

# Q2 2024 Earnings Presentation

August 20, 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 of \$30.1M down 11% y/y
- Gross profit of \$9.4M, with a gross margin of 31.2%
- EBITDA of \$3.6M, up from \$(2.7)M in Q1 2024 and down from \$8.8M in Q2 2023
- Adjusted EBITDA of \$4.6M, up from \$0.5M in Q1 2024, down from \$9.3M in Q2 2023

## Operational Highlights

- By Q2, we secured over 2 GW of projects with \$60M in revenue, with \$8.2M DSA revenue in H1 already surpassing the full-year 2023 DSA total
- Finalized a 394 MW BESS DSA with PLT in Italy, bringing total BESS projects under DSA to 1.7 GW
- Signed a contract to sell a 42 MWp RTB solar project portfolio to CVE España, with 92.8 GWh/year of energy expected to power 28,000 households
- IPP contributed 30% of total revenue in Q2 2024, with strong growth across Europe and China, including a 26 MWh BESS integrated into China's VPP platform, and 67 MW of assets generating recurring revenue in Europe
- Completed delivery of a 13 MW COD solar project, building on the momentum from the December 2023 sale of a 53.6 MWp portfolio in Hungary





- By end of Q2 2024, we had signed DSAs with **8** partners to monetize the early- and mid-stage projects
  - **26** projects with over **2 GW**
  - Over **\$60M** contracted revenue to be recognized within next 2-3 years
- For the 1<sup>st</sup> half of 2024, total DSA revenue reached **\$8.2M** vs \$6.5M in the whole year 2023
- Currently we have over **2 GW** of DSAs under negotiation

Development Service Agreement (DSA)	BESS/PV Projects (MW)	Expected Revenue
Contracted	> 2 GW	> \$60M
Under Negotiation	> 2 GW	~ \$100M

# Solar Pipeline and IPP Assets

- By the end of Q2 2024, over **3.6 GW** <sup>(1)</sup> advanced-stage storage project pipeline
- ~**2.5 GW** advanced-stage quality solar projects by the end of Q2 2024, with target COD/monetization in 2024-2027
- **264 MW** of PV assets and **26 MWh** storage operating assets <sup>(3)</sup>

## Advanced-Stage Project Pipeline (MW)

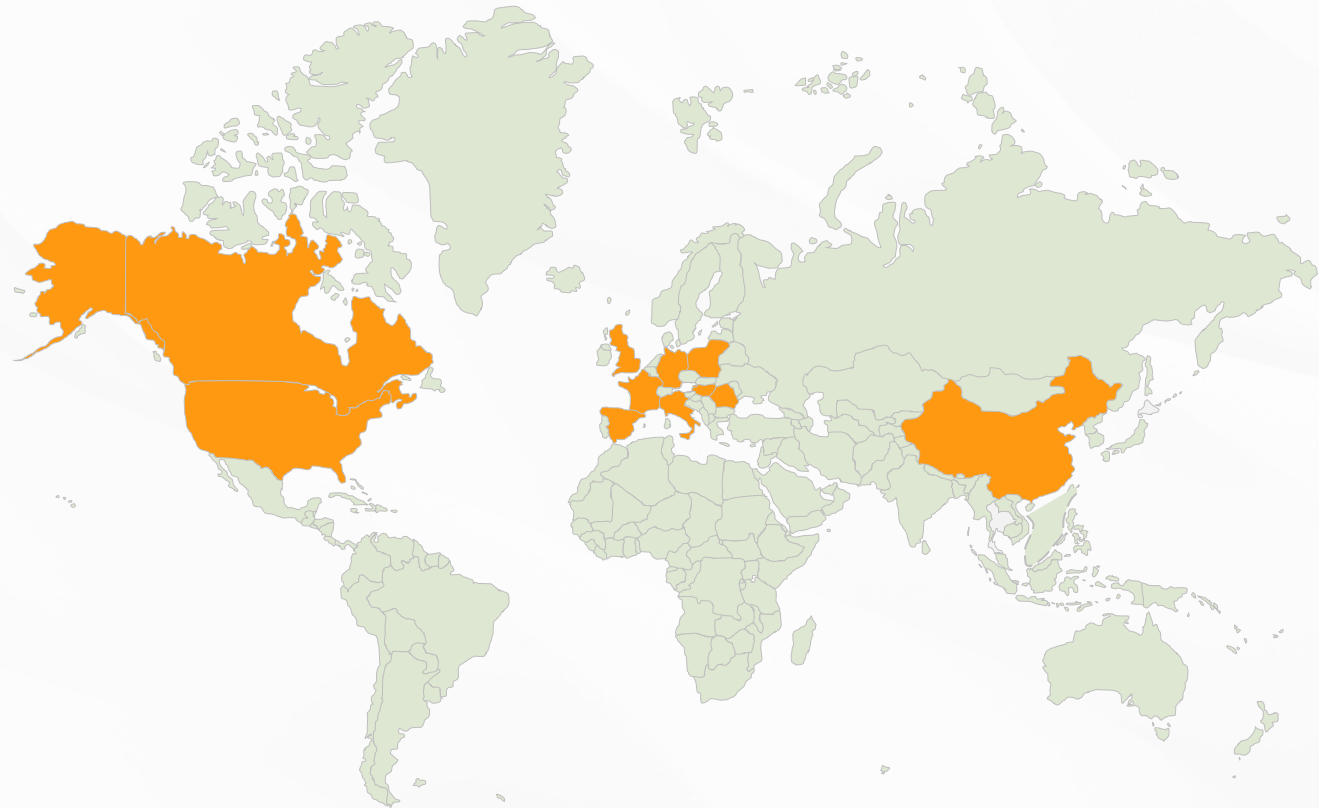
Europe	1,446
U.S.	1,006
China	82
<b>Total</b>	<b>2,534</b>

## Advanced-Stage Storage Pipeline (MW)

Europe	2,982
U.S.	550
China	104
<b>Total</b>	<b>3,636</b>
	<b>(14 - 28 GWh) <sup>(1)</sup></b>

## IPP Assets (MW)

China DG	160 + 13 <sup>(2)</sup>
Europe	80 <sup>(3)</sup>
U.S.	24
<b>Total</b>	<b>264 + 13 <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 26 MWh operating assets of storage in Zhejiang, China.
3. Some of these assets could be sold as project assets in the next 6 to 12 months.

# Global Solar and Storage Project Pipeline

As of June 30, 2024



## Solar Development

Country	Advanced Stage	Early Stage	Total (MW)
Poland	349	135	<b>484</b>
Hungary	35	—	<b>35</b>
U.K.	110	—	<b>110</b>
Spain	219	3,058	<b>3,277</b>
Germany	128	400	<b>528</b>
France	117	55	<b>172</b>
Italy	488	507	<b>995</b>
U.S.	1,006	1,155	<b>2,161</b>
China	82	—	<b>82</b>
<b>Total</b>	<b>2,534</b>	<b>5,310</b>	<b>7,844</b>

## Storage

Country	Advanced Stage	Early Stage	Total (MW)
Poland	1,057	420	<b>1,477</b>
U.K.	170	225	<b>395</b>
Spain	6	648	<b>654</b>
France	14	—	<b>14</b>
Italy	1,735	938	<b>2,673</b>
Germany	—	673	<b>673</b>
U.S.	550	1,333	<b>1,883</b>
China	104	—	<b>104</b>
<b>Total</b>	<b>3,636</b>	<b>4,237</b>	<b>7,873 (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 June 30, 2024

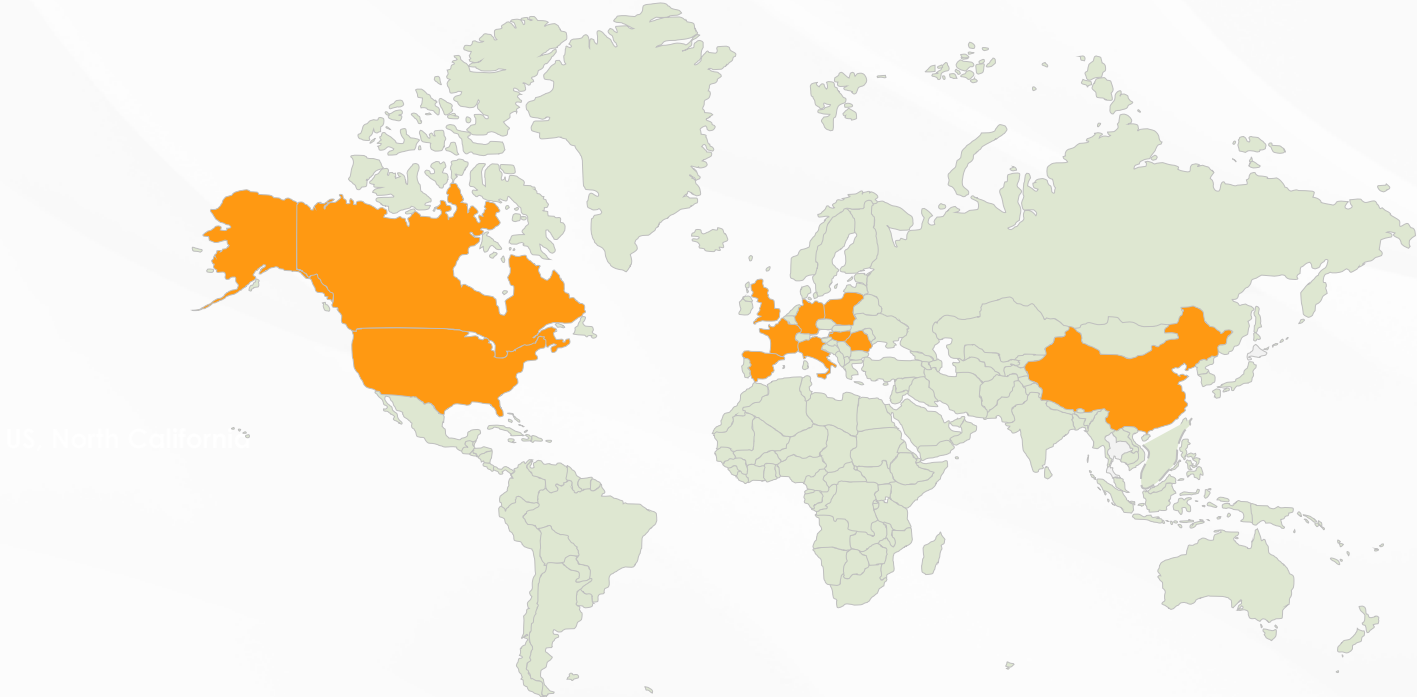


Operating Assets	PV Capacity (MW)	Storage (MW)
<b>Europe</b>	<b>80</b> <sup>(1)</sup>	
- UK Branston	50	
- Hungary	30	
<b>U.S.</b>	<b>24</b>	
<b>China</b>	<b>160</b>	
- Zhejiang	50	13
- Anhui	38	
- Henan	17	
- Hebei	17	
- Jiangsu	17	
- Fujian	8	
- Shandong	5	
- Other provinces	8	
<b>Total</b>	<b>264</b>	<b>13</b> <sup>(2)</sup>

**264 MW**  
Projects in Operation

**26 MWh**  
Storage in Operation

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



Notes:

1. Some of these assets could be sold as project assets in the next 6 to 12 months.
2. We have 26 MWh operating assets of storage in Zhejiang, China.

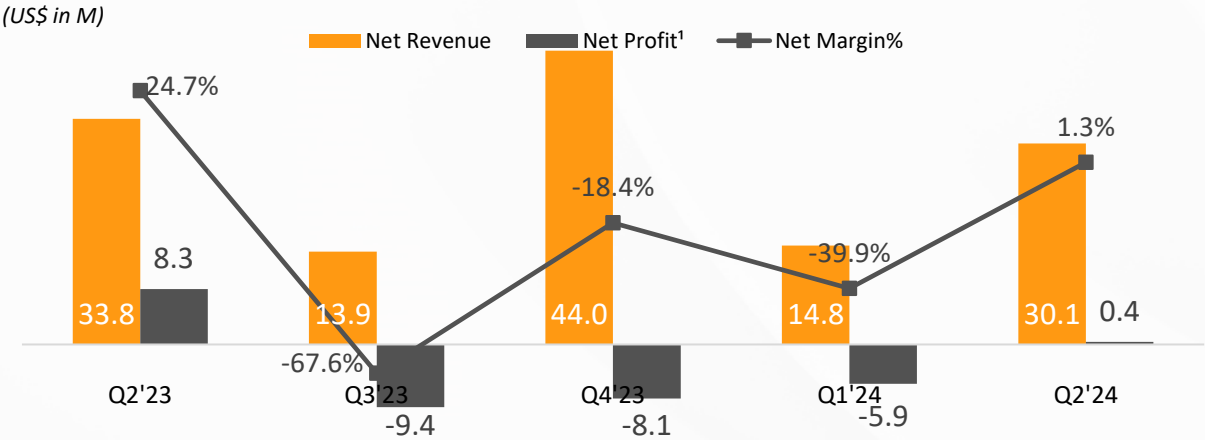




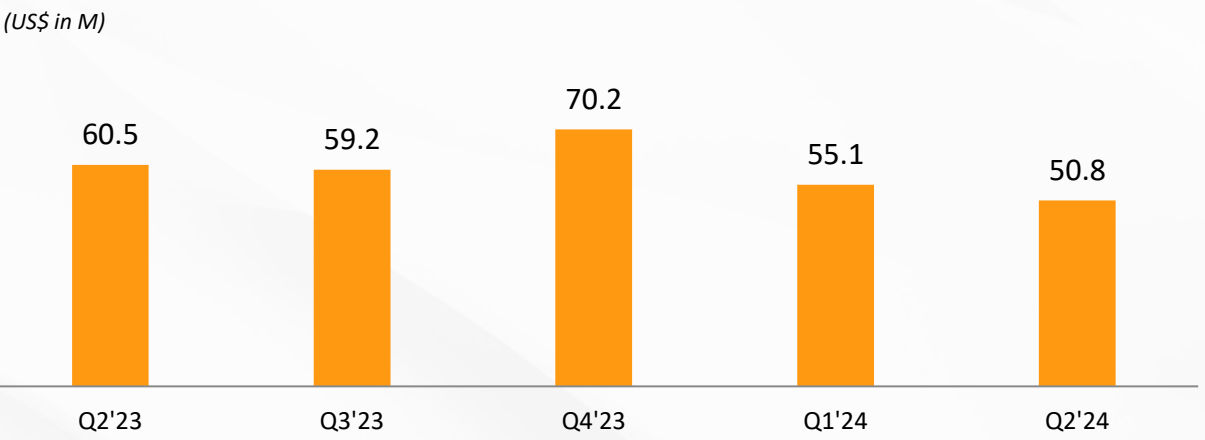
# Financial Results (as of Jun 30, 2024)



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



## Cash and Cash Equivalents



- Q2 revenue at \$30.1M and net income<sup>1</sup> of \$0.4M
- Driven by significant growth in COD projects development and DSA segments, fueled by project completions and increased demand for development services
- Net income<sup>1</sup> was primarily impacted by an approximately \$2.0 million write-off related to canceled projects and an unrealized foreign exchange loss of \$0.8 million
- Ended Q2'24 with \$50.8M 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

	Q3 2024	FY 2024
Revenue	\$25 - \$28 million	\$150 - \$160 million
Gross Margin	35 - 38%	~ 30%
Net Income <sup>(1)</sup>	/	~\$22 million
Earnings per ADS	/	~ \$0.43

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

\*\*DSA revenue globally in 2H24 expected to be ~\$20 million.

**April 19:** Emeren Group Announces Receipt of Notice of Late Filing from NYSE

**April 23:** Emeren Group and Nuveen Infrastructure Finalize 354 MWp Battery Storage Portfolio in Italy with 2.83 GWh Capacity

**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 13, 2024:** Emeren to Release Second Quarter 2024 Financial Results on August 20, 2024

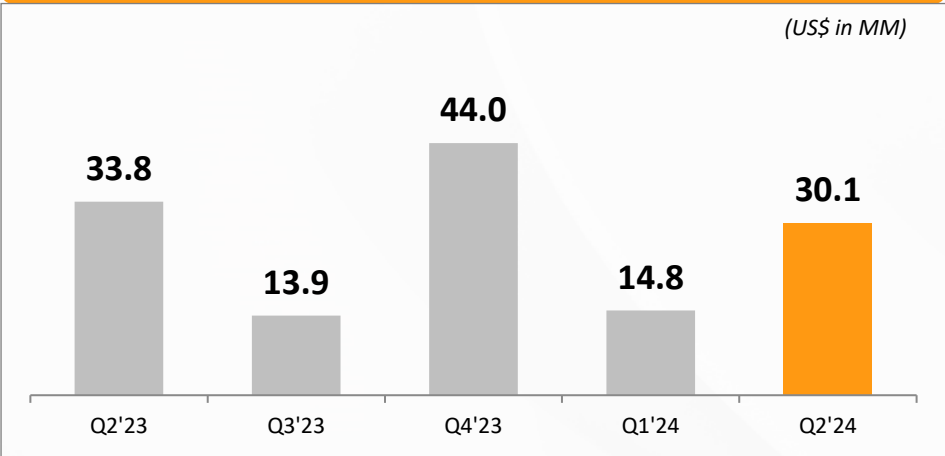
**Aug 19, 2024:** Emeren filed forms 10-Q for the first and second quarters of 2024, and is now fully compliant with all filing requirements.



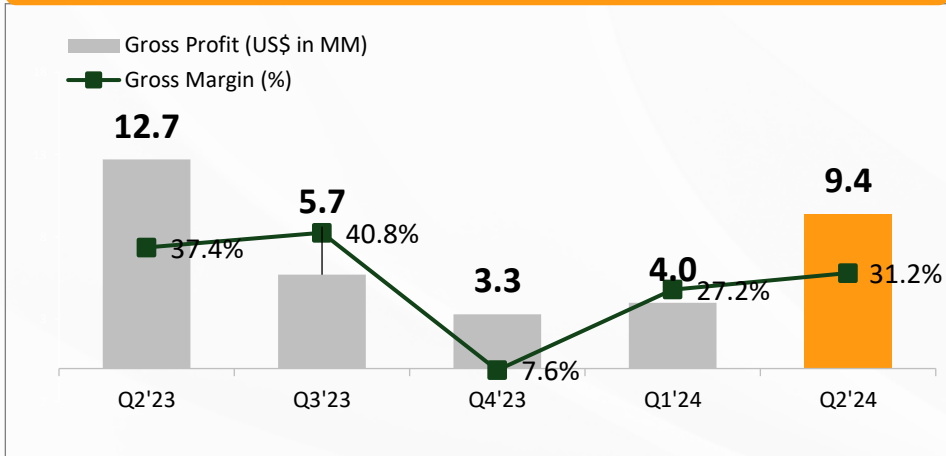
# Appendix

A photograph of a rooftop solar panel array at sunset. The panels are in the foreground, and a city skyline is visible in the background under a dramatic, cloudy sky.

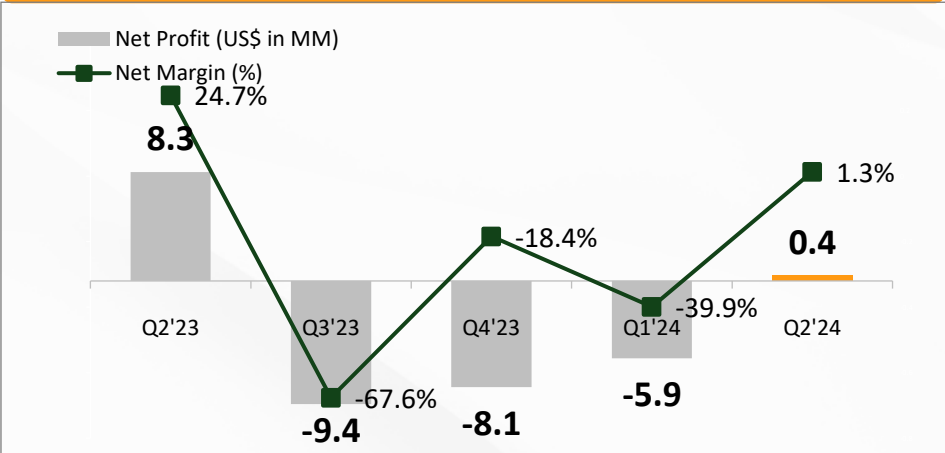
## Net Revenue



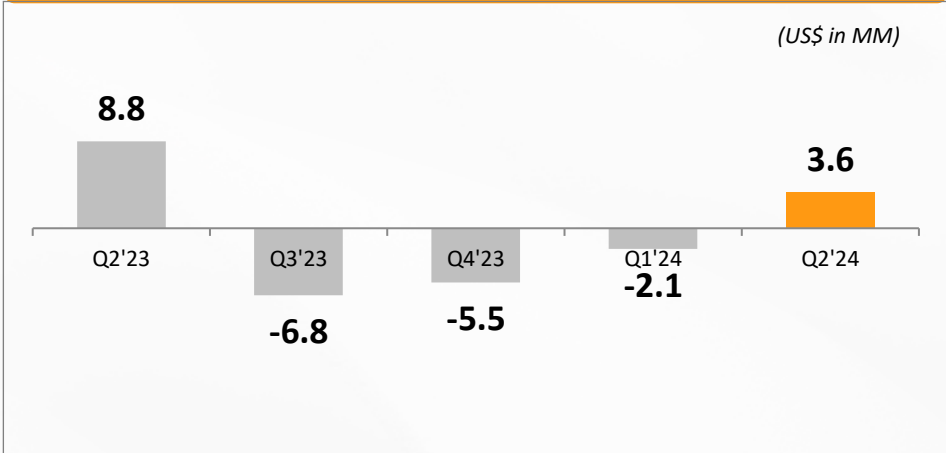
## Gross Profit and Gross Margin



## \*Net Profit and Net Profit Margin

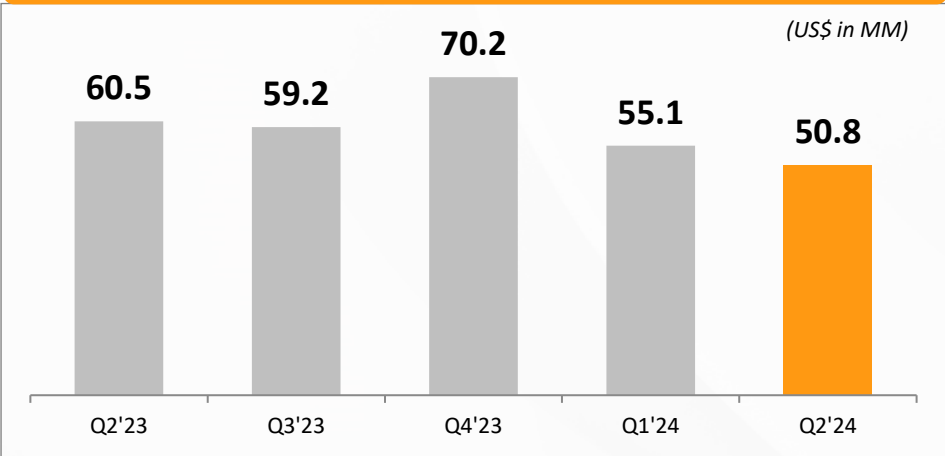


## EBITDA

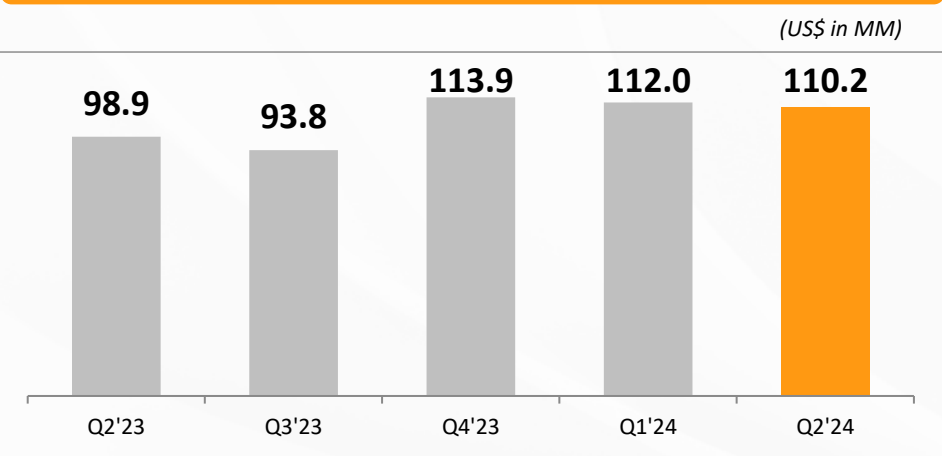


\* Net income (loss) attributed to Emeren Group Ltd

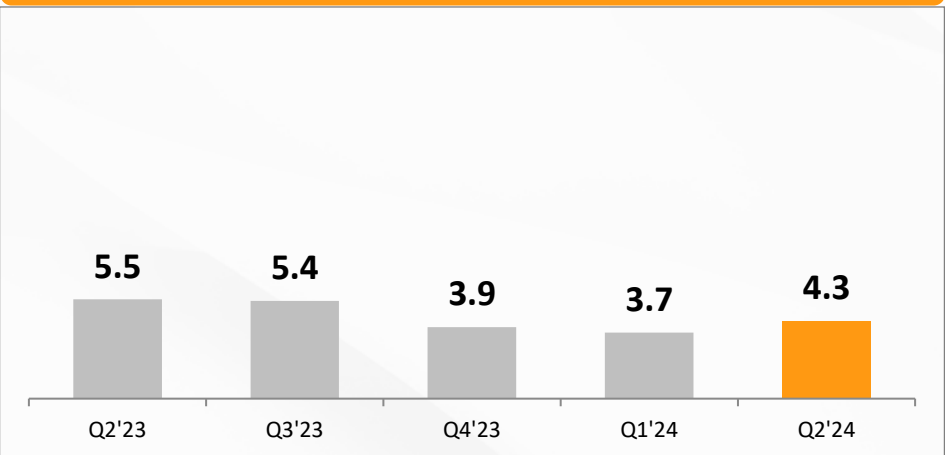
## Cash and Cash Equivalents



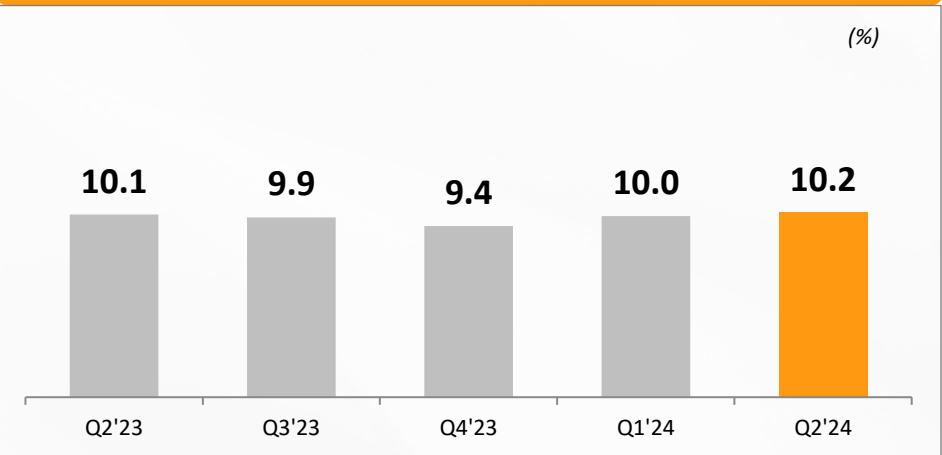
## Total Liabilities



## Current Ratio



## Debt/Asset Ratio





# Income Statement

Unaudited Consolidated Statements of Operations (\$ in thousands, except ADS and share data)	Three Months Ended		Six Months Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
Net revenues:				
Solar power project development	\$ 5,884	\$ 14,216	\$ 5,884	\$ 14,216
Electricity generation	8,690	9,819	14,074	14,701
EPC services	12,365	8,585	16,502	16,480
DSA	3,099	656	8,161	656
Others	19	570	36	669
Total net revenues	30,057	33,846	44,657	46,722
Cost of revenues	(20,675)	(21,184)	(30,953)	(32,467)
Gross profit	9,382	12,662	13,704	14,255
Operating expenses:				
Sales and marketing	(57)	(127)	(116)	(219)
General and administrative	(5,354)	(5,329)	(9,976)	(9,725)
Other operating expenses, net	(1,012)	(2,160)	(1,869)	(2,268)
Total operating expenses	(6,423)	(7,616)	(11,961)	(12,212)
Income from operations	2,959	5,046	1,743	2,043
Other (expenses) income:				
Interest income	485	568	1,005	1,156
Interest expense	(518)	(193)	(902)	(914)
Investment gain	—	105	—	182
Foreign exchange (losse) gain	(838)	2,119	(4,090)	4,827
Total other (expense) income, net	(871)	2,599	(3,987)	5,251
Income (loss) before income tax	2,088	7,645	(2,244)	7,294
Income tax (expense) benefit	(1,342)	37	(2,498)	(227)
<b>Net income (loss)</b>	<b>746</b>	<b>7,682</b>	<b>(4,742)</b>	<b>7,067</b>
Less: Net income (loss) attributed to non-controlling interests	354	(666)	791	(1,087)
Net income (loss) attributed to Emeren Group Ltd	\$ 392	\$ 8,348	\$ (5,533)	\$ 8,154
Income (loss) attributed to Emeren Group Ltd per ADS*				
Basic	\$ 0.01	\$ 0.15	\$ (0.11)	\$ 0.14
Diluted	\$ 0.01	\$ 0.14	\$ (0.11)	\$ 0.14
Weighted average number of ADS* used in computing income (loss) per ADS*				
Basic	51,283,524	57,234,013	52,402,518	57,304,704
Diluted	51,374,185	57,600,701	52,402,518	57,698,310

# Balance Sheet



Unaudited Consolidated Balance Sheet (\$ in thousands)	As of	
	Jun 30, 2024	Dec 31, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 50,830	\$ 70,174
Accounts receivable trade, net	23,164	27,123
Accounts receivable unbilled, net	45,789	59,598
Advances to suppliers	2,971	4,283
Value added tax receivable	7,291	7,103
Prepaid expenses and other current assets, net	17,422	18,255
Project assets, current	70,392	39,914
<b>Total current assets</b>	<b>217,859</b>	<b>226,450</b>
Property, plant and equipment, net	159,469	163,114
Project assets, non-current	36,065	36,610
Operating lease, right-of-use assets	20,969	21,057
Finance lease, right-of-use assets	4,715	14,192
Other non-current assets	18,674	16,928
<b>Total assets</b>	<b>\$ 457,751</b>	<b>\$ 478,351</b>

Unaudited Consolidated Balance Sheet (\$ in thousands)	As of	
	Jun 30, 2024	Dec 31, 2023
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Long-term borrowings, current portion	1,245	1,385
Accounts payable	15,183	16,203
Advances from customers	6,171	5,375
Amounts due to related parties	2,443	4,967
Other current liabilities	15,174	21,320
Income tax payable	4,317	2,102
Salaries payable	745	718
Operating lease liabilities, current	643	363
Failed sales-leaseback and finance lease liabilities, current	5,125	4,559
<b>Total current liabilities</b>	<b>51,046</b>	<b>56,992</b>
Long-term borrowings	22,863	22,685
Deferred tax liabilities	3,503	3,532
Operating lease liabilities, non-current	20,358	20,575
Failed sale-lease back and finance lease liabilities non-current	12,460	11,258
<b>Total liabilities</b>	<b>\$ 110,230</b>	<b>\$ 115,042</b>
Commitments and contingencies		
<b>Shareholders' equity</b>		
Common shares	806,714	806,714
Additional paid-in capital	14,860	14,728
Treasury stock, at cost	(49,146)	(41,938)
Accumulated deficit	(446,096)	(440,563)
Accumulated other comprehensive loss	(16,612)	(13,629)
<b>Emeren Group Ltd shareholders' equity</b>	<b>309,720</b>	<b>325,312</b>
Noncontrolling interest	37,801	37,997
<b>Total shareholders' equity</b>	<b>347,521</b>	<b>363,309</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 457,751</b>	<b>\$ 478,351</b>

Unaudited Consolidated Statement of Cash Flow (\$ in thousands)	Three Months Ended		Six Months Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
Net cash used in operating activities	\$ (2,211)	\$ (2,353)	\$ (9,000)	\$ (26,081)
Net cash (used in) provided by investing activities	(3,846)	116	(6,453)	(1,750)
Net cash provided by (used in) financing activities	1,487	1,160	(6,704)	(14,990)
Effect of exchange rate changes	327	(5,204)	2,813	(4,011)
Net decrease in cash and cash equivalents and restricted cash	(4,243)	(6,281)	(19,344)	(46,832)
Cash and cash equivalents and restricted cash, beginning of the period	55,073	66,737	70,174	107,288
<b>Cash and cash equivalents and restricted cash, end of the period</b>	<b>\$ 50,830</b>	<b>\$ 60,456</b>	<b>\$ 50,830</b>	<b>\$ 60,456</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		Six Months Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
Net Income (loss)	\$ 746	\$ 7,682	\$ (4,742)	\$ 7,067
Income tax expenses (benefit)	1,342	(37)	2,498	227
Interest expenses (income), net	33	(375)	(103)	(242)
Depreciation & Amortization	1,468	1,544	3,220	3,594
<b>EBITDA</b>	<b>\$ 3,589</b>	<b>\$ 8,814</b>	<b>\$ 873</b>	<b>\$ 10,646</b>
Discount of electricity subsidy in China	257	163	390	88
Share based compensation	103	407	131	848
Loss on disposal of property, plant and equipment	-	2,128	-	2,128
Interest income of discounted electricity subsidy in China	(165)	(87)	(326)	(87)
Foreign exchange gains (losses)	838	(2,119)	4,090	(4,827)
<b>Adjusted EBITDA</b>	<b>\$ 4,621</b>	<b>\$ 9,306</b>	<b>\$ 5,158</b>	<b>\$ 8,796</b>



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