

# Q4 & FY 2023 Earnings Presentation

March 28, 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 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.

# Q4 & FY 2023 Financial and Operational Highlights



## Full Year 2023

- Revenue increased 71% y/y to \$104.7 million
- Gross profit of \$23.3 million up 52% y/y, with a gross margin of 22.2%
- EBITDA was a negative \$1.7 million, compared to \$6.7 million in 2022
- Net loss<sup>(1)</sup> of \$9.3 million, compared to \$4.7 million net loss in 2022

## Q4 2023

- Revenue of 44.0 million up 215% q/q and 71% y/y
- Gross margin of 7.6% lower than guidance range, due to more EPC projects and delays in closings of development projects sales in the U.S. and Europe
- EBITDA was a negative \$5.5 million, up from a negative \$6.8 million in Q3 2023, and down from the \$2.1 million in Q4 2022
- Net loss of \$8.1 million, an improvement from a \$9.4 million net loss in Q3 2023, and higher than a \$1.7 million net loss in Q4 2022<sup>(1)</sup>

## 2023 Operational Highlights

- Monetized ~144 MW solar projects, >960 MW BESS projects under DSA in Italy, and 15 MWh BESS as IPP in China
- Implemented strategic cost control initiatives throughout all our regions aimed at enhancing efficiency and optimizing resource allocation
- Grew project pipeline to over 3.1 GW and solar storage pipeline to approximately 5 GW with 4 - 8 hours duration in the planning, which equals 20 - 40 GWh of independent storage project pipeline
- Completed several transactions in key European markets, including project signings and portfolio sales in Spain, Italy, and Hungary
- Entered China's energy storage market with a strategic 10.8 MWh acquisition focused on Virtual Power Plant (VPP) capabilities and energy arbitrage

# Solar Pipeline and IPP Assets

- Over **3.1 GW** advanced-stage quality solar projects by the end of 2023, with target COD/monetization in 2024-2027
- By the end of 2023, over **5.2 GW<sup>(1)</sup>** advanced-stage storage project pipeline
- **245 MW** of PV assets and **15 MWh** storage operating assets

## Advanced-Stage Project Pipeline (MW)

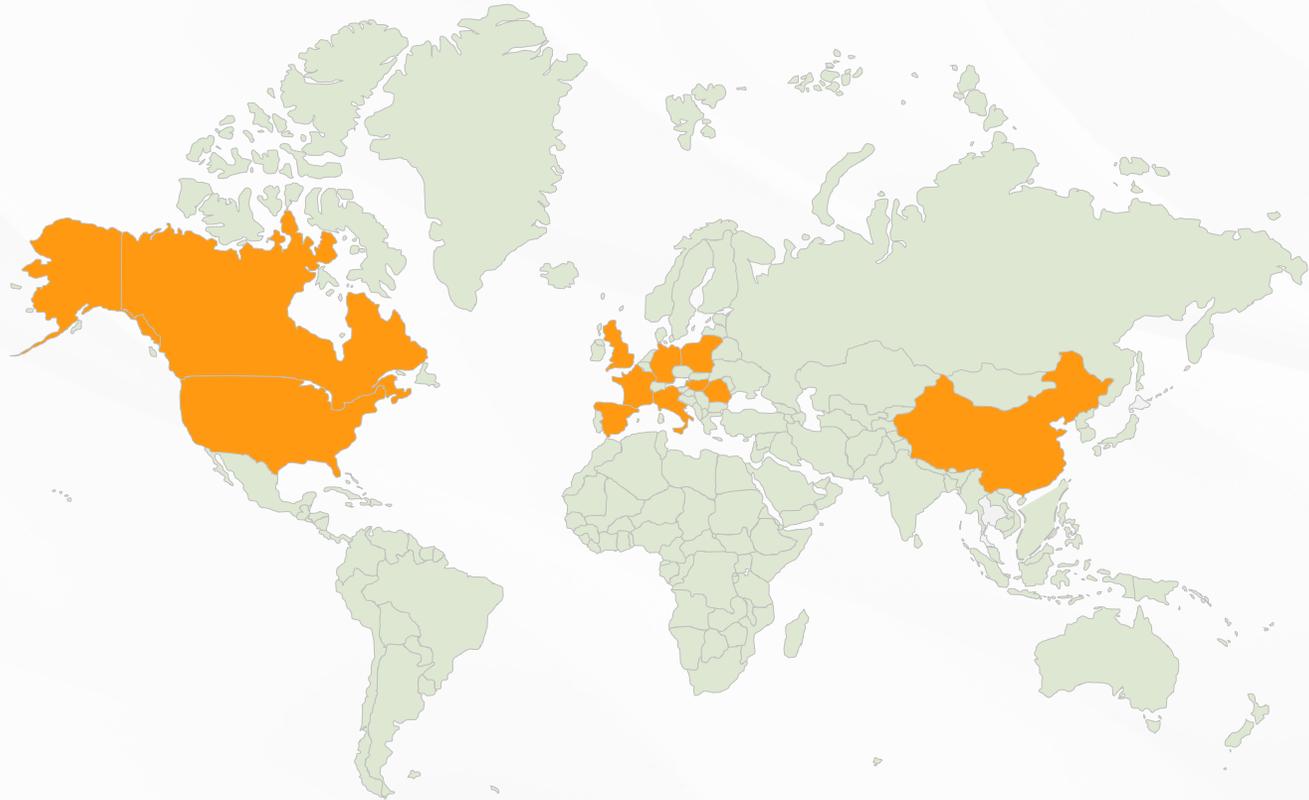
Europe	1,549
U.S.	1,477
China	82
<b>Total</b>	<b>3,108</b>

## Advanced-Stage Storage Pipeline (MW)

Europe	4,379
U.S.	754
China	46
<b>Total</b>	<b>5,179</b>
	<b>(20 - 40 GWh)<sup>(1)</sup></b>

## IPP Assets (MW)

China DG	161 + 8 <sup>(2)</sup>
Europe	60
U.S.	24
<b>Total</b>	<b>245 + 8<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. 15 MWh operating assets of storage in Zhejiang, and ~2 hours per MW of storage in China.

# Global Solar and Storage Project Pipeline

As of Dec 31, 2023



## Solar Development

Country	Advanced Stage	Early Stage	Total (MW)
Poland	483	65	548
Hungary	52	-	52
U.K.	110	-	110
Spain	216	4,502	4,718
Germany	125	690	815
France	92	59	151
Italy	471	388	859
U.S.	1,477	183	1,660
China	82	-	82
<b>Total</b>	<b>3,108</b>	<b>5,887</b>	<b>8,995</b>

## Storage <sup>(1)</sup>

Country	Advanced Stage	Early Stage	Total (MW)
Poland	1,189	-	1,189
Hungary	15	-	15
U.K.	345	-	345
Spain	986	83	1,069
Germany	-	-	-
France	-	-	-
Italy	1,844	645	2,489
U.S.	754	751	1,505
China	46	-	46
<b>Total</b>	<b>5,179</b>	<b>1,479</b>	<b>6,658</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.

# Global IPP Assets Details

As of Dec 31, 2023

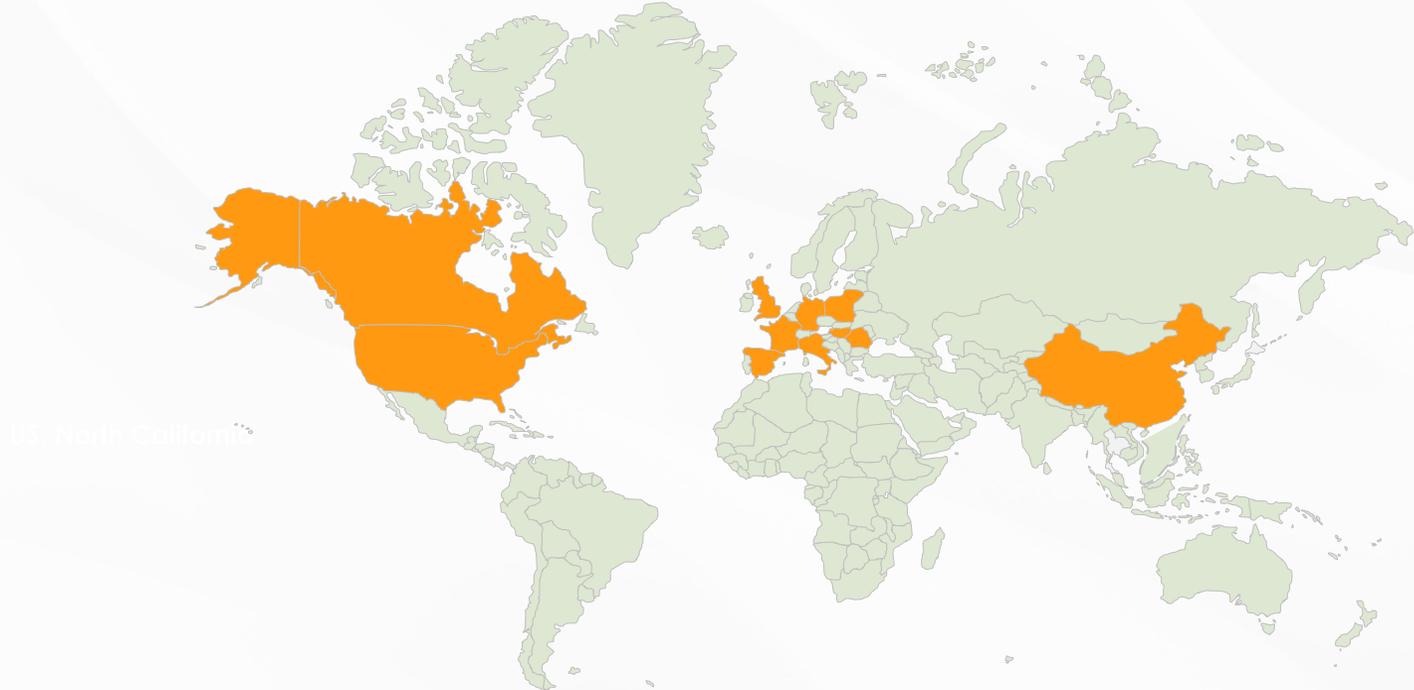


Operating Assets	PV Capacity (MW)	Storage (MW)
<b>Europe</b>	<b>60</b>	
- UK Branston	50	
- Hungary	10	
<b>U.S.</b>	<b>24</b>	
<b>China</b>	<b>161</b>	
- Zhejiang	55	~ 8
- Anhui	35	
- Henan	17	
- Hebei	17	
- Jiangsu	16	
- Fujian	8	
- Shandong	5	
- Other provinces	8	
<b>Total</b>	<b>245</b>	<b>~ 8 (1)</b>

**245 MW**  
Projects in Operation

**15 MWh**  
Storage in Operation

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



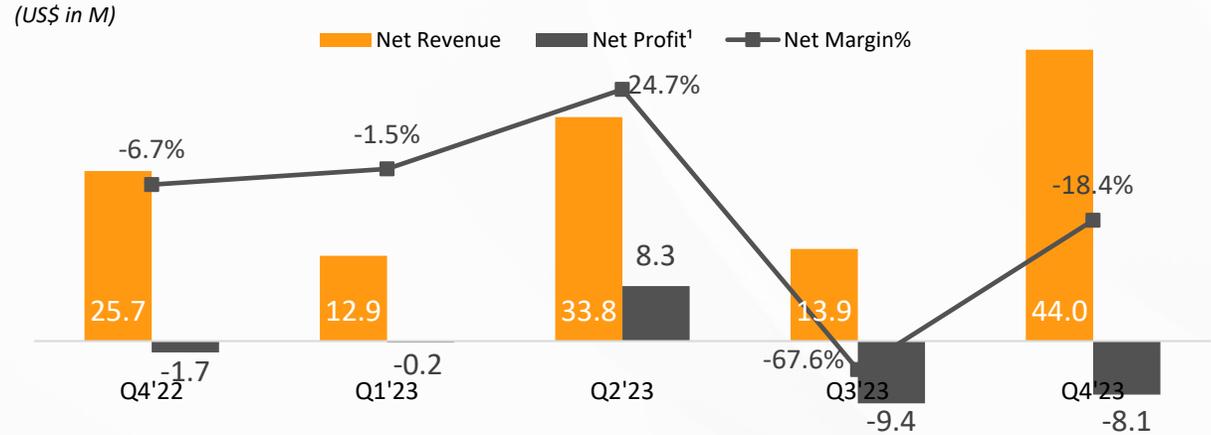
Notes:  
1. 15 MWh operating assets of storage in Zhejiang, and ~2 hours per MW of storage in China.



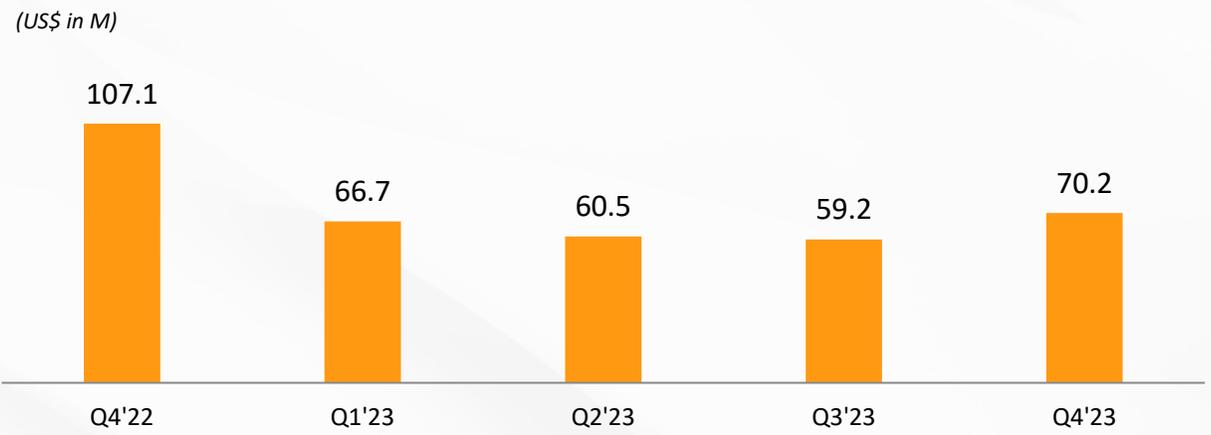
## Financial Results (as of Dec 31, 2023)



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



## Cash and Cash Equivalents



- Q4 revenue at \$44.0M and net loss of \$8.1M
- The results were impacted by 1) delays in closing the sales of 6 projects in the U.S. and Europe, pushing to H1 2024, 2) several one-time items, including a \$4.1 million adjustment to the earnout revenue milestone at our 75 MW project in Poland, and \$5.0 million of write-offs of project cancellations and bad debt reserves
- Ended Q4'23 with \$70.2M cash
- Repurchased approx. \$3.4M of stock during Q4 and executed an accelerated stock repurchase (ASR) program of up to \$10 million in Q1 2024

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

	H1 2024	FY 2024
Revenue	\$50 - \$55 million	\$150 - \$160 million
Gross Margin	~ 30%	~ 30%
Net Income	/	> \$26 million
Earnings per ADS	/	~ \$0.50

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

\*\*Gross profit contributed by DSA globally expected to be at least \$6 million.

\*\*\*Operating Cash flow expected to be positive throughout the full year and cash balance to be over \$100 million at the end of 2024.

## 2023

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

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

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

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

**December 21:** Emeren Group Sells a 53.6 MWp Solar Portfolio in Hungary

**December 28:** Emeren Group Purchases an 86 MWp Solar Portfolio in Spain

**December 29:** Emeren Group Reaches 1GW of Battery Energy Storage Portfolio in Italy

## 2024

**January 3:** Emeren Group Releases 2022 Environmental, Social and Governance Report

**January 9:** Emeren Group Successfully Acquired 10.76 MWh Energy Storage Portfolio in China, Entering Virtual Power Plant Market

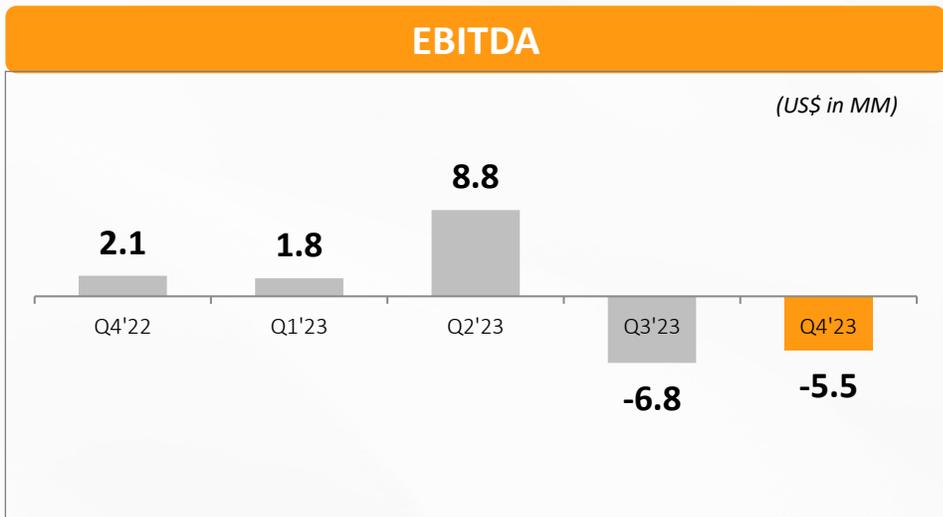
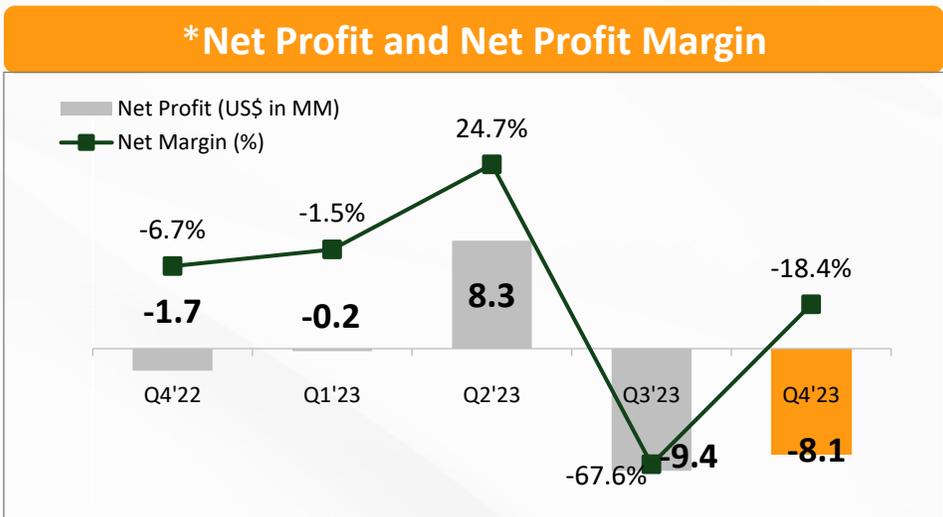
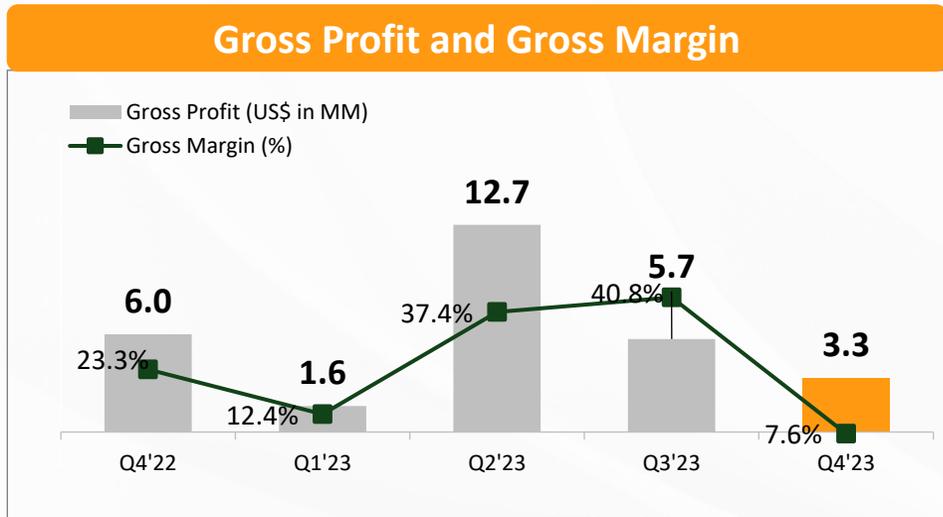
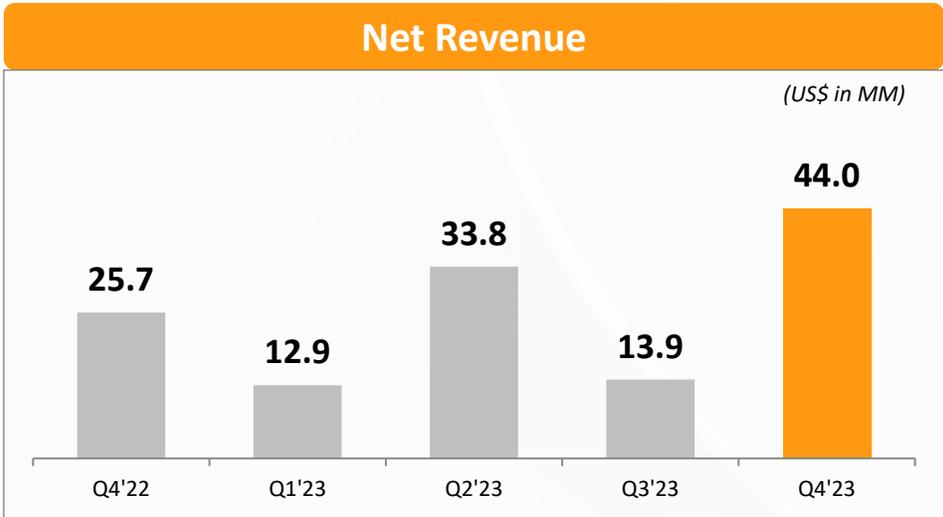
**January 25:** Emeren Group Announces Preliminary 2023 Financials and 2024 Outlook

**February 12:** Emeren Group's Board of Directors Approves an Accelerated Stock Repurchase Program up to \$10 million

**March 15:** Emeren Group and Glennmont to Develop 155 MW of Battery Storage Projects in Italy

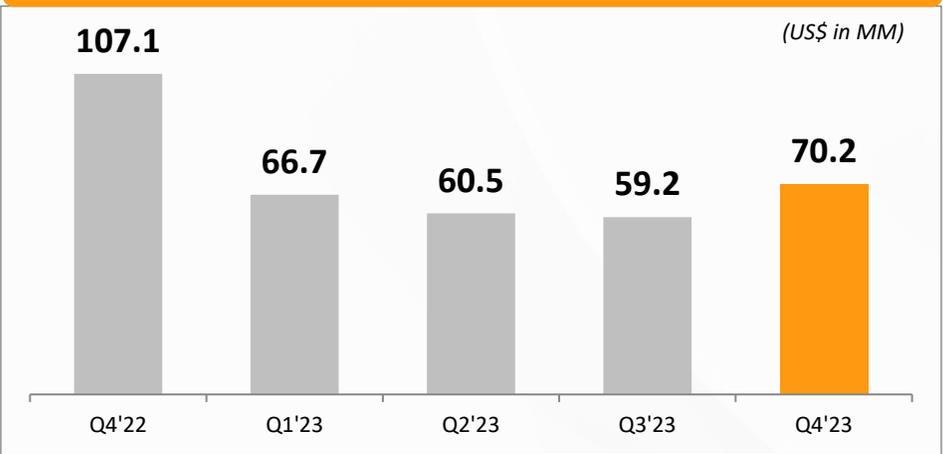
# Appendix

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. The word "Appendix" is overlaid in orange text on a white rounded rectangle in the upper center.

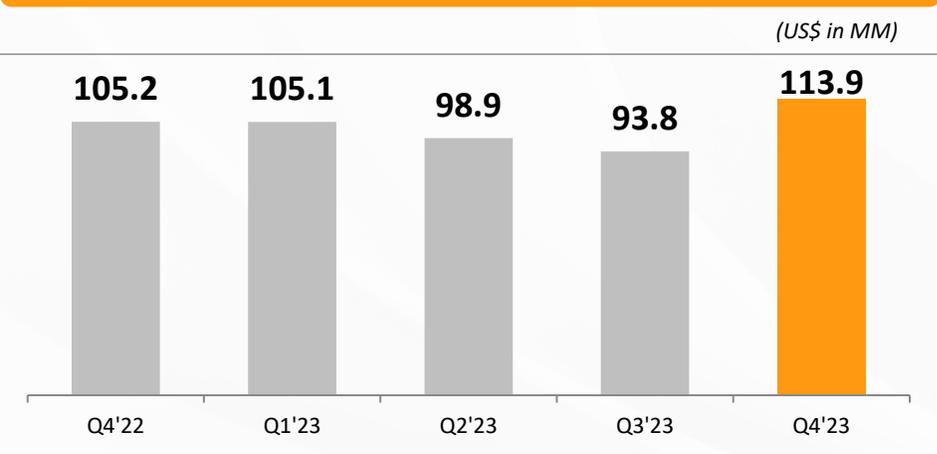


\* Net income (loss) attributed to Emeren Group Ltd

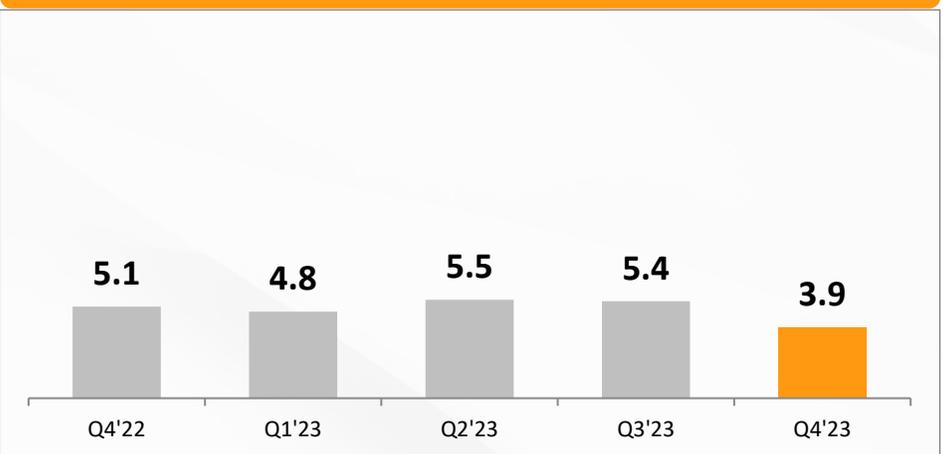
## Cash and Cash Equivalents



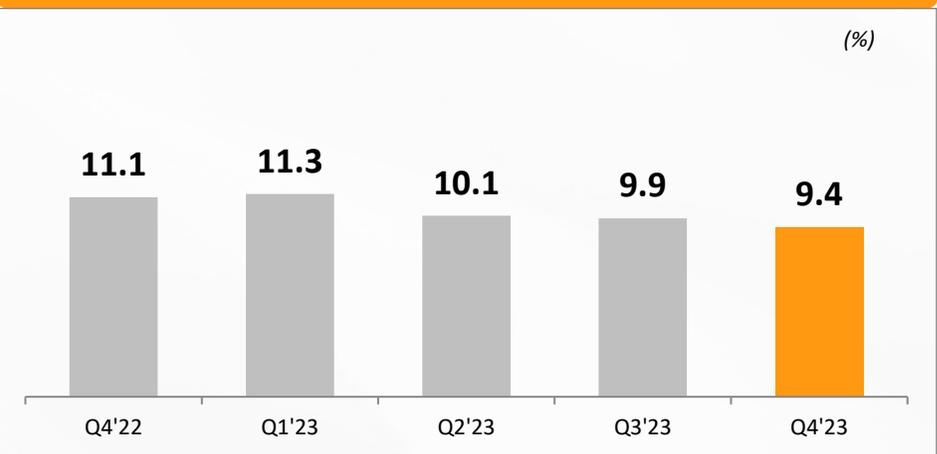
## Total Liabilities



## Current Ratio



## Debt/Asset Ratio



# Income Statement

Unaudited Consolidated Statements of Operations (\$ in thousands, except ADS and share data)	Three Months Ended			Twelve Months Ended	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
	(in thousands, except per ADS data and ADS)				
Net revenues	\$ 44,000	\$ 13,948	\$ 25,667	\$ 104,671	\$ 61,291
Cost of revenues	<u>(40,657)</u>	<u>(8,263)</u>	<u>(19,677)</u>	<u>(81,387)</u>	<u>(45,955)</u>
<b>Gross profit</b>	<b><u>3,343</u></b>	<b><u>5,685</u></b>	<b><u>5,990</u></b>	<b><u>23,284</u></b>	<b><u>15,336</u></b>
Operating (expenses)/income:					
Sales and marketing	(105)	(74)	(418)	(398)	(421)
General and administrative	(7,097)	(6,964)	(6,623)	(23,788)	(17,202)
Other operating expenses	<u>(2,287)</u>	<u>(2,606)</u>	<u>(155)</u>	<u>(7,160)</u>	<u>(346)</u>
<b>Total operating expenses</b>	<b><u>(9,489)</u></b>	<b><u>(9,644)</u></b>	<b><u>(7,196)</u></b>	<b><u>(31,346)</u></b>	<b><u>(17,969)</u></b>
<b>Income (loss) from operations</b>	<b>(6,146)</b>	<b>(3,959)</b>	<b>(1,206)</b>	<b>(8,062)</b>	<b>(2,633)</b>
Other (expenses)/income:					
Interest (expenses)/income, net	(244)	(79)	(808)	(82)	(2,509)
Investment income	39	57	46	278	898
Foreign exchange gains/(loss)	<u>(1,390)</u>	<u>(4,785)</u>	<u>1,217</u>	<u>(1,346)</u>	<u>1,613</u>
<b>Total other income/(loss) , net</b>	<b><u>(1,595)</u></b>	<b><u>(4,807)</u></b>	<b><u>455</u></b>	<b><u>(1,150)</u></b>	<b><u>2</u></b>
<b>Income (loss) before income tax</b>	<b>(7,741)</b>	<b>(8,766)</b>	<b>(751)</b>	<b>(9,212)</b>	<b>(2,631)</b>
Income tax benefit	<u>(2,116)</u>	<u>(251)</u>	<u>(1,290)</u>	<u>(2,595)</u>	<u>(1,917)</u>
<b>Loss, net of tax</b>	<b><u>(9,857)</u></b>	<b><u>(9,017)</u></b>	<b><u>(2,041)</u></b>	<b><u>(11,807)</u></b>	<b><u>(4,548)</u></b>
Less: Net income (loss) attributed to non-controlling interests	<u>(1,769)</u>	<u>373</u>	<u>(329)</u>	<u>(2,483)</u>	<u>124</u>
<b>Net Loss attributed to Emeren Group Ltd</b>	<b><u>(8,088)</u></b>	<b><u>(9,390)</u></b>	<b><u>(1,712)</u></b>	<b><u>(9,324)</u></b>	<b><u>(4,672)</u></b>
Loss attributed to Emeren Group Ltd per ADS					
Basic	\$ (0.15)	\$ (0.17)	\$ (0.03)	\$ (0.16)	\$ (0.07)
Diluted	\$ (0.15)	\$ (0.17)	\$ (0.03)	\$ (0.16)	\$ (0.07)
Weighted average number of ADS used in computing income/(loss) per ADS*					
Basic	55,197,797	56,287,193	60,274,841	56,526,124	64,924,455
Diluted	55,197,797	56,287,193	60,274,841	56,526,124	64,924,455

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

# Balance Sheet

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Unaudited Consolidated Balance Sheet (\$ in thousands)	As of		
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 70,174	\$ 59,171	\$ 107,105
Restricted cash	-	10	183
Short-investments in U.S. Treasury Bills	-	10,115	-
Accounts receivable trade, net	27,089	19,187	21,670
Accounts receivable unbilled	59,526	50,591	43,882
Advances to suppliers	4,283	2,062	1,017
Value added tax receivable	7,361	6,686	5,929
Prepaid expenses and other current assets, net	16,609	23,358	14,973
Project assets current	39,914	42,350	25,969
Deferred Cost	1,872	-	-
<b>Total current assets</b>	<b>226,828</b>	<b>213,530</b>	<b>220,728</b>
Property, plant and equipment, net	163,076	151,813	170,477
Project assets non-current	37,014	33,846	26,590
Goodwill	-	-	1,023
Long-term investments in U.S. Treasury Bills	-	-	10,047
Operating lease right-of-use assets	20,037	19,597	22,688
Finance lease right-of-use assets	14,127	17,652	21,669
Other non-current assets	16,927	17,990	20,628
<b>Total assets</b>	<b>\$ 478,009</b>	<b>\$ 454,428</b>	<b>\$ 493,850</b>

Unaudited Consolidated Balance Sheet (\$ in thousands)	As of		
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term borrowings	1,069	1,015	1,008
Accounts payable	13,041	3,131	7,118
Advances from customers	5,375	4,743	3,641
Amounts due to related parties	4,967	2,168	1,475
Other current liabilities	22,054	21,427	17,449
Income tax payable	2,168	411	862
Salaries payable	718	604	540
Deferred revenue	3,177	-	-
Operating lease liabilities current	903	1,034	1,212
Failed sale-lease back and finance lease liabilities current	4,916	5,006	9,993
<b>Total current liabilities</b>	<b>58,388</b>	<b>39,539</b>	<b>43,298</b>
Long-term borrowings	23,001	21,734	22,518
Deferred tax liabilities, non-current	3,532	3,167	3,573
Operating lease liabilities non-current	18,247	17,788	20,855
Failed sale-lease back and finance lease liabilities non-current	10,772	11,523	14,963
<b>Total liabilities</b>	<b>\$ 113,940</b>	<b>\$ 93,751</b>	<b>\$ 105,207</b>
<b>Shareholders' equity</b>			
Common shares	806,696	806,576	806,283
Additional paid-in capital	14,728	14,508	13,500
Treasury stock	(41,938)	(38,585)	(20,000)
Accumulated deficit	(446,701)	(438,613)	(437,377)
Accumulated other comprehensive loss	(6,471)	(21,542)	(15,114)
<b>Total equity attributed to Emeren Group Ltd</b>	<b>326,315</b>	<b>322,344</b>	<b>347,292</b>
Noncontrolling interest	37,754	38,333	41,351
<b>Total shareholders' equity</b>	<b>364,069</b>	<b>360,677</b>	<b>388,643</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 478,009</b>	<b>\$ 454,428</b>	<b>\$ 493,850</b>

# Cash Flow Statement



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Unaudited Consolidated Statement of Cash Flow (\$ in thousands)	Three Months Ended			Twelve Months Ended	
	<u>Dec 31, 2023</u>	<u>Sep 30, 2023</u>	<u>Dec 31, 2022</u>	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
	(in thousands)				
Net cash provided by (used in) operating activities	\$ 2,922	\$ (4,644)	\$ (7,787)	\$ (27,803)	\$ (38,016)
Net cash provided by (used in) investing activities	7,006	10,118	(613)	15,374	(44,435)
Net cash used in financing activities	(4,916)	(6,710)	(5,179)	(26,617)	(60,281)
Effect of exchange rate changes	5,981	(39)	(2,125)	1,932	(4,362)
Net increase (decrease) in cash and cash equivalents and restricted cash	10,993	(1,275)	(15,704)	(37,114)	(147,094)
Cash and cash equivalents and restricted cash, beginning of the quarter	59,181	60,456	122,992	107,288	254,382
<b>Cash and cash equivalents and restricted cash, end of the quarter</b>	<b>\$ 70,174</b>	<b>\$ 59,181</b>	<b>\$ 107,288</b>	<b>\$ 70,174</b>	<b>\$ 107,288</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			Twelve Months Ended	
	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
	(in thousands)				
Net Loss	\$ (9,857)	\$ (9,017)	\$ (2,041)	\$ (11,807)	\$ (4,548)
Income tax expenses	2,116	251	1,290	2,594	1,917
Interest expenses, net	244	79	808	81	2,509
Depreciation & Amortization	2,003	1,864	2,040	7,461	6,817
<b>EBITDA</b>	<b>\$ (5,494)</b>	<b>\$ (6,823)</b>	<b>\$ 2,097</b>	<b>\$ (1,671)</b>	<b>\$ 6,695</b>
Discount of electricity subsidy in China	603	(35)	(1,850)	656	(1,235)
Share based compensation	203	391	435	1,442	1,739
Impairment of long-lived assets	616	1,325	-	1,941	-
Loss on disposal of property, plant and equipment	-	-	-	2,128	-
Interest income of discounted electricity subsidy in China	60	136	738	109	155
Foreign exchange loss (gain)	1,390	4,785	(1,217)	1,348	(1,613)
<b>Adjusted EBITDA</b>	<b>\$ (2,622)</b>	<b>\$ (221)</b>	<b>\$ 203</b>	<b>\$ 5,954</b>	<b>\$ 5,742</b>



**emeren**<sup>®</sup>  
Empowering Renewables

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