



**Energeia AS**

**Fearnley Securities**

**Annual Renewables & Clean-Tech  
Conference**

29 November 2023



# Agenda



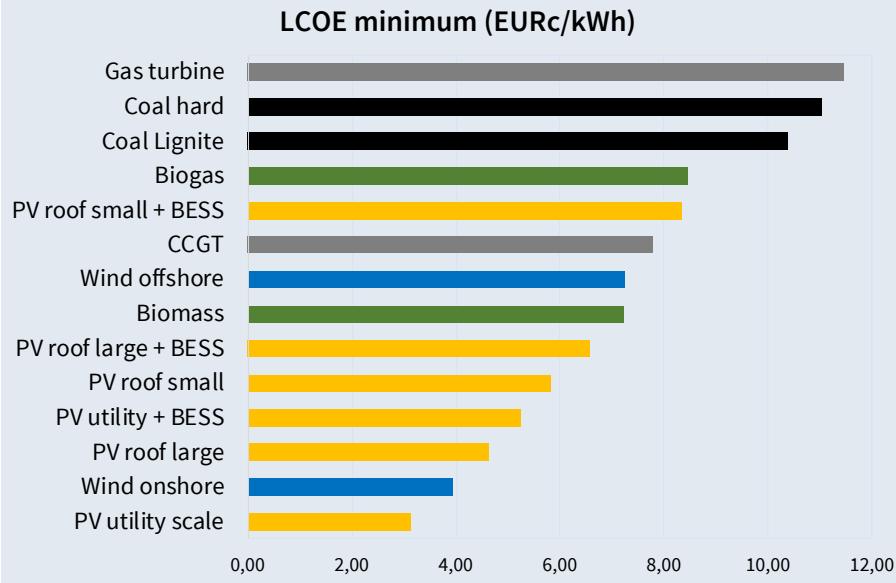
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# Cost competitiveness & harmonization of power prices



## 2021 Germany LCOE by technology | EURc/kWh

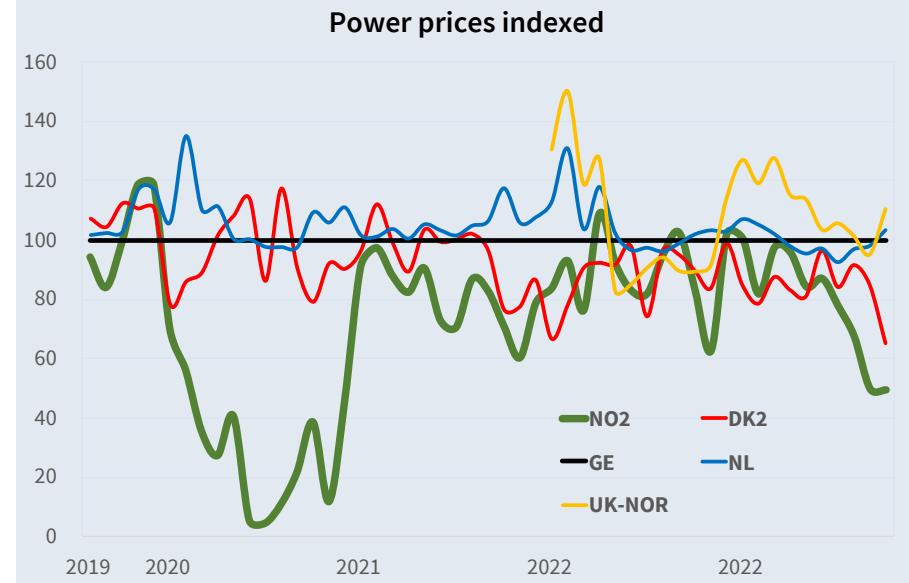


Source: Fraunhofer ISE; Levelized cost of energy analysis (2021)

### Drivers for Solar PV + BESS cost competitiveness:

- Solar PV manufacturing costs down
- Battery manufacturing costs down
- Solar PV modules efficiency up
- Relative cost differential increased further since 2021

## Geographical harmonization of power prices



Source: Nordpool (2023)

### Grid interconnection harmonizes power prices:

- Norway transmission capacity to Europe increased from 25TWh to 78 TWh in 2022 (58% of power consumption).
- Norwegian power market is a EUR market.

# Energeia group overview



- Established 2010.
- Purchased, sold, operated and constructed Solar PV power plants since 2011.
- Operating an Agrivoltaic power plant in the Netherlands since 2020.
- Geographical business focus the Netherlands and Norway.
- Energy system installation and services operation in the Netherlands with 47 employees.
- Development of utility scale Solar PV power plants with BESS since 2020 in Norway in collaboration with industrial partners.
- 40 utility scale Solar PV + BESS projects in development in Norway. 20 projects under contract representing approx. 1 000 MWp/1.2 TWh.



# Industrial partnerships



- Working together in seamless teams with open-book philosophy with industrial partners to develop and jointly own utility scale Solar PV power plants + BESS in Norway.

## **Eidsiva Group:**

- Total assets NOK 50bn, revenues of NOK 11bn and EBITDA of NOK 4.3bn in 2022.
- 100% owner of power distribution company Elvia.
- 43.5% owner of Hafslund ECO - producing 6.3 TWh of Hydropower.
- Investing and developing grid connected BESS systems.

## **Hydro Rein:**

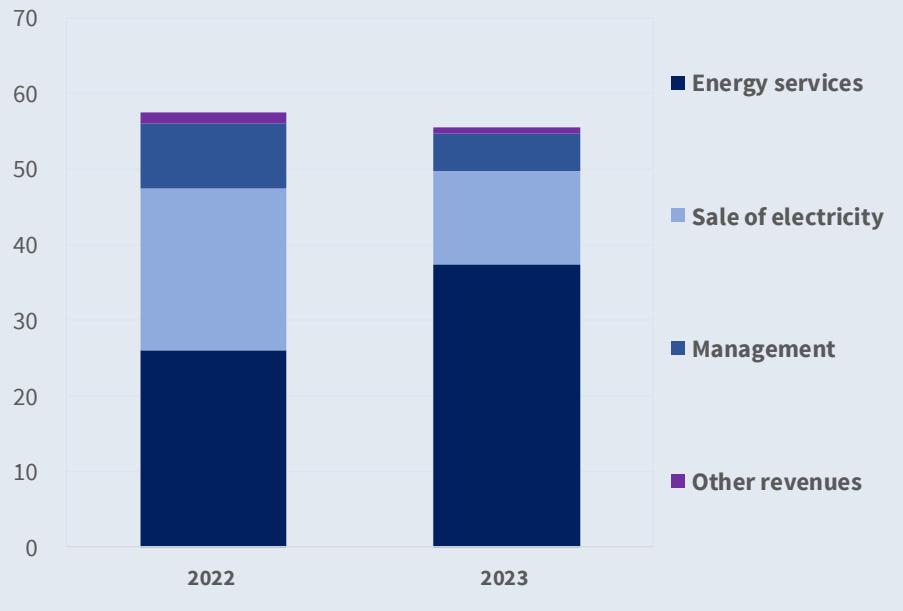
- Subsidiary of Norsk Hydro with mission to produce CO<sub>2</sub> emission-free power from Solar PV and Wind.
- 1 700 MWp portfolio in operation and under construction.
- Macquarie group to invest and own 49% in JV with Norsk Hydro.



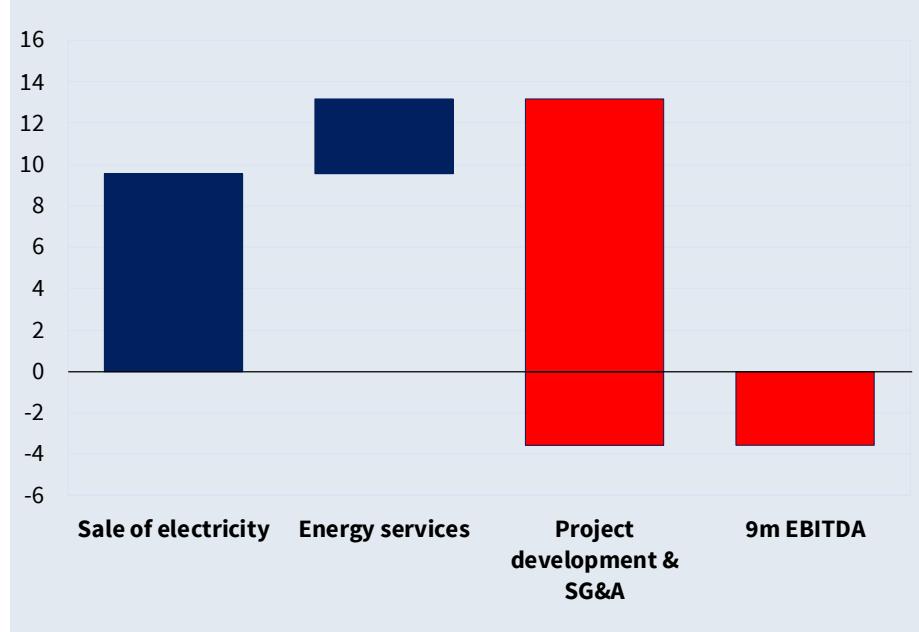
# 9m 2023 revenues & EBITDA



## 9m revenues 2022 & 2023 | NOKm



## 9m 2023 EBITDA | NOKm



## 9m 2023 vs. 9m 2022 YoY change

- Electricity sales; Price down by 49%, Volume down by 8%.
- Estimated FY'23 realized price above SDE+ contract of EUR 90 per MWh.
- Energy installation & services organic sales growth of 28%
- Management revenues reduced by 41%.

## Cash profitability

- Running profitable business in power production & energy installation & services are funding project development costs in Norway & the Netherlands.

# Assets & resources



Assets & financing   NOKm			
Current assets	63	35	Short term debt
Cash	37	11	Payables
Receivables	16	4	Tax & duties
Inventories & other	10	20	Short term debt
Long-term assets	169	80	Long term debt
Power plants	106	72	Interest bearing debt
Assets in construction	8	8	Other long-term debt
Other lt. assets	12		
Brand & Goodwill	43		
		118	Equity
<b>Total assets</b>	<b>233</b>	<b>233</b>	<b>Total financing</b>

## Asset base Sept. 2023

- 78% of asset base (NOK 180m) in operating business in the Netherlands.
- Interest bearing debt is for PV power plant. 1,26% fixed interest for duration of loan to 2038.
- Goodwill from acquisition (NOK 22m) depreciated over 5 years.

Human resources   Employees			
Netherlands	47	37,6	
Management & HR	6	5	
Accounting	2	1,6	
Sales & services support	10	7,3	
Technical & installation	29	23,7	
Norway & Italy	14	12,9	
Management	2	2	
Accounting & administration	6	5,4	
Legal	1	1	
Project development & technical	5	4,5	
Energeia Group	61	50,5	

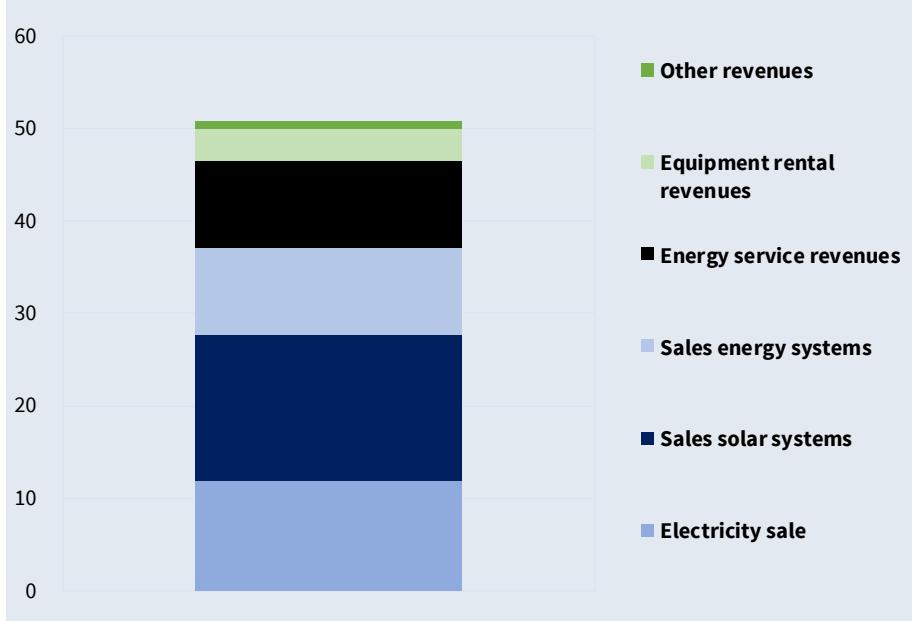
## Human resources

- 61 employees representing 50,5 FTEs
- Increase of technical staff in the Netherlands to meet increasing demand for energy systems installation & services.

# Netherlands activity & focus



## Revenue structure | NOKm



## Profitability | NOKm

9m 2023	Group NL	Power prod.	Installation & services	SG&A & project
<b>Revenues</b>	<b>50,7</b>	<b>11,9</b>	<b>38,9</b>	<b>-0,1</b>
Cost of goods sold	-15,5	0,0	-15,5	0,0
<b>Gross margin</b>	<b>35,3</b>	<b>11,9</b>	<b>23,4</b>	<b>-0,1</b>
% Gross margin	69%	100%	60%	
Operating costs	-26,2	-2,4	-19,8	-4,0
<b>EBITDA</b>	<b>9,1</b>	<b>9,6</b>	<b>3,6</b>	<b>-4,1</b>
% EBITDA margin	18%	80%	9%	
Depreciation and amortization	-7,0	-3,3	-0,6	-3,2
<b>EBIT</b>	<b>2,1</b>	<b>6,2</b>	<b>3,1</b>	<b>-7,2</b>
Net financial items	-0,7	-0,7	0,0	0,0
<b>Profit/loss before tax</b>	<b>1,3</b>	<b>5,5</b>	<b>3,1</b>	<b>-7,2</b>

### 9m'2023 revenue structure

- Installation & services revenues 77% of sales. Solar system installation sales increased 57% YoY.
- Energy service revenues comprise 8 000 own service customers and 2 000 on behalf of Energy company client.
- Product offering with cross selling increasing total sales.
- EUR 90 per MWh SDE+ electricity sales contract until 2035.

### Cost & profitability

- Installation & services EBIT margin lower due to increased staff to meet increasing demand. August holiday affecting 9m revenues and profit. Target EBIT margin is 15%.
- Financial cost related is interest on long-term debt in power production.

# Norway project development & portfolio

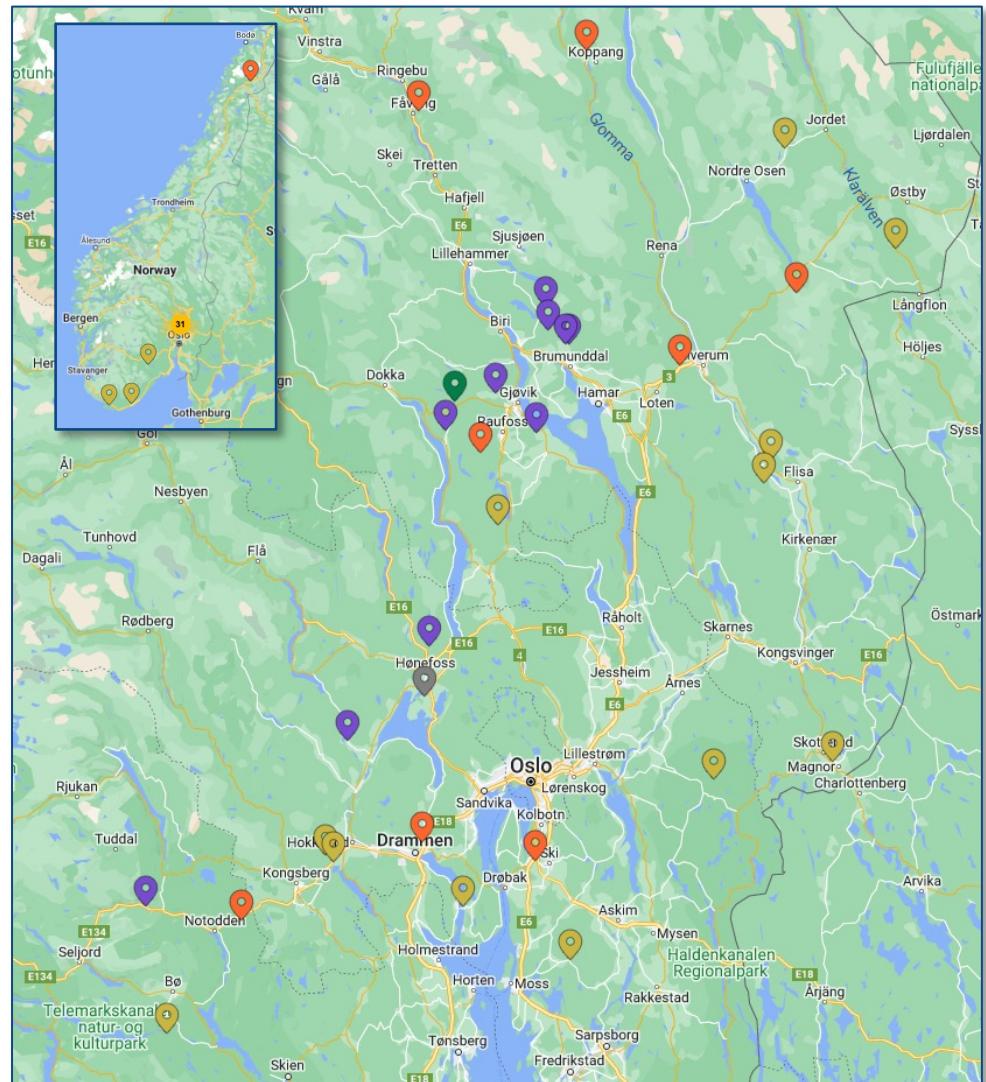


## Portfolio under contract

Projects in development	No.	Area	Capacity	Power		Investment
				Hectare	MWp	
Ready for concession process	4	384	264	316		1 714
Land lease & development	7	792	578	679		3 756
LoI & grid discussion	9	378	213	271		1 386
<b>Project under contract</b>	<b>20</b>	<b>1 554</b>	<b>1 055</b>	<b>1 266</b>		<b>6 855</b>

## Project development Norway

- Approx. 40 projects in development, of which 20 currently under contract.
- Most projects in collaboration with Eidsiva Group with Energeia group in lead
- National concession authority (NVE) now requires grid connection agreement before handling concession application.
- Focus going forward is dialogue with Grid companies and TSO (Statnett) to secure grid connection prior to concession application procedure.
- Project development team strengthen with grid competence and experience from Solar concession applications in NVE.



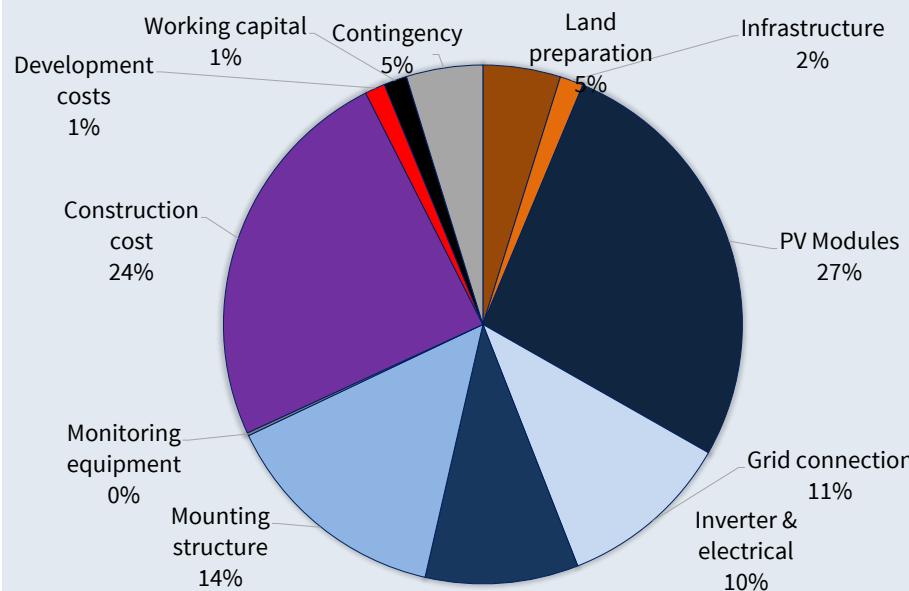
# Profitability of a utility scale PV power plant in Norway



## Construction cost | NOK/MW

Project construction cost	NOKm/MW
<b>Total investment</b>	6,141
Land preparation	0,297
Infrastructure	0,090
PV Modules	1,655
Grid connection	0,664
Inverter & electrical	0,586
Mounting structure	0,882
Monitoring equipment	0,011
Construction cost	1,499
Development costs	0,077
Working capital	0,089
Contingency	0,292

## Main elements in construction costs



## P&L | NOK 0,50 per kWh

<b>Revenues</b>	<b>0,500</b>
<b>Operating costs</b>	<b>0,086</b>
Grid costs	0,044
Land Rent	0,010
O&M	0,019
Insurance	0,004
Utilities	0,005
SG&A	0,005
<b>EBITDA</b>	<b>0,414</b>
% EBITDA margin	83%
Depreciation	0,170
<b>EBIT</b>	<b>0,243</b>
% EBIT margin	49%
<b>Cash cost</b>	<b>0,257</b>

## Valuation assessment per MW

30 yrs

Debt financing / MW	3,07	NOKm
Debt interest rate	5,24%	
Equity investment / MW	3,07	NOKm
FCF total assets aft.tax/MW	19,57	NOKm
Acc. Dividends/MW	14,20	NOKm

## Capital return per MW

IRR (after tax)	8,9%	30yrs
IRR - Debt yield spread	368	bp
<b>Equity cash IRR (after tax)</b>	<b>11,2%</b>	<b>30yrs</b>
Average dividend yield	15,4%	30yrs
Equity cash payback	11,0	Years

# What to expect for 2024



## Status:

- Sufficient funding and Dutch profitability to bring Norwegian concession application to fruition.
- Bring Dutch projects forward to construction decisions in municipalities.
- Earliest construction start in 2025 of 4 mature Norwegian solar PV + BESS projects.

## Focus & opportunities going forward:

- Continue organic growth of the Dutch business.
- Get Norwegian projects through concession approval process with NVE and grid companies.
- Develop the industrial partnerships further in Norway and the Netherlands.
- Exploring M&A opportunities within operational Solar PV power plants in the Netherlands.
- Exploring M&A opportunities within Energy system installation and services businesses in the Netherlands
- Exploring synergies between Netherlands operations and Norway within equipment B2B wholesale activity.



# Thank you

