

Initial Public Offering

Instrument	Common shares
Size (BGN)	BGN 15,612,840
Size (EUR)	€ 7,982,718
Shares offered	1,259,100
Price per share	BGN 12.40
Public offering date	30 November 2022
Free float after offering	17.35%
2022E P/E ¹	9.08

Use of Proceeds

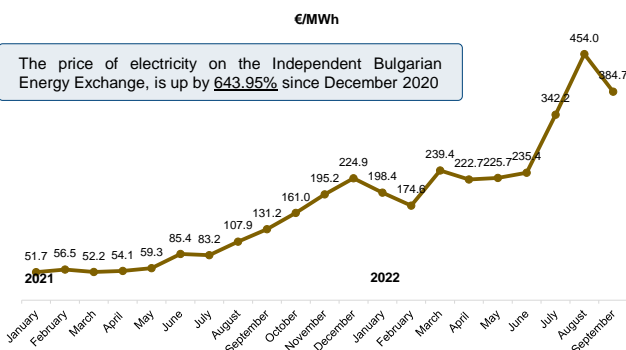
- BGN 3,911,660** for logistics center in Romania. AmonRa is the leading provider of rooftop solar systems in Bulgaria and is aiming to become the market leader in Romania. The company already has growing sales in Romania and needs a warehouse to support further sales growth.
- BGN 3,324,911** for logistics center in Stara Zagora, Bulgaria. The logistics center will serve clients in South and South East Bulgaria. Currently, the Company has no warehouses of its own.
- BGN 7,937,915** for inventory.
- BGN 468,385** for offering and other expenses

Contacts

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Electricity prices 2021 - 2022

The price of electricity on the Independent Bulgarian Energy Exchange, is up by **643.95%** since December 2020



SOURCE: Independent Bulgarian energy Exchange

DCF (BGN)

	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Revenues ('000 BGN)	12,122	50,100	170,119	319,131	375,214	386,731	394,743	402,920	411,266	419,785	428,481	437,356
EBITDA ('000 BGN)	699	11,227	35,560	60,763	64,441	62,457	59,796	57,055	54,260	55,420	56,604	57,813
Net income ('000 BGN)	550	9,915	31,935	54,495	57,663	55,877	53,482	51,015	48,505	49,559	50,628	51,718
EPS	0.08	1.37	4.40	7.51	7.94	7.70	7.37	7.03	6.68	6.83	6.97	7.12
P/E ¹	163.66	9.08	2.82	1.65	1.56	1.61	1.68	1.76	1.86	1.82	1.78	1.74
EV/EBITDA ¹	133.08	8.37	2.64	1.55	1.46	1.51	1.57	1.65	1.73	1.70	1.66	1.63
Discount rate		17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%
Equity Free Cash Flows ('000 BGN)		2,807	(7,995)	4,511	39,161	51,589	50,226	47,668	45,085	46,780	47,790	48,822
NPV of Equity Free Cash Flows ('000 BGN)		2,788	(6,786)	3,273	24,281	27,339	22,750	18,454	14,918	13,229	11,551	10,086
NPV of forecasted cash flows ('000 BGN)			141,882									
Constant growth rate			0%									
NPV of terminal value ('000 BGN)			50,709									
Total NPV ('000 BGN)			192,592									
NPV per share			26.52									

Source: "Mane Capital" AD

¹ MCap and EV based on 7,259,100 shares and 12.40 price per share

Company Overview

- AmonRa Energy AD offers full range of equipment for rooftop solar system installations to businesses and consumers in Bulgaria and Romania. The company is the largest provider of such equipment and services in Bulgaria. The company owns an in-house installation business and works with numerous third party installers.
- The company works with 29 installers in Romania. In Bulgaria, the company works 446 installers and 7 distributors.
- AmonRa also offers various mounting systems for solar panels. Among the most popular options are the mounting systems from Esdec Solar.
- The company offers a variety of storage systems, some of them are developed by AmonRa and offered for sale in 15 markets around the World.
- In 9M22, revenues grew by 645% YoY, to reach €19.77 million on the back of rising energy prices. EBITDA reached €3.5 million in 9M22 (1,522% YoY growth, 17.6% EBITDA margin) and net income was €3.4 million (1,743% YoY growth, 17.1% profit margin).

Investment Case

- EU wants to achieve 40% of total energy from renewables by 2030 however in 2020 only 22.1% was delivered from renewables.
- According to a 2020 World Bank study, the practical photovoltaic potential of Bulgaria and Romania is above the EU average but according to Eurostat, the 2020 production of solar energy as a % of total energy in both countries was far below the EU average
- Rooftop solar can provide up to 82.35% of Romania's final electricity consumption and up to 59.81% of Bulgaria's final electricity consumption.
- The combined available rooftop area in Bulgaria and Romania is 504 km². To install solar panels on all these rooftops will cost over €41 billion at current prices of €1 million per MW and solar production of 1,300 MWh/year from 1 MW of installed capacity of solar.
- 354 km² of available rooftops in Romania can generate 35,877 GWh/year in solar output. Putting solar panels on rooftops in Romania to generate 35,877 GWh/year will generate over €27.6 billion in total revenues to rooftop installing firms. Over a period of 20 years, this will be equal to about €1.38 billion in annual revenues for the rooftop solar industry.
- 150 km² of available rooftops in Bulgaria can generate 17,307 GWh/year in solar output. Putting solar panels on rooftops in Bulgaria to generate 17,307 GWh/year will generate over €13.4 billion in total revenues to rooftop installing firms. Over a period of 20 years, this will be equal to about €670 million in annual revenues for the rooftop solar industry.

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