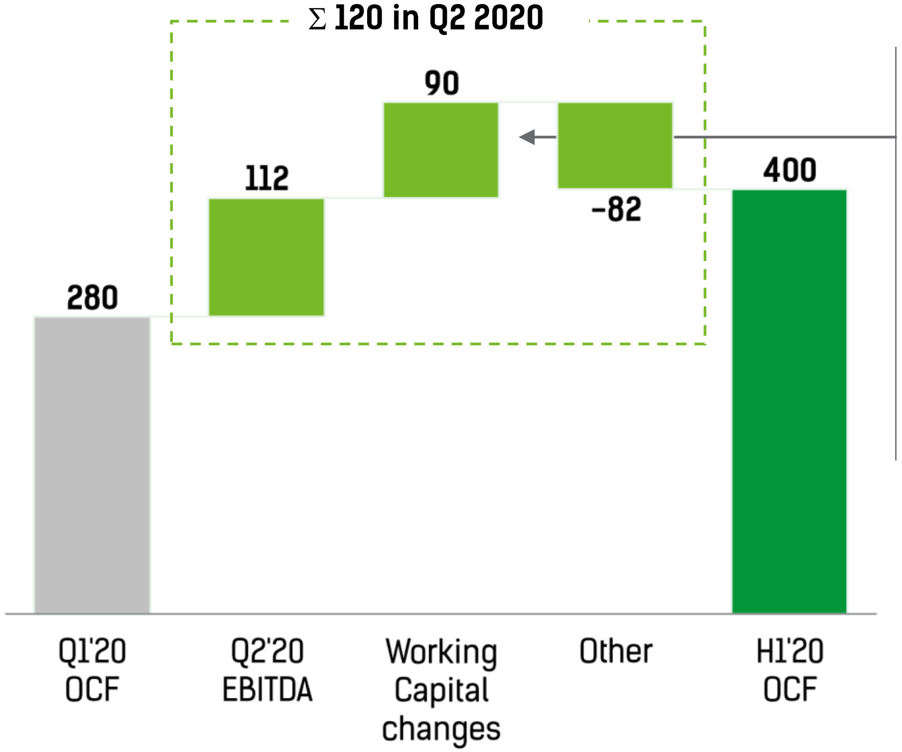
- **Gross profit:** down PLN 79m on lower revenue
- **Distribution costs and administrative expenses:** down PLN 20m mainly as a result of measures taken as part of the anti-crisis shield: 20% working time and pay reduction in May and June 2020, suspension of bonus schemes
- **Other expenses, net*:** down PLN 21m mainly due to higher subsidies under the anti-crisis shield and lower impairment losses on non-financial assets
- **Net finance costs**:** up PLN 18m mainly on account of impairment losses on FAMAK shares following an update (in line with the schedule) of reorganisation directions and adapting business objectives to the COVID-19 crisis
- **Result on subordinated entities:** change following recognition in Q2 2019 of a PLN 141m gain on sale of Przedsiębiorstwo Budowy Szybów S.A. in May 2019, and a PLN -3m share in the FAMAK Group's loss in Q2 2020
- **Effective tax rate:** 29% in Q2 2020 (vs nominal rate of 19%), mainly as a result of the impairment loss on FAMAK shares

* Other expenses less other income
** Finance costs less finance income

H1 2020 operating cash flow at PLN 400m

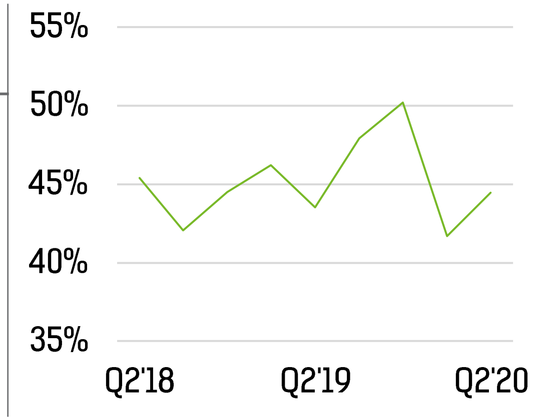
- PLN 120m of operating cash flow generated in Q2 2020, led mainly by:
  - EBITDA of PLN 112m
  - PLN 90m of inflows from operating capital attributable to lower revenue (PLN +144m in net accounts receivable collections, PLN -47m in payments of operating liabilities, PLN -7m increase in inventories)
- Working capital relative to revenue: a slight increase to 44% in Q2 2020 (vs 42% in Q1 2020)
- 'Other' includes PLN 57m of income tax paid in Q2 2020 and PLN -25m of changes in non-cash items

H1 2020 operating cash flow
(PLNm)



*Total of items: change in inventories, current receivables and current liabilities, net of borrowings

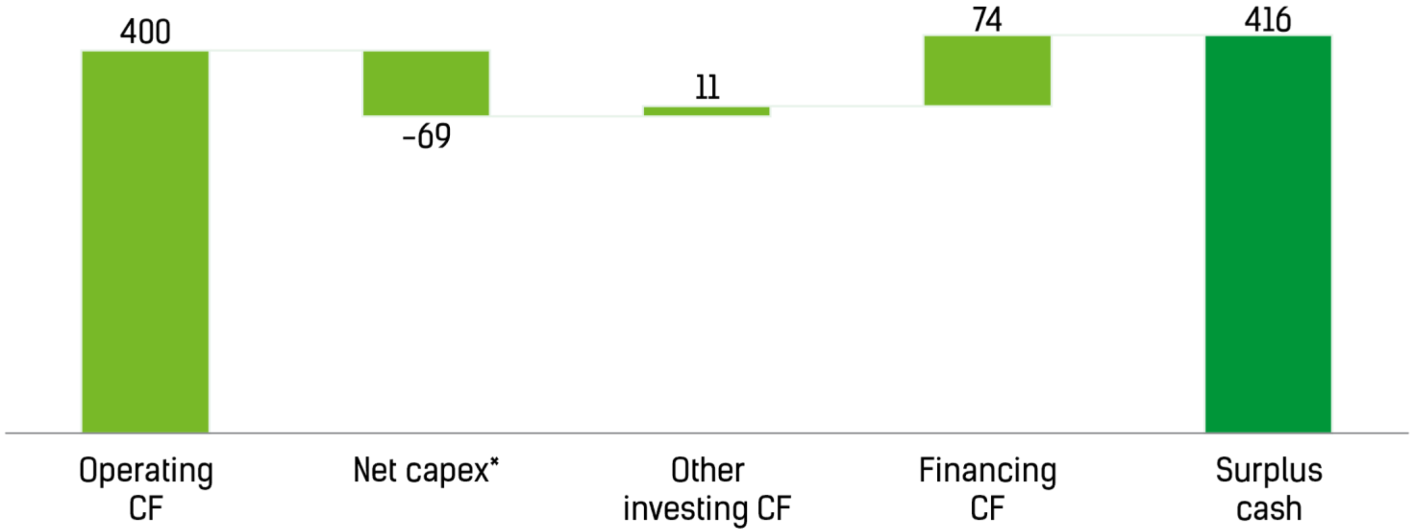
Movements in the average working capital relative to 12M revenue



PLN 184m surplus of cash over debt at June 30th 2020

- PLN 76m capital expenditure on property, plant and equipment and intangible assets, partly financed from the PLN 7m proceeds on disposal of non-core assets
- Other cash flows from investing activities include repayment of a loan by the FAMAK Group, net of FAMAK Group's cash as at the deconsolidation date
- Net proceeds from financing cash flow:
  - net drawdowns under credit facilities (PLN 201m),
  - repayment of Series A notes (PLN 108m),
  - payment of lease liabilities (PLN 11m),
  - interest payments (PLN 8m)

Capital allocation in H1 2020 (PLNm)



PLN -184m
net debt as at June 30th 2020
PLN 833m gross debt
PLN 1,017m cash

* Purchase of intangible assets and property, plant and equipment less proceeds from disposal of intangible assets and property, plant and equipment

3

Outlook for next quarters

Mirosław Bendzera
President of the Famur Management Board

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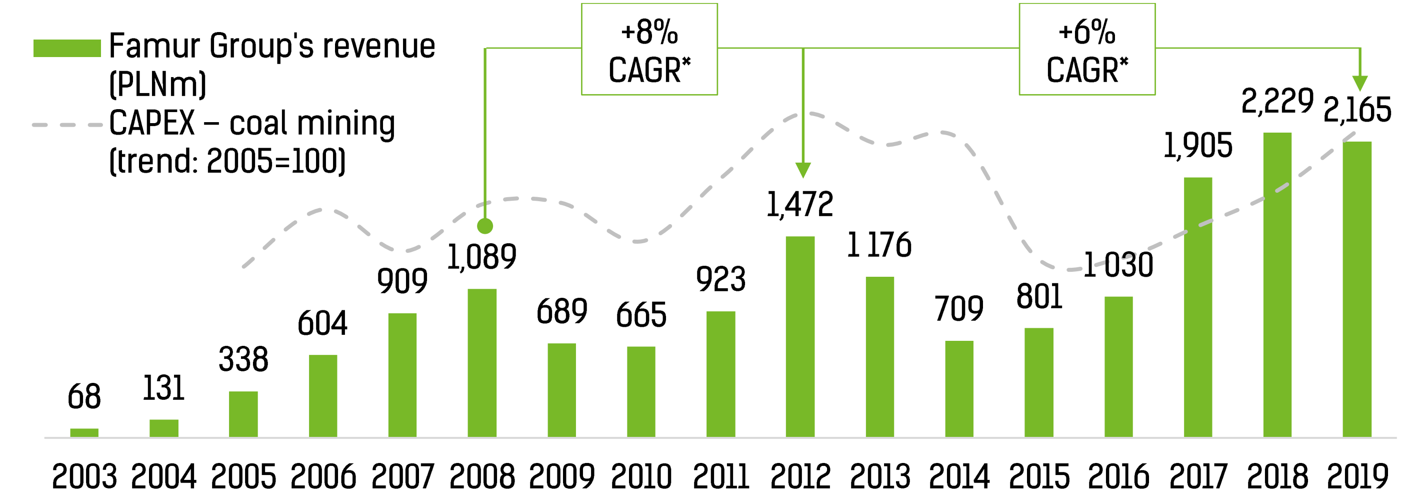
H1 2020 summary

- **The strategy and operating model implemented by the FAMUR Group prove correct in a time of economic downturn:**
    - EBITDA margin is at safe levels (additionally supported by ca. PLN 25m in cost savings) despite a 43% drop in revenue reported for H1 2020.
    - Measures taken to effectively adapt the organisation, processes and resources to shifts in demand
    - Flexible production philosophy based on subcontractors and cooperation, with key competencies retained within the FAMUR Group
- **Solid balance sheet:** PLN 184m surplus of cash over debt at the end of June 2020
- H1 2020 showed that **the foundations of the strategy pursued by the Group prove correct in a** time of economic crisis
- **Subsequent quarters will be affected by the adverse economic impact of COVID-19, sluggish investment across the coal mining industry, and the planned restructuring of Poland's thermal coal mining industry.**

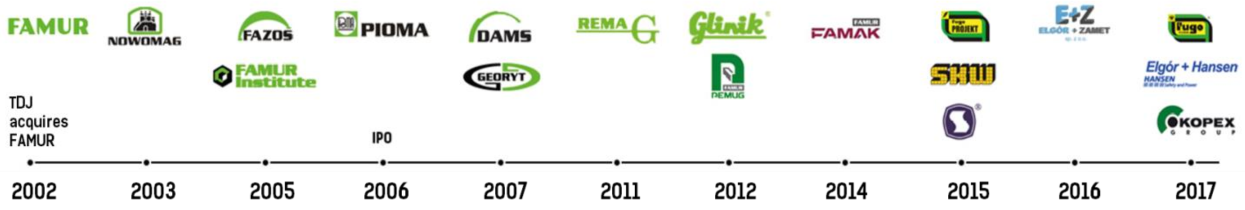
FAMUR Group's revenue largely depending on business cycle and acquisition opportunities

- +8% revenue CAGR in the 2008–2012 cycle and +6% revenue CAGR in the 2012–2019 cycle
- Growth driven by consolidation of the value chain in the manufacture of soft rock mining machinery in Poland, the GO GLOBAL initiative, and sales growth in markets considered promising for manufacturers of underground hard coal mining machinery.
- Effectively capitalising on the periods of economic slowdown to make attractive acquisitions and turn the FAMUR Group into the third largest global player in longwall technology, capable of successfully competing with other players in technology, quality and pricing

FAMUR Group's revenue development and the capital expenditure cycle in Poland's hard coal and lignite mining sector



FAMUR Group's revenue growth supported by acquisitions



Source: Polish Central Statistics Office.
*Compound Annual Growth Rate

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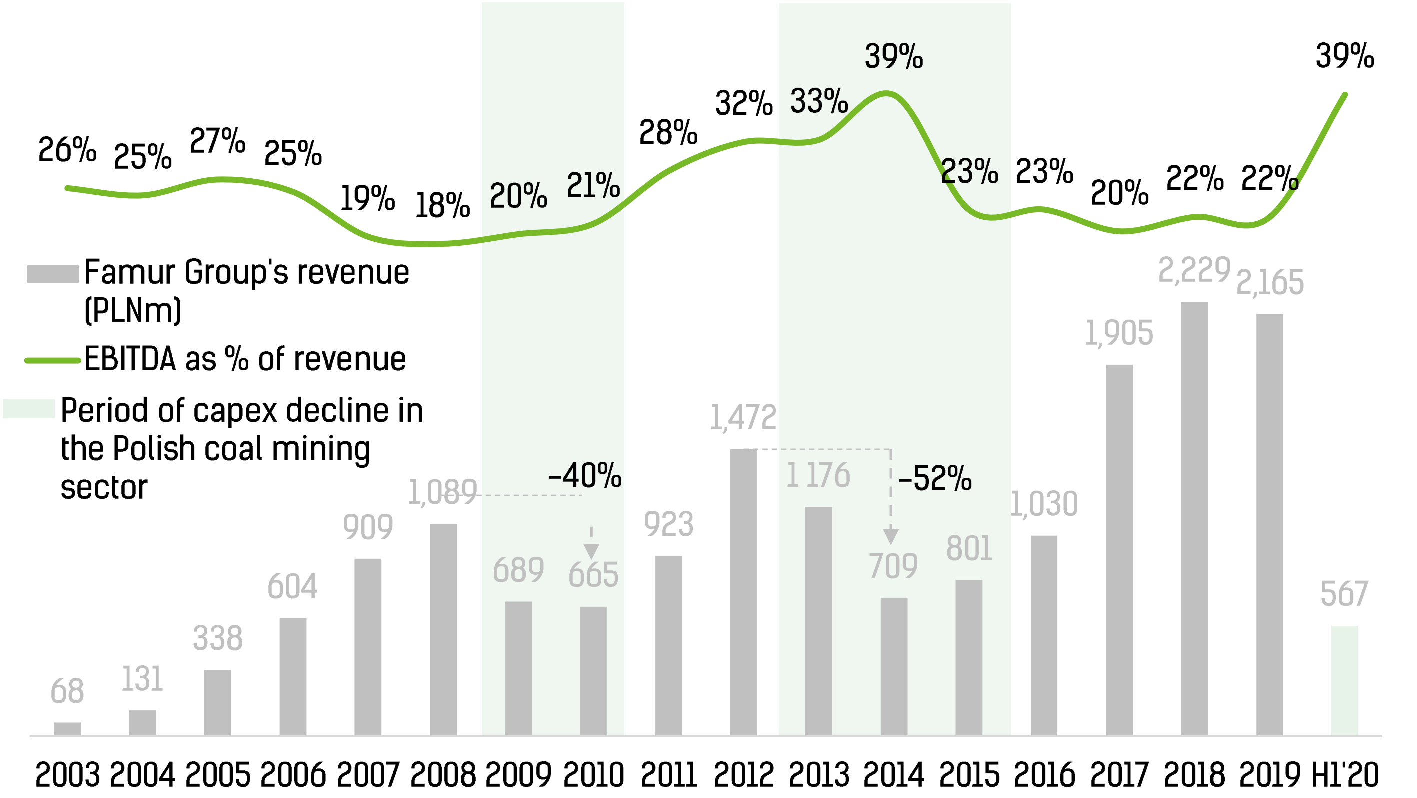
Flexible operating model enabling the Group to maintain EBITDA margin at satisfactory levels even in times of economic downturn

- EBITDA margin kept at safe levels thanks to consistent implementation of strategic initiatives
- The development of aftermarket services and the applied lease model are a source of strong recurring revenue
- The adopted operating model, based on cooperation with sub-suppliers and subcontractors, with the key components manufactured at the Group's own plants, allows the Group to flexibly follow developments in the macro environment.
- An adaptable operating model flexibly and promptly responding to market developments
- Continuous efforts to optimise the cost base and improve production processes through the implementation of lean management

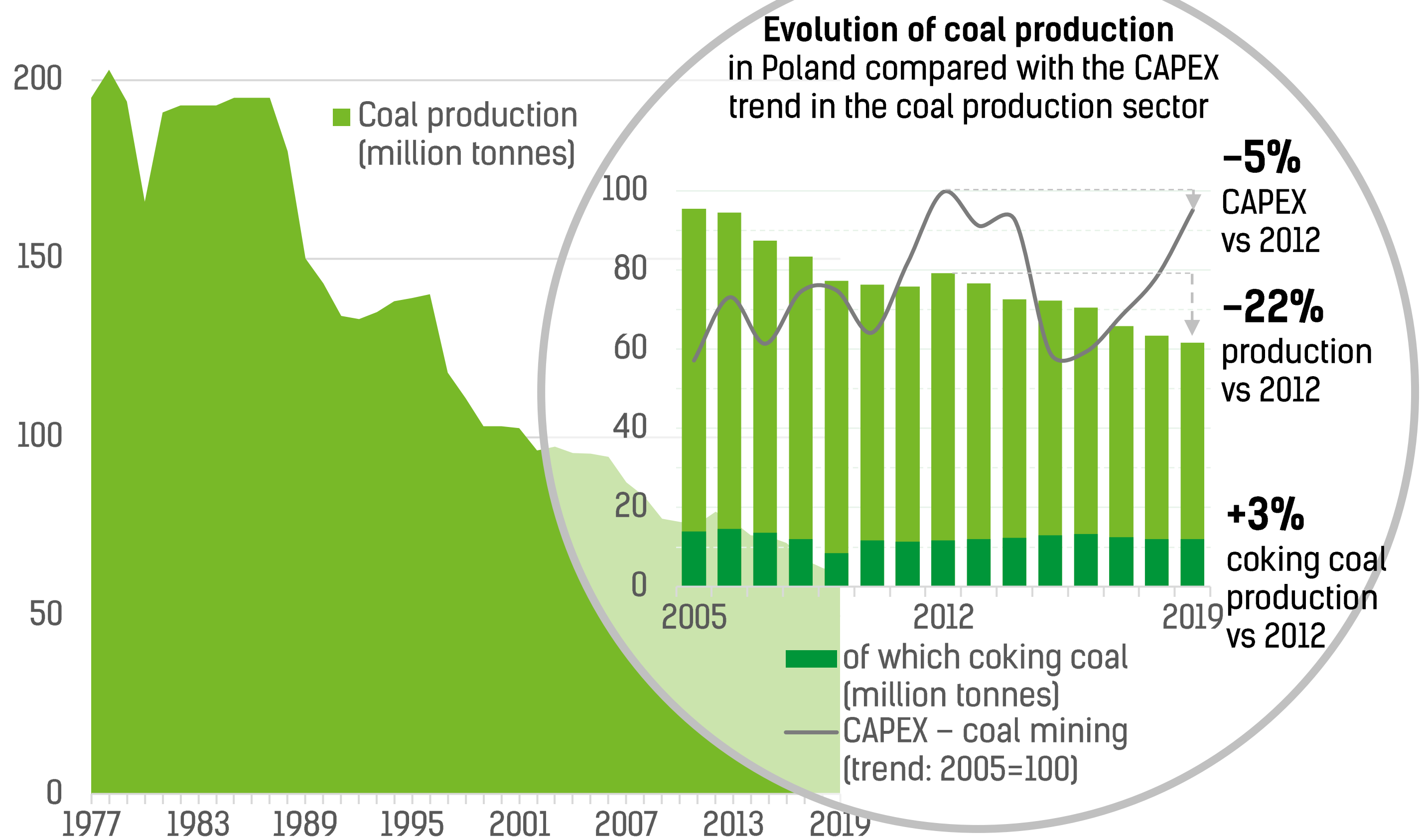
Development of FAMUR Group's EBITDA as % of revenue



Long-term trends in Poland's coal mining industry

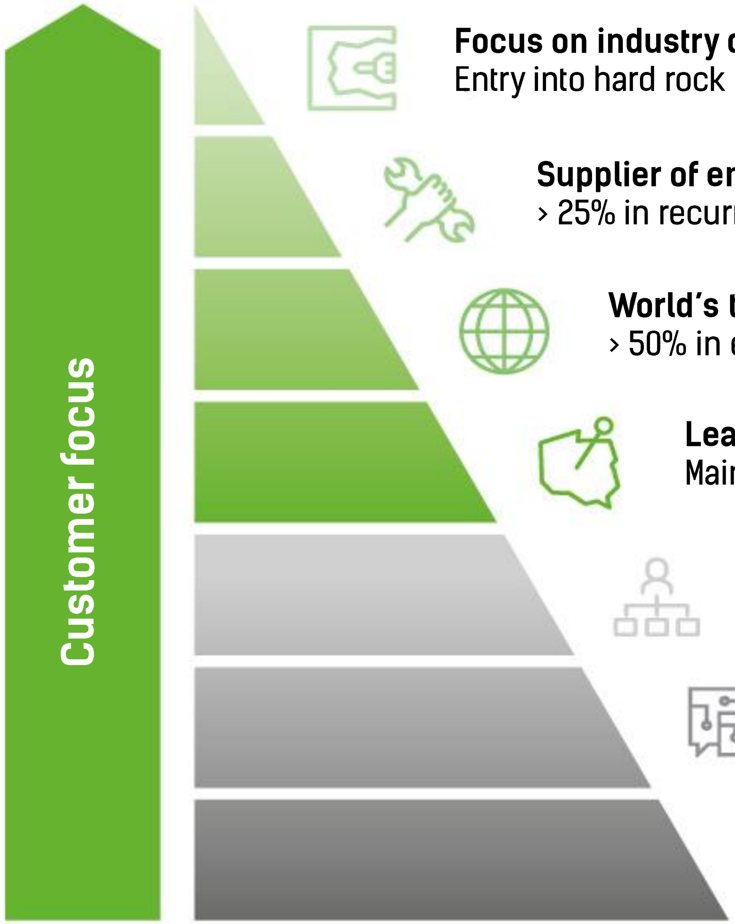
- -22% decline in coal production in 2019 vs 2012 (thermal coal -27%; coking coal +3%)
- -5% decrease in capital expenditure in the coal production sector vs 2012
- 64% of the Group's revenue to be derived from the domestic market after H1 2020
- A restructuring plan for Polska Grupa Węglowa to be announced by the end of September 2020 (ca. 24% of the FAMUR Group's sales in 2019 and ca. 28% of sales in H1 2020).
- Further declines in thermal coal production expected in Poland, with plans to grow coking coal production
- FAMUR Group – a strategic partner of Polish mining companies; measures designed to address the changes taking place in the sector
- The UK and German examples demonstrate the phase-out of coal is a long-term process

Evolution of coal production in Poland



Source: In-house analysis based on data from the Katowice Branch of Agencja Rozwoju Przemysłu S.A., JSW's issue prospectus and periodic reports

Correct choice of strategic pillars. Adapting activities to expected significant changes on the domestic market



Focus on industry diversification
Entry into hard rock mining and, simultaneously, into promising non-mining industries

Supplier of end-to-end solutions
› 25% in recurring revenue

World's top 3
› 50% in export revenue

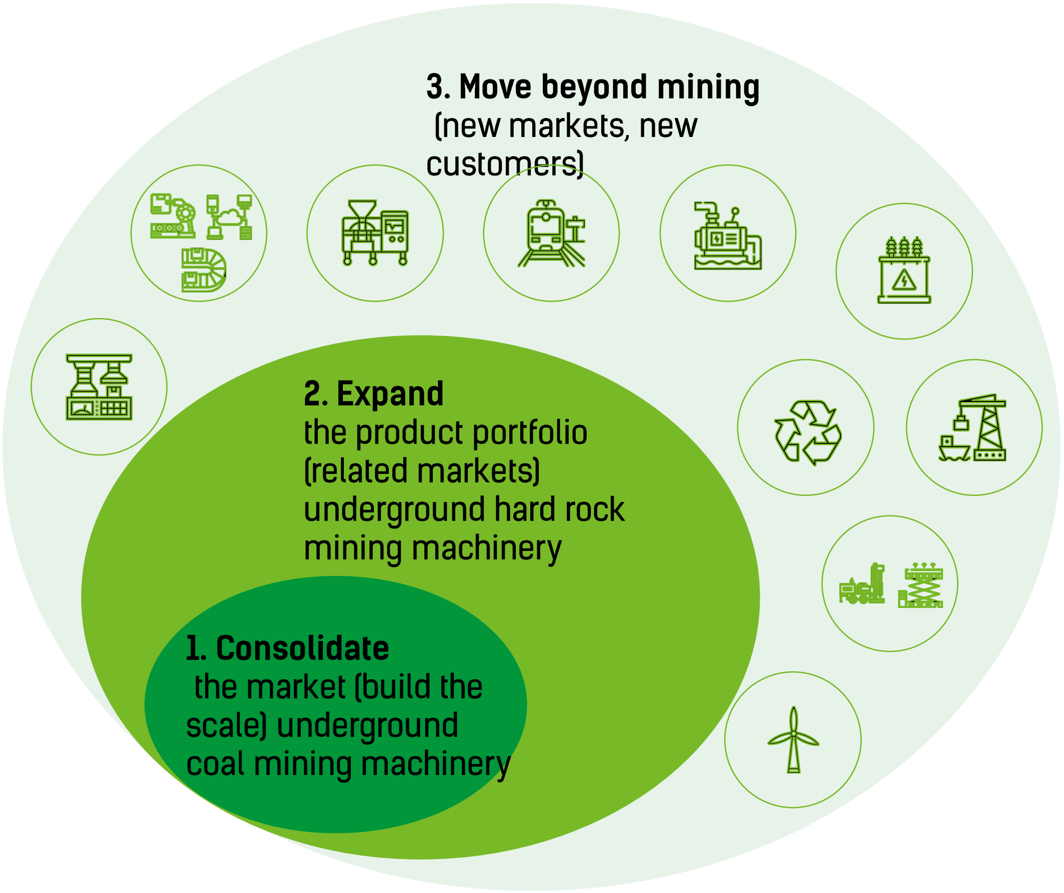
Leader in Poland
Maintaining the market share

Building scale
Organic growth **mainly in foreign markets**, strategic partnerships or **larger-scale** M&A

Smart technology
Smart solutions ensuring efficiency, safety and reliability

Operational excellence
Optimum structure and processes, maximum operational efficiency

Building long-term value for the FAMUR Group through acquisitions in complementary and non-mining sectors



Entry into the underground hard rock mining machinery and equipment segment remains a priority

- A deeper analysis of EU and North American entities meeting preliminary investment criteria

A parallel search for opportunistic growth opportunities outside the mining industry. New markets identified outside the mining industry where the FAMUR Group wants to seek out potential acquisition targets:

1. Mineral processing machinery
2. Construction and civil engineering machinery
3. Machinery and systems for production automation and automated storage systems
4. Wind turbines and equipment
5. Paper and/or paper packaging machinery
6. Rolling stock and railway infrastructure
7. Industrial pumping systems
8. Waste recycling machinery and systems
9. Electricity transmission, distribution and storage equipment
10. Offshore: cranes, drilling equipment, and pipe laying equipment

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Important investment criteria in selecting potential acquisition targets

Significant scale of business (preferred revenue level: PLN 300m or more) in a promising industry, with active foreign operations, offering scalable potential for growing the value chain or market leadership

+

Strategic suitability and potential product, manufacturing, technology and cost synergies with the FAMUR Group

+

Attractiveness of the target as a separate company (satisfactory revenue growth and profitability, stable operating cash flow)

Future revenue under pressure from material shifts in external factors. Adaptation through M&A and tight cost control

Future revenue largely depends on factors beyond the FAMUR Group's control

- The scale and pace of restructuring of Poland's mining and coal-fired power generation industries
- Global mining CAPEX levels depending on the business cycle, global trends in coal prices, and decarbonisation policy
- Market conditions and expectations determining the time, number and size of acquisitions in HRM* and promising related sectors

Operational excellence and continuous cost control

- Maintain operational excellence and deliver further productivity improvements
- Maintain a flexible operating model to quickly adapt to the changing economic environment
- Smoothly integrate acquired targets and quickly deliver economies of scale by drawing up a plan for the integration of operating functions within the FAMUR Group as early as during negotiations

Conservative debt and liquidity management

- Debt structure diversified in terms of instruments, maturities, interest rates (fixed/variable) and the number of financing institutions
- Further efficient working capital management

* Hard rock mining machinery and equipment industry

4

Q&A

Appendices

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Effect of FAMAK Group's deconsolidation on FAMUR Group's H1 2020 performance

(PLNm)	**FAMUR** Group (excluding FAMAK Group)	**FAMAK Group's** contribution to FAMUR Group's performance	**FAMUR Group** data according to IRFS
Revenue	544	23	567
Operating profit	137	-6	131
Net profit	98	15	83

Effect of the FAMAK Group on consolidated net profit	(PLNm)
Net profit of FAMUR Group excluding FAMAK Group	98
Loss of FAMAK Group for January–February 2020	-7
Gain on loss of control of FAMAK Group	12
Impairment loss following update of the planned directions of reorganisation and adaptation of the FAMUR Group's business assumptions to the COVID-19 crisis	-16
31.88% share in net losses of the FAMAK Group for March–June 2020	-4
Consolidated net profit according to IFRS	**83**

The fair value of FAMAK shares, as disclosed in the consolidated financial statements, is PLN 15m.

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Reconciliation between operating and reported metrics

EBITDA

(PLNm)	6 months to Jun 30 2020	6 months to Jun 30 2019	3 months to Jun 30 2020	3 months to Jun 30 2019
Operating profit	132	196	70	108
Depreciation and amortisation	89	97	42	50
EBITDA	**221**	**293**	**112**	**158**

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Reconciliation between operating and reported metrics

Working capital

(PLNm)	As at Jun 30 2020	As at Dec 31 2019
Inventories	301	303
Short-term trade receivables	494	966
Subtotal	795	1,269
Less short-term trade payables	-146	-240
Working capital	**649**	**1,029**

Average working capital relative to 12M revenue

(PLNm)	Revenue
Jan–Dec 2019	2,165
Less 6 months to Jun 30 2019	-994
6 months to Dec 31 2019	1,171
Plus 6 months to Jun 30 2020	567
LTM to Jun 30 2020	**1,738**
Working capital as at Jun 30 2019	897
Working capital as at Jun 30 2020	649
Average working capital in the period	**773**
Average working capital in the quarter as % of revenue	**44%**

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Reconciliation between operating and reported metrics

Net debt

(PLNm)	As at Jun 30 2020	As at Dec 31 2019
Long-term borrowings	406	421
Short-term borrowings	378	332
Non-current lease liabilities	44	61
Current lease liabilities	5	8
Gross debt	**833**	**822**
Less cash and cash equivalents	–1,017	–602
Net debt	**–184**	**220**

Net debt to EBITDA for the last four quarters

(PLNm)	EBITDA
Jan–Dec 2019	451
Less 6 months to Jun 30 2019	–293
6 months to Dec 31 2019	158
Plus 6 months to Jun 30 2020	221
LTM to Jun 31 2020	**379**
Net debt as at Jun 31 2020	**–184**
Net debt/EBITDA	**–0.5**

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Glossary

EBIT	Operating profit
EBITDA	Operating profit before depreciation and amortisation
EBITDA margin	Operating profit before depreciation and amortisation to net revenue from sale of products, merchandise, and materials
Other expenses, net	Other expenses less other income
Net finance costs	Finance costs less finance income
Working capital	Carrying amount of inventories, increased by trade receivables, less trade payables (from related and other entities)
Change in operating capital	Total of items: change in inventories, change in receivables and change in current liabilities, net of borrowings, disclosed in the statement of cash flows
Net CAPEX	Capital expenditure to purchase intangible assets and property, plant and equipment, adjusted for proceeds from disposal of intangible assets and property, plant and equipment

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Glossary

Net debt	Net carrying amount of long-term and short-term borrowings and debt instruments, less cash and cash equivalents
Adjusted net debt	Net carrying amount of long-term and short-term borrowings and debt instruments, less cash and cash equivalents, adjusted for total dividend paid (after the reporting date)
Net debt to EBITDA	Net carrying amount of long-term and short-term borrowings and debt instruments, less cash and cash equivalents, to EBITDA (operating profit before depreciation and amortisation) for the last 12 months