

The image features a dark green background with a network of white icons (lightbulbs, people, charts) connected by lines. A hand is shown holding a globe in the center. The FAMUR logo is in the top left, and the main title is in the middle left.

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FAMUR Group presentation

Q1 2021 results and new strategic directions

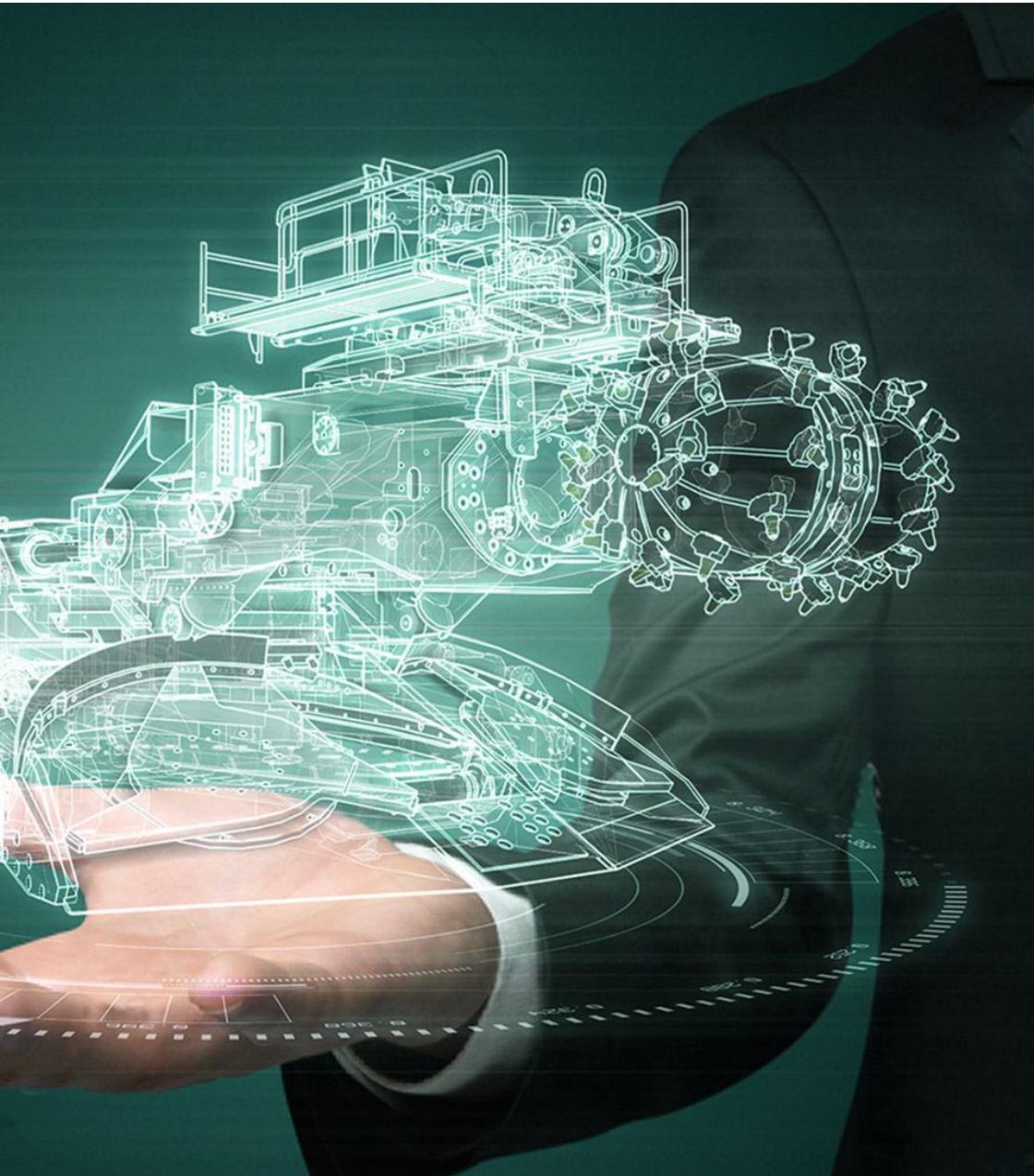
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Agenda

Q1 2021 financial results

New strategic directions

Q&A session



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Q1 2021 financial results

FAMUR Group Q1 2021 results

PLN 274m

Revenue

-20% vs Q1 2020

45% of export revenue

PLN 91m

EBITDA

-17% vs Q1 2020

PLN 39m

Net profit

-25% vs Q1 2020

PLN 489m

surplus of cash
over gross debt

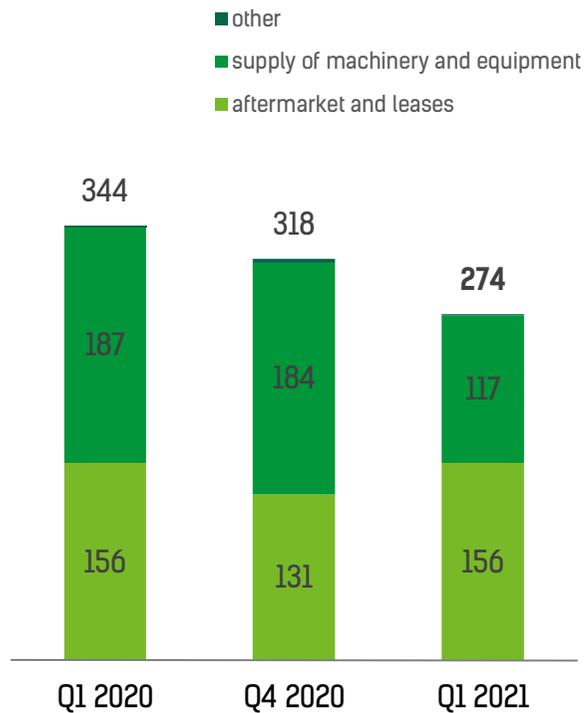
Key developments in Q1 2021

- Further decline in hard coal production in Poland (down 6% year on year in Q1 2021)
 - Agreement initialled for gradual phase-out of thermal coal mines by the end of 2049 (subject to EC's approval)
 - Continued reduction of new capital investment on the Polish market
- Further adverse impact of the pandemic, particularly pronounced in Russia:
 - Need to rescind a contract for supplies to Russia due to the customer's failure to make an advance payment
- PLN ~109m worth of new orders secured in Q1 2021
- Roadheader lease contract with Tauron (contract value: PLN 26m)
- PLN ~600m in backlog* as at the end of March 2021
- Continuing capacity adjustment to trends prevailing in the sector: close-down of the Zabrze Branch
- Profitability maintained at safe levels
- Further development of the RES segment and rethinking of strategic directions

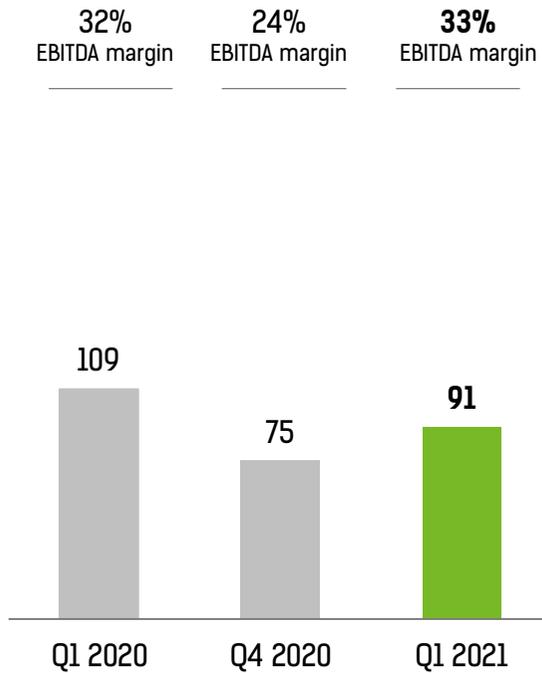
* supply of machinery and equipment and leases in accordance with contract terms

Analysis of FAMUR Group's revenue and profitability

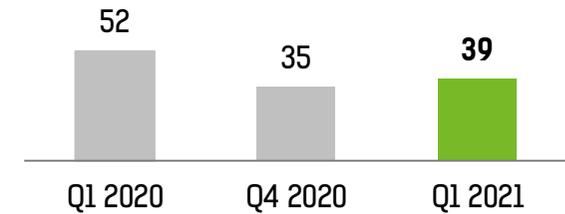
Quarterly revenue development (PLNm)



Quarterly EBITDA development (PLNm)



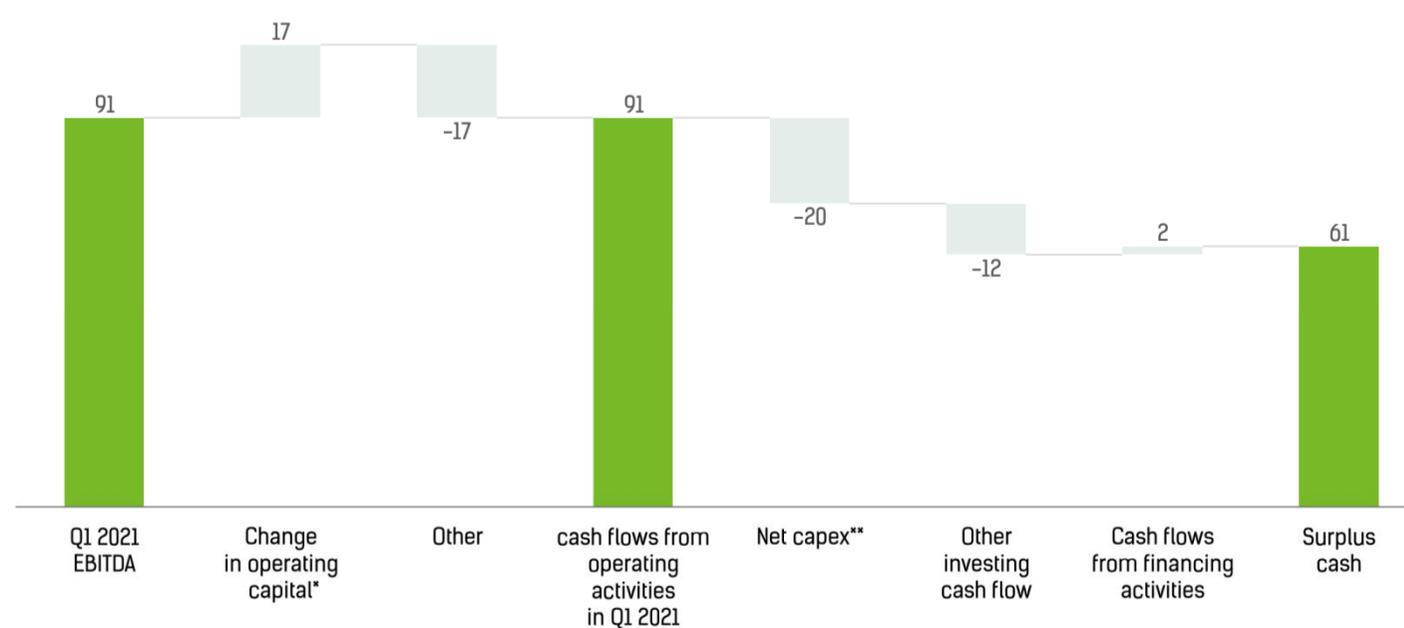
Quarterly net profit development (PLNm)



Q1 2021 operating cash flow at PLN 91m

- PLN 91m of operating cash flow generated in Q1 2021, led mainly by:
 - PLN 91m of EBITDA
 - PLN 17m of inflows from operating capital (PLN +54m of net change in accounts receivable, PLN -43m in payments of operating liabilities, PLN +6m decrease in inventories)
 - Other' includes PLN 14m of income tax paid in Q1 2021 and PLN -3m of non-cash adjustments included in EBITDA
- Net CAPEX: PLN 35m capital expenditure on property, plant and equipment, partly financed with PLN 15m proceeds on disposal of non-core assets

Cash flows in Q1 2021 (PLNm)



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

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



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Structural
change in the
business environment

Poland's energy transition
as an opportunity for
growth in new directions

Fundamental change in Poland's Energy Policy towards accelerated phase-out of coal

2018

Programme for the hard coal mining sector and plan to maintain a significant share of coal in Poland's energy mix:

- Goal: to build a modern hard coal mining sector
- Coal producers' planned capital expenditure: PLN 2bn per annum from 2020 onwards
- Expansion of surface mines
- Programme to upgrade 44 200MW power generation units
- Construction of a new coal-fired power plant in Ostrołęka

2020–2021

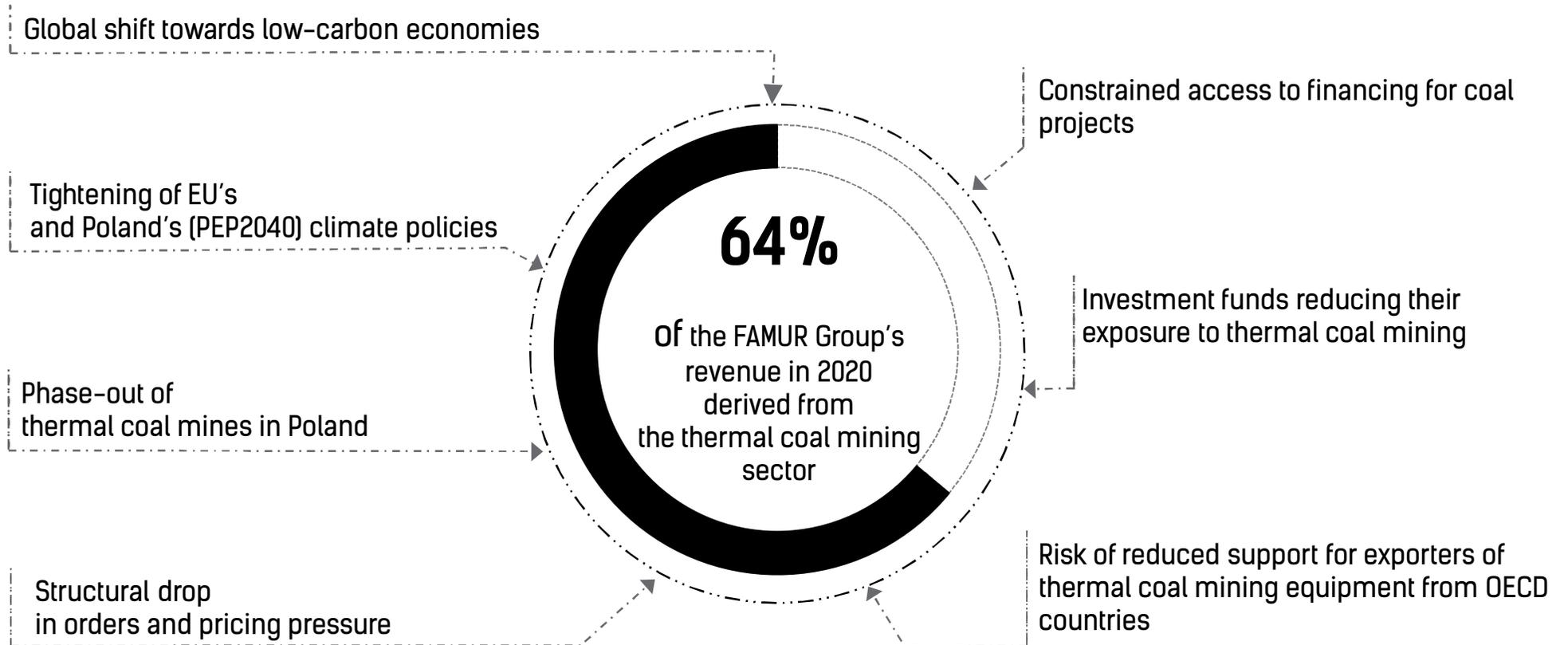
Commitment to accelerated reduction of coal use in Poland's economy

- Decision to phase out thermal coal mines by the end of 2049
- Poland's Energy Policy until 2040: reduction of the share of coal in the energy mix down to 11% in 2040 (from 69% in 2020)**
- Decision to separate coal-fired power generation assets for phase-out

* <https://www.gov.pl/web/aktywa-panstwowe/program-dla-sektora-gornictwa-wegla-kamiennego-w-polsce>

** <https://www.gov.pl/web/klimat/polityka-energetyczna-polski-do-2040-r-przyjeta-przez-rade-ministrow>

Need to reduce exposure to thermal coal



Delivery of certain strategic objectives despite changes in the business environment

Strategic objectives until 2023 and their current status

Supplier of end-to-end solutions
> 25% of recurring revenue



Leader in Poland
Maintaining the market share



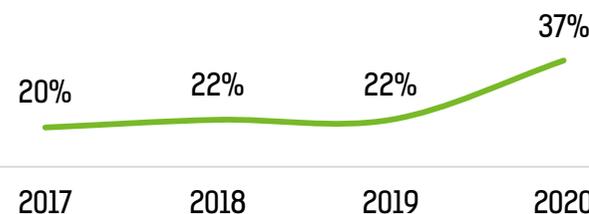
World's top 3
> 50% of export revenue

33% in 2020
45% in Q1 2021

Business diversification
Entry into Hard Rock Mining



EBITDA margin
Close to current levels



Net debt/EBITDA
< 2.0

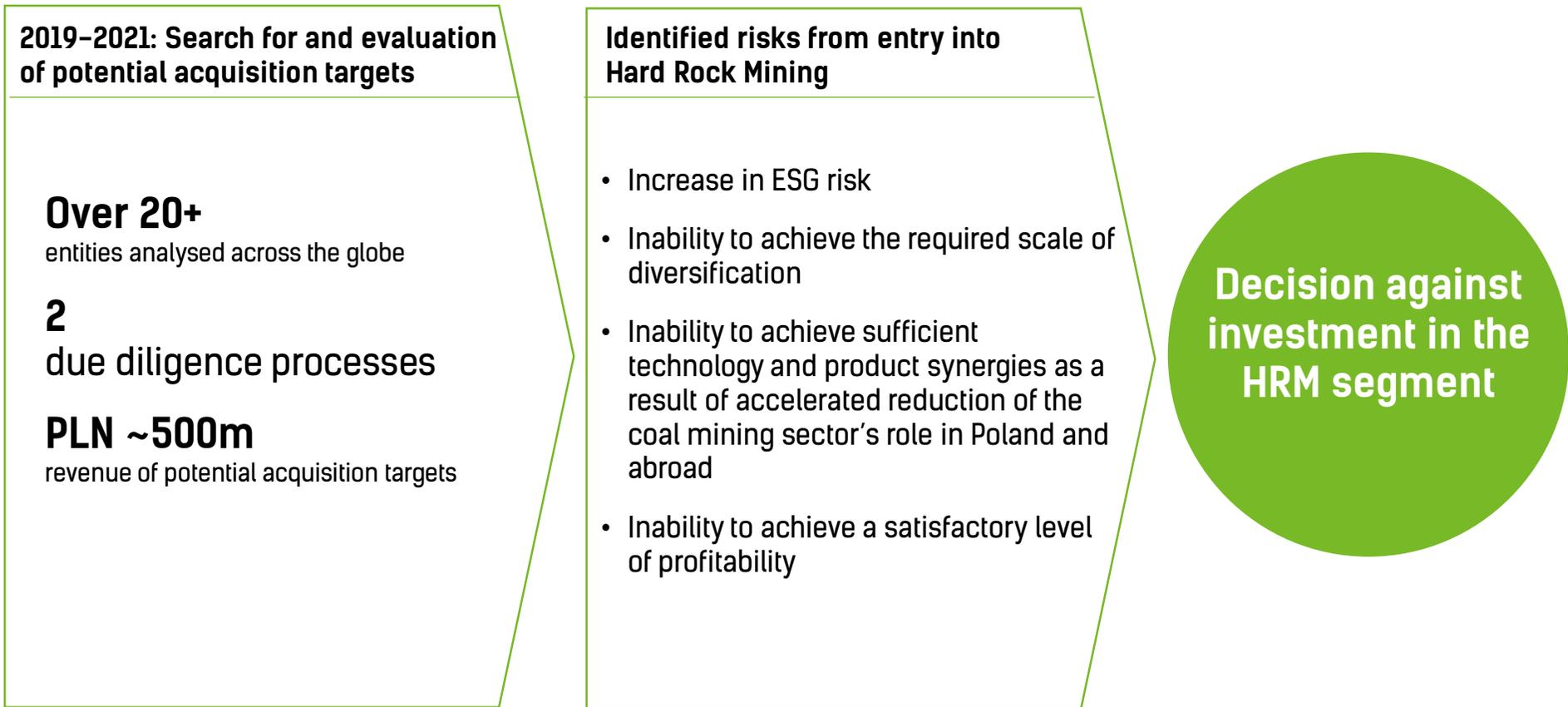
PLN 489m
surplus of cash over gross debt as at March 31st 2021



Expected revenue
PLN 2.5bn – PLN 2.7bn by 2023



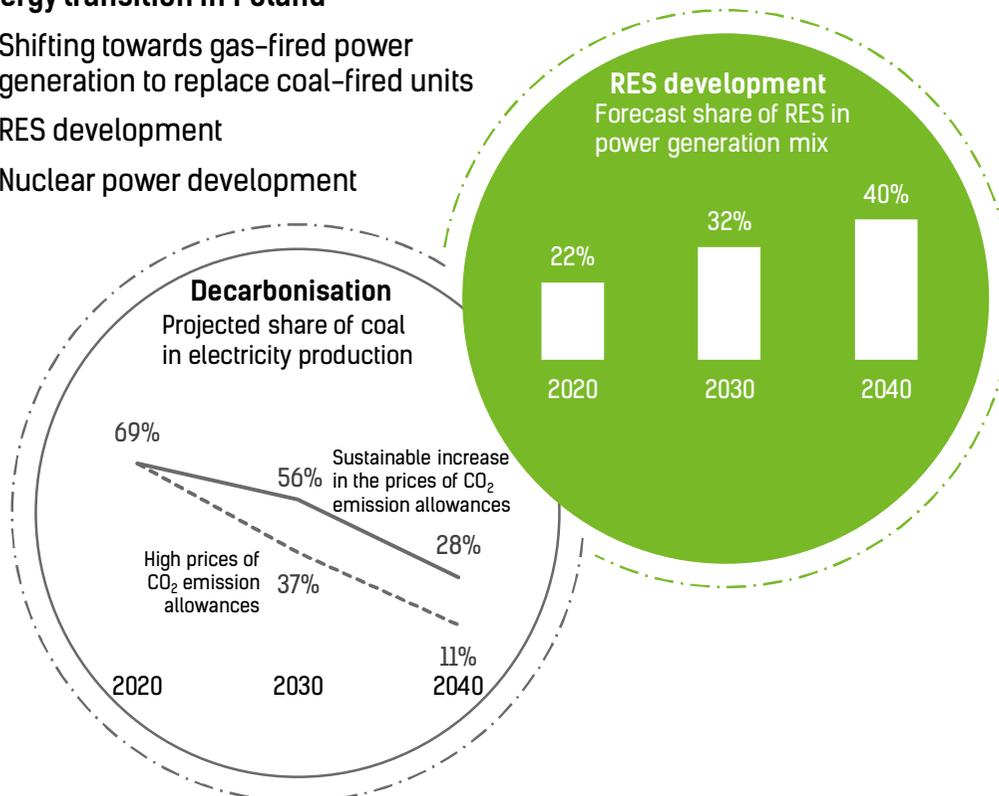
Changes in the business environment necessitate rethinking of entry into the HRM sector



Poland's energy transition as a catalyst for the FAMUR Group's growth

Energy transition in Poland*

- Shifting towards gas-fired power generation to replace coal-fired units
- RES development
- Nuclear power development



Energy transition support sources*

PLN 525bn

total financing for energy transition envisaged in PEP2040

PLN ~260bn

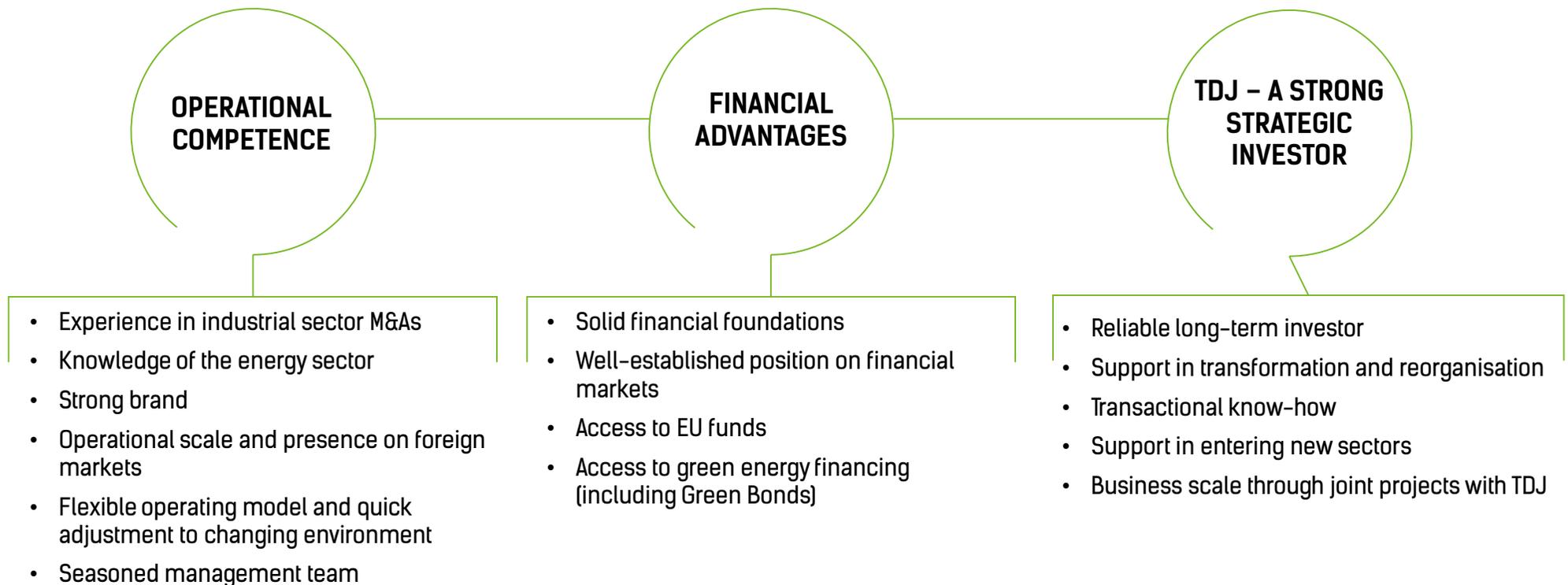
to be allocated to energy transition by Poland and EU by 2030

as much as PLN 1.6bn

total expenditure on energy transition until 2040, of which **PLN 320bn–342bn** allocated to expansion of electricity generation capacity (PEP2040)

* PEP2040 objectives: <https://www.gov.pl/web/klimat/polityka-energetyczna-polski-do-2040-r-przyjeta-przez-rade-ministrow>

Solid foundations for development into new business areas in keeping with global megatrends



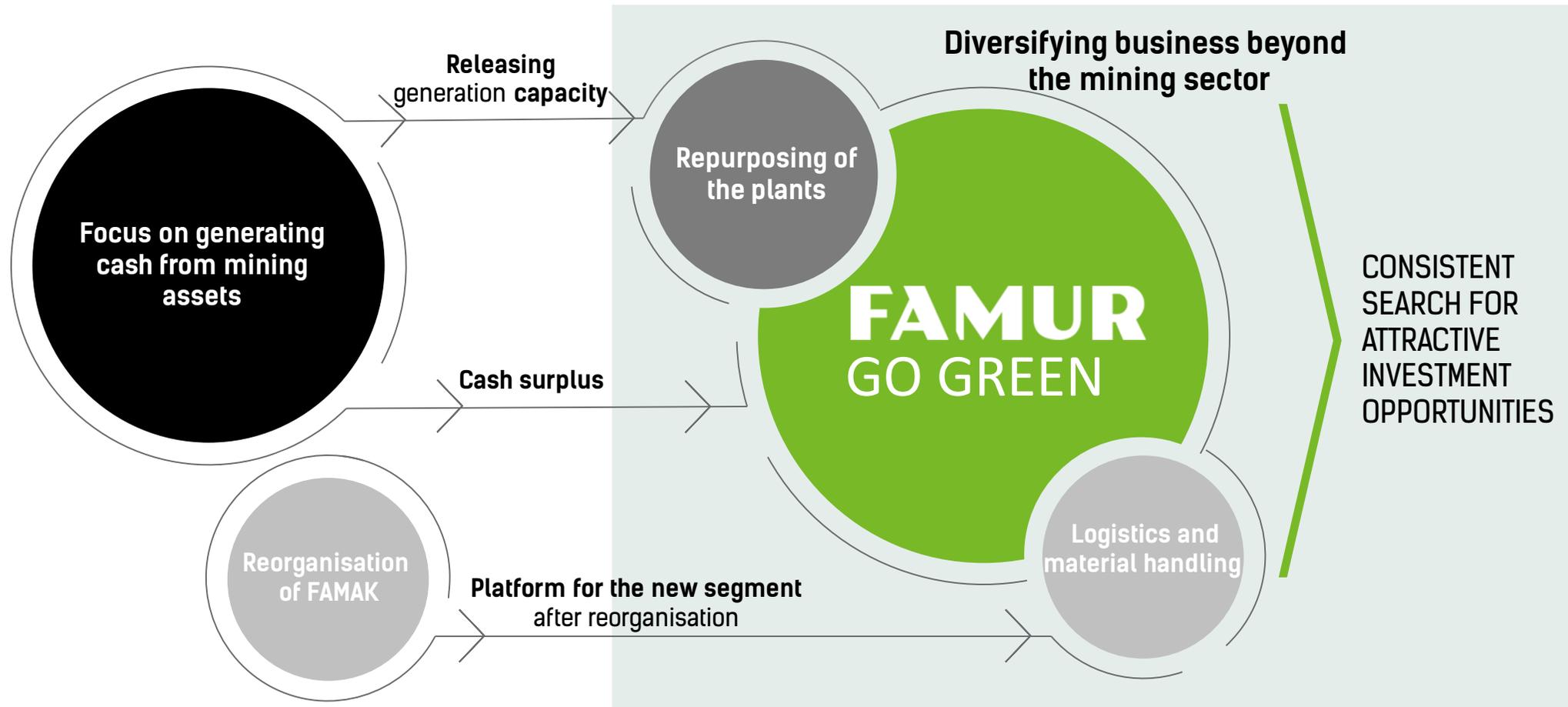


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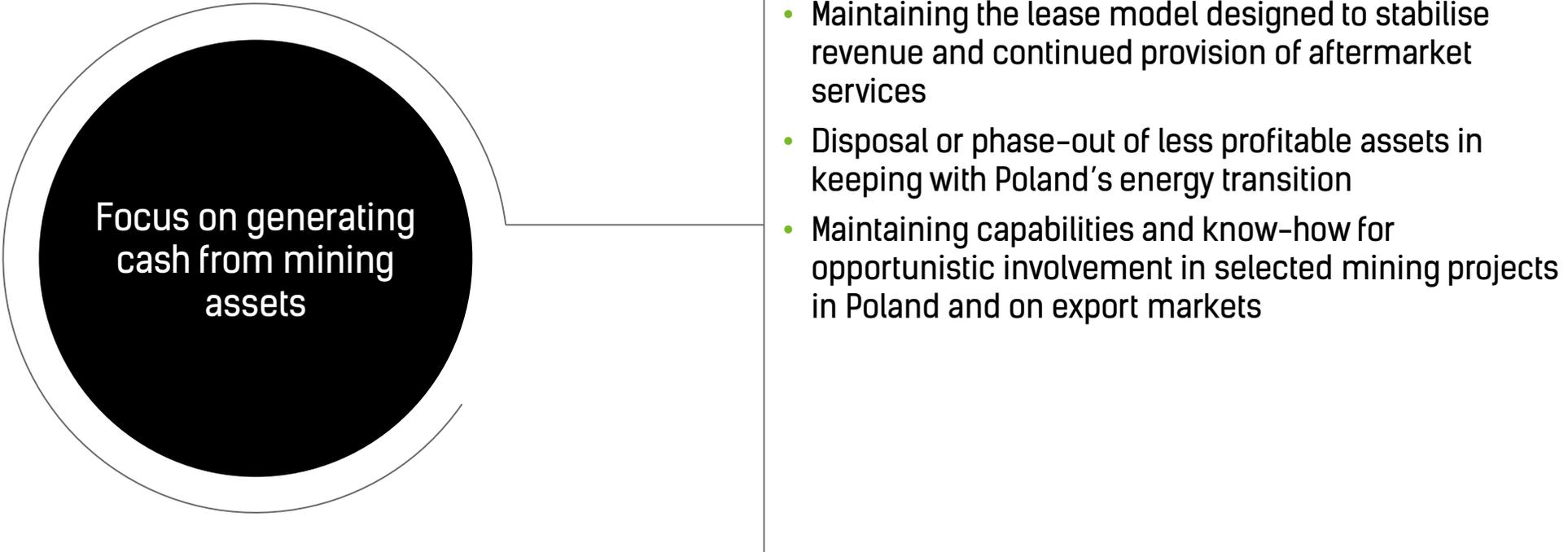
New strategic directions for the FAMUR Group

Towards a holding company
investing in green transition

Holding company investing in green transition



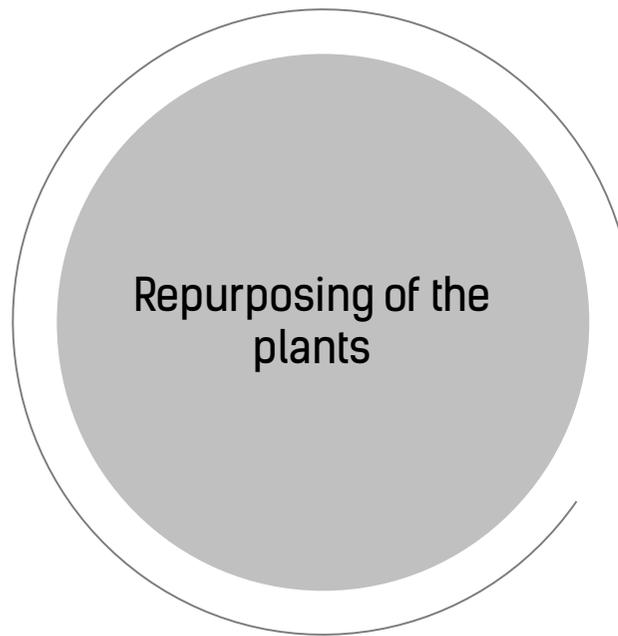
Mining asset streamlining and consistent reduction of exposure to thermal coal



Focus on generating cash from mining assets

- Focus on the most profitable and stable product areas
- Maintaining the lease model designed to stabilise revenue and continued provision of aftermarket services
- Disposal or phase-out of less profitable assets in keeping with Poland's energy transition
- Maintaining capabilities and know-how for opportunistic involvement in selected mining projects in Poland and on export markets

Strategic partnerships to repurpose selected production plants



- Strategic partnership model (including JV, licence agreements)
- Liaison with an adviser to support the implementation of partnership projects
- Focus on industrial sectors, chiefly manufacturers of machinery and equipment for RES, transport, logistics and infrastructure
- Ability to utilise existing manufacturing capacity in new sectors

FAMAK – a platform for development in logistics and material handling



Current reorganisation status

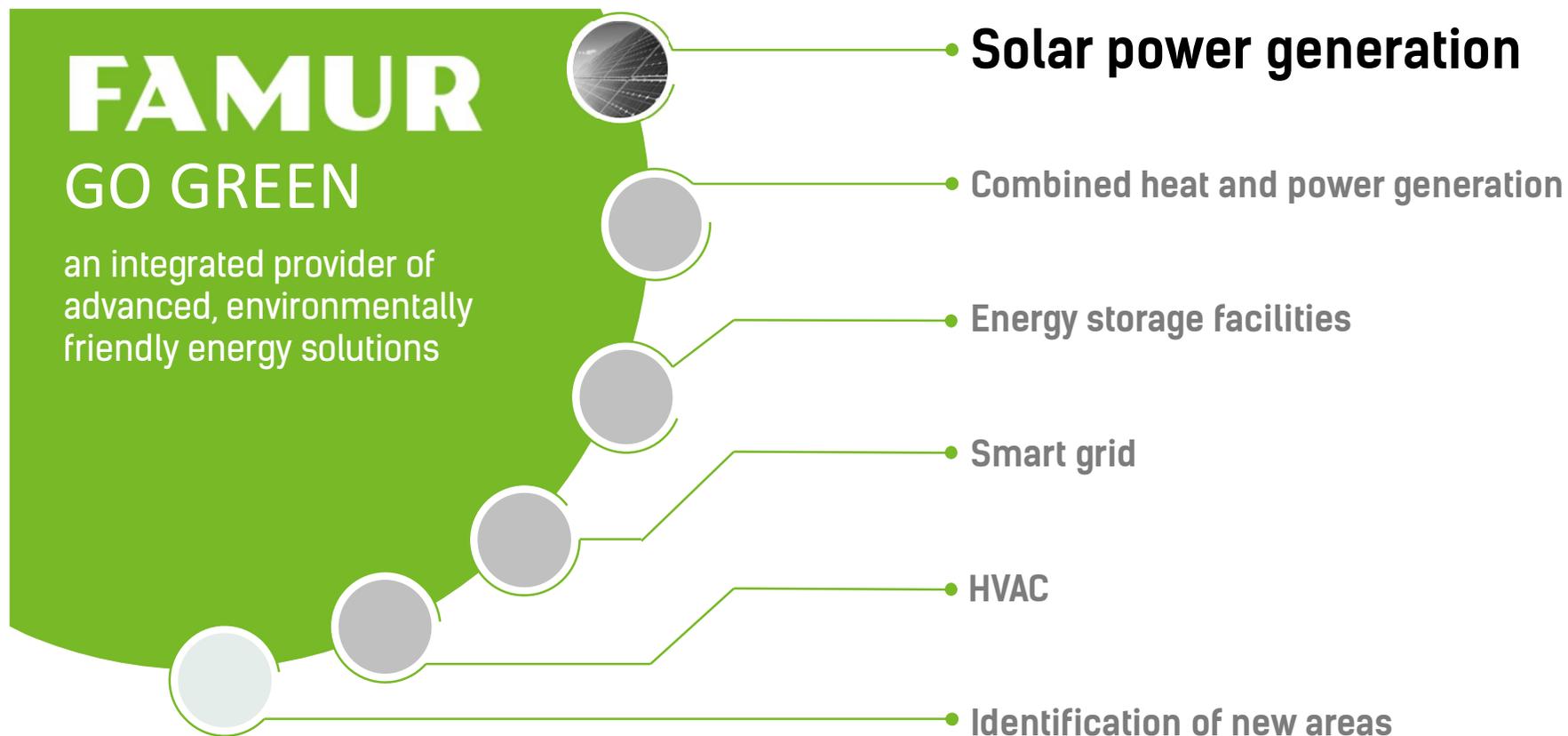
- Moving away from surface mining machinery
- Asset streamlining, divestment and workforce restructuring
- Improved profitability in logistics and material handling
- Expected completion date for the reorganisation: end of 2021

Long-term perspective

Building a significant player in logistics and material handling

Transformation towards an integrated provider of advanced, environmentally friendly energy transition solutions

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Entry into the large-scale photovoltaics (PV) sector

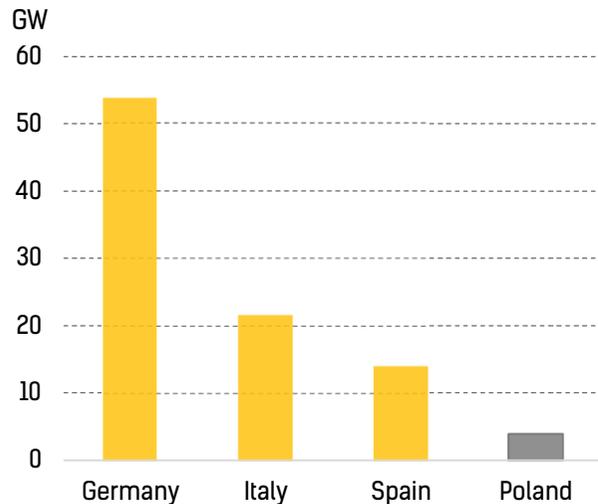
The first phase of pursuing new strategic directions



Attractive growth prospects for the photovoltaics market in Poland

Poland is among the European countries with low saturation rates

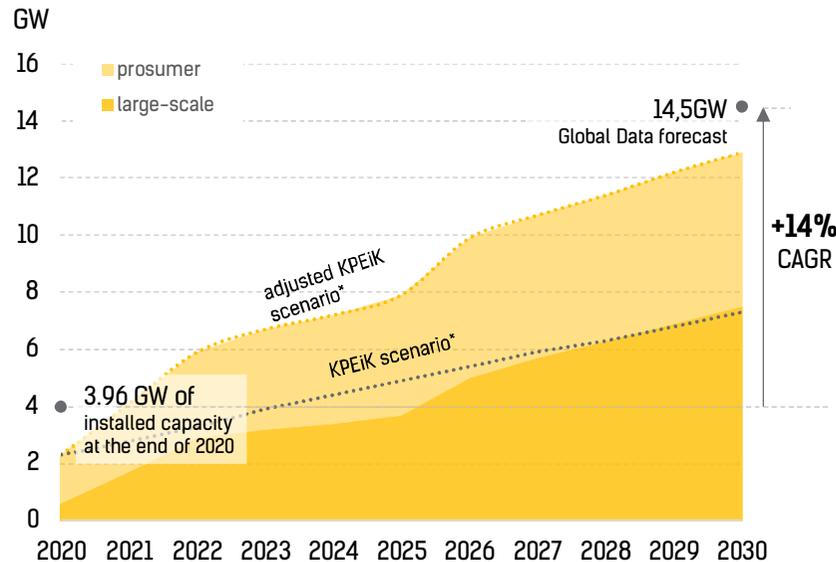
Poland vs EU leaders with the highest solar PV installed capacity (in 2020)



Source: International Renewable Energy Agency (IRENA)
<https://www.irena.org/Statistics/View-Data-by-Topic/Capacity-and-Generation/Country-Rankings>

Substantial increase expected in photovoltaic installed capacity

Projected installed capacity



Source: Institute for Renewable Energy (IEO), *Road map for the development of the PV industry in Poland until 2030*
https://wfosigw.wroclaw.pl/files/download_pl/1471_mapa-drogowa-rozwoju-przemyslu-fotowoltaicznego-w-polsce-do-2030r.pdf
<https://www.gramwielone.pl/energia-sloneczna/105263/cele-przyjety-przez-polske-w-obszarze-pv-zostana-przekroczone>

* KPEiK – National Energy and Climate Plan

OPPORTUNITIES:

- Strong growth of the large-scale solar farm segment
- Development of PPA projects in the prosumer segment
- Early stage of the market development as an opportunity to gain a lead in B2B
- Expected increase in electricity prices
- EU funding for businesses

RISKS:

- Dependence on the regulatory environment
- Limited access to connection capacity

Timeline for the project to enter the solar PV sector

TDJ identifies B2B PV as the most attractive area of the RES segment

TDJ and P+S sign an investment agreement

TDJ and FAMUR sign a letter of intent on a RES joint venture project

FAMUR and TDJ work in parallel to build the RES segment

- FAMUR announces new strategic directions
- Development of the PV business segment in partnership with TDJ and P+S



Sector-specific capabilities
Operational resources
PV project portfolio

Investment know-how
PV project portfolio
Land bank
Reference projects

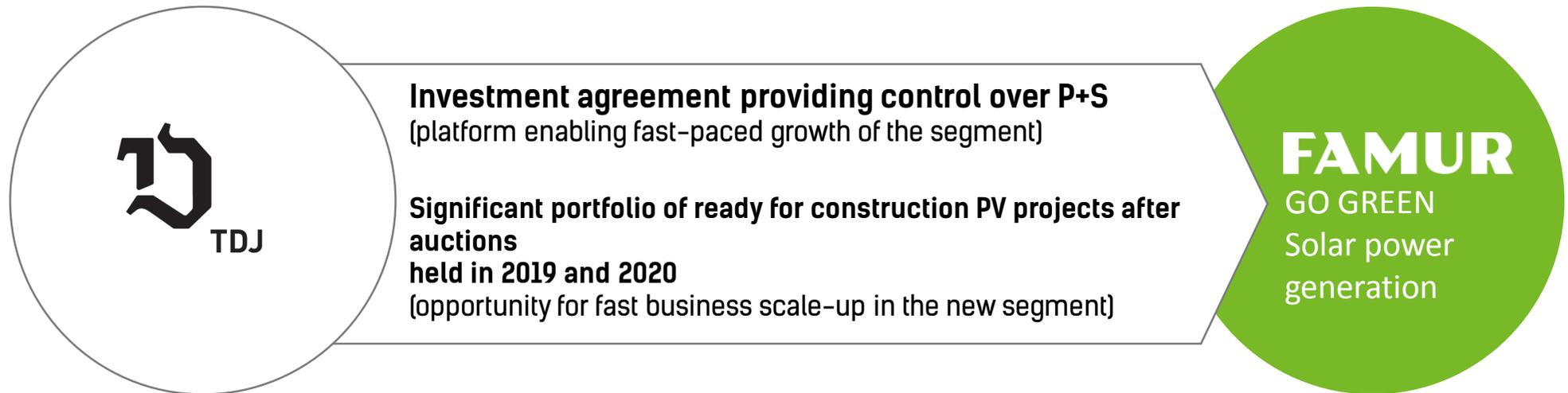
Scale and supply chain
Strong financial position
Own operating and
manufacturing facilities
PV project portfolio



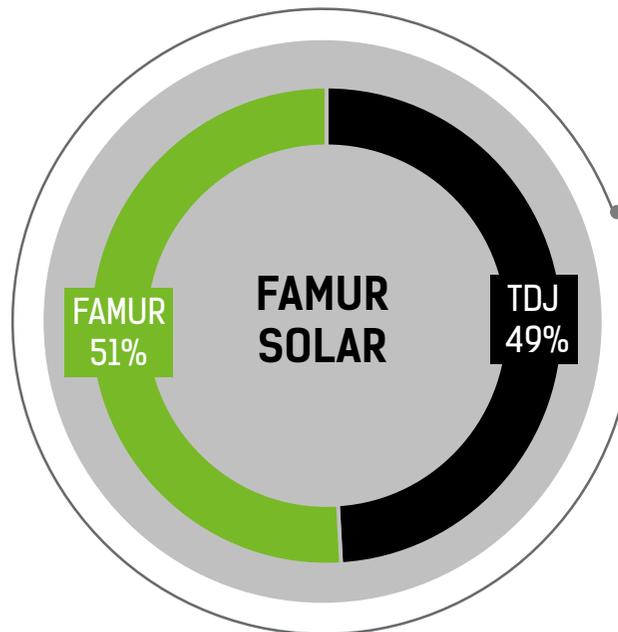
**MARKET LEADER OFFERING END-TO-END
SOLUTIONS FOR PV PROJECTS IN B2B SEGMENT**

TDJ opens entry path into PV for FAMUR

Assignment of the investment agreement (its terms unchanged) concluded by TDJ (providing control over P+S and the acquired PV projects) to a joint entity established with FAMUR



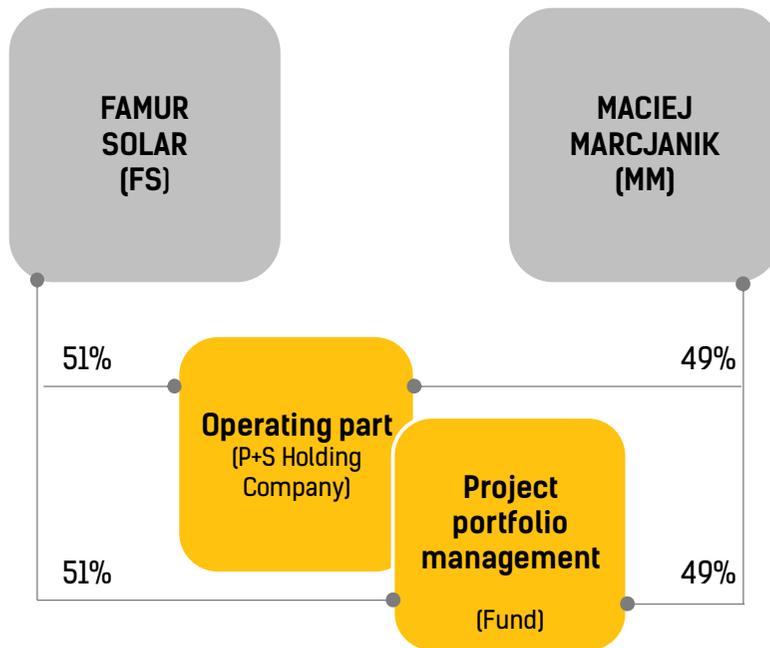
Equity structure of the FAMUR and TDJ's joint venture in the PV segment



Key intentions underlying the investment agreement between FAMUR and TDJ

- Establishment of FAMUR SOLAR (FS)
- Assignment of the investment agreement (its terms unchanged) by TDJ to FS
- Making a cash contribution of PLN 70m to FS (51% from FAMUR and 49% from TDJ)
- Transfer by TDJ and FAMUR of all their PV projects to the Fund, a subsidiary of FS (existing portfolio):
 - TDJ: projects with a total capacity of approx. 102 MW (all with auctions won in 2019 and 2020)
 - FAMUR: projects with a total capacity of approx. 85 MW (including 30 MW with auctions won in 2020)
- Providing FAMUR with full corporate power over FS
- TDJ intends to exit the FS investment by the end of 2023

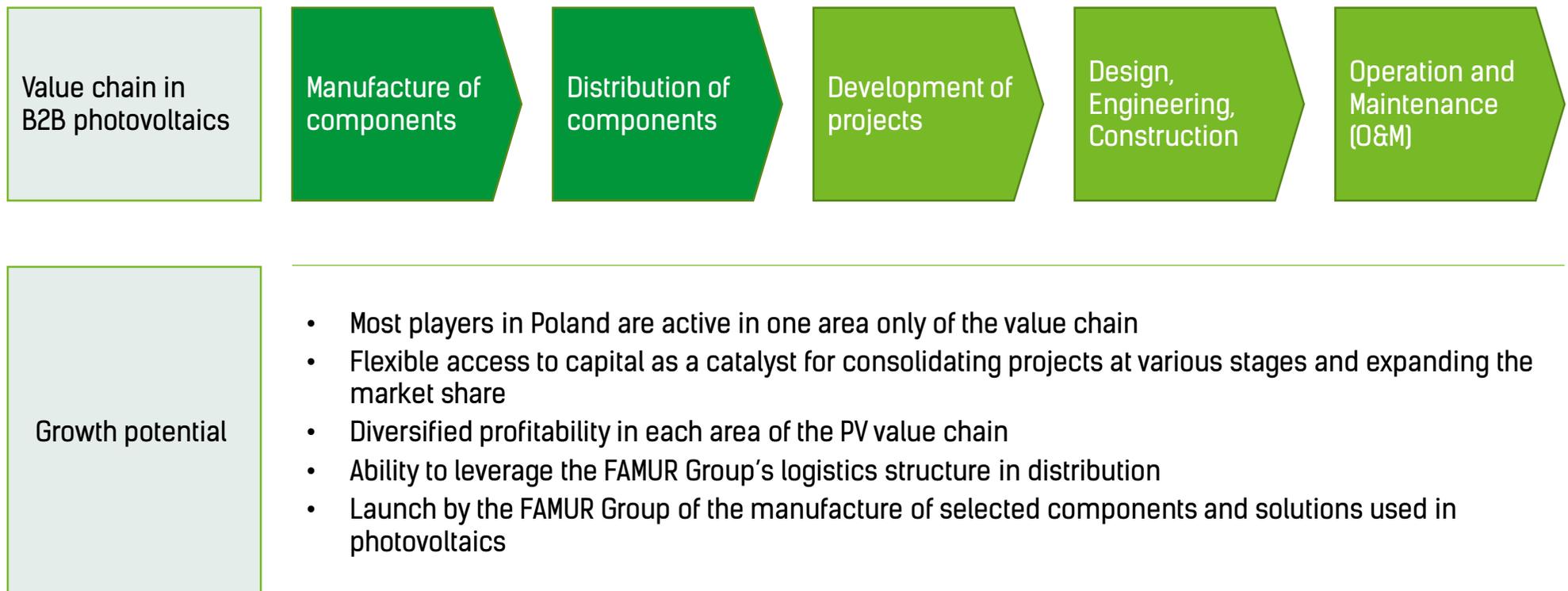
Target equity structure of the PV segment based on partnership with the existing P+S owner



Key intentions underlying the investment agreement with Maciej Marcjanik

- Conduct of the PV business through the operating part and the fund managing the PV project portfolio
- Acquisition of a 51% interest in the operating part by FS through purchase of shares held by MM and capital increase for a total amount of approx. PLN 48m
- Maintaining the ownership proportion in the operating part and the fund: a 51% interest for FS and a 49% interest for MM (full consolidation of the segment)
- Provision by FAMUR of finance up to PLN 150m (including short- and medium-term loans) for acquisition and development of the portfolio of PV projects

Integration of the PV value chain as a chance for profitability boost



Experienced, professional partner in the PV segment



Maciej Marcjanik

Co-owner and CEO of Projekt Solartechnik.

One of the founders of the Polish market for renewable energy sources, famous in the PV industry for deploying new solutions and bold approach to business.

For a decade now, Maciej Marcjanik has consistently developed Projekt Solartechnik, making it a strong player on Poland's photovoltaics market. Under his management, Projekt Solartechnik has built more than 300 MW in PV systems across Poland and Europe.



Projekt Solartechnik has 12 years of experience gained on 10 European markets



 Germany



 France



 Romania



 Hungary



 Poland

Experienced P+S team as a base for building a market leader business offering end-to-end solutions for PV projects in B2B segment

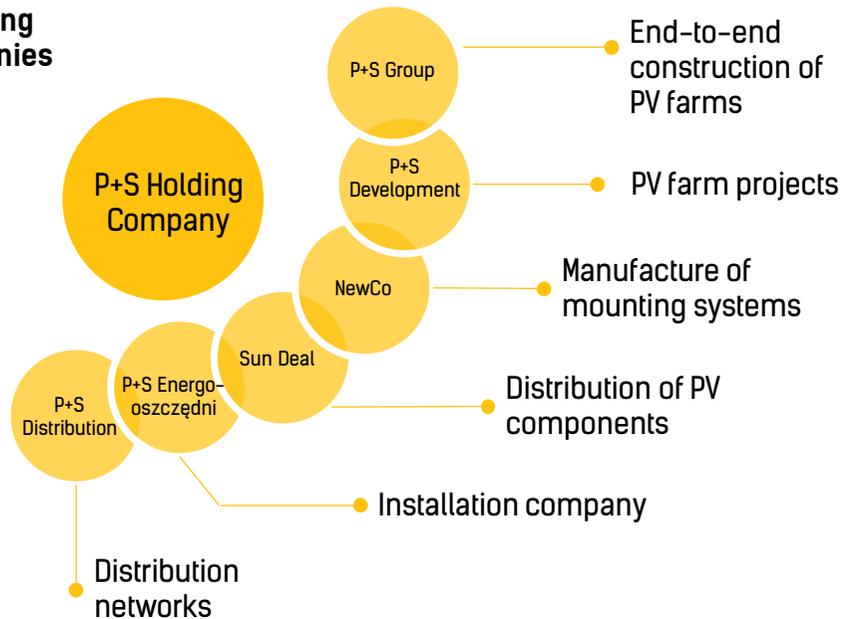
- Professional development team
- Own construction and execution resources
- Own design office specialising in RES
- Manufacture of proprietary, certified mounting systems
- Trade in PV components
- Sale of electricity
- Construction of own PV systems



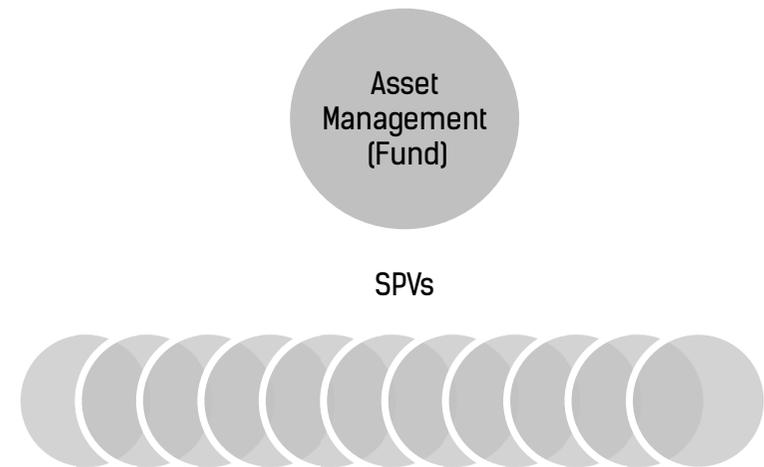
Target organisational structure from July 2021 onwards

Structure of the operating part (overview chart)

Operating companies

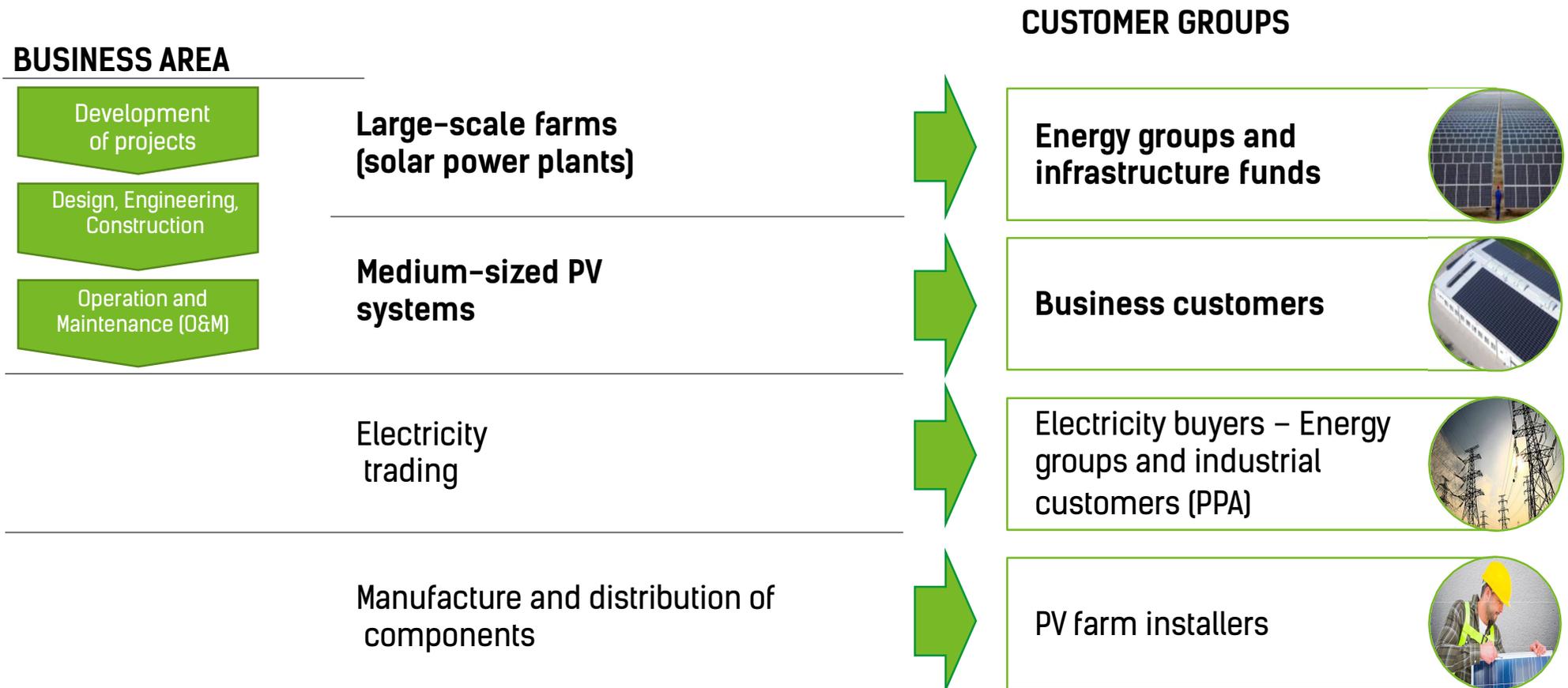


Project portfolio management (overview chart)



Each SPV responsible for several projects with different capacities: from ~ 1MW to 150+ MW

End-to-end delivery of PV projects on the B2B market



We hold PV projects with a combined capacity of >1GW, including one of Poland's largest 1MW farm portfolios (with auctions won in 2019 and 2020)

>130 MW

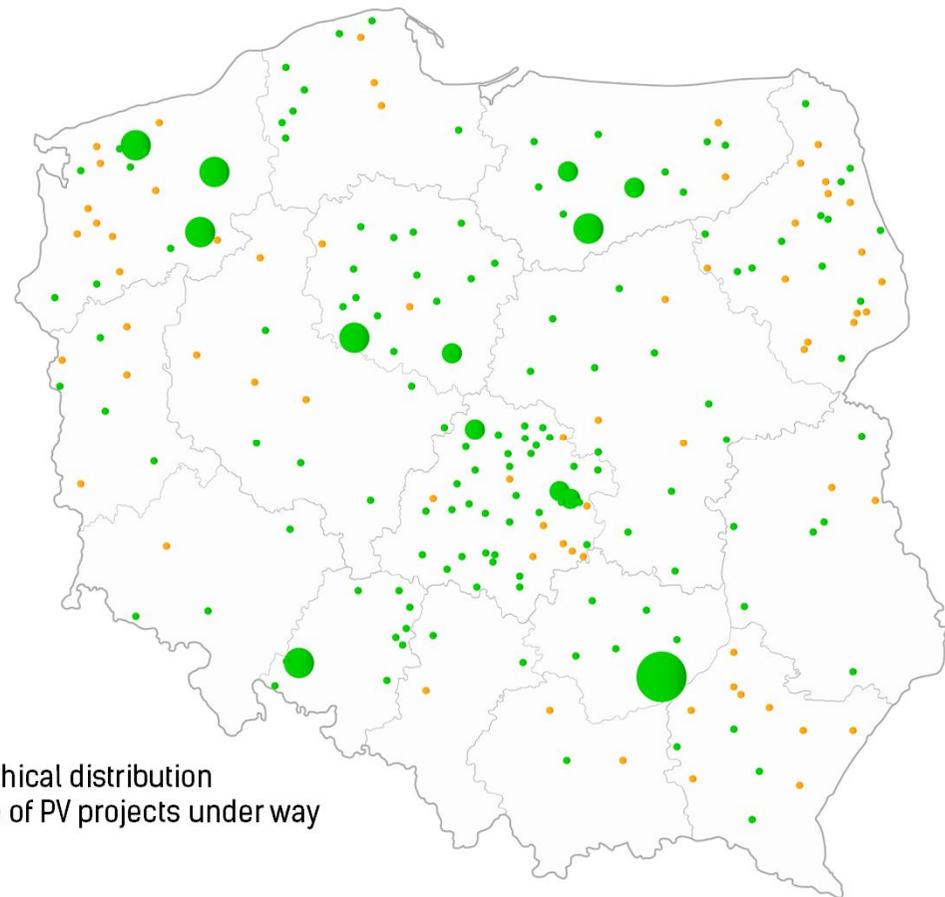
Own farm projects under construction, with auctions won in 2019 and 2020 (expected completion date: end of 2021)

>840 MW

Projects at various stages of development

~1,000 MW

Total projects in the portfolio at various stages of development



Geographical distribution and size of PV projects under way

Focus on strong growth of the PV market share

STEPS TAKEN BY THE FAMUR GROUP TO GROW THE PV SEGMENT (until May 13th 2021)

1. Acquisition of projects with a total capacity of >85MW (at various stages of development)
2. Ensuring the supply of components to construct PV farms with a capacity of >130MW (first stage):
PV panels, container transformer stations, inverters, mounting structures and wiring
PLN 107m – total 'on-balance-sheet' capital commitment, i.e. the amount committed and already spent on the PV segment development (acquisition of projects, loans advanced to SPVs, costs incurred to construct PV farms)

OPERATIONAL OBJECTIVES FOR 2021

1. **PV farms developed with a capacity of >130MW**
(by the end of 2021)
2. **Continued acquisition of PV projects over the coming years**
3. **External financing raised to develop the PV segment**
based on available products and dedicated financial instruments

Long-term goal:
To become a major player on
the European market of
integrated PV solutions for the
B2B segment



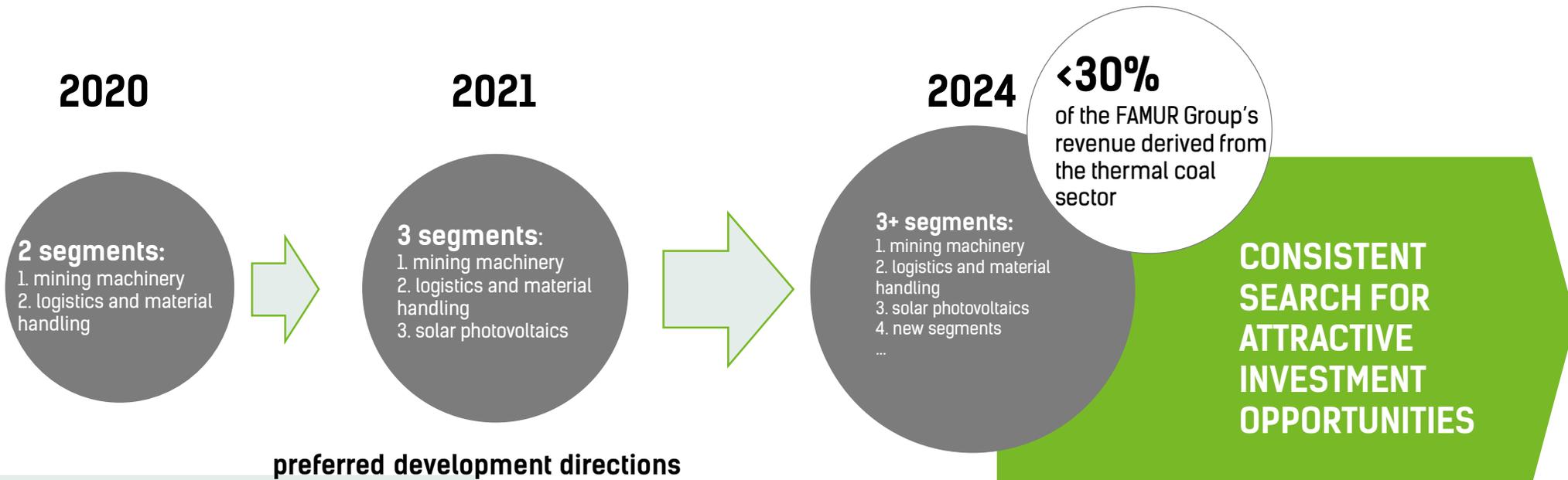
5

FAMUR Group's long-term goals

Value generated over the long term as a key measure of success



Towards a holding company investing in green transition



preferred development directions

- Solar power generation
- Combined heat and power generation
- Energy storage facilities
- Smart grid
- HVAC

**FAMUR
GO GREEN**

Logistics and material handling

Repurposing of the plants

- Machinery for:
 - construction and civil engineering
 - automated storage systems
 - paper and/or paper packaging
 - mineral processing
 - waste recycling

- Wind turbines and equipment
- Industrial pumping systems
- Offshore & material handling
- Rolling stock and railway infrastructure
- Real property and financial investments

Further development of the FAMUR Group will require a revision of its dividend policy

Reinvesting profits* to finance development towards a holding company investing in green transition

Share buyback programme*:

- Programme size: PLN 70m
- Buyback as a tender offer with a price of PLN 2.5 per share
- Planned implementation: Q3 2021
- Tender offer directed to all FAMUR shareholders
- Shares to be repurchased by FAMUR with a proportional reduction of the number of tendered shares

*A final decision on the allocation of profit for a financial year will be made by the Annual General Meeting.



6

Q&A session



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Appendices

Reconciliation between operating and reported metrics

EBITDA	3 months to	
	Mar 31 2021	Mar 31 2020
(PLNm)		
Operating profit	44	62
Depreciation and amortisation	47	47
EBITDA	91	109

Reconciliation between operating and reported metrics

Net debt

(PLNm)	As at	
	Mar 31 2021	Dec 31 2020
non-current financial liabilities	237	437
bank borrowings	2	-
other debt instruments	199	401
leases	25	26
purchase of receivables	11	8
current financial liabilities	235	42
bank borrowings	-	2
other debt instruments	203	-
leases	3	5
purchase of receivables	29	35
Gross debt	472	479
Less cash and cash equivalents	-961	-899
Net debt	-489	420
Net debt/EBITDA	-1.2	-1.0

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
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

Glossary

Net debt	Net carrying amount of long-term and short-term borrowings and debt instruments, less cash and cash equivalents
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