

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No.

2

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2022

Date:

January 24th 2022

Abbreviated issuer name:

FAMUR S.A.

Subject:

Recognition of impairment loss

Legal basis:

Article 17(1) of MAR – Inside information

Text of the report:

The Management Board of FAMUR S.A. of Katowice (the "Company") announces that the Company has made a decision to recognise in its separate and consolidated financial statements an impairment loss of PLN 94.6m to account for permanent impairment of goodwill allocated to the mining machinery segment.

Having performed relevant impairment tests, on January 24th 2022 the Company's Management Board decided to recognise an impairment loss of PLN 94.6m. The impairment loss is a non-cash charge that will affect net profit for the fourth quarter of 2021, but will have no impact on EBITDA or cash and cash equivalents.

This impairment loss reflects lower projected cash flows in the mining machinery segment based on reassessment of its expected future results in the light of conditions currently prevailing in the Polish sector of hard coal mining machinery manufacturing. Specifically, the updated projection reflects the following external factors:

1. the sharp growth in the prices of CO₂ emission allowances in 2021, which increases the probability of a faster reduction of the share of coal in the Polish electricity generation mix in accordance with the high CO₂ price scenario assumed in 'Poland's Energy Policy until 2040';
2. the prolonged process of consulting with the European Commission the terms of an agreement to be concluded between the Polish government and trade unions regarding gradual closure of thermal coal mines in Poland until 2049 prompting the FAMUR Group's domestic customers to put their investment plans on hold;
3. pressure from financial institutions to restrict financing for the coal industry.

The Company notes that the amount of the impairment loss stated above is an estimate subject to change in the course of an audit of its financial statements. The finally determined amount of the impairment loss will be provided in the Company's full-year financial statements.

FAMUR Spółka Akcyjna

(full issuer name)

FAMUR S.A.

(abbreviated issuer name)

Electromechanical (ele)

(sector according to the WSE)

40-698

(postal code)

Katowice

(city/town)

Armii Krajowej

(street)

51

(number)

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634-012-62-46 (Tax Identification Number – NIP)	270641528 (Industry Identification Number – REGON)

SIGNATURES OF AUTHORISED REPRESENTATIVES

Date	Full name	Position	Signature
January 24th 2022	Tomasz Jakubowski	Vice President, Chief Operating Officer, Underground segment	
January 24th 2022	Beata Zawiszowska	Vice President, Chief Financial Officer	