

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No.

22

/

2020

Date:

September 7th 2020

Abbreviated issuer name:

FAMUR S.A.

Subject:

Decision to close down Company branch

Legal basis:

Article 17(1) of MAR – Inside information

Text of the report:

The Management Board of FAMUR S.A. (the "Company") announces that on September 7th 2020 it resolved to optimise the production processes in the belt conveyors and railways and routes product groups by relocating their production to the Nowy Sącz and Katowice branches, respectively, and to put the branch in Piotrków Trybunalski (the "Branch") into liquidation.

The global COVID-19 crisis, the continued downward trend in global coal prices and the expected reorganisation of the Polish thermal coal mining industry, which may lead to a significant reduction in its production in Poland, have resulted in a marked decrease in orders for new machinery and equipment by mines, with the belt conveyors and railways and routes product groups being particularly strongly affected. The FAMUR S.A. Management Board is of the opinion that the situation will not improve either in the short or medium term due to the following:

- the demand for the machinery was to a large extent satisfied in the previous period;
- the machinery is relatively easy to reallocate between mines, which, given the announced reduction of output by the Polish mining industry, will have a significant impact on the falling demand for these products or may even lead to lack of new procurement procedures;
- belt conveyors are relatively simple in design, so – seeking cost savings – mines can arrange for them to be serviced and repaired by own staff or related maintenance companies.

Seeking to adapt the organisational structure to the current market situation, and in order to best use the production capacities and technological competence of individual branches, the Management Board of FAMUR has decided to relocate the production of belt conveyors from the branch in Piotrków Trybunalski to the branch in Nowy Sącz, where production of scraper conveyors has already been concentrated. The railways and routes business of the Piotrków Trybunalski Branch, which is smaller and accounts for about 15% of its revenue, will be taken over by the branch in Katowice.

These measures will help the FAMUR Group to adjust its operating resources to the current and expected market situation, while maintaining the production, technical and technological competence and product know-how, so that production of belt conveyors, railways and routes is continued to fulfil any secured orders.

They are also in line with the pillars of the adopted strategy, in particular with the striving for operational excellence by maintaining a flexible operating model, quickly adaptable to the changing economic environment.

Due to the liquidation of the Branch, 27 employees will be given the option to relocate to the plant in Katowice and 10 to relocate to the Nowy Sącz branch, with 198 subject to a collective redundancy procedure. Accordingly, on September 7th 2020 the Company will notify its social partners of the reasons for the planned

collective redundancies and will notify the job centre of its intention to carry out collective redundancies at the Branch.

The final impact of the closing down of the Branch on the FAMUR Group's financial performance will be presented in the periodic financial statements.

FAMUR Spółka Akcyjna		(full issuer name)	
FAMUR S.A.	Electromechanical (ele)	(sector according to the WSE)	
(abbreviated issuer name)			
40-698	Katowice	(city/town)	
(postal code)			
Armii Krajowej	51	(number)	
(street)			
+48 32 359 63 00	+48 32 359 66 77	(fax)	
(phone)			
sekretariat@famur.com.pl	www.famur.com	(www)	
(email)			
634-012-62-46	270641528	(Industry Identification Number – REGON)	
(Tax Identification Number – NIP)			

SIGNATURES OF AUTHORISED REPRESENTATIVES

Date	Full name	Position	Signature
September 7th 2020	Tomasz Jakubowski	Vice President, Chief Operating Officer, Underground segment	
September 7th 2020	Beata Zawiszowska	Vice President, Chief Financial Officer	