

## FAMUR Group Consolidated Report for 9M and Q3 2022

This document is a translation of Consolidated Report for 9M and Q3 2022  
originally issued in Polish.

## TABLE OF CONTENTS

### Discussion of financial and operating performance

Summary of results for the nine and three months ended September 30th 2022 .....	3
Discussion of the results by the President of the Management Board .....	4
Analysis of factors, events and the Company's achievements with material bearing on performance .....	5
Discussion of the FAMUR Group operating segments' results .....	9
Factors which the Company believes may affect its performance in the following quarter or future periods .....	16

### CONDENSED QUARTERLY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Consolidated statement of profit or loss .....	19
Consolidated statement of comprehensive income .....	21
Consolidated statement of financial position .....	22
Consolidated statement of changes in equity .....	24
Consolidated statement of cash flows .....	25
Notes to the condensed consolidated financial statements .....	26
Separate statement of profit or loss .....	41
Separate statement of comprehensive income .....	42
Separate statement of financial position .....	43
Separate statement of changes in equity .....	45
Separate statement of cash flows .....	46

### OTHER INFORMATION TO THE CONSOLIDATED QUARTERLY REPORT

Management Board's position on the previously published annual financial forecasts .....	47
Shareholders holding directly or indirectly (through subsidiaries) at least 5% of total voting rights at the General Meeting of FAMUR S.A. as at the issue date of this interim report and changes in the shareholding structure occurring after the issue of the previous interim report .....	47
Members of the management or supervisory personnel holding FAMUR S.A. shares or rights to FAMUR S.A. shares, and changes in their holdings after the issue of the previous interim report, according to FAMUR S.A.'s knowledge .....	47
Material proceedings pending before courts, arbitration or public administration bodies .....	47
Loan sureties and guarantees issued by FAMUR S.A. or its subsidiary where the aggregate value of such outstanding sureties and guarantees issued to a single entity or its subsidiary is significant .....	48

### ALTERNATIVE PERFORMANCE MEASURES ..... 49

## Discussion of financial and operating performance

### Summary of results for the nine and three months ended September 30th 2022

- PLN 857m in revenue for the first nine months of 2022, up 18% year on year.
  - PLN 818m in revenue in the mining machinery segment (up 12% year on year) on higher revenue from sale of machinery and equipment and from aftermarket sales,
  - PLN 39m in revenue from the solar PV segment (2022 is the first full period of consolidation of the segment; its immaterial contribution to the Group's total revenue for 2021 is due to the relatively short period of consolidation of the solar PV segment companies in 2021).
- PLN 307m in revenue for the three months ended September 30th 2022, up 34% year on year.
- EBITDA of PLN 283m for the first nine months of 2022 (EBITDA margin of 33%), and PLN 92m (EBITDA margin of 30%) in the third quarter of 2022 alone.
- PLN 70m in net profit for the first nine months of 2022, including PLN 56m for the three months ended September 30th 2022,
- operating cash flows of PLN -70m for the first nine months of 2022, mainly as a result of expenditure on the development and construction of PV farms.
- PLN 180m cash surplus over debt as at September 30th 2022

Key financial ratios	9 months to		Change [%]	3 months to		Change [%]
	Sep 30 2022	Sep 30 2021		Sep 30 2022	Sep 30 2021	
<b>(PLNm)</b>						
Revenue	857	729	+18%	307	229	+34%
EBITDA	283	232	+22%	92	79	+16%
Net profit (loss) from continuing operations	143	95	+51%	56	39	+44%
Net profit (loss)	70	99	-29%	56	38	+47%
Cash flows from operating activities	-70	101	n/a	-45	71	n/a
<b>as % of revenue</b>						
EBITDA	33%	32%	+1pp	30%	34%	-4pp
Net profit (loss)	8%	14%	-6pp	18%	17%	+1pp

	as at	
	Sep 30 2022	Dec 31 2021
Net debt (PLNm)	-180	-423
Net debt/EBITDA	-0.5x	-1.4x

## Discussion of financial and operating performance

### Discussion of the results by the President of the Management Board

Discussing the performance in the three months ended September 30th 2022, President of the Management Board Mirosław Bendzera said: “The third quarter of 2022 saw continuation of the trends that began in previous periods. Despite the market turbulence and the geopolitical situation caused by the ongoing war in Ukraine, the FAMUR Group consistently worked on improving revenue and EBITDA.

In the three months to September 30th 2022, revenue was PLN 307m, having increased 34% year on year. In the nine months to September 30th 2022, revenue reached PLN 857m, up 18% year on year. The mining machinery segment generated revenue of PLN 818m (after intersegment eliminations), an increase of PLN 89m (12%) year on year. The solar PV segment added PLN 39m to the Group’s revenue (this was the first full reporting period of consolidating the segment in the Group’s results, hence the lack of comparability). Export sales accounted for 42% of the FAMUR Group’s total revenue.

The revenue growth improved EBITDA, which in the three months ended September 30th 2022 came in at PLN 92m (up PLN 13m year on year), and in the nine months ended September 30th 2022 amounted to PLN 283m. The EBITDA margin in the three and nine months to September 30th 2022 stood at 30% and 33%, respectively. The higher EBITDA drove up the net profit for the three months ended September 30th 2022 to PLN 56m, compared with PLN 38m in the comparative period. Net profit for the first nine months of 2022 was PLN 70m due to the recognition of a loss on discontinued operations, being mainly a result of the loss of operating control over the subsidiary OOO FAMUR in the second quarter of 2022.

Negative operating cash flows of PLN -70m for the first nine months of 2022 were mainly attributable to expenditure on the development and construction of PV farms. As at the end of September 2022, the surplus of cash over debt was PLN 180m.

#### *Mining machinery segment*

The mining machinery segment saw a constantly high number of requests for proposals concerning new equipment, driven by the high prices of fossil fuels persisting across global markets. As in previous quarters, the Group’s international commercial activity continued to focus on expanding the Group’s presence in promising markets, including Indonesia, North America and China. A slight recovery can also be seen in the domestic market, although it remains under the pressure of changes resulting from the adopted programme to phase out thermal coal mines. In the third quarter of 2022 alone, we secured approximately PLN 334m in new orders in Poland and abroad, which increased the total value of the order book (understood as deliveries of machinery and equipment and leases in accordance with contract duration) to approximately PLN 797m as at September 30th 2022, compared with approximately PLN 736m as at June 30th 2022.

#### *Solar PV segment*

In the solar PV segment, we continued the activities initiated in previous quarters. These included mainly the consistent expansion of the portfolio of new projects, preparation of further projects for the construction phase, construction and launch of PV solar farms, conclusion of contracts with customers in the B2B segment for the construction of solar PV systems, securing of the first corporate power purchase agreements (CPPA), and development of foreign structures.

From the beginning of 2022, our PV project portfolio grew by over 1 GW to reach at the end of September almost 2.7 GW of the estimated total capacity of projects at different stages of

## Discussion of financial and operating performance

development, including approximately 309 MW with auctions won in 2019, 2020 and 2021. PV solar farms with a total capacity of 61 MW were put in operation, while 141 MW was under construction (or completed but not launched), and further 147 MW was being prepared for construction.

In June 2022, we entered into a preliminary agreement to sell a portfolio of solar farm projects with a total capacity of 184 MW at different stages of development. In the third quarter of 2022, the condition requiring placement in service of projects with an aggregate capacity of at least 45 MW, enabling the transaction closing, i.e., transfer of all rights to all shares in the Project Companies covered by the agreement, was met in accordance with the agreement. Under the annex to the above agreement, signed at the end of October 2022, the closing dates for the transaction were set for November 15th 2022 for projects with a total capacity of 65 MW and December 6th 2022 for projects with a total capacity of 119 MW. The total value of the sale of shares in the Project Companies will be approximately PLN 500m. Under the agreement, after the transaction closing date we were entrusted with the performance of EPC turnkey farm construction contracts as part of projects yet to be placed into service. The additional remuneration, which may reach approximately PLN 250m, will be paid once further milestones (progress in implementation) have been reached.

### *FAMUR Group's plans for the coming quarters*

In the following quarters, we will be consistent in our pursuit of the new strategic directions with a view to transforming the FAMUR Group into a holding that invests in green transition projects and other promising industries. At the same time, together with an independent external adviser, we are working on a Sustainable Development Strategy for the FAMUR Group.

### **Analysis of factors, events and the Company's achievements with material bearing on performance**

The following discussion of the results for the nine and three months ended September 30th 2022 should be read in conjunction with the condensed quarterly consolidated financial statements of the FAMUR Group and the condensed quarterly separate financial statements of FAMUR S.A. for the nine months ended September 30th 2022, prepared in accordance with International Financial Reporting Standards (IFRS), including notes to those statements, the audited consolidated financial statements of the FAMUR Group and the separate financial statements of FAMUR S.A. for the year ended December 31st 2021, prepared in accordance with IFRS, and the Directors' Report on the operations of the FAMUR Group in 2021. The following discussion of the results achieved in the period is intended to provide the readers with information enabling them to understand changes in the selected key items of the financial statements and to present significant factors behind those changes. In its evaluation and discussion of the reported financial performance, financial position and cash flows, the FAMUR Group makes references to performance metrics other than those expressly defined or outlined in the applied financial reporting framework compliant with IFRS requirements, such as 'EBITDA', 'net debt', and 'working capital'. However, these metrics are calculated on the basis of information sourced from the financial statements prepared in accordance with IFRSs, with their definitions and calculations presented in the 'Alternative performance measures' section.

## Discussion of financial and operating performance

### Famur Group's revenue

	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
External revenue by segment (PLNm)				
Mining machinery	818	729	294	229
Solar PV	39	-	13	-
Consolidated revenue	<b>857</b>	<b>729</b>	<b>307</b>	<b>229</b>

In the nine months ended September 30th 2022, revenue rose by PLN 128m (18%) year on year, to PLN 857m. In the mining machinery segment, revenue in the nine months to September 30th 2022 was PLN 818m, having improved by PLN 89m (12%) compared with the nine months ended September 30th 2021. 2022 is the first year with a full reporting period of consolidating the revenue of the solar PV segment, whose contribution to the Group's revenue was PLN 39m in the nine months to September 30th 2022. In the three months to September 30th 2022, the segment's revenue was PLN 307m, having increased PLN 78m (34%) year on year.

### Sales by key geographies

In the first nine months of 2022, the FAMUR Group's export sales accounted for approximately 42% of total revenue, vs 28% in the same period of the previous year. Sales to foreign markets were mainly to the United States, Indonesia, South Africa and China (approximately 28% of total revenue). CIS and Russia accounted for approximately 13% of total revenue (revenue from the Russian market was driven by contracts concluded in previous periods). Sales to other European countries represented about 1% of total revenue.

### Key profitability ratios of the FAMUR Group

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Gross profit	317	220	102	74
Operating profit	168	102	56	38
EBITDA	283	232	92	79
Net profit from continuing operations	143	95	56	39
Net profit (loss)	70	99	56	38

### Gross profit

In the nine months to September 30th 2022, gross profit was PLN 317m, up PLN 97m on the same period of 2021, mainly as a result of higher revenue from sale of machinery and equipment and aftermarket sales in the mining machinery segment. Gross profit as a percentage of revenue for the nine months ended September 30th 2022 rose to 37%, from 30% in the comparative period. The improvement was mainly attributable to higher profitability in the mining machinery segment (for details, see *Financial results of the mining machinery segment*).

### Operating profit and EBITDA

In the first nine months of 2022, operating profit came in at PLN 168m, up PLN 66m year on year. In the three months ended September 30th 2022, operating profit was PLN 56m, up PLN 18m year on year.

## Discussion of financial and operating performance

EBITDA for the first nine months of 2022 came in at PLN 283m, having increased by PLN 51m (22%) year on year. In the three months to September 30th 2022, EBITDA stood at PLN 92m, an increase of PLN 13m (16%) year on year.

### Net finance income/costs

The table below presents key items of finance income and finance costs.

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Finance income	51	12	17	3
Finance costs	37	6	2	-4
Net finance costs	14	6	15	7
Gains (losses) on expected credit loss allowances	10	4	-	2
Share in net profit/(loss) of equity-accounted subordinates	-	6	-	2
<b>Net finance income/costs</b>	<b>24</b>	<b>16</b>	<b>15</b>	<b>11</b>

Net finance income for the first nine months of 2022 was PLN 24m, compared with PLN 16m the year before.

### Tax

The effective tax rate for the first nine months of 2022 was 26%, while the nominal tax rate was 19%. This is mainly due to permanent differences in non-deductible expenses and non-taxable income. In the third quarter of 2022 alone, the effective tax rate was 21%.

### Discontinued operations

In the first nine months of 2022, a loss on discontinued operations of PLN 73m was recognised, mainly as a result of losing operating control over the subsidiary OOO FAMUR in the second quarter of 2022. A detailed description of the result on discontinued operations is presented in Note 7 to the accompanying financial statements. In the third quarter of 2022 alone, the result on discontinued operations was nil.

### Net profit

Net profit for the first nine months of 2022 was PLN 70m compared with PLN 99m in the corresponding period of the previous year, which means a decrease of PLN 29m. This is the effect of recognising the above loss on discontinued operations, partially offset by an improved result on continuing operations. In the three months to September 30th 2022, net profit was PLN 56m, up from PLN 38m in the comparative period.

The net profit margin for the first nine months of 2022 would have been at 8% of revenue (18% in the third quarter of 2022 alone), down from 14% in the comparative period (17% in the third quarter of 2021 alone).

## Discussion of financial and operating performance

### Financial resources and liquidity position

The table below presents selected IFRS-compliant financial information and other measures of financial health, defined in the 'Alternative performance measures' section.

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
Cash and cash equivalents	1,204	1,333
Gross debt	1,024	910
Net debt	-180	-423
Working capital	938	703
Assets	3,383	3,220
Net debt/EBITDA	-0.5x	-1.4x
Average working capital for the quarter as % of revenue	82%	69%

  

(PLNm)	9 months to	
	Sep 30 2022	Sep 30 2021
Cash flows from operating activities	-70	101
Cash flows from investing activities	-199	-185
Cash flows from financing activities	139	65

#### Net debt

As at September 30th 2022, net cash exceeded borrowings, other debt instruments and lease liabilities by PLN 180m. In addition, as at the end of September 2022 the Group had access to undrawn lines of credit with banks, totalling PLN 630m. In the reporting period and until the date of issue of this quarterly Report, agreements with Industrial and Commercial Bank of China (Europe) S.A., Santander Bank Polska S.A., BNP Paribas Bank Polska S.A. were renewed or extended, and a project finance agreement with a total limit of PLN 428m was concluded in the solar PV segment (see *Current Report No. 12/2022 of March 11th 2022*). On April 28th 2022, FAMUR S.A. paid all liabilities under Series 01/2016 bonds (the "Restructuring Bonds"), Tranche A, under the Restructuring Agreement of KOPEX S.A. (currently Primetech S.A.), in accordance with the Demerger Plan for KOPEX S.A. described in Current Report No. 48/2017 of June 29th 2017. The Restructuring Bonds, with an issue value of PLN 185m, were redeemed by the Company in full, plus accrued interest. As requested by the Bondholders, the bonds were redeemed in two tranches and on two dates (March 31st and April 28th 2022) without charging any additional interest resulting from the change of the redemption date.

As at September 30th 2022, gross debt was PLN 1,024m, up PLN 114m on the end of 2021, and cash was PLN 1,204m, down PLN 129m on the end of 2021.

#### Working capital

In the nine months ended September 30th 2022, working capital increased by PLN 235m, to PLN 938m, mainly on higher inventories following purchase of components for the construction of PV solar farms. The ratio of working capital to revenue for the last four quarters to September 30th 2022 was 82%.

#### Assets

In the first nine months of 2022, assets rose by PLN 163m following a PLN 209m increase in current assets and a PLN 46m decrease in non-current assets.

## Discussion of financial and operating performance

### Cash flows

In the nine months to September 30th 2022, cash from operating activities was negative, at PLN 70m, due mainly to an increase in operating capital requirement, resulting for the most part from the purchase of components for the construction of PV solar farms. Negative cash flows from investing activities comprised mainly expenditure on property, plant and equipment and cash advances and loans made to third parties. Cash provided by financing activities amounted to PLN 139m, mainly as a combined effect of two opposite events: repayment of the Restructuring Bonds of PLN 185m plus interest, and a drawdown under the project finance facility agreement of March 2022.

### Discussion of the FAMUR Group operating segments' results

#### Mining machinery segment

The FAMUR Group's Mining Machinery segment supplies longwall systems, roadheaders, belt conveyors with accessories, and power supply and switchgear solutions for underground soft rock mining machinery. The Group's offering includes also design and delivery of IT systems for back-to-back management of coal and other soft-rock mining processes (from the face to the surface). The FAMUR Group is a global manufacturer of longwall machinery and systems for underground mining.

#### Market environment

To a large extent, the number of orders for mining equipment offered by the FAMUR Group reflects the currently prevailing and expected global trends, mainly in the prices of coal and other energy commodities in the short and medium term. In the nine months ended September 30th 2022, the prices of thermal coal and metallurgical (coking) coal hit all-time highs following the outbreak of war in Ukraine and the resulting sanctions on Russia, which significantly contributed to reducing the supply of coal.

The armed conflict in Ukraine has also caused significant supply chain disruptions and steep increases in the prices of other raw materials as well as metallurgical products and related components, which represent a significant part of the machinery and equipment manufactured by the FAMUR Group. These adverse developments resulted, among other things, in a declaration of force majeure by the supplier of sheet metal to the Company. Citing the current geopolitical situation in Ukraine, the supplier notified the Company that it was unable to perform the supplies on its own or obtain a substitute offer for the material necessary to perform the contracts from any other manufacturers or distributors as all of them have stopped submitting offers due to the highly uncertain conditions prevailing on the market. Consequently, on March 4th 2022 the Management Board of FAMUR S.A. decided to notify its customer Polskie Maszyny Group Sp. z o.o. of Katowice of the occurrence of a force majeure event with respect to contracts for the delivery of equipment to be operated in the Russian Federation (see *Current Report No. 10/2022 of March 4th 2022*). On April 1st 2022, an agreement was concluded with the customer to abandon the performance of contracts with a total contract price of approximately PLN 130m for the delivery of equipment and the provision of assembly supervision services, purchased for operation in the Russian Federation. Each party agreed to pay a portion of the costs incurred in connection with the commenced performance of the contracts. The amount of costs to be covered by the Company is not material (see *Current Report No. 16/2022 of April 1st 2022*).

The end of the third quarter saw a partial recovery of the global supply chains for steel products and their derivatives. This situation has a positive effect on the availability of components and price stabilisation. On the other hand, rising prices of energy commodities and gas may adversely affect the supply of European steel in the coming quarters due to a decline in production profitability.

## Discussion of financial and operating performance

In the first nine months of 2022, the FAMUR Group's international commercial efforts in the mining machinery segment focused mainly on increasing the Group's presence in North America, Indonesia and China.

In the first nine months of 2022, the output of the coal market in Poland fell 3% year on year. At the end of September 2022, coal stocks shrank by 51% relative to the end of December 2021 and by 71% relative to September 2021.<sup>1</sup> Although a slight recovery is seen on the domestic market, it remains under the pressure of changes resulting from the adopted programme to phase out thermal coal mines. In June 2022, the FAMUR Group's bid for mining equipment lease, with the value of the lease contract estimated at PLN 96m, was selected in a tender procedure held by a major Polish customer. In addition, a number of lower value contracts were concluded for lease and delivery of machinery and aftermarket services. In the nine months to September 30th 2022, the FAMUR Group's commercial efforts in Poland and abroad translated into almost PLN 678m in newly secured orders for the delivery of machinery and equipment and for aftermarket services. In the third quarter of 2022 alone, the total value of newly secured orders in Poland and abroad was approximately PLN 334m. As at the end of September 2022, the total value of the FAMUR Group's backlog (comprising delivery of machinery and equipment and leases in accordance with the contract duration) increased to approximately PLN 797m from about PLN 736m as at June 30th 2022.

### **Initiatives to use the operational resources of the mining machinery segment to offer wind-turbine gearbox repair/refurbishment and maintenance services**

In order to fully exploit its operational resources and find new sources of revenue in the renewable energy segment, the FAMUR Group has started offering repair/refurbishment services for onshore wind-turbine gearboxes.

The competitive strengths and capabilities of the FAMUR Group in this respect are primarily based on its long track record of manufacturing gear trains and drive trains for various sectors and an in-house dynamometer enabling testing of any type of gearbox. The services currently offered comprise assessment of the condition of a gearbox at the customer's site and repair/refurbishment of the gearbox in a process involving its disassembly, evaluation of the components, re-assembly, replacement of damaged parts, and load testing in the in-house dynamometer. Services offered in the current phase of the project focus on gear trains with a capacity of up to approximately 2MW. The implementation of the services did not require any additional capital expenditure as they are provided using the existing machinery and manufacturing experience.

The current plan as part of the development work in this area assumes intensification of efforts to attract new customers for further repairs, conceptual work on the monitoring of gearboxes at the customer's site to early identify a need for maintenance intervention, and the use in our services of the Basic GWO certification obtained by our maintenance teams. In addition, efforts are being made to identify new services which may supplement our current offering for the wind power market, such as repair and maintenance of wind turbine components other than gearboxes. We plan to pursue the development efforts described above in three main ways: conducting our own research and development activities, making an equity investment in an existing entity, entering into cooperation with other industry players (e.g., as part of a consortium).

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<sup>1</sup>Source: in-house calculations based on data sourced from <http://polskiirynekwegla.pl/>

## Discussion of financial and operating performance

Below are presented the key events in the first nine months of 2022:

- May 17th 2022 – the FAMUR Group signed a letter of intent with the EdF EN Group, in which the parties are considering joint wind-turbine development and operation projects in Poland and development of a model for potential collaboration.
- September 12th 2022 – the FAMUR Group and Energa Wytwarzanie signed an agreement on cooperation in the repair and maintenance of equipment necessary for the continuous and efficient operation of renewable generation sources. This project has been undertaken as a continuation of an earlier cooperation, where the FAMUR Group carried out an overhaul of turbine gearboxes at the Karścino wind farm, owned by Energa Wytwarzanie.

### Towards green manufacturing First solar PV systems deployed at production sites with plans for further PV expansion

The following steps have been taken in the mining machinery segment to reduce the carbon footprint of manufacturing operations and achieve measurable energy cost savings:

- solar PV panel installations were launched in the first quarter of 2022 at two production sites in a prosumer system, each with a capacity of 50 kWp;
- conceptual work is under way to expand the existing installations to a total of more than 0.6 MWp and to launch installations with a total capacity of 0.4 MWp at new locations;
- plans are in place to build another installation with a capacity of approximately 1 MWp, with an option to equip it with an energy storage system (most of the output would be consumed internally).

### Financial results of the mining machinery segment

	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Segment's external revenue (PLNm)				
Supply of machinery and equipment	340	237	126	58
Revenue from aftermarket services and leases	468	416	165	144
Other	10	76	3	27
<b>Total revenue</b>	<b>818</b>	<b>729</b>	<b>294</b>	<b>229</b>

In the nine months ended September 30th 2022, the mining machinery segment's revenue from external customers was PLN 818m, up PLN 89m (12%) year on year. In the nine months to September 30th 2022, revenue from the delivery of machinery and equipment rose year on year by PLN 103m, to PLN 340m. Recurring revenue (aftermarket services and leases) increased by PLN 52m (13%) year on year, to PLN 468m. The decrease in other revenue in the first nine months of 2022 was attributable to full consolidation of the PV segment companies as of the beginning of 2022. In the comparative period, transactions with these companies (until their consolidation) were, in accordance with the IFRSs, disclosed as the Group's revenue from external customers.

In the three months to September 30th 2022, the mining machinery segment's revenue from external customers was PLN 294m, having increased PLN 65m year on year. Revenue from the delivery of machinery and equipment rose by PLN 68m. Recurring revenue (aftermarket services and leases) went up by PLN 21m. The decrease in other revenue was attributable to consolidation of the solar PV segment as of the beginning of 2022.

### Segment sales by key geographies

In the nine months to September 30th 2022, export sales of the mining machinery segment (after intersegment eliminations) accounted for approximately 44% of the segment's total revenue from

## Discussion of financial and operating performance

external customers, vs. 28% a year earlier. Sales to foreign markets were mainly to the United States, Indonesia, South Africa and China (approximately 30% of total revenue). CIS and Russia accounted for approximately 13% of total revenue (revenue from the Russian market was driven by contracts concluded in previous periods). Sales to other European countries represented about 1% of total revenue.

### Profitability of the mining machinery segment

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Gross profit	304	220	96	74
Operating profit	194	102	58	38
Depreciation and amortisation	109	130	33	41
EBITDA	303	232	91	79
EBITDA margin [%]	37%	32%	31%	34%

Gross profit for the nine months ended September 30th 2022 in the mining machinery segment was PLN 304m, up PLN 84m year on year. The increase in gross profit led to an improvement of both operating profit and EBITDA, which stood at, respectively, PLN 194m (up PLN 92m year on year) and PLN 303m (up PLN 71m year on year). EBITDA margin for the nine and three months ended September 30th 2022 was 37% (up 5 pp) and 31% (down 3 pp), respectively.

### Solar PV segment

The FAMUR Group's solar PV segment provides EPC solutions (from project development, design, engineering and construction to maintenance services) for utility-scale PV projects (solar power plants) and medium-sized PV installations (for business customers). FAMUR actively supports and participates in the development of renewable energy sources, as demonstrated by the growing base of assets attributable to PV and solar farm capex.

### Market environment

In the utility-scale PV sector, trends seen in the previous quarters continued:

- Further rapid increase in installed photovoltaic capacities in Poland, which, according to the most recent data published by the Energy Market Agency, was approximately 10.6 GW at the end of July 2022, compared with approximately 7.7 GW at the end of 2021;
- Rising average price per 1 MW of development projects and completed solar farms;
- Rising prices of components for farm construction, including panels, substations and mounting structures (profiles), although the prices stabilised to some extent in the third quarter of 2022;
- Limited availability of inverters (inverters) has been observed since the third quarter, particularly large power;
- Disruptions in logistics and rising prices of sea freight insurance due to the outbreak of war in Ukraine and delayed supplies from China (the main exporter of solar panels) as a result of the country's efforts to contain the COVID pandemic, although the third quarter of 2022 witnessed a decrease in rates of sea freight from China;
- Reduced number of connection permits issued for new projects and protracted process of connecting completed solar projects to operators' grids as a result of insufficient progress in adapting power distribution networks to the fast-growing renewable power capacity;
- Legislative work to reduce prices of energy, including energy from renewable sources, which may adversely affect the situation on the PV market.

## Discussion of financial and operating performance

### Operational activities in the solar PV segment

The segment's main operational activities in the nine months to September 30th 2022 included:

- Development of own projects and purchases of rights in third-party projects, preparation of further projects for the construction phase, construction and launch of further solar PV farms.
- Intensive preventive measures to minimise the negative impact of limited availability and disruptions in the logistics of supplies of components necessary to construct solar farms, such as ongoing search for alternative suppliers and supply markets, placing purchase orders well in advance, and diversification of transport modes (maritime and rail) to reduce delivery times.
- Drawing up, implementing and executing the first contracts with B2B customers for the construction of solar PV installations; Execution of the first Corporate Power Purchase Agreement (CPPA).
- Organising operations and sales structures and looking for land on which to site investment projects in Germany, and starting to build organisational structures in further markets.

Structure of total capacity of the projects and farms included in the portfolio of the solar PV segment

	as at	
	Sep 30 2022	Dec 31 2021
Total capacity of projects and farms (MW)		
Solar PV farms placed in service	61	-
Farms under construction (or completed but yet to be placed in service)	141	134
Projects in the pipeline	147	187
Projects under development	2,339	1,317
Estimated total capacity of portfolio projects at various stages of development	2,688	1,638

The total capacity of projects that won auctions in 2019, 2020 and 2021 is 309 MW.

### Material agreements

March 11th 2022 saw the execution of a PLN 428m project finance credit facility agreement to finance and refinance the costs of construction of solar PV farms with a total capacity of approximately 134 MW, with an option to subsequently convert the credit facility into an investment loan and to cover the debt service reserve. The credit facility agreement was concluded between 32 companies owned by Projekt Solartechnik Fund FUNDUSZ INWESTYCYJNY ZAMKNIĘTY (the "Companies") and a syndicate of ING Bank Śląski S.A., Bank Polska Kasa Opieki S.A. and BNP Paribas Bank Polska S.A. (the "Banks") (see *Current Report No. 12/2022 of March 11th 2022*).

On June 24th 2022, Projekt Solartechnik Fundusz Inwestycyjny Zamknięty (the "Seller"), a subsidiary of the FAMUR Group, entered into a preliminary share sale agreement with Spoleto Sp. z o.o., a special purpose vehicle wholly owned by Alternus Energy Group Plc as a buyer, which will acquire 100% of shares in the 32 Project Companies holding a portfolio of solar farm projects, at different stages of development, with a total capacity of 184 MW (the "Transaction"). The Projects are at different stages of development by the Project Companies. The Transaction will close once part of the Projects currently under construction by the Project Companies, with a total capacity of at least 45 MW, become operational and generate electricity, but not later than on November 30th 2022. All rights to all shares in all of the Project Companies will transfer upon execution of the final agreements and upon fulfilment of the other conditions precedent (the "Closing").

Upon Closing, all of the Project Companies will be transferred to the Buyer, including also the Project Companies owning Projects which are still in the development and construction phase (i.e., are not fully operational). The Buyer and the Seller have agreed certain earn-outs, including payments under relevant

## Discussion of financial and operating performance

engineering, procurement and construction (EPC) contracts, to be paid to the Seller or Projekt Solartechnik (a subsidiary of FAMUR) upon completion of subsequent milestones (advancement) of the Projects post-Closing.

As part of the Transaction, Projekt Solartechnik will lead the construction process of the Projects and perform maintenance services for a contractually agreed period. The total value of the Transaction is expected to reach approximately PLN 750m. This amount comprises the purchase price of approximately PLN 500m for 100% of the shares in all the Project Companies payable upon Closing and amounts of up to PLN 250m due as an earn-out consideration for the development (achievement of subsequent milestones) of the not yet operational Projects (including under the relevant engineering, procurement and construction contracts) not later than within four (4) years from Closing. The Agreement contains the customary interim covenants of the Seller concerning the period between the execution date of the Agreement and Closing (see *Current Report No. 27/2022 of June 24th 2022*).

The condition to the Transaction closing, i.e., placing into operation projects with a capacity of at least 45 MW, has been fulfilled. On October 27th 2022, an annex to the Agreement was signed. Under the annex, the Seller and ALTPOL HC 01 sp. z o.o. of Warsaw, formerly operating under the name of Spoleto sp. z o.o., and the other buyer Solis Bond Company Designated Activity Company of Dublin, both as special purpose vehicles wholly owned by Alternus Energy Group Plc (jointly the "Buyers"), agreed that the Transaction, understood as the acquisition of 100% of shares in 32 Project Companies owning a portfolio of 184 MW solar farm projects, would be carried out in two stages. The first stage, involving projects with a total capacity of 65 MW, would be effected on November 15th 2022, whereas the second stage, involving projects with a total capacity of 119 MW, would be effected on December 6th 2022. The amendments made by the Parties did not affect the total value of the Transaction. Other material terms and conditions of the Agreement remained unchanged (see *Current Report No. 32/2022 of October 28th 2022*).

### **Simplification and streamlining of the FAMUR Group's organisational structure in the solar PV segment**

As of the beginning of 2022, the following measures and transactions have been and are planned to be carried out to simplify and streamline the FAMUR Group's organisational structure in the area of solar PV projects (the 'solar structure') and to concentrate this business at PST as a separate operating segment.

- Share capital increase at FAMUR SOLAR Sp. z o.o. As part of a share capital increase at FAMUR SOLAR, which took effect upon its entry in the National Court Register on May 18th 2022, the Company subscribed for 142,111 shares in FAMUR SOLAR for a total issue price of PLN 71,055,500, i.e., PLN 500.00 per share. The issue price per share was set in accordance with the same rules and in the same amount as in the previous share capital increase at FAMUR SOLAR (entered in the National Court Register in November 2021), where FAMUR SOLAR shares had been subscribed for by the Company and TDJ S.A. The purpose of the increase was to eliminate FAMUR SOLAR's debt (ahead of its planned merger with PST). Therefore, the total issue price was set to reflect the amount of FAMUR SOLAR's debt towards the Company (including interest) at the time of subscription for the shares. The price for the subscribed shares was settled by offsetting the amount owed by FAMUR SOLAR to the Company under a PLN 69m (including interest) loan granted on July 20th 2021 to support the delivery of the former's objectives, particularly to fund the acquisition of investment certificates issued by Projekt Solartechnik Fund Fundusz Inwestycyjny Zamknięty (the "Fund"), as announced by the Company in the Directors' Report for 2021. This helped prepare FAMUR SOLAR for its planned merger with PST.
- Acquisition by FAMUR SOLAR of 87,540,132 Series D ordinary registered shares in the share capital of Projekt-Solartechnik S.A. to ensure that all investment certificates of the Fund are contributed to

## Discussion of financial and operating performance

PST (i.e., to place the Fund directly under PST in the organisational structure). Accordingly, as part of the share capital increase, both the certificates held by FAMUR SOLAR and the certificates held indirectly by Maciej Marcjanik were contributed to PST. The issue price of PST shares subscribed for in exchange for the contributed investment certificates of the Fund was set uniformly for both shareholders subscribing for the new shares, in an amount equal to the par value of the shares (i.e. PLN 1.00 per share). For FAMUR SOLAR, the aggregate issue price was PLN 87,540,132.00 and equalled the value of all of the investment certificates of the Fund contributed to PST. The PST shares exchanged for the investment certificates held indirectly by Maciej Marcjanik were subscribed for on the same terms. Setting the issue price at the par value of PST shares allowed the value of the contributions to be fully reflected in the number of shares subscribed for in exchange for the contributions. As the issue price was the same for both shareholders who subscribed for the shares and contributed the same assets to pay for the shares (adding up to 100% of the investment certificates of the Fund), this helped keep the ownership ratio in PST's share capital and shareholding structure unchanged (51% and 49%, respectively) compared with the ownership ratio in PST's share capital and the Fund's ownership structure prior to the share capital increase. This transaction structure enabled smooth transfer of all of the certificates of the Fund to PST, taking into account the value of the Fund based on the valuation prepared by an independent third party which periodically values certificates of the Fund (on a NAV per Investment Certificate basis), in line with the existing ownership ratio in the two entities.

- Acquisition of approximately 14% of PST shares by the Company (see *Current Report No. 29/2022 of July 1st 2022*). The agreement providing for the purchase of the shares was made between FAMUR S.A. and FIMM Fundusz Inwestycyjny Zamknięty, a closed-end investment fund in which Maciej Marcjanik is an investor.
- Definition of the FAMUR SOLAR and PST merger plan On September 30th 2022, a plan of merger for FAMUR SOLAR (the acquiree) and PST (the acquirer) was agreed. As the next step, an expert appointed by the National Court Register will audit the merger plan and issue an opinion thereon. Once the opinion is issued, the companies will convene their general meetings to vote on the merger. In accordance with the plan agreed by the parties, the merger is to be effected so that the existing shareholders in FAMUR SOLAR are allotted PST shares in exchange for their holdings of FAMUR SOLAR shares according to their equity interests in FAMUR SOLAR at the time of the merger. PST shares allotted to FAMUR will represent approximately 38% of PST's share capital in issue. FAMUR SOLAR will cease to exist as a result of the merger. In exchange for its holding of FAMUR SOLAR shares, the Company will receive PST shares in the number corresponding to its interest in FAMUR SOLAR.

Following the (earlier) transactions and the changes in PST's organisational structure (as described above) planned for the coming months (involving, among other things, the merger of FAMUR SOLAR with PST), the Company will ultimately hold, as a direct interest, approximately 52% of the shares in PST's share capital, Maciej Marcjanik and his related parties – approximately 35% and TDJ – approximately 13%.

### **FAMUR's involvement in the solar PV segment development project**

As a result of the acquisition of projects, loans granted to the SPVs and costs incurred on the construction of solar PV farms, as at September 30th 2022 FAMUR's spending on the PV segment development project was approximately PLN 321m. On July 1st 2022, an agreement was signed with Maciej Marcjanik whereby FAMUR acquired approximately 14% of shares in Projekt-Solartechnik S.A. for PLN 117m (see *Current Report No. 29/2022 of July 1st 2022*).

## Discussion of financial and operating performance

### Financial results of the solar PV segment

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Segment's revenue from external customers	39	-	13	-
Gross profit	13	-	6	-
Operating profit	-26	-	-2	-
Depreciation and amortisation	6	-	3	-
<b>EBITDA</b>	<b>-20</b>	<b>-</b>	<b>1</b>	<b>-</b>

The process to build a solar PV segment within the FAMUR Group commenced in 2021 as a result of the activities and transactions described in the Directors' Report on the operations of the FAMUR Group in 2021. In 2021, the revenue and financial results of the solar PV segment were immaterial from the Group's perspective. In the nine months ended September 30th 2022, the segment's sales to external customers amounted to PLN 39m, including PLN 13m in the three months then ended. The entire revenue generated in the first nine months of 2022 was derived from the domestic market. Operating profit and EBITDA for the nine months to September 30th 2022 were negative at PLN -26m and PLN -20m, respectively, as a result of costs incurred on solar farm projects under development and under construction, which were being prepared for sale.

### Factors which the Company believes may affect its performance in the following quarter or future periods

The table below presents factors which the Company believes may have bearing on the FAMUR Group's operations in the next quarter or for a longer period:

Factor	Description
Effective and efficient delivery of the adopted strategy to achieve diversification of revenue streams	<p>Further development of the FAMUR Group requires significant efforts to diversify its revenue streams beyond the thermal coal mining industry. In 2021, the FAMUR Group updated its strategic directions with a view to transforming it into a holding investing in green transition projects and opportunities in other promising industries, including solar photovoltaics, cogeneration, energy storage, smart grid, HVAC, and electric mobility.</p> <p>At the end of 2024, the share of revenue related to the thermal coal mining sector in the Group's total revenue is expected to decrease to approximately 30%. The pace of revenue diversification will depend on the Group's ability to identify suitable investment targets as well as on efficient integration of new entities within the Group.</p>
Geopolitical and economic situation created by the war in Ukraine	<p>High volatility of commodity prices (including prices of energy commodities) following the outbreak of war in Ukraine and sanctions imposed on Russia which ban the import into the European Union of iron and steel products originating from that country due to Ukraine's/Russia's significant share in the total output of steel products and related components (including castings and forgings). In consequence, a significant increase in the prices of components (mainly sheet metal and steel) used by the FAMUR Group may harm the FAMUR Group's competitive position on the existing and new markets vis-à-vis Chinese producers and depress its margins.</p> <p>Loss by the FAMUR Group of control over the Russian subsidiary OOO FAMUR (see Current Report No. 31/2022 of August 25th 2022).</p>

## Discussion of financial and operating performance

<b>Factor</b>	<b>Description</b>
Expected increase in demand for renewable energy solutions accompanied by short supply and higher prices of key components for PV farm construction	<p>Growing demand for components used in the construction and maintenance of solar PV panels without maintaining a steady increase in production volumes may significantly reduce their availability and push up prices.</p> <p>Growing prices or significantly lower availability of key components used in the solar PV segment's operations, a falling number of connection permits issued for new projects and protracted process of connecting completed solar projects to operators' grids may lead to delays in farm construction or reduce the profitability of projects under construction.</p>
Global transition towards low-carbon economies	<p>Expected structural decline in demand for thermal coal in the long term in Poland and globally. The EU's decarbonisation strategy and its implementation into the Member States' legal systems will result in a significant decline in demand for thermal and coking coal in the long and medium term. In consequence, demand for equipment and machinery offered by the FAMUR Group's mining machinery segment may weaken.</p>
Supply chain disruptions	<p>The COVID-19 pandemic and the outbreak of war in Ukraine have caused disruptions in global supply chains, which may increase operating expenses and extend lead times.</p>
Higher prices of steel components and energy	<p>An approximately 20% increase between January and September 2022 in the prices of steel sheet, a material of particular importance to the FAMUR Group used in the manufacturing process. High prices of steel sheet affect the prices of FAMUR Group products, especially in the mining machinery segment, which may harm the FAMUR Group's competitive position on the existing and new markets vis-à-vis Chinese producers, affect its order volumes and depress margins.</p> <p>Growing prices of energy commodities and projected limitations in the supply of natural gas have led to sharp rises in electricity and heat prices and may drive up operating expenses.</p>
Rising pay expectations	<p>A rise in pay expectations on the Polish market due to the persistently high inflation and surges in the prices of both consumer goods and energy may increase pay pressures and, consequently, operating expenses.</p>
Maintaining a flexible operating model and tight cost control	<p>The fundamental principle underlying the FAMUR Group's operations is to maintain a flexible operating model enabling quick and effective adaptation of the cost and production base to current and expected demand shaped by the business cycle and structural shifts in the markets in which the Group operates.</p>

# CONDENSED QUARTERLY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the nine months ended September 30th 2022, prepared in accordance with International Financial Reporting Standards

## Table of contents

### CONDENSED QUARTERLY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Consolidated statement of profit or loss .....	19
Consolidated statement of comprehensive income .....	21
Consolidated statement of financial position .....	22
Consolidated statement of changes in equity .....	24
Consolidated statement of cash flows .....	25
Notes to the condensed consolidated financial statements .....	26
Separate statement of profit or loss.....	41
Separate statement of comprehensive income .....	42
Separate statement of financial position .....	43
Separate statement of changes in equity .....	45
Separate statement of cash flows.....	46

## Consolidated statement of profit or loss

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Consolidated statement of profit or loss

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Revenue	857	729	307	229
Cost of sales	540	509	205	155
<b>Gross profit</b>	<b>317</b>	<b>220</b>	<b>102</b>	<b>74</b>
Distribution costs	19	11	4	2
Administrative expenses	113	81	34	28
Other income	35	23	8	7
Other expenses	52	49	16	13
<b>Operating profit</b>	<b>168</b>	<b>102</b>	<b>56</b>	<b>38</b>
Gains (losses) on expected credit loss allowances	10	4	-	2
Finance income	51	12	17	3
Finance costs	37	6	2	-4
Share in net profit/(loss) of equity-accounted subordinates	-	6	-	2
<b>Profit before tax</b>	<b>192</b>	<b>118</b>	<b>71</b>	<b>49</b>
Income taxes	49	23	15	10
<b>Net profit from continuing operations</b>	<b>143</b>	<b>95</b>	<b>56</b>	<b>39</b>
Discontinued operations	-73	4	-	-1
<b>Net profit, attributable to:</b>	<b>70</b>	<b>99</b>	<b>56</b>	<b>38</b>
owners of the parent	96	101	59	41
non-controlling interests	-26	-2	-3	-3

## Consolidated statement of profit or loss

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Earnings per share

PLN	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
<b>Weighted average number of shares (million)</b>	<b>575</b>	<b>575</b>	<b>575</b>	<b>575</b>
<b>Net profit from continuing operations attributable to owners of the parent used to calculate earnings per ordinary share (PLNm)</b>	<b>169</b>	<b>97</b>	<b>59</b>	<b>42</b>
Net profit from continuing operations attributable to owners of the parent per ordinary share	0.29	0.17	0.10	0.07
Net profit attributable to owners of the parent per ordinary share	0.17	0.18	0.10	0.07
Net profit (loss) from discontinued operations per ordinary share	-0.13	0.01	-	-
Diluted net profit from continuing operations attributable to owners of the parent per ordinary share	0.29	0.17	0.10	0.07
Diluted net profit attributable to owners of the parent per ordinary share	0.17	0.18	0.10	0.07
Diluted net profit (loss) from discontinued operations per ordinary share	-0.13	0.01	-	-

## Consolidated statement of comprehensive income

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Consolidated statement of comprehensive income

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
<b>Net profit</b>	<b>70</b>	<b>99</b>	<b>56</b>	<b>38</b>
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent reporting periods:</b>	<b>71</b>	<b>5</b>	<b>56</b>	<b>-</b>
Cash flow hedges	50	4	34	-
Exchange differences	21	1	22	-
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent reporting periods:</b>	<b>6</b>	<b>1</b>	<b>6</b>	<b>1</b>
Actuarial gains (losses)	-2	1	-2	1
Remeasurement following reclassification to investment property	8	-	8	-
<b>Total other comprehensive income, net of tax</b>	<b>77</b>	<b>6</b>	<b>62</b>	<b>1</b>
<b>Total comprehensive income</b>	<b>147</b>	<b>105</b>	<b>118</b>	<b>39</b>
<b>including income attributable to non-controlling interests</b>	<b>-16</b>	<b>1</b>	<b>-13</b>	<b>1</b>

## Consolidated statement of financial position

as at September 30th 2022, prepared in accordance with IFRSs

### Assets

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
<b>Non-current assets</b>	<b>553</b>	<b>599</b>
Goodwill	67	67
Other intangible assets	12	17
Property, plant and equipment	356	374
Long-term receivables	13	1
Investment property	75	56
Investments in subsidiaries and associates	5	38
Other non-current financial assets	8	8
Deferred tax assets	17	38
<b>Current assets</b>	<b>2,830</b>	<b>2,621</b>
<b>Current assets other than assets classified as held for sale</b>	<b>2,775</b>	<b>2,556</b>
Inventories	864	583
Short-term trade and other receivables	649	519
Current tax assets	2	35
Other current financial assets	56	86
Cash and cash equivalents	1,204	1,333
<b>Non-current assets classified as held for sale</b>	<b>55</b>	<b>65</b>
<b>Total assets</b>	<b>3,383</b>	<b>3,220</b>

## Consolidated statement of financial position

as at September 30th 2022, prepared in accordance with IFRSs

### Equity and liabilities

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
<b>Equity</b>	<b>1,909</b>	<b>1,881</b>
Share capital	6	6
Other components of equity	1,186	1,091
Retained earnings	602	624
Equity attributable to owners of the parent	1,794	1,721
Equity attributable to non-controlling interests	115	160
<b>Liabilities</b>	<b>1,474</b>	<b>1,339</b>
<b>Non-current liabilities</b>	<b>653</b>	<b>670</b>
Long-term provisions	20	20
Deferred tax liabilities	-	2
Other non-current financial liabilities	631	648
Long-term trade and other payables	2	-
<b>Current liabilities</b>	<b>821</b>	<b>669</b>
<b>Current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>817</b>	<b>657</b>
Short-term provisions	31	23
Short-term trade and other payables	387	371
Current tax liabilities	6	1
Other current financial liabilities	393	262
<b>Liabilities included in disposal groups classified as held for sale</b>	<b>4</b>	<b>12</b>
<b>Equity and liabilities</b>	<b>3,383</b>	<b>3,220</b>

## Consolidated statement of changes in equity

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Consolidated statement of changes in equity

(PLNm)	Share capital	Other components of equity	Retained earnings	Equity attributable to owners of FAMUR S.A	Equity attributable to non-controlling interests	Total equity
<b>Jan 1 2022</b>	<b>6</b>	<b>1,091</b>	<b>624</b>	<b>1,721</b>	<b>160</b>	<b>1,881</b>
Net profit	-	-	96	96	-26	70
Other comprehensive income	-	69	-2	67	10	77
<b>Total comprehensive income</b>	<b>-</b>	<b>69</b>	<b>94</b>	<b>163</b>	<b>-16</b>	<b>147</b>
Transfer of profit to statutory reserve funds and other reserves	-	26	-26	-	-	-
Increase (decrease) due to changes in ownership interests in subsidiaries that do not result in loss of control, equity	-	-	-90	-90	-29	-119
<b>Changes in equity in the period</b>	<b>-</b>	<b>95</b>	<b>-22</b>	<b>73</b>	<b>-45</b>	<b>28</b>
<b>Sep 30 2022</b>	<b>6</b>	<b>1,186</b>	<b>602</b>	<b>1,794</b>	<b>115</b>	<b>1,909</b>

(PLNm)	Share capital	Other components of equity	Retained earnings	Equity attributable to owners of FAMUR S.A	Equity attributable to non-controlling interests	Total equity
<b>Jan 1 2021</b>	<b>6</b>	<b>910</b>	<b>794</b>	<b>1,710</b>	<b>-28</b>	<b>1,682</b>
Net profit	-	-	101	101	-2	99
Other comprehensive income	-	4	1	5	-	5
<b>Total comprehensive income</b>	<b>-</b>	<b>4</b>	<b>102</b>	<b>106</b>	<b>-2</b>	<b>104</b>
Transfer of profit to statutory reserve funds and other reserves	-	177	-177	-	-	-
Increase (decrease) due to changes in ownership interests in subsidiaries that do not result in loss of control, equity	-	1	-32	-31	92	61
<b>Changes in equity in the period</b>	<b>-</b>	<b>182</b>	<b>-107</b>	<b>75</b>	<b>90</b>	<b>165</b>
<b>Sep 30 2021</b>	<b>6</b>	<b>1,092</b>	<b>687</b>	<b>1,785</b>	<b>62</b>	<b>1,847</b>

## Consolidated statement of cash flows

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Consolidated statement of cash flows

(PLNm)	9 months to	
	Sep 30 2022	Sep 30 2021
<b>Cash flows from operating activities – indirect method</b>		
<b>Profit before tax</b>	<b>192</b>	<b>118</b>
<b>Total adjustments, including</b>	<b>-228</b>	<b>7</b>
Inventories	-408	-179
Trade receivables	29	107
Other operating receivables	-165	-
Trade payables	-46	15
Other operating payables	209	-63
Depreciation and amortisation provisions	115	130
Exchange differences	5	20
Undistributed profits of associates	-1	-
(gain) loss on disposal of non-current assets	-	-6
Other adjustments producing cash effects in the form of investing or financing cash flow	-15	-25
Other adjustments to reconcile profit (loss)	49	13
Other adjustments to reconcile profit (loss)	-	-5
<b>Total pre-tax profit and adjustments</b>	<b>-36</b>	<b>125</b>
<b>Income tax paid (refunded)</b>	<b>-34</b>	<b>-24</b>
<b>Net cash from operating activities</b>	<b>-70</b>	<b>101</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	6	28
Purchase of property, plant and equipment	-116	-77
Cash advances and loans made to third parties	-45	-118
Cash receipts from repayment of advances and loans to third parties	4	6
Dividends received	-	1
Other inflows (outflows) of cash	-48	-25
<b>Net cash from investing activities</b>	<b>-199</b>	<b>-185</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	382	46
Repayment of borrowings	-222	-34
Payment of lease liabilities	-6	-4
Interest paid	-14	-5
Other inflows (outflows) of cash	-1	62
<b>Net cash from financing activities</b>	<b>139</b>	<b>65</b>
<b>Increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>-130</b>	<b>-19</b>
Effect of exchange rate changes on cash and cash equivalents	1	1
Cash flows from discontinued operations with underlying assets not classified as assets held for sale	-	4
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-129</b>	<b>-14</b>
Cash and cash equivalents at beginning of period	1,333	899
Cash and cash equivalents at end of period	<b>1,204</b>	<b>885</b>

## Notes to the condensed consolidated financial statements

### 1. FAMUR Group

**FAMUR S.A. of Katowice** (“FAMUR” or the “Company”) is the parent of the FAMUR Group (the “Group” or the “FAMUR Group”). In August 2006, FAMUR (then FABRYKA MASZYN FAMUR Spółka Akcyjna) became a listed company, as its shares were floated on the Warsaw Stock Exchange (the “WSE”) under the abbreviated name FAMUR and ticker symbol FMF. The registered address of FAMUR is ul. Armii Krajowej 51, Katowice, Poland.

The FAMUR Group is a global manufacturer of longwall machinery and systems for underground mining. The Group’s product range encompasses longwall systems, roadheaders, conveyors with accessories, power supply and switchgear equipment for mining machinery, and development and supply of IT systems for end-to-end management of coal mining processes (from the face to the surface). Through its subsidiary, the Group also provides specialist borehole drilling services for various applications and offers drilling technology implementation services for engineering and geotechnical projects.

In May 2021, the FAMUR Group modified its strategic directions with a view to transforming the Group from an enterprise manufacturing mining machinery and equipment into a holding investing in green transition projects and opportunities in other promising industries. Apart from the mining machinery segment, the FAMUR Group, in collaboration with TDJ S.A. and Projekt Solartechnik S.A. (PST), is currently developing a new segment comprising the development and turnkey delivery of utility-scale solar projects as well as PV system projects for the B2B market.

FAMUR Group’s further investment in integrated provision of advanced and environmentally friendly energy solutions may include co-generation, energy storage, smart grid and HVAC projects, with the Group simultaneously working to identify new, promising areas.

### 2. Change in scope of consolidation

The table below contains a list of companies included in the Group’s condensed quarterly consolidated financial statements drawn up in accordance with International Financial Reporting Standards (“IFRSs”) (“Condensed Quarterly Consolidated Financial Statements”) for the nine months ended September 30th 2022, that is FAMUR S.A. as the parent and the consolidated companies, along with information on the applied consolidation method, and the parent’s direct and indirect interests in subordinated entities (Structure of the FAMUR Group) as at September 30th 2022.

	<b>Company</b>	<b>FAMUR S.A.’s interest (held indirectly and directly) (%)*</b>	<b>KRS NO.</b>	<b>Country</b>	<b>Consolidation method**</b>
<b>Subsidiaries</b>					
1	Famur Institute Sp. z o.o.	100	243409	Poland	n/c
2	Famur Finance Sp. z o.o.	100	618105	Poland	full
3	Famur INVEST Sp. z o.o.	100	597262	Poland	full
4	Famur Finance & Restructuring Sp. z o.o. w likwidacji (in liquidation)	100	622989	Poland	full
5	Elgór+Hansen S.A.	100	61042	Poland	full
6	De Estate Sp. z o.o.	100	758723	Poland	full
7	Ex-Coal Sp. z o.o.	100	282838	Poland	full
8	Polskie Maszyny Górnicze S.A. w likwidacji (in liquidation)	100	243830	Poland	full

## Notes to the condensed consolidated financial statements

Company	FAMUR S.A.'s interest (held indirectly and directly) (%)*	KRS NO.	Country	Consolidation method**
9 EXPO Katowice S.A. (formerly: Polska Technika Górnicza S.A.)	33	8533	Poland	n/c
10 EXC FMF Sp. z o.o.	100	901074	Poland	full
11 Invest PV1 Sp. z o.o.	100	879459	Poland	full
12 INVEST PV 56 Sp. z o.o.	100	801656	Poland	full
13 INVEST PV 57 Sp. z o.o.	100	801276	Poland	full
14 INVEST PV 58 Sp. z o.o.	100	849855	Poland	full
15 INVEST PV 46 Sp. z o.o.	100	818473	Poland	full
16 INVEST PV 47 Sp. z o.o.	100	818877	Poland	full
17 INVEST PV 48 Sp. z o.o.	100	824075	Poland	full
18 Famur Solar Sp. z o.o. (composition of the FAMUR SOLAR Group is presented in the tables below)	75	906516	Poland	full
19 Stadmar Sp. z o.o.	50	156525	Poland	n/c
20 Primetech S.A.	81	26782	Poland	full
21 Śląskie Towarzystwo Wiertnicze Dalbis Sp. z o.o.	81	156135	Poland	full
22 OOO Famur Russia***	100	n/a	Russia	full
23 TOO Famur Kazachstan	100	n/a	Kazakhstan	full
24 Dams GMBH	100	n/a	Germany	n/c
25 Hansen Sicherheitstechnik AG	100	n/a	Germany	full
26 PT. Kopex Mining Contractors	100	n/a	Indonesia	full
27 Kopex Africa Pty Ltd.	100	n/a	South Africa	full
28 Hansen And Genwest Pty Ltd.	75	n/a	South Africa	full
29 Air Reliant Pty Ltd.	75	n/a	South Africa	full
30 Shandong Tagao Mining Equipment Manufacturing Co. Ltd.	50	n/a	China	n/c
31 Taian Famur Coal Mining Machinery Co., Ltd.	100	n/a	China	full
32 Elgór Sp. z o.o.	100	976307	Poland	full
<b>Associates</b>				
1 Famak S.A.	40	76547	Poland	n/c
2 Fmk Engineering Sp. z o.o.	40	853545	Poland	n/c
3 Mining Equipment Finance Sp. z o.o. w likwidacji (in liquidation)	51	666235	Poland	equity
4 Famak India Private Limited	4	n/a	India	n/c

\*percentage interest – if the fraction is 0.5 or more, the number is rounded up.

\*\*n/c – non-consolidated companies.

\*\*\*consolidated with the full method until June 30th 2022. As at September 30th 2022, loss of control of the company was recognised – see Note 7.

## Notes to the condensed consolidated financial statements

Projekt Solarteknik Fundusz Inwestycyjny Zamknięty (“FUND”) – as at September 30th 2022

Company	FAMUR S.A.'s interest (held indirectly and directly) (%)	KRS NO.	Country	Consolidation method
1 Invest PV 2 Sp. z o.o.	52	879450	Poland	full
2 Invest PV 3 Sp. z o.o.	52	879476	Poland	full
3 Invest PV 4 Sp. z o.o.	52	879446	Poland	full
4 Invest PV 5 Sp. z o.o.	52	879527	Poland	full
5 Invest PV 6 Sp. z o.o.	52	879522	Poland	full
6 Invest PV 7 Sp. z o.o.	52	879452	Poland	full
7 Invest PV 8 Sp. z o.o.	52	879457	Poland	full
8 Invest PV 9 Sp. z o.o.	52	879416	Poland	full
9 Invest PV 10 Sp. z o.o.	52	879455	Poland	full
10 Invest PV 11 Sp. z o.o.	52	840444	Poland	full
11 Invest PV 12 Sp. z o.o.	52	829093	Poland	full
12 Invest PV 13 Sp. z o.o.	52	507743	Poland	full
13 Invest PV 41 Sp. z o.o.	52	839412	Poland	full
14 Invest PV 59 Sp. z o.o.	60	854946	Poland	full
15 PV Ostrowąsy Sp. z o.o.	52	852418	Poland	full
16 Invest PV 45 Sp. z o.o.	52	859386	Poland	full
17 Invest PV 44 Sp. z o.o.	52	858773	Poland	full
18 Invest PV 42 Sp. z o.o.	52	833844	Poland	full
19 Invest PV 16 Sp. z o.o.	52	772495	Poland	full
20 Invest PV 15 Sp. z o.o.	52	773957	Poland	full
21 Invest PV 14 Sp. z o.o.	52	824366	Poland	full
22 Invest PV 17 Sp. z o.o.	52	850482	Poland	full
23 Invest PV 18 Sp. z o.o.	52	446948	Poland	full
24 Invest PV 19 Sp. z o.o.	52	730449	Poland	full
25 Invest PV 20 Sp. z o.o.	52	522095	Poland	full
26 Invest PV 21 Sp. z o.o.	52	387119	Poland	full
27 Invest PV 22 Sp. z o.o.	52	443003	Poland	full
28 Invest PV 23 Sp. z o.o.	52	461180	Poland	full
29 Invest PV 25 Sp. z o.o.	52	435841	Poland	full
30 Invest PV 26 Sp. z o.o.	52	842906	Poland	full
31 Invest PV 27 Sp. z o.o.	52	728459	Poland	full
32 Invest PV 28 Sp. z o.o.	52	852249	Poland	full
33 Invest PV 29 Sp. z o.o.	52	714293	Poland	full
34 Invest PV 30 Sp. z o.o.	52	777797	Poland	full
35 Invest PV 31 Sp. z o.o.	52	445980	Poland	full
36 Invest PV 40 Sp. z o.o.	52	873926	Poland	full
37 Invest PV 43 Sp. z o.o.	52	675195	Poland	full
38 Invest PV 32 Sp. z o.o.	52	796747	Poland	full
39 Invest PV 33 Sp. z o.o.	52	796684	Poland	full
40 Invest PV 34 Sp. z o.o.	52	440454	Poland	full
41 Invest PV 35 Sp. z o.o.	52	425274	Poland	full
42 Invest PV 36 Sp. z o.o.	52	440047	Poland	full
43 Invest PV 37 Sp. z o.o.	52	734704	Poland	full
44 Invest PV 38 Sp. z o.o.	52	569871	Poland	full
45 Invest PV 39 Sp. z o.o.	52	844431	Poland	full
46 Invest PV 24 Sp. z o.o.	52	460404	Poland	full
47 Invest PV 60 Sp. z o.o.	52	864853	Poland	full
48 Invest PV 61 Sp. z o.o.	52	864856	Poland	full
49 Invest PV 62 Sp. z o.o.	52	864838	Poland	full

## Notes to the condensed consolidated financial statements

Company	FAMUR S.A.'s interest (held indirectly and directly) (%)	KRS NO.	Country	Consolidation method
50 Invest PV 63 Sp. z o.o.	52	873181	Poland	full
51 Invest PV 64 Sp. z o.o.	52	873127	Poland	full
52 Invest PV 49 Sp. z o.o.	52	917556	Poland	full
53 Invest PV 50 Sp. z o.o.	52	918131	Poland	full
54 Invest PV 51 Sp. z o.o.	52	918031	Poland	full
55 Invest PV 52 Sp. z o.o.	52	918084	Poland	full
56 Invest PV 53 Sp. z o.o.	52	918067	Poland	full
57 Invest PV 54 Sp. z o.o.	52	918068	Poland	full
58 Invest PV 55 Sp. z o.o.	52	918111	Poland	full

### FAMUR Solar Group companies as at September 30th 2022

Company	FAMUR S.A.'s interest (held indirectly and directly) (%)	KRS NO.	Country	Consolidation method
1 Projekt-Solartechnik S.A.	52	834759	Poland	full
2 PST Service Sp. z o.o.	52	912684	Poland	full
3 Sun Deal Sp. z o.o.	52	824863	Poland	full
4 Projekt-Solartechnik Group Sp. z o.o.	52	468833	Poland	full
5 PST Steel Sp. z o.o. (formerly PST Mounting Systems sp. z o.o.)	52	846378	Poland	full
6 Projekt-Solartechnik Dystrybucja Sp. z o.o.	52	850401	Poland	full
7 Projekt-Solartechnik Development Sp. z o.o.	36	819926	Poland	full
8 P+S Energooszczędni Sp. z o.o.	34	701159	Poland	full
9 PV PROJEKT HUB Sp. z o.o.	52	905061	Poland	full
10 PV PROJEKT STARA RUDNA Sp. z o.o.	36	885615	Poland	full
11 PVDASZYNA Sp. z o.o.	19	896299	Poland	full
12 Solar Energia 4 Sp. z o.o.	19	580709	Poland	full
13 MM Solartechnik Sp. z o.o.	26	842926	Poland	full
14 MMSOLAR PV Sp. z o.o.	26	844385	Poland	n/c
15 PV OLEŚNICA Sp. z o.o.	26	896238	Poland	full
16 PST Projekt Solartechnik GmbH	52		Germany	full
17 INVEST PV 65 Sp. z o.o.	52	962949	Poland	full
18 INVEST PV 66 Sp. z o.o.	52	962738	Poland	full
19 INVEST PV 67 Sp. z o.o.	52	962782	Poland	full
20 INVEST PV 68 Sp. z o.o.	52	962785	Poland	full
21 INVEST PV 69 Sp. z o.o.	52	962753	Poland	full
22 INVEST PV 70 Sp. z o.o.	52	962711	Poland	full
23 INVEST PV 71 Sp. z o.o.	52	962780	Poland	full
24 INVEST PV 72 Sp. z o.o.	52	962824	Poland	full
25 INVEST PV 73 Sp. z o.o.	52	962732	Poland	full
26 INVEST PV 74 Sp. z o.o.	52	962861	Poland	full
27 INVEST PV 75 Sp. z o.o.	52	962829	Poland	full

## Notes to the condensed consolidated financial statements

Company	FAMUR S.A.'s interest (held indirectly and directly) (%)	KRS NO.	Country	Consolidation method
28 INVEST PV 76 Sp. z o.o.	52	962863	Poland	full
29 INVEST PV 77 Sp. z o.o.	52	962870	Poland	full
30 INVEST PV 78 Sp. z o.o.	52	962874	Poland	full
31 INVEST PV 79 Sp. z o.o.	52	962826	Poland	full
32 SPV Krotoszyce 1 Sp. z o.o.	27	948223	Poland	full
33 SPV Krotoszyce 2 Sp. z o.o.	27	948257	Poland	full

Presented below are changes in the FAMUR Group's structure that took place in the first nine months of 2022:

- On January 3rd 2022, the Extraordinary General Meeting of Mining Equipment Finance Sp. z o.o. held in Warsaw passed a resolution to dissolve the company and open its liquidation. As of January 3rd 2022, the company's name includes the words 'in liquidation' and trades as Mining Equipment Finance Sp. z o.o. w likwidacji (in liquidation).
- On February 8th 2022, the Extraordinary General Meeting of Polskie Maszyny Górnicze S.A. passed a resolution to dissolve the company and open its liquidation.
- On March 28th 2022, following a reduction of the share capital of Hansen Sicherheitstechnik AG, a subsidiary of the Company, in exchange for compensation in kind in the form of shares in Kopex Africa (Pty) Ltd, 100% of shares in Kopex Africa Pty Ltd. were transferred to FAMUR S.A.
- On March 31st 2022, the Extraordinary General Meeting of PROJEKT-SOLARTECHNIK S.A. (PST) passed a resolution to increase PST's share capital and issue shares, which, pursuant to an agreement of April 8th 2022 between FAMUR SOLAR and PST, were subscribed for by FAMUR SOLAR through the transfer of investment certificates of FAMUR SOLAR to PST.
- On April 14th 2022, FAMUR S.A. entered into an agreement with TDJ Equity I Sp. z o.o. to sell 36,419,744 shares in FAMAK S.A. of Kluczbork, reducing FAMUR S.A.'s interest in the share capital of FAMAK S.A. from 31.88% to 20.54%. Ownership of the shares transferred on April 20th 2022 upon entry in the Register of Shareholders. On April 19th 2022, FAMAK S.A. entered into an agreement with TDJ Equity I Sp. z o.o. to repurchase 156,250,000 FAMAK shares for cancellation. The Company's interest in FAMAK's share capital following registration of the share capital reduction by the registry court, which took place on July 26th 2022, is 40%.
- On April 29th 2022, FAMUR S.A. entered into an agreement to sell 100% of shares in Kopex Min A.D. of Nis, Serbia. Ownership of the shares transferred to the buyer on May 19th 2022, upon entry in the Serbian business register.
- An increase in the share capital of FAMUR SOLAR Sp. z o.o. from PLN 7,540,000.00 to PLN 14,645,550.00 was registered on May 18th 2022. FAMUR S.A.'s interest in the share capital of FAMUR SOLAR Sp. z o.o. rose from 51% to 74.77% as a result of the share capital increase.
- On May 19th 2022, an Extraordinary General Meeting of Famur Invest Sp. z o.o. (the acquiree) and Famur Finance Sp. z o.o. (the acquirer) was held to consider a merger of the two companies. The merger will take effect upon entry in the National Court Register.
- On June 7th 2022 (the date of entry in the National Court Register), an increase in the share capital of PROJECT-SOLARTECHNIK S.A. (PST) was registered in connection with the issuance of shares that were taken up by FAMUR SOLAR sp. z o.o. through transfer of FAMUR SOLAR sp. z o.o. investment certificates to PST. Work was thus commenced to simplify the legal and organisational structure of the solar business by integrating the operating area and the project fund Projekt Solartechnik Fund FUNDUSZ INWESTYCYJNY ZAMKNIĘTY (the FUND, FIZAN) into a single entity (i.e. planned merger of FAMUR SOLAR with PROJEKT-SOLARTECHNIK S.A.). On September 30th 2022, PST (the acquirer) and FAMUR SOLAR Sp. z o.o. (the acquiree) agreed on a merger plan. In accordance with the

## Notes to the condensed consolidated financial statements

adopted plan, as regards simplification of the organisational structure of the Group's solar business, upon the merger the existing shareholders in FAMUR SOLAR sp. z o.o. (the Company) are to be allotted PST shares in exchange for their holdings of Company shares according to their equity interests in FAMUR SOLAR sp. z o.o. at the time of the merger. PST shares allotted to FAMUR S.A. will represent approximately 38% of PST's share capital in issue. FAMUR SOLAR sp. z o.o. will cease to exist as a result of the merger. As a result of the merger, in exchange for its shareholding in FAMUR SOLAR sp. z o.o., the Company will receive PST shares in the number corresponding to its interest in FAMUR SOLAR sp. z o.o.

- On July 1st 2022, the Company acquired approximately 14% of PST shares (see *Current Report No. 29/2022 of July 1st 2022*). The agreement providing for the purchase of these shares was concluded between FAMUR SA and FIMM Fundusz Inwestycyjny Zamknięty, a closed-end investment fund in which Maciej Marcjanik is an investor.

### 3. Statement of compliance and basis of preparation of the financial statements

#### 3.1 Basis of preparation

These unaudited condensed quarterly consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as endorsed by the European Union ("IAS 34").

These condensed quarterly consolidated financial statements do not include all the information and disclosures required in full-year financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31st 2021, which were authorised for issue on April 11th 2022.

These condensed quarterly consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future.

The Management Board has analysed the situation in the context of the COVID-19 pandemic and, based on scenarios under consideration, as regards liquidity, financing and continuity of operations, it has not identified any risk for the Group continuing as a going concern for the foreseeable future.

In the context of the political and economic consequences of the war in Ukraine, the Management Board has not identified any risk of the Group's inability to continue as a going concern. The war resulted in the recognition of loss of control of the Russian subsidiary. For additional information, see Note 7.

These condensed quarterly consolidated financial statements were authorised for issue by the Management Board on November 8th 2022.

#### 3.2 Statement of compliance

These condensed quarterly consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union (EU IFRSs). As at the date of authorisation of these financial statements for issue, taking into account the ongoing process of adopting IFRSs in the EU, there were no material differences between the IFRSs applied in these financial statements and the EU IFRSs.

The EU IFRSs comprise standards and interpretations approved by the International Accounting Standards Board ("IASB").

#### 3.3 Functional and reporting currency

The Group's condensed quarterly consolidated financial statements are presented in the Polish złoty (PLN), which is the parent's functional currency. For each subsidiary, the functional currency is

## Notes to the condensed consolidated financial statements

determined separately, and assets and liabilities of the subsidiary are measured in that functional currency. In order to prepare consolidated financial statements, the financial statements of foreign subsidiaries are translated into the presentation currency. Assets and liabilities are translated at the mid rate of exchange quoted by the National Bank of Poland for the reporting date, whereas income and expenses are translated at the arithmetic mean of the mid rates of exchange quoted by the National Bank of Poland for the last day of each month in the reporting period. The resulting exchange differences are recognised in other comprehensive income.

Data presented in these interim condensed consolidated financial statements is expressed in millions of złoty, unless stated otherwise.

### 4. Material accounting policies

#### 4.1 Application of new and revised standards

The accounting policies applied in the preparation of these condensed quarterly consolidated financial statements are consistent with the policies applied in the preparation of the Company's full-year consolidated financial statements for the year ended December 31st 2021, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after January 1st 2022.

On January 1st 2022, the following amendments to standards came into force:

- Amendments to IFRS 3 *Reference to the Conceptual Framework* (issued on May 14th 2020) – effective for annual periods beginning on or after January 1st 2022;
- Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use* (issued on May 14th 2020) – effective for annual periods beginning on or after January 1st 2022;
- Amendments to IAS 37 *Onerous contracts – Cost of Fulfilling a Contract* (issued on May 14th 2020) – effective for annual periods beginning on or after January 1st 2022;
- Annual Improvements to IFRS Standards 2018–2020 (issued on May 14th 2020) – effective for annual periods beginning on or after January 1st 2022;

The amendments listed above had no material effect on these financial statements.

#### 4.2 New standards and interpretations which have been issued but are not yet effective

In these financial statements, the Company did not elect to early apply the standards and interpretations which have been published by the International Accounting Standards Board but are not yet effective.

## Notes to the condensed consolidated financial statements

### 5. Segment revenue and performance

The Company reports the operating segments in accordance with IFRS 8 *Operating Segments*.

In 2021, the FAMUR Group began operations in the sector of development and turnkey delivery of utility-scale solar projects for the B2B market (for a detailed description, see the Directors' Report on the operations of the FAMUR Group and FAMUR S.A. in 2021). As a result, as of January 1st 2022 the Group recognises two operating segments: the mining machinery segment (Underground) and the solar PV segment (PV Segment).

These segments are currently the basis for management and internal reporting and are regularly reviewed by the Management Board to assess performance and make decisions on the allocation of resources. The FAMUR Group's segments conduct the following operations:

- Mining machinery segment: production and maintenance of underground longwall soft rock mining machinery and systems, such as longwall systems, roadheaders, belt conveyors with accessories, and power supply and switchgear solutions for domestic and foreign customers.
- The FAMUR Group's solar PV segment provides EPC solutions (from project development, design, engineering and construction to maintenance services) for utility-scale PV projects (solar power plants) and medium-sized PV installations (for business customers). In the nine months ended September 30th 2022, the revenue and financial results of the solar PV segment were immaterial from the Group's perspective. Given the segment's failure to meet the thresholds set out in IFRS 8, the Company did not recognise it as a separate segment in its consolidated financial statements for the period.

The table below presents the segments' performance for the nine months to September 30th 2022.

<b>9 months to Sep 30 2022</b>	<b>Mining machinery</b>	<b>Solar PV</b>	<b>Eliminations</b>	<b>Consolidated</b>
Segment's revenue from external customers	818	39	-	857
Intersegment revenue	119	-	-119	-
<b>Revenue</b>	<b>937</b>	<b>39</b>	<b>-119</b>	<b>857</b>
Gross profit	304	13	-	317
<b>Operating profit</b>	<b>194</b>	<b>-26</b>	<b>-</b>	<b>168</b>
Depreciation and amortisation	109	6	-	115
<b>EBITDA</b>	<b>303</b>	<b>-20</b>	<b>-</b>	<b>283</b>

## Notes to the condensed consolidated financial statements

### Segments' revenue by geographical market

Segments' revenue by geographical market for the nine months to September 30th 2022

9 months to Sep 30 2022	Mining machinery	Solar PV	Eliminations	Consolidated
Poland	576	39	-119	496
Russia and CIS	106	-	-	106
USA	93	-	-	93
European Union	11	-	-	11
Other Europe	1	-	-	1
Other	150	-	-	150
<b>Total</b>	<b>937</b>	<b>39</b>	<b>-119</b>	<b>857</b>
Total exports	361	-	-	361
Poland	576	39	-119	496

Segments' revenue by geographical market for the nine months to September 30th 2021

9 months to Sep 30 2021	Mining machinery	Solar PV	Eliminations	Consolidated
Poland	525	-	-	525
Russia and CIS	143	-	-	143
USA	-	-	-	-
European Union	19	-	-	19
Other Europe	-	-	-	-
Other	42	-	-	42
<b>Total</b>	<b>729</b>	<b>-</b>	<b>-</b>	<b>729</b>
Total exports	204	-	-	204
Poland	525	-	-	525

## Notes to the condensed consolidated financial statements

### Segments' items of the statement of financial position

Segments' assets and liabilities as at September 30th 2022

Category of assets and liabilities	Mining machinery	Solar PV	Eliminations	Total
<b>Assets</b>	<b>2,980</b>	<b>936</b>	<b>-533</b>	<b>3,383</b>
Non-current assets	805	26	-278	553
Inventories (projects and expenditures on construction of photovoltaic farms)	257	614	-7	864
Receivables	526	198	-73	651
Cash and cash equivalents	1,119	85	-	1,204
Other assets	273	13	-175	111
<b>Liabilities and provisions for liabilities</b>	<b>1,076</b>	<b>693</b>	<b>-295</b>	<b>1,474</b>
Provisions for liabilities	51	3	-3	51
Non-current liabilities	623	10	-	633
Current liabilities	402	680	-292	790
<b>Net assets</b>	<b>1,904</b>	<b>243</b>	<b>-238</b>	<b>1,909</b>

Segments' assets and liabilities as at December 31st 2021

Category of assets and liabilities	Mining machinery	Solar PV	Eliminations	Total
<b>Assets</b>	<b>2,975</b>	<b>531</b>	<b>-286</b>	<b>3,220</b>
Non-current assets	640	29	-70	599
Inventories (projects and expenditures on construction of photovoltaic farms)	235	356	-8	583
Receivables	623	100	-169	554
Cash and cash equivalents	1,300	33	-	1,333
Other assets	177	13	-39	151
<b>Liabilities and provisions for liabilities</b>	<b>1,278</b>	<b>340</b>	<b>-279</b>	<b>1,339</b>
Provisions for liabilities	43	2	-	45
Non-current liabilities	636	82	-70	648
Current liabilities	599	256	-209	646
<b>Net assets</b>	<b>1,697</b>	<b>191</b>	<b>-7</b>	<b>1,881</b>

## Notes to the condensed consolidated financial statements

### 6. Events affecting assets, liabilities, equity, net profit or cash flows that are unusual because of their nature, size or incidence

In the first nine months of 2022, the following non-recurring events occurred:

- March 11th 2022 saw the execution of a PLN 428m project finance credit facility agreement to finance and refinance the costs of construction of solar PV farms with a total capacity of approximately 134 MW, with an option to subsequently convert the credit facility into an investment loan and to cover the debt service reserve. The credit facility agreement was concluded between 32 companies owned by Projekt Solartechnik Fund FUNDUSZ INWESTYCYJNY ZAMKNIĘTY and a syndicate of ING Bank Śląski S.A., Bank Polska Kasa Opieki S.A. and BNP Paribas Bank Polska S.A. (Current Report No. 12/2022 of March 11th 2022);
- On April 28th 2022, FAMUR S.A. paid all liabilities under Series 01/2016 bonds (the “Restructuring Bonds”), Tranche A, under the Restructuring Agreement of KOPEX S.A. (currently Primetech S.A.), in accordance with the Demerger Plan for KOPEX S.A. described in Current Report No. 48/2017 of June 29th 2017. The Restructuring Bonds, with an issue value of PLN 185m, were redeemed by the Company in full, plus accrued interest. As requested by the Bondholders, the bonds were redeemed in two tranches and on two dates (March 31st and April 28th 2022) without charging any additional interest resulting from the change of the redemption date.
- On July 1st 2022, the Company purchased approximately 14% of PST shares (see Current Report No. 29/2022 of July 1st 2022). The agreement providing for the purchase of the shares was made between FAMUR S.A. and FIMM Fundusz Inwestycyjny Zamknięty, a closed-end investment fund in which Maciej Marcjanik is an investor.
- On August 25th 2022, control over the Russian subsidiary OOO Famur was lost. The event is described in Note 7.

### 7. Discontinued operations

As at June 30th 2022, loss of control of the Russian subsidiary OOO Famur was recognised. As a result of the war in Ukraine, the package of economic sanctions imposed on Russia by the EU, including import and export restrictions, sanctions affecting shipments of goods by road, air and sea, and banking sanctions, as well as hostile actions on the part of the Russian government and Russian banks towards OOO Famur as a company with Polish owners, the Company became unable to use its power over that entity.

The loss of control was recognised in particular because of the inability to use the FAMUR Group’s power over OOO FAMUR to influence the financial results of that subsidiary and thus the amount of returns for the entire Group, primarily as a consequence of the following events and circumstances:

- limited ability to dispose of OOO FAMUR’s non-current assets,
- limited organisational ability to directly appoint FAMUR S.A.’s representative from Poland to oversee the subsidiary’s affairs, due to problems with business travel and constrained access to work permits and visas for entry into the Russian Federation by Polish citizens,
- liquidity risk for OOO FAMUR due to limited access to credit from Russian financial institutions by entities under the control of entities from hostile countries,
- severely limited ability to deliver spare parts from FAMUR S.A. to OOO FAMUR, and to effect cash settlements with OOO FAMUR, because of the imposed sanctions.

## Notes to the condensed consolidated financial statements

Accordingly, as at June 30th 2022 the Group recognised a loss on the loss of control of OOO Famur:

(PLNm)

OOO Famur's assets (a)	132
OOO Famur's provisions and liabilities (b)	44
Accumulated consolidation adjustments relating to assets (c)	-9
Exchange differences on translating the foreign operation (d)	21
<b>Gain (loss) on loss of control (-a+b-c+d)</b>	<b>-58</b>

\* The company's net assets were translated at the mid rate of exchange quoted by the National Bank of Poland for June 30th 2022 (RUB 1 = PLN 0.0859).

As at December 31st 2021, the company's net assets translated at the mid rate of exchange quoted by the National Bank of Poland for December 31st 2021 (RUB 1 = PLN 0.0542) amounted to PLN 46m.

In the first nine months of 2022, the following losses were charged against net profit (loss) from discontinued operations:

- PLN 5m – loss on the loss of control of Kopex-Min A.D. of Niš (Serbia) following sale of 100% of its shares. The Group had discontinued its operations in Serbia in previous years. Kopex-Min's net assets amounted to PLN 0. The transaction price was immaterial. The loss on the loss of control was attributable to exchange differences on translation of the foreign operation.
- PLN 5m – impairment loss on shares in the associate Famak S.A. following reclassification of its shares to non-current assets held for sale.

Below is presented the statement of profit or loss and statement of cash flows from discontinued operations.

### Statement of profit or loss from discontinued operations

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Revenue	33	27	-	9
Cost of sales	21	16	-	7
<b>Gross profit</b>	<b>12</b>	<b>11</b>	<b>-</b>	<b>2</b>
Administrative expenses	3	3	-	1
Other income	-	-1	-	-
Other expenses	11	-1	-	-
<b>Operating profit</b>	<b>-2</b>	<b>8</b>	<b>-</b>	<b>1</b>
Gains (losses) on expected credit loss allowances	1	-1	-	-1
Finance income	-1	8	-	8
Finance costs	6	9	-	9
Gain/(loss) on disposal or partial disposal of shares in subordinates and on loss of control	-63	-	-	-
<b>Profit before tax</b>	<b>-71</b>	<b>6</b>	<b>-</b>	<b>-1</b>
Income taxes	2	2	-	-
<b>Net profit from discontinued operations</b>	<b>-73</b>	<b>4</b>	<b>-</b>	<b>-1</b>

## Notes to the condensed consolidated financial statements

### Cash flows from discontinued operations

(PLNm)	9 months to	
	Sep 30 2022	Sep 30 2021
Cash flows from operating activities	-8	4
Cash flows from investing activities	-5	-
Cash flows from financing activities	2	-
<b>Total cash flows</b>	<b>-11</b>	<b>4</b>

### 8. Seasonal or cyclical operations

Neither FAMUR S.A.'s nor the FAMUR Group's operations were subject to any seasonal or cyclical changes in the reporting period. It should be noted, however, that given the significant value of individual contracts whose performance may last more than one quarter the Group's quarterly revenue and profits may fluctuate.

### 9. Fair value of financial instruments

After initial recognition, derivatives are measured at fair value. The fair values of derivatives are determined using the method set out in Note 48 to the IFRS-compliant consolidated financial statements for the year ended December 31st 2021. Interest rate swaps (IRS) are initially recognised at fair value net of transaction costs and subsequently, as at each reporting date, are measured at fair value, with the effect of measurement recognised in profit or loss for instruments not designated as hedging instruments and in equity for hedging instruments. The fair values of financial derivatives such as IRS and forwards, which are used to lock in exchange rates, are estimated for a level 2 asset of the fair value hierarchy described in Note 48.

The derivative instruments are shown in the table below:

Derivatives (groups of instruments)	Planned settlement date	Value of future cash flows at forward rate	Market value (corresponding to fair value) as at Sep 30 2022	Hedged risk
Forward - sale of EUR	Q4 2022	105	108	currency risk
Forward - sale of EUR	Q3 2023	7	8	currency risk
Forward - sale of USD	Q4 2022	17	20	currency risk
Forward - sale of USD	Q1 2023	12	15	currency risk
Forward - sale of USD	Q2 2023	12	15	currency risk
IRS	Q4 2023	10	11	interest rate risk
IRS	Q2 2024	200	182	interest rate risk
IRS	Q4 2026	400	347	interest rate risk
IRS	Q4 2034	149	161	interest rate risk
IRS	Q2 2035	85	92	interest rate risk
<b>Total</b>		<b>997</b>	<b>959</b>	

## Notes to the condensed consolidated financial statements

### 10. Dividend

On June 22nd 2022, by resolution of the General Meeting the Company's entire net profit earned in 2021, in the amount of PLN 35.2m, was allocated to the Company's statutory reserve funds.

### 11. Contingent liabilities

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
<b>Contingent liabilities</b>	<b>79</b>	<b>80</b>
<b>guarantees issued, including:</b>	<b>79</b>	<b>80</b>
bid bonds	4	1
Performance bonds	29	44
Other	46	35
<b>Other</b>	<b>-</b>	<b>-</b>

## Notes to the condensed consolidated financial statements

### 12. Related-party transactions

In the first nine months of 2022, there were no material related-party transactions other than typical and routine transactions, with the exception of those described in Note 2 *Change in scope of consolidation*: the sale by FAMUR S.A. to TDJ Equity I sp. z o.o. of 36,419,744 shares in FAMAK S.A. and the purchase by FAMUR S.A. of 14% of PST shares from FIMM Fundusz Inwestycyjny Zamknięty, in which Mr Maciej Marcjanik is an investor.

Jan 1-Sep 30 2022

(PLNm)	revenue and other income	finance income	gain/(loss) on sale of property, plant and equipment	purchase of materials and services and other expenses	finance costs	purchase of property, plant and equipment
subsidiaries	1	2	-	-	-	-
associates	-	-	-	-	-	-
other related entities	21	3	-	71	1	-
TDJ Equity I Sp. z o.o. - parent	-	8	-	-	12	-

As at Sep 30 2022

(PLNm)	receivables	loans	liabilities	non-bank borrowings
subsidiaries	-	-	-	1
associates	-	-	-	-
other related entities	2	7	16	51
TDJ Equity I Sp. z o.o. - parent	8	-	-	-

### 13. Events occurring after the reporting date

By the issue date of this Report, there were no significant events after the reporting date.

## Separate statement of profit or loss

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Separate statement of profit or loss

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Revenue	844	648	271	219
Cost of sales	568	455	184	154
<b>Gross profit</b>	<b>276</b>	<b>193</b>	<b>87</b>	<b>65</b>
Distribution costs	16	7	3	2
Administrative expenses	52	60	19	20
Other income	26	16	5	6
Other expenses	45	51	12	15
<b>Operating profit</b>	<b>189</b>	<b>91</b>	<b>58</b>	<b>34</b>
Gains (losses) on expected credit loss allowances	10	6	-	4
Finance income	68	29	33	15
Finance costs	39	10	9	2
<b>Profit before tax</b>	<b>228</b>	<b>116</b>	<b>82</b>	<b>51</b>
Income taxes	49	22	16	9
<b>Net profit</b>	<b>179</b>	<b>94</b>	<b>66</b>	<b>42</b>
Earnings per ordinary share (PLN)	0.31	0.16	0.11	0.07
Diluted earnings per ordinary share (PLN)	0.31	0.16	0.11	0.07
Weighted average number of shares (million)	575	575	575	575

## Separate statement of comprehensive income

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Separate statement of comprehensive income

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
<b>Net profit</b>	<b>179</b>	<b>94</b>	<b>66</b>	<b>42</b>
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent reporting periods:</b>				
Cash flow hedges	34	-2	-1	-4
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent reporting periods:</b>				
Actuarial gains (losses)	-2	1	-	-
<b>Total other comprehensive income, net of tax</b>	<b>32</b>	<b>-1</b>	<b>-1</b>	<b>-4</b>
<b>Total comprehensive income</b>	<b>211</b>	<b>93</b>	<b>65</b>	<b>38</b>

## Separate statement of financial position

as at September 30th 2022, prepared in accordance with IFRSs

### Assets

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
<b>Non-current assets</b>	<b>859</b>	<b>753</b>
Goodwill	67	67
Other intangible assets	6	11
Property, plant and equipment	313	313
Long-term receivables	5	-
Investments in subsidiaries and associates	412	254
Other non-current financial assets	50	78
Deferred tax assets	6	30
<b>Current assets</b>	<b>1,769</b>	<b>1,846</b>
<b>Current assets other than assets classified as held for sale, including:</b>	<b>1,743</b>	<b>1,826</b>
Inventories	203	153
Short-term trade and other receivables	532	606
Other current financial assets	221	114
Cash and cash equivalents	787	953
<b>Non-current assets classified as held for sale</b>	<b>26</b>	<b>20</b>
<b>Total assets</b>	<b>2,628</b>	<b>2,599</b>

## Separate statement of financial position

as at September 30th 2022, prepared in accordance with IFRSs

### Equity and liabilities

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
<b>Equity</b>	<b>1,587</b>	<b>1,376</b>
Share capital	6	6
Other components of equity	1,341	1,272
Retained earnings	240	98
<b>Liabilities</b>	<b>1,041</b>	<b>1,223</b>
<b>Non-current liabilities</b>	<b>631</b>	<b>645</b>
Long-term provisions	17	18
Other non-current financial liabilities	612	627
Long-term trade and other payables	2	-
<b>Current liabilities</b>	<b>410</b>	<b>578</b>
Short-term provisions	25	18
Short-term trade and other payables	348	324
Current tax liabilities	4	-
Other current financial liabilities	33	236
<b>Total equity and liabilities</b>	<b>2,628</b>	<b>2,599</b>

## Separate statement of changes in equity

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Separate statement of changes in equity

(PLNm)	Share capital	Other components of equity	Retained earnings	Total equity
<b>As at Jan 1 2022</b>	<b>6</b>	<b>1,272</b>	<b>98</b>	<b>1,376</b>
Net profit	-	-	179	179
Other comprehensive income	-	34	-2	32
<b>Total comprehensive income</b>	<b>-</b>	<b>34</b>	<b>177</b>	<b>211</b>
Profit distribution	-	35	-35	-
<b>Changes in equity in the period</b>	<b>-</b>	<b>69</b>	<b>142</b>	<b>211</b>
<b>As at Sep 30 2022</b>	<b>6</b>	<b>1,341</b>	<b>240</b>	<b>1,587</b>
<b>As at Jan 1 2021</b>	<b>6</b>	<b>1,103</b>	<b>229</b>	<b>1,338</b>
Net profit	-	-	94	94
Other comprehensive income	-	-2	1	-1
<b>Total comprehensive income</b>	<b>-</b>	<b>-2</b>	<b>95</b>	<b>93</b>
Profit distribution	-	169	-169	-
<b>Changes in equity in the period</b>	<b>-</b>	<b>167</b>	<b>-74</b>	<b>93</b>
<b>As at Sep 30 2021</b>	<b>6</b>	<b>1,270</b>	<b>155</b>	<b>1,431</b>

## Separate statement of cash flows

for the nine months ended September 30th 2022, prepared in accordance with IFRSs

### Separate statement of cash flows

(PLNm)	9 months to	
	Sep 30 2022	Sep 30 2021
<b>Cash flows from operating activities – indirect method</b>		
<b>Profit before tax</b>	<b>228</b>	<b>116</b>
<b>Total adjustments, including:</b>	<b>160</b>	<b>156</b>
Finance costs	31	6
Decrease (increase) in inventories	-50	9
Decrease (increase) in trade receivables	116	88
Decrease (increase) in other operating receivables	7	-11
Increase (decrease) in trade payables	-29	-3
Increase (decrease) other operating payables	-9	-39
Depreciation and amortisation	109	132
Recognition (reversal) of impairment loss taken to profit or loss provisions	-	-3
	5	-3
Losses (gains) on disposal of non-current assets	-7	-4
Other adjustments producing cash effects in the form of investing or financing cash flow	-13	-16
<b>Income tax paid (refunded)</b>	<b>29</b>	<b>24</b>
<b>Net cash from operating activities</b>	<b>359</b>	<b>248</b>
<b>Cash flows from investing activities</b>		
Other cash receipts from sale of equity or debt instruments of other entities	-	24
Other cash paid to acquire equity or debt instruments of other entities	-48	-70
Proceeds from sale of property, plant and equipment	18	8
Purchase of property, plant and equipment	-102	-72
Purchase of intangible assets	-	-1
Cash advances and loans made to third parties	-194	-266
Cash receipts from repayment of advances and loans to third parties	21	63
Dividends received	8	7
Interest received	1	-
<b>Net cash from investing activities</b>	<b>-296</b>	<b>-307</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	19
Repayment of borrowings	-205	-
Payment of lease liabilities	-12	-15
Interest paid	-12	-3
<b>Net cash from financing activities</b>	<b>-229</b>	<b>1</b>
<b>Increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>-166</b>	<b>-58</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-166</b>	<b>-58</b>
Cash and cash equivalents at beginning of period	953	557
Cash and cash equivalents at end of period	<b>787</b>	<b>499</b>

## Other information to the consolidated quarterly report

### Management Board's position on the previously published annual financial forecasts

The Management Board decided not to release forecasts for 2022.

### Shareholders holding directly or indirectly (through subsidiaries) at least 5% of total voting rights at the General Meeting of FAMUR S.A. as at the issue date of this interim report and changes in the shareholding structure occurring after the issue of the previous interim report

To the best of the Company's knowledge based on Current Report No. 15/2022 of March 30th 2022, Current Report No. 19/2022 of April 15th 2022, Current Report No. 22/2022 of April 26th 2022, and on data from the most recent Annual General Meeting of June 22nd 2022 (Current Report No. 25/2022), FAMUR S.A.'s shareholding structure as at the issue date of this quarterly report for the nine months ended September 30th 2022 was as follows:

Shareholder	Number of shares held	Number of voting rights	Equity interest
TDJ Equity I Sp. z o.o.	290,728,459	290,728,459	50.59%
Nationale-Nederlanden OFE I DFE*	57,738,124	57,738,124	10.05%
AVIVA OFE AVIVA SANTANDER	55,513,000	55,513,000	9.66%
FAMUR S.A.**	4,116	4,116	0.00%
Other shareholders***	170,696,974	170,696,974	29.70%
<b>Total</b>	<b>574,680,673</b>	<b>574,680,673</b>	<b>100%</b>

\* Aggregate value for accounts of OFE and DFE funds managed by NN PTE.

\*\* Indirectly through subsidiaries.

\*\*\* Total other shareholders holding less than 5% of total voting rights.

In the period between the issue of the most recent interim report for the six months ended June 30th 2022 and the issue date of this quarterly report, FAMUR S.A.'s shareholding structure did not change.

### Members of the management or supervisory personnel holding FAMUR S.A. shares or rights to FAMUR S.A. shares, and changes in their holdings after the issue of the previous interim report, according to FAMUR S.A.'s knowledge

According to the Company's knowledge, no FAMUR S.A. shares were held by the Company's management or supervisory personnel as at September 30th 2022 and as at the issue date of this Report, with the proviso that during the reporting period and as at the issue date of this Report a majority interest in the Company was held by Tomasz Domogała, who owned the interest indirectly through TDJ S.A.'s subsidiary TDJ Equity I Sp. z o.o., remaining a major shareholder in the Company.

### Material proceedings pending before courts, arbitration or public administration bodies

In the first nine months of 2022 and as at the filing date of this Report, there were no court, arbitration or administrative proceedings pending that would be material from the perspective of the Company or its Group.

## Other information to the consolidated quarterly report

**Loan sureties and guarantees issued by FAMUR S.A. or its subsidiary where the aggregate value of such outstanding sureties and guarantees issued to a single entity or its subsidiary is significant**

In the nine months ended September 30th 2022, neither the Company nor any of its subsidiaries provided any sureties or guarantees equivalent to 10% or more of FAMUR S.A.'s equity to any single entity or its subsidiary.

## Alternative performance measures

In its evaluation and discussion of the reported financial performance, financial position and cash flows, the FAMUR Group makes references to alternative performance measures (APM) other than those expressly defined or outlined in the applied financial reporting framework compliant with IFRS requirements. However, these metrics are calculated on the basis of information sourced from the financial statements prepared in accordance with IFRSs. APMs are consistent with the standards applied by the FAMUR Management Board in measuring and evaluating the Group's performance for internal management accounting purposes, provide a useful tool for presenting the Group's financial and operating position, and facilitate analysis and assessment of the Group's performance for internal purposes and external needs in discussions with financial analysts, potential investors, shareholders, noteholders, and institutions financing the FAMUR Group's operations.

The alternative performance measures presented by the FAMUR Group are standard metrics and indicators commonly used in financial analysis and are typically used to discuss performance of manufacturers of mining machinery and equipment. The selection of the alternative performance measures was preceded by an analysis of their usefulness in providing investors with helpful information on financial position, cash flows and financial efficiency, and – in the Company's opinion – the selected APMs enable an optimum assessment of financial performance.

In accordance with the ESMA Guidelines on Alternative Performance Measures, the following list sets out the definitions of the alternative performance measures used by the FAMUR Group and reconciliations to the data disclosed in the consolidated financial statements prepared in accordance with International Financial Reporting Standards.

### EBITDA

EBITDA is the main operating profit metric used by the Management Board, representing operating profit before depreciation/amortisation and impairment of non-current assets. The method of calculating EBITDA is not defined in IFRSs, and the methodology adopted by the Group is presented below.

(PLNm)	9 months to		3 months to	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Operating profit	168	102	56	38
Depreciation and amortisation	115	130	36	41
<b>EBITDA</b>	<b>283</b>	<b>232</b>	<b>92</b>	<b>79</b>

## Alternative performance measures

### Working capital and working capital as % of revenue

Working capital is the metric used by the Management Board to assess the amount of capital needed to perform contracts. Working capital as a percentage of revenue shows the efficiency of managing the operating cash conversion cycle. The method of calculating working capital is not defined in IFRSs, and the methodology applied by the Group is presented below.

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
Inventories	864	583
Short-term trade receivables	390	419
Subtotal	1,254	1,002
Less short-term trade payables	-115	-160
Less prepayments received	-201	-139
Working capital	938	703
Working capital as % of revenue for the last four quarters	82%	69%

### LTM revenue according to IFRSs

(PLNm)	Revenue
Jan–Dec 2021	1,018
Less 9 months to Sep 30 2021	-729
3 months to Dec 31 2021	289
Plus 9 months to Sep 30 2022	857
<b>LTM to Sep 30 2022</b>	<b>1,146</b>
<b>Working capital as at Sep 30 2022</b>	<b>938</b>
<b>Working capital in the quarter as % of LTM revenue</b>	<b>82%</b>

## Alternative performance measures

### Net debt

Net debt is a debt metric used by the Management Board. The method of calculating net debt is not defined in IFRSs, and the methodology applied by the Group is presented below.

(PLNm)	As at	
	Sep 30 2022	Dec 31 2021
<b>Non-current financial liabilities</b>	<b>631</b>	<b>648</b>
Bank credit and non-bank borrowings	3	4
Other debt instruments	599	599
Leases	29	32
Debt sale	-	13
<b>Current financial liabilities</b>	<b>393</b>	<b>262</b>
Bank credit and non-bank borrowings	359	28
Other debt instruments	19	206
Leases	7	11
Debt sale	8	17
<b>Gross debt</b>	<b>1,024</b>	<b>910</b>
Less cash and cash equivalents	-1,204	-1,333
<b>Net debt</b>	<b>-180</b>	<b>-423</b>
<b>Net debt/EBITDA</b>	<b>-0.5x</b>	<b>-1.4x</b>

### LTM EBITDA

(PLNm)	EBITDA
Jan-Dec 2021	301
Less 9 months to Sep 30 2021	-232
3 months to Dec 31 2021	69
Plus 9 months to Sep 30 2022	283
<b>LTM to Sep 30 2022</b>	<b>352</b>
<b>Net debt as at Sep 30 2022</b>	<b>-180</b>
<b>Net debt/EBITDA</b>	<b>-0.5x</b>

.....  
*Signature of the person responsible for  
preparation of the financial statements*  
Alina Mazurczyk

*Signatures of members of the Management Board of FAMUR S.A.*

Miroslaw Bendzera .....

Beata Zawiszowska .....

Dawid Gruszczuk .....

Tomasz Jakubowski .....

Ireneusz Kazimierski .....