

# Q3 2024 Earnings Presentation

November 14, 2024



This presentation contains statements that constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. Whenever you read a statement that is not simply a statement of historical fact (such as when the Company describes what it "believes," "plans," "expects" or "anticipates" will occur, what "will" or "could" happen, and other similar statements), you must remember that the Company's expectations may not be correct, even though it believes that they are reasonable. Furthermore, the forward-looking statements are mainly related to the Company's continuing operations and you may not be able to compare such information with the Company's past performance or results. The Company does not guarantee that the forward-looking statements will happen as described or that they will happen at all. Further information regarding risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements is included in the Company's filings with the U.S. Securities and Exchange Commission, including the Company's annual report on Form 10-K.

Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation, beyond that required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even though the Company's situation may change in the future. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.



## Financial Highlights

- Revenue: \$12.9M, down 8% Y/Y
- Gross Profit: \$5.6M, Gross Margin: 43.8%
- Operating Income: \$2.1M, up \$6.1M Y/Y from (\$4.0)M
- EBITDA: \$8.5M, up \$15.4M Y/Y from (\$6.8)M
- Adjusted EBITDA: \$4.1M, up \$5.6M Y/Y from (\$1.5)M
- Net Income: \$4.8M, up \$14.2M Y/Y from (\$9.4)M

## Operational Highlights

- Executed a DSA contract for a 394 MW BESS projects with PLT energia Srl and completed a 57 MW solar project sale to Trina under a mixed DSA/SPA model.
- Reached a milestone by signing our first DSA contract in the U.S. for a 72 MW BESS project portfolio in California.
- Signed a sale agreement for 42 MWp solar projects in Spain, projected to generate 92.8 GWh annually, offsetting 20,000 tons of CO<sub>2</sub>.
- IPP assets contributed 73.2% of Q3 revenue, with strong performance across Europe and China.
- Connected a 4.5 MW solar plant for Luxshare iTech in China, expanding our renewable footprint.
- Retained a ~52.4 MW Hungary project portfolio as an IPP asset for strong returns and favorable outlook, enhancing long-term growth.



- As of Sep 30, we signed DSAs with **9** partners to monetize the early- and mid-stage projects
  - **28** projects with over **2.1 GW** (16% PV + 84% BESS<sup>1</sup>)
  - Over **\$69M** contracted revenue to be recognized within next 2-3 years
- Currently we have over **2.0 GW** of DSAs under negotiation
- ~90% of our robust DSA pipeline<sup>2</sup> is in Europe



Development Service Agreement (DSA)	BESS <sup>1</sup> /PV Projects (MW)	Expected Revenue
Contracted	> 2.1 GW	> \$69M
Under Negotiation	> 2.0 GW	~ \$100M

Notes:

1. BESS: battery energy storage systems
2. DSA pipeline: includes both contracted DSAs and those under negotiation.

# Solar Pipeline and IPP Assets

- By the end of Q3 2024, over **2.9 GW** advanced-stage storage project pipeline
- **~2.5 GW** advanced-stage quality solar projects by the end of Q3 2024, with target COD/monetization in 2024-2027
- **~272 MW** of PV assets and **35 MWh** storage operating assets <sup>(2)</sup>

## Advanced-Stage Project Pipeline (MW)

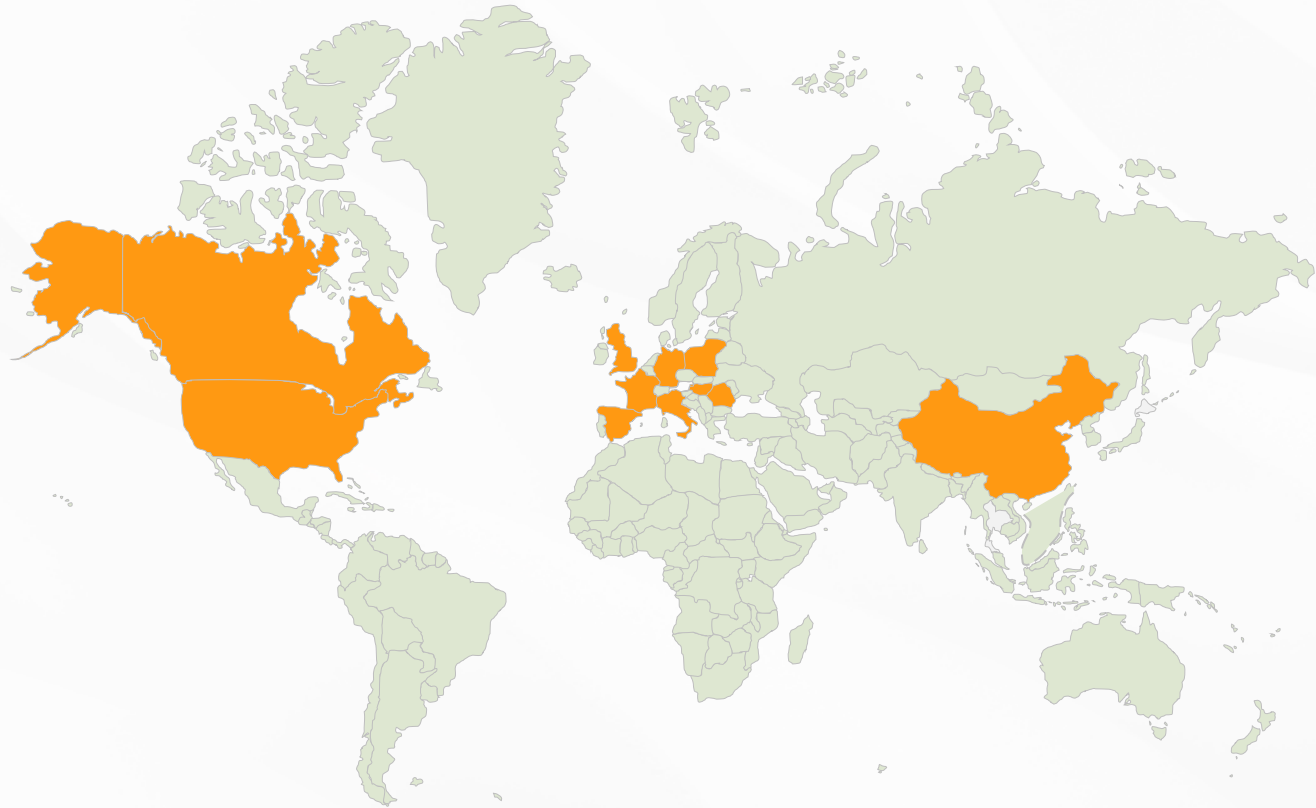
Europe	1,548
U.S.	925
China	29
<b>Total</b>	<b>2,502</b>

## Advanced-Stage Storage Pipeline (MW)

Europe	2,536
U.S.	375
China	44
<b>Total</b>	<b>2,955</b>
	<b>(11 - 23 GWh) <sup>(1)</sup></b>

## IPP Assets (MW)

China DG	166 + 18 <sup>(2)</sup>
Europe	82
U.S.	24
<b>Total</b>	<b>~272 + 18 <sup>(2)</sup></b>



Notes:

1. The average hours per MW vary across regions. For example, in the U.S. and Europe, it ranged from 4 - 8 hours per MW of storage, while in China, it was ~2 hours.
2. We have 35 MWh operating assets of storage in Zhejiang, China.

# Global Solar and Storage Project Pipeline

As of September 30, 2024



## Solar Development

Country	Advanced Stage	Early Stage	Total (MW)
Poland	437	70	<b>507</b>
Hungary	21	—	<b>21</b>
U.K.	110	25	<b>135</b>
Spain	213	3,053	<b>3,266</b>
Germany	129	249	<b>378</b>
France	150	35	<b>185</b>
Italy	488	477	<b>965</b>
U.S.	925	1,273	<b>2,198</b>
China	29	—	<b>29</b>
<b>Total</b>	<b>2,502</b>	<b>5,182</b>	<b>7,684</b>

## Storage

Country	Advanced Stage	Early Stage	Total (MW)
Poland	623	280	<b>903</b>
U.K.	170	275	<b>445</b>
Spain	1	1,091	<b>1,092</b>
France	14	—	<b>14</b>
Italy	1,728	947	<b>2,675</b>
Germany	—	503	<b>503</b>
U.S.	375	1,787	<b>2,162</b>
China	44	—	<b>44</b>
<b>Total</b>	<b>2,955</b>	<b>4,883</b>	<b>7,838 (31-62 GWh)</b>

Notes:

1. The average hours per MW for storage vary across regions. For example, in the U.S. and Europe, it ranged from 4 - 8 hours per MW of storage, while in China, it was ~2 hours.

# Global IPP Assets Details

As of September 30, 2024

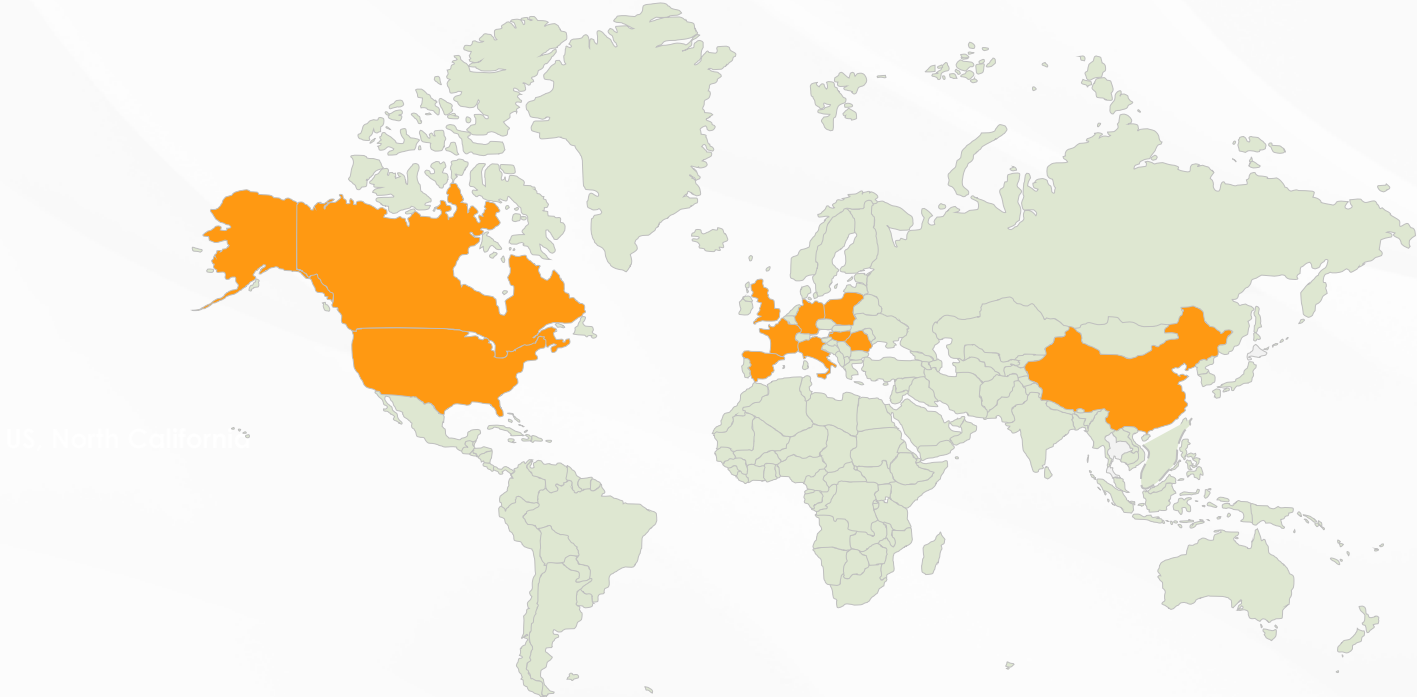


Operating Assets	PV Capacity (MW)	Storage (MW)
<b>Europe</b>	<b>82</b>	
- UK Branston	50	
- Hungary	31	
<b>U.S.</b>	<b>24</b>	
<b>China</b>	<b>166</b>	<b>~18</b>
- Zhejiang	55	~18
- Anhui	40	
- Henan	17	
- Hebei	17	
- Jiangsu	17	
- Fujian	8	
- Shandong	5	
- Other provinces	~7	
<b>Total</b>	<b>~272</b>	<b>~18<sup>(1)</sup></b>

**272 MW**  
Projects in Operation

**35 MWh**  
Storage in Operation

- Operate projects in well-developed regions
- Favorable FIT/PPAs



Notes:  
1. We have 35 MWh operating assets of storage in Zhejiang, China.





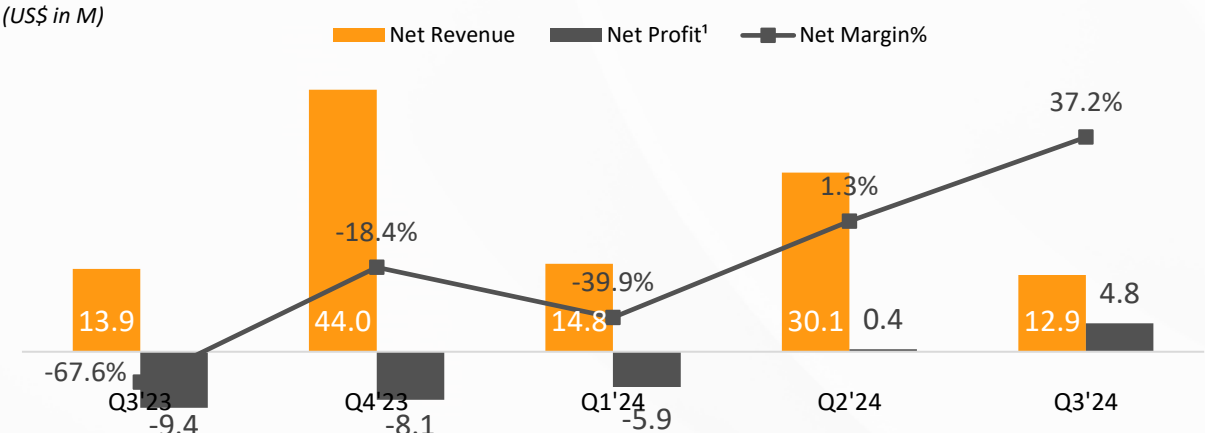
# Financial Results (as of Sep 30, 2024)



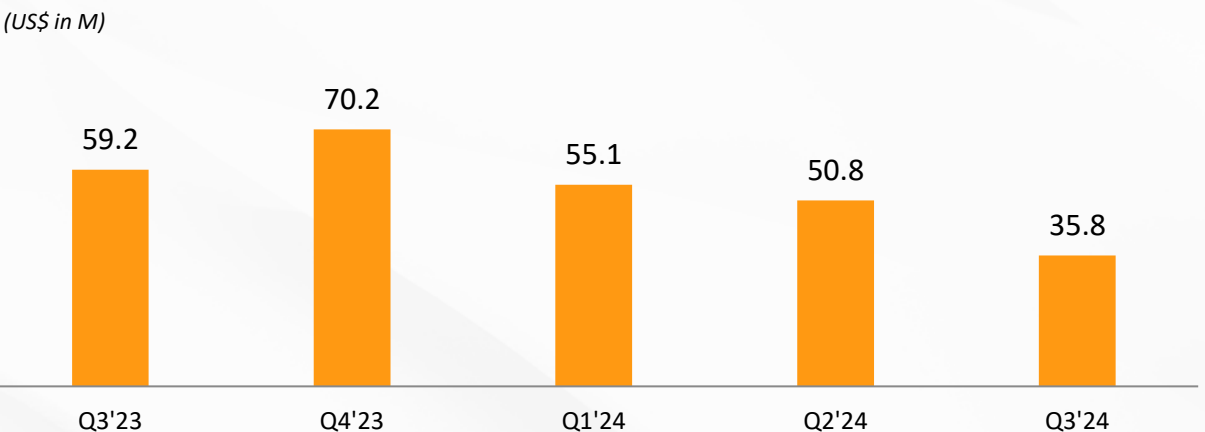
# Focus on Sustainable Profitability



## Net Revenue and Net Profit<sup>(1)</sup>



## Cash and Cash Equivalents



- Q3 revenue at \$12.9M and net income<sup>1</sup> of \$4.8M
- Bolstered by strong performance in our high-margin IPP segment and expanding DSA activities across Europe and the U.S. With a robust pipeline, we are well-positioned for growth as the delayed projects are sold
- Net income<sup>1</sup> was supported by a foreign exchange gain exceeding \$4.6 million as the Euro strengthened during the quarter, offsetting a similar f/x loss earlier in the year
- Ended Q3'24 with \$35.8M cash

Notes:  
 1. Net income (loss) attributed to Emeren Group Ltd  
 2. For more information of financial results, please refer to Appendix at end of this presentation

	Q4 2024	FY 2024
Revenue	\$40 - \$45 million	\$97 - \$102 million
Gross Margin	20 - 25%	~ 30%
EBITDA	/	\$15 - \$20 million

\* IPP revenue in 2024 expected to be between \$24 - \$26 million and gross margin to be approximately 50%.

\*\* DSA revenue globally in FY24 expected to be more than \$20 million.

\*\*\* In 2025, EBITDA contributions from IPP and DSA segments are expected to exceed \$50 million.

**Jul 01, 2024:** Emeren Group and PLT energia Srl Partner on 394 MW Battery Storage Portfolio

**Jul 09, 2024:** Emeren Group Sells a 42 MWp RTB Solar Project Portfolio in Spain

**Aug 01, 2024:** Emeren Announces Form 10-K Filing for Fiscal Year Ended December 31, 2023

**Aug 19, 2024:** Emeren filed forms 10-Q for the first and second quarters of 2024, now fully compliant with all filing requirements.

**Sep 3, 2024:** Emeren Appoints Dr. Ramki Srinivasan to Its Board of Directors

**Sep 6, 2024:** Emeren Group Announces Notice of Annual General Meeting

**Sep 25, 2024:** Emeren Group and Apple Supplier Luxshare Connect 4.5 MW Solar Plant to Grid, Advancing Clean Energy and Carbon Neutrality

**Sep 30, 2024:** Emeren Group Sells 57 MWp Solar Project Portfolio to Trina Solar ISBU in France

**Nov 4, 2024:** Emeren Group Announces Results of Annual General Meeting

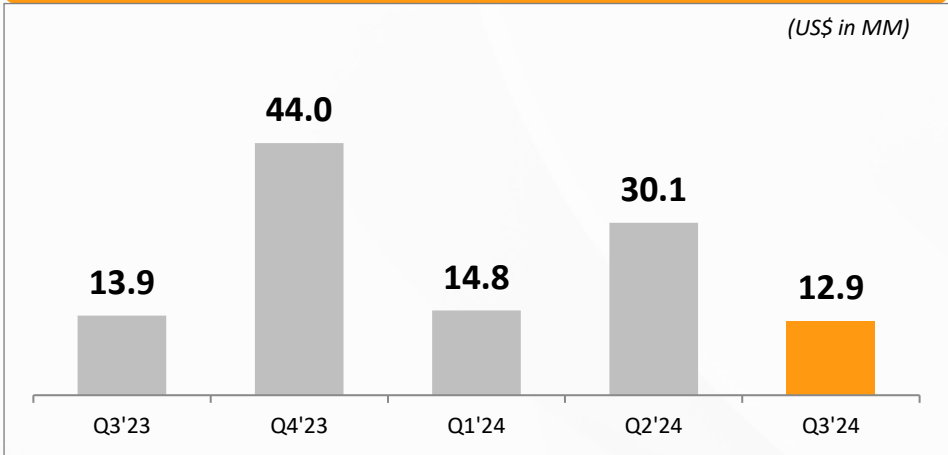
**Nov 5, 2024:** Emeren Group and Arpinge Partner to Develop 300 MW Battery Storage Portfolio in Italy



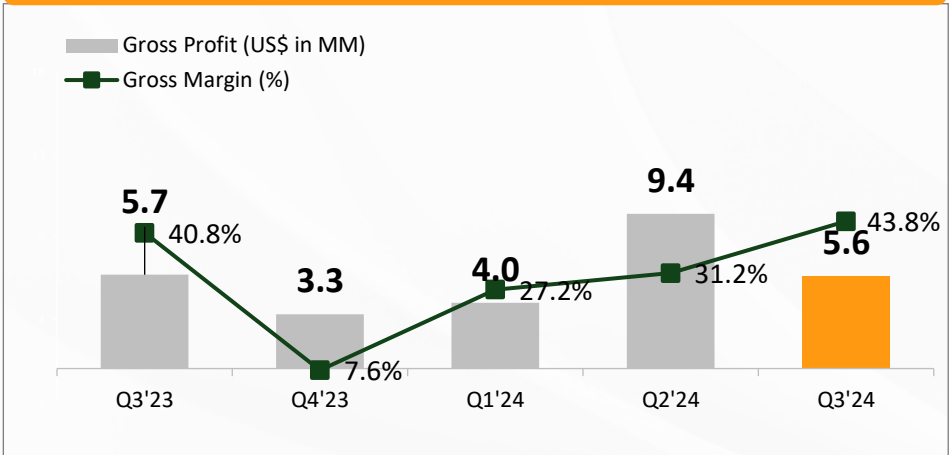
# Appendix

The image shows a large array of solar panels installed on a rooftop. The panels are dark blue with a grid of silver lines. In the background, a city skyline is visible against a sunset sky with orange and blue clouds. The word "Appendix" is written in orange text on a white horizontal bar across the middle of the image.

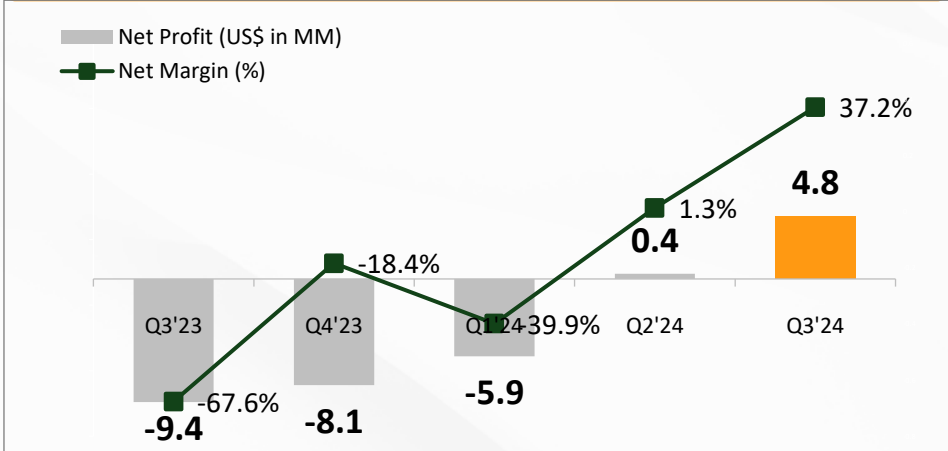
## Net Revenue



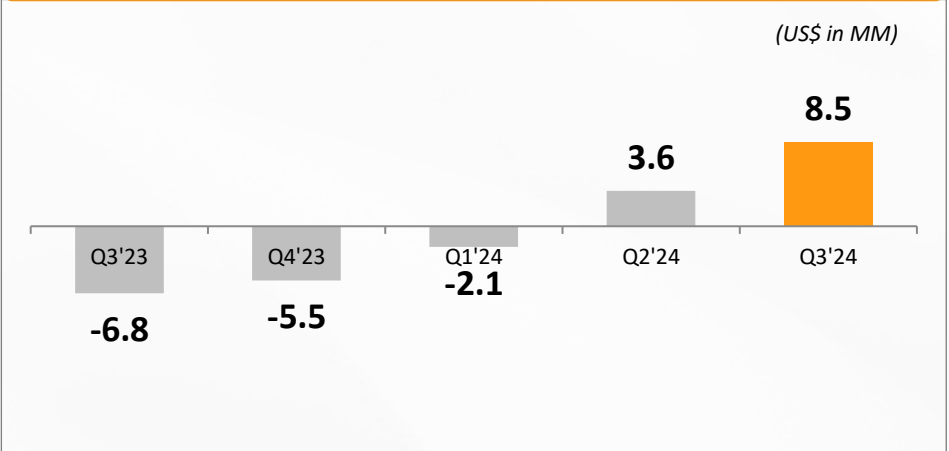
## Gross Profit and Gross Margin



## \*Net Profit and Net Profit Margin

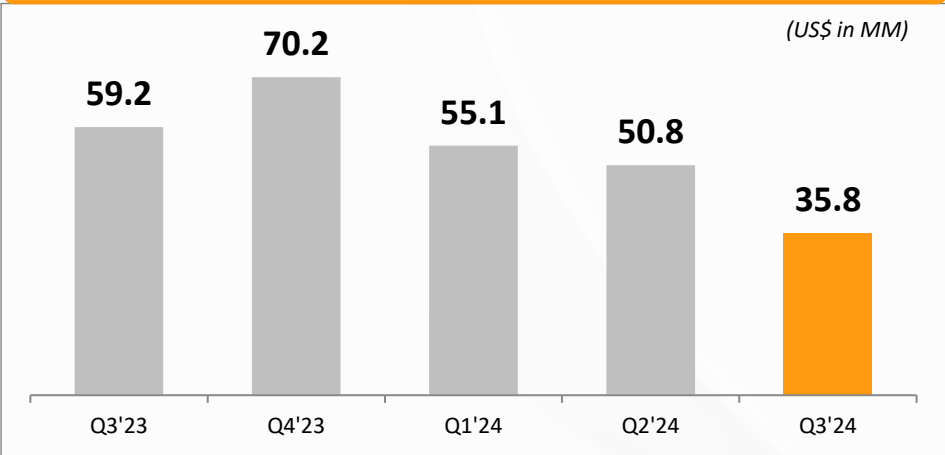


## EBITDA

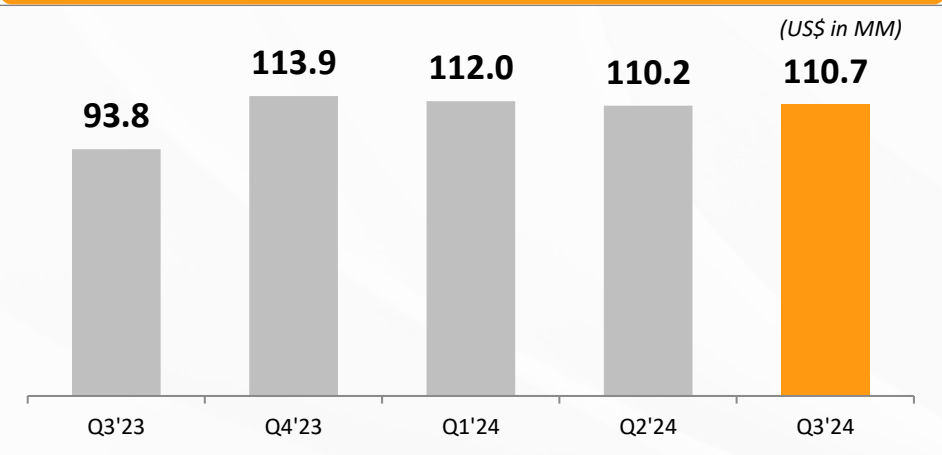


\* Net income (loss) attributed to Emeren Group Ltd

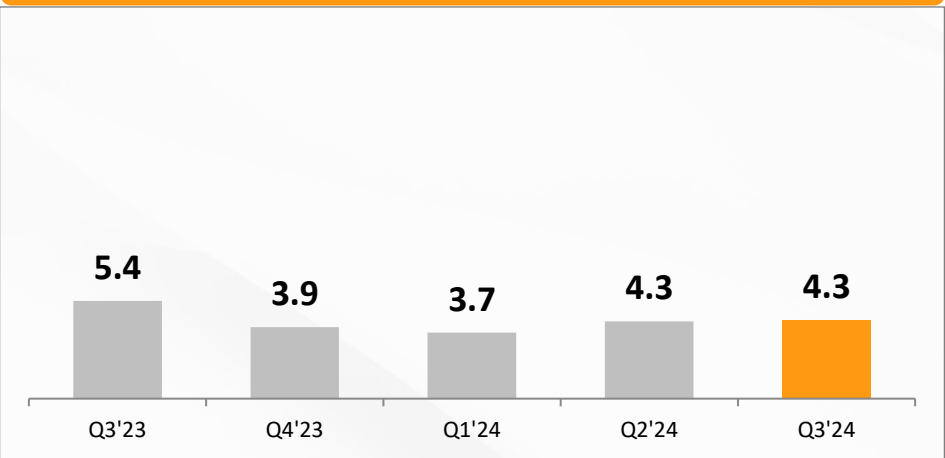
## Cash and Cash Equivalents



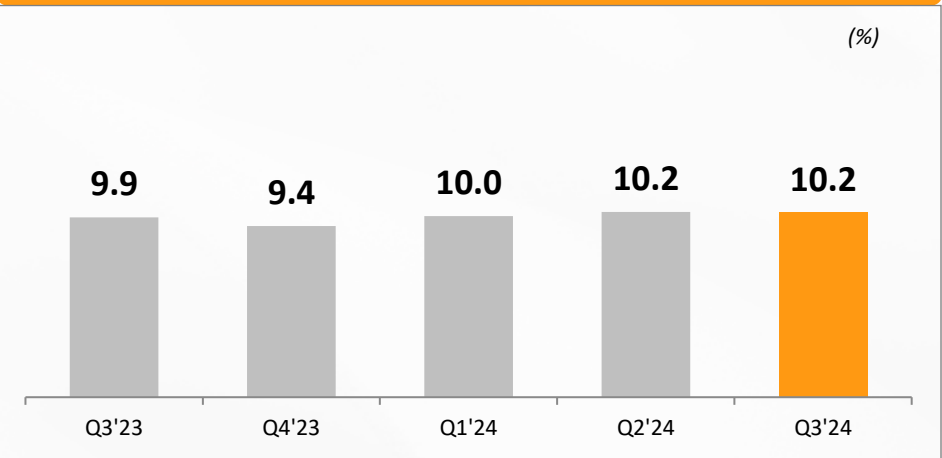
## Total Liabilities



## Current Ratio



## Debt/Asset Ratio





# Income Statement

## Unaudited Consolidated Statements of Operations

(\$ in thousands, except ADS and share data)

	Three Months Ended			Nine Months Ended	
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net revenues	\$ 12,860	\$ 30,057	\$ 13,948	\$ 57,517	\$ 60,670
Cost of revenues	(7,229)	(20,675)	(8,263)	(38,182)	(40,730)
<b>Gross profit</b>	<b>5,631</b>	<b>9,382</b>	<b>5,685</b>	<b>19,335</b>	<b>19,940</b>
Operating expenses:					
Sales and marketing	(8)	(57)	(74)	(124)	(293)
General and administrative	(3,959)	(5,354)	(6,964)	(13,935)	(16,689)
Other operating expenses	477	(1,012)	(1,281)	(1,392)	(3,549)
Impairment loss of assets	-	-	(1,325)	-	(1,325)
<b>Total operating expenses</b>	<b>(3,490)</b>	<b>(6,423)</b>	<b>(9,644)</b>	<b>(15,451)</b>	<b>(21,856)</b>
<b>Income (loss) from operations</b>	<b>2,141</b>	<b>2,959</b>	<b>(3,959)</b>	<b>3,884</b>	<b>(1,916)</b>
Other (expenses) income:					
Interest (expenses) income, net	(431)	(33)	(79)	(328)	163
Investment gain/(loss)	(4)	-	57	(4)	239
Foreign exchange gain (loss)	4,615	(838)	(4,785)	525	42
<b>Total other income (loss) , net</b>	<b>4,180</b>	<b>(871)</b>	<b>(4,807)</b>	<b>193</b>	<b>444</b>
<b>Income (loss) before income tax</b>	<b>6,321</b>	<b>2,088</b>	<b>(8,766)</b>	<b>4,077</b>	<b>(1,472)</b>
Income tax expense	(647)	(1,342)	(251)	(3,145)	(478)
<b>Net income (loss)</b>	<b>5,674</b>	<b>746</b>	<b>(9,017)</b>	<b>932</b>	<b>(1,950)</b>
Less: Net income (loss) attributed to non-controlling interests	831	354	373	1,622	(714)
<b>Net Income (loss) attributed to Emeren Group Ltd</b>	<b>4,843</b>	<b>392</b>	<b>(9,390)</b>	<b>(690)</b>	<b>(1,236)</b>
Income (loss) attributed to Emeren Group Ltd per ADS					
Basic	\$ 0.09	\$ 0.01	\$ (0.17)	\$ (0.01)	\$ (0.02)
Diluted	\$ 0.09	\$ 0.01	\$ (0.17)	\$ (0.01)	\$ (0.02)
Weighted average number of ADS used in computing income/(loss) per ADS*					
Basic	51,254,956	51,283,524	56,287,193	52,023,918	56,958,511
Diluted	51,352,136	51,374,185	56,287,193	52,023,918	56,958,511

\*Each American depositary shares (ADS) represents 10 common shares

# Balance Sheet



**Unaudited Consolidated Balance Sheet**  
(\$ in thousands)

As of  
Sep 30, 2024 Dec 31, 2023

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 35,755	\$ 70,174
Restricted cash	1	-
Accounts receivable trade, net	24,412	27,123
Accounts receivable unbilled, net	44,750	59,598
Advances to suppliers	1,269	4,283
Value added tax receivable	8,569	7,103
Project assets, current	77,220	39,914
Prepaid expenses and other current assets, net	19,836	18,255
<b>Total current assets</b>	<b>211,812</b>	<b>226,450</b>
Property, plant and equipment, net	168,397	163,114
Project assets, non-current	43,786	36,610
Operating lease, right-of-use assets	22,506	21,057
Finance lease, right-of-use assets	4,821	14,192
Other non-current assets	18,789	16,928
<b>Total assets</b>	<b>\$ 470,111</b>	<b>\$ 478,351</b>

**Unaudited Consolidated Balance Sheet**  
(\$ in thousands)

As of  
Sep 30, 2024 Dec 31, 2023

**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current liabilities:**

Accounts payable	\$ 12,982	\$ 16,203
Advances from customers	6,127	5,375
Amounts due to related parties	2,625	4,967
Long-term borrowings, current portion	927	1,385
Income tax payable	3,536	2,102
Salaries payable	1,044	718
Operating lease liabilities, current	592	363
Failed sales-leaseback and finance lease liabilities, current	4,934	4,559
Other current liabilities	16,076	21,320
<b>Total current liabilities</b>	<b>48,843</b>	<b>56,992</b>
Long-term borrowings	25,287	22,685
Operating lease liabilities, non-current	21,608	20,575
Failed sale-lease back and finance lease liabilities non-current	11,273	11,258
Deferred tax liabilities	3,690	3,532
<b>Total liabilities</b>	<b>\$ 110,701</b>	<b>\$ 115,042</b>
Commitments and contingencies		
<b>Shareholders' equity</b>		
Common shares	806,714	806,714
Additional paid-in capital	14,966	14,728
Treasury stock, at cost	(49,146)	(41,938)
Accumulated deficit	(441,253)	(440,563)
Accumulated other comprehensive loss	(11,710)	(13,629)
<b>Emeren Group Ltd shareholders' equity</b>	<b>319,571</b>	<b>325,312</b>
Noncontrolling interest	39,839	37,997
<b>Total shareholders' equity</b>	<b>359,410</b>	<b>363,309</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 470,111</b>	<b>\$ 478,351</b>

Unaudited Consolidated Statement of Cash Flow (\$ in thousands)	Three Months Ended		Nine Months Ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net cash used in operating activities	\$ (5,582)	\$ (4,643)	\$ (14,582)	\$ (30,724)
Net cash provided by (used in) investing activities	(4,193)	10,118	(10,646)	8,368
Net cash used in financing activities	(1,996)	(6,710)	(8,700)	(21,700)
Effect of exchange rate changes	(3,303)	(40)	(490)	(4,051)
Net decrease in cash and cash equivalents and restricted cash	(15,074)	(1,275)	(34,418)	(48,107)
Cash and cash equivalents and restricted cash, beginning of the period	50,830	60,456	70,174	107,288
<b>Cash and cash equivalents and restricted cash, end of the period</b>	<b>\$ 35,756</b>	<b>\$ 59,181</b>	<b>\$ 35,756</b>	<b>\$ 59,181</b>



**To supplement Emeren Group Ltd's financial statements presented on a US GAAP basis, Emeren Group Ltd provides non-GAAP financial data as supplemental measures of its performance.**

To provide investors with additional insight and allow for a more comprehensive understanding of the information used by management in its financial and decision-making surrounding pro-forma operations, we supplement our consolidated financial statements presented on a basis consistent with U.S. generally accepted accounting principles, or GAAP, with EBITDA, Adjusted EBITDA as non-GAAP financial measures of earnings.

- EBITDA represents net income before income tax expense (benefit), interest expense, depreciation and amortization.
- Adjusted EBITDA represents EBITDA plus discount of electricity subsidy in China, plus share-based compensation, plus impairment of long-lived assets, plus loss/(gain) on disposal of assets, plus foreign exchange loss/(gain).

Our management uses EBITDA, Adjusted EBITDA as financial measures to evaluate the profitability and efficiency of our business model. We use these non-GAAP financial measures to assess the strength of the underlying operations of our business. These adjustments, and the non-GAAP financial measures that are derived from them, provide supplemental information to analyze our operations between periods and over time.

We find these measures especially useful when reviewing pro-forma results of operations, which include large non-cash impairment of long-lived assets and loss on disposal of assets. Investors should consider our non-GAAP financial measures in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP.

Adjusted EBITDA (\$ in thousands)	Three Months Ended			Nine Months Ended	
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net Income (loss)	\$ 5,674	\$ 746	\$ (9,017)	\$ 932	\$ (1,950)
Income tax expenses (benefit)	647	1,342	251	3,145	478
Interest expenses (income), net	431	33	79	328	(163)
Depreciation & Amortization	1,781	1,468	1,864	5,002	5,459
<b>EBITDA</b>	<b>\$ 8,533</b>	<b>\$ 3,589</b>	<b>\$ (6,823)</b>	<b>\$ 9,407</b>	<b>\$ 3,824</b>
Discount of electricity subsidy in China	(83)	257	(35)	307	53
Share based compensation	106	103	391	237	1,239
Loss on disposal of property, plant and equipment	-	-	-	-	2,128
Interest income of discounted electricity subsidy in China	130	(165)	136	(196)	49
Foreign exchange losses (gains)	(4,615)	838	4,785	(525)	(42)
<b>Adjusted EBITDA</b>	<b>\$ 4,071</b>	<b>\$ 4,621</b>	<b>\$ (1,546)</b>	<b>\$ 9,230</b>	<b>\$ 7,251</b>



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Empowering Renewables

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