

# Q3 2023 Earnings Presentation

November 21, 2023



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 20-F.

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 <sup>1 2</sup>

- 40.8% gross margin, above prior high-end of guidance
- \$13.9M revenue, down 42% YoY
- (\$6.8M) EBITDA, down from \$2.3M in 3Q22
- (\$0.2M) adjusted EBITDA, down from \$2.7M in 3Q22
- (\$9.4M) net loss<sup>3</sup>, down from (\$1.1M) in 3Q23

## Operational Highlights

- Notable revenue from our IPP assets, led by UK's 50 MW Branston project and China's 156 MW rooftop solar assets, achieving solid margins
- Milestones in our journey toward becoming a storage powerhouse:
  - In China, Successful grid connection of inaugural 1.2 MWh solar storage project in Ningbo, Zhejiang Province; and a growing portfolio of projects in the planning and execution phases
  - Solid progress in the expansion of the solar and storage pipeline in North America
  - In November, sold a state-of-the-art BESS portfolio consisting of five projects in Italy to Matrix Renewables with a total capacity of 410 MW
- Returned \$4 million to shareholders via *share repurchase* program and remain active in the market in Q4

### Notes:

1. For additional details, please find the Q3 2023 Shareholder Letter at <https://ir.emeren.com/quarterly-results>.
2. Please note the financial statements for 3Q22 have been restated.
3. Net loss attributed to Emeren Group Ltd



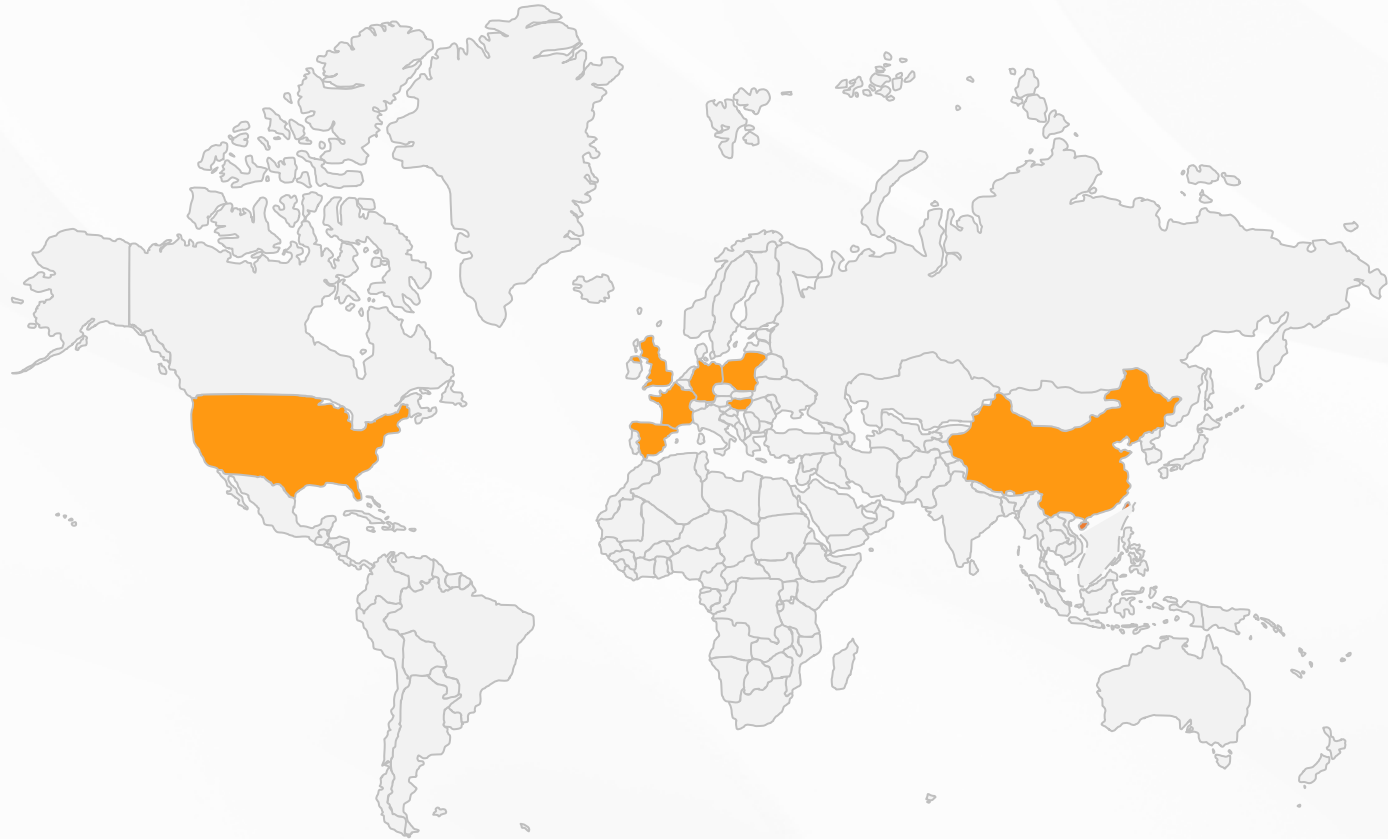
# Solar Pipeline and IPP Assets

- At least **3.5 GW** quality solar projects by end of 2023, with target COD/monetization in 2024-2027
- By the end of Q3, over **10 GWh** advanced-stage storage project pipeline
- **240 MW** of operating projects

Advanced-Stage Project Pipeline (MW)	
Europe	1,503
U.S.	1,307
China	84
<b>Total</b>	<b>2,894</b>

Advanced-Stage Storage Pipeline (MWh)	
Europe	6,440
U.S.	3,765
China	83
<b>Total</b>	<b>10,288</b>

IPP Assets (MW)	
China DG	156
Europe	60
U.S.	24
<b>Total</b>	<b>240</b>



# Global Solar and Storage Project Pipeline

As of Sep 30, 2023



## Solar Development

Country	Advanced Stage	Early Stage	Total (MWs)
Poland	538	-	538
Hungary	49	-	49
U.K.	100	-	100
Spain	135	2,679	2,814
Germany	106	1,452	1,558
France	107	44	151
Italy	468	397	865
U.S.	1,307	296	1,603
China	84	-	84
<b>Total</b>	<b>2,894</b>	<b>4,868</b>	<b>7,762</b>

## Storage

Country	Advanced Stage	Early Stage	Total (MWh)
Poland	3,556	1,200	4,756
Hungary	-	-	-
U.K.	170	190	360
Spain	-	100	100
Germany	-	-	-
France	6	-	6
Italy	2,708	2,468	5,176
U.S.	3,765	3,036	6,801
China	83	-	83
<b>Total</b>	<b>10,288</b>	<b>6,994</b>	<b>17,282</b>

# Global IPP Assets Details

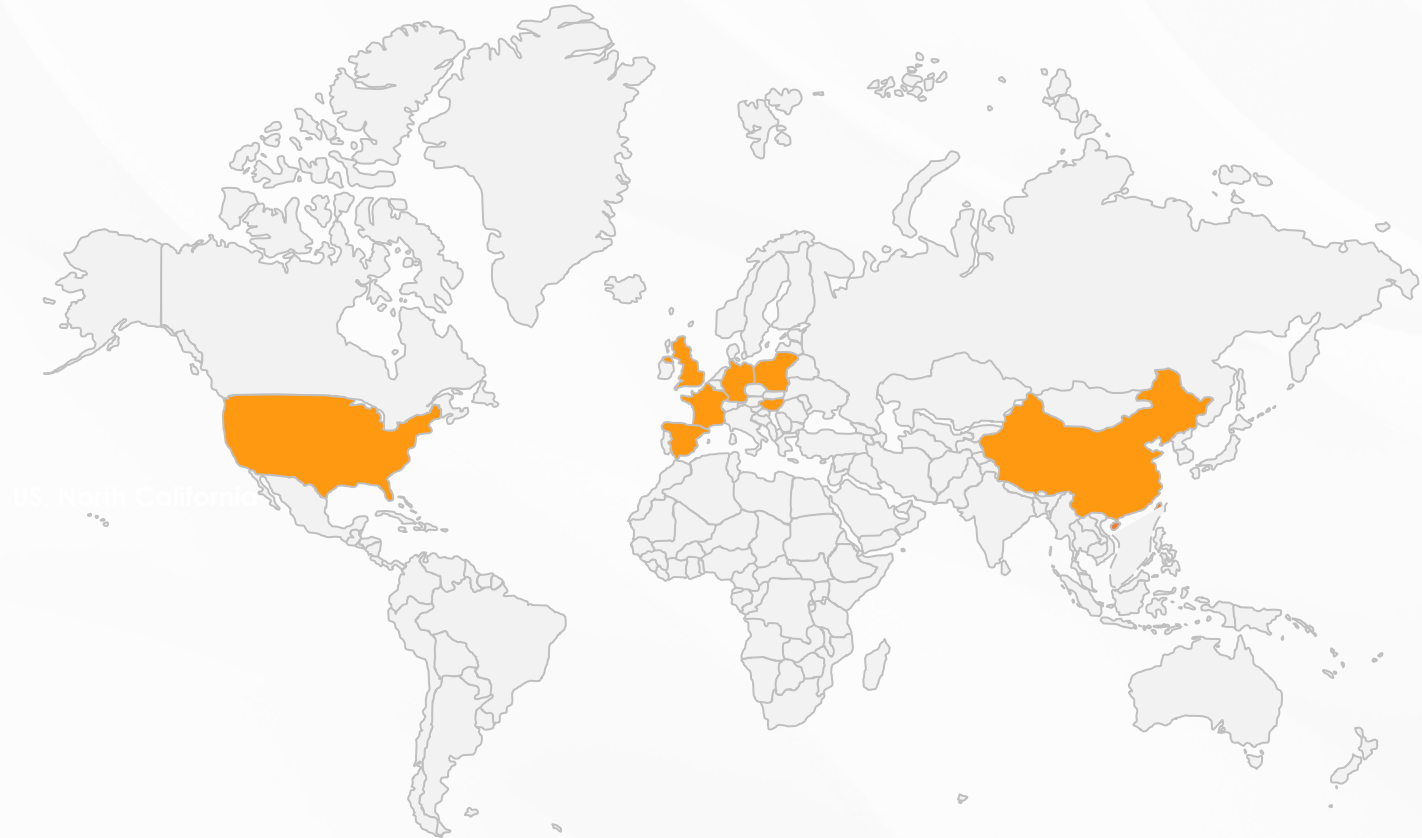


Operating Assets	Capacity (MW)
<b>Europe</b>	<b>60</b>
- UK Branston	50
- Hungary	10
<b>U.S.</b>	<b>24</b>
<b>China</b>	<b>156</b>
- Zhejiang	54
- Anhui	33
- Henan	17
- Hebei	17
- Jiangsu	15
- Fujian	7
- Shandong	5
- Other provinces	8
<b>Total</b>	<b>240</b>

As of Sep 30, 2023

**240 MW**  
Projects in Operation

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



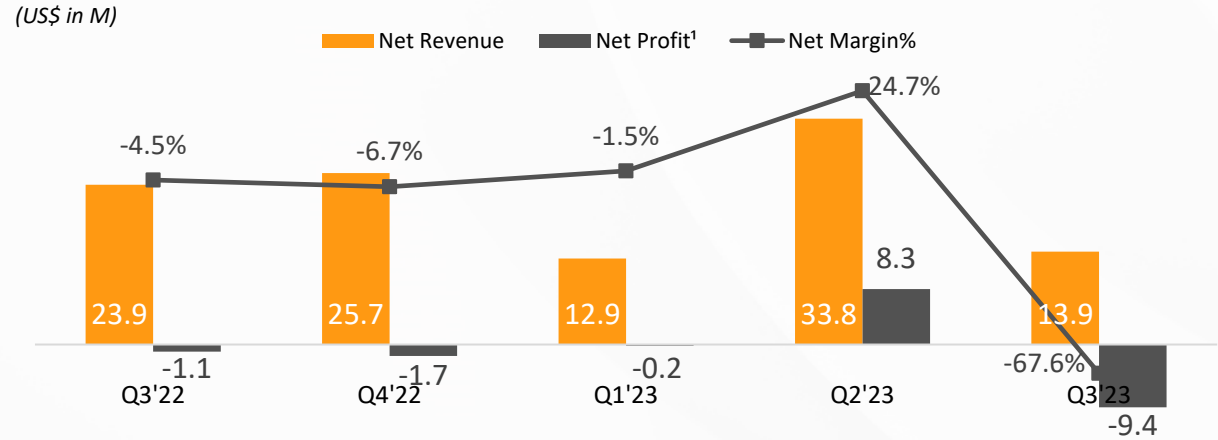




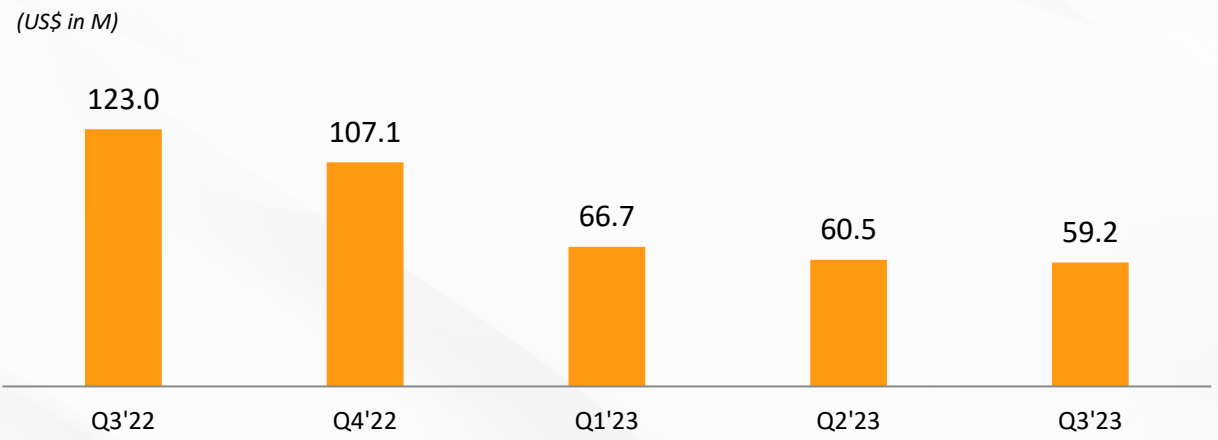
## Financial Results (as of Sep 30, 2023)



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



## Cash and Cash Equivalents



- Q3 revenue at \$13.9M and net loss of \$9.4M
- The results were impacted by 1) the delayed final government approval for a 53 MW solar NTP project in Hungary, 2) \$4.8M FX loss, and 3) another \$5.8M one-time non-cash expenses
- Ended Q3'23 with \$59.2 million cash
- Repurchased approx. \$4M of stock during Q3 and continues to execute on the share buyback program, with \$11M remaining in authorization

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 2023	FY 2023
Revenue	\$50 - \$53 million	\$110 - \$113 million
Gross Margin	21% - 25%	25% - 28%
Net Income	\$4 - \$5 million	\$3 - \$4 million

**July 10:** Emeren Group Joins the United Nations Global Compact

**July 31:** Emeren Group Announces Sale of First RTB Solar Power Project in Germany

**Aug 2:** Emeren Group Announces Appointment of Grant Thornton LLP (US) as Auditor

**Oct 10:** Emeren Group Announces Inaugural Solar Energy Storage Project in China

**Oct 24:** Emeren Group Announces Notice of Annual General Meeting

**Nov 9:** Emeren Group Sells a 410 MW Battery Energy Storage Portfolio in Italy

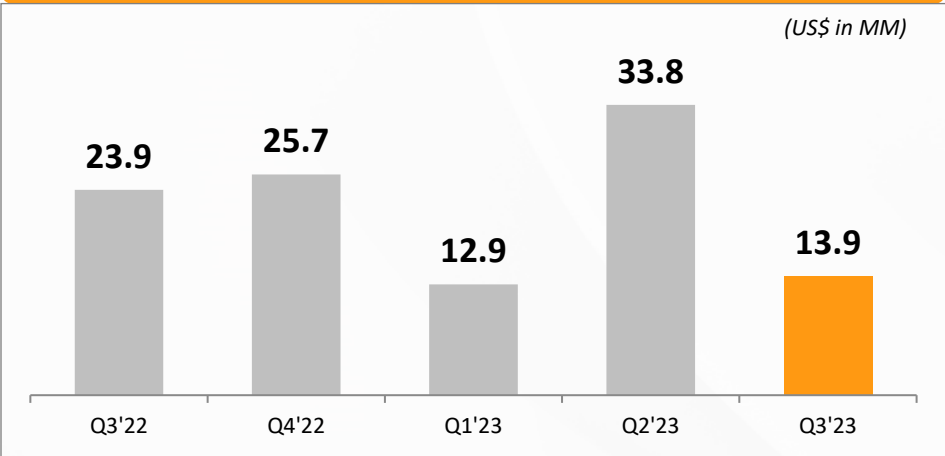
**Nov 14:** Emeren Group and Eiffel Investment Group's Joint Venture Signs an Agreement to Sell 29 MWp Solar Portfolio in Spain

# Appendix

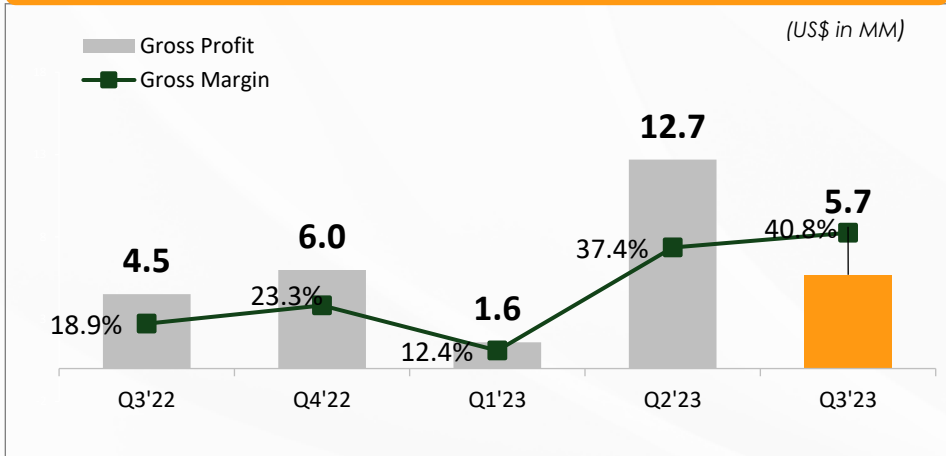




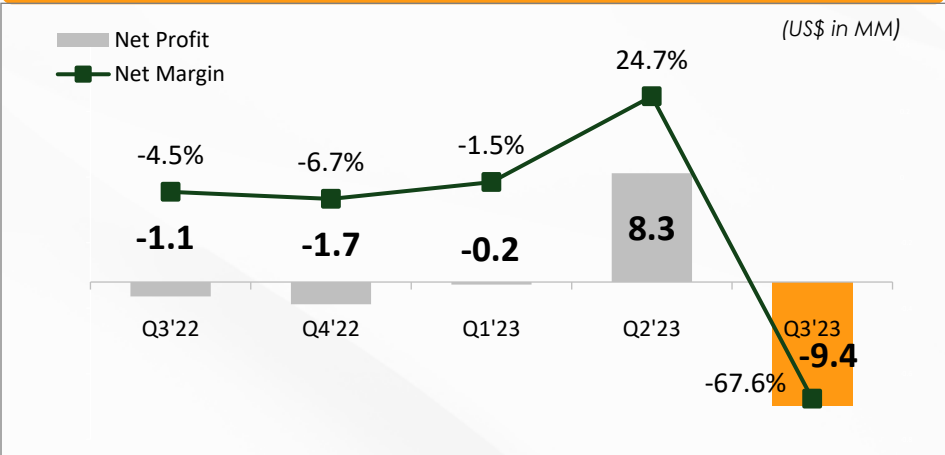
## Net Revenue



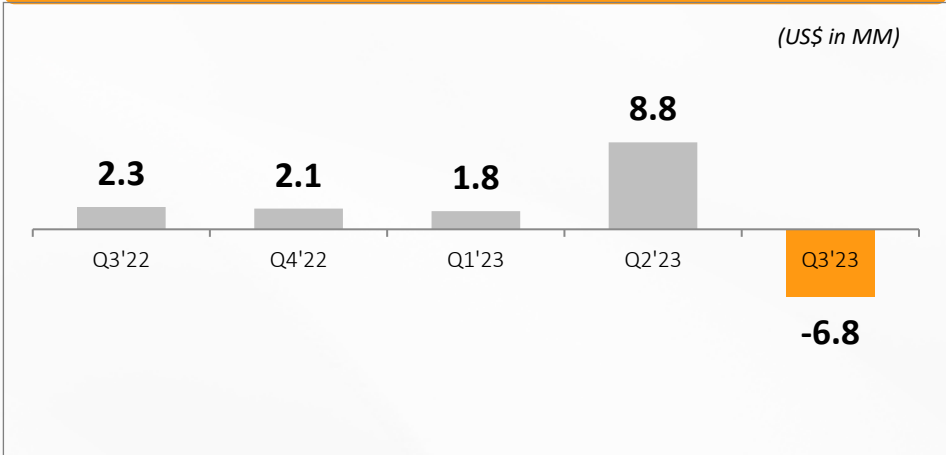
## Gross Profit and Gross Margin



## \*Net Profit and Net Profit Margin

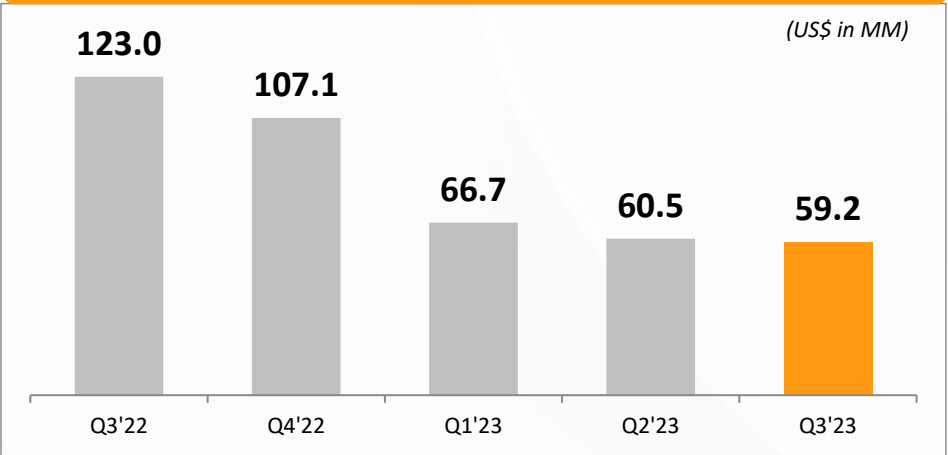


## EBITDA

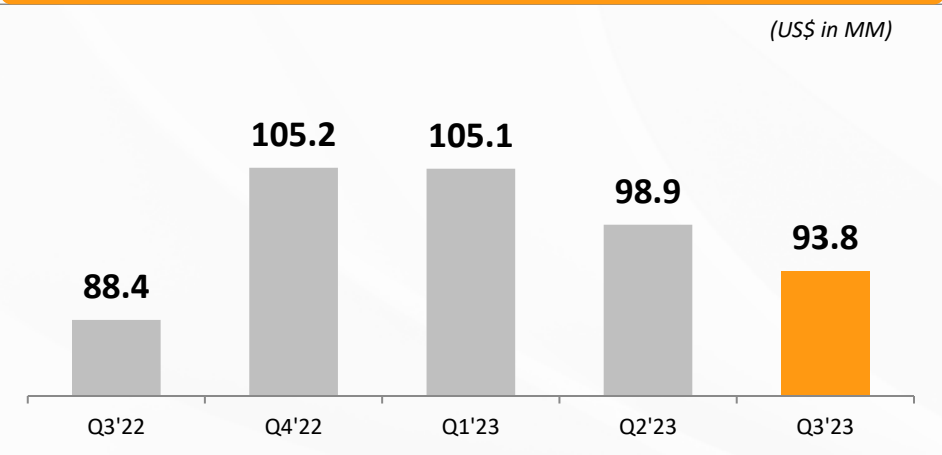


\* Net income (loss) attributed to Emeren Group Ltd

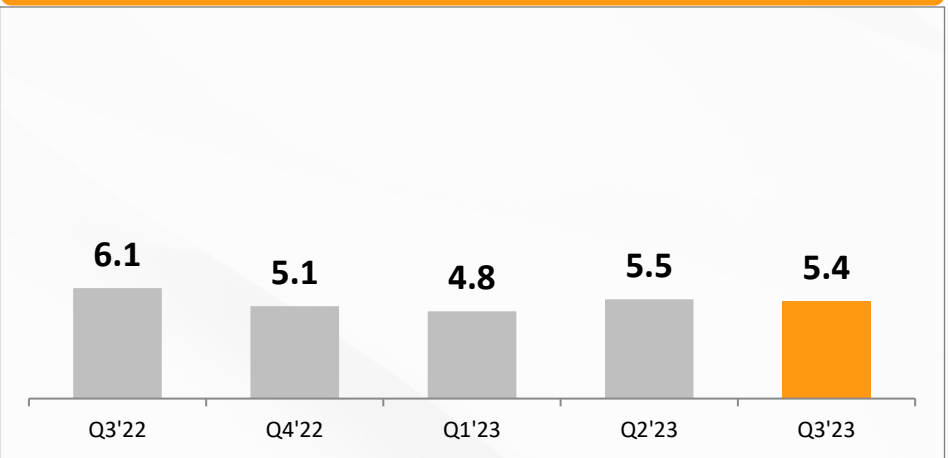
## Cash and Cash Equivalents



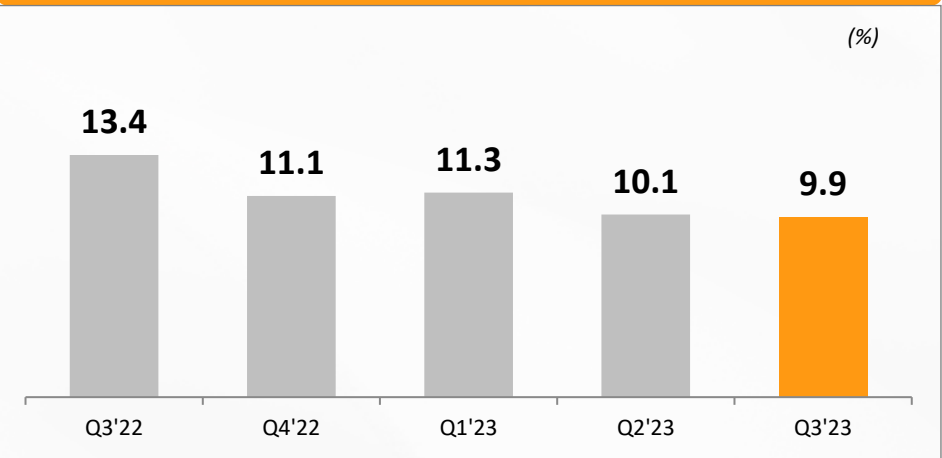
## Total Liabilities



## Current Ratio



## Debt/Asset Ratio



# Income Statement



Unaudited Consolidated Statements of Operations (\$ in thousands, except ADS and share data)	Three Months Ended		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Net revenues	\$ 13,948	\$ 33,846	\$ 23,904
Cost of revenues	(8,263)	(21,184)	(19,388)
<b>Gross profit</b>	<b>5,685</b>	<b>12,662</b>	<b>4,516</b>
Operating income/(expense):			
Sales and marketing	(74)	(127)	-
General and administrative	(6,964)	(5,329)	(3,597)
Other operating income/(expense)	(2,606)	(2,160)	95
<b>Total operating expenses</b>	<b>(9,644)</b>	<b>(7,616)</b>	<b>(3,502)</b>
<b>Income/(loss) from operations</b>	<b>(3,959)</b>	<b>5,046</b>	<b>1,014</b>
Other income/(expense):			
Interest income/(expense), net	(79)	375	(1,009)
Investment income	57	105	62
Foreign exchange gain/(loss)	(4,785)	2,119	(391)
<b>Total other (expense)/income, net</b>	<b>(4,807)</b>	<b>2,599</b>	<b>(1,338)</b>
<b>Income/(loss) before income tax</b>	<b>(8,766)</b>	<b>7,645</b>	<b>(324)</b>
Income tax benefit/(expense)	(251)	37	(171)
<b>Income/(loss), net of tax</b>	<b>(9,017)</b>	<b>7,682</b>	<b>(495)</b>
Less: Net income/(loss) attributed to non-controlling interests	373	(666)	576
<b>Net income/(loss) attributed to Emeren Group Ltd</b>	<b>(9,390)</b>	<b>8,348</b>	<b>(1,071)</b>
Income/(loss) attributed to Emeren Group Ltd per ADS			
Basic	\$ (0.17)	\$ 0.15	\$ (0.02)
Diluted	\$ (0.17)	\$ 0.14	\$ (0.02)
Weighted average number of ADS used in computing income/(loss) per ADS*			
Basic	56,287,193	57,234,013	65,618,248
Diluted	56,287,193	57,600,700	65,618,248

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



# Balance Sheet



Unaudited Consolidated Balance Sheet (\$ in thousands)	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 59,171	\$ 60,450	\$ 122,988
Restricted cash	10	6	5
Short-investments in U.S. Treasury Bills	10,115	10,057	-
Accounts receivable trade, net	19,187	25,511	36,033
Accounts receivable unbilled	50,591	53,290	12,059
Advances to suppliers	2,062	754	460
Value added tax receivable	6,686	7,610	4,645
Prepaid expenses and other current assets, net	23,358	38,286	15,531
Project assets current	42,350	33,159	20,008
<b>Total current assets</b>	<b>213,530</b>	<b>229,123</b>	<b>211,729</b>
Property, plant and equipment, net	151,813	155,094	161,846
Deferred tax assets, net	-	-	695
Project assets non-current	33,846	37,078	15,940
Goodwill	-	1,023	1,023
Long-term investments in U.S. Treasury Bills	-	-	9,989
Operating lease right-of-use assets	19,597	19,722	16,518
Finance lease right-of-use assets	17,652	17,983	21,269
Other non-current assets	17,990	17,665	25,155
<b>Total assets</b>	<b>\$ 454,428</b>	<b>\$ 477,688</b>	<b>\$ 464,164</b>

Unaudited Consolidated Balance Sheet (\$ in thousands)	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term borrowings	1,015	750	394
Accounts payable	3,131	5,367	6,535
Advances from customers	4,743	4,598	202
Amounts due to related parties	2,168	2,226	9,002
Other current liabilities	21,427	19,469	6,725
Income tax payable	411	1,654	466
Salaries payable	604	680	765
Operating lease liabilities current	1,034	1,149	257
Failed sale-lease back and finance lease liabilities current	5,006	5,938	9,618
<b>Total current liabilities</b>	<b>39,539</b>	<b>41,831</b>	<b>33,964</b>
Long-term borrowings	21,734	22,742	20,816
Deferred tax liabilities, non-current	3,167	3,602	974
Operating lease liabilities non-current	17,788	18,047	15,482
Failed sale-lease back and finance lease liabilities non-current	11,523	12,706	17,180
<b>Total liabilities</b>	<b>\$ 93,751</b>	<b>\$ 98,928</b>	<b>\$ 88,416</b>
<b>Shareholders' equity</b>			
Common shares	806,576	806,576	806,283
Additional paid-in capital	14,508	14,116	13,215
Treasury stock	(38,585)	(34,623)	(20,000)
Accumulated deficit	(438,613)	(429,223)	(435,666)
Accumulated other comprehensive loss	(21,542)	(16,330)	(28,736)
<b>Total equity attributed to Emeren Group Ltd</b>	<b>322,344</b>	<b>340,516</b>	<b>335,096</b>
Noncontrolling interest	38,333	38,244	40,652
<b>Total shareholders' equity</b>	<b>360,677</b>	<b>378,760</b>	<b>375,748</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 454,428</b>	<b>\$ 477,688</b>	<b>\$ 464,164</b>

Unaudited Consolidated Statement of Cash Flow (\$ in thousands)	Three Months Ended		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Net cash provided by (used in) operating activities	\$ (4,644)	\$ (2,353)	\$ (7,696)
Net cash provided by (used in) investing activities	10,118	116	(28,598)
Net cash provided by (used in) financing activities	(6,710)	1,160	(45,784)
Effect of exchange rate changes	<u>(39)</u>	<u>(5,204)</u>	<u>(2,961)</u>
Net decrease in cash and cash equivalents and restricted cash	(1,275)	(6,281)	(85,039)
Cash and cash equivalents and restricted cash, beginning of the quarter	<u>60,456</u>	<u>66,737</u>	<u>208,032</u>
<b>Cash and cash equivalents and restricted cash, end of the quarter</b>	<b><u>\$ 59,181</u></b>	<b><u>\$ 60,456</u></b>	<b><u>\$ 122,993</u></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		
	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
	(in thousands)		
Net Income (loss)	\$ (9,017)	\$ 7,682	\$ (495)
Income tax expenses (benefit)	251	(37)	171
Interest expense (income), net	79	(375)	1,009
Depreciation & Amortization	1,864	1,544	1,573
<b>EBITDA</b>	<b>\$ (6,823)</b>	<b>\$ 8,814</b>	<b>\$ 2,258</b>
Discount of electricity subsidy in China	(35)	163	-
Share based compensation	391	407	8
Impairment of long-lived assets	1,325	-	-
Loss on disposal of property, plant and equipment	-	2,128	-
Interest income of discounted electricity subsidy in China	136	(87)	-
Foreign exchange loss (gain)	4,785	(2,119)	391
<b>Adjusted EBITDA</b>	<b>\$ (221)</b>	<b>\$ 9,306</b>	<b>\$ 2,657</b>



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Empowering Renewables

### Contact Information

#### **Emeren Group Ltd**

Suzanne Wilson

+1 (510) 631 6550

[Suzanne.wilson@emeren.com](mailto:Suzanne.wilson@emeren.com)

#### **Emeren Group Ltd - Investor Relations**

[ir@emeren.com](mailto:ir@emeren.com)

#### **The Blueshirt Group**

Gary Dvorchak

+1 (323) 240-5796

[gary@blueshirtgroup.com](mailto:gary@blueshirtgroup.com)

