

The logo for FAMUR, consisting of the word "FAMUR" in a bold, green, sans-serif font. A small green horizontal bar is positioned above the letter "A".

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Presentation of the FAMUR Group

Summary of Q2 and H1 2021

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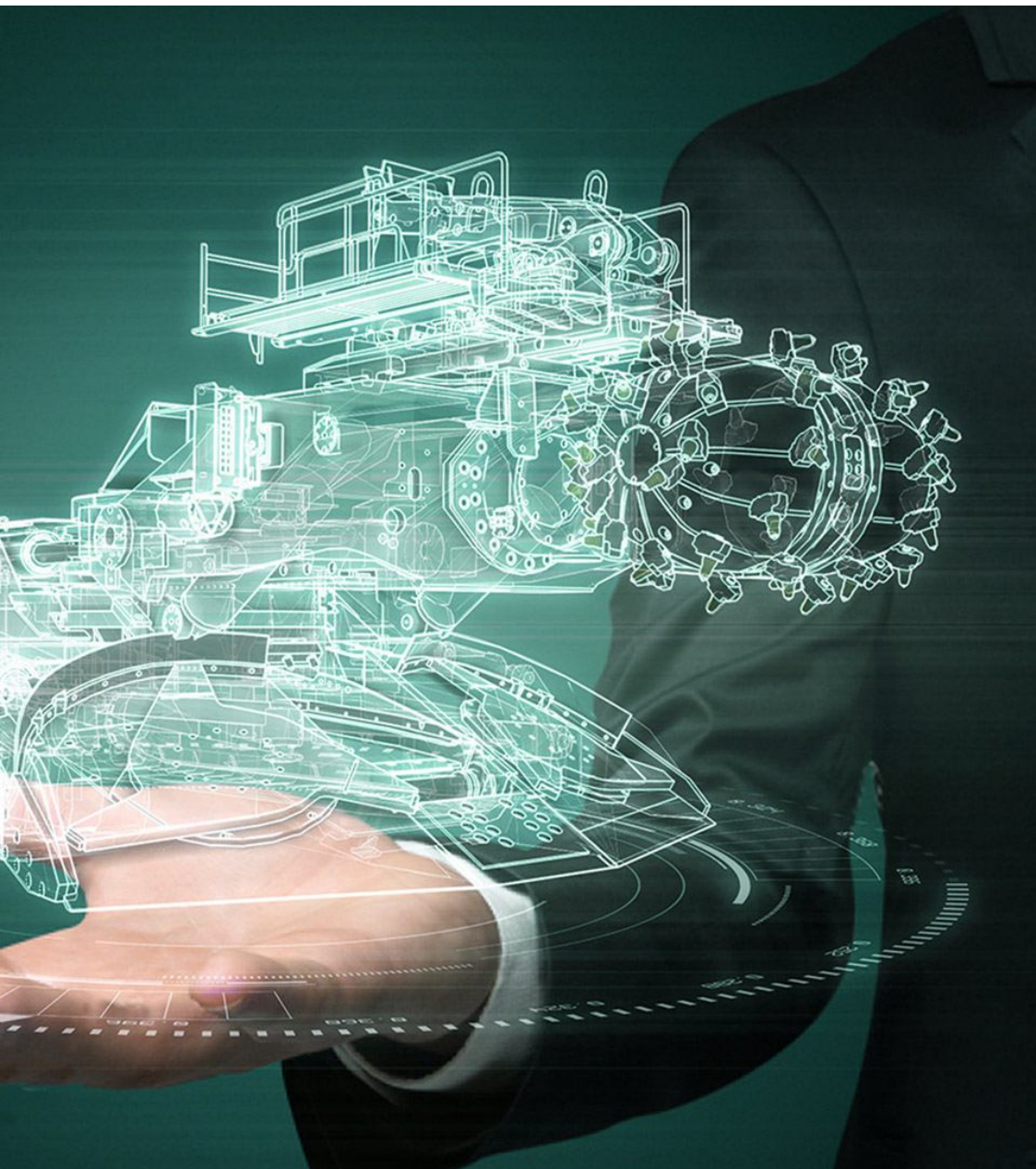
Agenda

- 1. Key developments**
- 2. Financial results**
- 3. Summary**
- 4. Q&A session**

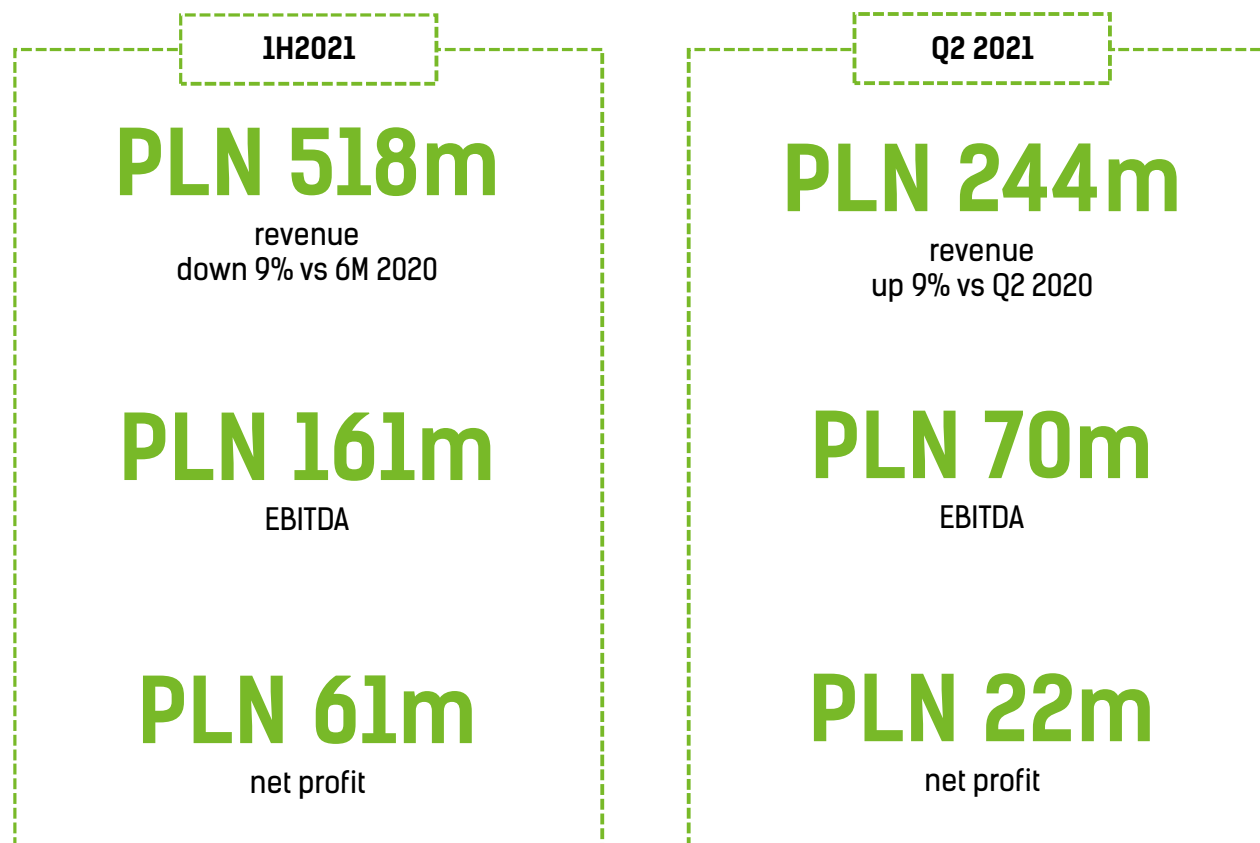
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Key developments

Mirosław Bendzera
*President of the Famur
Management Board*



FAMUR Group H1 and Q2 2021 results



Key developments in Q2 2021

- Modification of the Group's strategic direction towards a holding company investing in green transition
- Entry into the large-scale PV projects sector
- **Mining Machinery:**
 - continuing conservative approach to new projects despite the coal price recovery
 - approx. PLN 135m worth of new orders secured in Q2 2021
 - approx. PLN 530m worth of backlog* as at June 30th 2021
- Price growth and limited availability of components
- Profitability maintained at safe levels

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

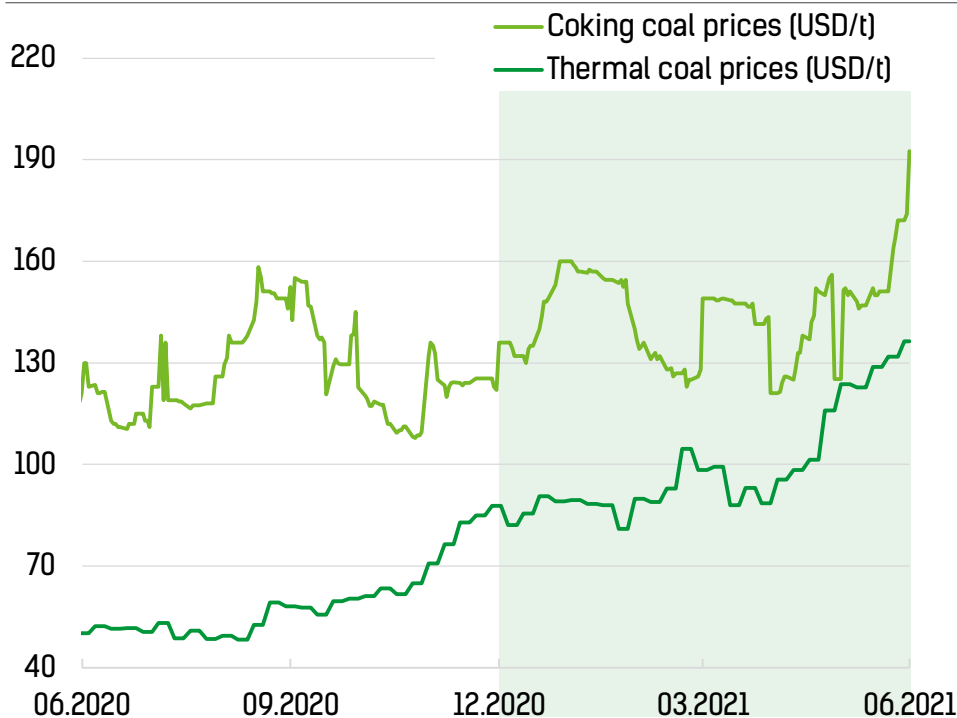


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Mining Machinery

Continuing conservative approach to new projects; business confined to aftermarket services despite significant coal price recovery

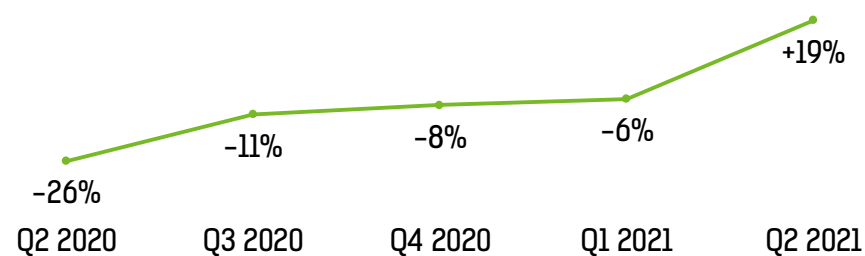
Evolution of global coal prices



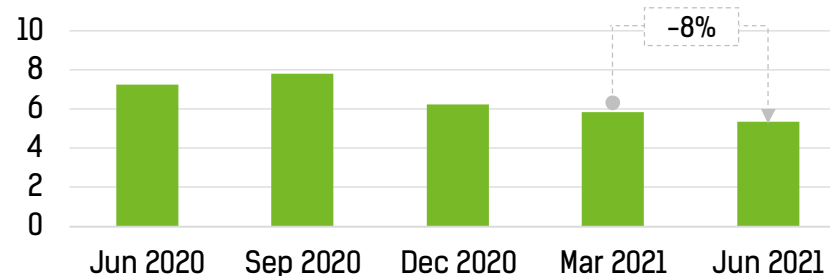
Source: Bloomberg, coking coal price index (FOB Australia SWAP), thermal coal (Australia Newcastle Port Therm)

Polish hard coal mining sector

Year-on-year change of production in the quarter



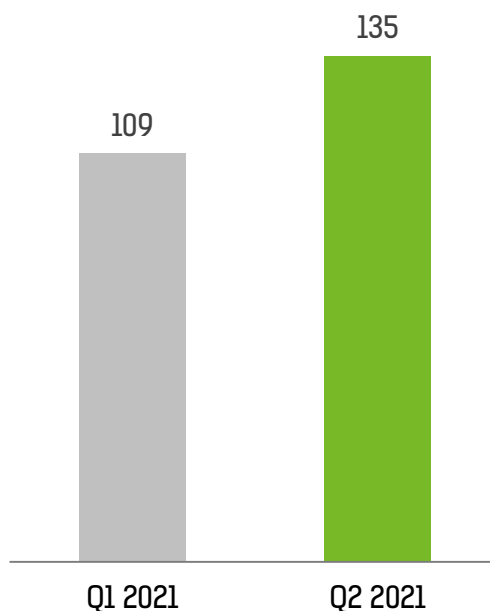
Inventories of domestic producers (million tonnes)



Source: www.polskirynekwegla.pl

Commercial activities of the FAMUR Group in Q2 2021

Value of orders secured during the quarter
PLNm



PLN 135m – total value of orders secured in Q2 2021

Material contracts signed and tenders won in Q2 2021

- **May:** The FAMUR Group (as the leader of a consortium with Hydrotech S.A.) signs a PLN 62m contract with LW Bogdanka S.A. for upgrade and delivery of longwall system equipment
- **June:** The FAMUR Group's bid for delivery of powered roof support sections to AO SUEK-Kuzbass is selected as the winning bid; bid value: approx. EUR 20m (approx. PLN 92m) ; the contract is signed in August 2021

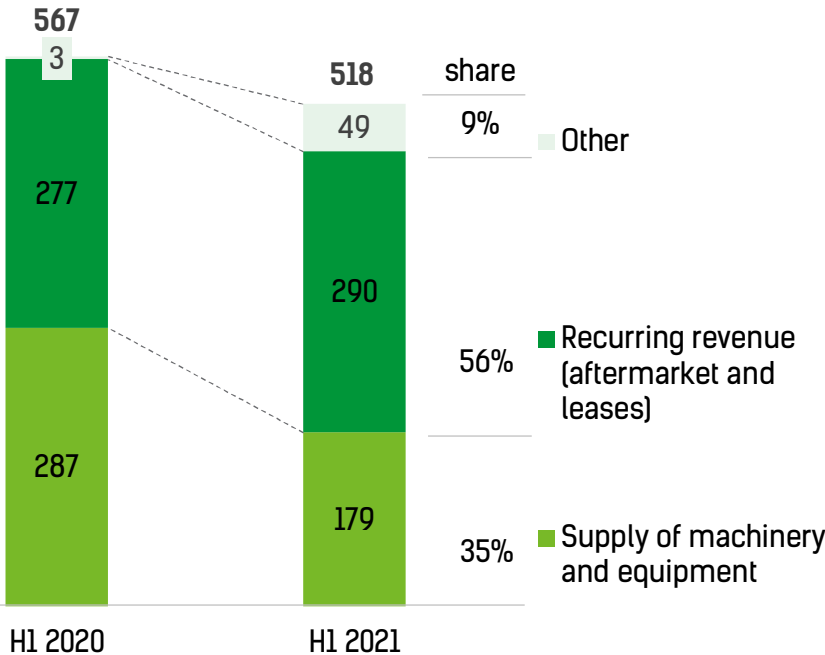
Approx. PLN 530m in backlog (supply of machinery and equipment and leases in accordance with contract terms) **at the end of June 2021**

- **August:** Acceptance of the FAMUR Group's bid for delivery of powered roof supports to Century Mining, USA, is firmly confirmed – approx. USD 28m (approx. PLN 111m)

Drop in orders on the OEM market driving a decline in revenue from supply of machinery and equipment

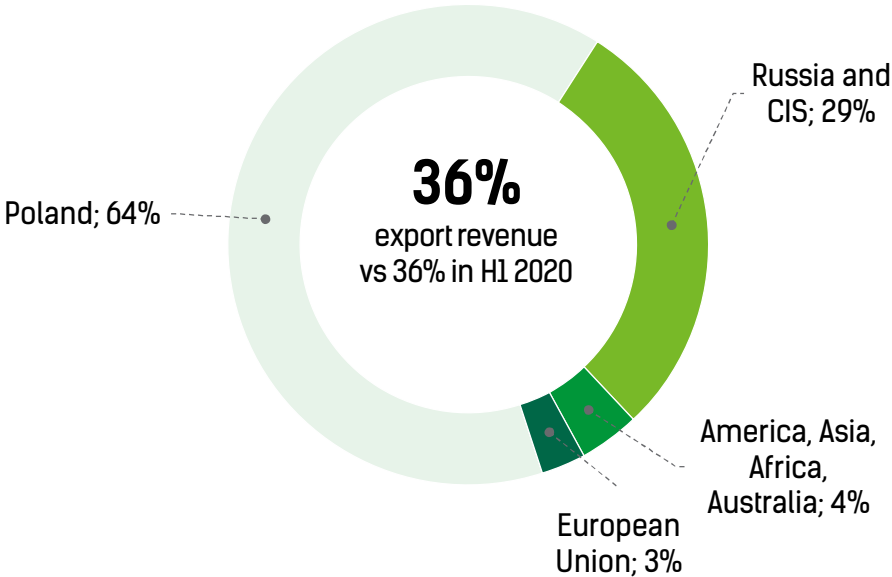
9% yoy decrease in revenue in H1 2021, due to fewer orders on the OEM market, partially offset by higher revenue from aftermarket services and other revenue

Revenue by product category (PLNm)



Sales to foreign markets mainly to Russia and CIS countries (approx. 29% of total revenue), with Asian, American and African countries combined representing about 4% of total revenue

Revenue by geographical market

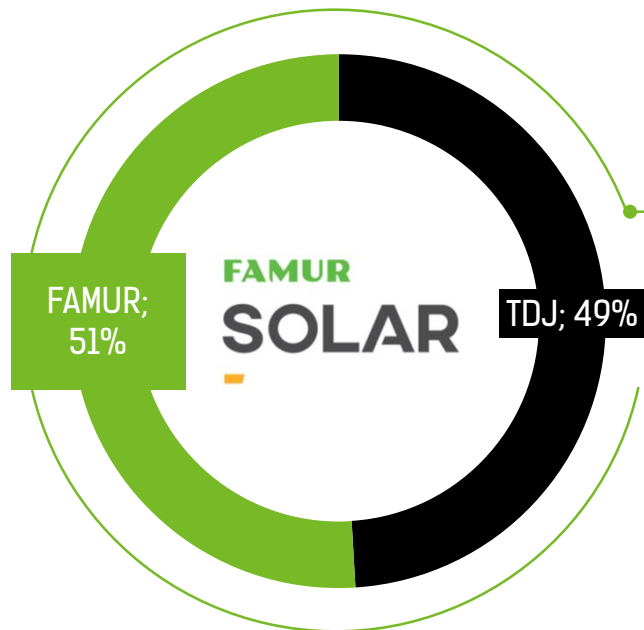




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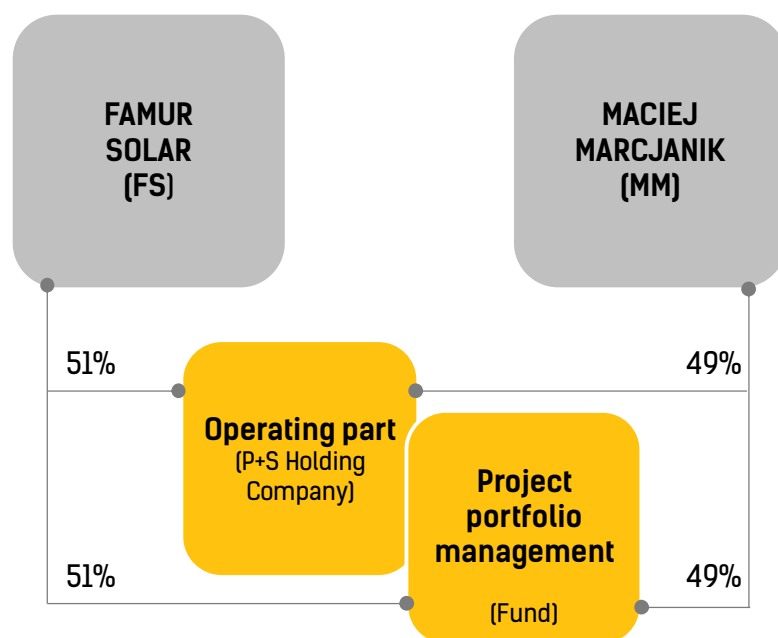
Development of the solar PV segment at the FAMUR Group

Progress of work on the solar PV segment structure at the FAMUR Group



- ✓ Establishment of FAMUR SOLAR (FS)
- ✓ Assignment of the Investment Agreement to FS by TDJ
- ✓ Cash contribution of PLN 70m to FS (FAMUR: 51%, TDJ: 49%)
- ✓ Providing FAMUR with full corporate power over FS

Progress of work on the solar PV segment structure at the FAMUR Group Consolidation of the solar PV segment within the FAMUR Group as of Q3 2021



- ✓ A closed-end investment fund, Projekt Solarteknik Fund Fundusz Inwestycyjny Zamknięty, is created to manage the solar PV farm portfolio
- ✓ FAMUR makes a loan to MM to finance acquisition of the Fund certificates for the purpose of purchasing solar PV projects (in accordance with the annex to the Investment Agreement)
- ✓ The Fund certificates are subscribed for by FS (51%) and MM (49%)
- ✓ Solar PV projects are sold to the Fund by TDJ (approx. 100 MW with a renewable energy auction won the 2019 and 2020) and FAMUR (approx. 164 MW, including approx. 104 MW with a renewable energy auction won the 2019 and 2020)
- FS acquires a 51% interest in the operating part by purchasing shares held by Maciej Marcjanik (MM) and the company's share capital is increased by a total of approx. PLN 48m

Operational and commercial achievements in the solar PV segment

more than 1.2 GW

estimated total capacity of portfolio projects at various stages of development

approx. 103 MW

total capacity of projects with a renewable energy auction won (June 2021)
100% effectiveness
projects at various stages of development continue to be purchased on the market

approx. 240 MW

total capacity of projects that won the 2019, 2020 and 2021 auctions

more than 130 MW

farms under construction with a renewable energy auction won; deliveries of key components secured, with some project delayed due to limited availability of certain electronic components or insufficient adaptation of the distribution networks to the dynamic growth in RES capacity and longer waiting periods for newly-built projects to be connected to the operators' networks

Commercialisation of solar PV farms under construction

approx. PLN 143m

estimated value of a contract with
Energa-Obrót signed in August 2021 for the supply of
solar PV energy until the end of 2024

The FAMUR Group's financial commitment to development of the solar PV segment

- **June 30th 2021:** approx. PLN 200m of total 'on-balance-sheet' capital commitment, i.e. the amount committed and already spent on the solar PV segment development (acquisition or development of projects, financing of the construction of solar PV farms, financing of the purchase of components necessary for farm construction, or operational financing of the Operating Companies)
- **by September 30th 2021:** up to PLN 500m of funds to be provided by FAMUR for the solar PV segment development (loans or other support for the acquisition or development of projects, financing of the construction of solar PV farms, financing of the purchase of components necessary for farm construction, or operational financing of the Operating Companies)
- **from October 1st 2021:** up to PLN 400m of funds to be provided by FAMUR for the solar PV segment development (financial support for the acquisition of solar PV projects from the market and possible loans to finance solar PV farm construction)
the financing limit (up to PLN 400m) to be reviewed annually based on the projected cash flows of the solar PV segment
- **by December 31st 2023:** final deadline for repayment to FAMUR of loans or other forms of support provided within the limit

Target financing of SPVs

- project finance loans to refinance the SPV's debt to FAMUR
- external financing to be raised to develop the solar PV segment based on available products and dedicated financial instruments

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Financial results

Tomasz Jankowski
Famur Investor Relations



Revenue development analysis

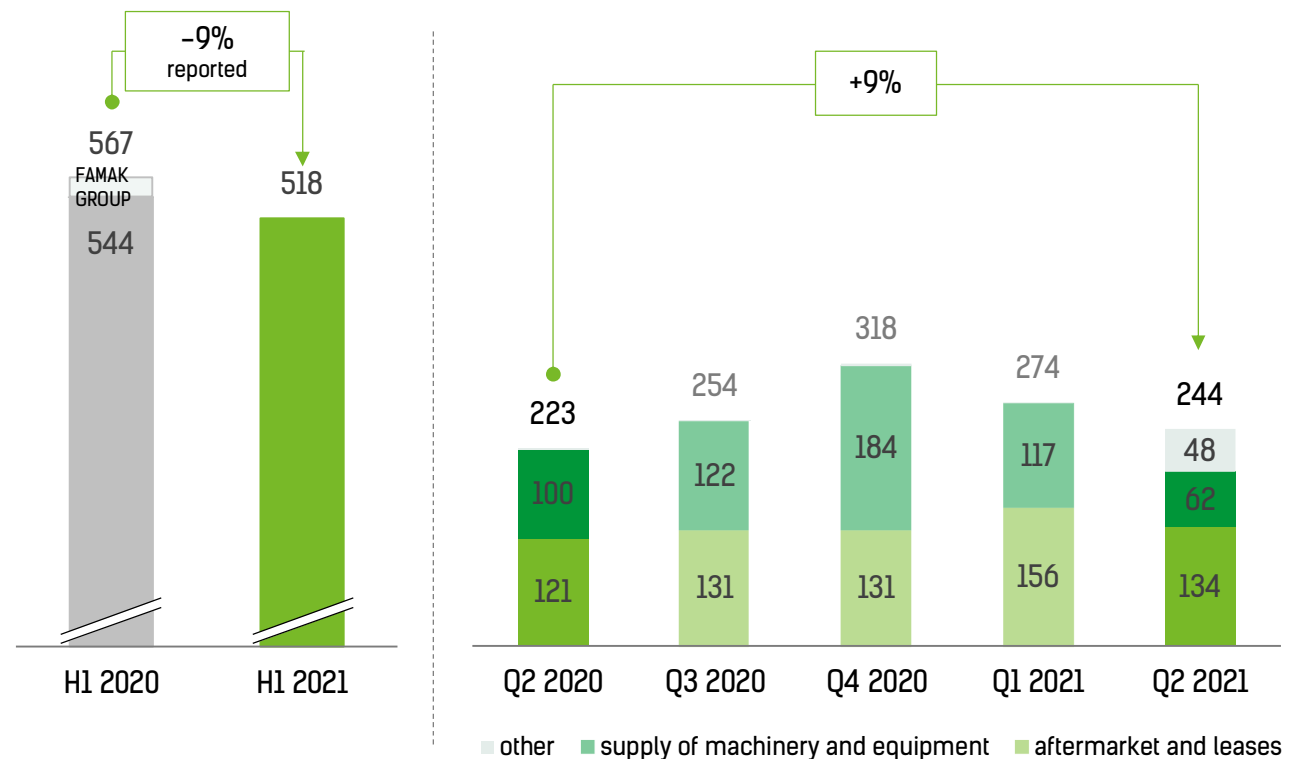
9% yoy drop in revenue in H1 2021:

- revenue from supply of machinery and equipment down 38% due to continued decline in orders on the OEM market
- revenue from aftermarket services and leases up 5%
- other income – effect of transactions involving key solar PV farm construction components with related SPVs (full consolidation in 2H2021)

9% yoy improvement in revenue in Q2 2021:

- revenue from supply of machinery and equipment down 38%
- revenue from aftermarket services and leases up 11%
- increase in other income – effect of transactions involving key solar PV farm construction components with related SPVs

FAMUR Group revenue development (PLNm)



Operating profitability analysis

Key drivers of Q2 EBITDA

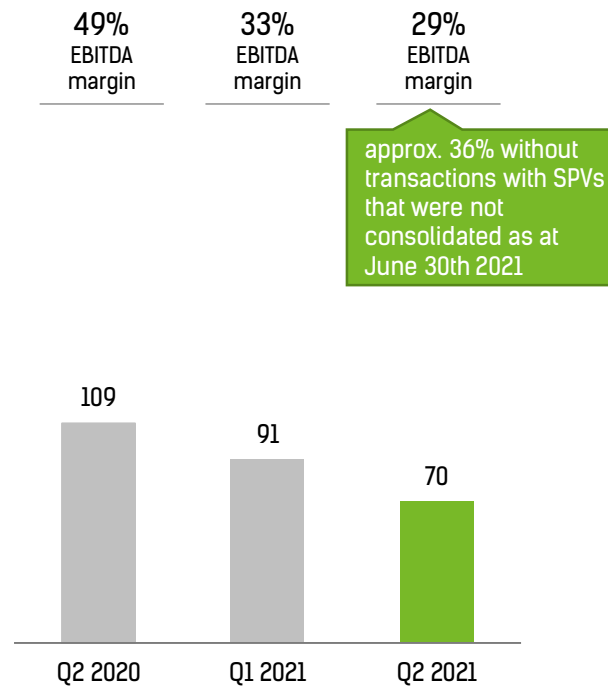
Year-on-year change: decrease in EBITDA vs Q2 2020, attributable to:

- lower gross margin due to pressure on margins on the OEM market
- high base (Q2 2020 included the effect of the anti-crisis shield support: temporary working time and pay reduction, bonus scheme suspensions, grants)
- profitability analysis distorted by transactions with SPVs (full consolidation as of H2 2021)

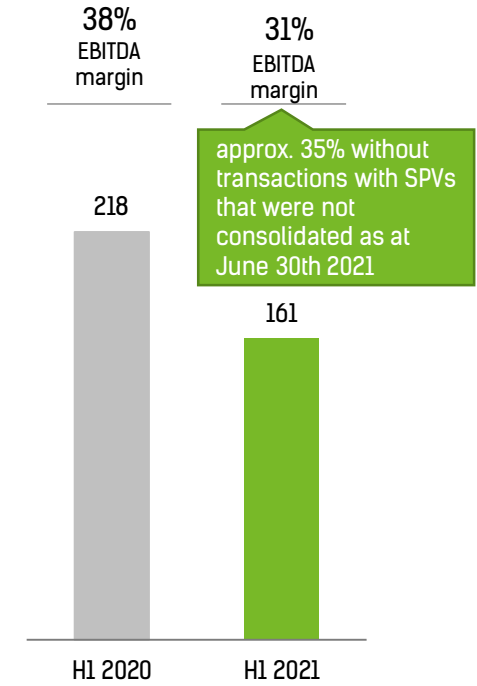
Quarter-on-quarter change: decrease in EBITDA vs Q1 2021, attributable to:

- lower revenue
- lower other income

Development of FAMUR Group EBITDA for the quarter year on year and quarter on quarter, PLNm

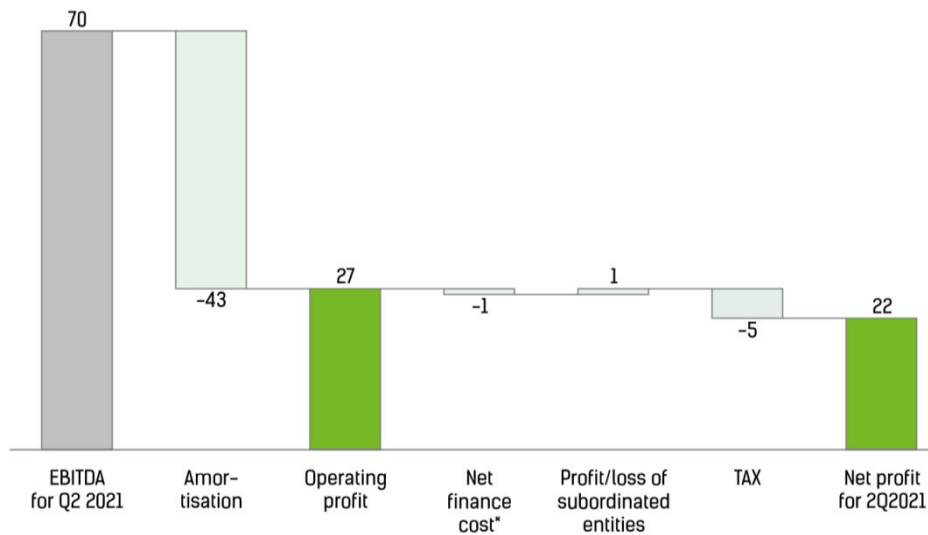


FAMUR Group 6M EBITDA PLNm



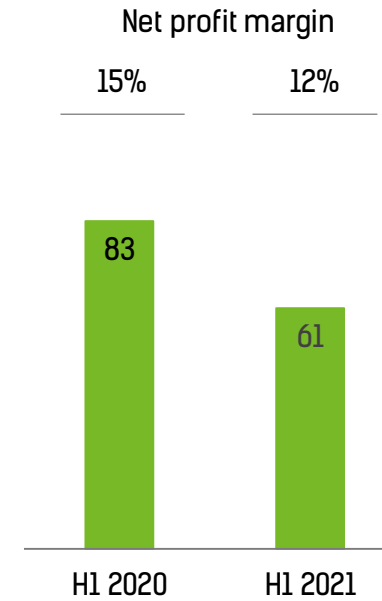
Net profit margin analysis

Key drivers of Q2 2021 net profit
FAMUR Group net profit (PLNm)



* net finance costs are finance costs adjusted for finance income and net change in allowance for expected credit losses

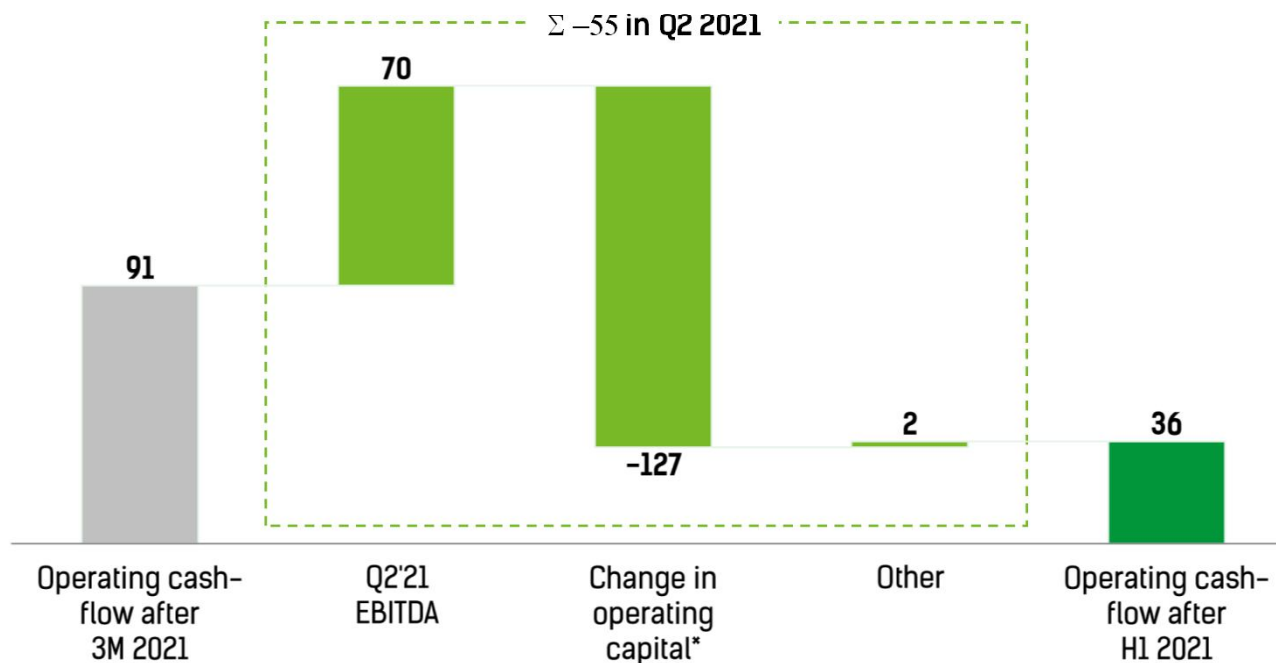
FAMUR Group 6M net profit and net profit margin
PLNm



Operating cash flows in Q2 2021

- PLN -55m in operating cash flow in Q2 2021:
 - PLN + 70m: EBITDA; and
 - PLN - 127m: increase in operating capital requirement, mainly as a result of investment in the solar PV segment
 - PLN - 20m: change in receivables
 - PLN - 62m: repayment of operating liabilities
 - PLN - 45m: increase in inventories
- 'Other' includes PLN 8m of income tax paid in Q2 2021 and PLN +10m of non-cash adjustments included in EBITDA

Operating cash flow in 6M 2021
PLNm

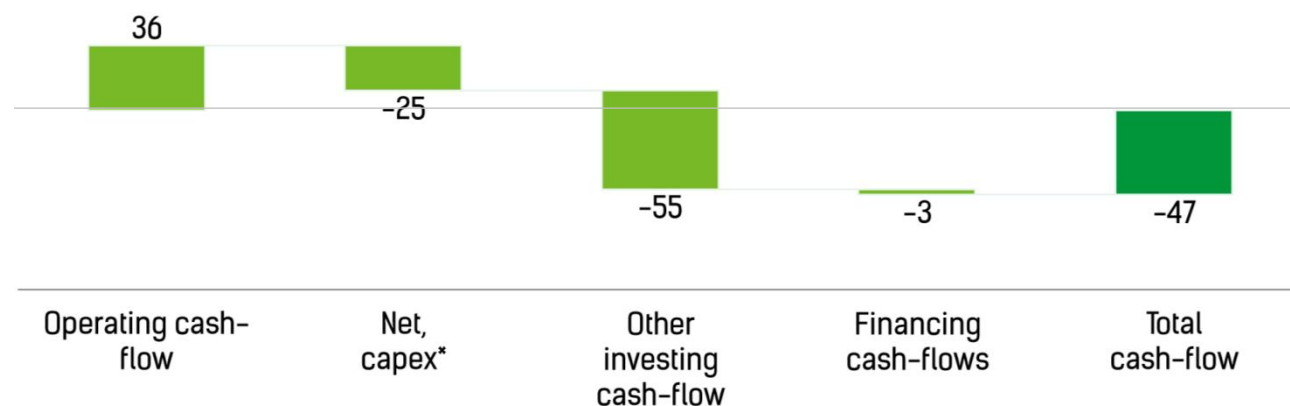


* total of the following items: change in inventories, current receivables and current liabilities, net of borrowings

PLN 386m surplus of cash over debt as at June 30th 2021

- PLN 50m capital expenditure on property, plant and equipment and intangible assets, partly financed from PLN 25m proceeds from disposal of non-core assets (non-operating assets optimisation programme)
- Other investing cash flow:
 - loans to finance operations of SPVs active in the solar PV business
 - loans advanced to TDJ Equity I sp. z o.o. under an agreement of 2021
- Key financing cash flows:
 - PLN +4m: net proceeds from debt sale and repayment of loans
 - PLN -3m: payment of lease liabilities
 - PLN -3m: interest paid

Capital allocation in 6M 2021 (PLNm)



PLN -386m
 net debt as at June 30th 2021
 PLN 466m of gross debt
 PLN 852m of cash

* 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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Summary

Mirośław Bendzera
*President of the Famur
Management Board*

Summary of H1 2021 and outlook for H2 2021

Key accomplishments in H1 2021

- Modification of the Group's strategic direction towards a holding company investing in green transition; entry into and investment in the solar PV segment
- Safe profitability levels maintained despite continuing conservative approach to new projects in the mining sector
- Stable balance sheet: almost PLN 400m surplus of cash over debt as at June 30th 2021

H2 2021 outlook

- Further strong development of the solar PV segment and growth of the renewables segment to build an integrated offering of environmentally-friendly energy transition solutions
 - analysis of potential acquisition targets in cogeneration, energy storage, smart grid or HVAC to quickly achieve economies of scale and develop capabilities
 - partnership-based growth (controlling stake for FAMUR)
- Further implementation of the strategy to diversify FAMUR business outside the mining sector
- In the mining machinery segment – search for new markets and new orders on the existing ones optimisation of operational resources in line with market developments
- Focus on maintaining adequate flexibility and cost competitiveness in the context of dynamic changes in the prices of components and services
- **Launch of a share buyback programme (PLN 70m) in Q3 2021**



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Q&A session





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Appendices

Reconciliation between operating and reported metrics

EBITDA (PLNm)	6 months to		3 months to	
	Jun 30 2021	Jun 30 2020	Jun 30 2021	Jun 30 2020
Operating profit	71	129	27	67
Depreciation and amortisation	90	89	43	42
EBITDA	161	218	70	109

Reconciliation between operating and reported metrics

Net debt

(PLNm)	As at	
	Jun 30 2021	Dec 31 2020
non-current financial liabilities	237	437
bank borrowings	3	2
other debt instruments	200	401
leases	25	26
debt sale	9	8
current financial liabilities	229	42
bank borrowings	2	2
other debt instruments	202	-
leases	5	5
debt sale	20	35
Gross debt	466	479
Less cash and cash equivalents	-852	-899
Net debt	386	420
Net debt/EBITDA	-1.1	-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 adjusted for finance income and net change in allowance for expected credit losses
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

Glossary continued

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