



# Genie Energy Ltd

(NYSE: GNE)

## Investor Presentation

September 2021



# Safe Harbor Statement

This presentation contains forward-looking statements. Statements that are not historical facts are forward-looking statements and such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include:

- statements about Genie's and its divisions' future performance;
- projections of Genie's and its divisions' results of operations or financial condition; and
- statements regarding Genie's plans, objectives or goals, including those relating to its strategies, initiatives, competition, acquisitions, dispositions and/or its products and offerings.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "likely," "continue" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

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These factors include those discussed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Genie's periodic filings made with the Securities and Exchange Commission.

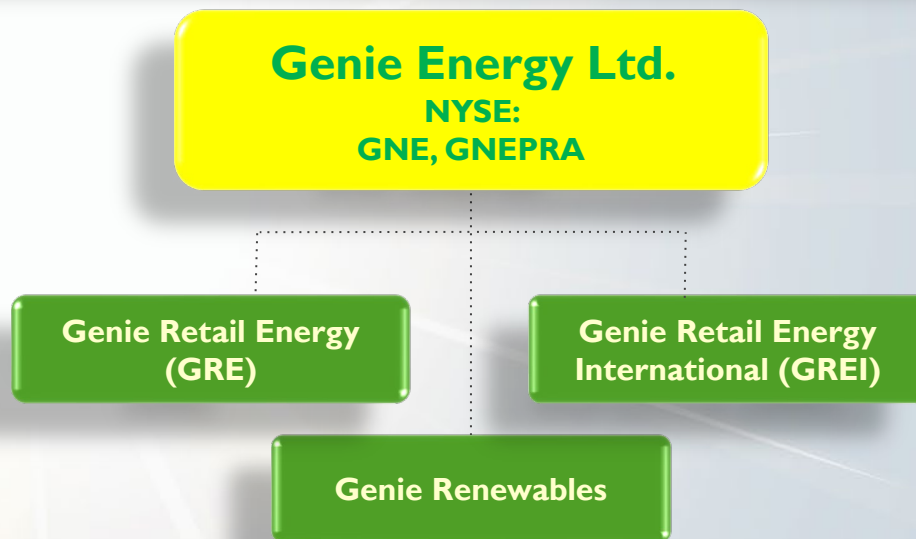
Genie cautions that such factors are not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made and are statements of Genie's current expectations concerning future results, events and conditions and Genie is under no obligation to update any of the forward-looking statements, whether as a result of new information, future events or otherwise.



# Genie Energy at a Glance: Today

**Genie is a leading retail energy provider (REP) to select deregulated markets within the US & Europe & provides solar solutions in the US**





# IDT Corporation – The Foundation

IDT/Jonas Family have a consistent track record of building businesses & creating significant value for shareholders via tax-free spin-offs

Company	Market Value @9/14/09	Most Recent Market Value*
IDT Corp (NYSE: IDT)	\$53M	\$1,081M
IDW Media (NYSE American: IDW)	9/14/09 (Spin-off)	\$37M
Genie Energy (NYSE: GNE)	10/28/11 (Spin-off)	\$168M
Straight Path Communications (NYSE: STRP)	7/31/13 (Spin-off)	\$2,164M (sold to VZ 2/18)
Rafael Holdings (NYSE: RFL)	3/26/18 (Spin-off)	\$753M
Zedge (NYSE American: ZDGE)	6/1/16 (Spin-off)	\$192M
<b>Total</b>	<b>\$53M</b>	<b>\$4,395M</b>



**RAFAEL**  
Holdings, Inc.



**STRAIGHTPATH**  
CONNECTING PEOPLE WITH INTEGRITY

\* Based on Yahoo market value as of 9/22/21



# Genie Energy Shareholder Value Creation Plan: Step 1

Genie Energy plans to spin-off its European operation into a separate publicly traded company named Oriel Energy in 4Q21

**Genie Energy Ltd.  
(REMAINCO)**


NYSE:  
GNE, GNEPRA


Genie Retail Energy  
(GRE)

Genie Renewables

**Oriel Energy  
(SPINCO)**

NYSE American (reserved):  
ORIE

 **LUMOENERGIA**  
(Finland)

 **LUMOENERGI**  
(Sweden)

 **ORBIT  
ENERGY**  
(UK)



## Spin-off Details

**1:1**

Tax-free spin-off to existing  
GNE Shareholders

**\$3M**

Expected GNE cash  
contribution to Oriel

**\$10M\***

Simultaneous equity raise  
by Oriel

1. Howard Jonas has committed to participate in equity raise
2. Oriel will consist of Orbit Energy (UK), Lumo Energia Oyj (Finland), & Lumo Energi AB (Sweden)

\* \$10M= \$8.75M + \$1.25M over allotment



# Spin-off Rationale

1. Each company will benefit from an undiluted focus on its own specific strategic priorities & customer/market requirements
2. Each company will have greater flexibility to tie decision-making, capital allocation & capital structure to its business
3. Each company will have its own currency to pursue M&A
4. Investors will own two separate assets with distinct investment profiles that can be appropriately valued by the markets
  1. **ORIE** – emerging growth
  2. **GNE** – mature growth & cash flow with optionality



## Genie Energy Value Creation Plan - Step 2

### Genie benefits as a standalone:

Frees management to focus more on domestic growth strategy & operations

Frees capital to expand current operations to spur organic growth

Frees capital for new growth opportunities

Allows for evaluation of more opportunities to return value to shareholders

### Oriel benefits as a standalone:

Invest for meter growth in existing markets

Streamlined cost structure

Improve profitability by market as businesses mature

Move into new markets

Introduce new products



**ORBIT  
ENERGY**

 **LUMOENERGI**

 **LUMOENERGIA**

**ORIEL ENERGY**

(SPINCO)



# Oriel Energy at a Glance\*

Operating Offices	Newark NJ; Finland; UK
Key Management:	
CEO	Otto Savasti
CFO	Justin Price
Chairman	Michael Stein
Vice Chairman	Howard Jonas
Reserved Ticker - NYSE American	ORIE

**\$92M**

Rev.  
(2020)

**100%**

Rev. Gr.  
(2020)

**~193k**

Meters  
(6/30/21)

**+31%**

Meter Gr.  
(6/30/21 vs  
6/30/20)

**~50**

Employees

\* Pro-forma for Orbit Energy acquisition & Genie Japan sale to show historical comparisons for businesses being spun off into Oriel Energy

## Oriel Energy's Businesses

# Oriel Energy



(Finland)



(Sweden)

ORBIT  
ENERGY  
(UK)

# Investment Thesis

## Uniquely positioned investment opportunity in growth-oriented European utility business

Asset-light model & scalable platform focused on deregulated markets

### Significant growth opportunities

Current geographies via existing sales channels & accretive, strategic M&A

New products - customer relationships allow for upsell (e.g. EV charging, renewables, bundling, etc.)

Multiple geographic adjacencies available for expansion with minimal capex investment

### Gross margin/profitability driven by scale as markets mature

Anticipate strong improvement in profitability for 2022

Digital & low CAC\* allows for quick ramp towards profitability

Combination of UK/Scandinavia operations drives lower CAC/improved service metrics

\* CAC = customer acquisition cost



# Oriel's Market Opportunity

~50M

TAM

**Current Markets**  
# Residential Homes

28M



2.7M



4.7M



**Potential Adjacencies for Future Growth**  
(without new infrastructure)

# Residential Homes

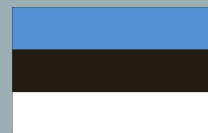
2.5M



7.0M



0.5M



1.5M



2.5M



# Oriel's Growth Strategy

**Invest for profitable meter growth in existing markets**

**Streamlined operating cost structure**

Consolidate enterprise functions between UK & Scandinavia

**Improve profitability by market as businesses mature**

Reduce churn - customer service investment in technology/human capital

Economies of scale - create operating leverage & 3<sup>rd</sup> party margin leverage

**Exploit adjacencies – geographic, customer and product**

5 potential new countries identified that would not require significant new infrastructure

Existing markets (e.g. business customers, gas shipping services, etc.)

Products - deep green products, digital solutions (e.g. UK smart prepay meters), EV (e.g. asset finance, energy optimization, L-T customer contracts, etc.)



# Orbit Energy – UK Market Dynamics\*



**£30B**

TAM UK  
domestic energy market

**~45**

Active Suppliers

**80/20**

% Monthly vs. Prepay

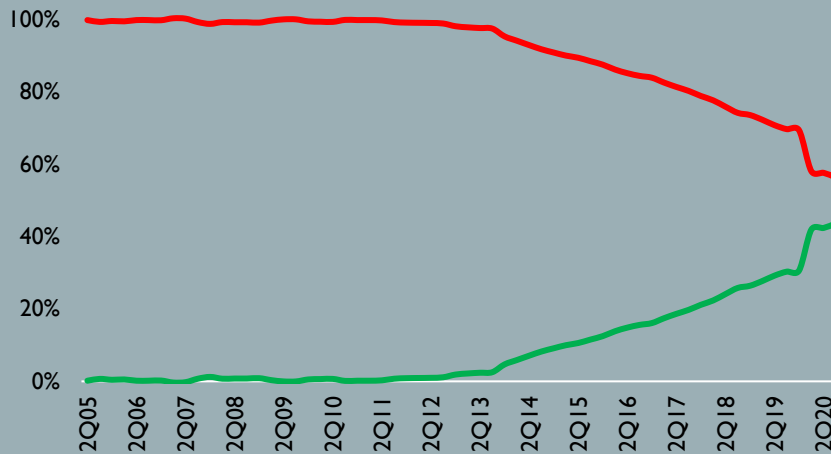
**>50%**

Consumer Underserved

**High barriers to entry**

Heavily Regulated Market  
Increased complexity & cost  
Consolidation under way

## Market Share



— Big 6 — Small and Medium Suppliers

\*Source: ONS, OFGEM State of the Market Report, 2019



# Orbit Energy Strategy



**65K**

Current Customers

**115K**

Current Meters

**70/30**

% Monthly vs. Prepay

**75/25**

% Variable vs. Fixed

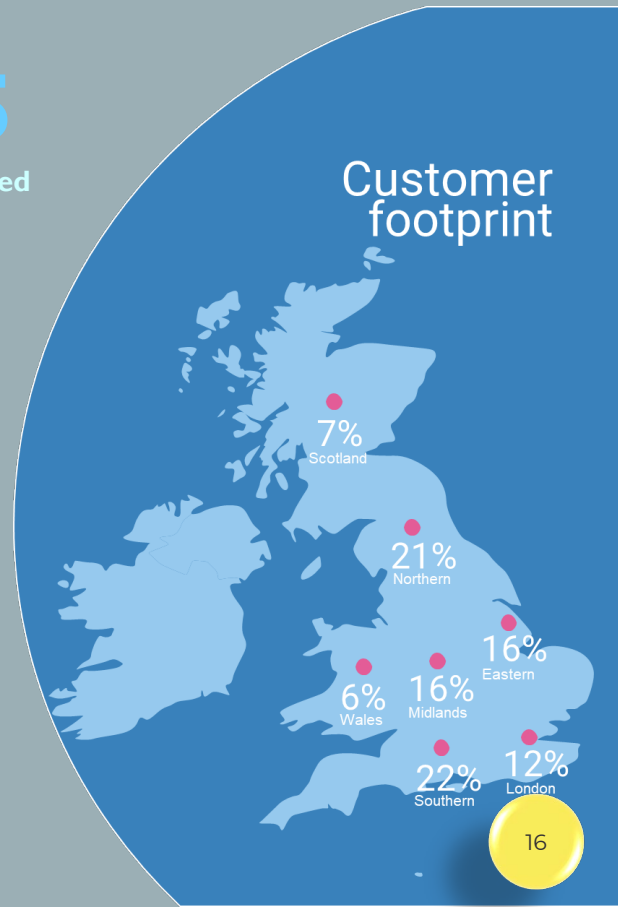
**Moderate, sustainable growth model focused on increasing gross margin/lowering CAC**

**Target underserved consumers & those at price cap & deliver savings w/out sacrificing gross margin**

**Use field & telesales partners to reach unengaged consumers**

**Introduce new electric & adjacent products**

**Customer footprint**







# Lumo Scandinavia



## Market Dynamics

~70

Active Suppliers

>50%\*

Est. share of Top 3

100%

Monthly Payment Plans

**Low barriers to entry**

Light to Medium Market Regulation

Consolidation under way

## Lumo Core Products

Finland: Variable, Fixed, Bundle, & Premium Electricity

Sweden: Variable, Fixed Electricity

### Upsell Opportunities

Green/Eco energy

Energy Solutions (EV Chargers, Solar Solutions)

Bundles (e.g. fresh ground coffee; HBO subscription)

Green/Eco energy

# Lumo Scandinavia Strategy

**High growth model focused on accretive customer acquisition**

**Differentiate through simplicity & digital**

Simple relative product portfolio w/easy to understand contracts

Efficient customer acquisition/service through digital channels

Superb customer support + online self-service

**Introduce new electric & adjacent products**

**Finland HQ provides scalable support**

**73K**

Meters (2020)

**+68%**

Meter growth  
(2020 vs. 2019)



# Summary

**Uniquely positioned investment opportunity in asset-light, emerging growth REP**

**Large, dynamic current TAM with significant adjacent opportunities**

**~200k installed base provides platform for cross-selling**

**Anticipate strong improvement in profitability for 2022**

**\$13M+ capital injection via equity raise & GNE & founder contribution**



Genie

Energy

**GENIE ENERGY**  
(REMAINCO)



## Genie Energy at a Glance\*

HQ	Newark, NJ
Key Management:	
CEO	Michael Stein
CFO	Avi Goldin
President/COO GRE Chairman	Alan Schwab Howard Jonas
Lead Independent Dir.	W.Wesley Perry
Tickers (NYSE)	GNE, GNEPRA

**\$324M**

Rev. TTM

**361K**

Meters

**~150**

Employees

\* Pro-forma for US operations only as of 6/30/21

# Genie's Businesses



```
graph TD; GE[Genie Energy] --- GRE[GRE]; GE --- GR[Genie Renewables];
```

**Genie Energy**

**GRE**

**Genie  
Renewables**



# Investment Thesis

**Proven cash generation through diverse commodity  
& economic market environments**

**Core market growth + emerging growth optionality**

**Post spin-off, enhanced FCF for growth investment  
& shareholder value creation strategies**



# Genie's Growth Strategy

**Expand current operations to spur organic growth**

**Identify new markets for expansion**

**Introduce new products into existing, successful marketing channels**

**Develop vertically integrated commercial solar solutions business & expand sales teams**





# GRE: US Market Opportunity & Dynamics

## Competition

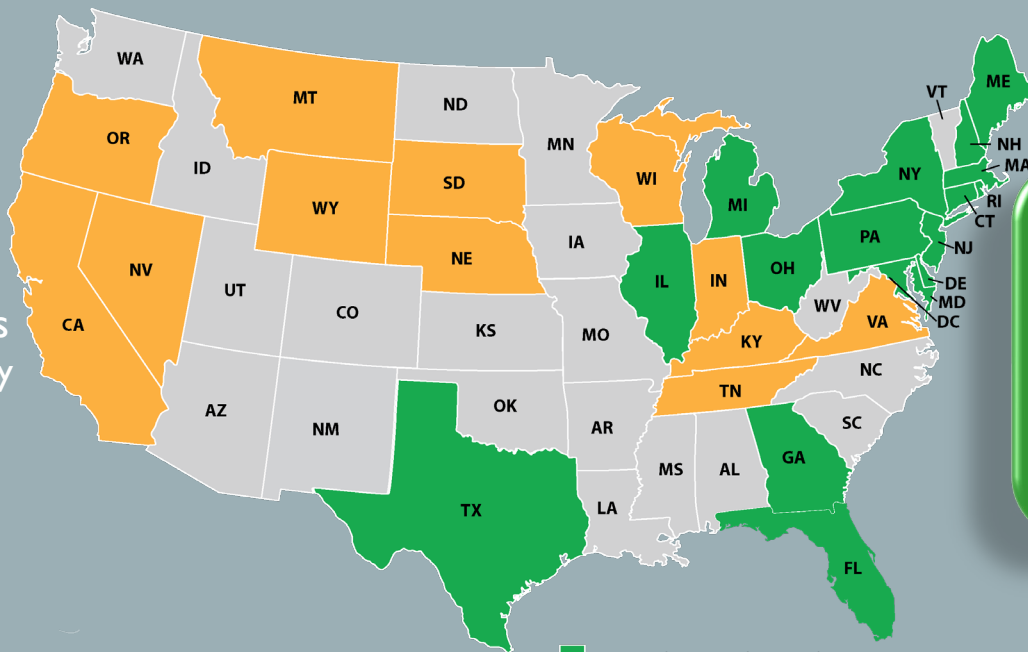
Incumbent utility & other REPs

## Role of Utilities

Distribution & Billing (most markets)

28

Deregulated markets  
State by state regulatory  
structure



Genie Retail Energy Markets Served  
Deregulated Markets Opportunity

17  
States served +  
D.C



# GRE Value Creation

## Customer Acquisition Model

Multiple sales channels to residential & small commercial

Diverse portfolio of products highlighted by green energy (carbon offsets), variable & fixed rate plans

Deep data analysis to identify market opportunities & optimize offerings



## Risk Management

Hedging strategies reduce commodity volatility risk

In purchase of receivable markets - utilities assume bad debt risk

Geographic diversity reduces weather & regulatory risks



## Customer Retention

Superior customer service

Customer rewards program



## Attractive Financial Returns

Attractive margin & cash flow cycle

Targeted payback period tailored to product & customer type



# Genie Renewables at a Glance

## Target Market:

100 kW – 3 mW commercial solar space

## Competition:

2-4 strong regional market players +  
some mom & pop shops

More competition in community solar space

Customers make decisions based on  
relationships & price

Best in class companies fund  
their own projects

## Today's Offering:

C&I solar project development

Bi-facial solar panels  
(made in US/overseas)

Commercial energy advisory

Community solar subscriber acquisition



# Genie Renewables – US Market Dynamics

**>43%**

Solar as a % of  
new grid capacity  
(2020)

**>600K**

TAM for Solar  
on commercial facilities

**145GW**

Potential Solar Capacity

**1%**

Penetration for Solar  
on commercial facilities

**Commercial customers increasingly  
financing conversion costs**

**Chinese supply constraints present  
opportunities**

**Market constraints in areas with limited  
& confusing net metering laws**

## **Favorable Regulatory Environment**

Federal ITC (investment tax credit) proposals could open additional market segments

Increase ITC from 26% to 30%

Transition from tax credit to cash back (eliminates need for tax liability)

Still needed for depreciation



# Genie Renewables – Growth Strategy

## **Expansion to adjacent markets**

Hiring additional sales & growing distribution relationships

## **Own & operate community solar projects**

Leverage vertical integration to develop community solar projects

## **Expand solar development project close rate**

Provide financing options incl. L-T cash flow financing

Strong balance sheet & access to capital markets provides lower cost of capital vs competition



# Summary

**Proven cash generation through diverse commodity  
& economic market environments**

**Core market growth + emerging growth optionality**

Expand current operations to spur organic growth

Identify new markets for expansion

Introduce new products into existing, successful marketing channels

Develop vertically integrated commercial solar solutions business & expand sales teams

**Post spin-off, enhanced FCF for growth investment  
& shareholder value creation strategies**



**Genie**  
Energy

THANK YOU!

**Michael Stein**

Chief Executive Officer

**Avi Goldin**

Chief Financial Officer

**IR Contact:**

Brian Siegel

Managing Director, Hayden IR

(346) 396-8696

[brian@haydenir.com](mailto:brian@haydenir.com)