



AmonRa Energy AD

Public Offering of Common Shares on the Bulgarian Stock Exchange

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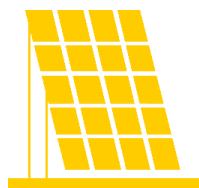
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The Leading Rooftop Solar Systems Company in Bulgaria



- **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 contractor but **also works with 446 third party installers**.

9M 2022 HIGHLIGHTS



€19.8 million Revenues

218% revenue growth (YoY)

€3.5 million EBITDA

17.6% EBITDA margin

€3.4 million net income

17.2% net profit margin



Sofia, Bulgaria, total installed capacity 1MWp

Expanding network of installers in Romania and Bulgaria



2022 HIGHLIGHTS



29 installers in Romania

7 distributors in Bulgaria

446 installers in Bulgaria



Bankya, Bulgaria,
total installed
capacity: 30kWp

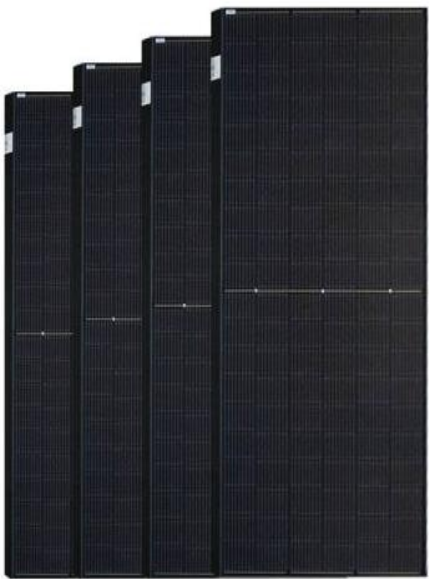
AmonRa is offering solar panels from the leading brands



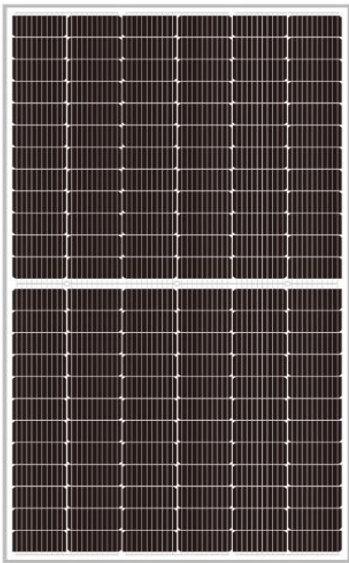
JA SOLAR



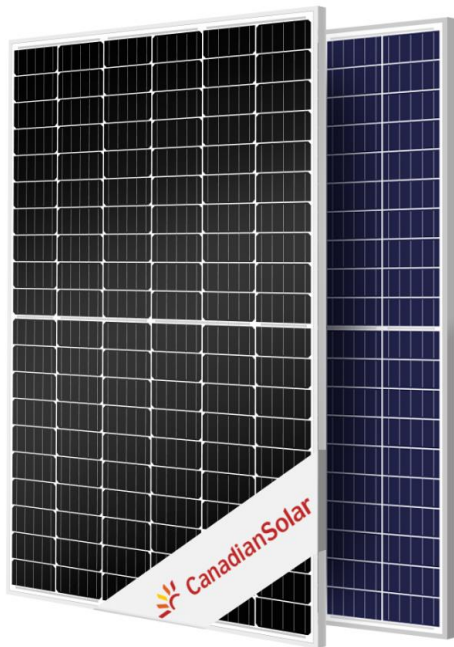
SUNTECH



ZNSHINE SOLAR



CanadianSolar



AmonRa offers inverters from the leading global manufacturers



SUNGROW
Clean power for all

The biggest producer of solar inverters in the world



SAJ

AmonRa is the sole distributor and authorized service center of the brand for Bulgaria



Growatt
powering tomorrow

World's third biggest producer of inverters and the biggest suppliers to households



Mounting and Storage systems

AmonRa offers various mounting systems for solar panels. Among the most popular options are the mounting systems from Esdec Solar.



The largest producer of solar mounting systems in the World



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.



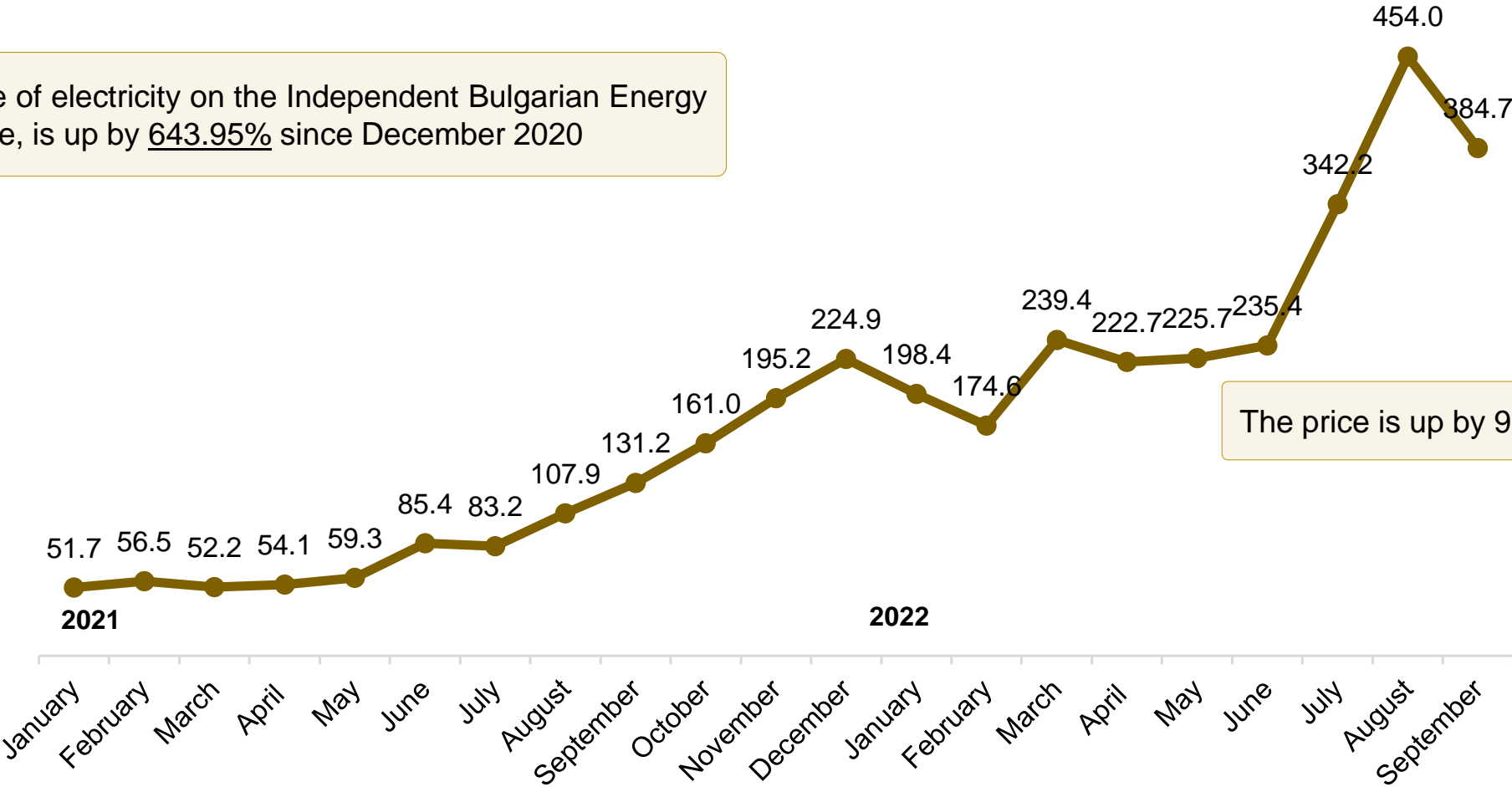
The Market

Electricity prices 2021 - 2022



€/MWh

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



The price is up by 93.94% in 2022

Renewable goals in the EU - “Fit for 55”

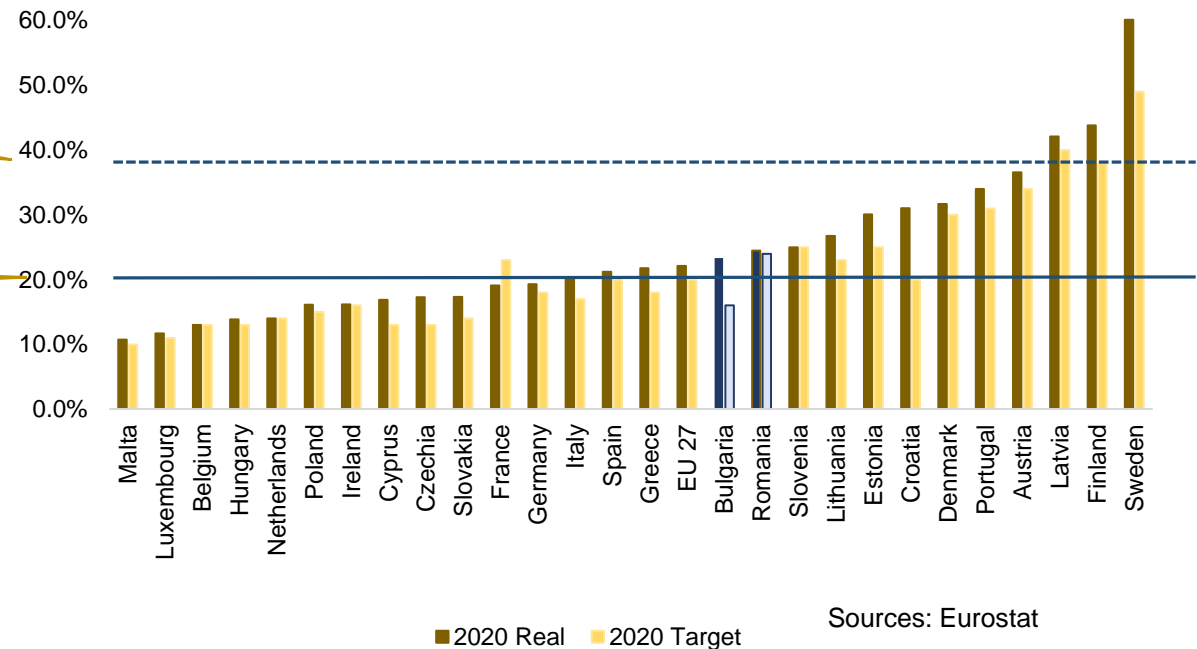
In 2022 EU approved new 2030 goals

- Cutting greenhouse gas emissions by at least 55% of 1990 level (Fit for 55);
- 40% of energy produced must come from renewables by 2030;
- At least 49% of energy used in buildings must be renewable;
- Buildings' energy-related greenhouse gas emissions must be reduced by 60% compared to 2015 levels.

EU wants to achieve 40% of total energy from renewables by 2030...

....but in 2020 only 22.1% was from renewables.

2020 electricity from renewables - actual vs. targets

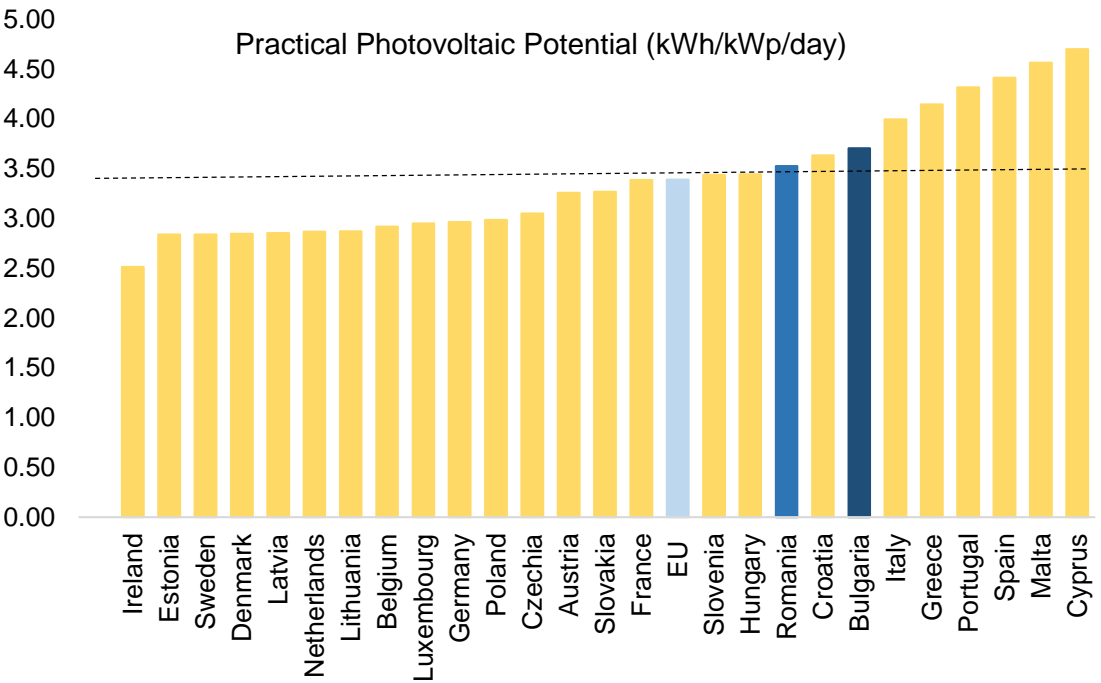


Bulgaria and Romania are lagging behind the EU in solar production



ABOVE AVERAGE PHOTOVOLTAIC POTENTIAL

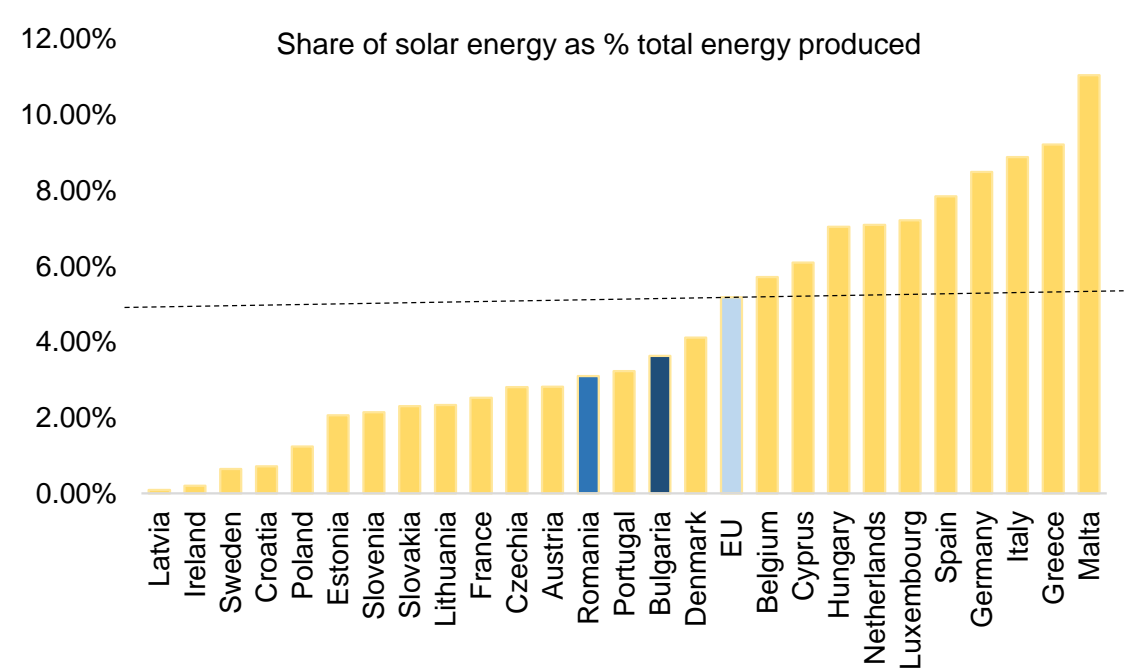
➤ In 2020, the Energy Sector Management Assistance Program of the World Bank calculated the Global Photovoltaic Power Potential By Country.



Sources: ESMAP

LAGGING IN SOLAR PRODUCTION

➤ In 2020, production of solar energy as a % of total energy production in Bulgaria and Romania was below the EU average (Eurostat).

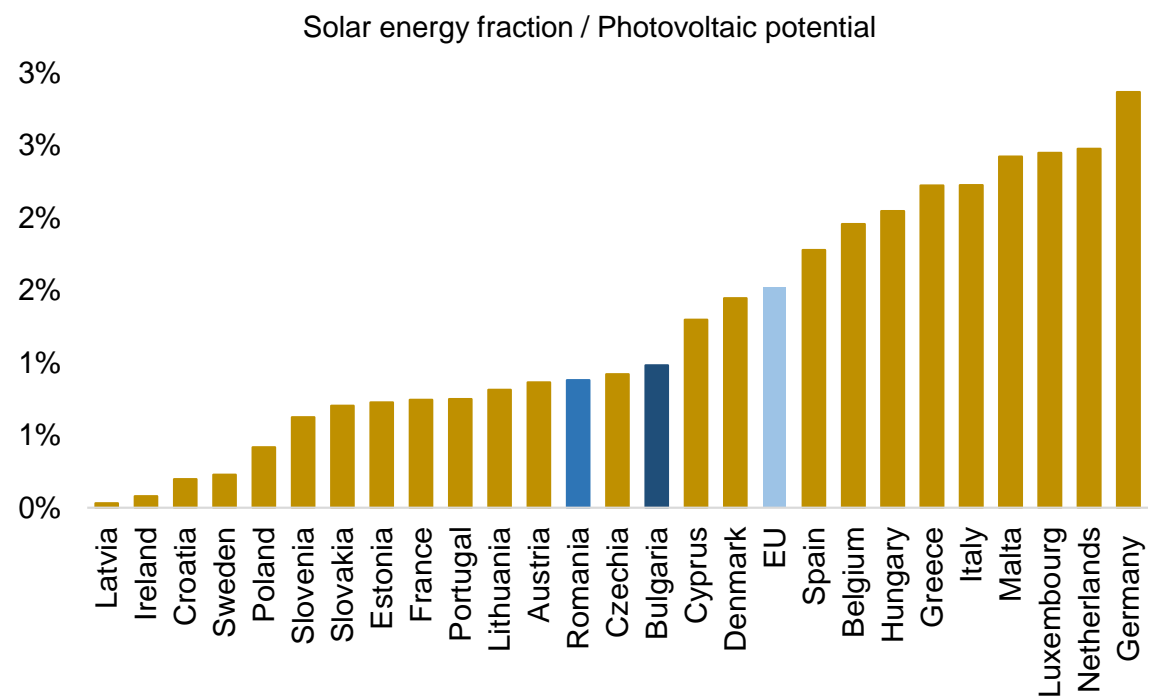


Sources: Eurostat

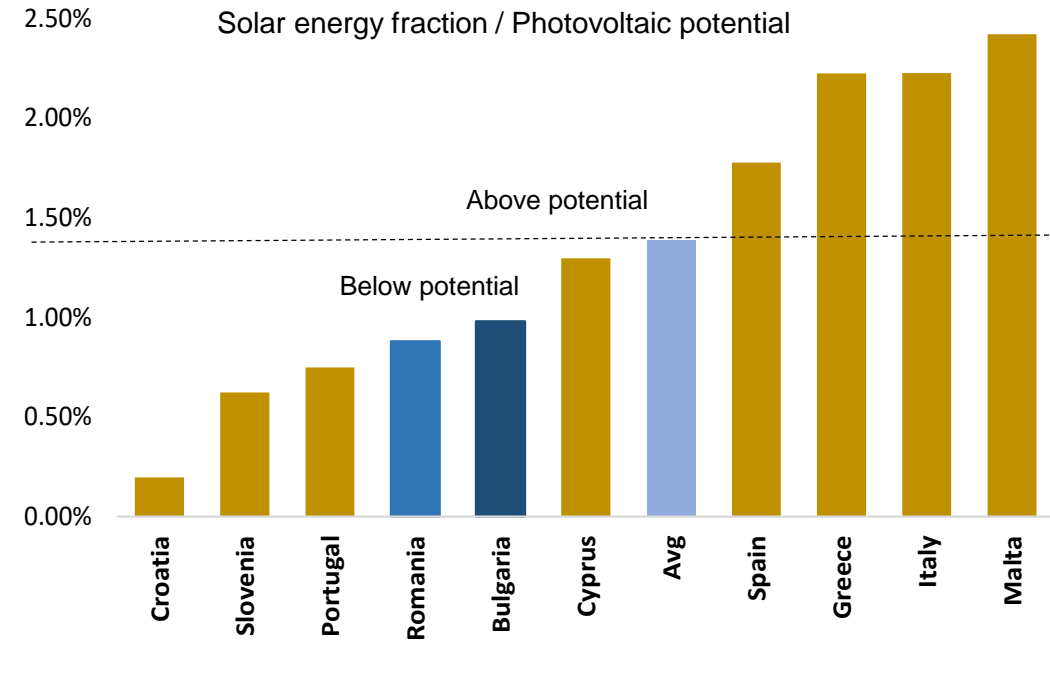
Solar production well below solar potential in Bulgaria and Romania



The percentage of solar production relative to the photovoltaic potential for Bulgaria and Romania is not only below the EU average but also below the South Europe peers' average. Both nations will have to speed up investments in solar to catch up.



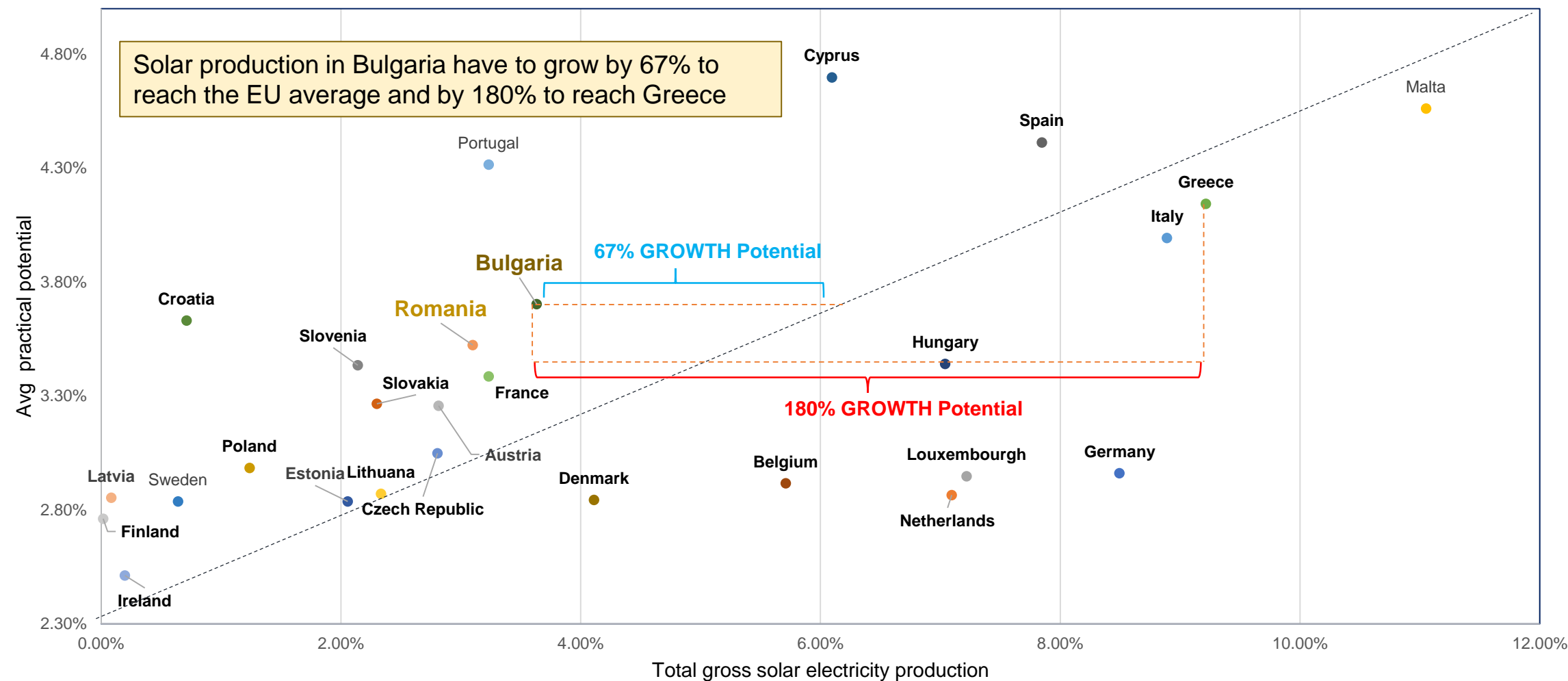
Sources: Mane Capital AD



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Production is low relative to practical solar potential

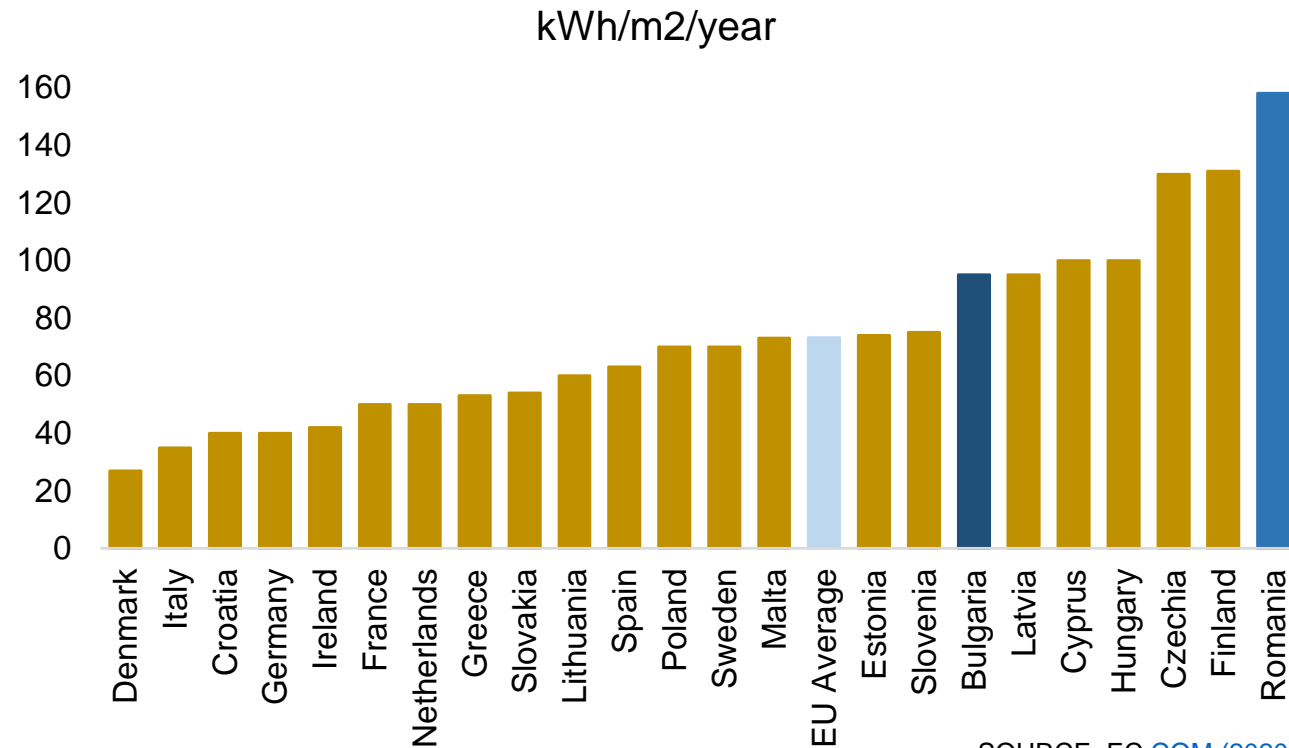


SOURCE: Mane Capital AD

EU's "Fit for 55" requires greener buildings

Buildings in Bulgaria and Romania must become more energy efficient

- At least 49% of energy used in buildings must be renewable by 2030 (EU targets);
- Buildings in the EU are responsible for 40% of energy consumption and 36% of greenhouse gas emissions;
- Buildings in Romania and Bulgaria consume far more electricity than the EU average



SOURCE: EC [COM \(2020\) 954 final, Figure 4](#)

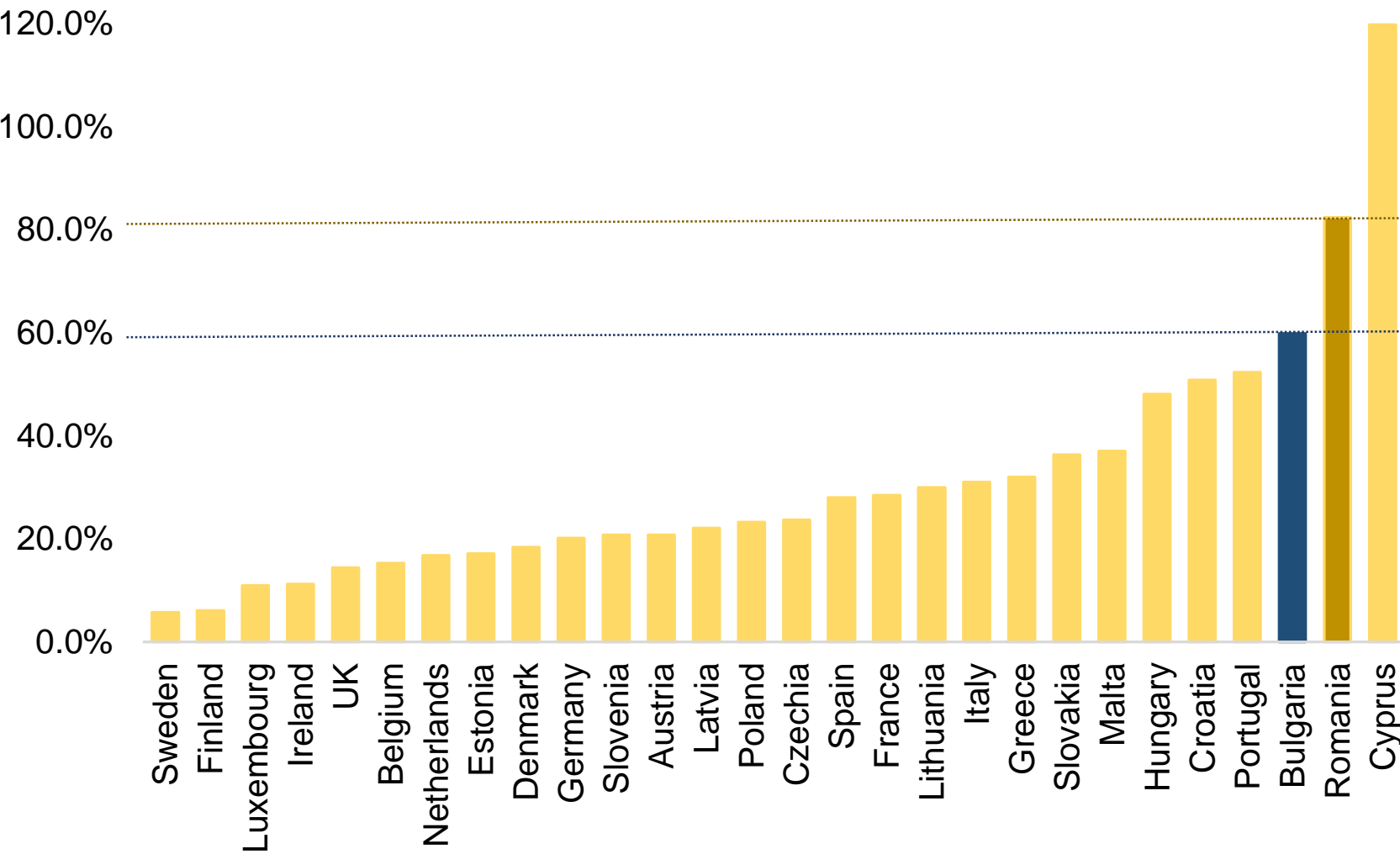
Rooftop area in the EU



	Available rooftop area	Technical potential	Final electricity consumption (2016 values)	Technical potential
	km ²	GWh/year	GWh/year	% of consumption
Sweden	157	7,255	127,496	5.69%
Finland	102	4,941	80,759	6.12%
Luxembourg	9	696	6,372	10.92%
Ireland	56	2,919	26,099	11.18%
United Kingdom	771	43,646	303,902	14.36%
Belgium	183	12,449	81,725	15.23%
Netherlands	283	17,629	105,332	16.74%
Estonia	27	1,220	7,139	17.09%
Denmark	120	5,720	31,152	18.36%
Germany	1,523	104,313	517,377	20.16%
Slovenia	29	2,704	13,026	20.76%
Austria	151	12,854	61,852	20.78%
Latvia	30	1,432	6,482	22.09%
Poland	469	30,910	132,839	23.27%
Czechia	185	13,725	57,997	23.67%
Spain	462	65,244	233,172	27.98%
France	1,346	125,580	440,971	28.48%
Lithuania	58	2,923	9,750	29.98%
Italy	752	88,651	286,027	30.99%
Greece	128	17,090	53,463	31.97%
Slovakia	108	9,079	24,987	36.33%
Malta	5	782	2,114	36.99%
Hungary	191	18,034	37,541	48.04%
Croatia	85	7,769	15,300	50.78%
Portugal	170	24,259	46,353	52.34%
Bulgaria	150	17,307	28,939	59.81%
Romania	354	35,877	43,569	82.35%
Cyprus	31	5,270	4,399	119.80%

SOURCE: "A high-resolution geospatial assessment of the rooftops solar photovoltaic potential in the EU", Bodis, Kougias, et al

Technical potential of rooftops as % of total electricity consumption



Rooftop solar can provide up to 82.35% of Romania's final electricity consumption.

Rooftop solar can provide up to 59.81% of Bulgaria's final electricity consumption.

SOURCE: "A high-resolution geospatial assessment of the rooftops solar photovoltaic potential in the EU", Bodis, Kougias, et al

The Market in Bulgaria and Romania could exceed €2.0 billion per year

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.





Financials

	9M.2022 BGN '000	9M.2021 BGN '000	2021 BGN '000	2020 BGN '000
Revenues				
Sale of products	38,434	5,167	12,112	264
Sale of services	232	24	27	1
Other	6	2	3	-
Total revenues	38,672	5,193	12,142	265
Costs				
Materials	(30,561)	(4,537)	(162)	(1)
External services	(1,042)	(120)	(405)	(5)
Salaries and benefits	(218)	(112)	(169)	(10)
Other	(40)	(4)	(10,707)	(216)
Общо оперативни разходи	(31,861)	(4,773)	(11,443)	(232)
EBITDA	6,811	420	699	33
<i>EBITDA margin</i>	<i>17.6%</i>	<i>8.1%</i>	<i>5.8%</i>	<i>12.5%</i>
Depreciation	(15)	(2)	(3)	-
Revaluation of assets	(33)	(9)	(20)	(2)
EBIT	6,763	409	676	31
Financial expenses	(128)	(49)	(63)	(2)
EBT	6,635	360	613	29
Taxes			(63)	(3)
Net income	6,635	360	550	26

Source: AmonRa Energy AD

Forecasts



Management of “AmonRa” and the advisors from “Mane Capital” believe that at the offering price of **BGN 12.40 per share**, the shares of the Company are offering great value for the investors. If the assumptions in the financial model prove accurate, the fair value of the shares could be at least **BGN 26.52 per share** (assuming a constant growth rate of 0% after 2032).

	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



The offering

Offering details and use of funds



Funds to be raised: BGN 15,612,840 (€7,982,718)

Shares Offered: 1,259,100

Price per share: BGN 12.40

Expected offering date: 30 November 2022

Expected free float after the offering: 17.35%

“AmonRa Energy” AD is offering 1,259,100 new common shares through an Initial Public Offering on the “BEAM” market of the “Bulgarian Stock Exchange”. The offering will be successful if at least 200,000 new shares are subscribed.

The proceeds from the offering will be used for:

- **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 3,911,660** for logistics center in Romania. “AmonRa Industry” 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. 29 installers are working for “AmonRa” in various parts of the country.
- **BGN 7,937,915** for inventory. In 1H2022 total revenues grew by 606% YoY. Management expects growth rates to persist in the second half of 2022 and beyond. Additional inventory is needed to satisfy rising demand for rooftop solar systems. As of 30.06.2022, the company has BGN 11.6 million in inventory which is 69.2% of total assets. High levels of inventory are needed in environment of triple digit sales growth rates.
- **BGN 468,385** for offering and other expenses

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