

Grenevia | August 2023

Grenevia Group financial results H1 2023



Grenevia

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01

H1 2023 summary



Grenevia Group's H1 2023 financial results

Revenue

PLN 781m

+PLN 231m, +42% vs H1 2022

Net profit

PLN 92m

Data comparability distorted by a non-recurring event recognised in H1 2022: a PLN 58m loss on the loss of control of OOO Famur (Russia)

EBITDA

PLN 229m

+PLN 38m, +20% vs H1 2022

Net debt

PLN 478m

as at Jun 30 2023; 1.1x EBITDA*

* EBITDA for the 12 months to Jun 30 2023

Grenevia Group's revenue

H1 2023 revenue

PLN **781**m

+42% (+PLN 231m) vs H1 2022

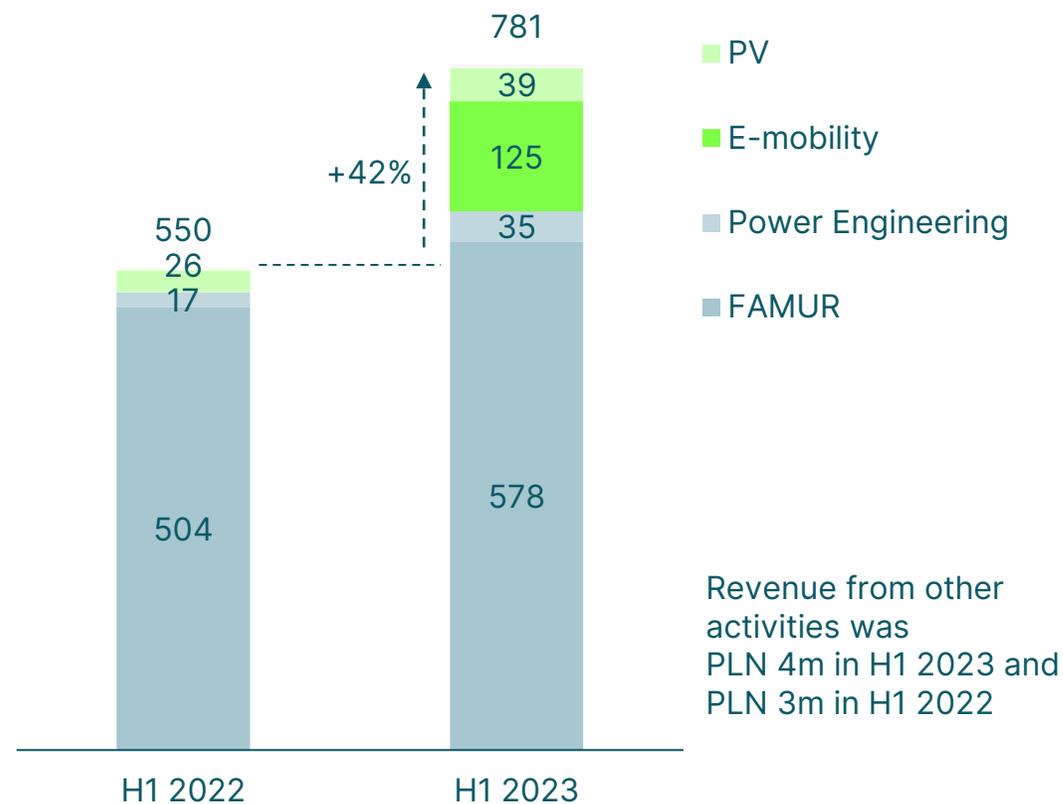
Change in revenue
vs H1 2022 by segment

	PLNm	%
FAMUR*	+74	+15%
Power Engineering*	+18	+106%
E-mobility**	+125	n/a
PV	+13	+50%
Other activities	+1	n/a

* E+H was separated from the FAMUR mining machinery segment in Q4 2022 and is now presented separately as the Power Engineering segment

** E-mobility segment's revenue has been consolidated since mid-November 2022

Grenevia Group's revenue
by segment (PLNm)



Grenevia Group's EBITDA

H1 2023 EBITDA

PLN 229m +PLN 38m (+20%) vs H1 2022

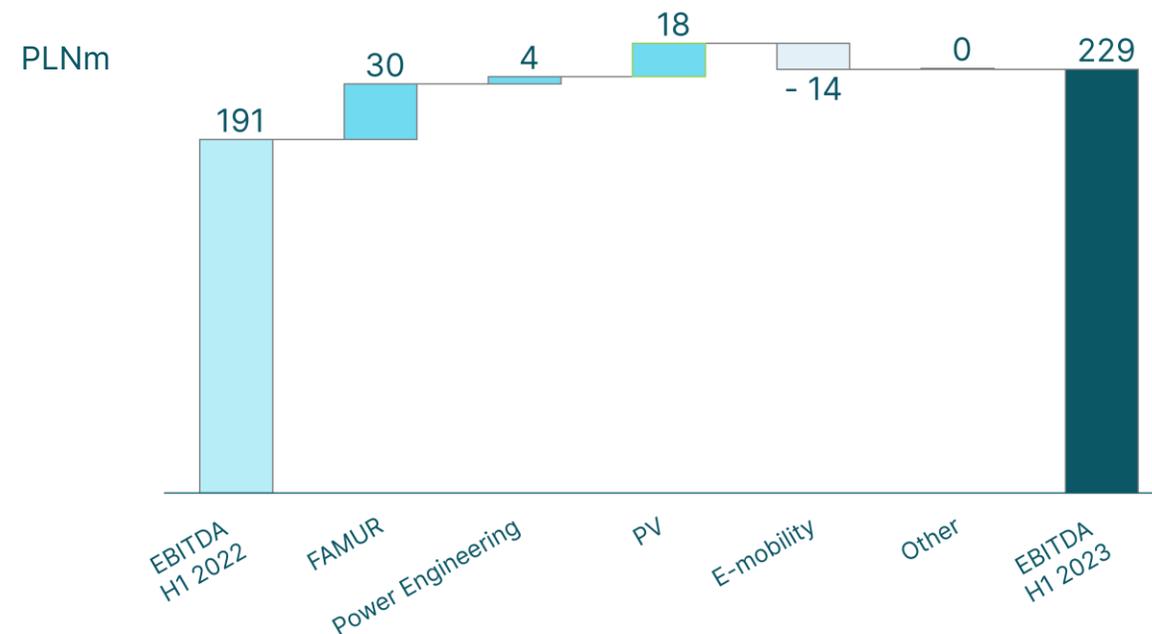
EBITDA by segment	Change vs H1 2022	PLNm
246	+30	FAMUR*
12	+4	Power Engineering*
-3	+18	PV
-14	-14	E-mobility**
-12	-	Other activities, corporate functions and consolidation eliminations

* In Q4 2022, E+H was separated from the FAMUR mining machinery segment and is now presented separately as the Power Engineering segment

** E-mobility segment's financial results have been consolidated since mid-November 2022

Impact of the segments' EBITDA evolution on the Grenevia Group's EBITDA

EBITDA margin 35% 29%



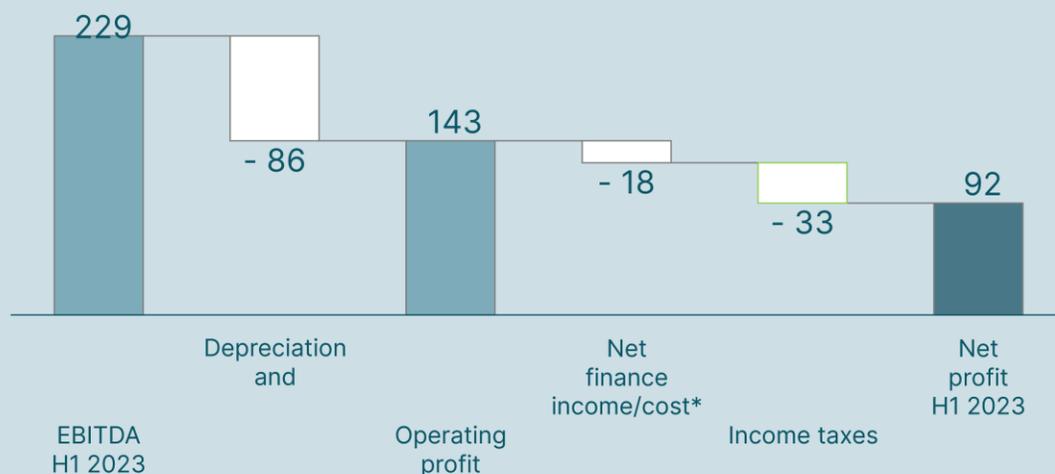
Grenevia Group's net profit

H1 2023 net profit

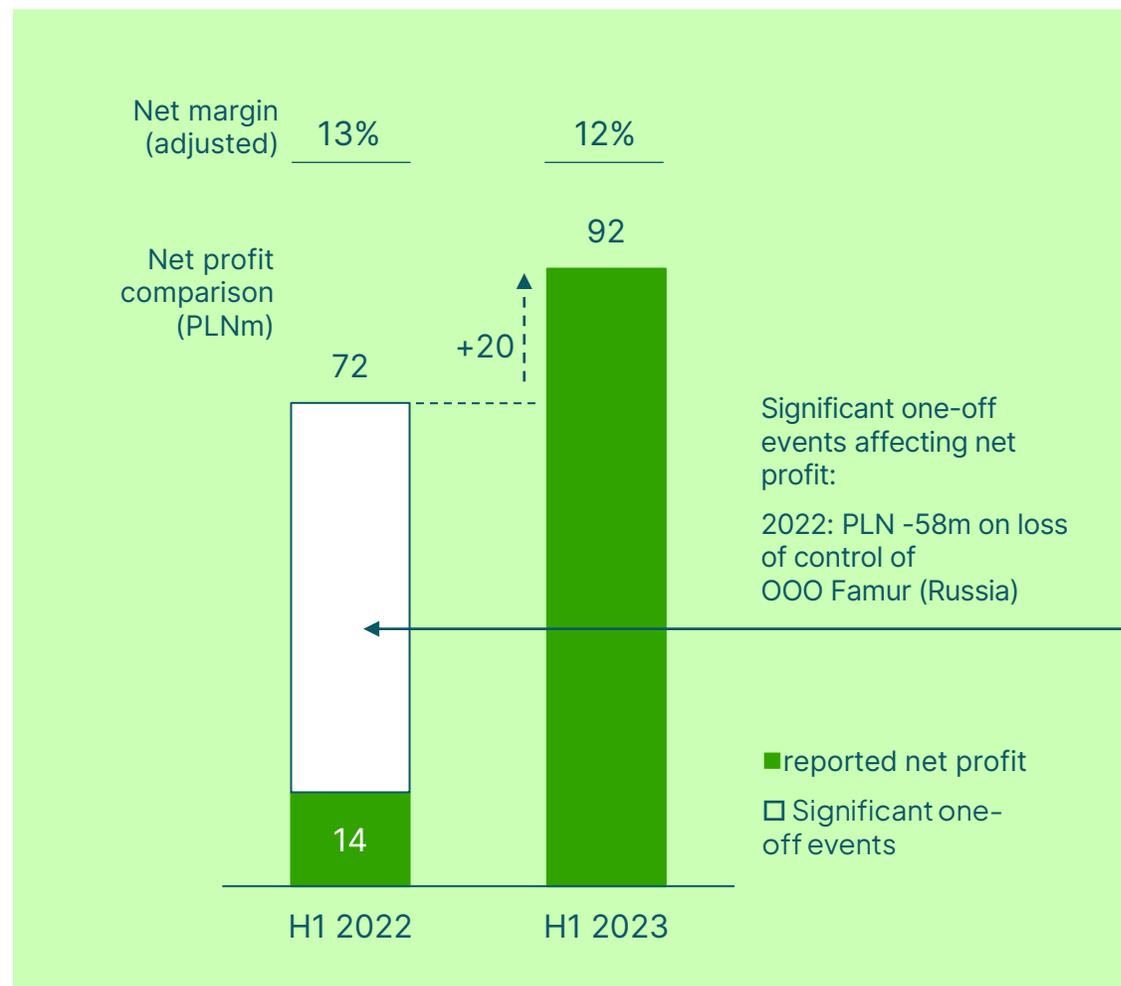
PLN 92m

including net profit attributable to:
PLN 123m – shareholders of Grenevia SA
PLN -31m – non-controlling interests

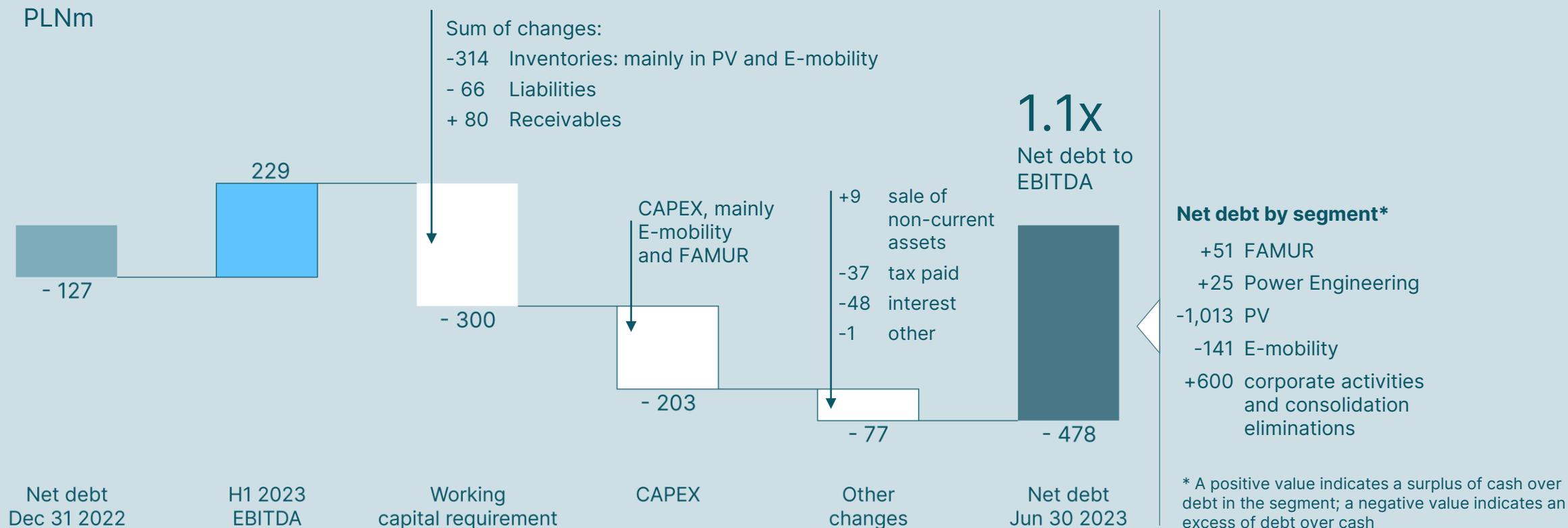
Factors affecting H1 2023 net profit (PLNm)



* Net finance income/costs are finance costs adjusted for finance income increased by net change in allowance for expected credit losses



Change in the Group's net debt in H1 2023



02

Discussion of segment operations in H1 2023



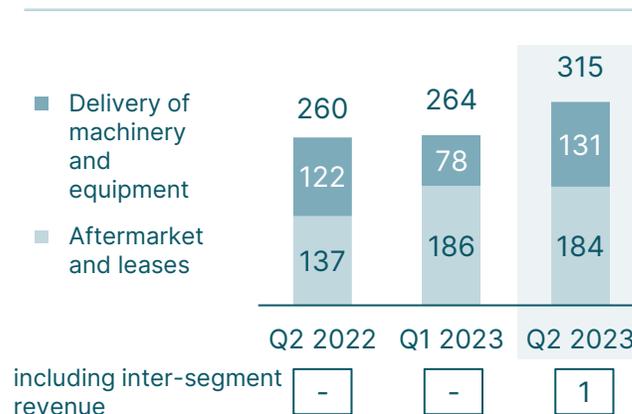
FAMUR solutions for mining and wind power industry



January–June 2023

Total revenue PLN 579m of which PLN 578m outside the Grenevia Group +15% vs H1 2022 +PLN 75m		EBITDA PLN 246m +14% vs H1 2022 +PLN 30m
Recurring revenue 64%	Share of exports 10% -37pp vs H1 2022	EBITDA margin 42% -1pp vs H1 2022
~PLN 779m backlog* as at June 30th 2023 * deliveries of machinery and equipment and leases in accordance with contract terms		
PLN 51m Surplus of cash over debt in the segment as at the end of H1 2023		

Segment's quarterly revenue (PLNm)



Segment's quarterly EBITDA

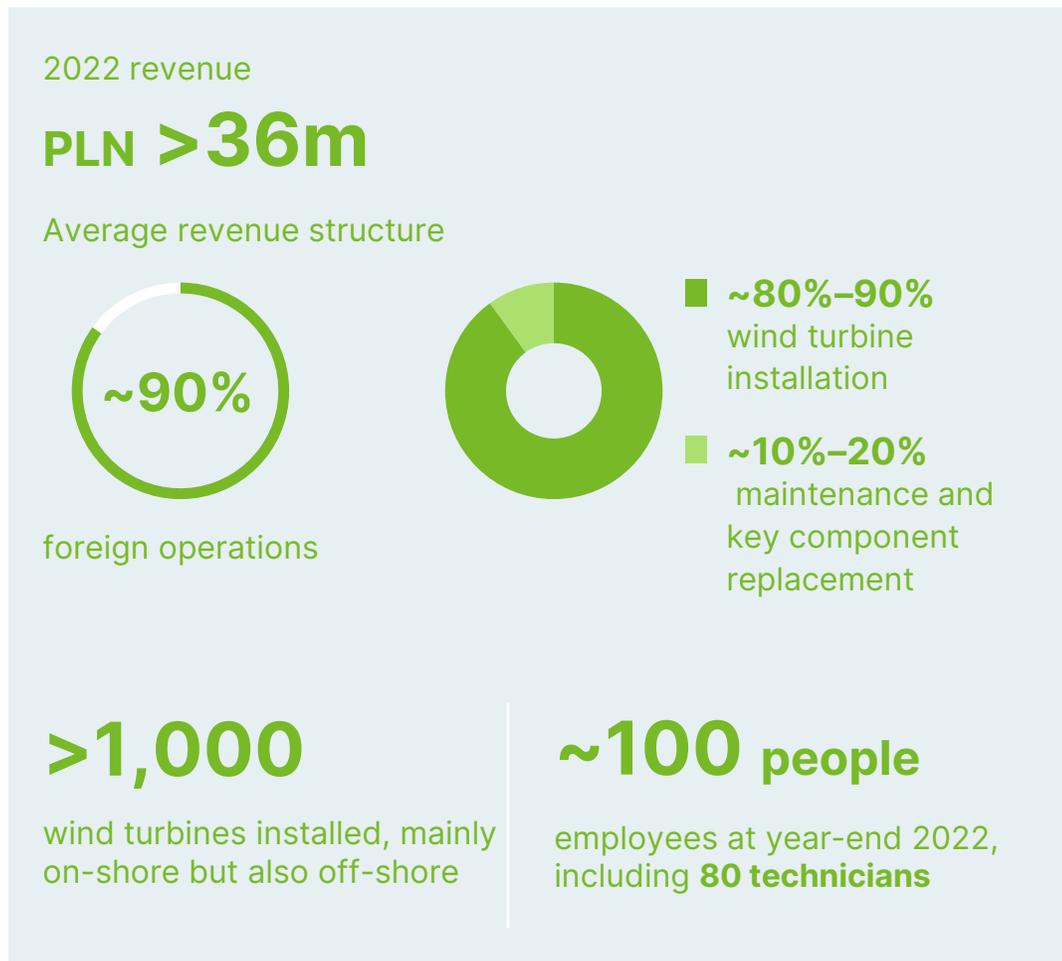


- New orders of PLN 491m in H1 2023 (PLN 259m in Q2 2023)
- Stabilisation of demand from domestic customers (mainly for replacements)
- Diminished investments noted in international markets, with continued price pressure from Chinese manufacturers
- Continued improvement in the aftermarket segment.
- FAMUR halted its bidding activities within the Russian and Belarusian markets and initiated asset divestment in Russia
- Advancing wind turbine gearbox repair/refurbishment and maintenance services: servicing more turbines and expanding the range
- Acquisition of Total Wind PL

FAMUR – solutions for the mining and wind power sectors

FAMUR

Investment in Total Wind PL



Total Wind PL

Polish-based company with 18 years' market experience.

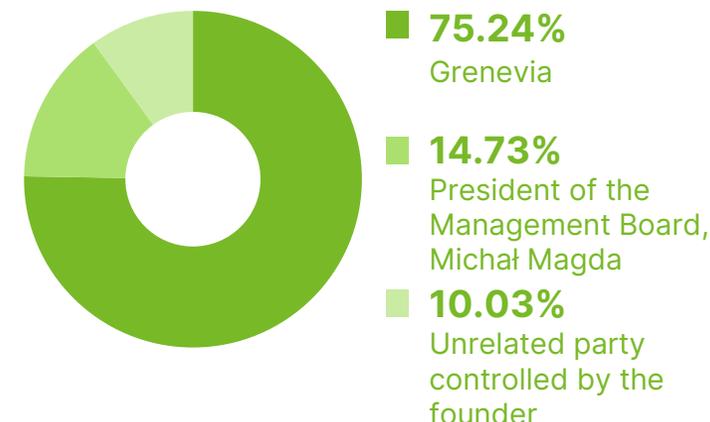
The company provides wind turbine installation services, in addition to maintenance and key component replacement, for leading turbine manufacturers.

It implements projects across 10 countries, primarily in Europe.

Key transaction details and anticipated benefits

- | July 20th 2023 purchase of an approximately 75% equity interest in Total Wind PL
- | Transaction value approximately EUR 4.5m
- | Call/put option 10.03% in 2026
- | Revenue synergies: Total Wind PL's new initiatives and organic growth will enable FAMUR to dynamically scale up its wind gearbox repair/refurbishment business

Post-transaction shareholding structure



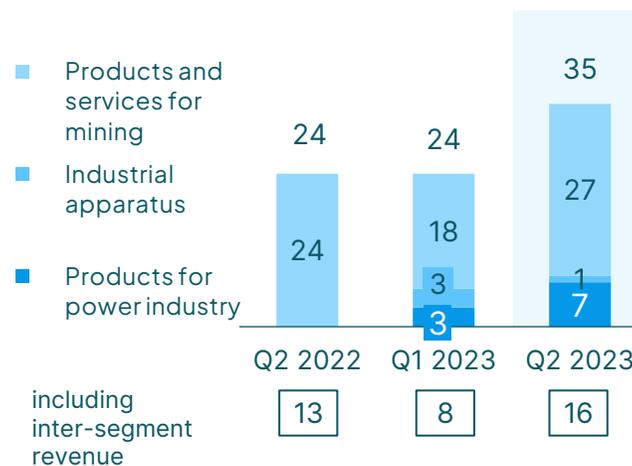
Power Engineering segment

ELGÓR+HANSEN

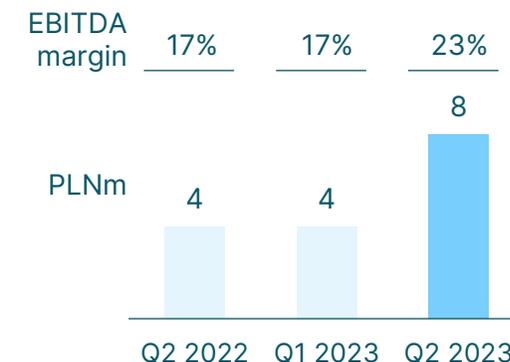
January–June 2023

<p>Total revenue</p> <p>PLN 59m</p> <p>+59% y/y PLN +22m</p> <p>of which PLN 35m outside the Grenevia Group</p>	<p>EBITDA</p> <p>PLN 12m</p> <p>+50% y/y PLN +4m</p>
<p>Revenue outside coal mining</p> <p>24%</p>	<p>EBITDA margin</p> <p>20%</p> <p>-2pp vs H1 2022</p>
<p>PLN ~106m</p>	<p>backlog as at June 30th 2023, including PLN 74m in the FAMUR and PV segments</p>
<p>PLN 25m</p>	<p>Surplus of cash over debt in the segment as at the end of H1 2023</p>

Segment's quarterly revenue (PLNm)



Segment's quarterly EBITDA



- Further deliveries of substations for PV farms and industrial facilities, proactively seeking award of new contracts
- PLN 109m worth of new orders secured in H1 2023, including over PLN 40m from customers in non-mining sectors
- Execution and performance of a contract with Projekt Solartechnik for delivery of approximately PLN 31m worth of substations for PV farms
- Launch of a new substation manufacturing line at the Zabrze plant
- Increased demand from the mining sector for aftermarket products and services, with stable demand for new machinery and equipment

PV segment: financial results



January–June 2023

Total revenue	EBITDA
PLN 39m	PLN -3m
+50% y/y PLN +13m vs H1 2022	PLN +18m vs H1 2022
Revenue from sales of electricity in H1 2023	
PLN 25m	
Debt at the end of June 2023	
Gross debt	Net debt
PLN 1,175m	PLN 1,013m
Funding provided by Grenevia as at the end of H1 2023	
PLN 823m	

Segment's quarterly revenue (PLNm)



Segment's quarterly EBITDA (PLNm)



- Revenue growth driven by sales of energy generated from operational PV farms
- EBITDA improvement driven by revenue growth
- External financing raised: PLN 128m loan for the construction of PV farms with a capacity of about 43 MW from the Polish Development Fund (maturing in December 2042)

PV segment: operating results

Total project capacity of ~4.1 GW

Total capacity of PV projects and farms (MW)	Jun 30 2023	Dec 31 2022
Farms connected to the power grid	133	91
Farms under construction	144	124
Projects in the pipeline*	142	65
Projects under development	~3,040	~2,800
Estimated total capacity of projects at various stages of development	~3,460	~3,080
Projects under development on the German market	~580	
Estimated total capacity of portfolio projects at various stages of development in Poland and abroad	~4,050	

Significant operating results and activities in H1 2023

Domestic market

- +380 MW increase in the capacity of projects at various stages of development in H1 2023
- 133 MW of PV farm capacity connected to the power grid as at June 30th 2023
- ~1.1 GW of PV projects with connection permits as at June 30th 2023
- Project portfolio diversification: 0.2 GW energy storage and 15 MW wind projects with connection permits as at June 30th 2023
- Advanced stage of the process to sell a portfolio of completed farm projects

Foreign markets

- Germany: pre-developed projects with a capacity of around 580 MW
- Establishment of subsidiaries: Projekt Solartechnik Romania S.R.L. in Bucharest, Projekt Solartechnik France SAS in Rouen and PST Spain in Madrid

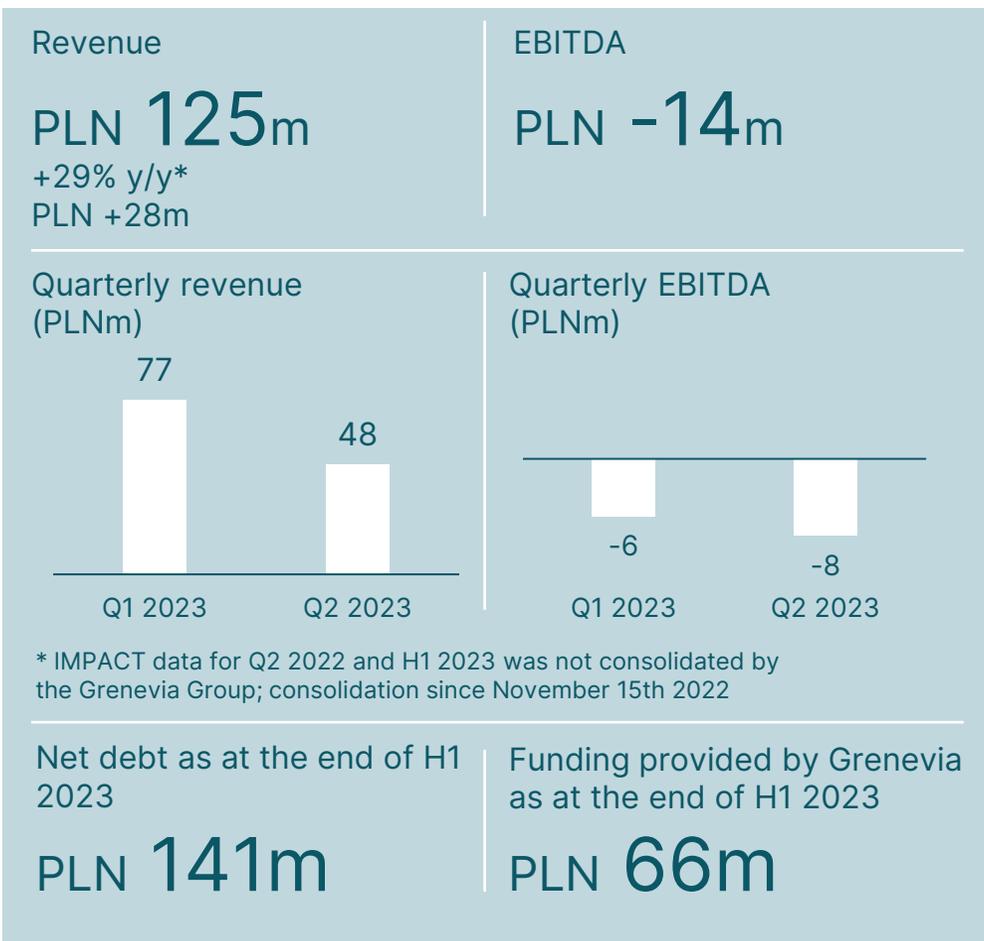
Growth strategy for 2023–2027* adopted in May

* Strategic objectives were discussed during the presentation of Q1 2023 results. Please refer to the appendix for details



E-Mobility segment: financial results

January–June 2023



- | Lower Q2 2023 revenue compared to Q1 2023, primarily due to the postponement of customer acceptance processes, largely stemming from delays in the launch of e-mobility subsidy programmes
- | Negative Q1 2023 and Q2 2023 EBITDA
 - Effect of sales postponement, and
 - Higher costs of key components purchased in 2022 (to ensure continuity of order fulfilment)
 - No risk of these components going unused
- | Forecast update
 - ~PLN 1bn in annual revenue over the next 4–5 years (starting from 2023)
 - ~7%–8% projected EBITDA margin in 2025 (the revised EBITDA forecast reflects the prolonged volatility of the market, in particular prices of components, including cells)
 - No change: ~PLN 120m of planned capital expenditure, to be incurred mainly in 2023 (CapEx and OpEx) on the GigafactoryX project:

E-mobility segment

Key operating activities

- | Proactive acquisition of new framework contracts for delivery of e-bus battery systems in 2024–2026
 - Continued collaboration with Solaris
 - Planned serial production for Alexander Dennis Limited
- | Bidding for energy storage, railway and off-highway solutions
- | Continued efforts to ensure a stable supply chain of key components
 - Cell supplier market analysis, selection and initiation of discussions with potential suppliers to ensure multiple sourcing (cooperation agreement with Freyr, negotiations with a major European cell manufacturer)
- | Continued construction of GigafactoryX:
 - PLN 89m in total expenditure incurred in H1 2023
 - purchase of property
 - reconstruction of office space and production hall
 - selection of a semi-automatic production line for battery systems
 - launch of GigafactoryX scheduled for late Q1 and early Q2 2024
 - planned increase in production capacity from around 0.6 GWh today to 1.2 GWh



Visualisation of GigafactoryX facade

03

Progress of the Grenevia Group's 2023–2030 Sustainability Strategy implementation



Key efforts pursued in H1 2023 across the pillars of the Sustainability Strategy*

<p>1 Sustainable business transformation</p>	<ul style="list-style-type: none"> • Adoption of the Sustainability Strategy across all segments • Adoption of a revenue growth strategy for renewable energy solutions within the power engineering segment • Acquisition of Total Wind PL to scale up operations in the wind power solutions sector and leverage synergies for the FAMUR segment
<p>2 Energy for transition</p>	<ul style="list-style-type: none"> • Implementation of a mechanism to calculate the carbon footprint in Scopes 1 and 2 for the Group, with calculations for 2022 and 2021 • Development of calculators to measure avoided emissions for PST and IMPACT • Development of forms for fleet inventory-taking and emission reduction calculations for the selected replacement scenarios • Launch of the bidding process and selection of an energy supplier for 2024 within the FAMUR segment
<p>3 Modern products and business models</p>	<ul style="list-style-type: none"> • Implementation of circular economy practices: establishing teams across segments to assess the level of product standardisation and explore opportunities for material reuse
<p>4 Efficient and responsible organisation</p>	<ul style="list-style-type: none"> • Implementation of improvements and optimal solutions in the non-financial data reporting process across the Group • Establishment of an ESG Steering Committee, comprised of Segment Leaders and the CEO of Grenevia SA, along with the appointment of ESG Coordinators across the segments of the Grenevia Group • Launch of the Whistleblowing and Criminal Compliance project across all segments • Initiation of supplier meetings as a part of our continuous dialogue with stakeholders across the Grenevia Group
<p>5 Employees and society as a key component of climate transition</p>	<ul style="list-style-type: none"> • Joining the United Nations Global Compact • Commencement of ESG training and webinars for all employees

04

Q&A session



Appendices



01

PV segment strategy



Expansion directions until 2027

Long-term plan to diversify the company's operations and drive its value growth:

- | Poland
- | Spain
- | Germany
- | Romania
- | France

Markets selected based on a review of their potential, including:

- | energy mix
- | regulatory environment
- | energy price movement scenarios
- | expected margins
- | possible market developments

Product diversification

- | PV projects
- | energy storage facilities
- | wind power generation



Key strategic targets

International expansion

- | 1.5 GW of RtB* projects on new markets
(2023: 540 MW of pre-developed PV projects)

Further market growth in Poland

- | Total PV portfolio in Poland in 2027 – 1.5 GW of RtB* projects

Development of energy storage facilities

- | 400 MW of RtB projects
(2023 – 200 MW with secured connection permits)

Development of wind projects

- | 170 MW of RtB projects
(2023 – 10 MW with secured connection permits)

Aggregated strategic targets until 2027

Sale of projects:

- | COD projects totalling 844 MW by 2027

Own PV farms (IPP)

- | COD projects totalling 844 MW by 2027
- | own secure trading company

Minimum project execution capacity

- | 500 MW per year
(+165% vs 2023)

Optimised financing

- | maximising third-party financing

* including COD projects

02

Grenevia Group's Sustainability Strategy for 2023–2030

Support for UN Sustainable Development Goals



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.

Pillars of the Sustainability Strategy

Strategic goals

<p>1 Sustainable business transformation</p>	<ul style="list-style-type: none"> 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. 	<p>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.</p> <p>* 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 thermal coal sector to below 30% in 2024.</p>
<p>2 Energy for transition</p>	<ul style="list-style-type: none"> 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 	<p>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.</p>
<p>3 Modern products and business models</p>	<ul style="list-style-type: none"> 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 	<p>As regards the life cycle of our products, we gradually implement the principles of circular economy and management of product emissions.</p>
<p>4 Efficient and responsible organisation</p>	<ul style="list-style-type: none"> 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 the Grenevia 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 	<p>We are implementing best international practices in corporate governance, risk management and relations with business partners.</p>
<p>5 Employees and society as a key component of climate transition</p>	<ul style="list-style-type: none"> 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 	<p>We engage in initiatives that are of benefit to employees, local communities and suppliers</p>



Thank you!