

Grenevia Group Integrated Report 2022

Your link to green transition



Grenevia

The Grenevia Group (formerly the FAMUR Group) is an active investor that integrates and grows its business operations comprising four business segments:

01 FAMUR

Solutions for the mining and wind power sectors

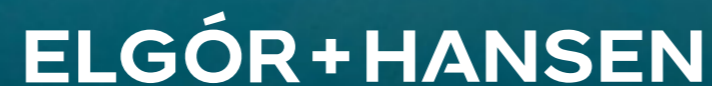
FAMUR brand



02 Power Engineering

Solutions for power distribution within the company

Elgór+Hansen



03 PV

Utility-scale solar PV projects

Projekt Solartechnik Group



04 E-mobility

Battery systems for electric mobility and energy storage

IMPACT Clean Power Technology



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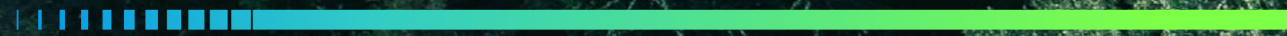
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2022 at a glance



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Summary of 2022

Key financial indicators Grenevia Group

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021	Change (%)
Net profit/(loss) from continuing operations	192	22	+8,7x
Net profit/(loss)	120	25	+4,8x
Cash flows from operating activities	-8	205	n/a
as % of revenue			
EBITDA	31%	30%	+1 pp
Net profit/(loss)*	14%	12%	+2 pp

* Adjusted for material non-recurring items affecting comparability, as described in section "Description and assessment of factors and non-recurring events with a bearing on the operating result reported for the financial year".

	as at Dec 31 2022	as at Dec 31 2021
Net debt (PLNm)	-127	-423
Net debt/EBITDA	0,3x	-1,4x

Revenue



EBITDA



Summary of 2022

Financial performance in 2022



PLN 1,296m

FY2022 revenue

| **27% year-on-year** growth driven chiefly by higher revenue from the sale of solutions for the mining sector and first-time consolidation of new segments: PV and E-mobility.



PLN 406m

FY2022 EBITDA

| **EBITDA margin at 31%.**



PLN 120m

FY2022 net profit

| Comparability limited by non-recurring events in the second quarter of 2022: PLN 58m loss on loss of control of OOO FAMUR (Russia) and in the fourth quarter of 2021: PLN 95m goodwill write-down in the mining machinery segment.

Summary of 2022

With a new business structure, FAMUR is transformed into Grenevia

The new business structure developed in 2022 is unveiled in early 2023

FAMUR segment

Solutions for the mining and wind power sectors

Key developments in 2022

- | Withdrawal from contracts valued at approximately PLN 130m and no bidding for new longwall system contracts (contracts foregone from the outbreak of the war in Ukraine valued at some EUR 200m); activities limited to the performance of continuing warranty and post-warranty maintenance obligations by the subsidiary in Russia.
- | Recognition of a loss of control of the Russian maintenance subsidiary OOO FAMUR and its reclassification to discontinued operations; PLN 58m loss charged against consolidated net profit for the three months ended June 30th 2022.
- | Launch of wind-turbine gearbox repair/refurbishment and maintenance services.
- | First comprehensive delivery of a roof support system to a new coking coal mine in the US.

PLN 1,064m

FY2022 revenue

+27% vs 2021

PLN 902m

order book at year-end 2022

(deliveries of machinery and equipment and leases in accordance with contract terms)

Summary of 2022

With a new business structure, FAMUR is transformed into Grenevia

Power Engineering

Power distribution solutions

Key developments in 2022

- Elgór+Hansen launches operations in the market for power distribution solutions, with new products added to the portfolio, such as containerised substations, including for utility-scale renewable energy projects.

PLN 100m

FY2022 revenue

including **PLN 59m** from external customers of the Grenevia Group

PLN 55m

order book
at year-end 2022

including **PLN 17m** worth of contracts for external customers of the Grenevia Group

Summary of 2022

With a new business structure,
FAMUR is transformed
into Grenevia

PV

Utility-scale solar projects

Key developments in 2022

- | Credit finance facility of up to PLN 428m, repayable by December 22nd 2040.
- | Streamlining of the segment's capital structure: an increase in Grenevia's equity interest in PST to approximately 52% through the acquisition of around 14% of PST shares, and a share capital increase at FAMUR SOLAR effected by Grenevia.
- | Steps taken to secure the first corporate Power Purchase Agreements (cPPAs) and development of foreign structures.

91 MW

capacity of solar PV farms placed
in service as at year-end 2022

3.1 GW

estimated total capacity of portfolio projects

at various stages of development as at year-end 2022
(up almost 1.5 GW during the year)

Summary of 2022

With a new business structure, FAMUR is transformed into Grenevia



Grenevia is an active investor that integrates and grows its business operations comprising four business segments described below.

GigafactoryX visualisation

E-mobility

Battery systems for e-mobility and energy storage

Key developments in 2022

- In November, acquisition of 51% of shares in IMPACT Clean Power Technology S.A. (IMPACT), a manufacturer of battery systems, mainly for buses, robotics applications and stationary energy storage, for a price of EUR 59m (around PLN 277m).
- Start of the **GigafactoryX** project in Pruszków near Warsaw, with a planned annual production capacity in excess of 1 GWh in 2024 and up to 2 GWh in 2027 and with an option to expand the capacity above 4 GWh depending on the demand growth rate.

51%

acquisition of
IMPACT shares

PLN 304m

IMPACT's FY2022 revenue

of which **PLN 64m** included in the Grenevia Group's consolidated revenue.

GigafactoryX

project

at various stages of development as at year-end 2022 (up almost 1.5 GW during the year)

Grenevia Group's Sustainability Strategy

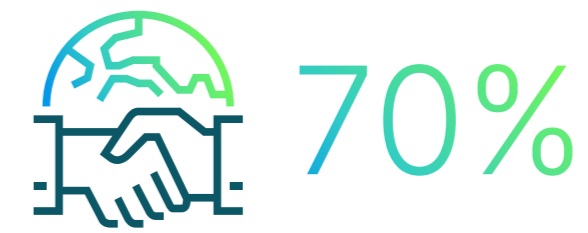


Revenue from sources other than the thermal coal sector by year-end 2024



Reduction of GHG emissions by 2030

Development of new business segments, including mainly PV and E-mobility, will translate into emission savings of up to 2.3 million tonnes of CO². A transition in the energy mix, aiming to incorporate approximately 35% renewable sources.



Relationships with key suppliers to rely on Grenevia's Sustainability Code by year-end 2025.

The Sustainability Strategy 2023–2030 announced at the beginning of 2023 developed with EY in the second half of 2022.

The Sustainability Strategy aligns our business model transformation strategy with an ESG agenda and actively contributes to the achievement of the UN Sustainable Development Goals.

Letter from the President of the Management Board

Dear Shareholders,

2022 brought significant developments both in Poland and across the world. For businesses, it was a period of heightened uncertainty, particularly due to the outbreak of war in Ukraine. The ongoing disruptions in supply chain logistics caused by the resurgence of the Covid-19 pandemic in China and the resulting constraints were accompanied by a visible slowdown in economic activity and inflation growth. At that time of dynamic economic and political shifts, we followed through with our strategy adopted in 2021 to transform into an organisation that invests in the green transition.

For the Grenevia Group, 2022 was a year of focused hard work oriented towards developing a flexible and responsive business model and structure enabling us to adapt to the surrounding reality and unexpected events.

On reflection, I can firmly state that despite some headwinds we successfully executed our plan according to the agreed schedule, achieving a revenue of **PLN 1.3bn**, which represents an increase of almost **30% from 2021**.



Mirosław Bendzera
prezes zarządu Grenevia S.A.

I Letter from the President of the Management Board

With a new business structure, FAMUR is transformed into Grenevia

The key initiative with a crucial impact on our operations was the initiation of the process to implement changes in our organisational structure at the beginning of 2022. With a view to ensuring effective management of our existing businesses and seamless integration of new companies focusing on the green transition opportunities into our Group, in the first step we divided FAMUR's resources into two areas: the FAMUR operations segment (which prepares its own set of accounts) and the corporate management holding segment. The changes led to the creation of a new brand: Grenevia, which became an active investor that integrates and develops operations in four business segments, including: Utility-scale solar projects and solar PV solutions for businesses supplied by Projekt Solartechnik; battery systems, energy storage and electric mobility solutions offered by IMPACT Clean Power Technology; modern industrial automation equipment and solutions for the power distribution sector based on

Elgór+Hansen's capabilities; and technologies and products for the mining and wind power sectors, which will continue to be offered under the FAMUR brand. The new structure and name are the outcome of the transformation pursued in line with the Group's new strategic directions announced in May 2021. Currently, our focus is on building the value of our individual segments, which support the evolution towards a low-carbon economy.

Sustainable development and social responsibility of the Grenevia Group

Concurrently, we have integrated ESG as a fundamental element of the Group's business strategy. This is reflected in our Sustainability Strategy for 2023–2030 presented in January 2023, which aligns with the DNA and operational mode of our entire organisation. We are confident that the sustainable path we have chosen will create long-term value for all stakeholders of the Group by effectively balancing social, environmental, and economic concerns.

The Sustainability Strategy, developed in the second half of 2022 in collaboration with the consulting firm EY, combines the Group's business model transformation strategy with an ESG agenda and relies on five pillars reflecting sustainable development from the perspective of Grenevia, which will guide our activities in this area going forward. The selection of those pillars was preceded by a thorough analysis of global megatrends, with a focus on emissions reduction and responsible resource use as drivers for the energy transition in the global economy.

Our strategy directly supports the UN Sustainable Development Goals, emphasising the Group's commitment to tackling global problems.

By 2030, we want to achieve a 40% reduction in our Scope 1 and Scope 2 greenhouse gas emissions from the Group's existing operations. Furthermore, development of our new business segments, mainly PV and E-mobility, will translate into emission savings of up to 2.3 million tonnes of CO₂.



By the end of 2024, we aim to have an **approximately 70% share of revenue from sources other than the thermal coal sector and an energy mix with an approximately 35% share of renewables**. By the end of 2025, 70% of our key supplier relationships will be based on the Grenevia Sustainability Code.

The Grenevia Group has been and will continue to be a socially responsible organisation, and we aim to grow our business sustainably, with due regard paid to the interests of all stakeholders, in particular our shareholders, employees and local communities. In conducting our activities, we are guided by the sense of responsibility towards our external stakeholders and attach great importance to safety and environmental protection.

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I Letter from the President of the Management Board

War in Ukraine

Russia's aggression against Ukraine, an unprecedented event in the recent history of Europe, underscored the importance of solidarity and support for the Ukrainian community. Grenevia employees' dedication brought tangible results in the form of numerous aid initiatives for victims of the war.

After the imposition of sanctions following the outbreak of the war, FAMUR took a responsible and professional approach to fulfilling the resulting obligations. We chose to withdraw from newly signed contracts for the supply of machinery to be used in the territory of the Russian Federation, totalling approximately PLN 130m. We also resolved not to bid for any new longwall system delivery contracts. As a result, FAMUR estimates that since the start of the war it has foregone bidding for contracts for delivery to the Russian market of around EUR 200m worth of new machinery and equipment. We limited our activity to implementing existing contracts and to supplying spare parts and equipment primarily intended to meet warranty and post-warranty obligations by our subsidiary in Russia as well as

activities enabling it to complete those tasks. After a number of events occurred as a result of which FAMUR became unable to use its powers to exercise influence on the operations and performance of OOO FAMUR in accordance with the International Accounting Standards, at the end of August 2022 we reported loss of control of our Russian maintenance company and reclassified it to discontinued operations, and in March 2023 we started the divestment process.

Launch of operations in the energy storage and electric mobility sectors

During the latter part of 2022, we worked intensely on expanding our business activities in line with the adopted development directions. On November 8th 2022, we acquired an equity interest in IMPACT Clean Power Technology for approximately EUR 59m. The shares represented 51% of the company's share capital, carrying around 59% of total voting rights at its General Meeting. The transaction was financed with proceeds from the PLN 400m issue of green bonds in 2021, which had been ear-

marked for investments in the sustainable development of the Group in accordance with the Green Bond Framework.

IMPACT Clean Power Technology is active in the area of manufacturing and integration of advanced energy storage systems based on the lithium-ion cell technology, and plans to develop hydrogen fuel cell systems. It is also a supplier of utility-scale energy storage solutions for the renewable energy sector and industrial power supply systems. In 2022, the company generated revenue of PLN 304m (of which PLN 64m was included in the Grenevia Group's consolidated revenue from the moment of IMPACT's first-time consolidation, i.e. from mid-November 2022).

IMPACT's business model leverages economies of scale generated by the manufacture of custom-made products and offering them to wider customer groups. To accommodate the fast market growth and broaden its customer base, the company aims to significantly increase its annual production capacity by building GigafactoryX. This large-scale manufacturing plant will be dedicated to

meeting the requirements of buyers of battery systems for electric public transport vehicles, primarily e-buses, industrial e-vehicles, and utility-scale energy storage facilities. The project is expected to rise IMPACT's annual production capacity to more than 1 GWh in 2024, and to approximately 2 GWh or even 4 GWh in 2027, in line with demand growth.

Investments in new production capacities are also intended to allow the company to branch out into related markets such as electric trucks, heavy industrial vehicles, and hydrogen-powered railway locomotives. Other growth initiatives pursued by IMPACT include the New Life for Batteries project (repurposing of used EV batteries in stationary energy storage systems, which have longer charging cycles), development of utility-scale energy storage facilities, and use of hydrogen technologies in battery systems.

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I Letter from the President of the Management Board

Launch of wind-turbine gearbox repair/refurbishment and maintenance services

Another important initiative designed to change the Group's profile was undertaken in our traditional business area, i.e. the FAMUR segment. Based on our existing machine park and the segment's many years' experience in engineering, manufacturing and repairing gearboxes for various industry applications, we launched a range of services consisting in repair/refurbishment and maintenance of gearboxes used in wind turbines with capacities of up to 2 MW. With the Company's current scope and scale of operations, this did not require any major capital expenditure.

In 2022, having obtained the necessary certificates and authorisations FAMUR repaired a number of gearboxes, and completed an operational start-up of the first gearbox with a pilot operation monitoring system.

Streamlining of the legal and organisational structure of the PV segment

In 2022, we streamlined the legal and organisational structure of our PV segment to improve its operational efficiency. An important step towards this goal was the purchase on July 1st 2022 of approximately 14% of shares in Projekt Solartechnik (PST) from FIMM Fundusz Inwestycyjny Zamknięty, a related party of Maciej Marcjanik. As a result of the transaction and the prior increase in the share capital of FAMUR SOLAR effected by Grenevia, Grenevia S.A. now holds directly and indirectly 52% of shares in Projekt Solartechnik S.A.

Operating results for 2022

An overview of our operating performance in each business segment is presented based on the new structure of the Grenevia Group.

In the **FAMUR segment**, our activity focused on expanding our presence in promising markets, including Indonesia, North America, and China.

A slight recovery was also seen in the domestic market, although it remains under the pressure of changes resulting from the adopted programme to phase out thermal coal mines. The segment's total backlog (supplies of machinery and equipment and leases in accordance with the effective terms of the contracts) as at the end of 2022 amounted to approximately PLN 902m.

In the **Power Engineering segment**, we focused on maintaining our position in the coal mining industry and building our presence in the renewable energy sector, our new area of operations. As at the end of 2022, the segment's total backlog was PLN 55m, including PLN 38m in contracts for the FAMUR and PV segments.

Our activities in the **PV segment** mainly involved consistent expansion of the portfolio of new projects, development of further projects (pre-construction phase), construction and start-up of solar PV farms, and acquisition of the first corporate Power Purchase Agreements (cPPAs). We also started the process to build foreign structures by setting up a PV project development branch in Germany. We intend to open further branches in other markets to

enable international expansion of the segment. From the beginning of 2022, our solar PV project portfolio grew by nearly 1.5 GW and at the year end comprised projects at various stages of development with an estimated total capacity of almost 3.1 GW. Solar PV farms with a total capacity of 91 MW were put in operation, while 124 MW was under construction (or completed but not launched), and further 65 MW was in the development (pre-construction) phase. Despite exercising due care, the transaction to sell a 184 MW solar PV farm portfolio to Alternus Energy Group subsidiaries was not completed due to the buyer's fault. Currently, Projekt Solartechnik is actively looking for other buyers for the farms.

The **E-mobility segment** focused chiefly on building the contract portfolio: we concluded framework contracts for regular deliveries with a number of customers, including Solaris and Voith, and secured the first larger contract in the Asian market having won a tender procedure in Hong Kong with our partner ADL. IMPACT will supply bus batteries under the contract. Thanks to cooperation with the Group, the production efficiency and effectiveness at the

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I Letter from the President of the Management Board

current location was increased three times, from 0.2 GWh to 0.6 GWh, with a concurrent improvement in the product quality. In order to ensure stability of the supply chain, we intensified our efforts to diversify suppliers of key components in accordance with the announced European Supply Chain strategy. Also, construction of GigaFactoryX in Pruszków near Warsaw was started: we purchased the property and approved the detailed design.

Financial performance in 2022

Based on the operating activities described above, the Grenevia Group generated revenue of PLN 1,296m in 2022, This means a year-on-year increase of 27%, achieved on the back of higher revenue in the FAMUR segment, stable revenue from external customers in the Power Engineering segment, and first-time consolidation of the new PV and E-mobility segments. Export revenue reached 40%, and was mainly attributable to supplies to the US, Indonesia, and China. The share of revenue from Russia in total revenue fell to approximately 9% (from 23% in 2021); this revenue was generated in connection with the completion of contracts signed before the outbreak

of the war in Ukraine. The higher revenue translated into a PLN 103m increase in EBITDA, to PLN 406m, with EBITDA margin at 31%. As a result, the Group reported a net profit of PLN 120m. Operating cash flows were negative, at PLN -8m, which was due mainly to expenditure on the development and construction of solar farms. As at the end of 2022, our net debt stood at PLN 127m, and was chiefly related to the purchase of shares in IMPACT.

Challenges in 2023

In 2023, the focus of our activities will be on developing the new segments and scaling their operations as quickly as practicable. The segments are independent from one another and thus have their own priorities. In E-mobility, our efforts will be centred on the construction of GigaFactoryX, expansion of the customer portfolio, and implementation of the European Supply Chain strategy. The goals for the PV segment include continued active effort to build a portfolio of projects and construct solar PV farms, further expansion on international markets, intense work to secure buyers for the finished farms, and launch of a process to build an own portfolio of

solar PV projects operated in accordance with the IPP model to generate and sell electricity. In addition, we started to optimise our project execution process and reduce project execution costs. In the Power Engineering segment, we expect to build a portfolio of contracts with mining sector customers and further develop our range of products and services for the renewable energy sector. The FAMUR segment will consistently take steps to seek new orders in its existing and new markets, reinforce its after-sales services, continue to standardise the fleet of shearer loaders, and develop the wind turbine gearbox repair/refurbishment and maintenance business. However, we expect the share of the segment's export revenue to decline in the coming quarters as a result of the ongoing armed conflict in Ukraine and our decision to stop bidding for new contracts for equipment deliveries to the Russian market, where FAMUR had enjoyed a strong competitive position and a significant market share.

2023 will also see active implementation of our Sustainable Development Strategy in line with the schedule adopted at the beginning of this year.

Mirosław Bendzera
President of the Management Board
of Grenevia S.A.

Strategy

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Business strategy underpinned by sustainability



Our vision

Grenevia has been founded with the aim of responsibly and actively contributing to the advancement of a sustainable and low-carbon economy.



Our mission

By consciously transforming our business model, we are investing in promising green transition projects to enhance their value for the benefit of the global community as a whole.



Business model

The Grenevia Group's business model stems from the strategy we have consistently implemented since it was first announced in May 2021. The strategy aims to transform the Group from a leading manufacturer of mining machinery and equipment into a company actively investing in the energy transition.

Business strategy underpinned by sustainability

The Grenevia Group comprises four business segments:



Utility-scale solar PV projects

Projekt Solartechnik



Solutions for the mining and wind power sectors

FAMUR brand



Power distribution solutions

Elgór+Hansen



Battery systems for electric mobility and energy storage

IMPACT Clean Power Technology

Each of the business segments forms a separate operational and financial structure.

A detailed description of the achievements and development of the individual segments is provided below.

The Grenevia Group (formerly FAMUR) is an active investor that integrates and grows its business operations comprising four business segments: utility-scale solar projects (PV) delivered by Projekt Solartechnik; battery systems for electric mobility and energy storage (E-mobility) delivered by IMPACT Clean Power Technology; state-of-the-art solutions for the power distribution sector (Power Engineering) delivered by Elgór+Hansen; solutions for the mining and wind power sectors delivered under the FAMUR brand.

The new business model is the effect of consistent implementation of the Group's strategy announced in May 2021, which aims to transform the Group from a leading producer of mining machinery into a major investor in green transition. The Group creates long-term value in line with the vision of responsible and active support for the development of a sustainable low-carbon economy. Its mission is to consciously alter its business model by investing in promising green transition projects to build their value to the benefit of the world as a whole.

On February 16th 2023, the Extraordinary General Meeting resolved to change the Company name from FAMUR Spółka Akcyjna to Grenevia Spółka Akcyjna. The change was registered by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, on April 3rd 2023.



I Business strategy underpinned by sustainability

Growth strategy

The accelerating global transition towards low-carbon economies required a change to the Group's business model that was largely based on revenue generated in the Polish thermal coal mining sector. In May 2021, the Management Board decided to modify the Company's strategic directions and dividend policy (*see Current Report No. 23/2021 of May 25th 2021*).

The new strategic directions are aimed at tapping the potential and opportunities presented by Poland's energy transition and will focus in particular on:

- I generating cash from the mining assets by concentrating on the most profitable and stable product lines and continuously adapting the structure of operating assets to the directions of Poland's energy transition, while retaining the capabilities and know-how required to participate in selected

mining projects in Poland and export markets on an opportunistic basis;

- I repurposing selected production plants, e.g., under the model of strategic partnerships (joint ventures, license agreements, etc.) in the industrial sectors that are oriented particularly towards manufacturers of machinery and equipment for the renewable energy sector;

- I evolving into an organisation that invests in green transition projects, in the first place by entering the sector of green energy and end-to-end development and turnkey delivery of utility-scale solar projects;

- I consistently searching for attractive investment opportunities in the renewable energy sector and other promising industries.

Implementation of those goals to adapt the Group's business profile to the economic environment evolving in line with the New Green Deal was made possible by the capabilities built by the Grenevia Group in the industrial and energy sectors, the scale of its projects, unique resource base and strong financial position. The Grenevia Group's entry into the new sectors and rapid scaling of its operations will be supported by cooperation with the TDJ Group, a stable and long-term investor in Grenevia S.A.

Thanks to those measures, the estimated share of revenues related to the thermal coal sector is expected to fall below 30% by 2024 (from some 51% in 2022). Development in the new areas will be financed with profits, available EU funds and other financial instruments designed to support green energy projects.

The first stage of the Grenevia Group's expansion in new directions will require reinvestment of profits, which necessitates a change to our dividend policy.

The dividend, if any, will depend on profits earned in a given year, the investment attractiveness of new projects and growth prospects, as well as the financial and liquidity situation of the Grenevia Group.

The pursuit of the modified strategic directions, and thus the likelihood of achieving the expected benefits, may be affected by the following factors: a significant deterioration of the macroeconomic environment, major change in the announced plans for Poland's energy transition, considerable acceleration

of the programme to phase out thermal coal mines in Poland, other extraordinary one-off events with a bearing on the Grenevia Group's business, significant changes to the laws and regulations currently in force and, above all, major geopolitical crises in the region and in the countries where the Group operates. The Management Board of Grenevia S.A. monitors the current market situation on an ongoing basis, adjusting its operating activities accordingly, and analyses their impact on the development directions adopted for the Group.

I Business strategy underpinned by sustainability

Strategy implementation

The Grenevia Group consistently pursues its strategy and diversifies operations to alter its business profile towards investing in green transition.

2021



The first step was the entry into the **sector of utility-scale solar projects** in 2021. The Grenevia Group's PV segment is currently comprised of the Projekt Solartechnik (PST) Group companies, which offer development and turnkey delivery of solar PV projects on an EPC basis, i.e. from development, design and engineering of a project to procurement of necessary components, to construction and maintenance of the project facilities.

2022



We embarked on another diversification initiative in 2022, as the FAMUR segment launched operations in the **wind power sector**, leveraging its many years' experience, resources and competences in the engineering and construction of equipment for industry. FAMUR started to offer repairs/refurbishment and maintenance of gearboxes for wind turbines with capacities of up to 2 MW.

2022



In 2022, we also developed a new strategy for our portfolio company Elgór+Hansen, forming the core of the Group's **Power Engineering segment**. Its key role it to **increase business diversification and develop power distribution solutions for the power industry, including the renewable energy sector**.

2022



Towards the end of 2022, through our investment in IMPACT Clean Power Technology we made another important step by entering another promising **area of the renewable energy industry**, i.e. battery systems for electric vehicles and energy storage. IMPACT manufactures and integrates advanced energy storage systems based on the lithium-ion cell technology, develops hydrogen fuel cell systems, and supplies utility-scale energy storage solutions for the power sector.

Those steps led to the emergence of a multi-business corporate group, which required redefining our organisational framework.

Sustainability Strategy 2023–2030

Our strategy of sustainability-driven business model transformation needed to be complemented by environmental, social and governance (ESG) goals. To this end, we partnered with EY to develop a Sustainability Strategy for 2023–2030, which was completed in the second half of 2022 and officially announced in early 2023.

Three main goals were set in the strategy development process:



To integrate ESG aspects into the Group's business model transformation strategy



To meet the expectations of various stakeholder groups (employees, customers, suppliers, regulator, local communities, investors, financial institutions)



To build the Group's long-term value in a way that balances the economic, environmental and social considerations

The method for developing the sustainability strategy framework included the following steps:

1. Identification of the Grenevia Group's key stakeholders and stakeholder expectations
2. Analysis of best market practices
3. Regulatory analysis from an ESG perspective
4. Analysis of the Grenevia Group's ESG maturity
5. Standards analysis.

This comprehensive approach enabled us to assess the Grenevia Group's environmental and social impacts, assess business and financial materiality, identify areas of impact incorporating the perspectives of our stakeholders, and identify material topics of relevance to the Grenevia Group.

The Sustainability Strategy is built around five pillars reflecting Grenevia's view of sustainable development and outlining the scope of sustainability activities for the future. The selection of those pillars was preceded by a thorough analysis of global megatrends, with a focus on emissions reduction and responsible resource use as drivers for the energy transition in the global economy.

Our strategy directly supports the UN Sustainable Development Goals, emphasising the Group's commitment to tackling global problems. The strategy defines 5 strategic goals, 18 aspirations and 22 implementation projects.

| Sustainability strategy 2023–2030

Our strategy supports UN Sustainable Development Goals

Delivering on our sustainability strategy, we will contribute to the achievement of eleven UN Sustainable Development Goals. This is an extension of our prior commitment to support nine SDGs.

Our current commitment to UN Sustainable Development Goals:

SDG 3	Ensure healthy lives and promote well-being for all at all ages.
SDG 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
SDG 5	Achieve gender equality and empower all women and girls.
SDG 6	Ensure availability and sustainable management of water and sanitation for all.
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all.
SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
SDG 10	Reduce inequality within and among countries.
SDG 12	Ensure sustainable consumption and production patterns.
SDG 13	Take urgent action to combat climate change and its impacts.
SDG 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Pillars of the Sustainability Strategy

Pillar 1

Sustainable business transformation

- Based on the resources and long-term experience of the mining machinery manufacturer, we are transforming ourselves into an industrial company that invests in energy transition businesses.
- Our transformation process seeks to balance economic, environmental and social aspects.
- We drive the growth of our portfolio companies for the benefit of all stakeholders while generating attractive investment returns for our shareholders.

Pillar 2

Energy for transition

- We aim to achieve a significant reduction in our Scope 1 and Scope 2 emissions
- By the end of 2024, approximately 35% of energy will come from RES and this percentage will increase in the following years through the development of our own sources and cPPAs, if available and economically justified
- The development of our new segments supporting energy transition will at the same time contribute to avoiding greenhouse gas emissions
- In our operations, we strive to reduce the consumption such resources as water and electricity

Pillar 3

Modern products and business models

- We actively support our Customers and Suppliers in tackling climate impact
- We implement the principles of circular economy
- Priority is given to safety and reduction of the environmental impact of our products

Pillar 4

Effective and responsible organisation

- We see sustainable development as an integral part of the decision-making process across our organisation
- We adhere to the highest standards in conducting business and managing the supply chain and sales By the end of 2025, 70% of our key supplier relationships will be based on Grenevia's Sustainability Code.
- We engage in active dialogue with stakeholders and implement best reporting, risk management and corporate governance practices
- We increase the efficiency of our organisation through process improvement, including automation and digitalisation

Pillar 5

Employees and society as a key component of climate transition

- We cooperate with businesses and organisations, working for sustainable development of Poland and regions
- We boost education and development of employees and local communities
- We want to be a preferred, long-term and responsible employer
- We develop an organisational culture that promotes equality and diversity

Strategic goals

Pillar 1

Sustainable business transformation

With the development of new segments, approximately 70%* of the Group's revenue in 2024 should be derived from sources other than the thermal coal sector.

* This goal is in line with the Grenevia Group's new strategic directions adopted on May 25th 2021 regarding reduction of the estimated share of revenue associated with the ther.

Contribution to UN Sustainable Development Goals



Pillar 2

Energy for transition

By 2030, we will reduce Scope 1 and Scope 2 emissions by 40% compared with 2021, and at the same time we will be developing new business segments that will contribute to avoiding up to 2.3 million tonnes of CO2 emissions in economy by 2030.

Contribution to UN Sustainable Development Goals



Pillar 3

Modern products and business models

As regards the life cycle of our products, we are gradually implementing the principles of circular economy and management of product emissions

Contribution to UN Sustainable Development Goals



Pillar 4

Effective and responsible organisation

We are implementing best international practices in corporate governance, risk management and relations with business partners.

Contribution to UN Sustainable Development Goals



Pillar 5

Employees and society as a key component of climate transition

We engage in initiatives that are of benefit to employees, local communities and suppliers.

Contribution to UN Sustainable Development Goals





Sustainability management



The management board headed by the president of the board exercises oversight of environmental, social and governance (ESG) issues, supervising the implementation of strategic sustainability goals. Assisted by the management boards of the portfolio companies, the Management Board of Grenevia S.A. sets common strategic directions and scope of activities to be applied across the Group.

The responsibility for implementing sustainability tasks and goals rests with leaders (management board members or higher-ranking leaders) of the portfolio companies. The operating model adopted for the Grenevia Group, which gives operational autonomy to its portfolio companies, permits the companies to set themselves additional ESG goals aligned with their specific business profiles ("portfolio company ESG programmes").

In February 2023, the Company's Management Board passed a resolution establishing an organisational structure that would enable efficient implementation of the Grenevia Group's Sustainability Strategy 2023–2030. Oversight of the implementation of the stated goals and initiatives rests with the **sustainability executive committee comprising management board members responsible for sustainability issues at their respective portfolio companies. The committee is headed by the President of the Management Board of Grenevia S.A.**

A team of ESG coordinators of each of the Group's business segments is responsible for the operational coordination of strategic sustainability activities. **The team of ESG coordinators** reports to the sustainability executive committee at least once every three months on the progress of strategic sustainability tasks, activities and goals implemented by the Grenevia Group.

Stakeholder dialogue

We create value for the Grenevia Group's stakeholders by conducting business responsibly while striving to achieve sustainable profitable growth through investments in the green transition.

Our key stakeholders are entities or individuals whose value creation is impacted by Grenevia's operations or who contribute to the Grenevia Group's value creation in the long term. In 2022, we again identified our key stakeholders and performed a comprehensive analysis of their expectations regarding sustainability issues. Seeking direct feedback, in-depth interviews were conducted with selected stakeholders.

Our analysis identified Grenevia's key stakeholders: customers, shareholders, employees, bondholders, and local suppliers, although Grenevia's key stakeholders are a broader group including other suppliers, employees in the Group's supply chain, financial institutions, local communities, and more.

Grenevia engages in an ongoing dialogue with its stakeholders in the course of day-to-day business operations. The benefits of stakeholder engagement are many. It helps us gather information on sustainability topics. It provides an insight into direct and indirect impacts of our operations along the value chain. Gathering feedback from stakeholders enables us to grasp their expectations and understand how they shape Grenevia's long-term value creation. Active dialogue with stakeholders can also help mitigate certain risks, such as reputational risks, and creates opportunities to increase awareness and credibility of the Grenevia brand and its portfolio companies. Some examples of our interactions with stakeholders in 2022:

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Sustainability management

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- | Group meetings and one-on-one meetings with analysts, investors, shareholders and institutions financing Grenevia's operations, held to discuss the impact of strategy execution on the Group and investments in green energy transition projects. During these meetings, stakeholders communicate what they expect of Grenevia in terms of sustainability. In 2022, the Company's Management Board met with all major shareholders.
- | Constant dialogue is maintained with customers on such matters as product development for improved safety, quality and efficiency, a growing share of recycled materials, and other matters.
- | Regular dialogue with employees is maintained through town halls, employee surveys and staff meetings held to discuss current topics, organisational changes taking place within the Group, development plans, and more. The Management Board holds regular meetings with trade unions to discuss remuneration policy and other employee matters.
- | Day-to-day business also includes discussions held with local and global suppliers to identify responsible supply chain issues.
- | We are in dialogue with local communities and organisations. For example, we regularly meet with the Guardian Angels House Association regarding ongoing projects and proposed support from the Group. In Gorlice, we are in dialogue with secondary schools on potential collaboration on patronage classes and initiatives to advance vocational education. Meetings are also held with municipal officials with a view to supporting local initiatives.

Memberships in organisations and associations

Through memberships and involvement in associations and organisations, Grenevia can expand and share its knowledge and influence programmes relevant to its business. Grenevia's memberships include the following:

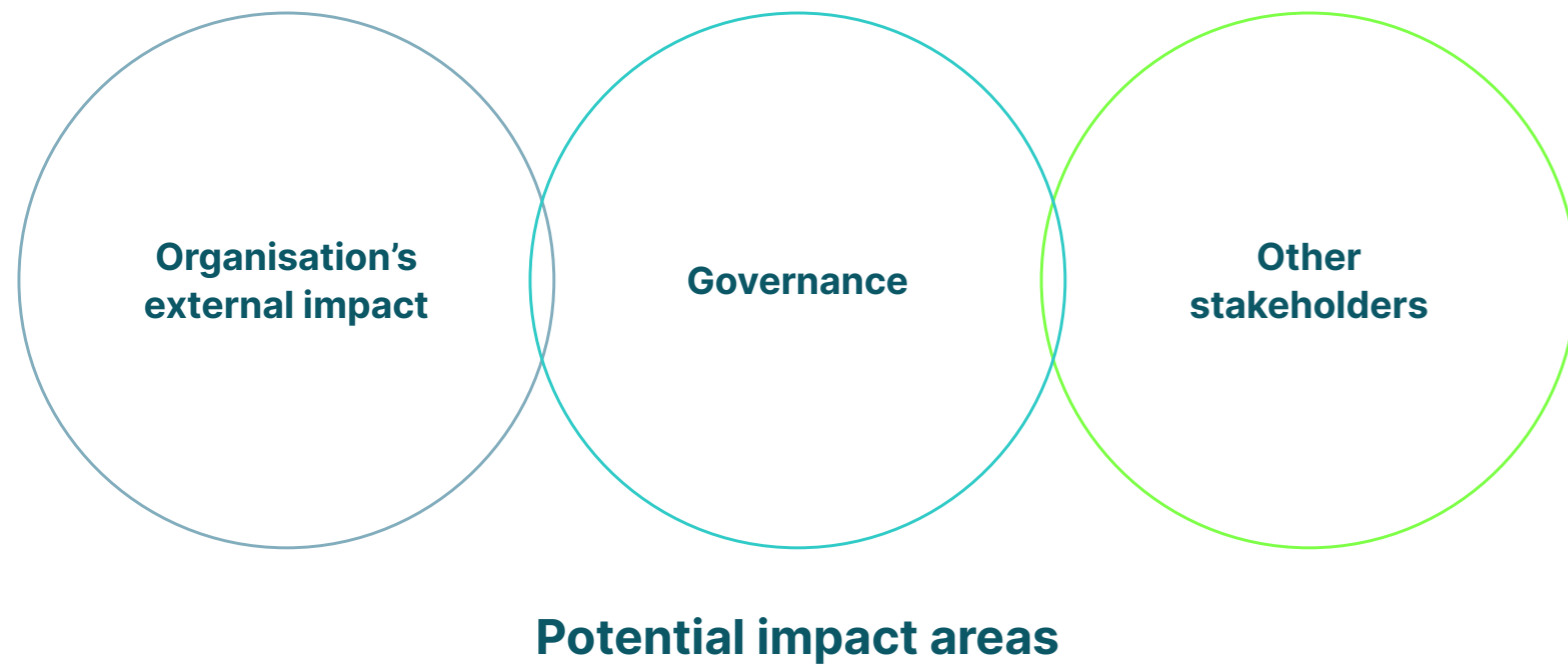
- | **UN Global Compact (UNGC)** is the world's largest initiative dedicated to sustainable business. It was established in 2000 by Kofi Annan, the Secretary-General of the United Nations. Since its inception, the UNGC has been actively driving environmental, human rights, fair labour, and anti-corruption initiatives. Currently, it has over 22,000 members around the world. Collaboration with governments, international organisations, companies, and institutions is key to achieving the goals of the UNGC. Through this collaboration, it undertakes a range of activities and serves as a catalyst for global changes in the field of sustainable business.
- | **Polish Photovoltaics Association**
- | **Polish Wind Energy Association**
- | **RE-Source Poland**
- | **The Energy Club**
- | **Polish Energy Storage Association**
- | **Polish Alternative Fuels Association**
- | **Polish Energy Storage Association**
- | **Polish Mining Chamber of Industry and Commerce**
- | **Association of Polish Electrical Engineers**
- | **Polish Association of Listed Companies**
- | **APQP 4 Wind**
- | **Regional Chamber of Commerce in Katowice**
- | **Chamber of Industry and Commerce of the Rybnik Industrial District**
- | **Silesia Automotive & Advanced Manufacturing Cluster**
- | **Polish Chamber of Ecology**
- | **Platforma Grupy Doradczej KZP sp. z o.o.**
- | **Responsible Business Forum**
- | **Mining Families Foundation**



Sustainability management

Material topics

In 2022, we conducted an in-depth materiality analysis of the environmental impact of our operations to identify topics that are most relevant to sustainable development of the Group and its stakeholders. The analysis was conducted with the consulting firm EY. It identified potential areas of the Grenevia Group's impact and evaluated them from the following three perspectives:



An important part of the process of selecting and evaluating relevant factors was dialogue with selected key stakeholders: customers, shareholders, investors, and employees. The positive and negative aspects of the Grenevia Group's impact (actual and potential) were analysed based on the GRI guidelines. The identified key environmental, social and governance factors were aggregated into the following material topics:

- | GHG emissions and energy
- | Circular economy and products
- | Natural environment
- | Employees (of the organisation)
- | Responsibility in the supply chain
- | Impact on local communities
- | Impact on Poland's economy
- | Organisational efficiency

These material topics were the foundation for defining goals and ambitions under the Grenevia Group's Sustainability Strategy.



I Sustainability management

ESG-related policies and procedures

The Grenevia Group is in the process of harmonising the policies and other internal regulations applicable to its portfolio companies. Harmonised procedural standards are to provide the Group with a consistent ethical and strategic management system.

Our efforts in this respect are also expected to increase transparency, mitigate risks, and improve operational efficiency.

Selected non-financial policies are described below.

Document	Description
Conflict of Interest Policy	The Conflict of Interest Policy implements rules designed to prevent conflicts of interest, identify any actual or potential conflicts of interest and define procedures to address and properly manage the identified conflicts of interests in order to prevent any damage or loss to the Company and protect the interests of its customers, trading partners, investors, and business partners.
Anti-Corruption and Gift Policy and Anti-Corruption Code	The Anti-Corruption and Gift Policy defines the obligations of the organisation, employees and independent contractors in preventing any forms of corruption, sets out the rules for presenting and accepting gifts, provides information and guidelines for employees and independent contractors regarding identification of corrupt practices and defines desired behaviour. The Anti-Corruption Code is a manifestation of our commitment to preventing any forms of corruption in our operations and business relationships. The Grenevia Group takes a zero-tolerance approach to corruption and bribery.

Document	Description
The Charitable Giving Policy	The Charitable Giving Policy outlines Grenevia's charitable giving activities, the role of sponsorship and charitable activities in growing the organisation, supported initiatives, forms of donations, and an explanation of the value and importance of corporate social responsibility in running a manufacturing business.
Supplier Code of Conduct	The Supplier Code of Conduct outlines a set of principles and directives that our suppliers should follow when engaging with us and other participants in their own supply chains. The Code is intended to ensure that our suppliers provide their services in a way that respects fundamental human rights and labour, environmental protection and anti-corruption standards.
Procedure for Reporting Violations of Laws, Internal Procedures and Ethical Standards	The Procedure for Reporting Violations of Laws, Internal Procedures and Ethical Standards defines the rules for addressing actual and potential violations of laws, internal procedures and ethical standards, and to ensure that whistleblowers are protected against retaliation.

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Sustainability management

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Document	Description
Human Rights Policy	The Human Rights Policy defines human rights standards of conduct and behaviour to be applied in the organisation, including its supply chain and stakeholder relationships. The Policy supplements and consolidates the human rights-related aspects of other policies and guidelines applicable to the Grenevia Group companies.
Personal Data Protection Policy	The Personal Data Protection Policy defines personal data protection rules taking into account identified risks and threats in order to achieve and maintain compliance of data processing with data protection regulations, and to exercise the rights or freedoms of data subjects.
Trade Secret Protection Policy	The Trade Secrecy Protection Policy aims to protect information of economic value whose unauthorised disclosure could cause financial losses, and to ensure the continuity of business processes.

For descriptions of other internal documents, please refer to the relevant sections of this report.

Management systems

In order to properly define and optimise processes, better leverage resources and build competitive advantage, Grenevia Group companies have implemented Integrated Management Systems (IMS). Relevant documentation has been developed to meet the requirements of the PN-EN ISO 9001:2015, PN-EN ISO 14001:2015 and PN-EN 45001:2018 standards and industry standards for quality, health, safety and environment (QHSE) management.

ⓘ For detailed descriptions of the management systems, please refer to the sections on safety and the environment.

Grenevia Group

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Grenevia Group. Overview of operations in 2022

Discussion of financial highlights

Discussion of key components of financial results and assessment of factors significantly affecting financial results

Grenevia Group's 2022 revenue

	12 months to Dec 31 2022	12 months to Dec 31 2021
	PLN 1,296m	PLN 1,018m
External revenue by segment (PLNm)		
FAMUR segment	1,064	836
Power Engineering segment	59	60
PV*	54	9
E-mobility**	64	-
Other Activities	55	113

* 2022 was the first year to include the PV segment's revenue for the full reporting period.
 ** E-mobility segment's revenue has been consolidated since mid-November 2022.

This discussion of financial results for 2022 should be read in conjunction with the audited consolidated financial statements of the Grenevia Group and the audited separate financial statements of Grenevia S.A. for the year ended December 31st 2022, prepared in accordance with the International Financial Reporting Standards (IFRS). The following discussion aims to provide readers with information enabling them to understand the changes in the selected key items of the financial statements and to present the significant factors that contributed to those changes.

In its evaluation and discussion of the reported financial performance, financial position and cash flows, the Grenevia 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' and 'net debt'. However, these metrics are calculated on the basis of information sourced from the financial statements prepared in accordance with IFRSs.

The Grenevia Group's revenue for the 12 months ended December 31st 2022 rose by 27% year on year, to PLN 1,296m, driven by a PLN 228m increase in revenue in the FAMUR segment, stable revenue from external customers in the Power Engineering segment, and an aggregate contribution of PLN 118m from the new PV and E-mobility segments. The decrease in other revenue is attributable to the consolidation of the PV segment companies with the full method for the first full reporting period. Other activities in 2021 include transactions involving key components for solar PV farm construction projects entered into with related PV segment's SPVs. The decrease in this item is the effect of the first-time consolidation of successive PV segment companies with the full method over 2021.



Grenevia Group. Overview of operations in 2022

Discussion of financial highlights

Sales by key geographies

In 2022, the Grenevia Group's exports accounted for approximately 40% of total revenue, up by 8pp year on year. Export sales were chiefly to the US (approximately 14% of total revenue), while the share of other countries in America, Asia and Africa in

total revenue was around 15%. CIS and Russia accounted for approximately 9% of total revenue (revenue from the Russian market was earned under contracts concluded in previous periods), and sales to the EU countries represented about 1% of the total.

Key profitability indicators

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Gross profit	469	316
Operating profit	257	123
EBITDA	406	303
Net profit from continuing operations	192	22
Net profit/(loss)	120	25

Gross profit

Gross profit for the 12 months of 2022 was PLN 469m, which means an increase of PLN 153m (48%) year on year, chiefly on the back of higher revenue. Gross profit as a percentage of revenue reached

36%, up by 5pp year on year, the key contributing factor being higher gross margin on sales in the FAMUR and Power Engineering segments.

Operating profit

Operating profit for the 12 months ended December 31st 2022 reached PLN 257m, having increased by PLN 134m (or 2.1x) year on year, mainly as a result of higher gross profit.

EBITDA

EBITDA is one of the main operating profit metrics 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.

In the 12 months ended December 31st 2022, EBITDA was PLN 406m, an improvement of PLN 103m (34%) year on year, due mainly to higher operating profit. EBITDA as a percentage of revenue grew by 1pp relative to the comparative period, to 31%.

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Operating profit	257	123
Depreciation and amortisation	149	180
EBITDA	406	303



Grenevia Group. Overview of operations in 2022

Discussion of financial highlights

Net finance income/costs

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Finance income	60	33
Finance costs	77	18
Net finance costs	-17	15
Gains/(losses) on expected credit loss allowances	11	9
UShare in net profit/(loss) of equity-accounted subordinates	-	4
Net finance income/costs	-6	28

Net finance income/ costs for 2022 were negative, at -PLN -6m, down by PLN 34m year on year, mainly as a result of an increase in net interest expense.

Tax

The effective tax rate for the 12 months ended December 31st 2022 was 24%, while the nominal tax rate was 19%.

Net profit from continuing operations

Net profit from continuing operations in the 12 months ended December 31st 2022 was PLN 192m, up by PLN 170m year on year.

Discontinued operations

In 2022, the Group incurred a loss on discontinued operations of PLN 72m, compared with a profit of PLN 3m in the comparative period. This was mainly attributable to the recognition of the loss of control of the Russian subsidiary OOO FAMUR.

Net profit

In 2022, net profit was PLN 120m, having increased by PLN 95m (4.8x) from PLN 25m the year before. Net profit margin in 2022 was 9% (up by 7pp year on year), while profitability adjusted for non-recurring events was 15% (up by 2pp year on year).

Description and assessment of factors and non-recurring events with a bearing on the result of operations for the financial year

A material (over 10% of net profit) non-recurring event with a bearing on the net profit for the 12 months ended December 31st 2022 was the recognition of a PLN 58m loss in the second quarter as a result of the loss of operational control of the subsidiary OOO FAMUR registered in the Russian Federation, and its reclassification to discontinued operations.

In 2021, the Group recognised a non-recurring event affecting the financial results in the form of an almost PLN 95m impairment of goodwill allocated to the FAMUR segment. The impairment loss, which was a non-cash item with no effect on EBIT-DA or cash, Reflected lower projected cash flows

in the FAMUR segment based on reassessment of its expected future results in the light of conditions prevailing in the Polish sector of hard coal mining machinery manufacturing.

Excluding material non-recurring events, net profit margin for the 12 months ended December 31st 2022 would have been at 14% of revenue, up from 12% in the comparative period.



Grenevia Group. Overview of operations in 2022

Assets and financial resources management

Analysis of consolidated assets, equity and liabilities, including from the perspective of the Grenevia Group's liquidity position

(PLNm)	as at Dec 31 2022	as at Dec 31 2021
Non-current assets	788	599
Current assets	2,882	2,621
Total assets	3,670	3,220
Equity	2,095	1,881
Non-current liabilities	659	670
Current liabilities	916	669

Assets

In 2022, assets rose PLN 450m, with non-current assets up PLN 189m and current assets up PLN 261m. The increase in non-current assets was attributable in the large part to the recognition of goodwill and other intangible assets, mainly as a result of the first-time consolidation of IMPACT Clean Power Technology S.A. (IMPACT) in mid-November 2022. The key driver of growth in current assets was an increase in inventories at the Projekt Solartechnik Group and the consolidation of IMPACT.

Liabilities

In the 12 months ended December 31st 2022, non-current liabilities remained relatively unchanged. Current liabilities increased by PLN 247m, to PLN 916m, mainly due to higher liabilities under borrowings and trade payables.

Analysis of major equity investments of the Group in 2022

In 2022, the Grenevia Group executed the following significant transactions:

- I On July 1st 2022, Grenevia S.A. and FIMM Fundusz Inwestycyjny Zamknięty entered into a share purchase agreement for 25,055,024 Series D shares in PST S.A., representing 13.97% of the company's share capital.
- I On November 8th 2022, an agreement was signed to purchase 18,475,729 shares in IMPACT Clean Power Technology S.A. of Warsaw, representing 51% of the company's share capital and carrying approximately 59% of total voting rights at the General Meeting. The fair value of the transaction was PLN 280m.

Financial resources and liquidity position

The main sources of financing and liquidity for the Grenevia Group in the reporting period was cash at banks, cash from operating activities (above operating capital requirements), proceeds from the sale of non-operating assets, lines of credit available under agreements with banks, and proceeds from the issue of bonds and notes, including green bonds.

Cash flows

(PLNm)	as at Dec 31 2022	as at Dec 31 2021
Cash flows from operating activities	-8	205
Cash flows from investing activities	-462	-139
Cash flows from financing activities	87	362

In 2022, the Group reported negative cash flows from operating activities of PLN -8m, reflecting mainly two offsetting factors: PLN 406m in EBIT-DA, and a PLN 402m increase in operating capital requirements (a PLN 621m increase in expenditure on inventories, due mainly to the purchase of components for the construction of solar PV farms and consolidation of IMPACT, and a PLN 245m positive change in receivables, partially offset by a PLN 26m negative change in liabilities). Income tax paid was PLN 53m. Other adjustments reconciling EBITDA to operating cash flow amounted to PLN +41m.

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Grenevia Group. Overview of operations in 2022

Assets and financial resources management

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Negative cash flows from investing activities of PLN 462m included chiefly expenditure incurred on the acquisition of shares in IMPACT, purchase of further shares in PST and property, plant and equipment, partially offset by proceeds from disposal of property, plant and equipment. Positive cash flows from financing activities of PLN 87m were the net effect of PLN 381m proceeds from borrowings (mainly under the project finance credit facility agreement of March 2022) and, on the other hand, PLN 234m cash used in connection with repayment of borrowings, including primarily redemption of restructuring bonds with a nominal value of PLN 185m, and payment of interest and lease liabilities of PLN 49m and PLN 11m, respectively.

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 Grenevia Group is presented below.

(PLNm)	as at Dec 31 2022	as at Dec 31 2021
Non-current financial liabilities	629	648
Bank and non-bank borrowings	-	4
Bonds and notes	599	599
Debt sale and factoring	-	13
Leases	30	32
Current financial liabilities	437	262
Bank and non-bank borrowings	392	28
Bonds and notes	6	206
Debt sale and factoring	28	17
Leases	11	11
Gross debt	1,066	910
Less cash and cash equivalents	-939	-1,333
Net debt	127	-423
EBITDA	406	303
Net debt/EBITDA	0,3x	-1,4x

As at December 31st 2022, liabilities from borrowings, debt sale and leases exceeded net cash by PLN 127m. In 2022, total non-current financial liabilities remained stable relative to 2021. Current liabilities increased by PLN 175m, to PLN 437m, driven by two factors: an increase in liabilities as a result of the contracted PLN 335m project finance credit facility in the PV segment (the facility was classified as current liabilities in line with the SPV sale model adopted in the PV segment) and full repayment of Series 01/2016 bonds (the “Restructuring Bonds”) of Tranche A under the KOPEX S.A. Restructuring Agreement (KOPEX S.A. is now operating under the name Primetech S.A.) pursuant to the KOPEX S.A. Demerger Plan described in Current Report No. 48/2017 of June 29th 2017 (the Restructuring Bonds, with an issue value of PLN 185m, were redeemed by Grenevia at the full amount of principal plus accrued interest; the bonds were redeemed in two tranches and on two dates: March 31st 2022 and April 28th 2022, as requested by the Bondholders).



Grenevia Group. Overview of operations in 2022
Assets and financial resources management

Details of credit facilities taken out and terminated, and loans advanced in the financial year, including at least the credit facility or loan amount, type and level of interest rate, currency and maturity date

In 2022, the Grenevia Group entered into the following material agreements and annexes to agreements with banks:

- I On March 11th 2022, a project finance credit facility agreement was signed between 32 companies owned by Projekt Solartechnik Fund FUNDUSZ INWESTYCYJNY ZAMKNIĘTY and the financing banks ING Bank Śląski, PEKAO, and BNP Paribas. The total credit facility limits under the agreement are PLN 428m. The final repayment date was set for December 22nd 2040 (interest rate: WIBOR plus a margin).
- I On May 11th 2022, Grenevia S.A. executed an annex extending the PLN 80m credit facility agreement with ICBC with the repayment date falling in May 2025 (interest rate: WIBOR plus a margin).
- I On July 29th 2022, Grenevia S.A. executed an annex extending the PLN 50m credit facility agreement with Santander Bank Polska with the repayment date falling in May 2024 (interest rate: WIBOR plus a margin).
- I On July 29th 2022, Grenevia S.A. executed an annex extending the PLN 50m credit facility agreement with BNP Paribas, with the repayment date falling in November 2023 (interest rate: WIBOR plus a margin).
- I On November 30th 2022, Grenevia S.A. executed an annex extending the PLN 40m credit facility agreement with PKO BP, with the repayment date falling in March 2023 (interest rate: WIBOR plus a margin). In February 2023, the agreement was extended until March 2025.
- I On November 30th 2022, Grenevia S.A. executed an annex extending the PLN 15m credit facility agreement with PKO BP, with the repayment date falling in March 2023 (interest rate: WIBOR plus a margin). In February 2023, the agreement was extended until March 2025.
- I On November 30th 2022, Grenevia S.A. executed an annex extending the PLN 40m credit facility agreement with BGK, with the repayment date falling in January 2023 (interest rate: WIBOR plus a margin). In January 2023, the agreement was extended until the end of November 2023.



Grenevia Group. Overview of operations in 2022
Assets and financial resources management

Use of bond issue proceeds by the Grenevia Group up to the date of the Directors' Report

In 2022, Grenevia S.A. did not issue any securities.

In December 2015, Grenevia decided to set up and launch a Notes Programme, whose terms and conditions were amended in August 2021 (see *Current Report No. 44/2021 of August 30th 2021*).

The key terms and conditions of the Programme, as amended, are as follows:

- I The limit on the aggregate nominal value of notes under the programme is PLN 1bn, having been raised from PLN 500m, and is revolving, i.e. it applies to the aggregate nominal value of notes issued and outstanding. Accordingly, any issue or redemption of notes will, respectively, decrease or increase the available limit by the nominal value of the notes.
- I The nominal value of notes under the programme is PLN 1,000 per note.

I The Management Board has changed the term of the programme to indefinite, subject to the limit on the aggregate nominal value of notes under the programme.

I Under the programme, the Company may issue a single or multiple series of notes.

I Notes will be issued in book-entry form and will be registered with the Central Securities Depository of Poland ("CSDP") or entered in the register maintained by the issue agent in accordance with the Polish Act on Trading in Financial Instruments of July 29th 2005 (as amended) and subsequently registered with the CSDP by the issue agent.

I Notes will be bearer notes and will be issued as secured or unsecured notes within the meaning of the Act on Bonds of January 15th 2015 (as amended).

I The terms of any series of notes may stipulate that the notes will be admitted to trading and listed in an Alternative Trading System operated by the Warsaw Stock Exchange.

I Notes may (but need not) be issued as green bonds as defined in the June 2021 edition of the Green Bond Principles (as amended) published by the International Capital Market Association (ICMA) or any other green bond guidelines deemed to set standard terms of such bonds. The Management Board has the discretion to decide on whether to effect such issue for each series of notes individually.



Grenevia Group. Overview of operations in 2022

Assets and financial resources management

The detailed parameters of each series of notes will be determined separately by relevant resolutions of the Management Board.

Under the programme, Grenevia issued the following notes:

- I **Series A Notes** with a total nominal value of PLN 108m, which were redeemed at maturity in January 2020
- I **Series B Notes** with a total nominal value of PLN 200m, maturing on June 27th 2024. The Series B Notes bear interest at a floating rate based on 6M WIBOR (Warsaw Interbank Offered Rate) plus a margin of 260 basis points per annum for each interest period, with interest paid every six months. Noteholders have the right to demand early redemption of Series B Notes. The events triggering the noteholders' right to demand early redemption of Series B Notes and the early redemption procedure for Series B Notes are specified in the Terms and Conditions of Series B Notes. Starting from (and including) the third interest period and every six months at the end of each interest period, Grenevia has the right to

send an early redemption notice for all or part of Series B Notes, enabling it to redeem the Notes on the terms set out in the Terms and Conditions of Notes. (see Current Report No. 34/2019 of June 12th 2019). Series B Notes have been admitted to trading in the Catalyst alternative trading system operated by the Warsaw Stock Exchange and BondSpot S.A. (see Current Report No. 52/2019 of September 20th 2019).

- I **Series C Notes** with a total nominal value of PLN 400m, maturing on November 3rd 2026. Series C Notes bear interest at a floating rate based on 6M WIBOR (Warsaw Interbank Offered Rate) rate plus a margin of 290 basis points per annum for each interest period. Noteholders have the right to demand early redemption of Series C Notes. The events triggering the noteholders' right to demand early redemption of Series C Notes and the early redemption procedure for Series C Notes are specified in the Terms and Conditions of Series C Notes. Starting from (and including) the third interest period and every six months at the end of each interest period, Grenevia will have the right to send an early redemption notice for all or part of Series C Notes, ena-

bling it to redeem the Notes on the terms set out in the Terms and Conditions of Series C Notes (see Current Report No. 50/2021 of October 12th 2021). Series C Notes have been admitted to trading in the Catalyst alternative trading system operated by the Warsaw Stock Exchange (see Current Report No. 51/2021 of October 26th 2021). In 2022, all the proceeds from the Series C Notes were used to purchase shares in IMPACT Clean Power Technology S.A., and to partially refinance expenses incurred to (i) acquire shares in PST S.A. from Maciej Marcjanik and (ii) acquire shares in FAMUR Solar sp. z o.o., which is a shareholder in Projekt Solarteknik S.A.

Details of material loans advanced in the financial year, including to Grenevia's related parties, including at least the loan amount, type and level of interest rate, currency and maturity date.

In 2022, Grenevia advanced loans to the PV segment totalling PLN 388m, repayable in up to 12 months from the reporting date (interest rate: 3M WIBOR + margin). As at the year end, loans advanced to the PST Group amounted to PLN 410m.



Grenevia Group. Overview of operations in 2022
Assets and financial resources management

Reasoned assessment of financial resources management, including the ability to meet obligations, and potential threats and measures taken or to be taken by Grenevia to address those threats

The Grenevia Group places the highest priority on ensuring financial stability and diversified financing sources. The Grenevia S.A. Management Board believes that the Group's financial resources are managed in a sound manner. Trade payables, public charges, and employee benefits are timely paid by the Group. The same applies to the servicing of debt under credit facilities and settlement of liabilities under notes.

As at December 31st 2022, debt exceeded liabilities from borrowings and leases by PLN 127m. As at the end of December 2022, the Group had access to undrawn lines of credit totalling PLN 523m.

Agreements signed with banks require the Grenevia Group to maintain selected ratios within a specified range. As at December 31st 2022, the ratios remained at safe levels and the Grenevia Group was not in breach of any of the covenants.

A consistent and conservative financial policy coupled with a flexible business model and, more importantly, effective cost management, allow the Grenevia Group to maintain a satisfactory liquidity position.

Derivatives

The Grenevia Group hedges the portion of foreign currency exposure not covered by the natural hedging mechanism with currency forwards. Interest rate risk is hedged using interest rate swaps ("IRS").

Feasibility of investment plans

Capital expenditure is adjusted by the Group on an ongoing basis to the economic conditions in Poland and globally, as well as to current needs to ensure proper growth rates for the Group companies. In the opinion of Grenevia's Management Board, there are no threats to the Group companies' ability to implement their investment plans over at least the next year.



Overview of the Group's business

Changes in the organisational structure of the Grenevia Group

To successfully achieve our strategic objectives of becoming an active investor that promotes green transition, we needed to make adjustments to the Group's organisational structure. The new structure was developed in 2022 and announced at the beginning of 2023. The key changes made to the Grenevia Group structure in 2022 were as follows:

- I Separation of an entity preparing its own set of accounts within Grenevia S.A.: Grenevia S.A. FAMUR Katowice Branch, which conducts operations involving production and maintenance of machinery and equipment for the mining and wind power sectors under the FAMUR brand.
- I Increase in Grenevia's aggregate (indirect and direct) interest in the share capital of PST to approximately 52% through the acquisition of approximately 14% of shares in PST and a share capital increase at FAMUR Solar effected by Grenevia.
- I Recognition as at June 30th 2022 of loss of control of the Russian subsidiary OOO FAMUR and its reclassification to discontinued operations.

- I Acquisition on November 8th 2022 of 51% of shares in IMPACT Clean Power Technology S.A., based on which a new operating segment was established within the Group.
- I Disposal on November 23rd 2022 of all shares in FAMAK S.A. to natural persons not related to Grenevia.
- I Separation of Elgór+Hansen as a separate operating segment in the fourth quarter of 2022.

The table below presents material operating entities of the Grenevia Group as at December 31st 2022 and their allocation to the respective operating segments. Only fully consolidated companies are included.

Segment	FAMUR segment	Power Engineering segment	PV segment	E-mobility segment	Corporate Functions segment
Principal business activities	Solutions for the mining and wind power sectors	Power distribution solutions	Utility-scale solar projects	Battery systems for electric mobility and energy storage	Corporate functions and other activities
Segment companies	Grenevia S.A. FAMUR Katowice Branch (preparing its own set of accounts) PRIMETECH Group TOO FAMUR Kazakhstan Taian FAMUR Coal Mining Machinery Co., Ltd. Ex-Coal sp. z o.o. EXC FMF sp. z o.o.	Elgór+Hansen S.A. Hansen Sicherheitstechnik AG	Projekt-Solartechnik Group FAMUR Solar sp. z o.o.	IMPACT Clean Power Technology S.A.	Grenevia S.A. FAMUR Finance sp. z o.o. Hansen And Genwest (Pty) Ltd Air Reliant (Pty) Ltd KOPEX Africa (Pty) Ltd DE Estate sp. z o.o.

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For a description of the FAMUR Group's organisational structure and its changes, see Notes 8 and 9 to the consolidated financial statements of the Grenevia Group for the year ended December 31st 2022.

Overview of the Group's business

The Grenevia Group comprises four business segments:

Each of the business segments forms a separate operational and financial structure. A detailed description of the achievements and development of the individual segments is provided below.



FAMUR

Solutions for the mining and wind power sectors

FAMUR brand



ELGÓR+HANSEN

Power distribution solutions

Elgór+Hansen



PST Projekt Solartechnik

Utility-scale solar projects

Projekt Solartechnik

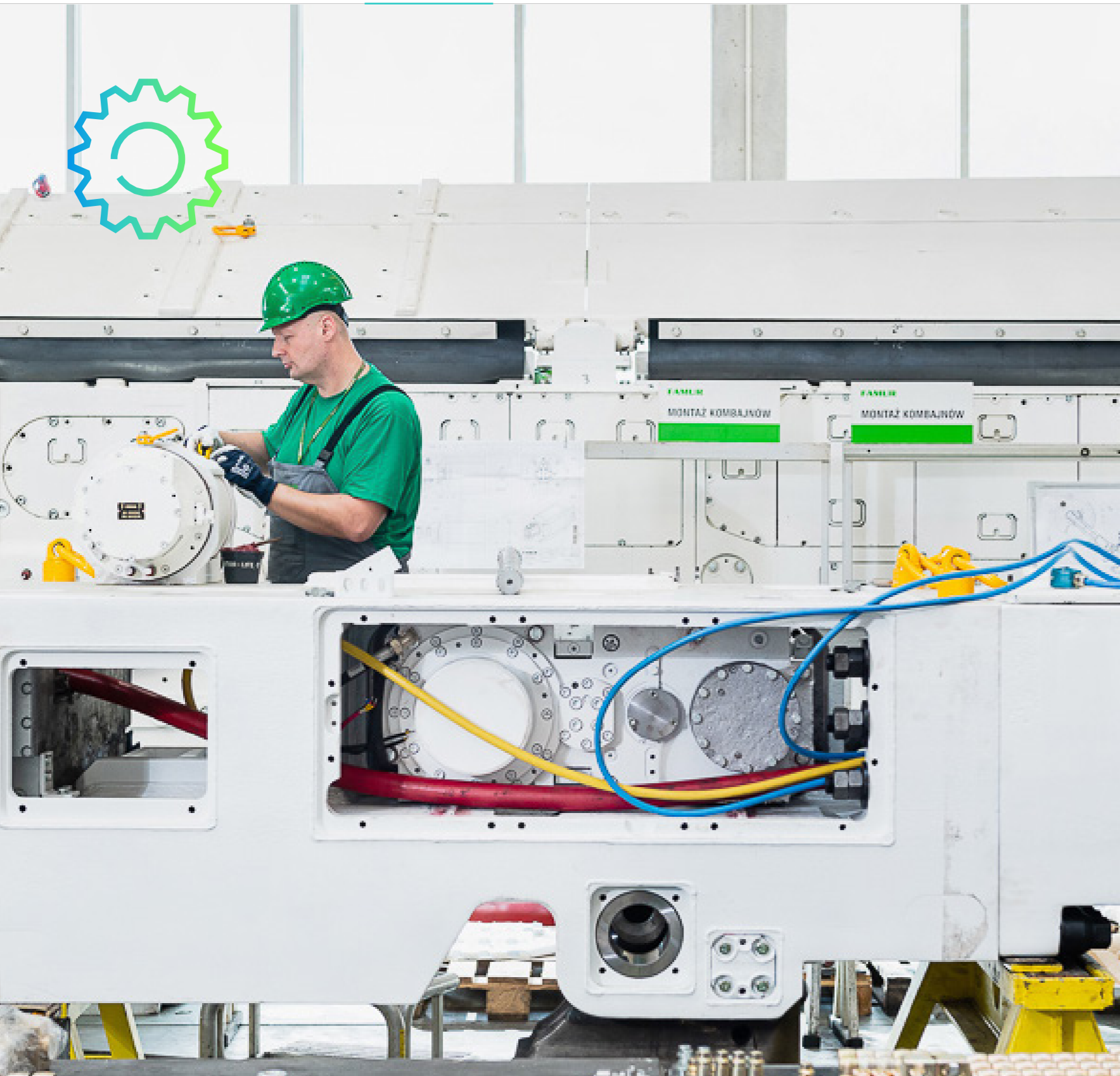


IMPACT
CLEAN POWER TECHNOLOGY

Battery systems for electric mobility and energy storage

IMPACT
Clean Power Technology





Overview of the Group's business

Overview of the operating segments' business

The business of the Grenevia Group's segments is presented below.

FAMUR

Solutions for the mining and wind power sectors

Manufacturer of underground mining systems and machinery. A globally recognised brand that has been gradually expanding its range of solutions for onshore wind energy since 2022.

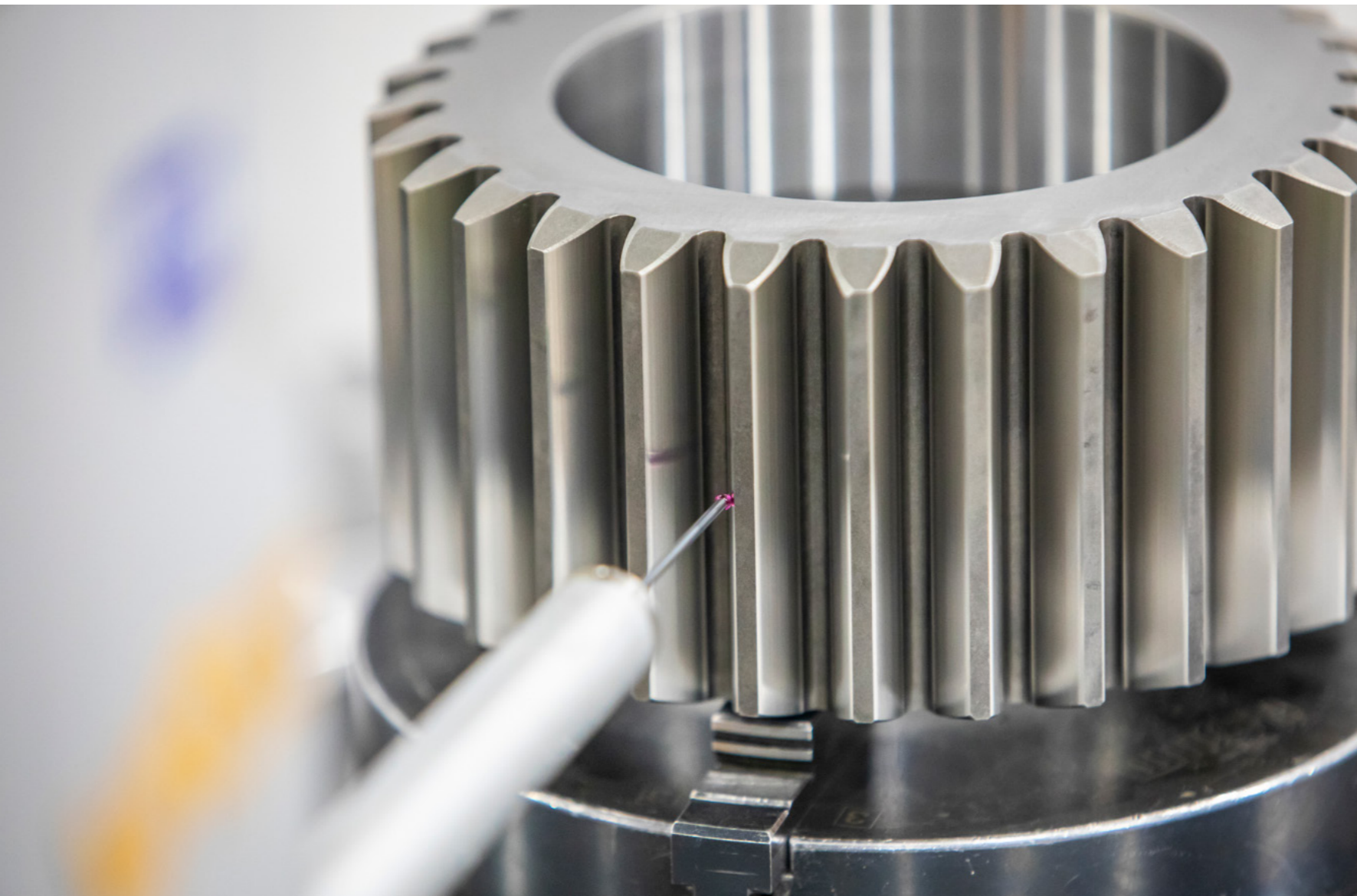
The FAMUR segment, which provides solutions for mining and wind power generation, operates under the FAMUR brand. Its key product lines comprise longwall systems, roadheaders and belt conveyors for mining applications. The segment's offering includes also design and delivery of IT systems for back-to-back management of coal mining processes (from the face to the surface). The FAMUR brand owes its global recognition to a successful strategy of gradually increasing its presence on international markets. FAMUR companies and service centres based in Kazakhstan, China and Germany guarantee

ongoing customer service and fast response in line with customer expectations. The segment is constantly raising the bar on service quality and extending its outreach to new locations where reliable mining and industrial systems are needed. Dalbis, a member of the Primetech Group and part of the FAMUR segment, also provides specialist borehole drilling services for various applications and offers drilling technology implementation services for engineering and geotechnical projects.



Overview of the Group's business

Overview of the operating segments' business



Since 2022, measures have been taken to leverage the segment's existing manufacturing facilities to provide wind turbine gearbox maintenance services.

Market situation and operations of the FAMUR segment in 2022

The number of orders for mining equipment offered under the FAMUR brand 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 2022, following the outbreak of war in Ukraine and imposition of sanctions on Russia, which significantly contributed to reducing the supply of coal, the prices of thermal coal and metallurgical (coking) coal hit all-time highs. In the last quarter of 2022 and in early 2023, the situation on the coal market stabilised, translating into improved availability and lower prices of the commodity. However, coal prices still remain at significantly higher levels than at the end of 2021.

After the imposition of sanctions following the outbreak of the war, FAMUR took a responsible and professional approach to fulfilling the resulting obli-

gations. It chose to withdraw from newly signed contracts for the supply of machinery to be used in the territory of the Russian Federation, totalling approximately PLN 130m. Grenevia also resolved not to bid for any new longwall system delivery contracts. As a result, FAMUR estimates that since the start of the war it has foregone bidding for contracts for delivery to the Russian market of around EUR 200m worth of new machinery and equipment. Its activity was limited to implementing existing contracts and to supplying spare parts and equipment primarily intended to meet warranty and post-warranty obligations by the Group's subsidiary in Russia as well as activities enabling it to complete those tasks. After a number of events occurred as a result of which the Company became unable to use its powers to exercise influence on the operations and performance of OOO FAMUR in accordance with the International Accounting Standards, at the end of August 2022 Grenevia reported loss of control of its Russian maintenance company and reclassified it to discontinued operations, and in March 2023 the divestment process was commenced.

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Overview of the Group's business

Overview of the operating segments' business

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In 2022, the FAMUR segment's commercial efforts on foreign markets focused mainly on increasing the Group's presence in North America, Indonesia and China. The key development driver for export markets is the growing pressure from Chinese companies, with which the segment competes in product quality and aftermarket services.

We expect the share of the segment's export revenue to decline in the coming quarters as a result of the ongoing armed conflict in Ukraine and our decision to stop bidding for new contracts for the supply of powered roof support systems and scraper conveyors to the Russian market, where FAMUR had enjoyed a strong competitive position and had a significant market share.

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, FAMUR'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 roof supports and aftermarket services.

In the 12 months ended December 31st 2022, the FAMUR segment's commercial efforts in Poland and abroad translated into almost PLN 1,036m in newly secured contracts for the delivery of machinery and equipment and for aftermarket services. The FAMUR segment's total order book (supplies of machinery and equipment and leases in accordance with the contracts terms) as at the end of December 2022 was approximately PLN 902m.

Competitive environment

The FAMUR brand competes mainly with specialised Chinese companies offering similar solutions, as well as global players active in the underground mining equipment market.

Growth strategy for the FAMUR segment

The accelerating energy transition in Poland and globally is worsening the outlook for the mining machinery sector. FAMUR's strategic response to this trend is to continue to generate revenue from existing mining assets while exploring opportunities to leverage the Group's manufacturing facilities, resources and know-how to secure new revenue streams from other promising industries. This is to be achieved by:

- | focusing on the most profitable and stable product areas;
- | maintaining the lease model designed to stabilise revenue and continuing provision of aftermarket services;
- | disposing of or phasing out less profitable assets in keeping with Poland's energy transition;
- | maintaining capabilities and know-how required to participate in selected mining projects in Poland and export markets;
- | using the expertise in the manufacturing of industrial transmissions to offer gearbox repair/refurbishment and maintenance to customers in the wind power sector.



Overview of the Group's business

Overview of the operating segments' business

The FAMUR segment offers a complete portfolio of advanced solutions for the underground soft rock mining industry.

Roof supports and shearer loaders

This product category comprises shearer loaders, powered roof supports and scraper conveyors. These products can be purchased on a standalone basis or in combination with other equipment to form longwall systems for mining coal from seams up to 6 metres thick. Thin coal seams, varying in thickness from 1.2 to 1.7 metres, can be mined using the specialist longwall system Mikrus. FAMUR's portfolio also includes hydraulic actuators and controls, in particular hydraulic supports, pilot controls, and power hydraulics.

Roadheaders

Roadheaders form part of a gallery system and are used primarily to excavate galleries and drill tunnels. At the end of 2015 and beginning of 2016, the FAMUR segment expanded its product portfolio to include drilling rigs, drills, dinting loaders and loaders used in underground mines.

Underground transport and bulk materials handling systems

FAMUR manufactures equipment for transport and handling of bulk materials used in underground mines and other operations. The product mix for the hard coal mining industry includes underground belt conveyors, surface belt conveyors, as well as various underground means of transport for logistics purposes.

A description of the complete product range, including the capacity and technical parameters of each product, is available on FAMUR's website at <https://famur.com/en/our-offer/>.

Service in Grid Monitoring Area (SIGMA)

Following Industry 4.0 trends, the FAMUR segment makes an ongoing effort to improve the quality standard of its maintenance operations by supporting customers and implementing state-of-the-art tools for continuous remote monitoring of the condition of machinery and equipment, which enables prompt response from maintenance services (predictive maintenance). One result of those efforts is

Service in Grid Monitoring Area (SIGMA) – a solution based on the use of modern technologies such as Virtual Reality (VR), webex, smart glasses and smart mining. The SIGMA room allows users to collaborate online with customers, provides real-time analysis of machine parameters, and enables users to connect with an operator equipped with field service smart glasses and located anywhere in the world.

Since 2021, the SIGMA room has been hosting training sessions, conferences and meetings with both Polish and foreign customers.

Initiatives to use the operational resources of the FAMUR segment to offer wind-turbine gearbox repair/refurbishment and maintenance services

In order to fully exploit FAMUR's operational resources and tap new sources of revenue in the renewable energy sector, a decision was made to develop a portfolio of repair/refurbishment services for onshore wind-turbine gearboxes.

The competitive strengths and capabilities of FAMUR 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 dynamometer. Services offered in the current phase of the project focus on gearboxes with a capacity of up to approximately 2 MW. The implementation of the services did not require any additional capital expenditure as they are provided using the existing machinery and manufacturing expertise. On September 12th 2022, FAMUR and Energa Wytwarzanie signed an agreement on cooperation in the repair and maintenance of equipment necessary for the continuous and efficient operation of renewable power generation sources. The project was undertaken as a continuation of an earlier collaboration

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Overview of the Group's business

Overview of the operating segments' business

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involving refurbishment of turbine gearboxes of the Karścino wind farm owned by Energa Wytwarzanie. In December 2022, the first turbine gearbox refurbished by FAMUR was installed at the Karścino wind farm, together with a pilot wind turbine monitoring system. The cooperation is being gradually expanded to include repair/refurbishment of wind turbine frequency inverters and delivery of gearbox operation monitoring and diagnostics systems.

The development work planned in this area will include increased effort to secure repair contracts from new customers, activities to develop the concept for a solution enabling on-site gearbox monitoring on the customer's premises to proactively identify any need for maintenance work (predictive maintenance), and the use of the Basic GWO certification obtained by our maintenance teams. Additional services are also being developed, including maintenance of wind turbine components other than gearboxes.

Distribution model and key customers

The FAMUR segment sells its products and services directly to companies specialised in the mining of soft rocks such as thermal coal, coking coal, and potash. FAMUR believes that there is no material risk of material dependence on any single customer. However, its sales are largely concentrated in a single sector of the economy. Domestic customers accounting for over 10% of the segment's revenue in 2022 were: Polska Grupa Górnicza S.A. (20% of sales); Jastrzębska Spółka Węglowa S.A. (17% of sales) and CENTURY MINING, LLC (15% of sales). There are no formal equity links between the above entities and the Company.

Supply chain

The FAMUR segment has access to diversified sources of raw materials and is not dependent on one or more suppliers. Thanks to the business development efforts undertaken in previous years, as well as the measures taken in 2022 to counteract the effects of the COVID-19 pandemic and the war in Ukraine, it can now use a significantly wider range of supply sources for key materials. This improves the effectiveness of procurement processes through economies of scale and more efficient management and logistics systems.

Due diligence is applied in the process of selection of suppliers and components. All suppliers are required to confirm that they have read and understand, and commit to comply with, the requirements set out in FAMUR's Code of Ethics and Anti-Corruption Policy.

The machinery manufactured by the segment is delivered directly to final users. FAMUR outsources such deliveries as well as intra-Group deliveries to reliable transport operators.





Overview of the Group's business

Overview of the operating segments' business



R&D activities in the FAMUR segment

In 2022, the FAMUR segment engaged in development work relating to wind power generation and improvements to its existing products for the mining industry. The first wind energy project comprised design and implementation of a metering system to be used for predictive maintenance of wind turbine transmissions. It enables monitoring of the gear-box's condition from any location using a computer's web browser or smartphone. A strong emphasis was placed on ensuring that the service stands out from solutions offered by the competition.

As regards products for the mining sector, the FAMUR segment focused on the development and standardisation of FS300 and FS400 shearer loaders, which are its flagship product in terms of software, modification of certain algorithms, hardware, and development of data transmission systems. Another key project involved evolution of the Mikrus longwall system. Considering the uncertain epidemiological situation in the world, including in China, as part of the activities relating to the supply of the second Mikrus system to a Chinese customer a number of improvements were made to facilitate remote deployment of the system, including in particular remote diagnostics and remote parameter setting.



Overview of the Group's business

Overview of the operating segments' business

Segment's external revenue (PLNm)



EBITDA margin [%]



In 2022, the FAMUR segment's revenue from external customers was PLN 1,064m, up by PLN 228m (27%) year on year. Revenue from the supply of machinery and equipment rose by PLN 185m (67%) year on year, to PLN 461m. Recurring revenue (aftermarket services and leases) increased by PLN 36m (6%) year on year, to PLN 596m. Other revenue amounted to PLN 7m.

Segment sales by key geographies

In 2022, export sales of the FAMUR segment accounted for approximately 41% of its total revenue, vs 34% a year earlier. Sales to foreign markets were mainly to the United States, Indonesia and China (approximately 28% of total revenue). CIS and Russia accounted for approximately 11% of total revenue (revenue from the Russian market was driven by contracts concluded in previous periods). Sales to other countries represented about 2% of total revenue.

Financial performance of the FAMUR segment (solutions for the mining and wind power sectors)

Segment's revenue from external customers

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Supply of machinery and equipment	461	276
Revenue from aftermarket services and leases	596	560
Other	7	-
Total revenue from external customers	1 064	836

Profitability of the FAMUR segment

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Gross profit	411	286
Operating profit	290	129
Depreciation and amortisation	143	176
EBITDA	433	305
EBITDA margin [%]	41%	36%

Gross profit for 2022 in the FAMUR segment was PLN 411m, up by PLN 125m year on year. The increase in gross profit led to an improvement in both operating profit and EBITDA, which stood at,

respectively, PLN 290m (up by 2.2x year on year) and PLN 433m (up by 42% year on year). EBITDA margin in 2022 was 41% (up 5pp).



Overview of the Group's business

Overview of the operating segments' business

Power Engineering

Power distribution solutions

The Power Engineering segment is led by Elgór+Hansen S.A. ("EH"), which can boast more than 25 years of experience in developing industrial solutions. The segment encompasses engineering, manufacturing, delivery, and maintenance of electricity transformation and distribution equipment, catering to a diverse range of industries, such as mining, including in potentially explosive atmospheres, steelmaking, and food processing and production. In 2022, EH decided to capitalise on the anticipated growth in green energy investments by utilising its production capacity to launch manufacture of containerised substations, including lines dedicated to utility-scale renewable energy projects.

Drawing on its extensive experience and development and manufacturing resources, EH also offers products and services related to IT/OT systems, SCADA, control and instrumentation systems, electronics, power electronics, and automation for industrial and power facilities. EH's offerings comprise both proprietary solutions and those from leading global providers, Ensuring comprehensive customer support at every stage of any project – from design and engineering to construction, documentation, and operation – both in Poland and in other markets.



Overview of the Group's business

Overview of the operating segments' business

Market situation and operations of the Power Engineering segment in 2022

In 2022, the number of orders and performance against the targets was closely tied to the developments in the mining and power industries. The high demand and rising coal prices had a positive effect on the demand for Elgór+Hansen's products. While the short-term climate is favourable, the situation on the coal market in the medium to long term will depend on the regulatory environment in Poland and the European Union and the availability of substitute energy sources in the context of the war in Ukraine.

The growing significance and attractiveness of the renewable energy industry, driven by the need to guarantee energy security for Poland and the EU, provided an additional incentive to diversify Elgór+Hansen's business to embrace green transition in line with the strategic directions adopted by the Grenevia Group.

Work initiated in 2021 to expand the segment's portfolio with solutions for the renewable energy market was supported by increased sales and promotional

activities in 2022. As a result, Elgór+Hansen secured the first contracts, including for its containerised substations. Work on new products will continue in 2023 in order to increase production and maximise revenue streams from the green energy sector.

Competitive environment

Elgór+Hansen competes with different companies depending on the product category. In the area of power engineering solutions for the mining sector, the competition includes Becker Warkop, Martech, Unister, and Elektrometal. The company enjoys significant competitive advantage in this segment due to the end-to-end nature and quality of its products, well-established maintenance services, and brand recognition. The competitors in the segment of power supply and distribution solutions for the power distribution market, including the renewable energy sector, are ZPUE, Elektromontaż Lublin, Revico and Emitter. It is Elgór+Hansen's ambition to consistently develop its products and grow its scale of operations on this new market.

Growth strategy for the Power Engineering segment

In 2022, the Power segment, represented by Elgór+Hansen, developed a new long-term growth strategy, which provides for diversifying and continually expanding its product and service range beyond solutions tailored solely to the traditional customer base in the hard coal mining sector. Elgór+Hansen aims to focus on the manufacturing and delivery of comprehensive, advanced engineering solutions for power distribution, energy efficiency improvement, energy visualisation and energy management systems. The products will be dedicated to institutional clients from the industry and power sectors, with a particular emphasis on the power generation and distribution sector, including primarily the renewable energy segment. Consistent implementation of the plans led to the successful development and the first sale of containerised substations for solar PV farm operators.

At the same time, the segment will seek to maintain its leading position in mining solutions, which will ensure stable sources of funding for the

new business ventures. Other key elements of Elgór+Hansen's strategy include building competitive edge based on the Grenevia Group's ESG strategy, operational excellence achieved through lean management, improvement of team competence and stability, and digital transformation.

Elgór+Hansen's products and services for the power engineering sector

Elgór+Hansen is a supplier of technical solutions in the fields of power supply, automation and control of machinery and industrial facilities, including full visualisation, remote monitoring and archiving of processes. It implements projects involving electrical and electronic equipment, automation and IT systems, including ATEX solutions for potentially explosive atmospheres. EH offers the manufacturing and delivery of power equipment for underground mining facilities, complete power supply systems and automation solutions for facilities, machinery and installations used in conveyor systems, as well as high-performance mining face, longwall and plough systems across all voltage levels.

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Overview of the Group's business

Overview of the operating segments' business

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The company's offerings comprise both proprietary solutions and those from leading global providers. The proprietary solutions include a recent addition: containerised substations for solar power plants. This product marked the beginning of EH's business transformation and its shift towards the power engineering industry, including the renewable energy sector.

The company provides end-to-end services, including engineering, manufacturing, assembly and construction, implementation of software, repair and maintenance on a 24/7 basis, both in Poland and abroad.

EH also has EMS engineering and manufacturing capabilities. It designs and assembles electronic equipment based on its many years' experience and a modern, fully automated production line, purchased in 2021. Full traceability of the production process is also ensured. A description of the complete product range, including the technical parame-

ters of each product, is available on Elgór+Hansen's website at www.elgorhansen.com.

Operating and commercial activities in the Power Engineering segment in 2022

In 2022, the Power Engineering segment focused on maintaining its position in the coal mining industry and building its presence in the renewable energy sector. Almost PLN 125m worth of contracts were secured, up by PLN 54m (77%) relative to 2021. Over PLN 14m were contracts from customers in non-mining sectors. The segment's total order book rose by PLN 27m (95%), to PLN 55m at the end of 2022, including PLN 38m in contracts for the FAMUR and PV segments.

Growing demand for repairs of underground mining equipment translated into higher volumes of after-market services provided, which was accompanied by a drop in revenue from the supply of new equipment. The segment also earned revenue from industry and the renewable energy sector, mainly from the supply of switchgear and controlgear for indus-

trial machinery. An important development in 2022 was the launch of supply of transformer substations for solar PV farms built by Projekt Solartechnik.

Distribution model and key customers

Elgór+Hansen's customers expect end-to-end services, from engineering, to delivery and uninterrupted operation of highly automated equipment, and require intuitive products that are fully accessible to remote maintenance services. The company's key customers are operators of underground mining facilities in Poland producing hard coal (thermal and coking coal) and companies active in the area of extraction of raw materials. External customers accounting for more than 10% of the segment's revenue are JSW (17% of sales) and KGHM Polska Miedź (13% of revenue). Other significant customers include LW Bogdanka, Tauron Wydobycie, PGG, PG Silesia and Węglokoks Kraj. Thanks to cooperation with the FAMUR segment, Elgór+Hansen's products are exported to major foreign companies extracting raw materials with deep mining methods in countries such as Argentina, Italy, Indonesia, and Chi-

na. The company discontinued exports to Russia in connection with the economic sanctions, which led to a marked reduction of its trade volumes outside Poland.

Elgór+Hansen's products are distributed in Poland based on the direct sales model, and in other countries through the FAMUR segment's trade offices and agents representing the company under independent agency contracts. In the future, the distribution model in Poland will be adjusted to the evolving scope of the company's operations.

Supply chain

The segment has access to diversified sources of raw materials and is not dependent on one or more suppliers. The supplier selection process follows the rules adopted by the organisation and is preceded by an analysis of bids and proposals in terms of consistency with the technical and quality requirements. Suppliers' status as active VAT payers is regularly verified, and prior to making a payment, trading partners' accounts are verified against the

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Overview of the Group's business

Overview of the operating segments' business

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so-called 'white list'. A list of approved suppliers is also maintained to prevent purchases from random, unverified entities. The supplier approval process is carried out in line with the procedures established in the Integrated Management System implemented by the company. As a part of the efforts to standardise and enhance supplier relationships, Elgór+Hansen has also implemented the Supplier Code of Ethics applied at the Grenevia Group. The full text of the Code is available on the company's website at www.elgorhansen.com.

In 2022, the semiconductor market crisis and hikes in the prices of metals and materials used in the manufacturing of components for the power sector translated into higher prices of materials and components and longer delivery times. Consequently, the company actively sought new suppliers and made ad hoc purchases to secure the required materials.

R&D activities in the Power Engineering segment

In 2022, Elgór+Hansen was engaged in research and development on products designed specifically for the renewable energy industry. The effort resulted in the creation of a containerised substation for utility-scale solar PV projects with a capacity of 1 MWp. Thanks to the technologies used in its production and the additional service #KlimatDlaStacji, the solution aligns with the concept of sustainable development. Work also continued on the development of the SCADA-type (Supervisory Control And Data Acquisition) software, EH-SmartPV, which enables remote monitoring and management of solar PV farms in real-time.

Another group of projects focused on the optimisation of products in the current portfolio and standardisation of the equipment manufactured by Elgór+Hansen. The target solution should facilitate its implementation and operation by the company's customers. An important event in this area was the launch of a power supply and automation system for roadheaders dedicated to gypsum mines. The Development Department also worked on wireless



communication systems to be used to measure, present and analyse pressure values or other physical quantities in potentially explosive atmospheres.

In addition, with a view to improving the company's overall operational efficiency, optimising development and production work and enhancing IT infrastructure, steps were taken to implement a PDM (Product Data Management) system. The system is

used to store product data files, maintain the history of versions, and share information between departments.

Overview of the Group's business

Overview of the operating segments' business

For the 12 months ended December 31st 2022, the Power Engineering segment reported revenue of **PLN 100m, up by PLN 15m** (18%) year on year. Revenue from the sale of products and services for coal mining **rose by PLN 4m** year on year, to **PLN 86m**. Revenue from the sale of industrial apparatus **grew**

by PLN 10m relative to 2021, and reached **PLN 13m**. 2022 was the first period in which the Power Engineering segment generated revenue from the sale of products for the power sector, which amounted to **PLN 1m**.

Sales by key geographies in the Power Engineering segment

In 2022, export sales represented **ca. 14%** of the Power Engineering segment's total revenue. Sales to foreign markets were mainly to China and Indonesia – **ca. 13%** of total revenue. Other countries accounted for **ca. 1%** of the segment's total revenue.

Gross profit in 2022 was **PLN 31m, an increase of PLN 10m** year on year. Operating profit **increased by PLN 4m** year on year, to **PLN 14m**, and EBITDA **improved by PLN 2m**. EBITDA margin in 2022 was **24%** (down by 2pp).

Financial performance of the Power Engineering segment

Power Engineering segment's revenue

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Products and services for mining	86	82
Industrial apparatus	13	3
Products for power sector	1	-
Total revenue from external customers	100	85
Revenue from other segments	41	25
Revenue from external customers	59	60

Profitability of the Power Engineering segment

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Gross profit	31	21
Operating profit	14	10
Depreciation and amortisation	10	12
EBITDA	24	22
EBITDA margin [%]	24%	26%



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PV segment

Utility-scale solar PV projects

The Grenevia Group's PV segment is comprised of Projekt Solartechnik (PST) Group companies, which offer development and turnkey delivery of utility-scale solar PV projects on an EPC basis, from design and engineering to procurement of necessary components, to construction and maintenance. The PST Group has a professional project development team, design and engineering studio, and other own project construction and execution resources, dedicated to PV projects. Apart from developing own projects and securing properties for potential future development, it also acquires projects at various stages of completion, offering competitive pric-

es. The Group offers its customers proprietary solutions, including assembly systems, constructs own solar power systems, and sells PV components. The segment's portfolio of solar farms, comprising both completed projects and those under construction, is managed through the investment fund Projekt Solartechnik Fund Fundusz Inwestycyjny Zamknięty (the "Fund"). The Grenevia Group actively supports and participates in the development of renewable energy sources, a commitment illustrated by the growing asset base attributable to PV project and solar farm capex.



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Changes in the share capital and organisational structure of the PV segment

Activities geared toward building the PV segment at the Grenevia Group commenced in 2021. On May 25th 2021, an Investment Agreement was signed with TDJ S.A on a solar PV joint venture project (*see Current Report No. 24/2021 of May 25th 2021*). A number of steps were completed in accordance with the agreement. FAMUR Solar sp. z o.o. was established and entered in the National Court Register under No. 906516 on June 15th 2021. The Projekt Solartechnik Fund FUNDUSZ INWESTYCYJNY ZAMKNIĘTY closed-end investment fund (the "Fund") was established to manage the Group's PV project portfolio, with the Fund's investment certificates held at the time by FAMUR Solar (51%) and Maciej Marcjanik (49%). On June 24th 2021, the Management Board of the Central Securities Depository of Poland (CSDP) passed resolution No. 844/2021 to grant the Fund the CSDP participation status of issuer.

On July 13th 2021, the share capital of FAMUR Solar was increased to PLN 7,540,000 through the issue of 138,800 shares, of which 70,788 shares (51%) were subscribed by Grenevia S.A. and 68,012 shares (49%) were subscribed by TDJ S.A. The total value of the issue was PLN 69,400,000. Pursuant to the Investment Agreement and the Articles of Association of FAMUR Solar, Grenevia has full corporate power and authority over FAMUR Solar and fully consolidates the results of the company and its subordinated entities.

In order to secure sufficient funding to support a rapid growth of the segment, on July 16th 2021 an annex to the Investment Agreement was signed between TDJ's subsidiary and Maciej Marcjanik (the "Parties") in consultation with Grenevia. Pursuant to the annex, the rights and obligations of TDJ's subsidiary under the amended Investment Agreement were transferred to FAMUR Solar. FAMUR Solar agreed to provide funding (directly or through a related party) in the form of loans or other financial assistance to support the development of the PV segment (to be repaid by December 31st 2023

at the latest) up to a maximum amount of PLN 400m. On March 10th 2022, the parties amended the Investment Agreement by raising the maximum financing amount to PLN 500m. In order to ensure sufficient funds to implement the PST Group's Strategy, an annex to the Investment Agreement was signed on June 15th 2023, in which Grenevia agreed to provide, directly or through its subsidiaries, PST Group companies with financing in the form of loans and other debt instruments up to a total of PLN 1bn. The financing matures on December 31st 2024 but may be extended for further periods of the implementation of the PST Group's Strategy.

The interest rate is set at 3M WIBOR + margin for PLN-denominated debt and at 3M EURIBOR + margin for EUR-denominated debt.

On July 20th 2021, Grenevia advanced a PLN 69m loan to FAMUR Solar to support the delivery of the objectives set out in its Articles of Association, particularly to finance the acquisition of investment certificates issued by the Fund. FAMUR Solar and Maciej Marcjanik signed a loan agreement to

finance the acquisition of investment certificates issued by the Fund. The first tranche of PLN 69m was disbursed under the loan on July 21st 2021. FAMUR Solar acquired Series B investment certificates issued by the Fund for a total amount of PLN 89m, representing 51% of all certificates. The remaining portion of the certificates with a value of PLN 86m was acquired by Maciej Marcjanik. On July 26th 2021, in accordance with the main terms of the Investment Agreement, shares in companies holding PV projects were sold by Grenevia, TDJ and PST to the Fund. The companies sold to the Fund held in their portfolios PV projects with a total capacity of: 100 MW (with auctions won in 2019 and 2020) in the case of TDJ, and approximately 164 MW (including approximately 104 MW with auctions won in 2020 and 2021) in the case of Grenevia.



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On July 7th 2021, the extraordinary general meeting of PST resolved to increase the company's share capital from PLN 100,000.00 to PLN 4,911,200.00, i.e. by PLN 4,811,200.00. The share capital was effected by issuing 4,811,200 Series B registered shares numbered from B 0000001 to B 4811200, with a par value of PLN 1.00 per share. The issue price of Series B shares was PLN 10.00 per share, with the total issue price being PLN 48,112,000.00. The Series B shares were issued by way of a private placement addressed to the sole shareholder, Maciej Marcjanik. A relevant entry was made in the National Court Register on September 15th 2021.

On July 20th 2021, Maciej Marcjanik and FAMUR Solar signed an agreement for the sale of 49,000 Series A ordinary registered shares, numbered from 000001 to 049000, with a total par value of PLN 49,000.00, representing 49% of PST's share capital, for a price of PLN 850,041.34.

On September 16th 2021, the extraordinary general meeting of PST passed a resolution to increase the company's share capital from PLN 4,911,200.00

to PLN 7,811,200.00 through the issue of 2,900,000 Series C registered shares with a par value of PLN 1.00 per share, for a total issue price of PLN 29,000,000.00. The issue price of a Series C share was PLN 10.00. Pursuant to the resolution, all new shares were to be subscribed for by FAMUR Solar by way of a private placement. A relevant entry was made in the National Court Register on November 10th 2021.

On September 17th 2021, Maciej Marcjanik and FAMUR Solar signed an agreement for the sale of 1,034,712 Series B ordinary registered shares, numbered from B 0000001 to B 1034712, with a total par value of PLN 1,034,712.00, representing approximately 21.07% of PST S.A.'s share capital, for a price of PLN 17,949,958.66.

Following the execution of the above agreements, the aggregate amount allocated by FAMUR Solar to purchase a portion of the Series A and Series B shares and subscribe for Series C shares in PST was approximately PLN 48m.





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Share capital increase at FAMUR Solar sp. z o.o.

In April 2022, a resolution was made to increase the share capital of FAMUR Solar by PLN 7,105,550.00, from PLN 7,540,000.00 to PLN 14,645,550.00, by issuing 142,111 new, equal and indivisible shares, with a par value of PLN 50.00 per share and total par value of PLN 7,105,550.00. All new shares were acquired by Grenevia and fully paid for with a cash contribution of PLN 71,055,500.00 (set-off against a loan). The share capital increase was entered in the National Court Register on May 18th 2022. Following the share capital increase, Grenevia's equity interest in FAMUR Solar increased to 75%.

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). 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 debt towards Grenevia (including interest) at the time of subscription for the shares. The payment for the subscribed shares was settled through a set-off of the amount owed by FAMUR Solar to Grenevia under a loan of PLN 69m (including interest) granted on July 20th 2021 to support the delivery of the company's objectives, particularly to fund the acquisition of investment certificates issued by Projekt Solartechnik Fund Fundusz Inwestycyjny Zamknięty, as announced by Grenevia in the Directors' Report for 2021. This helped prepare FAMUR Solar for its planned merger with PST.

On March 31st 2022, the extraordinary general meeting of PST S.A. passed a resolution to increase the company's share capital from PLN 7,811,200.00 to PLN 179,352,105.00 (by 171,540,905.00) through the issue of 171,540,905 Series D ordinary registered shares with a par value of PLN 1.00 per share and total par value of PLN 171,540,905.00, for a total issue price of PLN 171,540,905.00. It was agreed that the subscription for the Series D shares would

be effected by way of an offer made by the company and accepted by designated investors, i.e. FAMUR Solar and FIMM Fundusz Inwestycyjny Zamknięty, entered in the Register of Investment Funds maintained by the Regional Court of Warsaw, 7th Civil and Registry Division, under entry No. RFi 1688, in the following proportions:

- I FAMUR Solar: 87,540,132 Series D ordinary registered shares, numbered from D 000000001 to D 87540132, with a par value of PLN 1.00 per share and total par value of PLN 87,540,132.00, for a total issue price of PLN 87,540,132.00;
- I FIMM: 84,000,773 Series D ordinary registered shares, numbered from 87540133 to 171540905, with a par value of PLN 1.00 per share and total par value of PLN 84,000,773.00, for a total issue price of PLN 84,000,773.00;

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).

The Series D shares were paid for as follows:

- I FAMUR Solar – a cash contribution of PLN 0.86 and a non-cash contribution of 371 ordinary registered investment certificates of Projekt Solartechnik Fundusz Inwestycyjny Zamknięty, with a total value of PLN 87,540,131.14;
- I FIMM – a cash contribution of PLN 0.26 and a non-cash contribution of 356 ordinary registered investment certificates of Projekt Solartechnik Fundusz Inwestycyjny Zamknięty, with a total value of PLN 84,000,772.74.

A relevant entry was made in the National Court Register on June 7th 2022. 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

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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.

On July 1st 2022, FIMM, in which Maciej Marcjanik is the investor, and Grenevia S.A. signed an agreement whereby Grenevia S.A. acquired from FIMM 25,055,024 Series D shares in PST, representing 13.97% of the company's share capital, for PLN 117m (see Current Report No. 29/2022 of July 1st 2022).

Following the transactions described above, Grenevia holds, directly and indirectly, approximately 52% of shares in PST's share capital, while approximately 35% of the shares are held by Maciej Marcjanik and his related parties, and approximately 13% of the shares are held by TDJ.

Competitive environment

The PV market is highly competitive, in particular in the non-utility (up to 1 MW) segment, a situation which is attributable to low entry barriers. The market of end-to-end development and delivery of utility-scale and medium-sized PV projects is highly fragmented, with most contractors being active only in one area of the value chain in this sector. At the same time, the expected growth in demand for PV project development and construction in Poland is attracting new domestic and foreign players, mainly from Germany and China.



Projekt Solartechnik competes directly with the following companies, broken down by type of operations:

- | multi-utility companies: Luneos, Energa Obrót, PGE, Columbus;

- | companies specialising in utility-scale projects: Electrum, Onde, Photon Energy, Helios, ML System;

- | development companies: R. Power, PCWO, Bay-Wa.re, Polenergia, Engie, e-On.



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Growth strategy for the PV segment

The segment's strategic objective is to become a leader in the development and turnkey delivery of utility-scale projects (solar power plants). Adopting the EPC model of turnkey utility-scale PV project delivery should allow the Group to achieve higher margins, mainly through planned integration of most elements of the B2B PV value chain (from development of a project to its design, engineering and construction, to its maintenance). The PST Group currently prioritises sale of PV projects and completed solar PV farms in the form of a portfolio of companies holding assets with an average total capacity of approximately 40 MW. The portfolio sale agreement is combined with a contract for the provision of project operation services and, in the case of projects in an early development phase, an EPC contract for the construction of the project. At the same time,

sale of PPAs and cPPAs is being developed as part of B2B operations. The Group's long-term strategic objective is to position itself as a major B2B provider of EPC solutions for PV projects on the European market. This is to be achieved, for example, by sale of completed projects or solar PV farms as well as sale of electricity produced by the Group's own generation assets (IPP model).

The PV segment offers development and turnkey delivery of PV projects for the B2B market

The PV segment companies operating under the PST brand offer development and turnkey delivery of utility-scale solar PV farms on an EPC basis, from development of a project to its design, engineering and construction, to project maintenance. The offering includes in particular the following products and services:

- I Utility-scale PV projects: solar farms (free-standing solar power stations) with a capacity of 1 MW or higher. The services cover project development, design, engineering and construction, connection to the grid, and maintenance to ensure full operationality;
- I Project development: services provided by the Project Development Department include preparation and compilation of complete project documentation comprising documents confirming the title to the property (project site), environmental permits, zoning permit, grid connection permit, planning permission application, amended planning permission documents (if required), detailed design, and comprehensive as-built documentation (for solar PV, wind, and energy storage projects). The Group also conducts energy audits of buildings and provides supervision services at any stage of PV project development and delivery;
- I Sale or acquisition of completed projects or projects at various stages of development in order to find an appropriate solution for the customer;
- I Sale of electricity from the portfolio of completed solar farms;
- I Maintenance services for large-scale solar PV farms.



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Operating and commercial activities in the PV segment in 2022

The segment's main operational activities in 2022 included:

- I 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.
- I 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;

- I Drawing up, implementing and executing the first contracts with B2B customers for the construction of solar PV systems; execution of the first corporate Power Purchase Agreement (CPPA);
- I Organising operations and sales structures and looking for land on which to site investment projects in Germany; steps taken to build organisational structures in further markets; the company plans to undertake more extensive research to explore the markets in Spain, France and Romania;
- I A number of optimisation measures to reduce project execution costs, ensure scalability of operations, and optimise the implementation process.
- I Expansion of the portfolio of development projects to include energy storage and wind projects.

91 MW

solar PV farms brought on stream in 2022

~3,080 MW

estimated total capacity of projects at various stages of development in 2022

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

	as at Dec 31 2022	as at Dec 31 2021
Total capacity of projects and farms		
Farms connected to the power grid	91	–
Farms under construction	124	134
Projects in the pipeline	65	187
Projects under development	~2,800	~1,320
Estimated total capacity of portfolio projects at various stages of development	~3,080	~1,640

As at the end of 2022, the total capacity of projects with a renewable energy auction won was approximately 310 MW.

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Distribution model and key customers

The PV segment sells its products and services directly to end customers, which mainly include large Polish power producers, foreign infrastructure sector funds building renewable energy project portfolios, and energy-intensive businesses.

Supply chain

With a large number of manufacturers, the competition on the PV component parts market is strong. The Group can decide to switch over to new suppliers of PV modules, inverters or other components at any time. Grenevia is of the opinion that the PST Group does not depend on any component supplier to a greater extent than other entities operating in the same industry.

When selecting the main supplier of PV modules for its projects, the PST Group seeks to secure a sta-

ble business relationship with a trusted manufacturer which is ranked by Bloomberg among the world's five largest PV module producers. The Group's current main PV module supplier is Jinko Solar, which imports modules directly from China. The vendor concentration and supply chain disruption risks are mitigated by the PST Group's access to alternative module manufacturers which can help meet the supply gap.

The PST Group procures inverters from a number of reputable manufacturers depending on the specification of a given PV project. Substations are sourced from ZPUE and Elgór+Hansen, a Grenevia Group company, and steel for steel structures is purchased from a European producer. The Grenevia Group also allocates its operating resources to ensure the delivery of supplies.

Given the volume of its purchase orders, the Group is able to source most PV components and other supplies directly from manufacturers. The continuity of supplies is secured by, inter alia, placing orders well in advance and/or concluding framework agreements for the supply of strategic components (including PV modules, transformer substations, inverters, etc.).





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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 and a syndicate of ING Bank Śląski S.A., Bank Polska Kasa Opieki S.A. and BNP Paribas Bank Polska S.A. *(see Current Report No. 12/2022 of March 11th 2022)*.

On June 24th 2022, Projekt Solartechnik Fundusz Inwestycyjny Zamknięty, a subsidiary of the Grenevia Group, entered into a preliminary share purchase agreement with Spoleto sp. z o.o., a special purpose vehicle wholly owned by Alternus Energy Group Plc as the buyer, whereby the buyer was to acquire 100% of shares in 32 project companies holding a portfolio of solar farm projects at various stages of development, with a total capacity of 184 MW.

As part of the transaction, Projekt Solartechnik's responsibilities included construction of the projects and provision of maintenance services for a contractually agreed period. The total value of the Transaction is expected to reach approximately PLN 750m. This amount comprised the purchase price of approximately PLN 500m for 100% of shares in all the project companies, payable upon transaction closing, and an amount 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 the transaction closing *(see Current Report No. 27/2022 of June 24th 2022)*.

The condition to the transaction closing, i.e. placing in operation of projects with a capacity of at least 45 MW, was fulfilled. On October 27th 2022, an annex was signed to the Agreement, under which the seller and ALT POL HC 01 sp. z o.o. of Warsaw (formerly operating under the name Spoleto sp. z o.o.) and the other buyer Solis Bond Company Desig-



nated Activity Company of Dublin, both as special purpose vehicles wholly owned by Alternus Energy Group Plc, 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 phases. The first phase, involving projects with a total capacity of 65 MW, would be effected on November 15th 2022, whereas the second phase, involving projects with a total capacity of 119 MW, would be effected on December 6th 2022 *(see Current Report No. 32/2022 of October 28th 2022)*.

However, the buyers did not proceed with the planned steps to complete the first stage of the transaction on November 15th 2022 due to circumstances attributable to them (see Current Report No. 35/2022 of November 15th 2022). On November 23rd 2022, the parties entered into an amending annex in which they agreed to increase the maximum value of the transaction by approximately PLN 38m and set December 16th 2022 as the new transaction closing date (see Current Report No. 36/2022 of November 23rd 2022). The condition to the entry

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into force of the annex was the receipt by the seller, no later than on November 24th 2022, of a prepayment of PLN 10m, which was made as agreed. On December 16th 2022, the buyers failed to proceed with the activities planned to close the transaction due to reasons attributable to the buyers (see *Current Report No. 39/2022 of December 16th 2022*).

Following failure by the buyers to perform their obligations under the Agreement, the seller (Projekt Solartechnik Fundusz Inwestycyjny Zamknięty) gave notice of termination of the Agreement in accordance with its terms on December 22nd 2022. Pursuant to a guarantee provided by the buyers, the termination entitles the seller to receive from the former a payment of PLN 45m, which will be reduced by approximately PLN 20m in non-refundable prepayments already received by the seller by

the termination date. The PST Group is also continuing negotiations with the buyers on the potential sale of a solar farm portfolio and may enter into other agreements to sell the portfolio (see *Current Report No. 40/2022 of December 22nd 2022*).

Research and development activities in the PV segment

The PST Group conducts research to optimise the structural solutions it designs and uses. Improving the solutions on an ongoing basis, both in terms of manufacturing costs and construction efficiency, is viewed as a priority.

Financial performance of the PV segment

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Segment revenue	54	9
Gross profit	10	-1
Operating profit	-42	-12
Depreciation and amortisation	6	2
EBITDA	-36	-10

In 2021, the revenue and financial results of the PV segment were immaterial from the Group's perspective. In 2022, **the PV segment's revenue was PLN 54m**. All revenue was generated on the domestic market. Operating result and EBITDA for 2022 were negative, at PLN -42m and PLN -36m, respectively. The negative operating result and, consequent-

ly, EBITDA, were mainly attributable to the failure to finalise the agreement with Alternus for the sale of solar PV farms and projects, and the costs of dynamic growth of the PV project portfolio in Poland, development of the operational structures and PV projects in Germany.

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wizualizacja GigafactoryX



E-mobility segment

Battery systems for electric mobility and energy storage

Building the E-mobility segment at the Grenevia Group

The Grenevia Group entered the electric mobility sector in 2022 by acquiring shares in IMPACT Clean Power Technology S.A. of Warsaw ("IMPACT" or "ICPT"), a leading manufacturer of innovative, tailor-made battery systems, mainly for buses, rail transport, specialised transport, and stationary energy storage. On November 8th 2022, an agreement was signed to purchase 18,475,729 shares in IMPACT, representing 51% of the share capital and carrying approximately 59% of total voting rights at the General Meeting (see Current Report No. 34/2022 of November 8th 2022). The total price for the shares was agreed at approximately EUR 59.12m (equivalent to PLN 277m, as translated at

the mid exchange rate quoted by the National Bank of Poland for November 8th 2022). The acquisition was financed with proceeds from the issue of green bonds in 2021. Since mid-November 2022, IMPACT's financial results have been consolidated with the full method in the consolidated financial statements of the Grenevia Group.

The experience and well-established competitive position of IMPACT in the market of battery systems for transport and industrial applications, supported by Grenevia's financial and operational resources, will enable rapid scaleup of IMPACT's business,

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building the long-term value of IMPACT and the Grenevia Group on the promising market of industrial electric mobility and energy storage solutions. IMPACT is a Tier-1 supplier of original equipment (OEM) to leading electric bus makers. As such, it is a major supplier of battery systems for e-buses on the European market. IMPACT products are also exported to North America, Asia and Australia, among others. The company runs its own research & development centre for energy storage technologies and battery systems dedicated to public and heavy transport. IMPACT's annual production capacity in the current location is approximately 0.6 GWh. It was achieved following implementation of lean management based on the Grenevia Group's experience.

Market situation in 2022

In 2022, the electric bus market segment in Europe continued to grow rapidly, at the rate of approximately 26% (according to BUS Sustainable data¹).

It is expected, that the average annual growth rate (CAGR) of the global electric bus market will reach around 43% by 2027 (based on PR Newswire data). Other electric mobility market segments relevant to IMPACT, such as industrial vehicles and trailers, will also grow rapidly, at a rate of more than 30%. The key factors with a positive bearing on the situation in the market of battery system for transport and industrial applications will include: regulatory changes in the EU incentivising the development of electric mobility, growing demand for non-carbon energy-efficient solutions for mass transport, decline in battery prices in the long term, government support programmes for the electrification of public transport, implementation of stringent emission standards and environmental regulations, and increased environmental awareness among the public. Potential challenges that could lead to a contraction of the market are the high cost associated with product development, a lack of well-developed charging infrastructure, and rising electricity prices.

Competitive environment

IMPACT's main competitors are the European companies Akasol, Forsee Power, Actia, and BMZ. There is also a rapid expansion of Chinese manufacturers of cells and entire vehicles: CATL, BYD, and Yutong, which have entered the market for finished battery products and are beginning to directly compete with European companies. For instance, CATL started to offer ready-made bus batteries to Solaris, a major European bus maker.

Growth strategy for the E-mobility segment

Battery systems for public transport vehicles, specialised trucks and heavy duty vehicles are produced in short series (compared with the mass EV market). As battery technologies are changing fast, Most EV manufacturers rely on sub-suppliers instead of building their own production plants because of the small scale of their operations and the need to specialise. IMPACT's business model leverages the economies of scale which are generated by the manufacture of tailor-made products and their provision to dedicated customer groups. To accommodate the fast market growth and broad-

en its customer base, IMPACT aims to significantly increase its annual production capacity by building GigafactoryX, one of its key strategic projects. This large-scale manufacturing plant will be dedicated to meeting the requirements of customers for battery systems for electric public transport vehicles, primarily e-buses, industrial e-vehicles, and utility-scale energy storage facilities. The project is expected to raise IMPACT's annual production capacity to more than 1 GWh in 2024, and to a minimum of 2 GWh or even to more than 4 GWh in 2027, in line with demand growth. Investments in new production capacities are also intended to allow IMPACT to branch out into related markets such as electric trucks, heavy industrial vehicles, and hydrogen-powered railway locomotives. Other growth initiatives pursued by IMPACT include the design and construction of utility-scale battery storage systems (including through repurposing of used EV batteries, which have longer charging cycles), and use of hydrogen technologies in battery systems for transport and energy storage.

¹ www.sustainable-bus.com/news/electric-bus-market-europe-2022/



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IMPACT's offering for the E-mobility sector

IMPACT offers comprehensive, tailor-made battery systems to meet customer requirements. Cooperation with the customer starts with the application analysis phase, through to selecting the optimum solution, designing, launching serial production, to delivering battery systems to be installed at the customer's. The company also offers a guarantee and maintenance service for the entire life of the vehicle. Battery systems manufactured by IMPACT are based on lithium-ion cells using several available cell technologies (NMC, LFP and LTO). IMPACT products are mainly bought by customers from the public transport segment (electric buses, trolleybuses, commercial vehicles, trams, railways) and users of special applications for AGV robots, mining, electric boats and yachts, industrial vehicles, etc. IMPACT also offers stationary energy storage facilities for businesses, industry and utility power generators as well as for operation with renewable energy sources.

Operating and commercial activities in the E-mobility segment in 2022

In 2022, commercial activities focused chiefly on building the contract portfolio: framework contracts for regular deliveries were concluded with a number of customers, including Solaris and Voith, and the first larger contract in the Asian market was secured after winning a tender procedure in Hong Kong with a partner ADL. IMPACT will supply bus batteries under the contract. Operating activities in 2022 centred around enhancing production efficiency and effectiveness. Production in the current location increased three-fold (from 0.2 GWh to 0.6 GWh), with a concurrent improvement in product quality. In order to ensure stability of the supply chain, we intensified our efforts to diversify suppliers of key components in accordance with the announced European Supply Chain strategy. The construction of GigaFactoryX in Pruszków near Warsaw was started: a contract to purchase the property was signed, the detailed design was approved, and the process line supplier was selected.





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Financial performance of the E-mobility segment

(PLNm)

November 15th – December 31st 2022

Segment revenue	64
Gross profit	-
Operating profit	-10
Depreciation and amortisation	3
EBITDA	-7

PLN 304m

IMPACT's 2022 revenue

of which PLN 64m was included in the Grenevia Group's consolidated revenue starting from the company's first-time consolidation, specifically from mid-November 2022.

In 2022, **IMPACT generated revenue of PLN 304m** (of which PLN 64m was included in the Grenevia Group's consolidated revenue from the moment of IMPACT's first-time consolidation, i.e. from mid-November 2022). However, a significant growth in the prices of components in 2022 affected the company's margins. As IMPACT works with the public procurement sector, the higher prices of components could not be entirely passed on in increased selling prices. Given the need to secure adequate stocks of components for the production of battery systems in 2023 and the current price levels, this factor will continue to affect margins in 2023. IMPACT has reviewed all of the risks related to its past and current operations. In connection with delayed deliveries of materials from China and, consequently, delayed deliveries of IMPACT's battery systems to customers in early 2022, a provision was recognised for potential penalties for delays in deliveries and maintenance repairs. In 2022, the company assessed the usability of all its materials and non-current assets for future operations in the context of the construction of GigaFactoryX. As a result, a decision was made to decommission some of the

materials and the depreciation period for non-current assets was shortened to the end of their useful life. Additionally, in 2022 IMPACT recognised for the first time a provision for future costs of battery disposal after the end of their useful life.

Since December 2022, the company has held negotiations with banks concerning financing for its growth. Shareholders of IMPACT will provide funds in the form of investment loans pro rata to their shares, and a working capital loan to finance the company's day-to-day operations until credit facilities from the banks are obtained.

Since mid-November 2022, IMPACT's financial results have been consolidated with the full method in the consolidated financial statements of the Grenevia Group. Sales in that period amounted to PLN 64m, and operating result and EBITDA were negative, at PLN -10m and PLN -7m, respectively.



Overview of the Group's business

Overview of the operating segments' business

Distribution model and key customers

Impact's products and services are sold directly to end customers, mainly under framework agreements and based on individual orders from vehicle manufacturers. The company also sells its products through a partner sales network in New Jersey (the US) and Frankfurt am Main (Germany).

Key customers include Solaris, whose share in IMPACT's revenue in 2022 was approximately 76%. IMPACT provides its solutions to Alexander Dennis, Voith, Kiepe, Normet, Pepper Motion, Autosan, and Skoda Electric. There are no formal equity links between the above entities and IMPACT.

This significant concentration of sales to a single customer in 2022 was due to the company's constrained production capacities. IMPACT is expanding its production capacities and simultaneously engages in commercial and marketing activities to attract new customers with large-volume contracts. This will enable continued growth of the order portfolio while also diversifying the customer base and the segment portfolio. It is a challenging task, however, given the early stage of market development, where

most vehicle manufacturers are still in the process of establishing supply chains for their vehicles. Most vehicle manufacturers follow the principle of 'two or more suppliers' of key components (including motive power batteries).

Supply chain

The key component of the battery systems offered by IMPACT are lithium-ion cells, which are imported from Japan (Toshiba) and China. In order to minimise the risk of supply chain disruptions and to maintain production continuity, IMPACT seeks to secure two or more suppliers of key components for each project and, where feasible and economically viable, to maintain sufficiently high stock levels. Additionally, in 2022 the company announced the European Supply Chain strategy and in the coming years intends to rely to a larger extent on cells made in Europe. Using European suppliers improves the supply chain stability but it may erode margins since Chinese producers supply their products at more competitive prices, albeit with a greater risk of disruptions. As part of the new strategy, framework agreements were signed with Freyr and InoBat in the first quar-

ter of 2023. IMPACT is also seeking out other suppliers on the European market (negotiations with LG Wrocław are under way). Other components to be used in production are mostly sourced from Polish manufacturers.

Segment's performance against forecasts

As stated in Current Report No. 34/2022 of November 8th 2022, the E-mobility segment is expected to generate revenue of no less than PLN 1bn per year over the next four to five years. After the period of heavy capital expenditures in 2023–2024, the projected EBITDA margin should reach approximately 10–12% in 2025. Capital expenditures, to be incurred mainly in 2023 (CapEx and OpEx), are expected to amount to about PLN 120m.

The Management Board of the company will monitor the macroeconomic and geopolitical situation and assess its impact on the E-mobility segment's performance and ability to meet the forecast on an ongoing basis.

Research and development activities in the e-mobility segment

The Research and Development Department works on new technologies for the construction and management of lithium-ion batteries and develops new products. In 2022, it launched a new project to develop a hydrogen fuel cell for rail transport and electric buses.

E-mobility segment sales by key geographies

In the consolidation period, export sales of the e-mobility segment accounted for approximately 9% of the segment's revenue. Sales to foreign markets were mainly to European Union countries, accounting for approximately 7% of export revenue. Sales to other European countries represented about 2% of total revenue.



Overview of the Group's business

External and internal factors relevant to the Grenevia Group's growth

The Grenevia Group has identified the following key factors affecting its performance, financial position and outlook. In the Management Board's opinion, they were the key drivers of the Group's performance and had a material impact on its financial position in the reporting period. Unless indicated otherwise, the Management Board expects that these factors and trends will continue to have a material effect on the results and financial condition in the future. For information on uncertain events that may have a material effect on the Grenevia Group's growth prospects, see '*Description of main risks and threats*'.

Factor	Segments affected	Description
Effective and efficient delivery of the strategy to transform into an organisation investing in green transition	The Group as a whole	Further growth of the Grenevia Group requires significant efforts to diversify its revenue streams beyond the thermal coal mining industry. In 2021, the Grenevia Group updated its strategic directions with a view to transforming into an organisation that invests in green transition projects and opportunities in other promising industries, including solar photovoltaics, cogeneration, energy storage, smart grid, HVAC, and electric mobility. The Group enters new sectors by acquiring majority interests in medium-sized enterprises with a well-established position in their respective industries. At the end of 2024, the share of revenue related to thermal coal mining in the Grenevia Group's total revenue is expected to decrease to approximately 30%.
Growing direct competition from China	FAMUR E-mobility	Rising competition from Chinese companies, which puts a strain on margins or results in the loss of market share, thereby affecting potential revenues.
		<p>In 2021, the Group launched operations in the sector of utility-scale solar projects and in 2022 in the sector of battery systems for industrial electric mobility and public transport. The pace of the Group's diversification depends on efficient integration of new entities within the Group, the pace of their growth as well as on the Group's ability to identify new, suitable investment targets.</p> <p>The business diversification efforts and delivery of a strategy for accelerated growth (including foreign expansion) in new renewables-related business areas are driving growth of capital expenditure, especially in the short term.</p>



Overview of the Group's business

External and internal factors relevant to the Grenevia Group's growth

The Grenevia Group has identified the following key factors affecting its performance, financial position and outlook. In the Management Board's opinion, they were the key drivers of the Group's performance and had a material impact on its financial position in the reporting period. Unless indicated otherwise, the Management Board expects that these factors and trends will continue to have a material effect on the results and financial condition in the future. For information on uncertain events that may have a material effect on the Grenevia Group's growth prospects, see '*Description of main risks and threats*'.

Factor	Segments affected	Description
Exit from the Russian market in the wake of war in Ukraine	FAMUR	The FAMUR segment enjoyed a strong position on the Russian market, which accounted for approximately 20% of the segment's total revenue on average. After the outbreak of war in Ukraine, FAMUR stopped bidding for new contracts for equipment deliveries and now only provides warranty services under contracts concluded in the pre-war period. In 2022, the Group lost control over the Russian subsidiary OOO FAMUR (see Current Report No. 31/2022 of August 25th 2022), and in March 2023 the divestment process was initiated.
Disruptions in the global supply chain and logistics caused by geopolitical developments	The Group as a whole	The geopolitical situation, the COVID-19 pandemic, the war in Ukraine, and the enactment of governmental regulations limiting access to certain technologies, materials and equipment worldwide all contribute to or increase the probability of temporary constraints or disruptions in the availability of key components for all segments of the Group. This may lead to delayed execution of orders or increased operating costs. Because of logistics disruptions due to regulations or sanctions, the Group faces challenges in transporting its components or products to end customers in Asia. Global supply chain disruptions may also lead to delays in production processes of Grenevia Group customers, which may in turn result in postponement of orders for the Group's products or changes to agreed schedules, affecting the amount of revenue recognised in a given period.

Overview of the Group's business

External and internal factors relevant to the Grenevia Group's growth

The Grenevia Group has identified the following key factors affecting its performance, financial position and outlook. In the Management Board's opinion, they were the key drivers of the Group's performance and had a material impact on its financial position in the reporting period. Unless indicated otherwise, the Management Board expects that these factors and trends will continue to have a material effect on the results and financial condition in the future. For information on uncertain events that may have a material effect on the Grenevia Group's growth prospects, see '*Description of main risks and threats*'.

Factor	Segments affected	Description	
Concentration of production of key components in China	PV E-mobility	At present, cells for battery systems, PV modules, and inverters are mainly made in China. The Group is diversifying its procurement strategy to include European manufacturers in order to ensure stability of the supply chain. As Chinese manufacturers offer more competitive prices than their European counterparts, a certain compromise is required between	margins and the stability of supplies. Mitigating the supply chain disruption risk limits the risk of delayed execution of orders. Because of their competitive advantage, Chinese manufacturers require prepayments before the start of production, which increases the level of working capital employed.
Lower number of connection permits issued and protracted process of connecting solar PV farms to the grids	PV	The number of connection permits issued for new PV projects is being reduced and the process of connecting completed projects to the operators' grids gets protracted, which may delay completion	of projects. The falling number of sites for which connection permits can be obtained increases the cost of land for investment purposes.
Regulations on maximum energy prices	PV Power Engineering	The introduction of regulations setting temporary energy price caps (including on prices of renewable energy) may depress investment in solar PV infra-	structure and constrain the growth of this business area.
Global transition towards low-carbon economies	FAMUR Power Engineering	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, Potentially suppressing demand for equipment and machinery offered by FAMUR and Power Engineering segments.



Overview of the Group's business

External and internal factors relevant to the Grenevia Group's growth

The Grenevia Group has identified the following key factors affecting its performance, financial position and outlook. In the Management Board's opinion, they were the key drivers of the Group's performance and had a material impact on its financial position in the reporting period. Unless indicated otherwise, the Management Board expects that these factors and trends will continue to have a material effect on the results and financial condition in the future. For information on uncertain events that may have a material effect on the Grenevia Group's growth prospects, see '*Description of main risks and threats*'.

Factor	Segments affected	Description	
Growing prices of lithium-ion cells, PV modules, steel, copper and other key components and energy	The Group as a whole	<p>The E-mobility segment works with the public procurement sector and thus has a limited ability to pass on increased costs in final selling prices. If cell prices rise while the performance of a contract is in progress, the margin realised on the contract will be lower than expected.</p> <p>The growth seen in 2022 in the prices of PV modules and sheets, i.e., the key components used by the PV and FAMUR segments, respectively, may depress margins and affect the FAMUR segment's</p>	<p>competitive position versus Chinese manufacturers in its existing and new markets. Movements in steel and copper prices push up the prices of key components such as fire-resistant roof support sections and transformers manufactured by the Power Engineering segment.</p> <p>Price volatility on the commodity markets and possible limitations in the supply of natural gas are driving significant hikes in electricity and heat prices and may result in increased operating expenses.</p>
Rising pay expectations	The Group as a whole	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.
Maintaining a flexible operating model and tight cost control	The Group as a whole	The fundamental principle underlying the Grenevia 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.

Parent of the Grenevia Group

Overview

Grenevia S.A. (formerly FAMUR S.A.) of Katowice, entered in the National Court Register under No. KRS 0000048716, is the parent of the Grenevia Group. Grenevia's registered office is located in Katowice, at Al. Roździeńskiego 1a.

Grenevia's principal business is the manufacture of machinery for mining, quarrying and construction (PKD 28.92 A). The Company also engages in holding company activities that focus on developing and supporting new operations within the Grenevia Group, particularly in the field of renewable energy sources such as solar photovoltaics, power engineering, and electric mobility.

Parent of the Grenevia Group

Organisational changes at Grenevia S.A.



To execute the Grenevia Group's transformation strategy from a manufacturer of soft rock mining machinery to an investment holding committed to green transition, it was necessary to adapt the organisational and product structure for efficient management of business areas and seamless inte-

gration of new entities. In January 2022, a decision was made to divide the resources into two areas: the FAMUR operations segment (which prepares its own set of accounts) and the corporate management holding segment.

Company branches:

- I [Grenevia S.A. FAMUR Katowice Branch](#),
ul. Armii Krajowej 51, 40-698 Katowice, Poland
- I [Grenevia S.A. FAMUR Machinery Katowice Branch](#),
ul. Kościuszki 245, 40-608 Katowice, Poland
- I [Grenevia S.A. FAMUR Mining Katowice Branch](#),
ul. Boya Żeleńskiego 107, 40-750 Katowice, Poland
- I [Grenevia S.A. FAMUR Nowomag Nowy Sącz Branch](#),
ul. Jana Pawła II 27, 33-300 Nowy Sącz, Poland
- I [Grenevia S.A. FAMUR Glinik Gorlice Branch](#), ul. Michalusa 1,
38-300 Gorlice, Poland
- I [Grenevia S.A. FAMUR KHS Zabrze Branch](#),
ul. 3 Maja 91, 41-800 Zabrze, Poland

Parent of the Grenevia Group

Organisational and equity links

Organisational and equity links, including major investments in securities, financial instruments, intangible assets and real property

TDJ Equity I sp. z o.o. is the parent of Grenevia S.A. TDJ S.A. is the ultimate parent. In 2022, a process to transform the Grenevia Group into an organisation investing in green transition projects continued in line with the adopted strategic directions. Grenevia supported the financing of investments related to the sector of development and turnkey delivery of utility-scale solar projects for the B2B market (see *'Changes in the share capital and organisational structure of the PV segment'*) and in November 2022 started operations in the electric mobility sector by acquiring 51% of shares in IMPACT Clean Power Technology S.A. of Warsaw. The purchase was financed with proceeds from the issue of Green Bonds in 2021.

For information on equity interests in subsidiaries, associates and other entities held by Grenevia S.A., which are not intended for sale in the near term, see Note 23 to the separate financial statements of Grenevia S.A. For information on intangible assets and property, see Note 23, Note 24 and Note 27, respectively, to the separate financial statements of Grenevia S.A.



Parent of the Grenevia Group

Discussion of financial highlights

Grenevia S.A. 's financial highlights

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Revenue	1,166	916
Operating profit/(loss)	284	124
Depreciation and amortisation	143	175
EBITDA	427	299
Net profit/(loss)	252	35

Grenevia S.A.'s revenue for 2022 amounted to PLN 1,166m, having increased by PLN 250m (27%) from PLN 916m in 2021. The share of export revenue expanded by 8pp year on year, to 35%, mainly as a result of a significant growth in sales to the US.

The revenue increase drove an improvement in operating profit, which came in at PLN 284m for 2022 (up 2.3 times year on year). EBITDA grew 43% in 2022 (up PLN 128m). 2022 EBITDA margin was 37% (up 4% year on year).

The improved profitability resulted in a net profit of PLN 254m. Net profit as a percentage of revenue was 22% (relative to 4% in 2021). The net profit for 2021 was affected by goodwill impairment of PLN 95m. Adjusted for this item, the net profit margin in 2021 was 14%.

Material non-recurring events

In 2022, there were no material (over 10% of net profit) events affecting Grenevia S.A.'s net profit. In 2021, a material non-recurring event with a bearing on the results was the recognition of a PLN 95m goodwill impairment (see Note 20 to the separate financial statements of Grenevia S.A. for 2022).

Workforce and remuneration

In 2022, Grenevia S.A. has the average headcount of 1,562 FTEs (1,623 FTEs in 2021), with employment costs at PLN 183m (PLN 167m in 2021).



Parent of the Grenevia Group

Assets and financial resources management

PLN 2,635m

Total assets

Analysis of assets, equity and liabilities

(PLNm)	as at Dec 31 2022	as at Dec 31 2021
Non-current assets	1,098	753
Current assets	1,535	1,846
Total assets	2,633	2,599
Equity	1,658	1,376
Non-current liabilities	636	645
Current liabilities	339	578

PLN 1,535m

Current assets

In 2022, assets rose by PLN 34m, to PLN 2,633m as at the end of December 2022. Current assets fell to PLN 1,535m, or by PLN 311m, the principal reason being a decrease in trade receivables and cash, partly offset by an increase in current financial assets. Growth of PLN 345m in non-current assets was mainly attributable to a higher amount of investments in subsidiaries. In the 12 months ended December 31st 2022, non-current liabilities remained stable at PLN 636m, with current liabilities down by PLN 239m, chiefly as a result of a decrease in current financial liabilities.

Analysis of assets, equity and liabilities

(PLNm)	as at Dec 31 2022	as at Dec 31 2021
Non-current financial liabilities	615	627
Bank borrowings	-	3
Bonds and notes	599	599
Debt sale	-	13
Leases	16	12
Current financial liabilities	14	236
Bank borrowings	1	-
Bonds and notes	6	206
Debt sale	-	17
Leases	7	-
Gross debt	629	863
Less cash and cash equivalents	-498	-953
Net debt	131	-90

As at December 31st 2022, liabilities from borrowings and leases exceeded net cash by PLN 131m. Total non-current and current financial liabilities fell by PLN 234m, to PLN 629m. Cash balance went down by PLN 455m, to PLN 498m. The decrease in cash followed chiefly from the acquisition of shares in IMPACT, redemption of Series A Notes with interest payments, and increased investments in subsidiaries and associates in the PV segment.

Contingent liabilities

The contingent liabilities of Grenevia S.A. are mainly attributable to guarantees provided. For a description of contingent liabilities, see Note 42 to the financial statements of Grenevia S.A. for 2022.



Grenevia shares on the WSE

In August 2006, Grenevia S.A. (then trading under the name of Fabryka Maszyn FAMUR Spółka Akcyjna – FAMUR) was first listed on the Warsaw Stock Exchange (the “WSE”).

As at December 31st 2022, 574.7 million FAMUR shares were traded on the Warsaw Stock Exchange (abbreviated name: FAMUR; ticker code: FMF).

On February 16th 2023, the Extraordinary General Meeting resolved to change the Company name from FAMUR Spółka Akcyjna to Grenevia Spółka Akcyjna. The change was registered by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, on April 3rd 2023. Consequently, the ticker was changed to GEA. Grenevia S.A. shares are listed on the main market of the WSE in the continuous trading system.

Grenevia shares on the Warsaw Stock Exchange

Key information on Grenevia S.A. shares

name	Grenevia S.A.
Ticker	GEA
ISIN	PLFAMUR00012
First listing	August 2006
Number of shares outstanding	574,680,673
Sector	Electromechanical
Main indices	mWIG40, WIG, WIG140, WIG-Poland, mWIG40TR, WIG-ESG

Grenevia shares on the WSE

Grenevia shares on the Warsaw Stock Exchange

Share price

Grenevia stock price change vs mWIG40 over the last five years.



Cumulative rate of return on investment in Grenevia shares (excluding dividends) (from the end of 2017 to the end of 2022) relative to the rate of return on mWIG40 index.

Base value at the end of 201=100	rate of return at year end					
	2017	2018	2019	2020	2021	2022
Grenevia	100	87	48	36	54	53
mWIG40	100	81	81	82	109	86

The table below presents Grenevia stock price movements in each quarter of 2022.

Price per share (PLN)	2022			
	Q1	Q2	Q3	Q4
Low	2.19	2.43	2.51	2.88
High	3.35	3.05	3.35	3.65

Grenevia shares on the WSE

Grenevia shares on the Warsaw Stock Exchange

Share Buyback Programme

In 2021, the adoption of new strategic directions for the Grenevia Group necessitated a change in its dividend policy.

Accordingly, in 2021 the Grenevia Management Board recommended that the General Meeting allocate PLN 70m to the buyback of Company shares for cancellation, by way of a tender offer with a price of PLN 2.50 per share. The main purpose of the programme was to enable the sale of Company shares (divestment) by those shareholders who had purchased them with a view to benefiting from the dividend policy adopted in the previous strategy (see [Current Report No. 23/2021 of May 25th 2021](#)).

On August 17th 2021, the Extraordinary General Meeting passed a resolution to approve the buyback of Company shares for cancellation and create a capital reserve of PLN 70m for that purpose. The Company's Management Board was also authorised to purchase Company shares representing not more than 5% of the Company's share capital, i.e., 28,700,000 shares of all series with a par value of PLN 0.01 per share, at a price not lower than PLN 2.50 per share. The deadline of the programme was set for October 31st 2021 (or until the funds allocated to the buyback are spent) (see [Current Report No. 41/2021 of August 17th 2021](#)).

In exercise of the authorisation granted by the Extraordinary General Meeting, on September 1st 2021 the Management Board issued an invitation to shareholders to submit offers to sell their Grenevia shares during the period from September 6th to September 17th 2021. The tender offer was made for up to 27,934,000 ordinary book-entry shares (ISIN PLFAMUR00012), representing up to 4.86% of the company's share capital. The offered buyback price of PLN 2.5 reflected the price assumptions adopted in Resolution 3 of the Extraordinary General Meeting (see [Current Report No. 45/2021 of September 1st 2021](#)).

The buyback took place between September 6th and September 17th 2021. A total of 82,539 (eighty-two thousand five hundred and thirty-nine) Company shares were tendered for sale. As the total number of Company shares tendered by shareholders for sale under the invitation did not exceed the total number of shares the Company intended to buy back under the invitation, the Company accepted all submitted tenders and bought back all those shares for PLN 2.5 per share and a total price of PLN 206,347.50. The shares will be cancelled by way of reducing the Company's share capital, pursuant to Art. 359 of the Commercial Companies Code (see [Current Report No. 47/2021 of September 20th 2021](#)).

On September 27th 2021, the Grenevia Management Board passed a resolution to end the Company's share buyback programme as of that date. In the Company's opinion, the low participation in the buyback should be viewed as acceptance of the new strategic directions. Accordingly, the Management Board saw no reason to continue the buyback under the authorisation granted by the Extraordinary General Meeting. Pursuant to Section 2.2 of the Extraordinary General Meeting's Resolution No. 3 of August 17th 2021, funds from the capital reserve set up to finance the buyback of Company shares and not used for the buyback were automatically transferred to the Company's statutory reserve funds on the buyback end date, and the capital reserve was released on that date, without the General Meeting having to pass any separate resolution (see [Current Report No. 48/2021 of September 27th 2021](#)).

On March 18th 2022, the Grenevia Management Board received information that on March 17th 2022 the amendments to the Company's Articles of Association made pursuant to Resolutions No. 3 and No. 4 of the Extraordinary General Meeting of December 14th 2021 had been registered by the Registry Court (see [Current Report No. 13/2022 of March 18th 2022](#)).

The Company's share capital was reduced from PLN 5,747,632.12 to PLN 5,746,806.73, i.e. by PLN 825.39, through the cancellation of 82,539 ordinary bearer shares with a par value of PLN 0.01 per share.



Grenevia shares on the WSE

Grenevia shares on the Warsaw Stock Exchange

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 35.3m, was allocated to the Company’s statutory reserve funds.

Dividend policy

The pursuit by the Grenevia Group of its new strategic directions as adopted in May 2021 will require that any profits be reinvested, in particular at the ini-

tial stages. The dividend, if any, will depend on profits earned in a given year, the investment attractiveness of new projects and growth prospects, as well as the financial and liquidity situation of the Grenevia Group. The table below presents cash dividends paid by Grenevia S.A. for 2018–2022.

Price per share (PLN)	2018	2019	2020	2021	2021
Cash dividend per share	0.44	0.53	–	–	–

Investor relations at the Grenevia Group

In its investor relations activities Grenevia S.A. places focus on ensuring transparent and active communication with capital market participants, working in close liaison with investors and analysts, and on ensuring compliance with disclosure requirements set out in applicable laws. The Investor Relations Department, along with Company representatives, regularly hold meetings with investors and analysts, both at home and abroad, and participate in most regional and industry investor conferences. The activities undertaken by the Investor Relations department in its contacts with investors aim to facilitate reliable assessment of the Group’s financial standing and market position in the context of changes occurring in the sector of machinery and equipment suppliers as well as of the effectiveness of the new strategic directions intended to transform the Grenevia Group from a soft rock mining machinery manufacturer into a holding investing in green transition projects and opportunities in other related promising industries.

The Company holds quarterly conferences for investors and analysts (face-to-face or online conference calls) to present the financial and operating results of the Grenevia Group. Four quarterly earnings presentation conferences and approximately 30 investor meetings were held in 2022.

In order to provide easy, quick and fair access to information on the Grenevia Group, the Company runs a corporate website <https://grenevia.com/en/for-investors/> where it regularly posts current reports, periodic reports, presentations and other information relevant to understanding the Grenevia Group’s activities, available in Polish and English.

Social capital and employees

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Our employees



At year-end 2022
the Grenevia Group had

2,613 employees




We run initiatives benefiting our people

At Grenevia, we want to promote development and support the safety of our people. Our aim is to support our employees in achieving top performance, self-fulfilment and a healthy work-life balance. We believe that by promoting and actively supporting workplace diversity we can attract, develop and retain top talent.

Grenevia S.A. has no employees based outside Poland. Employees outside Europe, mainly in Africa and Asia, represent less than 5% of total workforce.

Employment

Number of employees at the Grenevia Group

	women 		men 		total 	
	2022	2021	2022	2021	2022	2021
full-time	401	278	2,153	2,183	2,554	2,461
part-time	24	16	35	45	59	61
Total	425	294	2,188	2,228	2,613	2,522

Number of employees at the Grenevia Group

	2022		2021		2022		2021	
	2022	2021	2022	2021	2022	2021	2022	2021
permanent	339	273	1,880	1,944	2,219	2,217		
fixed time	86	21	308	284	394	305		
Total	425	294	2,188	2,228	2,613	2,522		

Our employees

Employment

Number of new hires at the Grenevia Group, by age	2022		2021	
	new hires	%	new hires	%
Under 30	165	45	36	14
30–50	184	14	64	5
Over 50	47	5	38	4
Total	396	15	138	5

Number of employees leaving the Grenevia Group, by age, and turnover rate (%)	2022		2021	
	leavers	%	leavers	%
Under 30	98	27	71	27
30–50	154	12	222	18
Over 50	103	11	220	21
Total	355	14	513	20

Number of new hires at the Grenevia S.A., by gender	2022		2021	
	new hires	%	new hires	%
Woman	92	22	14	5
Men	304	14	124	6
Total	396	15	138	5

Employees leaving the Grenevia Group, by gender, and turnover rate (%)	2022		2021	
	leavers	%	leavers	%
Woman	67	16	41	14
Men	288	13	472	21
Total	355	14	513	20

The number of new hires and leavers in foreign entities was immaterial to the Group as a whole.

I Our employees

Engagement survey

We want to be a preferred, long-term and responsible employer

We are committed to fostering open communication and creating an engaging workplace, which ultimately helps to improve our business efficiency. Striving to know more about how our employees perceive us, how they feel in the workplace and what they think about our relationship, we launched an employee engagement programme at Grenevia S.A. The engagement score shows the percentage of the organisation’s employees who exhibit the following three qualities:

- ① Engaged employees share positive things about their organisation with colleagues, potential employees, and customers.
- ② Engaged employees want to be part of the organisation and have no plans of changing jobs.
- ③ Engaged employees feel motivated by the organisation to put in some extra effort.

An engagement survey was conducted in 2021. In 2022, an action plan was developed, setting out 10 priorities identified on the basis of the survey results and outlining employee engagement actions to be taken by the company.

With insights gained from the survey results, we can accurately respond to employee needs and set ourselves new goals in fostering a workplace where people want to be. In 2023, the engagement survey will also be conducted at the Group’s portfolio companies.



Wellbeing

Tailored employee benefits

We offer our employees benefits and perks that best suit their needs. We have put in place benefit programmes that support physical fitness, passions and health of our employees and their families. The Grenevia Group provides additional medical care insurance for employees and their family members, funded fully by the employer or co-funded by employees. Employees can use Multisport membership cards and cafeteria benefits systems. Grenevia offers tickets for cultural and sporting events, team-building trips, holiday allowances, Christmas gifts and other gifts for children. Elgór+Hansen has established an employee volleyball team, and regular volleyball training sessions are organised by the company. Grenevia has an employee football team that plays in the Sports Business League. Also, Grenevia S.A., Primetech S.A., Śląskie Towarzystwo Wiertnicze DALBIS sp. z o.o. and IMPACT Clean Power Technology S.A. have Company Social Benefit Funds in place.

I Our employees

Our Company celebrates its 100th anniversary

After pandemic restrictions were lifted, in 2022 we held celebrations to mark the Company's 100th anniversary, which aimed to commemorate the Company's history and traditions, reward the longest-serving employees, and create teambuilding opportunities.

The celebrations included family events:

Doors Open Days (June) – almost 700 adults and 400 children took a tour around our five manufacturing plants over three days. Children had the opportunity to see where and how their parents work, families and friends had a chance to learn more about the processes taking place at our manufacturing plants, and employees could share details of their daily work.

Anniversary Gala (November) – more than 1,200 attendees (former and current employees and associates with guests) gathered at the International Congress Centre in Katowice to celebrate 100 years of our company's achievements and commitment to promoting the development of our region. The Anniversary Gala was divided into three parts:

1. Grand opening that featured a ballet performance and a screening of a film showcasing the company's history
2. On-stage presentation of awards and distinctions bestowed upon employees
3. Teambuilding events including a dance party and refreshments.

In celebration of the anniversary, a multimedia and printed chronicle was produced, showcasing the Company's 100-year history in the context of the region's and Poland's economic development. Several dozen employees were involved in the project, contributing by aggregating and providing data, as well as sharing their own memories. They also agreed to appear before the camera as part of a project called 'Our history'.

→ <https://kronika.famur.com/>





I Our employees

Employee training

We foster employee training and development

We strive to make sure all employees have access to professional development opportunities. We provide training we believe all employees should receive, as well as individual training opportunities and assistance with the cost of studies and language courses. In 2022, the Grenevia Group spent more than PLN 2m on employee training. At Grenevia S.A., 57 people received individual training, 1,231 people par-

ticipated in group training, 60 people were learning foreign languages, and 408 employees took part in e-learning courses (37 types of training in total).

Employee development and upskilling programmes at Grenevia S.A. and Grenevia Group

The training programmes in place are tailored to support the achievement of business goals as well as to foster employee development. The training programmes delivered in 2022 included:

- I Statutory training (occupational health and safety training)
- I Competency-based training (Future Leaders Academy, Manufacturing Leaders Academy, Managers Academy, training on team management, development programmes for management personnel, training on team communication, language courses, industry-specific training).
- I Qualification improvement training (postgraduate programmes: Renewable Energy for Business, Energy Management, MBA, Lean Six Sigma Manager).
- I In-house training (regulatory changes, internal procedures, policies and standards, developing inter-team competencies within the Group).

Average hours of training received by Grenevia Group employees, by gender and employee category

	2022		2021	
	women	men	women	men
Senior management (Management Board)	8	514	-	448
Directors and managers	1,071	4,406	377	3,048
Other employees	2,584	17,217	1,402	13,711
Total	3,663	22,137	1,779	17,207



Our employees



Employee health and safety

Occupational safety management

One of the Grenevia Group's priorities is to maintain a high level of occupational safety for its own employees and employees of subcontractors performing work for or on behalf of the Group companies, as well as for all visitors at its manufacturing plants. In addition to strict compliance with the law, additional non-mandatory measures are taken to prevent injuries, accidents at work and occupational diseases and to raise employees' OHS knowledge and awareness.

The Group companies are consistently implementing a lean culture, in which particular attention is paid to occupational safety, health and ergonomics through consistent improvement of processes related to OHS aspects. Guided by the principles of lean management, we reward employees who achieve the best results in terms of efficiency and work organisation while being committed to safety at work under the KAIZEN/5S/Working Safely programmes.

We develop corporate safety programmes and standards (including a visual management system) encouraging employees to constantly seek efficiency and improve everyday behaviour. We analyse near misses, root causes or potential non-conformities using various tools, including the 5 Whys method. Good health and safety practices are implemented, such as the Lock out Tag out (LOTO) system, which improves the safety of employees servicing machinery and equipment, reduces human error and prevents accidental start-up of the machine being serviced. Grenevia S.A. conducts OHS behavioural audits, with employees observing the behaviour of their colleagues to identify unsafe behaviours that could lead to accidents, and takes action to prevent such behaviours from occurring in the future. Each employee subject to such audit is provided with feedback. Impact Clean Power Technology S.A. promotes a culture of safety by celebrating World Day for Safety and Health at Work.



I **Our employees**

Employee health and safety record-keeping system and performance indicators at the Grenevia Group

Occupational health and safety management system

The Grenevia Group adheres to ISO 45001:2018-certified high OHS standards that apply to its own employees and contractors working at its manufacturing sites (Grenevia S.A., Elgór+Hansen S.A., IMPACT Clean Power Technology S.A.). The Grenevia Group companies constantly work to improve their occupational safety management by Setting goals and monitoring progress in each area, devising plans for OHS improvement and performing monthly and annual health and safety analyses.

Hazard identification, risk assessment, and incident investigation

We routinely conduct hazard identification, risk assessment and near miss, incident and safety hazard analyses. In the process, we develop and update the Occupational Risk Assessment for individual positions, perform working conditions assessments, provide descriptions of safe working methods in work instructions, and monitor working conditions. The Workplace Hazard Reporting programme is an important part of the process. Risks and hazards are identified and assessed and preventive measures are implemented in line with the guidelines of the RISC SCORE method. The assessment is performed by a team consisting of the area manager, a long-serving employee/social labour inspector, and a health and safety specialist responsible for coordinating the assessment process. The findings of the risk identification and assessment process are used to identify areas where risk can be reduced, and to set health and safety goals and actions for the coming years. Programmes in place at our companies, such as the Spot a Safety Hazard and KAIZEN programmes, serve to motivate employees. Employees and supervisors may report safety incidents and propose changes to a process or a workstation, which directly contributes to improving safety. All hazards and improvement proposals submitted by employees are discussed and analysed

by their team. The findings are actioned instantly or incorporated into health and safety improvement plans. Progress is monitored and verified during regular meetings of inspection personnel.

Occupational health services

Employees have access to primary medical care including occupational health services and screening tests. The services include issuance of medical opinions/certificates and assessment of employees' capacity to work, monitoring the health of employees in high-risk groups, examinations for diagnostics of occupational diseases and other work-related illnesses. Occupational physicians are available to employees at all times. Meetings of the OHS team and employee representatives held onsite to discuss and address health risks to employees are also attended by an occupational physician.

Worker participation, consultation and communication on occupational health and safety

Our companies have employee representatives actively contributing to workplace health and safety improvement. The OHS committees and safety committees in place comprise employer representatives, an occupational physician and employee representatives including the company social labour inspector. During meetings the committees issue opinions on draft organisational changes, analyse occupational risk assessment findings, issue opinions on personal protective equipment, clothing and footwear provided to employees, discuss the results of workplace inspections and audits, and discuss the findings of near miss and incident analyses. For consultation purposes, employees are represented by social labour inspectors elected every four years. They actively participate in the process of designing and maintaining a high-level occupational safety system, attending meetings of the OHS committees, periodic OHS meetings, workplace inspections and safety hazard assessments, providing opinions on the implemented safety measures and issuing recommendations on how working conditions can be improved. An internal communication system is in place to support communication with employees.



I Our employees

Employee health and safety training

Mandatory safety training is provided to employees and contractors to familiarise them with applicable safety standards. OHS training helps raise employees’ and contractors’ awareness of the safety standards in place. Training is conducted internally with the participation of inspection staff, specialists in relevant fields, and external firms. Periodic training in occupational health and safety is provided to employers, persons in managerial positions, engineering and technical staff, OHS team members, blue-collar workers exposed to high risk (including in underground mining operations) and administrative and office staff. Also, OHS training on specific risks and hazards is provided where needed, for instance to employees occasionally going underground in coal mines, or GWO basic safety training for onshore wind turbines. We also provide employees with occupational health and safety training in SEP E and SEP D certification, as well as first aid and fire protection training.

Employee health promotion

Employees have access to private medical care tailored to their needs. The employer set the amount of its participation in the cost of medical packages to make them more attractive and encourage employees to use them. Medical packages dedicated to specific age groups and health screening tests are also available. Employees are provided with Multisport membership cards and are encouraged to participate in sponsored sports events (marathons, football matches, etc).

Prevention and mitigation of OHS impacts directly linked to business profile

Our companies have contractor safety classification and oversight policies in place applying to third-party contractors working or staying onsite. Most contractors are classified according to the type of their work activity or risk level. Before being allowed to work or enter the production floor, a person must receive training in the health and safety standards applied at the site. Contractors may perform work after obtaining a written permit. Contractors are regularly evaluated in terms of safety performance.

Work-related injuries

Number of work-related accidents at the Grenevia Group, by type

Type of accident	2022			2021		
	employees	contractors	total	employees	contractors	total
Minor	64	-	64	46	-	46
Severe	7	-	7	1	-	1
Fatal	-	-	-	-	-	-
Collective	-	-	-	-	-	-
Total	71	-	71	47	-	47

The increase in the number of accidents reported by the Grenevia Group in 2022 versus 2021 was attributable mainly to a rise in accidents at the South African

company (20 accidents more in total). All severe accidents recorded in 2022 and 2021 occurred at the same South African company.

I Our employees

Occupational health indicators of the Grenevia Group

Grenevia Group

	2022	2021
Days lost	1,564	2,054
Cases of occupational illness among former employees reported in the period	5	4
Number of employees with exceeded maximum admissible concentrations (MAC) or maximum admissible intensities (MAI) in the year	86	100
Accident severity rate (number of days lost per accident) (number of days lost/number of accidents)	n/a	n/a
Accident frequency rate (accidents at work per 1,000 employees) (number of accidents/*number of employees*1,000)	n/a	n/a

Accident severity and frequency rates are calculated for each company separately. The calculation of a single indicator for the Group does not reflect the actual accident rate.

Respect for human rights

We recognise, protect and support all regulations, guidelines and recommendations designed to protect and promote children’s rights and human rights in Poland and globally. We aim for a workplace free of harassment, bullying and discrimination on any grounds such as age, gender, ethnicity, religion, nationality, political beliefs, gender identity, sexual orientation, or disability. When dealing with business partners, we pay particular attention to whether their corporate values are similar to ours.

Grenevia S.A. and Elgór+Hansen S.A. have human rights procedures in place, including the Diversity Policy, Community Engagement Policy, Human Rights Policy, HR Policy, and Anti-Bullying Policy. IMPACT Clean Technology S.A. has adopted a Code of Conduct that embodies its commitment to human rights and employee rights. At the Grenevia Group companies, we are gradually expanding the scope of training for employees to include employee rights, respect and dignity at work, and human rights. Our portfolio companies have a number of procedures and policies in place to ensure that respect for human rights is embedded throughout their activities.

! No human rights violations were recorded in the reporting period or in the period in which the portfolio companies were consolidated.

We respect and honour the right to freedom of association and the right to collective bargaining. Trade unions operate at Grenevia S.A. and Elgór+Hansen S.A. 95.65% of Grenevia S.A. employees and 11% of Elgór+Hansen S.A. employees were covered by a collective bargaining agreement in 2022.

Continuous improvement is key to us, so we have taken steps to harmonise our internal human rights regulations. The Grenevia Group resolved it would launch a project to systematise its human rights due diligence processes in 2023 In order to step up violation prevention efforts, accurately identify any undesirable behaviours and violations, manage human rights risks, and deliver additional educational programmes.

Our employees

Diversity policy

We develop an organisational culture that promotes equality and diversity

We believe that by nurturing workplace diversity we foster creativity, effectiveness and loyalty. Committed to diversity, we increase our chances of attracting new talent and we stimulate innovation in our team, which helps to sharpen our competitive edge and create new directions for growth. We aim to foster a workplace where employees feel they are being respected and supported in realising and harnessing their potential, skills and experience. We take concrete steps to create a culture of dialogue, openness, tolerance and teamwork.

In line with our Diversity Policy, we maintain our commitment to building an organisational culture of respect and diversity where employees feel valued and where they can develop their potential. We take these principles into account when devising recruitment processes, employee development paths, and training programmes. We will not tolerate any direct or indirect discrimination, we have adopted procedures and policies and we take concrete measures to counter any form of discrimination, workplace bullying or exclusion.

We will take additional measures to encourage women to take up employment at the Grenevia Group. We want to offer terms of employment providing opportunities to achieve a successful career without having to give up or limit family life. We aim to take measures supporting women in their professional and personal development, providing easier access to jobs and educating employees on opportunities and benefits of diverse teams.

Workforce diversity at the Grenevia Group

Age of our oldest employee

72 years

Age of our youngest employee

18 years

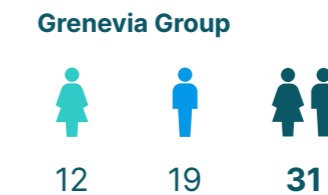
Longest service

49 years

Employees by gender and by function (%)

Grenevia Group	women		men		total	
	2022	2021	2022	2021	2022	2021
Administrative	13	9	35	30	48	39
Production	3	2	49	59	52	61
Total	16	11	84	89	100	100

Number of people with disabilities employed at the Grenevia Group in 2022



Share of women by age and by level at the Grenevia Group as at December 31st 2022 (%)

	share of women (%)	Age group (%)		
		under 30	30–50	Over 50
Management Board	13	-	69	31
Directors and managers	19	5	67	28
Other employees	16	15	49	36



Our community engagement

We go beyond just financial performance, measuring our business success also by our sustainability achievements

In line with our Sustainability Strategy 2023–2030, we actively support educational, development, and business initiatives promoting sustainable development, internship and trainee programmes.

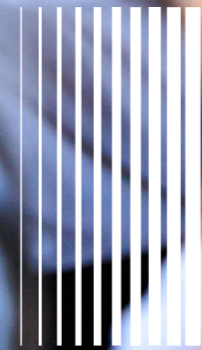
Our community activities are based on building and strengthening positive relationships with our external stakeholders. We want to make a positive and real contribution to meeting the expectations of local communities, which we support through training, event sponsorships, grants, donations, and volunteering. In our activities, we pursue Grenevia S.A.'s principles integrated into its corporate charitable giving and sponsorship policies.

We believe that investing in education and development of young people is the most valuable contribution to society. Therefore, we support initiatives and organisations which assist young people in setting their goals for the future and choosing the optimum education and development pathways. We support non-governmental and other non-profit organisations pursuing public benefit activities in the area of social work, counteracting social exclusion and fostering equal opportunities.

As a socially responsible organisation, the Grenevia Group donated over PLN 8m to the 'Guardian Angels House' Youth Assistance Association and the TDJ Foundation for the Promotion of Education and Development.

We work with businesses and organisations to support the sustainable development of Poland and its regions

image TDJ Foundation 2023



PLN 8m

cash donations in 2022

I Our community engagement



image TDJ Foundation 2023

TDJ Foundation

The TDJ Foundation for the Promotion of Education and Development offers valuable support to parents and children of Grenevia Group employees.

The mission of the TDJ Foundation is to support children, youth, and families in developing their competencies and exploring their passions so that they can build their future consciously and responsibly, while serving others. The TDJ Foundation was established to provide children and young people with access to the best educational practices possible. The Foundation aims to actively disseminate best practices and knowledge in education and development by implementing its own programmes for children, young people, and education professionals. Its educational and development projects are based on building relationships and creating a value-based community where young people are offered space to develop their skills and build their future in a conscious manner. The TDJ Foundation runs a number of projects and initiatives directly related to education, development, and support. The activities of the Educare Institute include programmes, training, e-learning and webinars for teachers and management of educational institutions. The Educare Institute provides professional development training for teachers as well as training

in holistic education and upbringing. Until the end of 2022, the Educare Institute provided training to more than 2,800 participants and 40 institutions. Moreover, since the Foundation's inception, more than 700 children were sent on summer holidays, and more than 380 children took part in dedicated developmental support programmes.

A new edition of Holidays with Passion was organised in 2022 for children of employees from all portfolio companies, who were given the opportunity to come back together, find inspiration to learn, and pursue their passions after a period of isolation caused by the COVID-19 pandemic. Holidays with Passion is an educational and development project that combines teambuilding activities with great fun. 87 children from the Grenevia Group in total participated in Holidays with Passion in 2022.

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Our community engagement

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In 2022, Grenevia’s children and young people once had the opportunity to participate in a new edition of the Individual Development Programme. The goal of the IDP is to level the playing field in access to education and to counter exclusion and peer violence. The programme forms part of social assistance activities and helps its participants to optimise their development potential. The Individual Development Programme places special emphasis on building a peer community based on mutual support, offering a source of intrinsic motivation for young people to be healthy and grow.

In 2022, 18 persons from the Grenevia Group completed the 2021 edition, and 23 persons joined the new edition.

IDP Tutoring is a method based on a relationship between a tutor and a tutee, where the tutor helps a young person discover their strengths and set their goals, and who accompanies the person in achieving these goals. In 2022, 45 individuals from the Grenevia Group took part in IDP Tutoring.

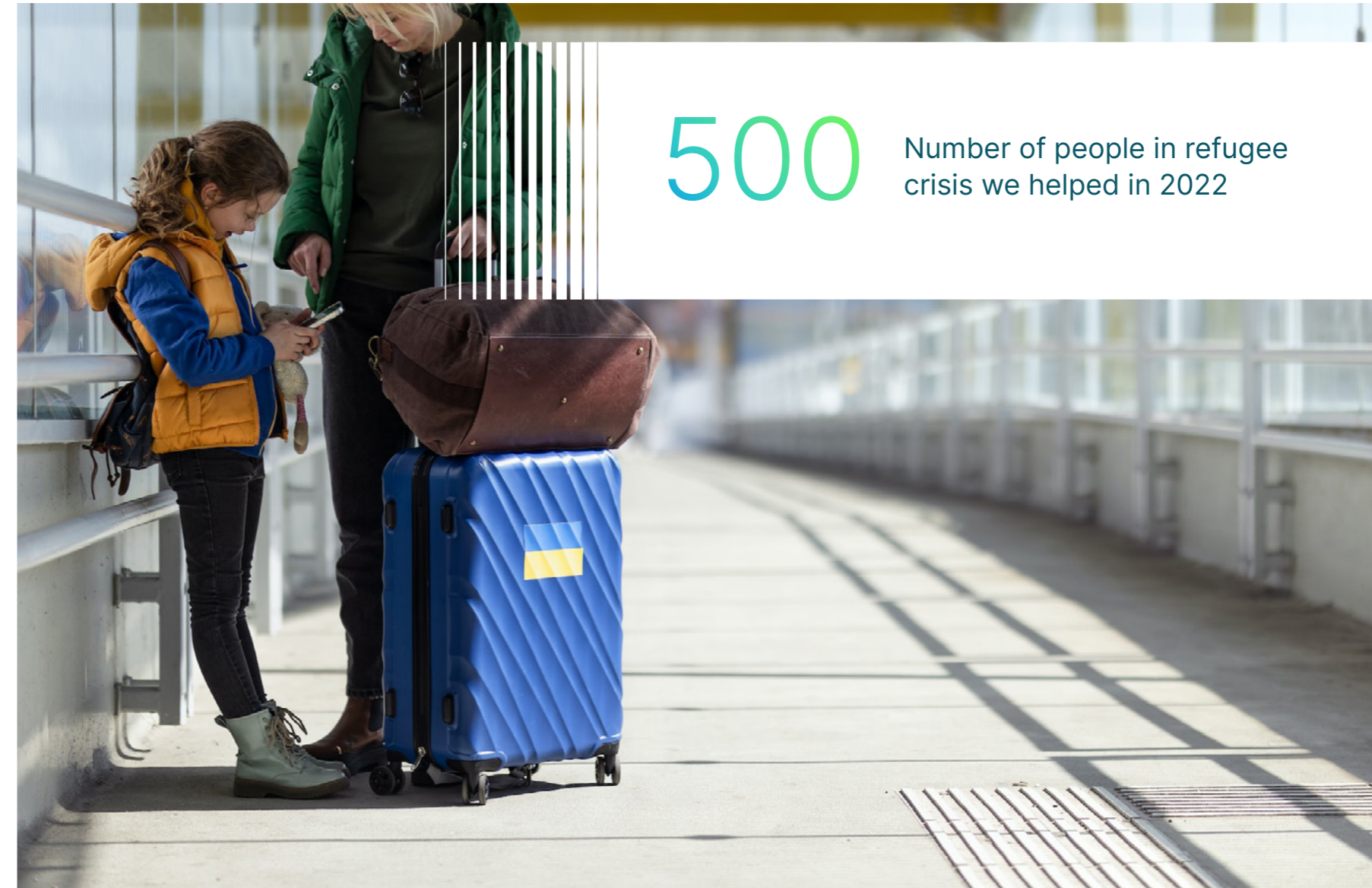
IDP volunteering is a voluntary, unpaid engagement of young people who work for the TDJ Foundation or other institutions in different areas of community

life. In 2022, 10 people from the Grenevia Group participated in the volunteering module.

Mini-projects implemented under the IDP are designed to prepare young people to carry out their own projects that serve others. With the support of a mini-project coordinator, having identified a social need, they implement their mini-projects in a step-by-step approach to find out how to fulfil that need. In 2022, 8 people from the Grenevia Group participated in the mini-projects module.

IDP Individual Support is addressed to those who could not join the Individual Development Programme because recruitment was closed, but who still need year-round support. For instance, they may require developmental support which the Individual Development Programme does not provide. In 2022, 10 people from the Grenevia Group participated in the Individual Support module.

In line with its statutory goals of *providing assistance to victims of disasters, natural calamities, armed conflicts, and wars in their home country and abroad*, the TDJ Foundation launched a number of aid programmes in 2022 addressed to people affected by the war in Ukraine. The Foundation provided assistance to the civilian population through purchasing and organising the transport of



basic necessities, cash donations, and psychological support. Grenevia S.A. made a number of in-kind donations, which were used by the TDJ Foundation

to counter the effects of hostilities in the Ukrainian territory and were handed over to individuals affected by the wartime crisis in Ukraine.



I Our community engagement

When the Russian Federation invaded the territory of Ukraine, an independent nation, Grenevia Group employees were engaged in providing immediate wide-ranging support to Ukrainians. More than 200 people were actively engaged during the early days of the war. Charity drives were organised for Ukraine – some items were donated to the Polish Humanitarian Action, and some were transferred to warehouses prepared by Grenevia and subsequently redistributed to centres which hosted children from Ukrainian orphanages. Grenevia employees, together with the Katowice Residents’ Association, set up a charity shop where people from Ukraine could stock up on essential groceries, clothes, cleaning products, cosmetics, household items or toys for children on a daily basis. The company and employees restocked the shop with basic necessities and volunteered on site until July 2022. Relying on their networks of friends and acquaintances, employees arranged transport to bring Ukrainian families to Poland and searched for places to accommodate the refugees. Many people from our community have hosted Ukrainian citizens in their homes. Beds, mattresses, and bedding were purchased for families who fled to Poland and stayed in Gorlice and Zabrze, and kitchen equipment and supplies were bought for a workers’ hostel in Zabrze. Warehouse space in Zabrze was provided to Professor Zbigniew Religa Foundation of Cardiac Surgery Development,

which was used to store equipment and supplies for Ukrainian medical centres. Ukrainian warehouse volunteers and their children participated in doors open days at Grenevia S.A. and took part in the company’s excursions. Employees helped refugees find jobs and supported them in official and legal matters. Aid packages for refugee children were provided, such as multilingual books and colouring books handed over to families of employees who took in refugees. Owing to the outstanding commitment of our volunteers, we helped more than 500 people in refugee crisis.

In 2022, the portfolio companies participated in a number of other outreach initiatives aimed at supporting the local communities, aid and education institutions, foundations, and associations, as well as helping former employees in distress.

Community outreach initiatives

In 2022, employees of the Grenevia Group took part in a number of noble initiatives to give back to their communities.

Project name	Beneficiary	Number of employees involved
Christmas Youth Empowering Aid	‘Guardian Angels House’ Youth Assistance Association	+200
The Noble Gift	Families in need of support	340
League of Patrons of the Guardian Angels House	‘Guardian Angels House’ Youth Assistance Association	+100
Aid for Ukraine – organised together with the Katowice Residents’ Association	Refugees from Ukraine	+100
FAMUR Doors Open Days	Employees and families	300

I Our community engagement

Collaboration with schools and universities

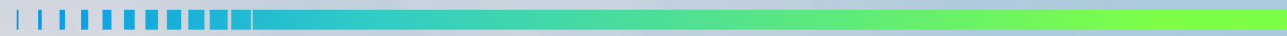
We want our success to drive skill development and access to education.

Guided by our ambition to make a positive impact on our local communities, we offer the opportunity to acquire valuable work experience through internship and work placement programmes at Grenevia S.A. and Elgór+Hansen S.A.

We take part in educational fairs and scientific trade conferences to showcase our manufacturing operations, and we support classes organised under our patronage. As part of the initiatives undertaken by Grenevia S.A., we partnered with 15 educational institutions (high schools and universities), owing to which 43 people could complete internships and work placements with us. Patronage classes are run by two schools: ZST Gorlice (three classes and 40 students) and ZST Mikołów (three classes and 46 students). The Katowice: City of Professionals programme covers six elementary schools (40 students). Elgór+Hansen S.A. provided work placements and internships for seven university students and 14 secondary school students.



Environment and climate



100 Our environmental impact





Our environmental impact

We aim to achieve a significant reduction in our Scope 1 and Scope 2 emissions

By the end of 2024, approximately 35% of energy will come from RES and this percentage will increase in the following years through the development of our own sources and cPPAs, if available and economically justified.

Grupa Grenevia

	jednostka	2022	2021
Fuels consumed in buildings and installations	MWh	2,030	2,729
Natural gas	MWh	2,023	2,719
Fuel oil	MWh	7	10
LPG	MWh	-	-
Fuels used in transport by own vehicles	Mg	780	528
Gasoline	Mg	118	68
Diesel oil	Mg	632	458
LPG	Mg	29	2
Electricity from all sources	MWh	15,956	14,039
Purchased electricity	MWh	15,863	16,125
Renewable electricity	MWh	93	-
Purchased heat	GJ	32,352	37,497

Our aim is to **reduce Scope 1 and Scope 2** greenhouse gas emissions by 40% by 2030 compared with 2021.



2023



Our environmental impact

The Grenevia Group seeks to ensure that, as a first step, its production facilities develop action plans to increase energy efficiency and cut greenhouse gas (GHG) emissions, which would also generate tangible energy cost savings.

A case in point are the activities undertaken in the FAMUR segment. 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. Work is currently under way to expand the capacity of the existing rooftop installations to more than 0.5 MWp and to launch new installations with a total capacity of 0.25 MWp in other locations. Plans are in place to build another ground-based 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).

Energy efficiency and greenhouse gas reduction are also significant factors taken into consideration when planning new investments. An example is GigafactoryX built in the E-mobility segment, with approximately 30% of its power demand to be covered by a 410 kWp solar PV farm with a 1 MW energy storage bank. Our Power Engineering company Elgór+Hansen has plans to install rooftop solar PV systems with a capacity of up to 250 kWp. About 75% of the electricity output is to be consumed internally (around 30% of the segment's total energy demand).

The amount of fuel consumed in the Grenevia Group's buildings and installations in 2022 was 2,030 MWh, down 26% on 2021.

The amount of heat purchased by the Group also fell, to 32,352 GJ (down 14%), with electricity consumption up 14%, to 15,956 MWh.

Carbon footprint calculation methodology

The Grenevia Group measured its Scope 1 and Scope 2 carbon footprint for the first time Relying on a methodology prepared on the basis of The GHG Protocol Corporate Accounting and Reporting Standard and GHG Protocol: Scope 2 Guidance.

The GHG Protocol Corporate Standard provides requirements and guidance for companies and other organisations reporting on their corporate-level GHG emissions. The standard covers the reporting of seven greenhouse gases covered by the Kyoto Protocol:

1. carbon dioxide (CO₂)
2. methane (CH₄)
3. nitrous oxide (N₂O)
4. hydrofluorocarbons (HFCs)
5. perfluorocarbons (PCFs)
6. sulphur hexafluoride (SF₆)
7. and nitrogen trifluoride (NF₃).

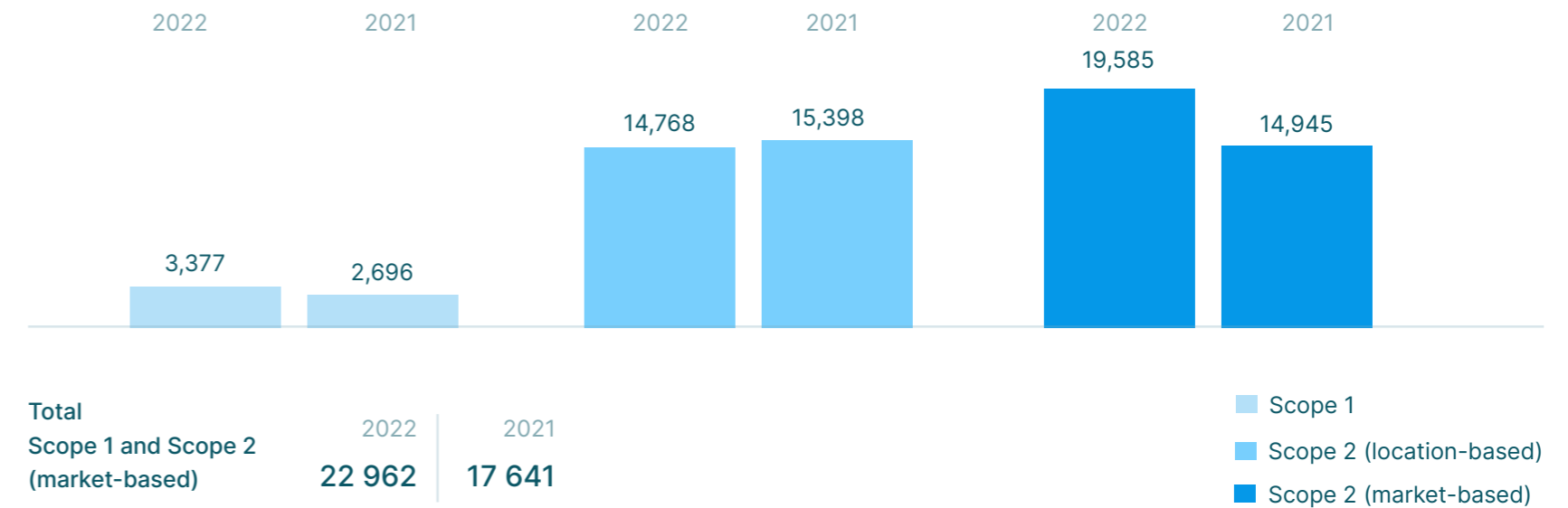
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Our environmental impact

GHG emissions of the Grenevia Group

Grenevia Group

GHG emissions (Mg CO₂e)



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For the purpose of preparing a GHG emissions inventory, the Grenevia Group elected the operational control approach. The Scope 1 emissions were stationary combustion, mobile combustion and process emissions. No fugitive emissions were recorded in the reporting year. The Scope 2 emissions were emissions from purchased electricity and district heat. No process steam or cooling was used by Grenevia Group companies. Scope 2 carbon footprint was calculated using two methods. One was the location-based method reflecting the aver-

age emissions intensity of the local network where energy consumption occurs. The method is based on emissions factors for purchased energy aggregated and averaged within a defined geographic boundary. For the purposes of the location-based method, the following emission factors were used to calculate emissions from electricity and district heat consumed by the Grenevia Group companies:

- for electricity – the national emission factor published by the National Emissions Balancing and Management Centre (KOBIZE), the grid emission factor for South Africa (Eskom), and the grid emission factor for Kazakhstan published in “GCF-EBRD Kazakhstan Renewables Framework”
- for district heat – the emission factor published by the Energy Regulatory Authority (URE).

The Grenevia Group is preparing to measure its Scope 3 greenhouse gas emissions, to be disclosed in the 2023 report.

The increase in Scope 2 market-based emissions was attributable to an electricity supply contract for 2022–2023 signed by a buying group including Grenevia in 2021. The Grenevia Group upholds its Scope 1 and Scope 2 emissions reduction target set against a 2021 baseline, as outlined in the Sustainability Strategy. The key steps towards achieving the strategic CO₂ emissions reduction target will be to build in-house power generation sources (solar PV systems to begin with), purchase green energy under cPPAs and use fuel criteria when signing new contracts with energy suppliers.



I Our environmental impact

We strive to reduce the volumes of electricity, water and other resources used in our operations

In its business activities, the Grenevia Group takes into account the existing and future environmental impacts of the processes applied at each of its manufacturing plants. The Grenevia Group companies have implemented a certified ISO 14001 Environmental Management System to minimise any significant environmental impacts.

They operate in compliance with the applicable environmental protection requirements and based on valid sectoral permits (including permits for waste generation, permits for gas and dust emissions, and water permits), fulfilling their reporting obligations stipulated in the environmental laws in a timely manner. By effectively monitoring and controlling their environmental footprint, the Grenevia Group companies are able to take immediate action to mitigate the risk of adverse events. In order to properly manage environmental matters, some of the Grenevia Group subsidiaries have implemented Integrated Management Systems, which include an

Integrated Management System Policy (specific to the individual companies) as their integral parts. All the Group companies have in place internal regulations designed to ensure top quality and safety of their products and services. They also seek to minimise, wherever possible, the environmental impact of their operations.

In its Environmental Policy developed and implemented in 2018, Grenevia committed to minimising its environmental footprint on an ongoing basis, including through:

- I Rational waste management, including waste reclamation and recycling
- I Introducing changes to the applied environmentally friendly technologies
- I Rational management of energy and water
- I Efficient management of hazardous substances and reduction of emissions of substances harmful to the environment.

A Lean Management culture focused on raising the employees' awareness of operational efficiency and the need to reduce our environmental footprint significantly facilitates the efforts to mitigate the environmental impact of our operations. The tools, methods and improvements implemented to enhance the efficiency of manufacturing processes help rationalise the use of utilities and water, optimise consumption of raw or recyclable materials, and streamline waste and packaging management.

Our environmental impact



Sustainable IT

We seek to ensure that our carbon footprint reduction efforts also cover IT operations. We launched and completed the following initiatives in 2022:

- | Equipment reuse – we transferred 692 pieces of computer hardware (monitors, desktop computers, laptops, printers) to an electrical and electronic waste recycling company. We sold ten pieces of IT equipment to our employees. We also transferred 90 cell phones for disposal and sold 122 phones to our employees.
- | In 2022, we started a Data Center upgrade project to replace the existing server and network infrastructure and set up a second redundant location. When designing the architecture of the solution, we focused on high availability of services and a significant reduction in the number of devices and their energy consumption profile.
- | We digitised paper HR applications that generated hundreds of sheets of paper monthly (applications concerning recruitment, employment, change of employment terms and conditions, contract termination, overtime, working time, remote work, Company Social Benefits Fund, etc.).



Our environmental impact

Waste management

Grenevia Group

Waste (Mg)	2022	2021
Hazardous waste	202	211
Recycling	16	23
Reuse	-	-
Other recovery operations	103	124
Landfilling	-	-
Incineration	83	64
Other disposal operations	-	-
Non-hazardous waste	8,192	8,561
Recycling	948	1,309
Reuse	-	6
Other recovery operations	6,170	6,556
Landfilling	664	269
Incineration	27	-
Other disposal operations	180	210
Total waste	8,192	8,561

Rational waste management is among the key objectives set in our Environmental Policy, which focuses on:

- | Improving waste management
- | Rational management of packaging
- | Use of recyclable materials
- | Optimising the use of raw materials



Decrease in waste volumes relative to 2021

The Grenevia Group generated **8,192 Mg** of waste in 2022





Our environmental impact

Water consumption

The volume of water used in FAMUR’s technological processes is negligible. The technological processes of the PV and E-mobility segments do not require large amounts of water as neither the solar PV panels nor the battery cells are manufactured at the Grenevia Group. Water is used for sanitation purposes.

Grenevia Group

	2022	2021
Water consumption (m ³)		
Water purchased	28,093	28,757
Water from own intakes	-	1,948
Total water consumption	28,093	30,750

The Grenevia Group seeks to ensure rational use of water in its operations.



Lower water consumption relative to 2021

The Grenevia Group used **28,093 m³** of water in 2022



Our environmental impact

The development of our new segments supporting energy transition will at the same time contribute to avoiding greenhouse gas emissions

In 2022, the PV segment continued to expand its PV project portfolio and develop solar farms. In December 2022, the segment had a portfolio of energised projects with a total capacity of 91 MW and the potential to avoid around 68,000 tonnes of annual CO₂ emissions. As at the end of 2022, we had 120 MW of projects under construction and 65 MW of projects in a pre-construction phase in our portfolio. The total capacity of all our projects at various stages of development exceeded 3 GW at the end of 2022.

Our second key segment contributing to emissions avoidance is E-mobility. The business segment is built around IMPACT, a company which became part of the Grenevia Group in mid-November 2022. IMPACT is a leading manufacturer of innovative,

tailor-made battery systems mainly for bus, rail and specialist transport applications and stationary energy storage applications. As at the end of 2022, IMPACT's battery systems were installed in more than 2,000 electric buses, mostly in Europe, but they were also used for public transport and industrial applications in North America, Asia, and Australia.

Another business activity indirectly contributing to GHG emissions avoidance is wind turbine gearbox repair/refurbishment services launched by the FAMUR segment in 2022. On September 12th 2022, a collaboration agreement was signed with Energa Wytwarzanie for the repair/refurbishment and maintenance of equipment necessary for the continuous and efficient operation of renewable generation sources. In December 2022, the first turbine

gearbox refurbished by FAMUR was installed at the Karścino wind farm, together with a pilot wind turbine monitoring system. The cooperation is being gradually expanded to include repair/refurbishment of wind turbine frequency inverters and delivery of gearbox operation monitoring and diagnostics systems.



An estimated **2.3 million tonnes of CO₂ will be avoided by 2030** as these two segments grow and expand the scale of their operations.

I Our environmental impact

Embracing the circular economy

We want to give old batteries from electric buses a second life.

Our key strategic initiative in E-mobility that fits with the circular economy concept is giving used EV batteries a second life in stationary energy storage systems that require lower usable capacity. IMPACT's battery systems installed in EVs are furnished with a remote diagnostics system enabling full surveillance and wear control. The average life of an EV battery system is eight to ten years. After the end of its first useful life, a battery system can be used for another four to six years at virtually no extra cost in stationary storage systems, mainly at medium-sized solar PV farms (1 MW–5 MW) or in energy storage systems directly connected to the grid.

IMPACT's portfolio includes a project using a second-life EV battery from an electric bus for stationary energy storage applications at a Polish distribution network operator. The energy storage system will be used to perform network services related to grid balancing. The project will extend the life of the battery by repurposing it for a different business segment and help delay its disposal.

FAMUR's products are largely circular in design.

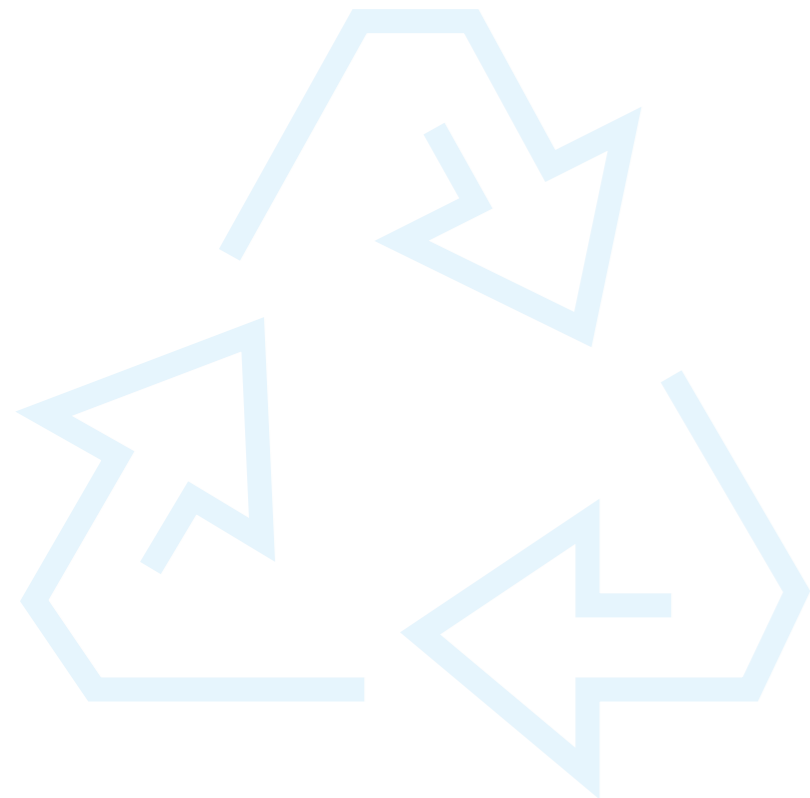
We have long made efforts to close the loop on our mining equipment. By designing machinery parts, components and assemblies for future reuse based on pre-planned reconditioning processes and material recovery methods.

We evaluate the usability and reusability of every piece of equipment that we receive after the end of its useful life. The equipment is then disassembled into parts, which are cleaned and evaluated to determine the degree of their wear and tear and capability of being reconditioned. Our reconditioning technologies allow us to restore their technical qualities and reuse them in machinery without loss of performance. Our reconditioned machinery meets all requirements applicable to new machinery and has the same technical parameters.

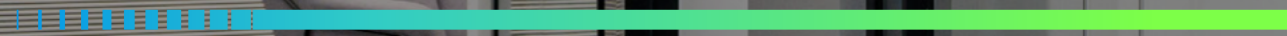
Restoring machinery to its peak working condition through reconditioning significantly reduces costs, minimises the utilisation of new parts, and decreases the demand for energy and materials required for their production. We estimate that about 70%–80% of the parts we use are reconditioned parts and only about 20%–30% are new parts (mainly hydraulic and electrical equipment and control system components).

Through reconditioning processes, we give FAMUR's products a second life,

- I helping to protect the environment by lowering demand for virgin materials, reducing waste and lowering greenhouse gas emissions.
- I We support our customers by lowering refurbishment costs, extending the product life cycle and facilitating machinery upgrades.
- I We are satisfied that our efforts contribute to saving natural resources and protecting the environment.



Corporate governance



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Corporate governance



We consider sustainability an integral part of decision making at the Grenevia Group.

In 2023, we took steps to implement appropriate operational processes and ESG management responsibilities, with uniform policies covering identified areas of material impact of the Grenevia Group's operations on its external environment and stakeholders to be updated and implemented by the end of 2024.

We aim to create a robust organisational structure with properly located operations controls and compliance risk management functions. The key element of compliance management is to build a strong organisational culture based on ethical standards and relevant procedures and training. The compli-

ance culture facilitates proper process management, with a particular focus on process transparency and clear communication.

As involvement of executives and managers in the due diligence process is critical to us, responsibilities in this area were assigned at Grenevia S.A. and at individual portfolio companies. Through informed integration with the organisation's internal culture we can effectively manage change and build trust among employees, business partners, and other stakeholders.

We foster a culture of integrity embodied in our internal regulations that apply to all employees regardless of their position. Training is vital to us in promoting a culture of integrity and ethical conduct. We launch training programmes to raise employee awareness of desired behaviour and strengthen their understanding of material topics. Training is tailored to meet the specific needs of individual organisational units and to propose the best course of action to take in response to various situations.

In pursuit of our 2023–2030 Sustainability Strategy, we have taken steps to harmonise corporate governance rules across the Grenevia Group. We want to align our operations with the best available market standards. In order to enable consistent and effective management of corporate, human rights, security, environmental and climate risks, we have taken steps to streamline risk management across the Grenevia Group.

We will introduce pay-based incentive mechanisms related to ESG objectives, including the aspirations set out in the Grenevia Group's Sustainability Strategy, for the management staff and directors at Grenevia S.A. and at the portfolio companies.



Corporate governance

Anti-corruption

The Grenevia Group maintains its unwavering commitment to zero tolerance for corruption.

As corruption poses serious financial and reputational risks to any organisation, we have implemented a number of procedures to mitigate the risk of bribery and corruption. Grenevia S.A. and Elgór+Hansen S.A. have implemented the Anti-Corruption and Gift Policy and the Anti-Corruption Code setting out standards designed to eliminate corruption and improve incident detection. The Policy and the Code provide detailed descriptions of corrupt behaviour and set out rules for accepting and presenting business gifts and dealing with public servants. They also provide guidance on how to handle difficult situations and indicate persons who can help to solve them. All employees across all levels and positions are required to comply with the Anti-Corruption and Gift Policy and the Anti-Corruption Code. IMPACT Clean Technology S.A. has adopted a Code of Conduct that covers anti-corruption and anti-bribery. Our overriding goal is to build trust and promote ethical conduct among our employees, independent contractors, and business partners.

We are taking numerous measures to maximise security by preventing and detecting incidents of corruption and by running awareness-raising and educational projects – a uniform system for reporting violations is being implemented across the Grenevia Group. Employees who are most at risk of corruption in their work undergo job-specific and risk-specific training. The requirements stipulated by our compliance programme (including risk identification, training, standardisation of procedures, audits, reporting and monitoring) are now being implemented at our portfolio companies.

Our Group-wide competence-building programmes seek to improve efficiency while protecting shareholders' interests and mitigating risks. No incidents of corruption were recorded at the Grenevia Group in the reporting period.



Conflict of interest prevention

Transparency as an integral part of business

Recognising that conflicts of interest can adversely affect our business, we are committed to transparency in everything we do. As conflicts of interest can directly or indirectly influence decisions of Grenevia Group employees, early identification and management of conflicts of interest is critical. We will not accept a situation where a person uses its position to further their own private interests to the detriment of the organisation or its employees and

business partners. Although we respect the right to privacy and personal interests, we take prevention of conflicts of interest very seriously, and we constantly monitor the situation to ensure all activities undertaken within the organisation are transparent. Grenevia S.A. and Elgór+Hansen S.A. have a conflict of interest policy in place. IMPACT Clean Technology S.A. has adopted a Code of Conduct that covers prevention of conflicts of interest. Grenevia Group companies take concrete measures to eliminate any potential conflicts of interest. The Group has embarked on a project to harmonise its internal conflict of interest procedures.



Corporate governance



Responsibility in the supply chain

By the end of 2025, relationships with 70% of Grenevia Group’s key suppliers will be based on the principles set out in the Grenevia Group’s Supplier Sustainability Code.

We will strive to ensure that our local suppliers and partners in Poland take part in sustainable development information efforts undertaken by the Grenevia Group.

In 2022, the Grenevia Group had business relationships with approximately 4,100 suppliers, most of them based in Poland and other European countries. A large share of purchases in the PV and E-mobility segments were made in Asia.

We make every effort to promote respect for human rights through an open dialogue with our stakeholders. Our business success is never at the expense of product quality or our ethical standards. Our business dealings are based on honesty, integrity, trust, and responsibility. We comply with all applicable anti-corruption laws in the countries where we operate. Our business relationships are underpinned by respect for fair competition, trade secrets, and intellectual property. We protect personal data and promote mechanisms preventing conflicts of interest. We expect our suppliers to respect and comply with the standards and principles we adhere to. We want to work with partners who understand our values, follow the rules of fair collaboration, and are committed to mutual respect and transparency.

To this end, Grenevia S.A. and Elgór+Hansen S.A. have adopted a Supplier Code of Ethics, a binding standard that promotes responsibility among our external stakeholders and encourages good practices among our suppliers. A full text of the Code is

available on the companies’ websites. Compliance with the Code is an obligatory criterion in vetting prospective trade partners. Also, Grenevia Group companies manage supplier relationships using approved supplier lists to prevent purchases from random unapproved suppliers. Suppliers are vetted in accordance with applicable internal procedures, taking into account the business profiles of individual companies. Self-assessments and audits are also carried out.

Our suppliers are expected to operate sustainably, particularly when it comes to using natural resources, respecting human rights and minimising adverse impacts along their own value chains. Suppliers should be aware of growing customer expectations around sustainability and carbon footprint of products and services, employee safety, and community engagement. A close dialogue with suppliers facilitates building stable partnerships and contributes to achieving long-term goals set in our 2023–2030 Sustainability Strategy.

Caring to maintain high standards in our value chain and to deliver on our commitments responsibly, we have taken steps to develop a Group-wide Supplier Sustainability Code. It will help ensure we work with companies respecting human rights, occupational

safety, environmental protection and anti-corruption standards in their operations.

Our course of action towards a sustainable value chain is expected to minimise adverse environmental and social impacts, create value for the Grenevia Group, and sharpen our competitive edge through proper ESG risk management.

Corporate governance



Whistleblowing

Compliance across the board.

Grenevia S.A. and Elgór+Hansen S.A. have put whistleblowing procedures in place to ensure full compliance with the law and internal standards of conduct. Employees can report actual or suspected violations of laws, internal regulations or ethical standards. Reports can be made anonymously through various communication channels. All reports are reviewed and investigated in accordance with relevant procedures. Investigations are strictly confidential, with protection afforded to the whistleblower and all persons involved in the case.

In early 2023, we launched a project to deploy an IT tool designed to support the reporting process and the handling and processing of reports. The IT system will feature certain options, including the ability to make reports via a web browser, communicate with the whistleblower (anonymously or otherwise) and make audio recordings. The project covers all Grenevia Group companies. Our efforts seek to enhance our compliance management system and fulfil our obligations under Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law. The project will update and harmonise relevant procedures to bring them in compliance with applicable EU and national regulations on whistleblower protection across the Grenevia Group.

Corporate governance at Grenevia S.A.

Shareholding structure

Shareholders holding directly or indirectly (through subsidiaries) 5% or more of total voting rights at the General Meeting of Grenevia S.A. as at the issue date of this full-year report and changes in the shareholding structure after the issue of the previous interim report.

In the period between the issue of the most recent interim report for the three months ended September 30th 2022 and the date of issue of this full-year report, there were the following changes in the Grenevia S.A. shareholding structure:

- I The holding of Aviva Otwarty Fundusz Emerytalny Aviva Santander fell from 9.66% to 0% of the Company's share capital as a result of ownership changes (see Current Report No. 2/2023 of January 19th 2023).
- I The holding of Powszechne Towarzystwo Emerytalne Allianz Polska S.A., managing Allianz Polska Otwarty Fundusz Emerytalny ("Allianz OFE") and Allianz Polska Dobrowolny Fundusz Emerytalny ("Allianz DFE"), increased from 0% to 9.66% of the Company's share capital (see Current Report No. 2/2023 of January 19th 2023).

To the best of the knowledge of the Grenevia S.A. Management Board, and based on the most recent Extraordinary General Meeting of February 16th 2023 (see Current Report No. 4/2023 of February

16th 2023), the shareholding structure of Grenevia S.A. as at the date of issue of this full-year report for 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*	58,037,000	58,037,000	10.10%
Allianz OFE and DFE**	55,513,805	55,513,805	9.66%
Grenevia S.A.***	4,116	4,116	0.00%
Other shareholders****	170,397,293	170,397,293	29.65%
Total	574,680,673	574,680,673	100%

* aggregate value for accounts of OFE and DFE funds managed by NN PTE
 ** aggregate value for accounts of OFE and DFE funds managed by Allianz PTE
 *** held indirectly through the subsidiary FAMUR Finance sp. z o.o.
 **** total other shareholders holding less than 5% of total voting rights.

I Corporate governance at Grenevia S.A.

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

According to the Company's knowledge, no Company shares were held by Grenevia's management or supervisory personnel as at December 31st 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 (indirectly, through TDJ S.A.'s subsidiary TDJ Equity I sp. z o.o.), remaining a major shareholder in the Company.

Significant holdings and special control rights.

For details of the shareholding structure as at December 31st 2022 and as at the date of the most recent Extraordinary General Meeting of the Company, see section 'Shareholding structure'. There are no securities conferring any special control rights in the Company. Also, the Management Board is not aware of any restrictions on the transferability of Company shares or of any agreements that could lead to future changes in the shareholding structure.

Operation and key powers of the General Meeting; shareholder rights and how they are exercised.

The General Meeting of Grenevia S.A. operates in accordance with the Rules of Procedure for the General Meeting, the company's Articles of Association, and the Commercial Companies Code. Apart from other matters provided for in relevant laws, the key powers of the General Meeting include:

- a. Appointment and removal from office of Supervisory Board members;
- b. Determination of the rules of remuneration of Supervisory Board members;

- c. Determination of the amounts of remuneration for the Supervisory Board members delegated to individually perform certain supervisory functions on a permanent basis.

General Meetings of public companies are convened by posting a relevant notice on the company's website and in the manner prescribed for publication of current reports, in accordance with the provisions of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies. Such notice should be published at least twenty-six days prior to the date of the General Meeting. A notice of a public company's General Meeting should include as a minimum:

1. The date, time and place of the Meeting and a detailed agenda for the Meeting;
2. Precise description of procedures for participating in the General Meeting and exercising voting rights, including in particular information on:
 - a. a shareholder's right to request that certain items be placed on the agenda of the General Meeting;
 - b. a shareholder's right to propose draft resolutions on matters which have been placed or are to be placed on the agenda prior to the General Meeting;

- c. a shareholder's right to propose draft resolutions on matters which have been placed on the agenda during the General Meeting;
 - d. voting through a proxy, including information on the proxy voting forms, and the manner of notifying the Company of appointment of a proxy using electronic means of communication;
 - e. the possibility and manner of participation in the General Meeting using electronic means of communication;
 - f. information on how to take the floor at the General Meeting using electronic communication means;
 - g. voting by postal ballot or by using electronic means of communication;
3. the record date for participation in the General Meeting referred to in Art. 406¹ of the Commercial Companies Code,
 4. information that only persons being the Company's shareholders as at the record date for participation in the General Meeting may attend the Meeting;

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I Corporate governance at Grenevia S.A.

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5. information on where and how a person entitled to attend the General Meeting may access a complete set of documents to be presented to the Meeting, as well as draft resolutions or, if no resolutions are to be passed, comments from the Management Board or the Supervisory Board on matters which have been placed on the agenda or are to be placed on the agenda before the date of the Meeting;
6. address of the website on which information on the Meeting will be made available.

Only persons who are Company shareholders sixteen days prior to the date of the General Meeting (the record date for participation in the General Meeting) have the right to attend the Meeting. The record date for participation in the General Meeting is the same for holders of rights attached to bearer shares and registered shares.

The Chairperson's role is to open and chair the General Meeting, and to ensure that the Meeting proceeds smoothly and that the rights and interests of all the shareholders are respected. After presentation of each item on the agenda by a rapporteur, the Chairperson of the General Meeting opens the discussion. More than one agenda item may be discussed at the same time. Participants take the floor

in the order in which they requested to speak. With respect to each agenda item and procedural matter, a shareholder is only entitled to speak and reply once. The General Meeting may only pass resolutions concerning matters on its agenda.

One share carries the right to one vote. A shareholder may vote each of their shares in a different manner. A shareholder has the right to vote on each proposal once.

Resolutions of the General Meeting are passed with an absolute majority of votes, unless the company's Articles of Association or the Commercial Companies Code provide otherwise. Resolutions are voted on in an open ballot. A secret ballot is ordered in the case of voting on appointment or removal from office of members of the company's governing bodies or its liquidators, on bringing somebody to account and on personnel matters.

The chairperson of the General Meeting announces the results of a vote, which are then recorded in the minutes of the meeting. The minutes of a General Meeting are drawn up by a notary public. Shareholders and members of the Company's governing bodies have the right to review the minutes of General Meetings and to request to be issued their copies certified as true by the Management Board.

Amendments to the Articles of Association

Any amendment to the company's Articles of Association requires a resolution by the General Meeting and must be entered in the National Court Register. An amendment to the Articles of Association must be submitted by the Management Board to the registry court Within three months from the date on which the General Meeting passed the resolution introducing the amendment. The General Meeting may authorise the Supervisory Board to prepare a consolidated text of the amended Articles of Association or to make other editorial changes to the Articles of Association as specified in the General Meeting's resolution.

On March 17th 2022, the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, registered the amendments to the Company's Articles of Association made pursuant to Resolutions Nos. 3 and 4 of the Extraordinary General Meeting of the Company held on December 14th 2021. The Company's share capital was reduced from PLN 5,747,632.12 to PLN 5,746,806.73, that is by PLN 825.39, which corresponds to the total par value of cancelled treasury shares. Art. 6.1 of the company's Articles of Association was amended.

On April 3rd 2023, the District Court of Katowice – Wschód in Katowice, 8th Commercial Division of the National Court Register, registered the amendments to the Company's Articles of Association made pursuant to Resolution No. 2 of the Extraordinary General Meeting of the Company held on February 16th 2023, under which the Company's business name was changed from FAMUR Spółka Akcyjna to Grenevia Spółka Akcyjna. The Company may use the abbreviated name of Grenevia S.A. Art. 1 of the Company's Articles of Association was amended.

The consolidated text of the Articles of Association is available on the Company's corporate website <https://grenevia.com/en/corporate-governance/>.

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Corporate governance at Grenevia S.A.

Composition of the Management Board and the Supervisory Board

Management Board of Grenevia S.A.

Composition of the Management Board as at December 31st 2022

Full name	position
Miroslaw Bendzera	President of the Management Board
Beata Zawiszowska	Vice President of the Management Board, Chief Financial Officer
Dawid Gruszczyk	Vice President of the Management Board, Sales
Tomasz Jakubowski	Vice President of the Management Board, Chief Operating Officer, Underground
Ireneusz Kazimierski	Vice President of the Management Board, Business Development



Miroslaw Bendzera

President of the Management Board responsible for the Grenevia Group's strategy and development. He holds a master's degree in Management and Marketing from the Kraków University of Economics. He has served in the governing bodies of Ponar Wadowice S.A. and Ponar Silesia S.A. and held a managerial position at Toyota Motor Poland Co. Ltd. Since 2009, she has served on the management boards of companies affiliated with the TDJ Group. He was president of the management board of Odlewnia Żeliwa Śrem S.A., Pioma-Odlewnia sp. z o.o. and Polska Grupa Odlewnicza S.A. In October 2014, he assumed the position of President of Grenevia S.A. From January to July 2016, he was a member of the management board of Elgór+Zamet sp. z o.o.



Beata Zawiszowska

Vice President of the Management Board, Chief Financial Officer, responsible for coordination of finance and accounting activities of the Grenevia Group. Since 1998, she has served on the management boards of companies affiliated with the TDJ Group. She has been a member of the Management Board of Grenevia S.A. since its inception in 2002.



Tomasz Jakubowski

Vice President of the Management Board, Chief Operating Officer, Underground, responsible for operational management of the FAMUR segment. He is a graduate of the Faculty of Transport of the Silesian University of Technology in Katowice. He also completed post-graduate management studies based on the MBA programme organised by SGH Warsaw School of Economics in cooperation with the University of Minnesota (USA). During his professional career he has held managerial positions and served as member of management boards at many TDJ Group companies. In 2003–2010, he was President and Vice President of the Manage-

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Corporate governance at Grenevia S.A.



Dawid Gruszczyc

Vice President of the Management Board, Sales. He is in charge of the FAMUR segment's domestic and export sales. He graduated from the Katowice University of Economics, completed a postgraduate programme at the Warsaw School of Economics and the General Ziętek Silesian University of Management in Katowice. In 2003–2008, he worked at the Office of Management Board Advisors at Elgór+Hansen sp. z o.o. From 2004, he held managerial positions in Elgór+Zamet sp. z o.o. He has served on the Management Board of Grenevia S.A. since January 2016.

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ment Board of Grenevia S.A. He also served as president of the management board of Fabryka Zmechanizowanych Obudów Ścianowych FAZOS S.A. From July 2012, he was a member of the supervisory board of Kompania Węglowa S.A., and from May 2014 to January 2015 served on the company's management board as vice president responsible for restructuring and development. From May 2015, he served as president of the management board of Zamet S.A. At the Zamet Group, he also served as chairman of the supervisory board of Zamet – Budowa Maszyn S.A. (from August 2017) and president of the management board of Zamet Industry sp. z o.o. (from January 2018).

! For a full description of positions held and functions performed by the Management Board members, see Current Reports No. 35/2019 of June 13th 2019 and No. 57/2019 of November 12th 2019.

Changes in the Management Board composition in 2022

On December 13th 2022, Ireneusz Kazimierski resigned from the position of Vice President of the Management Board, Chief Business Development Officer, with effect from the end of December 31st 2022. The reason for his resignation was his full commitment to his work at IMPACT Clean Power Technology S.A. of Warsaw, a subsidiary of Grenevia S.A.

Composition of the Management Board as at the issue date of this report

full name	position
Mirosław Bendzera	President of the Management Board
Beata Zawiszowska	Vice President of the Management Board, Chief Financial Officer
Dawid Gruszczyc	Vice President of the Management Board, Sales
Tomasz Jakubowski	Vice President of the Management Board, Chief Operating Officer, Underground



Corporate governance at Grenevia S.A.

Composition of the Management Board of Grenevia S.A. as at July 1st 2023

On May 29th 2023, the following persons submitted reasoned letters of resignation from their respective positions on the Management Board, effective from the end of the day on June 30th 2023:

- | Mirosław Bendzera – President of the Management Board,
- | Dawid Gruszczyk – Vice President of the Management Board, Sales,
- | Tomasz Jakubowski – Vice President of the Management Board, Chief Operating Officer, Underground Segment.

Citing reasons for their resignations, these persons referred directly to their planned assumption of duties on the management board of the newly established subsidiary of Grenevia S.A. whose principal activity would consist in the day-to-day management and development of the Famur Segment (solutions for the mining and wind power sectors).

On May 29th 2023, the Supervisory Board of Grenevia S.A. passed a resolution to appoint

Beata Zawiszowska as President of the Management Board of Grenevia S.A. with effect from July 1st 2023.

The purpose of these changes is to streamline the Group’s organisational structure and allow the above-named managers to focus on the task of scaling up and diversifying one of the business areas strategic to the Group’s further development, namely the Famur Segment.

These adjustments align with the new strategic directions of Grenevia S.A. (formerly: FAMUR S.A.) as announced in May 2021. Their primary objective is to transform the Group into an organisation investing in green transition projects and opportunities. As a result, the Group’s structure will be simplified. As a holding company, Grenevia S.A. will base its operations on four business segments (‘PV’, ‘E-mobility’, ‘Power Engineering’, and ‘FAMUR’). Their growth and day-to-day management will be overseen by the management boards of the portfolio companies dedicated to representing each segment.

Beata Zawiszowska

New President of the Management Board of Grenevia S.A.





Corporate governance at Grenevia S.A.

The committees operating within the Supervisory Board of Grenevia S.A. since 2018 are the Nomination and Remuneration Committee, Strategy and Investment Committee, and Audit Committee.

The composition of each committee is presented below.

Supervisory Board of Grenevia S.A.

Composition of the Supervisory Board as at December 31st 2022

Tomasz Domogała
Chairman of the Supervisory Board

Czesław Kisiel
Deputy Chairman of the Supervisory Board

Jacek Leonkiewicz
Member of the Supervisory Board

Adam Toborek
Member of the Supervisory Board

Dorota Wyjadłowska*
Member of the Supervisory Board

Tomasz Kruk*
Member of the Supervisory Board

* Supervisory Board member meeting statutory independence criteria

Committees of the Supervisory Board

Composition of the Committees as at December 31st 2022

Strategy and Investment Committee:

- | Czesław Kisiel
- | Adam Toborek
- | Jacek Leonkiewicz

Nomination and Remuneration Committee:

- | Czesław Kisiel
- | Adam Toborek
- | Jacek Leonkiewicz

Audit Committee:

- | Tomasz Kruk, Chairman of the Audit Committee
- | Dorota Wyjadłowska
- | Jacek Leonkiewicz



I Corporate governance at Grenevia S.A.

Tomasz Domogała

A graduate of the AGH University of Science and Technology of Kraków (M.Sc.Eng. from the Faculty of Mechanical Engineering and Robotics) and the University of Loughborough, UK (Faculty of Mechanical and Manufacturing Engineering). He holds an MBA from the Stanford Graduate School of Business, US. He holds indirectly a controlling interest in Grenevia S.A. He served on the supervisory boards of Teamtechnik Production Technology sp. z o.o., FAMAK S.A., FPM S.A., PGO S.A., ZAMET S.A., Narzędzia i Urządzenia Wiertnicze GLINIK sp. z o.o., PRIMETECH S.A., Fabryka Maszyn GLINIK S.A., PME S.A., Odlewnia Żeliwa Śrem S.A., Zamet-Budowa Maszyn S.A., Pioma Odlewnia sp. z o.o., and Gerlach S.A. Since 2010, he has served on the supervisory board of TDJ S.A. of Katowice. His service on the Grenevia's Supervisory Board started in 2004.

Czesław Kisiel

A graduate of the Kraków University of Economics with a diploma in Planning earned after completing the Planning and Financing of National Economy programme at the Faculty of Production Economics. He completed post-graduate management studies based on the MBA framework organised by the Warsaw School of Economics. He also completed a course for receivers and liquidators, as well a course for members of the supervisory boards of state-stock companies and state-owned companies, organised by the Ministry of Industry and Trade and the Business Consulting Service. His service on the Grenevia's Supervisory Board started in 2009. He served on the supervisory boards of Teamtechnik Production Technology sp. z o.o., PRIMETECH S.A., PARTNER S.A., FPM S.A., FAMAK S.A., FUGO ODLEW sp. z o.o., FUGO S.A., PGO S.A., Fabryka Maszyn GLINIK S.A., ZAMET S.A., PME S.A., REMAG S.A., Pemug Inwestycje i Sprzęt sp. z o.o., Zamet – Budowa Maszyn S.A., Towarzystwo Funduszy Inwestycyjnych Silesia S.A., Zakłady Mechaniczne ZGODA sp. z o.o., Jastrzębska Spółka Węglowa S.A., Pioma – Odlewnia sp. z o.o., and Warmińskie Zakłady Przetwórstwa Owocowo-Warzywnego Kwidzyn sp. z o.o. He served on the management boards of TDJ Equity VI sp. z o.o., TDJ Equity V sp. z o.o., TDJ Equity IV sp. z o.o., Przedsiębiorstwo Usługowe AB Consulting sp. z o.o., TDJ sp. z o.o., Zamet – Budowa Maszyn S.A., TDJ Investments sp. z o.o., Fabryka Maszyn Górniczych PIOMA S.A., Lodus sp. z o.o., Przedsiębiorstwo Handlu Chemikaliami Chemia-Wrocław S.A., Polaris – Chłodnie Śląskie sp. z o.o., Kinoplex-Silesia sp. z o.o., and Węglokoks-Agro sp. z o.o. He serves on the management boards of KTW sp. z o.o., KTW II sp. z o.o., TDJ EQUITY I sp. z o.o., TDJ EQUITY II sp. z o.o., TDJ EQUITY III sp. z o.o., TDJ Finance sp. z o.o., and TDJ S.A.

Jacek Leonkiewicz

A graduate of the Warsaw School of Economics, holder of a CEMS Master in International Management. He also studied at Universidad Carlos III of Madrid and Copenhagen Business School. He began his professional career at J.P. Morgan (an investment bank) in London, UK, where he worked in the Equity Capital Markets, Debt Capital Markets and Equity Private Placements teams. He was also a member of the Debt Capital Partners team at Merrill Lynch in London. Mr Leonkiewicz then worked for PKO TFI, where his role was equity market research, with particular focus on construction, industrial, property development and transport companies. In 2013–2015, Mr Leonkiewicz served as Managing Director for Corporate Supervision and Privatisation at PKP S.A., where he was responsible for the monitoring of privatisation processes at the PKP Group. He was responsible for overseeing the stock exchange debut and facilitating the accelerated bookbuild process for PKP Cargo. From January 2015 to March 2016 he was CEO of PKP Intercity S.A. From 2016, he was managing partner at TDJ S.A. In 2023, he became president of the company's management board. He served on the supervisory boards of Spedkoks, PKP Energetyka, TK Telekom, PKP Cargo, PRIME-TECH S.A., Odlewnia Żeliwa ŚREM S.A., Pioma-Odlewnia sp. z o.o., Pemug S.A., Zamet-Budowa Maszyn S.A., and FAMAK S.A. He serves on the supervisory boards of Sports Resorts Solutions sp. z o.o., PGO S.A., FPM S.A., Zamet S.A., Narzędzia i Urządzenia Wiertnicze GLINIK sp. z o.o., TALKIN THINGS sp. z o.o., Teamtechnik Production Technology sp. z o.o., IMPACT Clean Power Technology S.A., Edina Vetcare Group S.A., and Advanced Production Technology sp. z o.o.

Dorota Wyjadłowska

A graduated of the Cracow University of Economics majoring in Finance. She completed postgraduate studies in Financial and Tax Law at Warsaw School of Economics as well as in Economic Law at Cracow University of Economics. She passed the state exam for a tax advisor and was entered in the list of tax advisors. She worked for the Kraków Tax Chamber. She was a member of the management board of Equus S.A. and president of the management board of Spółka Doradztwa Podatkowe KDT sp. z o.o. Since 2001, she has been the owner of a tax advisory firm under the name of Kancelaria Doradztwa Skarbowego Dorota Wyjadłowska, and in 2015 she was appointed vice president of the management board of Longline sp. z o.o., responsible for finance and taxes. Ms Wyjadłowska meets the statutory independence criteria for a member of the Supervisory Board of Grenevia S.A.

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Tomasz Kruk

A graduate of the Faculty of Economics and Management of the Lazarski University in Warsaw, with an MA degree in economics (specialisation: strategic management). He studied risk management at the Warsaw School of Economics (postgraduate studies in Risk Management at Financial Institutions). In 2006, he became a member of the Institute of Internal Auditors, FL, USA, and in 2008 he was designated as a Certified Internal Auditor (CIA). He is qualified in project management (having passed Prince2 Foundation Examination). A member of the International Compliance Association, Mr Kruk received an ICA International Diploma in Governance, Risk & Compliance. He has over 10 years of experience in compliance audits, internal audits, special audits, advisory audits, litigation advice, risk management, as well as fraud and abuse risk management projects. His project experience spans various sectors, including finance, logistics, transport, real estate management, land surveying and cartography, infrastructure project management, IT and telecommunications, HORECA/holiday resort management, property development and light industry. He has a long track record of working in management and supervisory roles, including as a member of investment committees. For more than a decade, he has worked directly with the management and supervisory boards of both private and public sector companies. Mr Kruk meets the statutory independence criteria for a member of the Supervisory Board of Grenevia S.A.

Adam Toborek

He holds a university degree. He completed the Master of Business Administration programme at the Kozminski University in Warsaw. He has also completed a range of managerial courses in Poland and abroad: Project Portfolio Management – OMEC (2014), Conscious Leadership – MPS (2013), Leadership Training Corporate Management Platform – Ramirent PLC (2010), Young Business Talents – Smithfield (2000), and Cooperative Management – VOCA (1998). From 2017, he was Vice President of Grenevia S.A.'s longwall systems segment responsible for sales. From January 2018 he was Vice President of the Company's Management Board, and from January 1st 2019 to June 21st 2021, he served as Vice President of the Management Board, Underground Segment Export Sales. He started his professional career in BRADO companies, where he held various roles, including that of president of the management board of Z.M. BRADO 2 S.A. He also served as president of the management board of RODO SRL of Romania and of Lodus sp. z o.o. He was Head of the Distribution Centre at Animex S.A. (Smithfield Foods Incorporated), and in 2000–2015 he worked for the RAMIRENT Group of Finland, where he served as Director of the South Region, vice president of the management board of RAMIRENT Scaffolding Sp. z o.o., and member of the management board of RAMIRENT S.A. In 2015–2017, he worked for Narzędzia i Urządzenia Wiertnicze GLINIK sp. z o.o., initially as vice president of the management board and then as president of the management board. Currently, he serves as a member of the company's supervisory board. He serves of the supervisory boards of Finance PV 1 S.A., Elgór+Hansen S.A., Teamtechnik Production Technology sp. z o.o., Projekt Solartechnik S.A., ZAMET S.A., FPM S.A., and PGO S.A. He serves on the management boards of PV Czerniewice 2 sp. z o.o., PV Czerniewice 1 sp. z o.o., Advanced Production Technology sp. z o.o., TDJ Equity II sp. z o.o., TDJ Equity VI sp. z o.o., TDJ Equity I sp. z o.o., and TDJ Equity III sp. z o.o.

For a full description of positions held and functions performed by Members of the Supervisory Board, see Current Report No. 26/2021 of June 15th 2021 on nomination of candidates for Supervisory Board members and Current Report No. 30/2021 of June 22nd 2021 on the appointment of Management Board members for a new term. Current reports are available on the Company's corporate website <https://grenevia.com/en/reports/>.

The Supervisory Board members are not engaged in any activities competing with Grenevia's business and are not partners in any competing partnership under civil law or another type of partnership, or members of the governing bodies of other companies. None of the persons specified above is entered in the Register of Insolvent Debtors maintained under the National Court Register Act. Dorota Wyjadłowska and Tomasz Kruk meet the statutory independence criteria for members of Grenevia's Supervisory Board.



Corporate governance at Grenevia S.A.



Changes on the Supervisory Board composition in 2022

On December 13th 2022, the Company received a statement from TDJ Equity I sp. z o.o. of Katowice, a shareholder holding over 20% of voting rights at the General Meeting of Grenevia S.A, announcing the appointment, made pursuant to Art. 13.3 and Art. 13.4 of the Company’s Articles of Association, of Robert Rogowski to the Supervisory Board of Grenevia S.A., effective from January 1st 2023.

Composition of the Supervisory Board as at the issue date of this report

full name	position
Tomasz Domogała	Chairman of the Supervisory Board
Czesław Kisiel	Deputy Chairman of the Supervisory Board
Jacek Leonkiewicz	Member of the Supervisory Board
Adam Toborek	Member of the Supervisory Board
Robert Rogowski	Member of the Supervisory Board
Dorota Wyjadłowska*	Member of the Supervisory Board
Tomasz Kruk*	Member of the Supervisory Board

* Supervisory Board member meeting statutory independence criteria

Pan Robert Rogowski

A graduate of the University of Warmia and Mazury in Olsztyn (Master of Science in Mechanical Engineering) and completed postgraduate studies in business management at the Kotarbiński University of Information Technology and Management in Olsztyn, and Central Europe Trust and The Chartered Association of Certified Accountants (ACCA). Since 1998, he has worked in finance, strategic and operational management, mainly for WSE listed companies. He held management positions in Indykpol S.A. and Fabryka Mebli Forte S.A. From 2014, he served as chief financial officer at Rolmex S.A. He also served as vice president of Wine Taste sp. z o.o. and a member of the supervisory board of Indykpol Brand sp. z o.o. He has been involved with TDJ since 2017. In 2017–2018, he was a member of the Supervisory Board of Grenevia. He currently serves on the supervisory boards of PGO S.A., FPM S.A., Narzędzia i Urządzenia Wiertnicze GLINIK sp. z o.o., Teamtechnik Production Technology sp. z o.o., PME S.A., and ZAMET S.A. He is a member of the management boards of TTDJ S.A., TDJ Estate sp. z o.o. and Invest TDJ Estate sp. z o.o. Mr Rogowski is not

a partner in any partnership under civil law or another type of partnership, a member of a governing body of any incorporated company, or a member of a governing body of any other legal entity competing with the Company. He is not entered in the Register of Insolvent Debtors maintained pursuant to the National Court Register Act.



I Corporate governance at Grenevia S.A.

Rules governing appointment, removal and replacement of the Company's Management Board members and amendment of the company's Articles of Association; powers of Management Board members (including in particular the authority to resolve to issue or buy back shares)

Members of the Management Board are appointed and removed by the Supervisory Board. The Management Board consists of one or more members. When appointing members of the Management Board, the Supervisory Board determines their number and defines the function that each appointed person will perform on the Management Board. Members of the Management Board are appointed for a joint three-year term of office. A member of the Management Board may at any time resign from his or her position. A resignation should be submitted in writing.

The Management Board manages the Company's affairs and represents the Company before third parties. Resolutions of the Management Board are passed by an absolute majority of votes. In the case of a voting tie, the President of the Management Board has the casting vote. The President of the Management Board directs the Management Board's work; in particular, the President coordinates, supervises and organises the Management Board members' work and convenes and chairs meetings of the

Management Board. In the President's absence, the President's duties are performed by a Vice President of the Management Board or another Management Board member designated for that purpose by the President.

In accordance with the company's Articles of Association, the Management Board is authorised to increase the Company's share capital by up to PLN 2,523,491, through the issue of new shares with an aggregate par value of up to PLN 2,523,491, by way of one or more share capital increases within the limit specified above (the authorised share capital). As part of the authorisation to increase the share capital within the authorised capital limit, the Management Board is authorised to issue subscription warrants referred to in Art. 453.2 of the Commercial Companies Code, exercisable by the date of expiry of the authorisation. The Management Board is authorised to increase the share capital within the period of three years from the date of registration by the competent court of the amendment to the Articles of Association authorising the Man-

agement Board to increase the share capital within the authorised capital limit of up to PLN 2,523,491. In exercising the authorisation referred to in the preceding sentences, the Management Board has full discretion – except where the provisions of the Commercial Companies Code provide otherwise – in respect of all matters related to the share capital increase. In particular, the Management Board may:

- a. carry out the share capital increase within the authorised capital limit through one or more issues and to assign consecutive series designations to those issues;
- b. determine the issue price, subject to the Supervisory Board's approval;
- c. with the Supervisory Board's approval, disapply in whole or in part the existing shareholders' pre-emptive rights with respect to shares issued within the authorised share capital limit;
- d. Decide to deliver the shares of a given issue in exchange for a cash contribution, a non-cash contribution or any combination of a cash and non-cash contribution; the delivery of shares in exchange for a non-cash contribution may also be carried out under Art. 447¹ of the Commercial Companies Code, but will in each case require the Supervisory Board's approval;

- e. Take steps with a view to registering shares issued within the authorised capital limit with the Central Securities Depository of Poland as well as any other steps necessary to have the shares admitted and introduced to trading on the regulated market operated by the Warsaw Stock Exchange.

The General Meeting authorised the Company's Management Board to take any steps necessary to list shares issued by the Company within the authorised capital limit on the Warsaw Stock Exchange. This authorisation covers in particular:

- a. signing an agreement with the Central Securities Depository of Poland on conversion of shares issued by the company within the authorised capital limit into book-entry form and their registration in the relevant register;
- b. filing of applications or notifications with the competent authorities and institutions in relation to the introduction and admission of shares issued by the company within the authorised capital limit to trading on the regulated market operated by the Warsaw Stock Exchange.

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The Management Board is not authorised to make a decision regarding buy-back of shares. The detailed scope of rights and duties of the Management Board and its operating procedures are defined in the Rules of Procedure for the Management Board. The Rules of Procedure for the Management Board are adopted by the Management Board and approved by the Supervisory Board.

With the Supervisory Board’s consent, on March 12th 2020 Grenevia’s Management Board resolved to amend the Rules of Procedure for the Management Board. The amendments aimed to update various provisions, such as specifying the exact number of Management Board members, organising the rules and procedures for decision-making during and outside of meetings (including voting by written ballot or through remote communication), and establishing formal guidelines for communication methods and channels among Management Board members.

The main purpose of these amendments is to facilitate the remote decision-making process. The consolidated text of the Rules of Procedure for the Management Board is available on the Company’s website <https://grenevia.com/en/corporate-governance/>.

Remuneration of management and supervisory personnel

The remuneration policy for members of the Management Board and Supervisory Board of Grenevia S.A. was approved by the Annual General Meeting of the Company in Resolution No. 23 of June 29th 2020. The remuneration policy sets out the framework for awarding remuneration to members of the Grenevia S.A. Management Board and Supervisory Board. It forms part of the Company’s governance that relies on a corporate culture consisting of a transparent organisational structure, ethical values, personnel competencies and skills, powers and responsibilities, information channels, controls, and a risk management system. The full text of the remuneration policy is available on the Company’s website

<https://grenevia.com/en/general-meetings/>.

All remuneration paid to Management Board and Supervisory Board members is subject to compliance with the Company’s remuneration policy.

For details on remuneration of members of the Management Board and Supervisory Board, see Note 51 to the consolidated financial statements of the Grenevia Group for 2022.



The Management Board members are not employed under contracts of employment. They receive remuneration in amounts determined by way of a Supervisory Board resolution. The Company did not enter into any non-competition agreements with Management Board members in 2022. Pursuant to the remuneration policy for Management and Supervisory Board members in place at the Company, if a member of the Management Board is removed, resigns, or is not re-appointed for another term of office, they may be eligible to receive severance pay, and its amount, determined at the discretion of the Supervisory Board, will vary depending on the position held: for the President of the Management Board, it will range from three to six times their

fixed gross monthly remuneration, while for other Management Board members, it will range from one to three times their fixed gross monthly remuneration. The Company has no employee stock option scheme in place.

On June 22nd 2022, the Annual General Meeting passed Resolution No. 20 to issue a positive opinion on the Supervisory Board’s Report on the Remuneration of Members of the Management and Supervisory Boards of FAMUR S.A. for 2021. Resolutions passed by the Annual General Meeting and appendices thereto are available on the Company’s website <https://grenevia.com/en/general-meetings/>.

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Obligations arising under retirement and similar benefits

Grenevia S.A. does not operate any additional old age and disability pension schemes or early retirement programmes for members of the Management or Supervisory Boards. They are not paid remuneration in the form of financial instruments.

The table below presents information on the remuneration of members of the Management Board of the parent for the financial year 2022, in accordance with Section 70.7.17 of the Regulation on current and periodic information.

Members of the Company's Supervisory Board receive remuneration on the terms and in the amounts set forth in a General Meeting resolution.

PLN '000 (gross)					
A	B	C	D	E	F
Member of the Management Board	Total remuneration, awards or benefits paid by Grenevia S.A. in 2022 (remuneration + bonuses)	Separate amounts of bonuses for 2021 paid by Grenevia S.A. in the financial year 2022 (bonus*)	Separate amounts of bonuses for 2022 paid by Grenevia S.A. in the financial year 2022 (bonus*)	Total amount of remuneration and awards received for service on governing bodies of subsidiaries***	Total amount of remuneration, awards or benefits paid by Grenevia S.A. and subordinated entities in 2022**
Mirosław Bendzera	834	90	–	37	871
Beata Zawiszowska	604	53	–	29	633
Dawid Gruszczyk	547	60	–	30	577
Tomasz Jakubowski	598	80	–	27	625
Ireneusz Kazimierski	1,362	91	800	33	1,395
Total	3,945	374	800	156	4,101

* The amounts of bonuses shown in columns C and D are a component of the amounts presented in column B (remuneration + bonus).

** The amounts shown in column F are the sum of the amounts shown in columns B and E.

*** Subordinated entities mean subsidiaries, jointly-controlled entities and associates.

Pursuant to Resolution No. 19 of the Extraordinary General Meeting of Grenevia S.A. of October 18th 2017 to determine remuneration policies for members of the Supervisory Board of Grenevia S.A., members of the Supervisory Board receive a gross monthly remuneration of PLN 500. Members of the Audit Committee of Grenevia S.A. receive an additional gross monthly remuneration of PLN 500.

The table below presents information on the remuneration of members of the Supervisory Board of the parent for the financial year 2022, in accordance with Section 70.7.17 of the Regulation on current and periodic information

PLN '000 (gross)					
A	B	C	D	E	F
Member of the Management Board	Total remuneration, awards or benefits paid by Grenevia S.A. in 2022 (remuneration + bonuses)	Separate amounts of bonuses for 2021 paid by Grenevia S.A. in the financial year 2022 (bonus*)	Separate amounts of bonuses for 2022 paid by Grenevia S.A. in the financial year 2022 (bonus*)	Total amount of remuneration and awards received for service on governing bodies of subsidiaries***	Total amount of remuneration, awards or benefits paid by Grenevia S.A. and subordinated entities in 2022**
Tomasz Domogała	6	–	–	2	8
Czesław Kisiel	6	–	–	–	6
Jacek Leonkiewicz	12	–	–	2	14
Dorota Wyjadłowska	12	–	–	12	24
Tomasz Kruk	12	–	–	12	24
Adam Toborek	6	–	–	5	10
Razem	54	–	–	33	86

* The amounts of bonuses shown in columns C and D are a component of the amounts presented in column B (remuneration + bonus).

** The amounts shown in column F are the sum of the amounts shown in columns B and E.

*** Subordinated entities mean subsidiaries, jointly-controlled entities and associates.



Corporate governance at Grenevia S.A.

Diversity policy

Grenevia S.A. has a diversity policy in place, which requires taking measures to:

- | prevent any discrimination based on gender, racial, national or ethnic origin, religion or religious denomination, philosophy of life, degree or type of disability, health, age, psychosexual orientation or gender identity, family status, lifestyle or any other possible discriminatory grounds (policy of equal treatment);
- | manage diversity by developing strategies, policies and programmes that help create a work environment in which each employee can feel appreciated, contributing to the success of the entire Grenevia Group.

Furthermore, the diversity policy assumes that in electing members to the Group companies' governing bodies and their key managers, the Grenevia Group seeks to ensure diversity, especially in terms of gender, educational background, age, and professional experience. Qualifications and expertise required to perform a particular function are the key considerations in determining whether a person may take up a particular position.

Description of the internal control system

The key features of the internal control and risk management systems used at the company in the process of preparing financial statements:

- | Transactions are carried out on the basis of general or specific authorisations by the management staff (depending on the importance of a document);
- | Documents are checked, accepted and described by persons responsible both for the subject matter they relate to and for the accounting aspects;
- | Each material transaction is duly reviewed by the legal department to ensure that it is properly accounted for in accordance with the accounting and tax laws;
- | Appropriate control procedures put in place by the management are used, including:
 - | checking the correctness of accounting entries by responsible persons;
 - | controlling the computer programs and the IT environment by assigning care of the programs and the IT environment to IT specialists and firms;



- | maintaining and reviewing subsidiary ledger accounts and statements of ledger transactions and account balances;
- | approving and verifying documents;
- | comparing actual performance against targets and analysis of the results.
- | All transactions and other events are promptly recorded in correct amounts, in appropriate accounts and in proper accounting periods so as to enable the preparation of financial statements in accordance with the adopted financial reporting policy;
- | Access to assets and records is only possible with the management's authorisation;
- | Assets disclosed in accounting records are compared against physical assets in line with the

- provisions of the accounting laws; appropriate measures are taken whenever any discrepancies are found;
- | A uniform accounting policy has been developed for all the Group companies;
- | The accounting policy is updated as needed so that it is always in line with the current accounting laws.

At the beginning of January 2019, an Internal Audit Department was established at the company. In 2022, the Company did not create any additional internal audit units, and all internal control, risk management and compliance functions were performed within the internal audit, corporate controlling and legal departments.

Corporate governance at Grenevia S.A.



Audit Committee

The Audit Committee is an advisory and opinion giving body, acting collectively within the Supervisory Board and supporting the Supervisory Board, particularly with its recommendations, proposals, opinions, and reports. Its responsibilities include monitoring of the effectiveness of the internal control and risk management systems as well as of the internal audit function, also with respect to financial reporting. Two Audit Committee members meet the independence criteria specified in Art. 129.3 of the Act

on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 (Dz.U. of 2017, item 1089, as amended). At least one member of the Audit Committee has knowledge of and skills in accounting or financial statements auditing and at least one member of the Audit Committee has knowledge and skills relevant for the industry in which the Company operates, or the individual members of the Audit Committee have knowledge and skills relevant for different aspects of that industry.

In 2022, the Audit Committee consisted of:

- I Tomasz Kruk**
Chairman of the Audit Committee, meeting the statutory independence criteria;
- I Dorota Wyjadłowska**
Audit Committee member meeting the statutory independence criteria;
- I Jacek Leonkiewicz.**

Members of the Supervisory Board and its Committees operate in compliance with the Commercial Companies Code, the Company's Articles of Association and the Rules of Procedure for the Supervisory Board published on the Company's website <https://grenevia.com/en/corporate-governance/>. They are required to comply with the corporate governance principles stipulated in Best Practice for GPW Listed Companies, except for those with respect to which the Company has stated that they are not complied with (in the Grenevia S.A.'s statement of compliance with corporate governance standards). On July 29th 2021, Grenevia updated its statement of compliance with corporate governance standards. The full text of the statement is available on the Company's website <https://grenevia.com/en/corporate-governance/>. As at December 31st 2022, the Company's statement of compliance with corporate governance standards remained unchanged.

For details regarding education and professional experience of the persons holding the positions referred to above, see section 'Supervisory Board of Grenevia S.A. and its committees'. Having analysed the practices and procedures set out in Art. 130.1.5–7 of the Act on Statutory Auditors, Audit Firms and Public Oversight, the Audit Committee adopted:

- I** a policy for selection of an audit firm to perform audits;
- I** the audit firm selection procedure;
- I** a policy for the provision of non-audit services by the audit firm, its affiliates and members of its network.



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Additional information on the Audit Committee

- I No permitted non-audit services were provided to the Company by the firm auditing its financial statements, save for the review of its interim financial statements.
- I Key assumptions of the policy for the selection of the audit firm to perform statutory audit of the Company's financial statements and of the policy for the provision of permitted non-audit services by the audit firm, its affiliates and members of its network:
- I The internal regulations governing selection and rotation of the audit firm and the lead auditor have been introduced pursuant to the Act on Statutory Auditors and Their Self-Government, Entities Qualified to Audit Financial Statements and Public Oversight of May 11th 2017 (Dz.U. of 2020, item 1415, as amended).
- I The audit firm is selected in keeping with the principle of audit firm and lead auditor rotation so that the maximum duration of uninterrupted statutory audit engagements with an audit firm, any of its affiliates or members of its network operating in the territory of the European Union does not exceed five years, and that a lead auditor does not carry out statutory audits of the Company's financial statements for a period longer than five years (in which case the lead auditor

may again carry out statutory audits of the Company's financial statements after at least three years from the end of the most recent statutory audit).

- I The audit firm is selected by the Company's Supervisory Board after considering the Audit Committee's recommendation.
- I The audit firm is selected sufficiently in advance to enable it to take part in inventory taking of significant assets and a review of interim reports.
- I When selecting the audit firm, the Audit Committee and the Supervisory Board must pay particular attention to ensuring independence of the audit firm and the auditor.
- I The independence of the statutory auditor and the audit firm is verified and monitored at each stage of the selection procedure.
- I The Supervisory Board, during the selection process, and the Audit Committee, when preparing its recommendation, apply in particular the following criteria: the auditor's confirmed impartiality and independence, price offered by the auditor, the audit firm's reputation and experience, its human resources and qualifications and experience of its personnel directly involved in the audit process, the ability to perform an audit within the time frame specified by the Company, and completeness of the service range.

- I The provision of permitted non-audit services is allowed to the extent provided for in Art. 136.2 of the Act on Statutory Auditors, Audit Firms and Public Oversight.
- I The provision of permitted non-audit services is only allowed to the extent they do not relate to the company's tax policy, after a risk assessment has been performed and independence referred to in Art. 69–73 of the Act on Statutory Auditors, Audit Firms and Public Oversight has been ensured by the Audit Committee.
- I An agreement for the provision of permitted non-audit services is signed on the initiative of the company's Management Board, subject to the Audit Committee's approval.
- I When entering into an agreement for the provision of permitted non-audit services, the company's Management Board must pay particular attention to ensuring the auditor's and audit firm's independence.
- I Permitted non-audit services are performed in compliance with the independence requirements laid down in relevant professional ethics policies and standards of performance of non-audit services.
- I The Audit Committee's recommendation on the selection of the audit firm to audit the Company's and the Group's financial statements met relevant

requirements stipulated in the Polish Accounting Act of September 29th 1994 (Dz.U. of 2023, item 120, as amended), Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16th 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, and complied with the adopted policy on selecting the audit firm to perform statutory audits of the Company's financial statements. The recommendation was prepared following an audit firm selection procedure carried out by Grenevia.



I Corporate governance at Grenevia S.A.

Number of Audit Committee or Supervisory Board meetings or meetings held by any other supervisory or governing body, devoted to the performance of audit committee duties:

In 2022, Audit Committee meetings were held in the form of conference calls, and Audit Committee resolutions were voted on in writing. In 2022, the Audit Committee held four votes and its members took part in 1 conference call.

Code of corporate governance standards applicable to the Company and the place where the code is available to the public

The Company issues current and periodic reports, which are published on its corporate website. The website also presents a calendar of key corporate events, financial results of the Company, and news. In July 2021, the statement of compliance with the principles of Best Practice for GPW Listed Companies was updated following the coming into effect of the new Best Practice for GPW Listed Companies 2021 (“Best Practice 2021”) on July 1st 2021.

The amended text of the document including comments is available on the Warsaw Stock Exchange’s official website, in the section devoted to corporate governance <https://www.gpw.pl/best-practice2021> and on the Company’s website <https://grenevia.com/en/corporate-governance/>.

Extent of non-compliance

In the reporting period, Grenevia did not comply with 12 Best Practice principles: 1.2., 1.3.1., 1.4., 1.4.1., 1.4.2., 2.1., 2.2., 2.7., 2.11.6., 4.3., 4.8., 6.3.

Under the WSE Rules, information on the corporate governance principles which the Company does not comply with, including the extent of and reasons for non-compliance, was provided on July 29th 2021 in EBI Current Report No. 1/2021, available on the Company's website <https://grenevia.com/en/corporate-governance/>.

In connection with the announcement of the Grenevia Group Sustainability Strategy in 2023, the Company will update the information on its compliance with the Best Practice principles, which will be presented in the Directors’ Report for 2023.

Information on the corporate governance principles which the Company does not comply with, including the extent of and reasons for such non-compliance in the reporting period

Grenevia did not comply with Principle 1.2. in 2022.

The principle requires that companies make available their financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for substantial reasons, companies publish at least preliminary financial estimates as soon as possible.

Reason for non-compliance: Grenevia indicates that the principle is complied with to a limited extent. The Company does not publish financial forecasts or preliminary financial estimates. It presents its financial results in periodic reports released within the time limits prescribed by law as soon as practicable after the end of each reporting period.



I Corporate governance at Grenevia S.A.

Grenevia did not comply with Principle 1.3. in 2022.

The principle requires that companies integrate ESG factors in their business strategy, including in particular: 1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;

The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent. As declared in the Environmental Policy, the Company is committed to minimising its environmental footprint on an ongoing basis, including by means of reasonable waste management involving waste sorting and transferring waste for reuse, introducing environment-friendly technological upgrades, reasonable energy utilities and water management, effective management of hazardous substances, and reducing emissions that are harmful to the environment. The Company applies aggregated GRI indicators to gauge its performance in this area. Also, in order to mitigate environmental risks, Group companies are required to observe the comprehensive Environmental Policy in their operations. Compliance with the Policy is monitored, and the Policy itself is reviewed on a regular basis. With regard to climate change issues and the new European Commission Guidelines on non-financial reporting of climate-related information (2019/C 209/01), the company focuses on the analysis of non-binding guidelines which began in late 2019 and

early 2020 and which is expected to enter the planning phase in subsequent reporting years so that the company can present progress in their implementation in its future non-financial reports.

Grenevia did not comply with Principle 1.4. in 2022.

The principle requires that to ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial.

The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent. In order to ensure quality communication with stakeholders, the company publishes on its website information on the framework of its strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. The Company applies, among others, aggregated GRI indicators to gauge its performance in this area. Given the rapid pace of changes implemented across the Company following the launch of a new business segment, Grenevia is currently developing a new uniform framework for measuring its ESG performance and management across all segments.

Grenevia did not comply with Principle 1.4.1. in 2022.

The principle requires that to ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, 1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks.

The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent.

The Company is currently developing a new uniform framework for measuring and managing the impact of its operations on climate change across its organisation, including all Group entities, in view of the need to undertake a coordinated effort to minimise the potential adverse impact of the Company's business on climate change and to comply with increasingly stringent environmental laws and regulations. The Company applies aggregated GRI indicators.

Grenevia did not comply with Principle 1.4.2. in 2022.

The principle requires that the company should present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent. Qualifications, expertise required to perform a particular function, and individual performance are the key factors in determining a person's remuneration. While the amounts of salaries paid to employees holding the same or similar positions may ultimately vary, they are always determined in compliance with any applicable labour legislation, including the principle of equal pay under Art. 18(3c) of the Labour Code, whereby employees are entitled to equal pay for equal work or work of equal value.



I Corporate governance at Grenevia S.A.

Grenevia did not comply with Principle 2.1. in 2022.

The principle requires that companies should have in place a diversity policy applicable to the Management Board and the Supervisory Board, approved by the Supervisory Board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%. The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent. On December 18th 2017, the Management Board of the Company adopted and implemented a diversity policy, which requires that all Group companies take measures to prevent any discrimination based on gender, racial, national or ethnic origin, religion or religious denomination, philosophy of life, degree or type of disability, health, age, psychosexual orientation or gender identity, family status, lifestyle or any other possible discriminatory grounds (policy of equal treatment); manage diversity by developing strategies, policies and programmes that help create a work environment in which each employee can feel appreciated, contributing to the success of the Grenevia Group. Furthermore, the diversity policy assumes that in electing members

to the Group companies' governing bodies and their key managers, the Group seeks to ensure diversity, especially in terms of gender, educational background, age, and professional experience. Qualifications and expertise required to perform a particular function are the key considerations in determining whether a person may take up a particular position.

Grenevia did not comply with Principle 2.2. in 2022.

The principle requires that decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent.

In electing members to the Group companies' governing bodies and their key managers, the Grenevia Group seeks to ensure diversity, especially in terms of gender, educational background, age, and professional experience. Qualifications and exper-

tise required to perform a particular function are the key considerations in determining whether a person may take up a particular position. The principle is not applied to the extent that would ensure that the 30% target is met. The composition of the Company's Supervisory Board is the result of decisions made by the General Meeting, while the composition of the Company's Management Board is defined by the Supervisory Board.

Grenevia did not comply with Principle 2.7. in 2022.

The principle requires that Grenevia's Management Board members may sit on corporate bodies of companies other than members of its group subject to the approval of the Supervisory Board. The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent.

The principle is applied to a limited extent. In accordance with Art. 15.2.6 of the Company's Articles of Association, in conjunction with Art. 380 of the Commercial Companies Code, the Supervisory Board of the company must grant prior consent for Management Board members to engage in any business activity that is in competition with those of the company or to serve in any capacity at its competitors.

Grenevia did not comply with Principle 2.11.6. in 2022.

The principle requires that in addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once a year. The report must include at least the information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

The reason for non-compliance, as stated by Grenevia, was that the principle was applied to a limited extent (see the comment on Principle 2.1).

I Corporate governance at Grenevia S.A.

Grenevia did not comply with Principle 4.3. in 2022.

The principle requires that companies provide a public real-life broadcast of the general meeting.

The reasons for non-compliance, as stated by Grenevia, included primarily the cost associated with organising a real-time broadcast of the General Meeting, the requirement to ensure technical safety and legal security for an online General Meeting, and considerations related to the Company's shareholding structure.

Grenevia did not comply with Principle 4.8. in 2022.

The principle requires that draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.

The reason for non-compliance, as stated by Grenevia, is that it applies the relevant provisions of the Commercial Companies Code in this regard.

Grenevia did not comply with Principle 6.3. in 2022.

The principle requires that if companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The reason for non-compliance, as stated by Grenevia, is that it currently does not operate any management stock option scheme. In accordance with the Company's Remuneration Policy, the remuneration of Supervisory Board members is not linked to any options or other derivative instruments or to any other variable components, and neither is it linked to the Company's performance.



Other statements from the Management Board

The auditor

The Company's auditor is BDO Spółka z ograniczoną odpowiedzialnością Sp.k. with its registered office at ul. Postępu 12, Warsaw, registered by the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register, under No. KRS 0000729684, entered in the list of qualified auditors of financial statements maintained by the Polish Agency for Audit Oversight (Polska Agencja Nadzoru Audytowego) under No. 3355. The contract between Grenevia and BDO was concluded on July 11th 2022 and covers:

- | review of the Grenevia S.A.'s interim separate financial statements and the Grenevia Group's interim consolidated financial statements;
- | audit of Grenevia S.A.'s separate financial statements and the Grenevia Group's consolidated financial statements;
- | assurance engagement with respect to the report on executive compensation for the General Meeting and the Supervisory Board of Grenevia S.A.

For information on the auditor's fees, see Note 48 to the separate financial statements of Grenevia S.A. for 2022 and Note 52 to the consolidated financial statements of the Grenevia Group for 2022.

Statement of compliance with applicable accounting policies

The Management Board of Grenevia S.A. consisting of:

Full name	position
Mirosław Bendzera	President of the Management Board
Beata Zawiszowska	Vice President of the Management Board, Chief Financial Officer
Dawid Gruszczyk	Vice President of the Management Board, Sales
Tomasz Jakubowski	Vice President of the Management Board, Chief Operating Officer, Underground segment

certify that, to the best of their knowledge, the Grenevia Group's full-year consolidated financial statements, Grenevia S.A.'s full-year separate financial statements and the comparative data have been prepared in compliance with the applicable accounting standards, and give a true, fair and clear view of Grenevia S.A.'s the Group's assets, their financial condition and results of operations. This Directors' Report gives a fair view of the development, achievements and position of the Grenevia Group, and describes the key risks and threats.

Grenevia's separate and consolidated financial statements for 2022 were prepared in accordance with the International Financial Reporting Standards/International Accounting Standards (IFRS/IAS), as endorsed by the European Union. The financial statements were prepared by applying uniform accounting policies for like transactions and other events in similar circumstances. The financial statements were prepared in accordance with the same accounting policies and computation methods as those applied to prepare the most recent full-year financial statements. Unless stated otherwise, all amounts are presented in PLN million (PLNm).

Risk management

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Description of key risks and threats

General definition and classification of key risks at the Grenevia Group

The Grenevia Group defines risk as an uncertainty which is inherent in its business and which may result in both opportunities and threats to the achievement of its strategic objectives and have an adverse impact on its growth prospects, operating or commercial activities, assets or financial performance. Based on its best knowledge, the Management Board has identified the key risks to the Group and classified them into the following categories:



I Description of key risks and threats

Risk management process at the Grenevia Group

The Group has adopted a decentralised control and management structure, where responsibility for identifying key risks, planning mitigation measures, and responding to specific strategic, operational, commercial and financial risks is assigned to its individual segments. The risks identified in each segment are assessed in the context of strategic and operational objectives pursued by Grenevia. The criteria for risk assessment include both financial and reputational impacts for the organisation, as well as consequences for the environment, employees and members of the community affected by the Group’s operations. For each of the identified risks, risk handling procedures and mitigation measures are determined. Periodically, the risks are reviewed for relevance and adequacy in the context of changes in the Group’s operating environment. A review of the identified risks is discussed in the Directors’ Reports on the operations of the company and the Group.

When evaluating the materiality of a particular risk in relation to its potential negative impact on the Group’s business, financial condition, results of operations, or prospects, as well as the likelihood of its occurrence, the Grenevia Group took into account several factors including any previous instances of the risk and its consequences, as well

as the availability and effectiveness of any corrective measures that could help mitigate it. The evaluation was conducted using the Management Board’s best knowledge, relying on facts and circumstances known to the Management Board as at the date of this Report.

Between January 1st and December 31st 2022, 19 internal audits were carried out at the Grenevia Group, during which 104 instances of risk and inefficiency were identified and 194 post-audit recommendations were issued.

The current geopolitical situation, related to the war in Ukraine, has led to instability in the production and availability of key raw materials and components and, consequently, to high volatility of their prices. This has deteriorated the outlook for the global economy, and the economic and social consequences of the war will be long-lasting. Under these circumstances, the assessment of all pertinent risks and their potential impact on the business of the Grenevia Group becomes exceedingly challenging and may require ongoing revisions.

The order in which the risks are presented below is not in any way indicative of their materiality, the likelihood of their materialisation, or their potential impact on the Grenevia Group’s business.

Key external risks

Type of risk	Risk exposure	Change in 2022
Changes in macroeconomic trends	High	No change
Geopolitical risk	High	Increase
Material changes in the industries in which the Group operates	High	No change
Technological shifts	Medium	No change
Major regulatory changes	High	Increase
Environmental and climate-related	High	No change

Key operational risks

Type of risk	Risk exposure	Change in 2022
M&A transactions and acquiree integration	Medium	No change
Product and customer requirements	Medium	No change
Loss of or difficulties in attracting key personnel	Medium	No change
Supply chain and procurement management	High	Increase
Disruptions to manufacturing processes and provision of maintenance services	Medium	Decrease
IT and cybersecurity	High	No change
Failure to comply with regulatory requirements	Low	Decrease

Key financial risks

Type of risk	Risk exposure	Change in 2022
Credit risk	Medium	No change
Liquidity risk	Low	No change
Market risk – currency risk	Medium	No change
Market risk – interest rate risk	High	Increase
Market risk – price risk	High	Increase



I Description of key risks and threats

Key risks and mitigation measures

Presented in the table on the right is a description of key external, operational and financial risks with information on the possible consequences of their materialisation for the Grenevia Group and related risk mitigation measures. For information on the financial risks to which the Grenevia Group is exposed, see also Note 49 'Objectives and principles of financial risk management' to the consolidated financial statements of the Grenevia Group for 2022.

Type of risk	Risk description	Segment impact and risk materialisation effects	Risk mitigating measures
Changes in macroeconomic trends	Failure to keep pace with changes in the economic environment. The consequences of an economic slowdown often include lower order volumes, increased competition and margin erosion. A strong economic growth drives higher order volumes, an increase in wages and the prices of services, energy and components.	Increase in operating expenses, lower margins.	Ciągła optymalizacja procesów produkcyjnych i ścisła kontrola kosztów. Elastyczna struktura organizacyjna i autonomia operacyjna segmentów. Monitoring rentowności projektów, przepływów pieniężnych. Utrzymywanie niskiego poziomu zadłużenia.
Geopolitical risk	Political changes in countries where Grenevia Group companies operate may result in business constraints, unexpected liabilities or charges, supply chain disruptions, or restrictions on cash transfers.	Reduced order volumes, increase in operating expenses.	Monitoring of political changes in countries where Grenevia Group companies operate, offer products, or are considering market entry.
Material changes in the industries in which the Group operates	Change in the competitive environment: an increase in the number of new players on the market may cause a downward pressure on prices, structural decline in demand for certain products or services offered by the Group, and limited availability of key components for the Group's products. Consolidation of suppliers or customers may increase the costs of components or pressure on prices of the Grenevia Group's products.	Reduced demand for certain products or services offered by the Group, lower order volumes, declining revenue, depressed margins.	Monitoring of changes in the industries in which the Group operates. Continuous improvement of products, provision of comprehensive solutions, and expansion of the product portfolio.
Technological shifts	Development or emergence of new technologies offering an economically viable alternative to the existing solutions on the market	Inventory write-downs, decrease in revenue, costs of implementing new technologies.	Development and improvement of existing products, investment in R&D, monitoring of technology developments and customer needs and expectations.



I Description of key risks and threats

Key risks and mitigation measures

Presented in the table on the right is a description of key external, operational and financial risks with information on the possible consequences of their materialisation for the Grenevia Group and related risk mitigation measures. For information on the financial risks to which the Group is exposed, see also Note 49 'Objectives and principles of financial risk management' to the consolidated financial statements of the Grenevia Group for 2022.

Type of risk	Risk description	Segment impact and risk materialisation effects	Risk mitigating measures
Major regulatory changes	Promulgation of unfavourable legal regulations, in particular major amendments to the regulations applicable to renewables (the Energy Law, the 10H Act), tax or public procurement laws, imposing unexpected significant burdens on businesses.	Lower-than-expected or no benefits achieved in connection with the strategy to enter the renewable energy sector. Increased costs due to unforeseen taxes and other public charges. Revenue decline as a result of cancelling auctions or restricting participation in auctions. Growing uncertainty about the successful delivery of the PV segment's strategy.	Ongoing monitoring of the changes, comprehensive analysis of statutory interpretations and recent judicial decisions, and taking prompt action to ensure compliance with new legislation.
Environmental and climate	Potential acceleration of global trends to phase out carbon emitting energy generation sources. Changes in regulations, administrative fees, charges for using natural resources such as water, energy or raw materials, or emission fees.	Faster than expected decline in revenue in the FAMUR segment. Increase in operating expenses across all segments.	Adoption of a strategy for entry into the renewable energy sector, development of the PV and E-mobility segments, Deployment of PV systems at selected production facilities. Ongoing monitoring of changes in climate regulations and policies.
M&A transactions and acquiree integration	Difficulties in closing an acquisition, integrating the acquiree, or obtaining the expected synergies.	Reduced ability to achieve strategic objectives, unexpected costs or potential impairment losses on acquired assets.	Ongoing review of acquisition plans, development of an acquiree integration plan at the due diligence stage, ensuring adequate and properly qualified personnel, engagement of reputable external advisers.

I Description of key risks and threats

Key risks and mitigation measures

The table on the right provides a description of key external, operational and financial risks with information on the potential consequences of their materialisation for the Grenevia Group and related risk mitigation measures. For information on the financial risks to which the Group is exposed, see also Note 49 'Objectives and principles of financial risk management' to the consolidated financial statements of the Grenevia Group for 2022.

Type of risk	Risk description	Segment impact and risk materialisation effects	Risk mitigating measures
Product and customer requirements	Failure to meet customer expectations Failure to obtain the required certificates, failure to pass product quality tests, failure to fulfil orders on schedule, delayed response to a technological shift or change in customer expectations.	Payment of compensation or penalties for product defects or late deliveries, reputational damage, loss of revenue, higher warranty costs.	Investments in R&D, expansion of the product portfolio, offering solutions based on customer input, provision of aftermarket services.
Loss of or difficulties in attracting key personnel	Failure or inability to retain or attract qualified personnel. Steadily rising inflation increases wage pressures. Growing importance of the level of remuneration as a factor taken into account when considering changing jobs.	Increase in labour costs, possible disruptions to operating activities, deteriorated growth prospects following loss of key personnel.	Continuous mapping of competences and requirements, monitoring of the labour market in terms of remuneration levels and qualifications, ongoing adjustments to incentive schemes, training, and vertical and horizontal employee development paths consistent with the Group's expansion.
Supply chain and procurement management	Disruptions to the production processes and execution of orders due to supply disruptions, delays, limited availability of key components or disruptions in supply chain logistics.	Increase in operating expenses. Delays in contract performance. Reduced ability to accept new orders as a result of limited availability or increased costs of components.	Evaluation and selection of business partners based on objective criteria such as quality, pricing and supply reliability. Steps taken to switch to the European supply chain and build the Group's own procurement structures in China. Continuous monitoring and optimisation of stocks and placement of orders for key components in advance.
Disruptions to manufacturing processes and provision of maintenance services	Unforeseen major disruptions to the manufacturing processes or provision of services as a result of extreme weather conditions, fires, pandemics, civil unrest, limited supplies of electricity, gas, etc.	Failure to deliver products and services on schedule may result in a decrease in revenue or an increase in costs due to liquidated damages.	Adequate crisis management procedures and business continuity plans have been developed and are reviewed on an ongoing basis and updated as required.



I Description of key risks and threats

Key risks and mitigation measures

The table on the right provides a description of key external, operational and financial risks with information on the potential consequences of their materialisation for the Grenevia Group and related risk mitigation measures. For information on the financial risks to which the Group is exposed, see also Note 49 'Objectives and principles of financial risk management' to the consolidated financial statements of the Grenevia Group for 2022.

Type of risk	Risk description	Segment impact and risk materialisation effects	Risk mitigating measures
IT and cybersecurity	Failure of or unauthorised access to the Group companies' IT infrastructure or systems, leakage of confidential information, theft of intellectual property, loss of the operational continuity of key IT systems and services.	Crisis resulting from unauthorised access to confidential information, risk of reputational damage to the Grenevia Group, risk of penalties.	Regular measures to ensure the security of IT infrastructure and systems. Implementation of various procedural, organisational and technical safeguards.
Failure to comply with regulatory requirements	Violations of generally applicable anti-corruption, conflict of interest, personal data protection, and fair competition regulations, as well as sanctions laws.	Administrative sanctions, negative impact on brand perception, erosion of the Group's competitive position, which may affect its future financial performance.	Implementation of internal procedures on countering corruption and bribery and promoting fair competition, personal data protection and supplier due diligence. Implementation of adequate technical and organisational measures in these areas. Periodic employee training on proper conduct and identification of potential legal violations within the organisation.
Credit risk	The risk of counterparty default, including situations where the counterparty fails to fulfil its obligations under agreements due to insolvency, partial repayment of receivables, or significant payment delays.	Need to recognise impairment losses on past due receivables charged to costs of the period.	Checking the creditworthiness of trade partners and using security instruments (in the form of letters of credit, bank guarantees, insurance of receivables).
Liquidity risk	Risk of inability to meet liabilities when due.	Risk of a credit standing downgrade or loss of creditworthiness, a rise in borrowing costs.	Managing the payment and collection periods, as well as the system of advance payments, inventory optimisation, maintaining an adequate level of external financing sources, including long-term ones.

I Description of key risks and threats

Key risks and mitigation measures

The table on the right provides a description of key external, operational and financial risks with information on the potential consequences of their materialisation for the Grenevia Group and related risk mitigation measures. For information on the financial risks to which the Group is exposed, see also Note 49 'Objectives and principles of financial risk management' to the consolidated financial statements of the Grenevia Group for 2022.

Type of risk	Risk description	Segment impact and risk materialisation effects	Risk mitigating measures
Market risk – currency risk	Sharp exchange rate movements, causing uncertainty as to the level of future cash flows and financial results.	Increase or decrease in the cost of purchasing raw or other materials in foreign currencies. Movements in receivables and payables settled in foreign currencies.	Ongoing monitoring and analysis of currency exposure, forward transactions and price revision clauses in the event of exchange rate movements.
Market risk – interest rate risk	Significant and sharp interest rate movements.	Risk of an increase in interest expense on the unhedged portion of financial liabilities based on a floating rate in the event of an increase in general interest rates. Potential loss of benefits from a hedging arrangement that involves floating-for-fixed swaps in the event of a decrease in interest rates.	Ongoing monitoring of the Monetary Policy Council's decisions and negotiating the terms of conditions of credit facility agreements. Interest rate swaps.
Market risk – price risk	Significant movements in the prices of raw and other materials, particularly steel, copper, steel products, PV modules, battery cells, and electronic components, causing increased uncertainty as to the possibility of achieving the target financial result.	Increase in the cost of raw and other materials, and key components.	Negotiating prices or placing framework purchase orders, diversifying supply sources and service providers, maintaining stocks of materials, looking for savings (optimising labour intensity, searching for substitutes).



ESG risk management

The Grenevia Group has a decentralised control and management structure in place, where responsibility for identifying key risks, planning mitigating measures, and responding to specific strategic, operational, trade, and financial risks is assigned at the level of portfolio companies. The risks identified at the level of portfolio companies are assessed in the context of strategic and operational objectives pursued by the Group. The criteria for risk assessment include financial and reputational impacts on the organisation, as well as consequences for the environment, employees and members of the community affected by the Group’s operations.

For each of the identified risks, risk handling procedures and mitigation measures are determined. Periodically, the risks are reviewed for relevance and adequacy in the context of changes in the Grenevia Group’s operating environment. A review of the identified risks is discussed in the Directors’ Reports on the operations of the portfolio company and the Group.

We engage with a range of stakeholder groups, considering their opinions in ongoing risk identification, assessment, and mitigation activities. The risk assessment takes into account the impact of sustainable development on the organisation, as well as how the organisation’s operations affect society and the environment.

By structuring our risk management function, we aim to maximise the integration of risk management processes and controls and to ensure that they support the achievement of all strategic and operational business objectives, including specific ESG goals.

Key risks in human resource management

Type of risk	Risk exposure	Change in 2022
Accidents at work	Low	No change
Workforce shortage	Medium	Increase

Below are outlined the Grenevia Group’s key risk factors relating to social, labour, and environmental matters, respect for human rights and anti-corruption, including risks associated with an entity’s products or relationships with trading partners and other external stakeholders (the “ESG risks”). The order of presentation is not in any way indicative of their materiality, likelihood of materialisation, or potential impact on the Grenevia Group’s business.

Key environmental and climate risks

Type of risk	Risk exposure	Change in 2022
Excessive generation of manufacturing waste (including hazardous waste)	Medium	No change
Excessive air emissions of particulate matter and oxides from manufacturing processes	Medium	No change

Key risks related to human rights, anti-corruption, business relationships, and products

Type of risk	Risk exposure	Change in 2022
Non-compliance with anti-corruption and other regulatory requirements	Niskie	Spadek
Non-compliance with regulatory requirements on the part of a business partner	Niskie	Bez zmian
Customer expectations in terms of product safety and environmental footprint	Umiarkowane	Wzrost

Key social risks

Type of risk	Risk exposure	Change in 2022
Reputational damage	Medium	No change



ESG risk management

Key risks and mitigation measures

The table on the right provides a description of key ESG risks, along with information on the potential consequences of their materialisation for the Grenevia Group and related risk mitigation measures.

Type of risk	Risk description	consequences of risk materialisation	Risk mitigating measures
Accidents at work	As a result of occupational hazards present in the work environment or the work practices in place, a sudden event triggered by an external cause may occur and result in losses, including, without limitation, adverse health effects suffered by employees.	An employee injured in a workplace accident for which the employer is responsible may raise claims under the Civil Code.	Due diligence procedures have been put in place across the Grenevia Group to support a zero accident policy.
Workforce shortage	Failure or inability to retain or attract qualified personnel, in particular staff with technical skills/professional licences.	Increase in labour costs, possible disruptions to operating activities, deteriorated growth prospects following loss of key personnel.	The Grenevia Group organises wide-ranging and effective multichannel recruitment processes, which include communicating its job offers on various platforms. The Group also has in place employee substitution procedures to ensure uninterrupted information flow within and across organisational units. Group employees are also divided into task teams and deployed in different locations, as well as being provided with an option to work remotely (home office).
Excessive generation of manufacturing waste (including hazardous waste)	Exceeding the permitted limit on manufacturing waste. Polluting the environment due to inadequate hazardous waste storage conditions	Environmental pollution, financial sanctions, loss of trust and reputation due to improper disposal or storage of hazardous waste.	Grenevia S.A.'s branches have waste management manuals in place and have obtained relevant waste permits. Implementation of a hazardous waste management system and principles at IMPACT.



ESG risk management

Key risks and mitigation measures

The table on the right provides a description of key ESG risks, along with information on the potential consequences of their materialisation for the Grenevia Group and related risk mitigation measures.

Type of risk	Risk description	consequences of risk materialisation	Risk mitigating measures
Excessive air emissions of particulate matter and oxides from manufacturing processes	Exceeding permitted limits on air emissions from manufacturing processes.	Environmental pollution, financial sanctions, loss of trust and good reputation.	Grenevia S.A.'s branches have obtained permits to release gases or particulate matter into the air.
Reputational damage	Non-compliance or insufficient compliance of operations with accepted ethical, social, and environmental standards could damage the reputation of the Grenevia Group. Misleading sustainability communication.	Negative public perception of the Grenevia Group or its portfolio companies, business partners, and customers.	Preparation and implementation of a uniform Responsible Communication Strategy across all segments: a crisis communication manual, rules of internal and external communication, and a media policy, all based on uniform values.
Non-compliance with anti-corruption and other regulatory requirements	Violations of generally applicable anti-corruption, conflict of interest, personal data protection, and fair competition regulations, as well as sanctions laws.	Administrative sanctions, negative impact on brand perception, erosion of the Group's competitive position, which may affect its future financial performance.	Implementation of internal procedures on countering corruption and bribery, fair competition, personal data protection, supplier due diligence, implementation of adequate technical and organisational measures in those areas. Periodic employee training on proper conduct and identification of potential legal violations within the organisation.

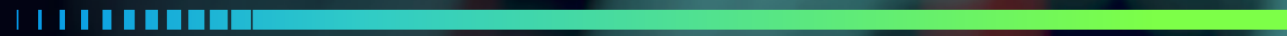
ESG risk management

Key risks and mitigation measures

The table on the right provides a description of key ESG risks, along with information on the potential consequences of their materialisation for the Grenevia Group and related risk mitigation measures.

Type of risk	Risk description	consequences of risk materialisation	Risk mitigating measures
Non-compliance with regulatory requirements on the part of a business partner	A Grenevia Group’s trading partner may fail to comply with regulatory requirements, in particular with regard to human rights.	Reputational damage to the Grenevia Group and potential sanctions.	Implementation of internal due diligence procedures for the selection of business partners, monitoring of existing relationships, employee training, and development of uniform procedures for the entire Group in the form of the Supplier Code of Conduct.
Customer expectations in terms of product safety and environmental footprint	Products delivered by the Grenevia Group’s operating segments partly or completely fail to meet customer expectations in terms of safety and environmental footprint.	Payment of compensation or penalties for product defects or late deliveries, reputational damage, loss of revenue, higher warranty costs.	Obtaining the required certificates, achieving the required standards, offering solutions based on customer input, R&D investments, expansion of the product portfolio, provision of aftermarket services.

Financial statements



- 148 Financial highlights of the Grenevia Group for 2022 →
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Financial highlights of the Grenevia Group for 2022

The full consolidated financial statements of the Grenevia Group for 2022 are available here <https://grenevia.com/en/reports/?c=92&y=2022>

Consolidated statement of profit or loss

PLN million, except for earnings per share	12 months to Dec 31 2022	12 months to Dec 31 2021
Revenue	1,296	1,018
Cost of sales	827	702
Gross profit	469	316
Distribution costs	28	38
Administrative expenses	162	112
Other income	56	27
Other expenses	78	70
Operating profit	257	123
Gains/(losses) on expected credit loss allowances	11	9
Finance income	60	33
Finance costs	77	18
Share in net profit/(loss) of equity-accounted subordinates	-	4
Goodwill impairment loss	-	95
Profit before tax	251	56
Income taxes	59	34
Net profit from continuing operations	192	22

PLN million, except for earnings per share	12 months to Dec 31 2022	12 months to Dec 31 2021
Discontinued operations	-72	3
Net profit, attributable to:	120	25
owners of the Parent	158	34
non-controlling interests	-38	-9
Earnings per share:		
Basic earnings per share from continuing operations	0.33	0.04
Basic earnings/(loss) per share from discontinued operations	-0.13	0.01
Total basic earnings per share	0.20	0.05
Diluted earnings per share from continuing operations	0.33	0.04
Diluted earnings/(loss) per share from discontinued operations	-0.13	0.01
Total diluted earnings per share	0.20	0.05

Financial highlights of the Grenevia Group for 2022

The full consolidated financial statements of the Grenevia Group for 2022 are available here <https://grenevia.com/en/reports/?c=92&y=2022>

Consolidated statement of comprehensive income

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Net profit	120	25
Other comprehensive income that will not be reclassified to profit or loss in subsequent reporting periods:	6	1
Remeasurement following reclassification to investment property	9	-
Actuarial gains/(losses)	-3	1
Other comprehensive income that may be reclassified to profit or loss in subsequent reporting periods:	55	3
Exchange differences	13	4
Cash flow hedges	42	-1
Total other comprehensive income, net of tax	61	4
Total comprehensive income	181	29
including income attributable to non-controlling interests	-35	-9

ASSETS

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Non-current assets	788	599
Goodwill	191	67
Other intangible assets	104	17
Property, plant and equipment	384	374
Long-term receivables	12	1
Investment property	72	56
Investments in subsidiaries and associates	4	35
Other non-current financial assets	-	11
Deferred tax assets	21	38
Current assets	2,882	2,621
Current assets other than assets classified as held for sale	2,830	2,556
Inventories	1,204	583
Short-term trade and other receivables	576	512
Current tax assets	3	35
Derivate financial instruments	66	7
Other current financial assets	42	86
Cash and cash equivalents	939	1,333
Non-current assets classified as held for sale	52	65
Total assets	3,670	3,220

Financial highlights of the Grenevia Group for 2022

! The full consolidated financial statements of the Grenevia Group for 2022 are available here <https://grenevia.com/en/reports/?c=92&y=2022>

Consolidated statement of financial position

EQUITY AND LIABILITIES

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Equity	2,095	1,881
Share capital	6	6
Other capital reserves	1,177	1,091
Retained earnings	662	624
Equity attributable to owners of the Parent	1,845	1,721
Equity attributable to non-controlling interests	250	160
Liabilities	1,575	1,339
Non-current liabilities	659	670
Long-term provisions	27	20
Deferred tax liabilities	-	2
Other non-current financial liabilities	629	648
Long-term trade and other payables	3	-
Current liabilities	916	669

EQUITY AND LIABILITIES

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Current liabilities other than liabilities included in disposal groups classified as held for sale	909	657
Short-term provisions	46	23
Short-term trade and other payables	416	371
Current tax liabilities	10	1
Other current financial liabilities	437	262
Liabilities included in disposal groups classified as held for sale	7	12
Equity and liabilities	3,670	3,220

Financial highlights of the Grenevia Group for 2022

The full consolidated financial statements of the Grenevia Group for 2022 are available here <https://grenevia.com/en/reports/?c=92&y=2022>

Consolidated statement of changes in equity (PLNm)

	Share capital	Other capital reserves	Retained earnings	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Jan 1 2022	6	1,091	624	1,721	160	1,881
net profit	-	-	158	158	-38	120
other comprehensive income	-	60	-2	58	3	61
total comprehensive income	-	60	156	216	-35	181
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	-	-	-92	-92	125	33
changes in equity in the period	-	86	38	124	90	214
Dec 31 2022	6	1,177	662	1,845	250	2,095
Jan 1 2021	6	910	794	1,710	-28	1,682
net profit	-	-	34	34	-9	25
other comprehensive income	-	3	1	4	-	4
total comprehensive income	-	3	35	38	-9	29
transfer of profit to statutory reserve funds and other reserves	-	178	-178	-	-	-
Increase (decrease) due to changes in ownership interests in subsidiaries that do not result in loss of control, equity	-	-	-27	-27	197	170
changes in equity in the period	-	181	-170	11	188	199
Dec 31 2021	6	1,091	624	1,721	160	1,881

Financial highlights of the Grenevia Group for 2022

The full consolidated financial statements of the Grenevia Group for 2022 are available here <https://grenevia.com/en/reports/?c=92&y=2022>

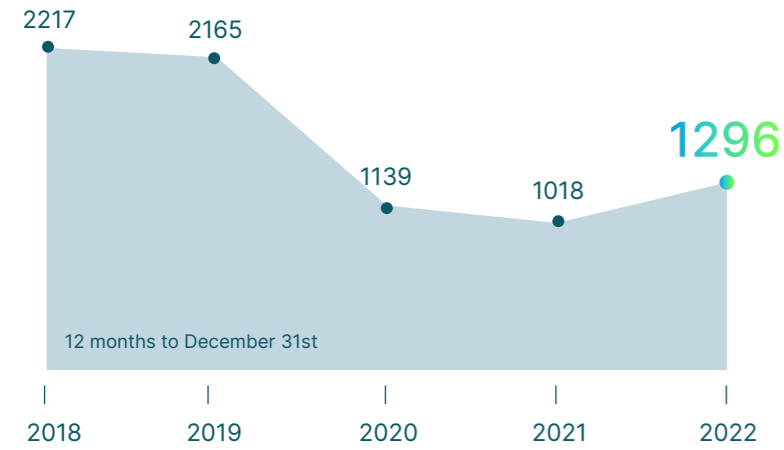
Consolidated statement of cash flows

(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021	(PLNm)	12 months to Dec 31 2022	12 months to Dec 31 2021
Cash flows from operating activities – indirect method					
Profit before tax	251	56	Cash receipts from repayment of advances and loans to third parties	7	44
Total adjustments, including	-206	186	Dividends received	-	2
inventories	-621	-129	Interest received	-	1
trade receivables	-33	62	Other inflows (outflows) of cash	2	23
other operating receivables	202	-142	Net cash from investing activities	-462	-139
trade payables	19	64			
other operating payables	16	45	Cash flows from financing activities		
depreciation and amortisation	149	180	Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control	-	34
provisions	5	20	Proceeds from borrowings	381	400
exchange differences	1	7	Repayment of borrowings	-234	-54
undistributed profits of associates	-	-4	Payment of lease liabilities	-11	-9
(gain) loss on disposal of non-current assets	-27	62	Interest paid	-49	-9
other adjustments producing cash effects in the form of investing or financing cash flow	85	19	Net cash from financing activities	87	362
other adjustments to reconcile profit (loss)	-2	2			
total gross profit and adjustments	45	242	Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	-383	428
Income tax (paid)/recovered	-53	-37	Effect of exchange rate changes on cash and cash equivalents	-	1
Net cash from operating activities	-8	205	cash flows from discontinued operations with underlying assets not classified as assets held for sale	-11	5
			Increase (decrease) in cash and cash equivalents	-394	434
Cash flows from investing activities			Cash and cash equivalents at beginning of period	1,333	899
Cash paid to acquire equity or debt instruments of other entities	-330	-	Cash and cash equivalents at end of period	939	1,333
Proceeds from sale of property, plant and equipment	46	28			
Purchase of property, plant and equipment	-182	-111			
Purchase of intangible assets	-	-1			
Cash advances and loans made to third parties	-5	-125			

Financial highlights – last five years

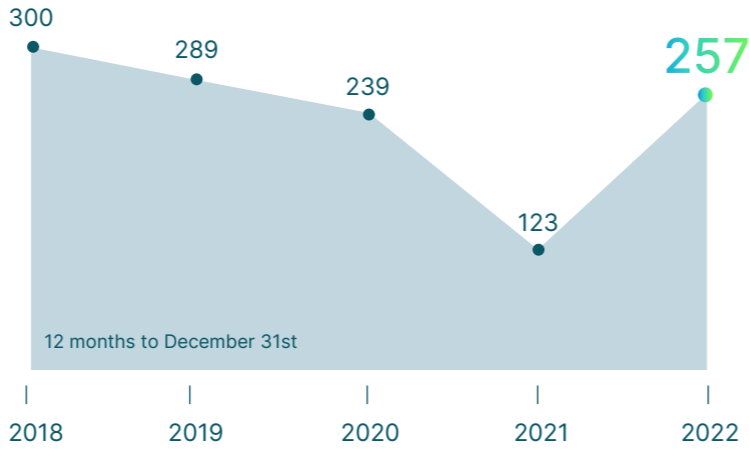
Grenevia Group's revenue

(PLNm)



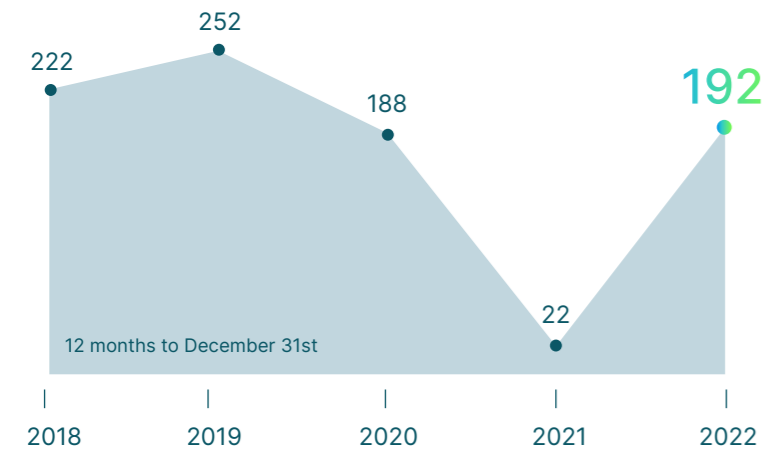
Operating profit

(PLNm)



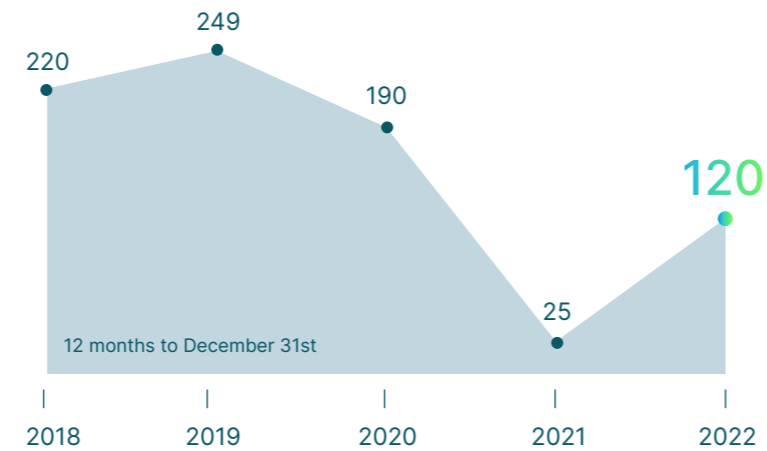
Net profit from continuing operations

(PLNm)



Net profit

(PLNm)



as at Dec 31 2022

PLN 3,670m

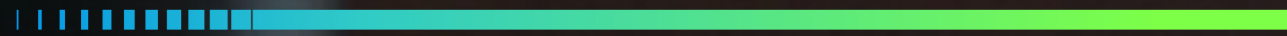
Total assets

PLN 2,095m

Equity

(PLNm)	As at Dec 31 2022				
	2022	2021	2020	2019	2018
Selected items of the statement of financial position					
Current assets	2,882	2,621	1,718	2,039	1,800
Non-current assets	788	599	774	936	1,158
Total assets	3,670	3,220	2,492	2,975	2,958
Current liabilities	916	669	342	921	572
Non-current liabilities	659	670	468	526	520
Equity	2,095	1,881	1,682	1,511	1,587

Taxonomy



155 EU Taxonomy





EU Taxonomy

The following disclosures were prepared based on the following European regulations (the “EU Taxonomy”):

- I Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18th 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 2020.198.13).
- I Commission Delegated Regulation (EU) 2021/2139 of June 4th 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (“Technical Screening Criteria”)
- I Commission Delegated Regulation (EU) 2021/2178 of July 6th 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally

sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (hereinafter: “Regulation 2021/2178”).

The Grenevia Group does not conduct, finance or have exposure to any of the activities referred to in sections 4.26 to 4.31 of Annexes I and II to the Technical Screening Criteria (activities relating to the production of energy from nuclear processes and from gaseous fossil fuels), and therefore does not refer to Delegated Regulation 2022/1214 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

In 2023, Grenevia S.A. is required to assess its 2022 activities for eligibility under the EU Taxonomy and to assess the Taxonomy-eligible economic activities for compliance with the technical screening criteria and minimum safeguards. The technical screening criteria specify the sectors and a list of economic activities that may substantially contribute to climate change mitigation or climate change adaptation, as well as the criteria of substantial contribution and doing no significant harm to any of the other environmental objectives. The EU Taxonomy covers 13 sectors of activity (“eligible activities”) and is sub-

ject to change, and the economic activities currently considered eligible under the EU Taxonomy are likely to be supplemented by additional sectors or types. The criteria, as they now stand, cover the sectors of activity responsible for the largest greenhouse gas emissions that have the greatest potential to contribute to the environmental objectives.

The Company’s core business, which involves the manufacturing of mining machinery, is not listed in either Annex I or Annex II of the Commission Delegated Regulation 2021/2139, which establishes the Technical Screening Criteria. In line with its strategy adopted in 2021, the Grenevia Group is transforming from a mining machinery manufacturer to a business that proactively invests in green energy transition projects. As a result, the Grenevia Group currently includes business segments that can positively contribute to climate change adaptation and mitigation through CO² emissions avoidance or carbon footprint reduction in future reporting periods. One of the segments develops and builds large-scale photovoltaic systems and the other one manufactures battery systems for public transport and electric drives.

Methodology

Grenevia S.A. applied the methodology set out in Annexes I and II to the Technical Screening Criteria to determine the Taxonomy-eligible portion of its turnover, capital expenditure, and operating expenditure. Compliance with the Technical Screening Criteria was assessed by Grenevia S.A. for selected Taxonomy-eligible economic activities. The assessment was made against the criteria of substantial contribution to the ‘climate change mitigation’ and ‘climate change adaptation’ environmental objectives, doing no significant harm, and compliance with the minimum safeguards.

The materiality threshold for the assessment was PLN 100 thousand. Compliance with the Technical Screening Criteria was not assessed for activities with the relevant KPIs (turnover, CapEx, or OpEx) below PLN 100 thousand. Activities below the stated materiality threshold were considered Taxonomy non-eligible and Taxonomy non-aligned.

In addition, compliance with DNSH criteria was not assessed for activities which failed to meet substantial contribution criteria.

continued on the next page



EU Taxonomy

continued from the previous page [↩](#)

Where the description of an activity was not clear, the NACE classification system was used for reference.

In order to ensure consistency with other sections of this report, key items used in Taxonomy eligibility assessment were prepared on a consolidated basis (for the entire Grenevia Group) and on a separate basis (for Grenevia S.A.).

The following policies were applied in calculating the Taxonomy-eligible proportion of turnover, capital expenditure (CapEx), and operating expenditure (OpEx):

item	description
Turnover (revenue)	The presented consolidated data was based on total consolidated revenue of the Grenevia Group for 2022, as disclosed in the consolidated financial statements in the line item 'Revenue' discussed in Notes 12 and 13. Revenue from Taxonomy-eligible Taxonomy-aligned activities were included in the numerator.
CapEx (capital expenditure)	The presented consolidated CapEx data was based on capital expenditures booked by the Grenevia Group. Total CapEx is disclosed in the consolidated financial statements in the line item 'Non-current assets' discussed in Notes 23.2 and 24.3. The proportion of OpEx associated with Taxonomy-eligible economic activities was included in the numerator.
OpEx (operating expenditure)	The presented OpEx data was based on total expenditures associated with day-to-day servicing of the company's assets and keeping them in a good condition. OpEx associated with Taxonomy-eligible economic activities was included in the numerator.

Minimum safeguards

The Grenevia Group assessed its activities for compliance with the minimum safeguards. The assessment was based on the guidance contained in the Final Report on Minimum Safeguards, published in October 2022 by the Platform on Sustainable Finance as a practical framework for verifying compliance with Article 18 of the EU Taxonomy. The recommendations and guidance in the Final Report on

Minimum Safeguards include due diligence requirements in the areas of human rights, labour rights, bribery, fair competition, and taxation.

Due diligence processes and solutions in place were assessed in the areas of human rights, labour rights, anti-corruption and anti-bribery, tax transparency, and fair competition. The compliance assessment

demonstrated that the Grenevia Group meets the minimum safeguards – it has internal documentation and standards of conduct in place and is continuously taking measures to:

- | effectively detect any abuses and corruption ('Anti-corruption' section);
- | protect fundamental human rights ('Respect for human rights' and 'Our employees' sections);
- | enhance safety and security ('Our employees' section);
- | comply with tax laws and ensure tax transparency (tax risk management);
- | comply with fair competition regulations (training, adoption of internal trade secret policies).

The Business and Human Rights Resource Centre database and the OECD NCP were analysed, and it was confirmed that no reports were made against Grenevia Group companies during the period under review.

I EU Taxonomy

Proportion of the Grenovia Group's turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2022

The Grenovia Group earns revenue mainly from the manufacture and lease of mining machinery. This activity is not included in the Taxonomy. Accordingly, Taxonomy-eligible revenue comprises revenue of the PV and E-mobility segments and the part of revenue of the Power Engineering and FAMUR segments associated with wind turbine gearbox refurbishment (PLN 1m, activity 3.1). Other items are construction of large-scale PV farms (PLN 56m, activity 4.1), production of PV transformer stations (PLN 0.6m, activity 3.1), and manufacture of batteries for electric buses (PLN 62m, activity 3.4). An assessment of compliance with the Technical Screening Criteria performed for all these activities found that the substantial contribution criteria were met and that all DNSH criteria for the other environmental objectives were met and, consequently, turnover associated with these activities is Taxonomy-eligible and Taxonomy-aligned.

Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Taxonomy-aligned proportion of turnover 2021	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		PLNm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	4.1	56	4.3	100	0	-	-	-	-	-	Y	-	Y	-	Y	Y	4.3	08		
Manufacture of renewable energy technologies	3.1	2	0.1	100	0	-	-	-	-	-	Y	Y	Y	Y	Y	Y	0.1	0		
Manufacture of batteries	3.4	62	4.8	100	0	-	-	-	-	-	Y	Y	Y	Y	Y	Y	4.8	0		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		119	9.2																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0																	
Total (A.1 + A.2)		119	9.2														9.2			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		1,177	90.8																	
Total (A+B)		1,296	100																	

EU Taxonomy

Proportion of the Grenevia Group's CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2022

Capital expenditure associated with the installation of rooftop photovoltaic systems (activity 7.6) in the FAMUR segment and capital expenditure associated with the core business activities of the PV segment (installation of large-scale photovoltaic farms classified as activity 4.1) and the E-mobility segment (manufacture of batteries classified as activity 3.4) were found to be compliant with the Technical Screening Criteria. An analysis of the DNSH criteria found that the criteria were met. In the other two cases, it was determined that the substantial contribution criteria were not met, and therefore the DNSH criteria were not examined.

Economic activities	Code	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Taxonomy-aligned proportion of OpEx 2022	Taxonomy-aligned proportion OpEx 2021	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		PLNm	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of renewable energy technologies	7.6	0.3	0.2	100	0	-	-	-	-	-	Y	-	-	-	-	Y	0.2	0		
Manufacture of batteries	3.4	1.7	0.9	100	0	-	-	-	-	-	Y	Y	Y	Y	Y	Y	0.9	0		
Electricity generation using solar photovoltaic technology	4.1	8.2	4.6	100	0	-	-	-	-	-	Y	-	Y	-	Y	Y	4.6	10.3		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		10.2	5.7														5.7			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	7.8	4.4	0	0	-	-	-	-	-	-	-	-	-	-	Y				
Freight transport services by road	6.6	0.6	0.3	0	0	-	-	-	-	-	-	-	-	-	-	Y				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8.4	4.7																	
Total A (A.1 + A.2)		18.6	9.9																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		168.4	90.1																	
Total (A+B)		187	100																	

EU Taxonomy

Proportion of the Grenevia Group's OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2022

Operating expenditure associated with the core business activities of the PV segment (manufacture of batteries classified as activity 3.4) and the E-mobility segment (installation of large-scale photovoltaic farms classified as activity 4.1) was found to be compliant with the Technical Screening Criteria. An analysis of the DNSH criteria found that the criteria were met. In the other two cases, it was determined that the substantial contribution criteria were not met, and therefore the DNSH criteria were not examined.

Economic activities	Code	Absolute OpEx PLNm	Proportion of OpEx %	Substantial contribution criteria						DNSH criteria						Minimum safeguards Y/N	Taxonomy-aligned proportion of OpEx 2022 %	Taxonomy-aligned proportion OpEx 2021 %	Category (enabling activity) E	Category (transitional activity) Y	
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Electricity generation using solar photovoltaic technology	4.1	0.1	0.6	100	0	–	–	–	–	–	Y	–	Y	–	Y	Y	0.6	3			
Manufacture of batteries	3.4	0.2	1.1	100	0	–	–	–	–	–	Y	Y	Y	Y	Y	Y	1.1	0			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.3	1.5														1.7				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.3	1.6	0	0	–	–	–	–	–	–	–	–	–	–	Y					
Freight transport services by road	6.6	1.0	5.1	0	0	–	–	–	–	–	–	–	–	–	–	Y					
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.3	6.7																		
Total A (A.1 + A.2)		1.6	8.2																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
OpEx of Taxonomy-non-eligible activities (B)		17.8	91.8																		
Total (A+B)		19.4	100																		

Non-financial reporting



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Our approach to reporting

The reported non-financial data covers all Grenevia Group companies which had more than 10 employees at the end of 2022. In terms of employment materiality, the composition of the Grenevia Group assumed for the purposes of non-financial reporting represents approximately 99% of the total headcount of all Grenevia Group companies included in the consolidated financial statements. The PV segment includes a large number of special purpose vehicles set up to deliver specific solar PV projects. They are effective from an operational perspective, but immaterial to non-financial reporting, except where we disclose the volume of greenhouse gas emissions avoided by the use of their assets (solar PV farms).

The table on the next page presents the Grenevia Group entities of relevance to non-financial aspects of the Group's activities and their respective operating segments (data as at December 31st 2022).

This non-financial report of the Grenevia Group for 2022 (including non-financial information of Grenevia S.A. for 2022) was prepared in accordance with Art. 49b.9 of the Accounting Act and with reference to Global Reporting Initiative (GRI) Standards 2021 and the Warsaw Stock Exchange's ESG Reporting Guidelines. This report also contains EU Taxonomy disclosures required under Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18th 2020. A complete report including a list of GRI indicators will be prepared separately as the Grenevia Group Integrated Report.

This report contains non-financial data identified during a stakeholder dialogue conducted in 2022 and incorporated into the Grenevia Group's sustainability strategy 2023–2030 and other strategic documents. The criterion for the selection of content was the relevance of a particular matter to the Group and its stakeholders. The statement is a continuation of previously released non-financial statements and reports.

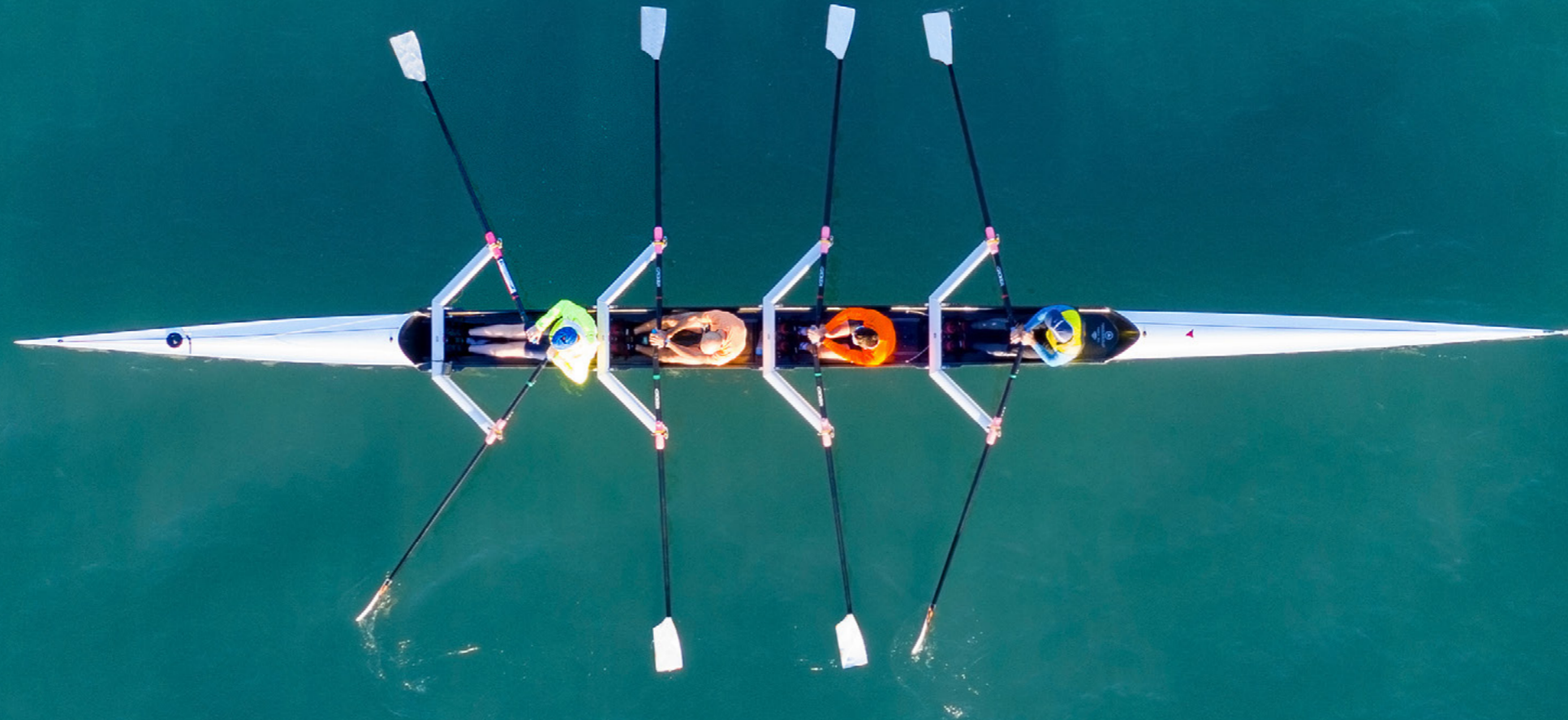
Read the Directors' Report and the financial statements of the Grenevia Group to gain a full picture of our activities, reflecting our strategic approach to integrating the principles of sustainability into our business operations.

Differences and changes relative to prior period

Compared with the data presented in the prior period, the scope of non-financial reporting was expanded to include companies in the PV segment (which became part of the Group as a result of investments made in 2021), IMPACT (which became part of the Group in mid-November 2022) and other Group companies that are material for non-financial reporting.

On February 16th 2023, the Extraordinary General Meeting of the Company passed a resolution to change the Company's name from FAMUR Spółka Akcyjna to Grenevia Spółka Akcyjna. The change was registered by the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, on April 3rd 2023.





Segment	FAMUR segment	Power Engineering segment	PV segment	E-mobility segment	Corporate Functions segment
Principal business activities	Solutions for the mining and wind power sectors	Power distribution solutions	Large-scale solar PV solutions	Battery systems for electric mobility and energy storage	Corporate functions and other activities
Segment companies	Grenevia S.A. FAMUR Katowice Branch (preparing its own set of accounts) TOO Kazachstan PRIMETECH S.A. Śląskie Towarzystwo Wiertnicze DALBIS sp. z o.o.	Elgór+Hansen S.A.	Projekt-Solartechnik S.A. PST Service sp. z o.o. Projekt-Solartechnik Group sp. z o.o. PST Steel sp. z o.o. Projekt-Solartechnik Dystrybucja sp. z o.o. Projekt-Solartechnik Development sp. z o.o. PST Projekt Solartechnik GmbH	IMPACT Clean Power Technology S.A.	Grenevia S.A. Hansen and Genwest Pty Ltd

GRI Index table

GRI Standard / other source	Indicator	Page	Note
GRI 2: General Disclosures 2021	2-1 Organizational details	41	
	2-2 Entities included in the organization's sustainability reporting	161	
	2-3 Reporting period, frequency and contact point	161, 162	
	2-4 Restatements of information	161	
	2-5 External assurance		No indicator available
	2-6 Activities, value chain and other business relationships	18-19	
	2-7 Employees	84	
	2-8 Workers who are not employees		No indicator available
	2-9 Governance structure and composition	117-123	
	2-10 Nomination and selection of the highest governance body	124-125	
	2-11 Chair of the highest governance body	117-123	
	2-12 Role of the highest governance body in overseeing the management of impacts	124-125	
	2-13 Delegation of responsibility for managing impacts	26	
	2-14 Role of the highest governance body in sustainability reporting	26	
	2-15 Conflicts of interest	111	
	2-16 Communication of critical concerns		No indicator available
	2-17 Collective knowledge of the highest governance body	117-123	

GRI Standard / other source	Indicator	Page	Note
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	124-125	
	2-19 Remuneration policies	125-126	
	2-20 Process to determine remuneration	125-126	No information available on the process of determining employee remuneration
	2-21 Annual total compensation ratio		No indicator available
	2-22 Statement on sustainable development strategy	11, 18-25	
	2-23 Policy commitments	29-30, 111-113	
	2-24 Embedding policy commitments	29-30, 111-113	
	2-25 Processes to remediate negative impacts	112	
	2-26 Mechanisms for seeking advice and raising concerns	111-113, 127-128	
	2-27 Compliance with laws and regulations	111-113, 127-128	
	2-28 Membership associations	27	
	2-29 Approach to stakeholder engagement	26-27	
	2-30 Collective bargaining agreements	92	

I GRI Index table

GRI Standard / other source	Indicator	Page	Note
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	28	
	3-2 List of material topics	28	
Material topic: Corporate governance			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Anti-corruption	111	
Anti-corruption			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	111	
	205-3 Confirmed incidents of corruption and actions taken	111	
Material topic: Business ethics			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Anti-competitive behaviour	111-112	
Anti-competitive behaviour			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No indicator available
Tax			
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	127	
Material topic: Energy management			
GRI 3: Material Topics 2021	3-3 Zarządzanie istotnymi tematami – aspekt: Energia	100-103	
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	100-103	

GRI Standard / other source	Indicator	Page	Note
Material topic: Greenhouse gas emissions and methods of their reduction			
GRI 3: Material Topics 2021	3-3 Zarządzanie istotnymi tematami – aspekt: Emisje gazów cieplarnianych oraz sposoby ich redukcji	100-103	
Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	102-103	
	305-2 Energy indirect (Scope 2) GHG emissions	102-103	
	305-4 GHG emissions intensity	102-103	
	305-5 Reduction of GHG emissions	102-103	
Material topic: Climate education			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Climate education		No indicator available
Material topic: Human capital development			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Human capital development	88	
Workforce			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84-85	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	84, 86, 88	
	401-3 Parental leave		No indicator available

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GRI Standard / other source	Indicator	Page	Note
Training and education			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	88	
	404-2 Programs for upgrading employee skills and transition assistance programs	88	
Material topic: Employee rights			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Employee rights	29-30, 92	
Labor/management relations			
GRI 402: Labor/Management Relations 2016	402-1: Minimum notice periods regarding operational changes	27	
Material topic: Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Diversity and equal opportunity	93	
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	93, 127	
Prevention of discrimination			
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		No indicator available
Material topic: Equal pay			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Equal pay		No indicator available

GRI Standard / other source	Indicator	Page	Note
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men		No indicator available
Material topic: Data privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Data privacy	30	
Customer privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No indicator available
Material topic: Cybersecurity			
GRI 3: Material Topics 2021	3-3 Management of material topics – aspect: Cybersecurity		No indicator available
Additional indicators			
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	89-92	
	403-9 Work-related injuries	89-92	



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Your link to green transition

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