



# Genie Energy Ltd

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(NYSE: GNE)

## Investor Presentation

May 2022

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# 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.

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Forward-looking statements are based on Genie's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Genie's control. Such known and unknown risks, uncertainties and other factors may cause Genie's actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements.

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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.



# The Foundation

Largest shareholder group has a consistent track record of building businesses & creating significant value for shareholders

Company	Market Value @9/14/09	Most Recent Market Value*
Genie Energy (NYSE: GNE)	10/28/11 (Spin-off)	\$170M
IDT Corp (NYSE: IDT)	\$53M	\$703M
IDW Media (NYSE American: IDW)	9/14/09 (Spin-off)	\$18M
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)	\$42M
Zedge (NYSE American: ZDGE)	6/1/16 (Spin-off)	\$77M
<b>Total</b>	<b>\$53M</b>	<b>\$3,174M</b>



STRAIGHTPATH  
CONNECTING PEOPLE WITH INTEGRITY

ZEDGE™

RAFAEL  
Holdings, Inc.

IDW

\* Based on Yahoo market value as of 4/29/22



# Genie Energy Highlights

HQ	Newark, NJ
Key Management:	
CEO	Michael Stein
CFO	Avi Goldin
Chairman	Howard Jonas
Lead Independent Dir.	Wesley Perry
Employees	~150
Tickers (NYSE)	GNE, GNEPRA

Trailing Twelve Months (TTM)  
Pro forma \*

**\$354M**      **38.9%**

Revenue

GM

**\$68M**

Adj. EBITDA

**~4.8%**

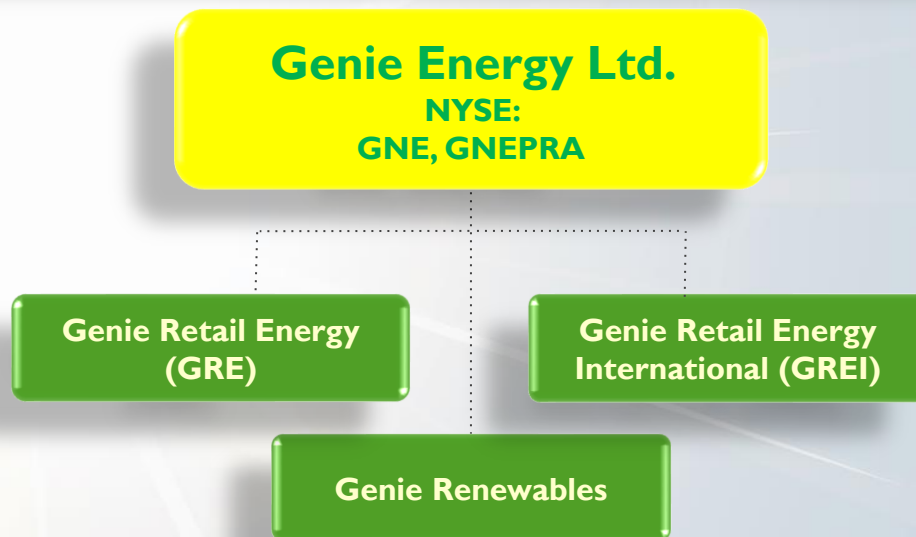
Dividend Yield  
(5/9/22)

\* Pro forma excl. impact of Japan, & GOGAS operations as of 3/31/21. Please see reconciliations in Appendix



# Genie Energy Operating Structure

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





# Investment Thesis

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

Core GRE/GREI **profit growth** + emerging growth **optionality** in renewables

Portfolio & customer management drives **enhanced FCF** for growth investments & **shareholder value creation** strategies

Strong, **debt-free** balance sheet provides strategic flexibility



# Genie's Growth Strategy

**Expand** current retail operations to spur **organic growth**

Identify **new markets** for expansion

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

**Develop** vertically integrated solar & renewables solutions businesses



**GENIE RETAIL  
ENERGY**  
(GRE)





# GRE: US Market Opportunity & Dynamics

## Competition

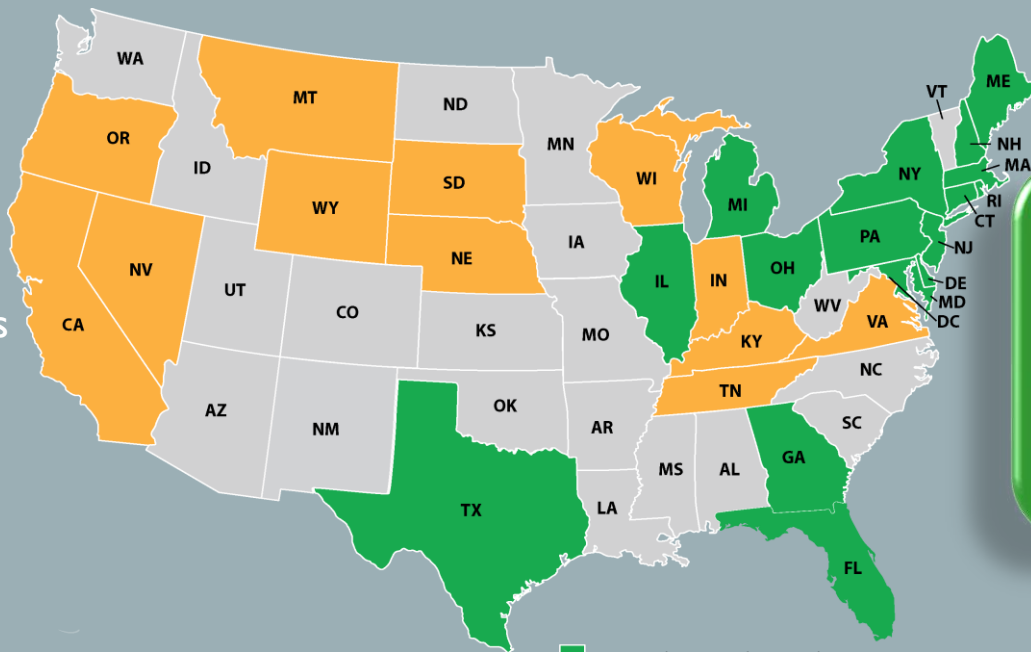
Incumbent utility & other REPs

## Role of Utilities

Distribution & Billing (most markets)

28

Deregulated markets  
(State by state regulatory structure)



17

States served +  
D.C

Green Genie Retail Energy Markets Served  
Orange Deregulated Markets Opportunity



# 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

Energy

**GENIE  
RENEWABLES**



# Genie Renewables at a Glance

**100 kW – 3 mW**

Commercial Solar  
Target Project Size

**5 mW+**

Community Solar

**Customers make decisions based on relationships & price**

**Best in class companies fund their own projects**

**Government subsidies helping**

2-4 strong regional market players +  
some small local players

More competition in community solar space

## Today's Offering:

**C&I & community solar project development**

**Proprietary 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**

**Increasing government incentives for  
community solar**

## Favorable Regulatory Environment

- Federal ITC (investment tax credit) proposals could open additional opportunities
- Increase ITC from 26% to 30%
- Potential transition from tax credit to cash back (eliminates need for tax liability)
- Still needed for depreciation
- Community solar guarantees customers L-T savings over utility



# Genie Renewables – Growth Strategy

## **Expansion** to adjacent markets

Increasing sales force & growing distribution relationships

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

Leverage vertical integration to develop community solar projects

## **Improve** solar development project close rate

Provide financing options incl. L-T cash flow financing

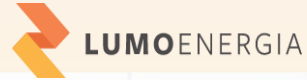
Strong balance sheet & access to capital markets provides lower cost of capital vs competition



GENIE RETAIL ENERGY  
INTERNATIONAL  
(GREI)

# GREI's Businesses

**Finland**



**Sweden**





# GREI's Market Opportunity

~22M

TAM

**Current Markets**  
# Residential Homes

2.7M



4.7M



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

# Residential Homes

2.5M



7.0M



0.5M



1.5M



2.5M





# GREI at a Glance



## 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 underway

## Core Products

Finland: Variable, Fixed, Bundle, & Premium Electricity

Sweden: Variable, Fixed Electricity

### Upsell Opportunities

Green/Eco energy  
Energy Solutions (Solar Solutions) Bundles (e.g. fresh ground coffee; HBO subscription)

# GREI Growth Strategy

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

Organic & acquired meter acquisition strategies

**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.)

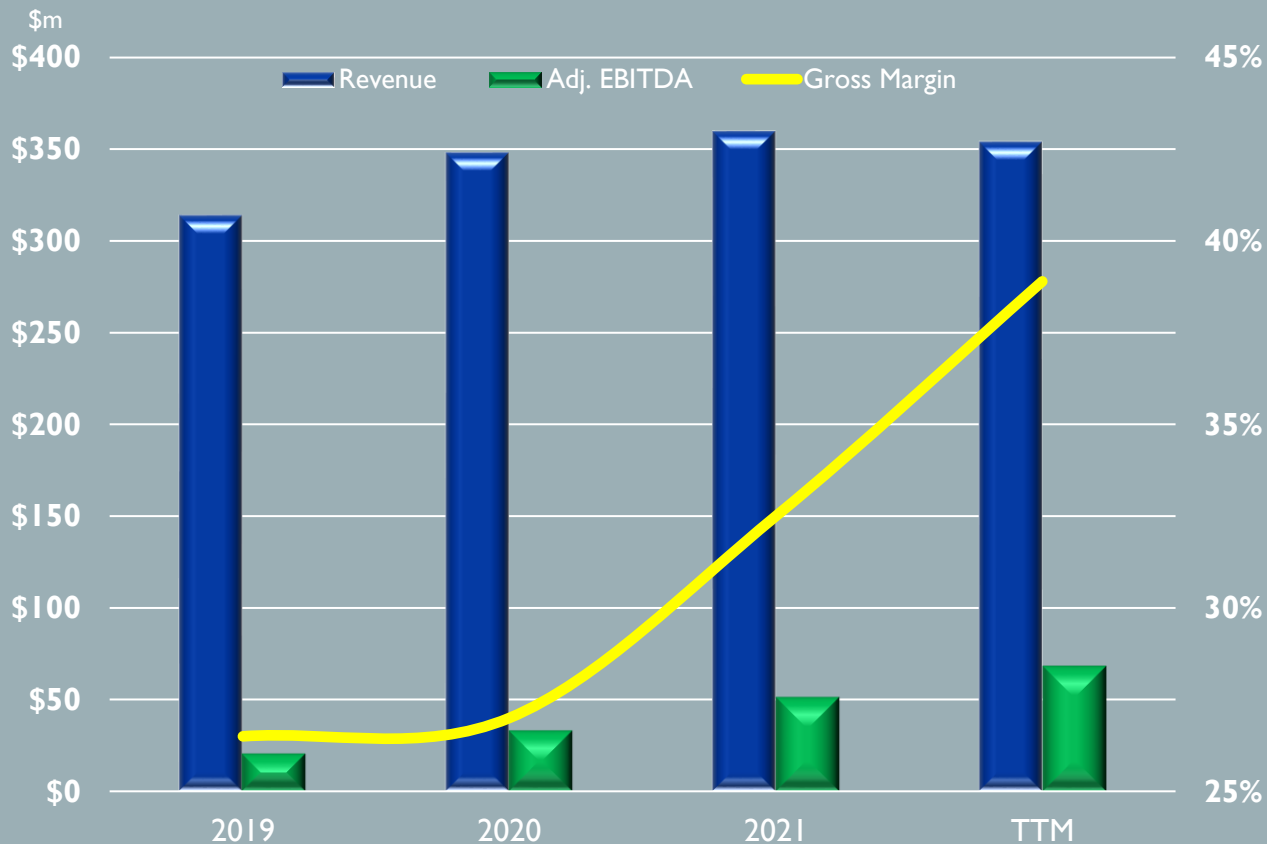
Products - deep green products, digital solutions (e.g. asset finance, energy optimization, L-T customer contracts, etc.)



# FINANCIAL SUMMARY



# Genie Energy Pro forma Consolidated Financials\*



\* Pro forma excluding the impact of Texas Winter Storm Uri, UK, Japan & GoGas operations a/o 12/31/21. Please see reconciliations in Appendix



# GRE Pro forma Financial Highlights\*



\* Pro forma excluding the impact of Texas Winter Storm Uri on operations a/o 12/31/21. Please see reconciliations in Appendix



# Genie Renewables Financial Highlights\*

## 2020

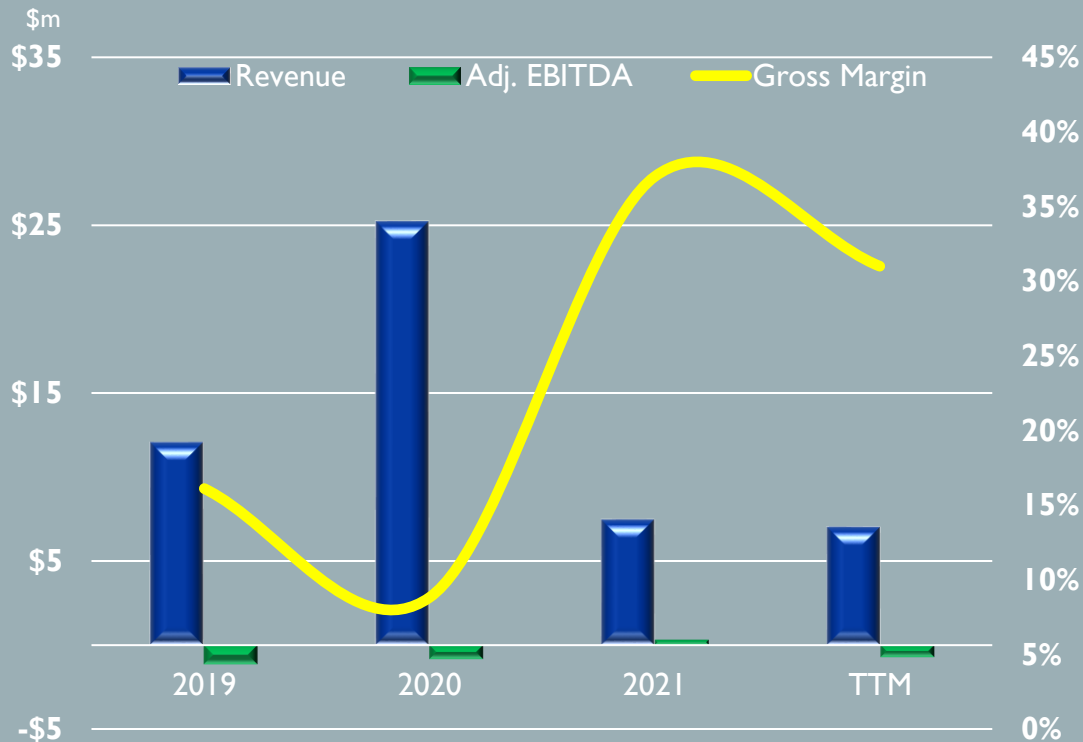
Large, low margin order skewed revenue and gross margin

## 2021

Refocused the business to focus on margin improvements

## 2022

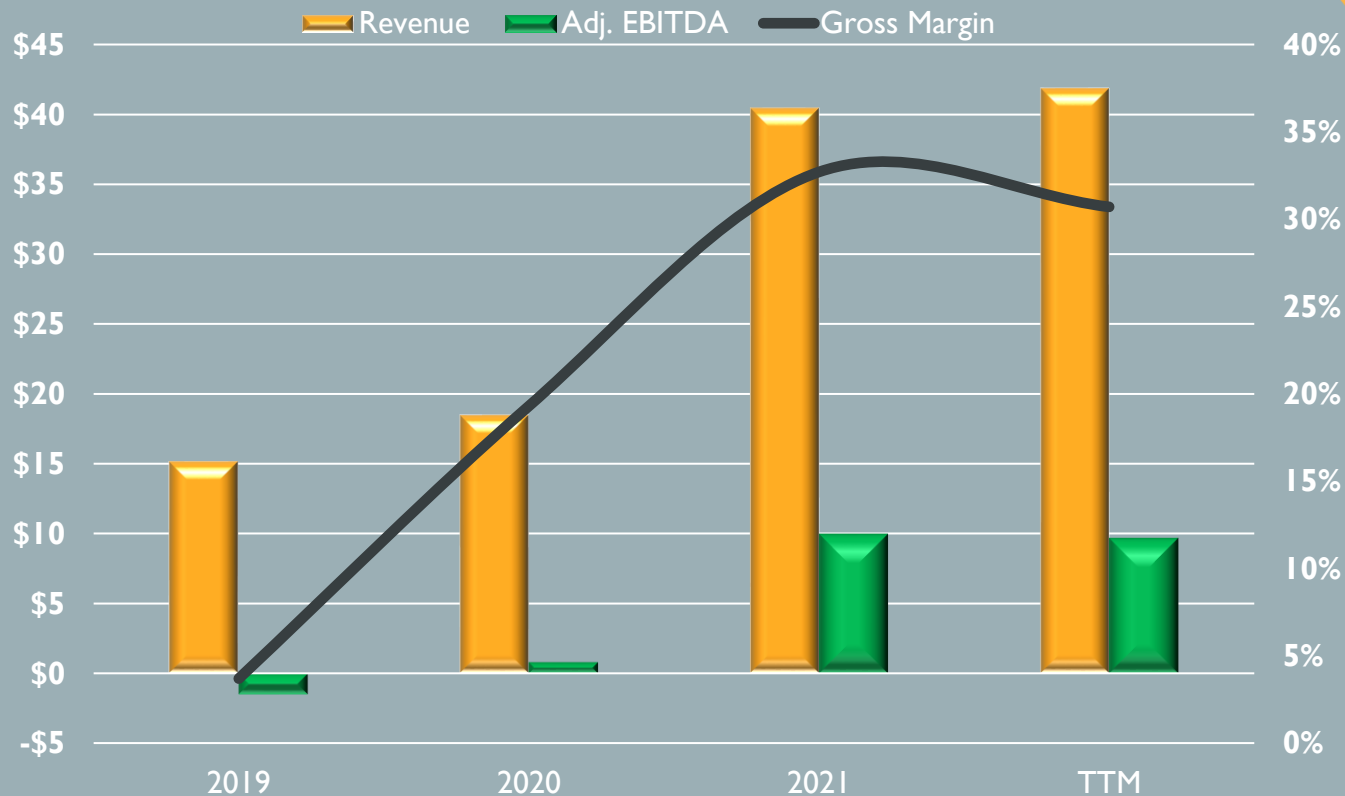
Moving up the solar value chain;  
Growing sales force;  
Using balance sheet to compete for deals.



\* Please see reconciliations in Appendix



# GREI Pro forma Financial Highlights\*



\* Pro forma excl. impact of UK & Japan operations as of 9/30/21. Please see reconciliations in Appendix





# Genie Energy Summary

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

**Core** GRE/GREI profit growth + emerging growth **optionality** in renewables

Portfolio management drives **enhanced** FCF for growth investment & **shareholder value** creation strategies

Strong, **debt-free** balance sheet provides strategic flexibility



THANK YOU!

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**Avi Goldin**

Chief Financial Officer

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## \*Pro forma Financials

Genie Consolidated				
\$ (000's)	2019	2020	2021	TTM
Revenue				
GRE	\$286,610	\$304,450	\$311,830	\$305,050
Lumo	\$15,190	\$18,500	\$40,460	\$41,890
Other	\$12,090	\$25,210	\$7,510	\$7,060
<b>Total Revenue</b>	<b>\$313,890</b>	<b>\$348,160</b>	<b>\$359,800</b>	<b>\$354,000</b>
COGS				
GRE	\$205,990	\$216,140	\$210,950	\$182,550
Lumo	\$14,620	\$14,930	\$27,230	\$29,050
Other	\$10,140	\$23,000	\$4,730	\$4,870
<b>Total COGS</b>	<b>\$230,750</b>	<b>\$254,070</b>	<b>\$242,910</b>	<b>\$216,470</b>
Gross Profit	\$83,140	\$94,100	\$116,890	\$137,530
Gross Margin	26.5%	27.0%	32.5%	38.9%
SG&A	\$65,330	\$61,820	\$66,530	\$70,500
<b>Pro-Forma EBITDA</b>	<b>\$20,310</b>	<b>\$32,880</b>	<b>\$51,280</b>	<b>\$68,160</b>

\* Pro forma excluding the impact of Texas Winter Storm Uri, GoGas, UK & Japan operations. Please see reconciliations in Appendix



## \*Pro-forma Financials

Genie Retail Energy				
\$ (000's)	2019	2020	2021	TTM
Revenue				
Electricity	\$246,690	\$270,890	\$273,020	\$259,010
Gas	\$39,930	\$33,560	\$38,810	\$46,040
Total Revenue	\$286,610	\$304,450	\$311,830	\$305,050
COGS				
Electricity	\$180,160	\$197,040	\$188,480	\$157,210
Gas	\$25,820	\$19,100	\$22,470	\$25,330
Total COGS	\$205,990	\$216,140	\$210,950	\$182,550
Gross Profit	\$80,620	\$88,310	\$100,880	\$122,500
Gross Margin	28.1%	29.0%	32.4%	40.2%
SG&A	\$52,870	\$49,210	\$54,530	\$57,150
Pro-Forma EBITDA	\$28,340	\$37,440	\$46,000	\$65,030

\* Pro-forma excluding the impact of Texas Winter Storm Uri a/o 12/31/21. Please see reconciliations in Appendix



## \*Pro-forma Financials

Lumo Energy				
\$ (000's)	2019	2020	2021	TTM
Revenue				
Finland	\$15,190	\$17,800	\$36,770	\$37,690
Sweden	---	\$700	\$3,680	\$4,200
<b>Total Revenue</b>	<b>\$15,190</b>	<b>\$18,500</b>	<b>\$40,460</b>	<b>\$41,890</b>
COGS				
Finland	\$14,620	\$14,280	\$26,550	\$28,290
Sweden	---	\$650	\$680	\$760
<b>Total COGS</b>	<b>\$14,620</b>	<b>\$14,930</b>	<b>\$27,230</b>	<b>\$29,050</b>
Gross Profit	\$570	\$3,570	\$13,220	\$12,840
Gross Margin	3.8%	19.3%	32.7%	30.7%
SG&A	\$2,070	\$2,600	\$3,220	\$3,140
<b>Pro-Forma EBITDA</b>	<b>(\$1,480)</b>	<b>\$810</b>	<b>\$9,960</b>	<b>\$9,660</b>

\* Please see reconciliations in Appendix



## Reconciliation Tables

### Slide 4 - Genie Energy Highlights

	<u>TTM</u>
Pro-forma consolidated revenue	\$354,760
Pro-forma consolidated gross profit	\$137,750
Pro forma consolidated gross profit margin	38.8%
Consolidated Adjusted EBITDA (as reported)	\$67,810
Less	
Adjusted EBITDA of Genie Japan + Orbit Energy (UK)	(\$240)
Adjusted EBITDA of GOGAS	(\$120)
Pro forma consolidated Adjusted EBITDA	<u>\$68,160</u>



## Reconciliation Tables

Slides 11,28 - GRE Financial Highlights

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>TTM</b>
GRE revenue (as reported)	\$286,610	\$304,450	\$311,830	\$305,050
GRE gross profit (as reported)	\$80,620	\$88,310	\$90,880	\$122,500
Less				
Gross profit (loss) from Winter Storm Uri	---	---	(\$10,000)	---
Pro-forma GRE gross profit	\$80,620	\$88,310	\$100,880	\$122,500
Pro-forma GRE gross profit margin	28.1%	29.0%	32.4%	40.2%
GRE Adjusted EBITDA (as reported)	\$28,340	\$37,440	\$36,000	\$65,030
Less				
Impact of polar vortex legal settlement				
Gross (loss) profit from Winter Storm Uri			(\$10,000)	---
Pro forma GRE Adjusted EBITDA	\$28,340	\$37,440	\$46,000	\$65,030



## Reconciliation Tables

Slides 24,29 - Lumo Financial Highlights

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>TTM</b>
GREI revenue (as reported)	\$16,590	\$49,650	\$44,390	\$42,650
Less				
Revenue of Genie Japan and Orbit Energy (UK)	\$1,400	\$31,150	\$3,930	---
Pro forma GREI revenue	\$15,190	\$18,500	\$40,460	\$42,650
GREI gross profit (as reported)	\$330	\$7,160	\$11,200	\$13,060
Less				
Gross (loss) profit of Genie Japan and Orbit Energy (UK)	(\$240)	\$3,590	(\$2,020)	---
Pro-forma GREI gross profit	\$570	\$3,570	\$13,220	\$13,060
Pro-forma GREI gross profit margin	3.8%	19.3%	32.7%	30.6%
GREI Adjusted EBITDA (as reported)	(\$10,700)	(\$6,320)	\$5,780	\$8,460
Less				
Adjusted EBITDA of Genie Japan and Orbit Energy (UK)	(\$8,960)	(\$6,840)	(\$3,360)	(\$240)
Non-Lumo SG&A	(\$260)	(\$290)	(\$790)	(\$960)
Pro forma Lumo Adjusted EBITDA	(\$1,480)	\$810	\$9,930	\$9,660





## Reconciliation Tables

Slides 21,27 - Genie Energy Financials - Consolidated

	2019	2020	2021	TTM
Consolidated revenue (as reported)	\$315,290	\$379,310	\$363,730	\$354,760
Less				
Revenue of Genie Japan + Orbit Energy (UK)	\$1,400	\$31,150	\$3,930	---
Revenue of GOGAS	---	---	---	---
Pro forma consolidated revenue	\$313,890	\$348,160	\$359,800	\$354,760
Consolidated gross profit (as reported)	\$82,900	\$97,680	\$104,860	\$137,750
Less				
Gross profit (loss) of Genie Japan + Orbit Energy (UK)	(\$240)	\$3,590	(\$2,020)	---
Gross (loss) profit from Winter Storm Uri	---	---	(\$10,000)	---
Gross profit of GOGAS	---	---	---	---
Pro-forma consolidated gross profit	\$83,140	\$94,100	\$116,890	\$137,750
Pro forma consolidated gross profit margin	26.5%	27.0%	32.5%	38.8%
Consolidated Adjusted EBITDA (as reported)	\$10,090	\$23,970	\$37,740	\$67,810
Less				
Adjusted EBITDA of Genie Japan + Orbit Energy (UK)	(\$8,960)	(\$6,840)	(\$3,360)	(\$240)
Gross (loss) profit from Winter Storm Uri	---	---	(\$10,000)	---
Impact of polar vortex legal settlement (SG&A)	---	---	---	---
Adjusted EBITDA of GOGAS	(\$1,260)	(\$2,120)	(\$160)	(\$120)
Pro forma consolidated Adjusted EBITDA	\$20,310	\$32,930	\$51,260	\$68,160