

# Grenevia Group Financial Results 2023



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# Speakers

Grenevia

**Beata Zawiszowska**

FAMUR segment

**Mirosław Bendzera**

Solar PV segment

**Lucjan Augustyn**

Grenevia

**Tomasz Jankowski**

Power Engineering segment

**Henryk Jurczyk**

E-mobility segment

**Bartek Kras**



# Grenevia

Beata Zawiszowska

# Agenda

- 01** Summary of 2023
- 02** Discussion of segment operations in 2023
- 03** Progress towards the Grenevia Group Sustainability Strategy
- 04** Q&A session

# 01

## Summary of 2023



# Grenevia Group 2023 financial results

## Revenue

**PLN 1,644m**

PLN +348m | +27% vs 2022

## Net profit

**PLN 144m**

PLN +24m | +20% vs 2022

## EBITDA

**PLN 414m**

PLN +8m | +2% vs 2022

## Net debt

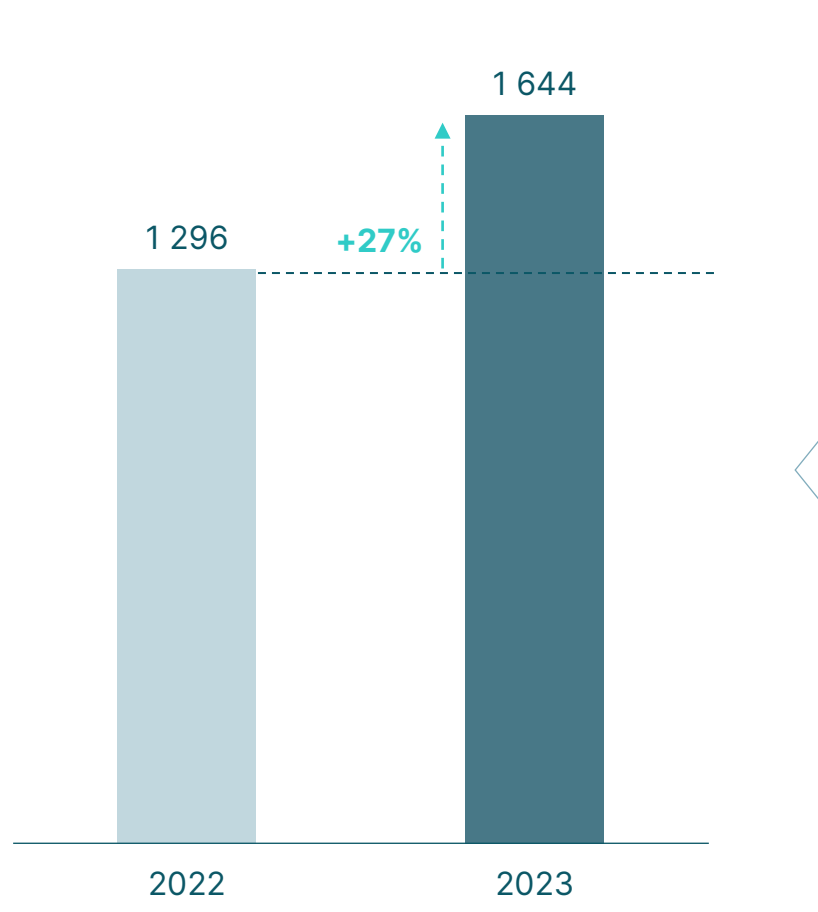
**PLN 372m**

as at 31 December 2023; 0.9x EBITDA

# Grenevia Group revenue

PLN 1,644m in 2023  
+27% vs 2022

Grenevia Group revenue (PLNm)



Segment	External revenue in 2023 (PLNm)	Change vs 2022 (PLNm)	Change vs 2022 (%)
FAMUR*	1,114	-1	0%
Power Engineering	110	+51	+86%
PV	78	+24	+44%
E-mobility**	335	+271	n/m**
Other activities*	7	+3	n/m
<b>Grenevia Group</b>	<b>1,644</b>	<b>+348</b>	<b>27%</b>

\* Data for 2022 has been restated in accordance with the business structure as at 31 December 2023.

\*\* E-mobility segment's revenue has been consolidated since 15 November 2022.



# Grenevia Group EBITDA

FY2023 EBITDA

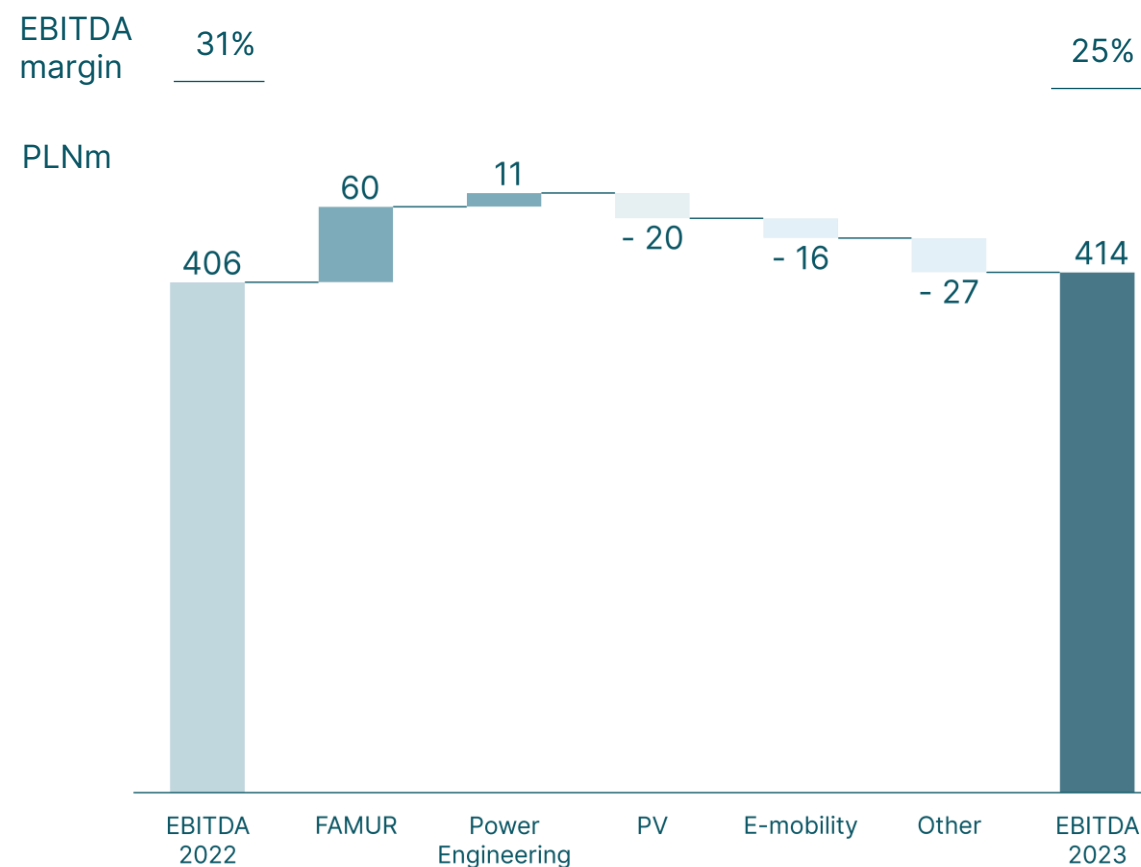
**PLN 414m** PLN +8m (+2%) vs 2022

EBITDA by segment	Change vs 2022	PLNm
498	+60	FAMUR*
35	+11	Power Engineering
-56	-20	PV
-23	-16	E-mobility**
-40	-27	Other activities, corporate functions and consolidation eliminations*

\* Data for 2022 has been restated in accordance with the business structure as at 31 December 2023.

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

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



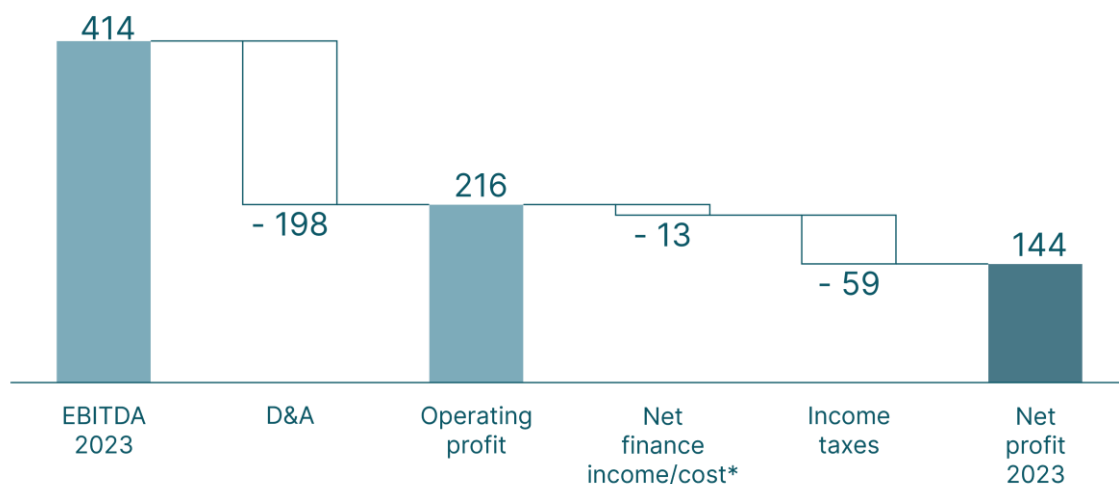
# Grenevia Group net profit

## FY2023 net profit

**PLN 144m**

including net profit attributable to:  
**PLN 212m** – shareholders of Grenevia S.A.  
**PLN -68m** – non-controlling interests

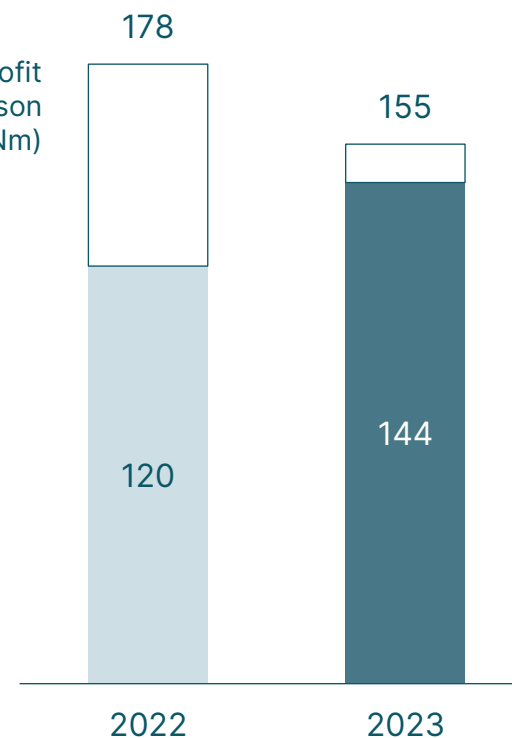
Factors affecting net profit in 2023 (PLNm)



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

Net margin (adjusted) 14% 9%

Net profit comparison (PLNm)



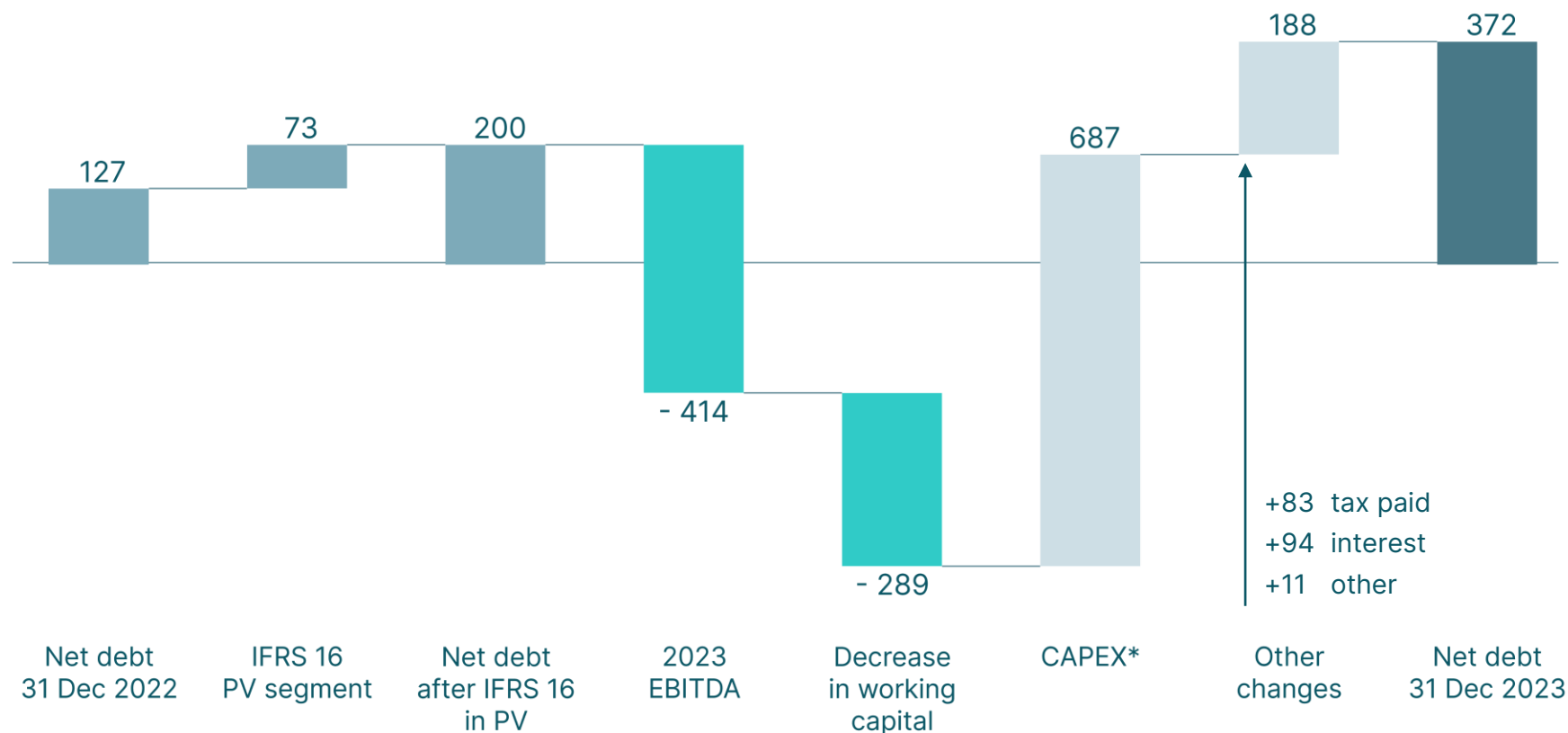
Significant one-off events affecting net profit:  
**2023:** PLN -11m tax decision  
**2022:** PLN -58m on loss of control of OOO Famur (Russia)

■ reported net profit  
□ significant one-off events

# Change in the Group's net debt in 2023

PLNm

0.9x Net debt to EBITDA



**Net debt by segment\*\***

- 1 FAMUR
- 26 Power Engineering
- 1,143 PV
- 74 E-mobility
- 818 corporate activities and consolidation eliminations

- +83 tax paid
- +94 interest
- +11 other

\* Purchase of property, plant and equipment as per the statement of cash flows.

\*\* A positive value indicates a surplus of debt over cash in the segment, while a negative value indicates an excess of cash over debt.

# 02

## Discussion of segment operations in 2023



# FAMUR segment

# FAMUR

Mirosław Bendzera





# FAMUR solutions for mining and wind power industries

# FAMUR

12M 2023

### Total revenue

**PLN 1,116m**

+ PLN 1m of which **PLN 1,114m outside the Grenevia Group**

### Share of recurring revenue

**67%**

+14pp vs 2022

### Share of exports

**12%**

-32pp vs 2022

### EBITDA

**PLN 498m**

+ 14% vs 2022 r.  
+ PLN 60m

### EBITDA margin

**45%**

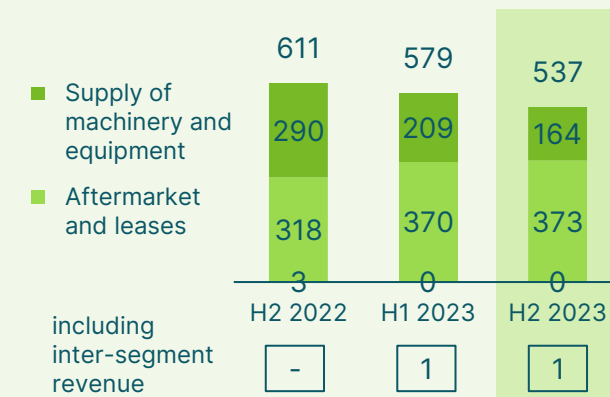
+6pp vs 2022

**~PLN 730m** backlog\* as at 31 December 2023

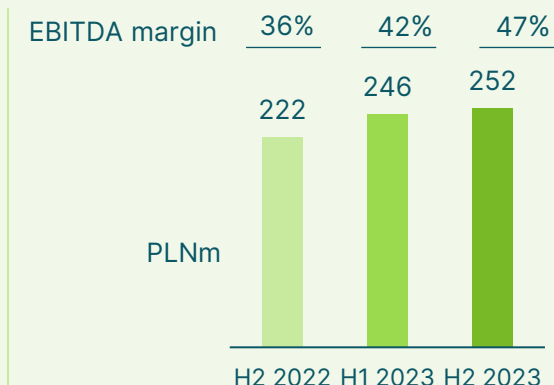
\* Deliveries of machinery and equipment and leases in accordance with contract terms.

The segment had no net debt as at the end of 2023.

Half-year segment revenue (PLNm)



Half-year segment EBITDA



- | A slight uptick observed in the domestic market, with a rise mainly in replacement and protective investments.
- | Diminished investments noted in foreign markets, with continued price pressure from Chinese manufacturers.
- | Continued improvement in the aftermarket segment.
- | FAMUR ceased its bidding activities in the Russian and Belarusian markets.
- | Divestment of assets in Russia, with the transaction settlement split into two stages:
  - October 2023: assignment of receivables of approximately PLN 15m
  - January 2024: sale of the entire stake in OOO Famur for approximately PLN 3m.
- | Acquisition of Total Wind PL to accelerate the expansion of the wind turbine gearbox repair/refurbishment and maintenance services.

# Consistent growth in the wind energy sector

## FAMUR

### 2021

**Expansion of wind-turbine gearbox repair/refurbishment and maintenance services**

Revenue:  
**PLN 0m**

- | Leveraging expertise in gearbox production across various industrial sectors.
- | Own machinery and equipment, including an in-house dynamometer for gearbox testing.
- | Services extending to the repair/refurbishment and maintenance of wind turbine gearboxes, complemented by technical support and on-site gearbox operation monitoring.

### 2022

Revenue:  
**PLN 1m**

### 2023

**Acquisition of Total Wind PL**

Revenue:  
**PLN 23m**

- | Acquisition of Total Wind PL, a Polish-based company, and addition of wind turbine installation services and maintenance and replacement of key components to the portfolio.

### 2024...

**Establishment of FAMUR Gearo**

- | Establishment of FAMUR Gearo to consolidate all activities related to the development and provision of comprehensive wind power generation solutions and the manufacture of industrial gearboxes.

## FAMUR Gearo

A complete suite of services for the wind energy sector encompassing wind turbine installation and maintenance, as well as repair/refurbishment of gearboxes, and other components.

# Power Engineering segment

# ELGÓR + HANSEN

Henryk Jurczyk

# Power Engineering segment

**ELGÓR+HANSEN**

12M 2023

## Total revenue

**PLN 162m**

+ 62% y/y  
+ PLN 62m  
of which **PLN 110m**  
**outside the Grenevia Group**

## Revenue outside coal mining

**26%**

+12pp vs 2022

## EBITDA

**PLN 35m**

+ 46% y/y  
+ PLN 11m

## EBITDA margin

**22%**

-2pp vs 2022

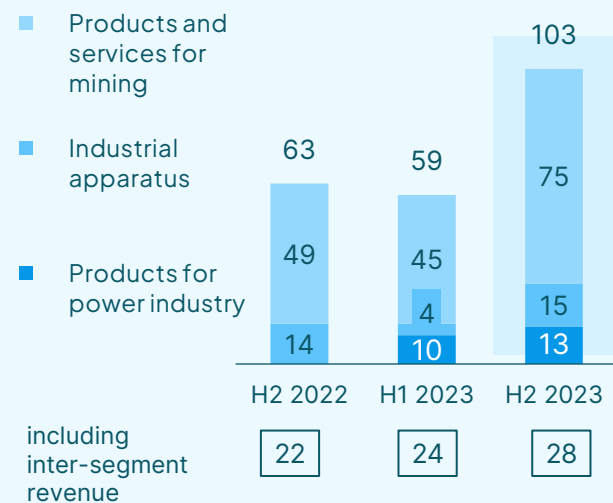
**~PLN 129m**

Backlog as at 31 December 2023, of which PLN 64m in the FAMUR and PV segments.

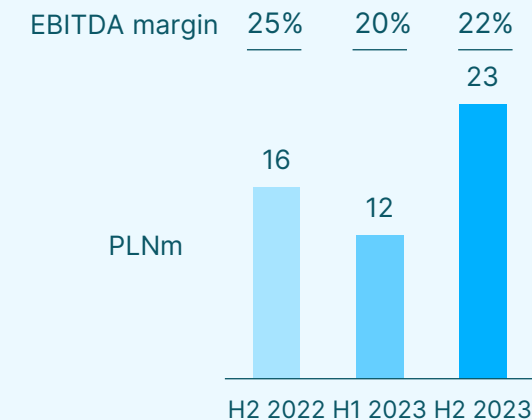
**PLN 26m**

Surplus of cash over debt in the segment as at the end of 2023.

Half-year segment revenue (PLNm)



Half-year segment EBITDA



- Further deliveries of substations for PV farms and industrial facilities, and proactively seeking award of new contracts.
- Increased demand from the mining sector for aftermarket products and services, with stable demand for new machinery and equipment.
- Execution and performance of a contract with PST for the delivery of substations for PV farms.
- Launch of a new substation manufacturing line at the Zabrze plant.
- ~50% of revenue derived from sectors other than thermal coal.



# Solar PV segment



**PST**

Projekt Solartechnik

Lucjan Augustyn



# Solar PV segment



12M 2023

### Total revenue

**PLN 78m**

+ 44% y/y  
+ PLN 24m vs 2022

### Energy sales in 2023

**PLN 57m**

### Debt at the end of December 2023

Gross debt

**PLN 1,269m**

Funding provided by Grenea as at the end of December 2023

**PLN 824m**

### EBITDA

**PLN -56m**

PLN -20m vs 12M 2022

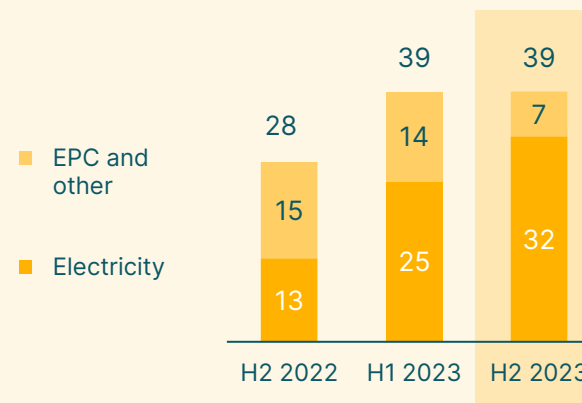
### Profit on sale of solar PV farms

**PLN 7m**

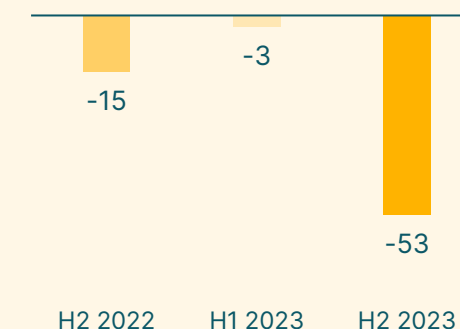
Net debt

**PLN 1,143m**

Half-year segment revenue (PLNm)



Half-year segment EBITDA (PLNm)



- Revenue growth driven by sales of energy generated from operational PV farms.
- PLN 7m in profit from the sale of solar PV farms.
- Q4 EBITDA impacted by a PLN 28m impairment loss on solar PV farms and a PLN 13m impairment loss related to the optimisation of current assets.
- PLN 447m increase in net debt to finance the development and construction of solar PV farms.
- PLN 73m increase in net debt attributed to IFRS 16 (recognition of lease liabilities related to land allocated for farm construction).
- External financing raised in 2023:
  - PLN 128m loan from PFR for the construction of a 43MW solar PV farm (repayment date: December 2042).
  - PLN 71m project finance from Pekao for the construction of 27MW farms (repayment date: December 2042).

# PV segment: operating results

## Total project capacity of ~4.7 GW

Total capacity of PV projects and farms (MW)	31 December 2023	31 December 2022
Farms connected to the power grid	210	91
Farms under construction	85	124
Projects in the pipeline*	154	65
Projects under development	~3,727	~2,800
<b>Estimated total capacity of projects at various stages of development in Poland</b>	<b>~4,176</b>	<b>~3,080</b>
Projects under development on the German market	~525	
<b>Estimated total capacity of portfolio projects at various stages of development in Poland and foreign markets</b>	<b>~4,701</b>	

## Key operating results and activities in 2023



### Poland

- | +1.1GW increase in the capacity of projects at various stages of development in Poland in 2023
- | 210 MW of PV farm capacity connected to the power grid as at 31 December 2023
- | ~1.0 GW of PV projects with connection permits as at 31 December 2023
- | Project portfolio diversification: 0.2 GW energy storage and 37 MW wind projects with connection permits as at 31 December 2023
- | Execution of a pre-SPA for the sale of approximately 50MW of farms to KGHM for approximately PLN 210m, with transactions in October 2023 (PLN 24m) and February 2024 (PLN 186m)
- | Opportunistic offering of new portfolios of completed farms and projects, with a decline in prices of 1MW of completed PV farms following a decrease in energy prices.



### Foreign markets

- | Germany: pre-developed projects with a capacity of around 525 MW

# E-mobility segment

## ● **IMPACT**

Bartek Kras



# E-mobility segment



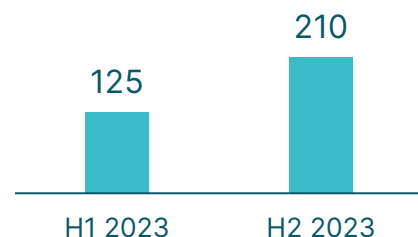
12M 2023

## Total revenue

**PLN 335m**

+ 10% y/y (proforma)\*  
+ PLN 31m

## Revenue (PLNm)



\* IMPACT data has been consolidated since 15 November 2022.

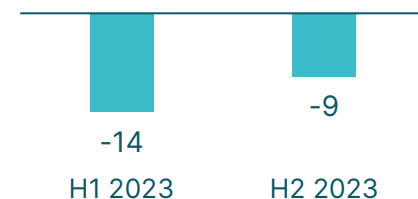
## Net debt as at the end of December 2023

**PLN 74m**

## EBITDA

**PLN -23m**

## EBITDA (PLNm)



## Funding provided by Grenevia as at the end of December 2023

**n/a**

## 10% increase in revenue on a comparable basis to PLN 335m in 2023

| Marked revenue growth in Q4 2023 due to a concentration of customer purchases during that period.

## The negative EBITDA reported for 2023 was attributable to:

- | Increased costs of key components purchased in 2022 to ensure the continuity of order fulfilment.
- | A conservative approach to estimating provisions for warranty repairs and future disposal of battery systems, as well as verification of current assets.
- | Decrease in the EUR/PLN exchange rate.

## EBITDA improvement in H2 2023 (notably in Q4 2023)

## Forecast revision:

- | ~PLN 1bn in annual revenue over the next 4–5 years (starting from 2023)
- | Anticipated return to positive EBITDA (cumulative from the beginning of the year) in Q4 2024.
- | The market is rapidly expanding, with increasing competition, particularly from Chinese producers, squeezing margins. This might prolong the time required to reach the targeted EBITDA margin of approximately 7–8% beyond 2025.

# 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 under a new framework contract.
- | Expanded scope of collaboration with Alexander Dennis Limited.

### Continued efforts to ensure a stable supply chain of key components

- | Agreement with LGES to ensure multiple sourcing and diversification of supplies from China.

### GigafactoryX project:

- | Completion of modernisation work.
- | Relocation of office operations in Q4 2023.
- | Production line testing at the manufacturer's site in Q1 2024.
- | Installation in Q1/Q2 2024.

Execution of two factoring agreements with a limit of up to PLN 60m, a working capital facility agreement of up to PLN 75m, and an investment facility of up to EUR 22m.

Repayment of working capital and investment loans from Grenevia and DC24.





# Grenevia

Beata Zawiszowska



# 03

## **Progress towards the Grenevia Group Sustainability Strategy 2023–2030**



# Grenevia Group Sustainability Strategy 2023–2030\*

## Pillars of the Sustainability Strategy

01

### **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.

02

### **Energy for transition**

We aim to reduce Scope 1 and Scope 2 greenhouse gas emissions by 40% by 2030 compared with 2021. We will grow our new business segments that will contribute to avoiding up to 2.3 million tonnes of CO<sub>2</sub> emissions by 2030.

03

### **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.

04

### **Efficient and responsible organisation**

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

05

### **Employees and society as a key component of climate transition**

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

# Sustainability Strategy

## Key outcomes and actions initiated in 2023.

### 48%

#### of the Group's revenue

came from sources other than the thermal coal sector in 2023, up 6pp vs 2022.

### 22%

#### Scopes 1 and 2 emissions reduction

vs 2022, with a 1% reduction vs 2021 (base year). The reduction target for Scopes 1 and 2 emissions will be attained through the procurement of energy from renewable sources.

### 1%

#### of electricity consumed at Grenevia S.A. sourced from renewable sources

vs the planned minimum target of ~35% at the end of 2024.

### 254 thousand tonnes

total CO<sub>2</sub> emissions avoided through the development and expansion of the PV and e-mobility operations\*.



Establishment of an ESG Steering Committee comprising Grenevia CEO and Segment Leaders.



**Expansion of own PV installations:** planned expansion includes up to 1 MW at FAMUR and 0.2MW at E+H.



Adoption of a **supplier sustainability code**, and identification of key suppliers across segments.



Implementation of an **enterprise risk management policy** across the Group.



Implementation of **uniform social policies and corporate procedures**.



**Fostering an organisational culture promoting equality and diversity** through the Wind Roses project dedicated to women, aimed at fostering an inclusive work environment.

\* Total avoided CO<sub>2</sub> emissions amounted to 221 thousand tonnes for 2022–2023 in the PV segment, with an additional 33 thousand tonnes of CO<sub>2</sub> emissions avoided from 1 November 2022 to 31 December 2023 in the e-mobility segment.

04

# Q&A session





**Thank you!**



# Appendices

# Grenevia Group Sustainability Strategy 2023–2030



# 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

1	<b>Sustainable business transformation</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Our transformation process seeks to balance economic, environmental and social aspects.</li> <li>We drive the growth of our portfolio companies for the benefit of all stakeholders while generating attractive investment returns for our shareholders.</li> </ul>	<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 25 May 2021 regarding reduction of the estimated share of revenue associated with the thermal coal sector to below 30% in 2024.</p>
2	<b>Energy for transition</b>	<ul style="list-style-type: none"> <li>We aim to achieve a significant reduction in our Scope 1 and Scope 2 emissions</li> <li>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.</li> <li>The development of our new segments supporting energy transition will at the same time contribute to avoiding greenhouse gas emissions</li> <li>In our operations, we strive to reduce the consumption such resources as water and electricity</li> </ul>	<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 CO<sub>2</sub> emissions in economy by 2030.</p>
3	<b>Modern products and business models</b>	<ul style="list-style-type: none"> <li>We actively support our Customers and Suppliers in tackling climate impact</li> <li>We implement the principles of circular economy</li> <li>Priority is given to safety and reduction of the environmental impact of our products</li> </ul>	<p>As regards the life cycle of our products, we gradually implement the principles of circular economy and management of product emissions.</p>
4	<b>Efficient and responsible organisation</b>	<ul style="list-style-type: none"> <li>We see sustainable development as an integral part of the decision-making process across our organisation</li> <li>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</li> <li>We engage in active dialogue with stakeholders and implement best reporting, risk management and corporate governance practices</li> <li>We increase the efficiency of our organisation through process improvement, including automation and digitalisation</li> </ul>	<p>We are implementing best international practices in corporate governance, risk management and relations with business partners.</p>
5	<b>Employees and society as a key component of climate transition</b>	<ul style="list-style-type: none"> <li>We cooperate with businesses and organisations, working for sustainable development of Poland and regions</li> <li>We boost education and development of employees and local communities</li> <li>We want to be a preferred, long-term and responsible employer</li> <li>We develop an organisational culture that promotes equality and diversity</li> </ul>	<p>We engage in initiatives that are of benefit to employees, local communities and suppliers</p>