



**ENN 新奥**

ENN Energy Holdings Limited

# 1Q2024 Operational Data

Company Presentation

29 April 2024



# 1Q Operational Highlights



Retail gas sales volume increased by **2.7%** to **7,237 mil m<sup>3</sup>**, and developed **2.929 mil m<sup>3</sup>** installed daily capacity to expand the scale of gas volume



Sales volume of IE increased by **29.4%** to **9,136 mil kWh**



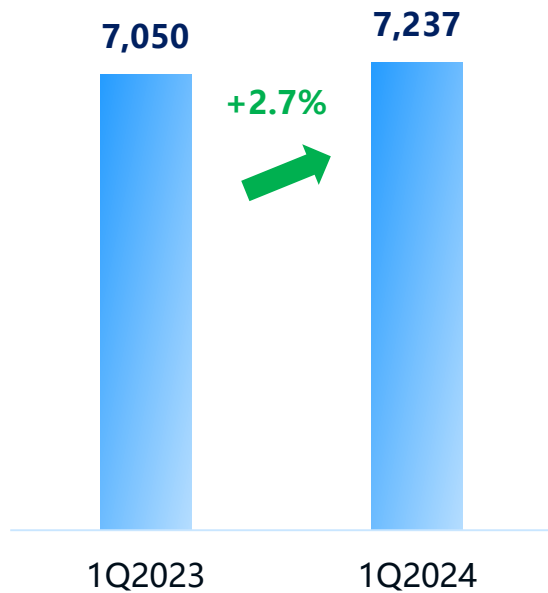
The sales volume of range hood, boiler, cooking stove and heating furnace products has surged by **35.8%**, with home service orders on the e-city platform increased by **16.8%**



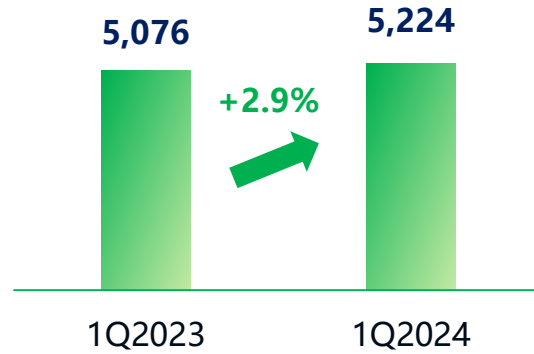
Acquired **16** new projects (**including 1 city gas project**), added **343,400** new residential customers to expand the operational scale

# Natural Gas Business Performance

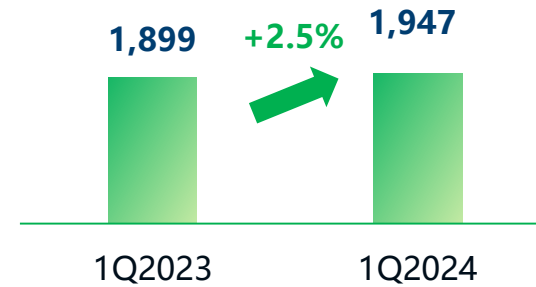
Retail Gas Vol (mil m<sup>3</sup>)



C&I Gas Vol (mil m<sup>3</sup>)



Residential Gas Vol (mil m<sup>3</sup>)



New Residential Households (000' )





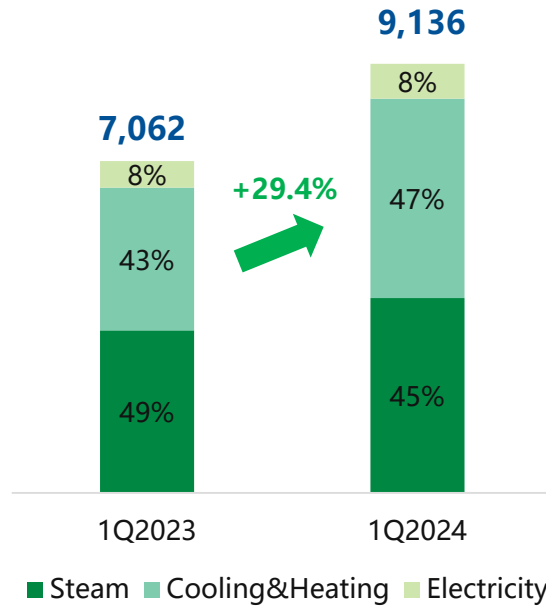
# Natural Gas Business-Solidifying the Foundation of Gas Sales Volume

	Percentage Increase Compared to City Gate Price	2023-2024 Contracted PetroChina Gas Sales Price Scheme				2024-2025 Contracted PetroChina Gas Sales Price Scheme			
		Non-Heating Season (Apr 2023-Oct 2023)	Resource Allocation Proportion	Heating Season (Nov 2023-Mar 2024)	Resource Allocation Proportion	Non-Heating Season (Apr 2024-Oct 2024)	Resource Allocation Proportion	Heating Season (Nov 2024-Mar 2025)	Resource Allocation Proportion
Regulated Gas	Residential Gas	15%	70%	15%	55%	18.50%	65%	18.50%	55%
	Balance 1	20%		20%					
Unregulated Gas	Fixed Volume	N/A				70%	32%	70%	42%
	Floating Volume	N/A				Floating pricing linked to imported spot prices	3%	Floating pricing linked to imported spot prices	3%
	Peak Shaving Volume	N/A				100% increase over the baseline Gate Price		100% increase over the baseline Gate Price	
	Balance 2 (Fixed Price)	80%	27%	80%	42%	N/A			
	Balance 2 (Floating Price)	Linked to JKM spot price	3%	Linked to JKM spot price	3%				
	Peak Shaving Volume			Above 120%					

- ✓ Procurement Side: Completion of signing the gas annual contracts with the Three Major Oil Companies to meet the demand of customers;
- ✓ Sales Side: Increase in gas volume growth through flexible sales strategies and pricing mechanisms along with the company 's diversified, low-risk gas source structure;
- ✓ Policy side: Actively push forward residential gas price pass-through, 54% residential gas sales volume has completed the price adjustment.

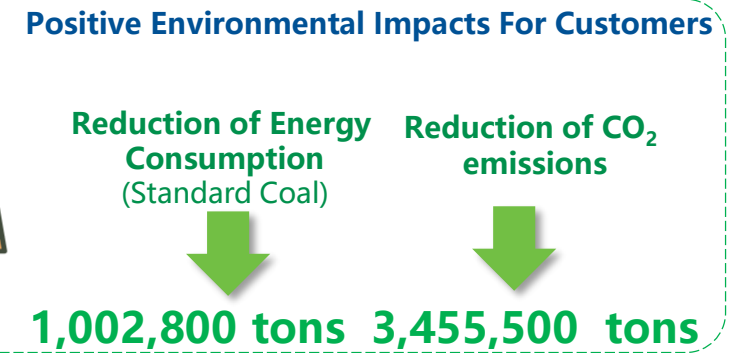
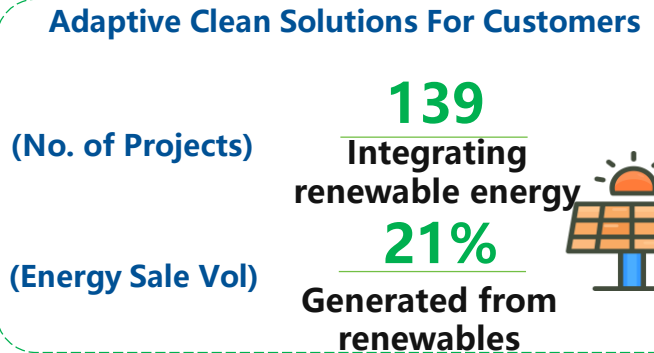
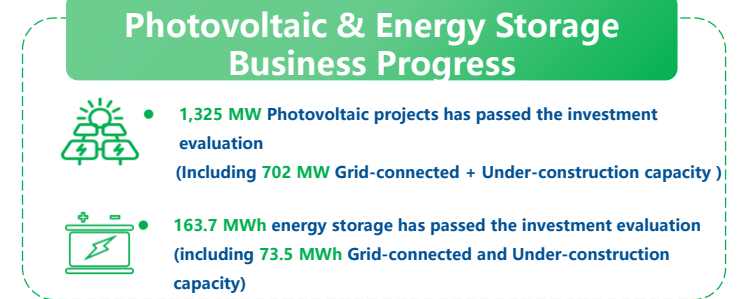
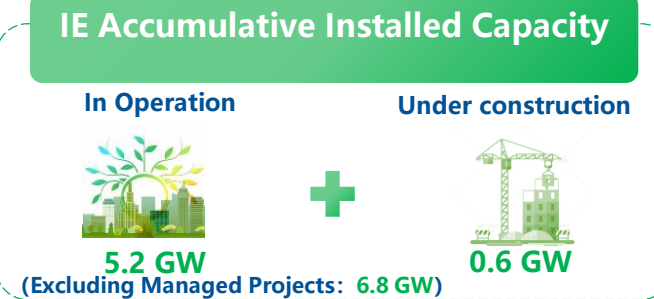
# IE Business Performance

## IE Sales Vol (mil kWh)



➤ IE Sales Volume increased by **29.4%** to **9,136 mil kWh**

## IE Projects



# IE Business Performance—Progress On Project Signing



**168** newly contracted industrial park projects  
Maximum **1.855 bil** kWh energy sales potential/per year

(Including **166** IE micro-grid projects which expected achieving installed capacity **244.5** MW for photovoltaic and **112.1** MWh for energy storage)



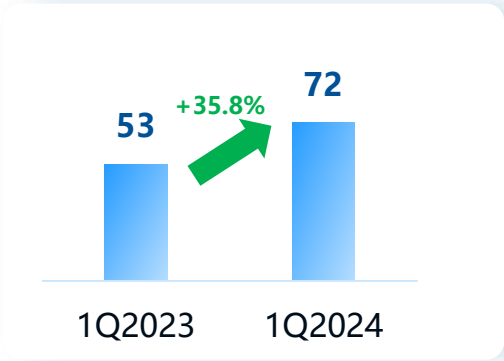
**94** newly contracted factory projects  
Maximum **776 mil** kWh energy sales potential/per year



**38** newly contracted building projects  
Maximum **44 mil** kWh energy sales potential/per year

# Value Added Business Performance

 Sales Volume Of Range Hood, Boiler, Cooking Stove And Heating Furnace Products (000' )



 Customer Coverage Ratio Increased



\*The coverage ratio calculation is not annualized and only reflects the situation of 1Q2024.

 Develop Value Added Business by Adapting Intelligence Technology

**Customer Value:  
Intelligent Consumption,  
Quality Assurance**

- Gas intelligence
- Travel intelligence
- Health intelligence
- Safety intelligence
- Shopping intelligence

**Provide family customers with innovative products and services in multiple scenarios such as security, shopping, health, etc.**

 **30mil Residential Households**

**By adopting intelligent model, the company will improve the coverage on consumer side and promote continuous growth of Value Added Business**

 e-City Home Service Orders (mil)



**THANK YOU**



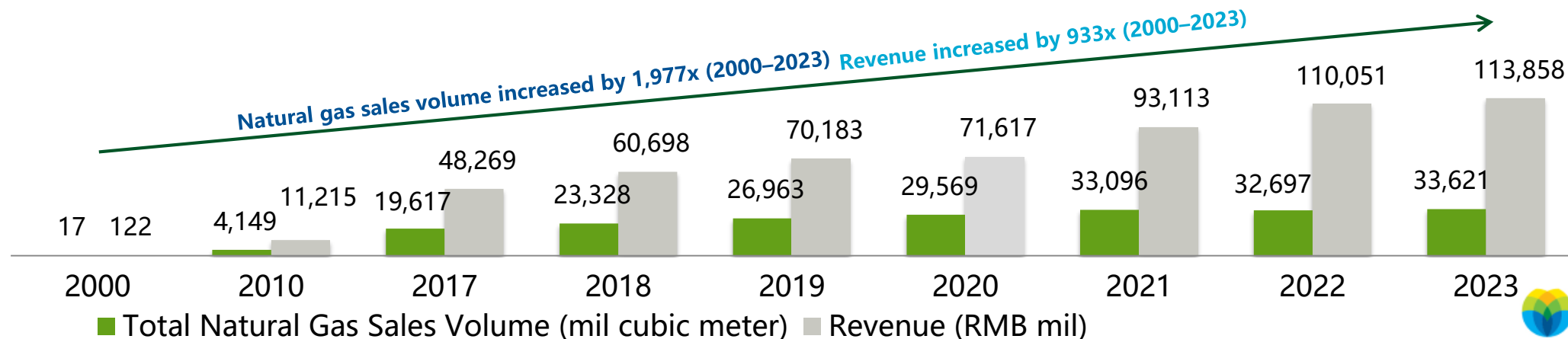


# ENN—Empowering Families with Quality Living and Businesses with Safe, Efficient and Low-Carbon Energy Solutions in the Digital City

## Company Profile

- Established in 1993, ENN is one of the leading private clean energy distributor in China
- ENN's principal business includes investment in, and operation management of gas pipeline infrastructure, vehicle/ship gas refueling stations and IE stations, sales and distribution of piped gas, LNG and other energy forms, integrated energy business, energy trading business and other energy supply-related value added business within the PRC
- ENN was listed on the GEM in 2001 and transitioned to the Main Board of HKEX (stock code: 2688) in 2002

## Key Business Segments



# Business Landscape

By the end of 2023, ENN Energy provided energy services to **29.77 mil** Residential households and **243 thousand** C/I customers in **21** provinces, cities and autonomous regions.

Operate **259** city gas projects

Coverage of **137 mil people**

**82 thousand** kilometers medium and high pressure pipelines

**296** IE projects in operation

**60** IE projects under construction

Revenue amounting to RMB **113.86 bil** in 2023

Total assets over RMB **103.13 bil**

Over **800 branches** of wholly-owned and holding companies

Employees over **34 thousand**



# ENN ENERGY DECARBONISATION ACTION 2030 PANORAMA

## City Gas Business

### Methane Emission (ME) Management

1

- Align with international standards and improve transparency
 

Aim to improve (building managers category) in 2021, we aim to adopt best practices for identification, monitoring and reporting of ME, and to achieve ME data sign-off with international standards in 2023 and continuously improve transparency standards.
- Improve ME management policies and measures
 

Integrate methane management into site operations, develop continuous emission risk action measures, and gradually improve performance related to ME management with remission.
- Promote the application of active detection technology
 

Aim to equip all city-gas stations with the active detection devices, such as Flare-TB-Zone (FTZ) by end of 2022, so as to improve quality and accuracy of ME data.
- Encourage eco-partners to take actions
 

As a founding member of the China Oil and Gas Methane Alliance, we plan to achieve the carbon goal of the alliance and advocate for more eco-partners to take actions on ME management, including using advanced technologies and improving disclosure transparency.

### Energy Transportation Decarbonisation

2

- Adopt clean fuels for self-owned vehicles
 

Aim to achieve carbon emission reduction of 25.3% for self-owned transportation vehicles by electricity, dual-powered vehicles by end of 2025, and switching to zero-carbon fuels such as hydrogen or bio-fuels around 2030.
- Enhance efficiency and reduce emissions with intelligent approaches
 

Continuously implement digital and smart technologies including Yunlu, Cloud Explorer and smart signal ring to control the road and improve the driving experience to improve efficiency and reduce carbon emissions.
- Promote low-carbon operations of eco-partners
 

Aim to adopt low-carbon transportation as a core criterion for supplier assessment from 2025.

### Green office

3

- Energy Conversion in Office Buildings
 

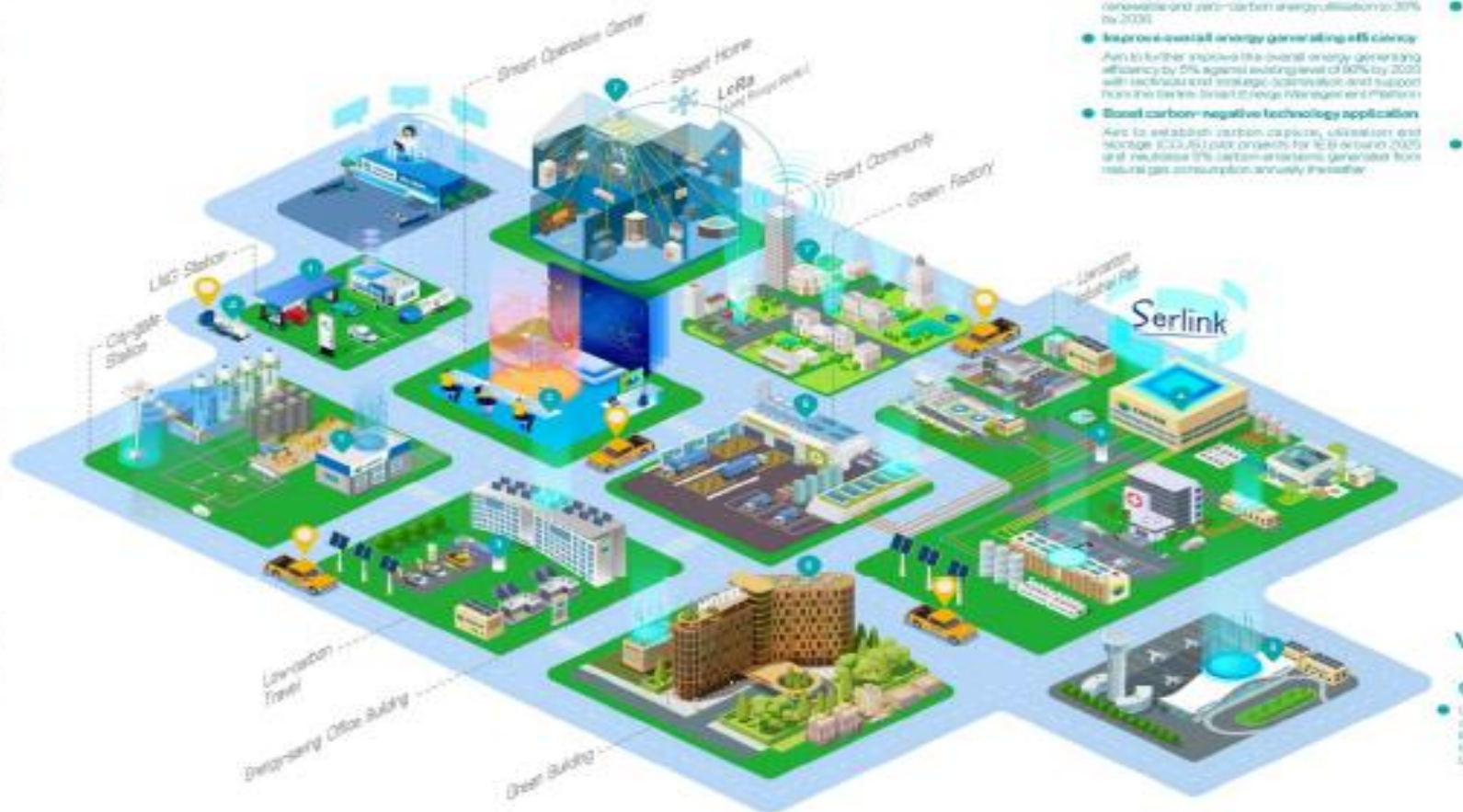
Use of renewable energy
 

Aim to fully deploy photovoltaic for self-owned office buildings, with solar power generation accounting for 5% of electricity consumption by 2025.
- Energy-saving management of office buildings
 

Aim to reduce energy consumption per unit area of office buildings by 10% by 2025.

  - Energy-efficient lighting fixtures and air conditioners
  - Paperless office
  - Green building standards for office buildings: smart water
  - Intelligent management of energy situation
- Low-carbon Travel
 

Aim to replace 30% of self-owned administrative vehicles with new energy vehicles by 2025.



## Integrated Energy Business (IEB)

### Energy Generating Facilities of IEB

4

- Promote the use of renewable energy
 

By accelerating geothermal, biomass, geothermal and other renewable energy fields, and introducing hydrogen after 2025, we aim to increase the proportion of renewable and zero-carbon energy generation to 30% by 2030.
- Improve overall energy generating efficiency
 

Aim to further improve the overall energy generating efficiency by 5% against existing level of 30% by 2025 with technical and strategic, scientific and support from the State Grid Energy Research Institute.
- Expand carbon-negative technology application
 

Aim to establish carbon capture, utilization and storage (CCUS) pilot projects by the end of 2025 and to reduce 1% carbon emissions generated from natural gas consumption annually thereafter.

### Low-carbon Industrial Parks and Green Factories

5

- To speed the green development of industrial parks and customers, we aim to help them build 50 green factories and 50 low-carbon industrial parks by 2025.
- By 2035, the number of green factories and low-carbon industrial parks developed for customers will increase to 200 respectively.

### Green Buildings

6

- Leveraging our smart and green technological know-how on energy data analysis and experience of energy management for customers, we provide green-to-energy solutions and building energy-saving services for architectural customers such as hospitals, hotels, airports, office buildings, etc.

### Value Added Business

7

- Green Households
 

Understanding the household customers' pursuit of smart energy usage, safety and low-carbon lifestyles, we will serve them leveraging the use of digital and intelligent technologies such as LPIs, LoT, big data, etc.

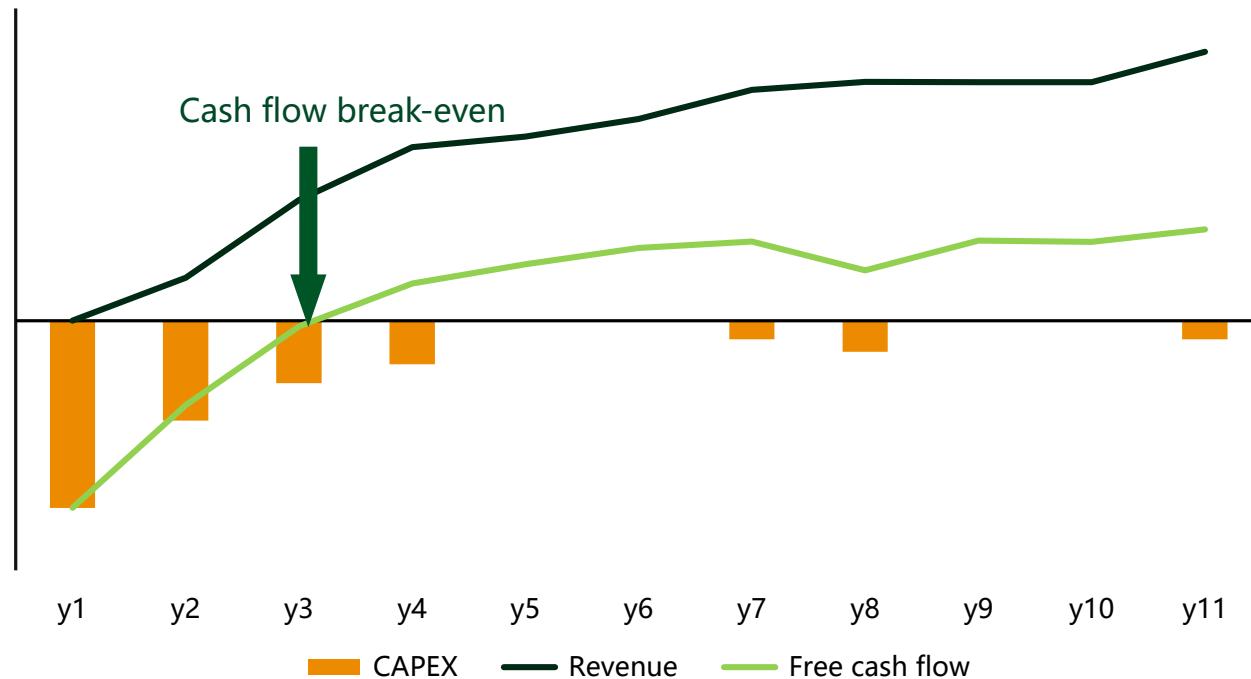
ENN ENERGY DECARBONISATION ACTION 2030

BUILDING A LOW-CARBON SOCIETY

BUILDING A LOW-CARBON SOCIETY



# Typical Industrial Park IE Project - Cash Flow Projection



## 1. Stable & Recurring Income

- Integrated energy solutions reduce customers' overall energy bills by **10%**
- Selling the types of energy customer need increases their stickiness

## 2. Rapid Cash Flow Generation

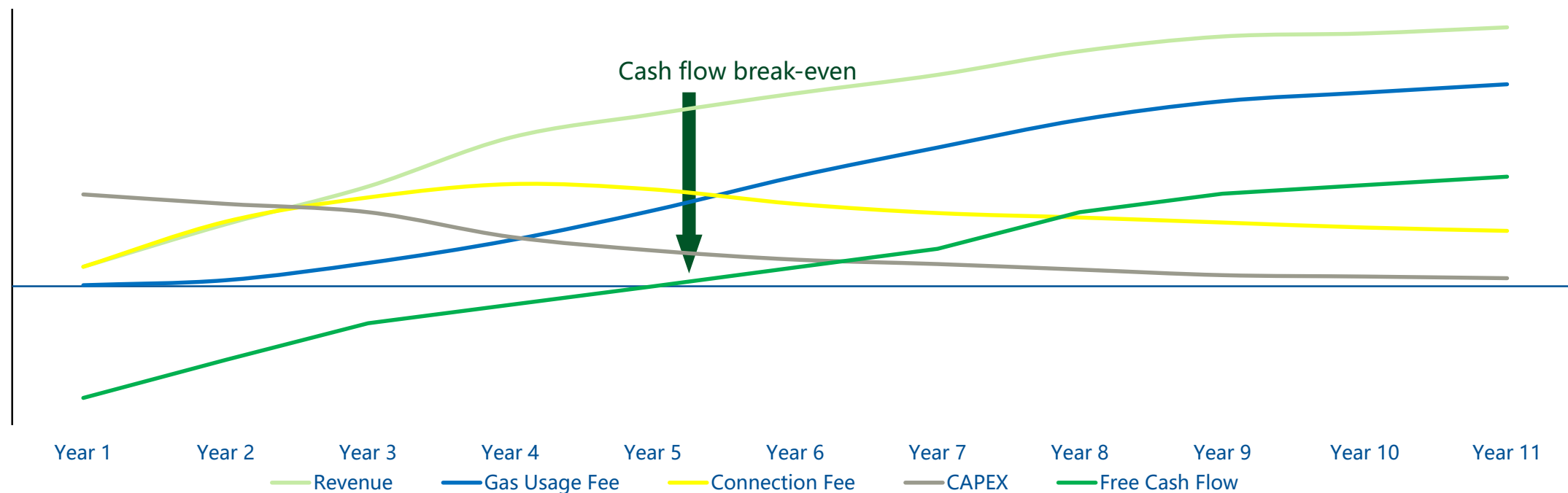
- Capex are invested by stages depending on the number of customers and their energy consumption scale
- Our projects are mostly industrial parks with existing customers, once the energy stations completed, energy sales can be generated
- Payback period: **7-8** years

## 3. Low Risk

- Diversified customer base in industrial parks helps reduce cyclical risks of certain industry
- Sign minimum energy offtake volume and establish automatic passthrough mechanism with customers
- Market-oriented business model with low regulatory risk

# Simplified Model for a Typical City-Gas Project

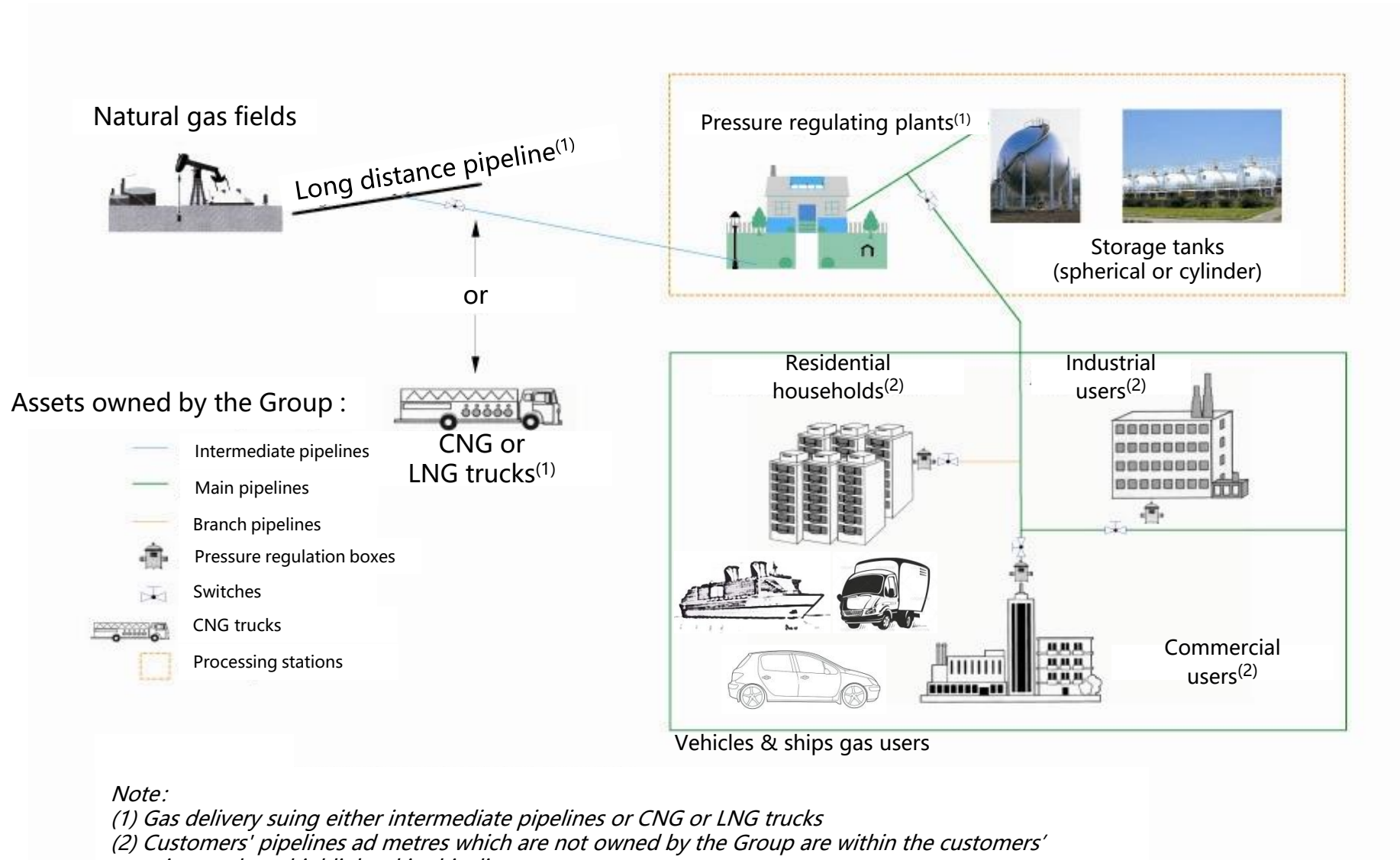
Revenue/Cost



- Connection fee dominates in early years when the project companies are signing up new customers
- Gas usage increases as projects mature, becoming the major source of recurring income
- Prior to the completion of the whole pipeline network in cities, revenue will be generated as soon as gas supply becomes available in certain districts. Each connection contract normally takes 6–12 months to complete
- In general, gas projects would generate positive free cash flow after 5 years of operation

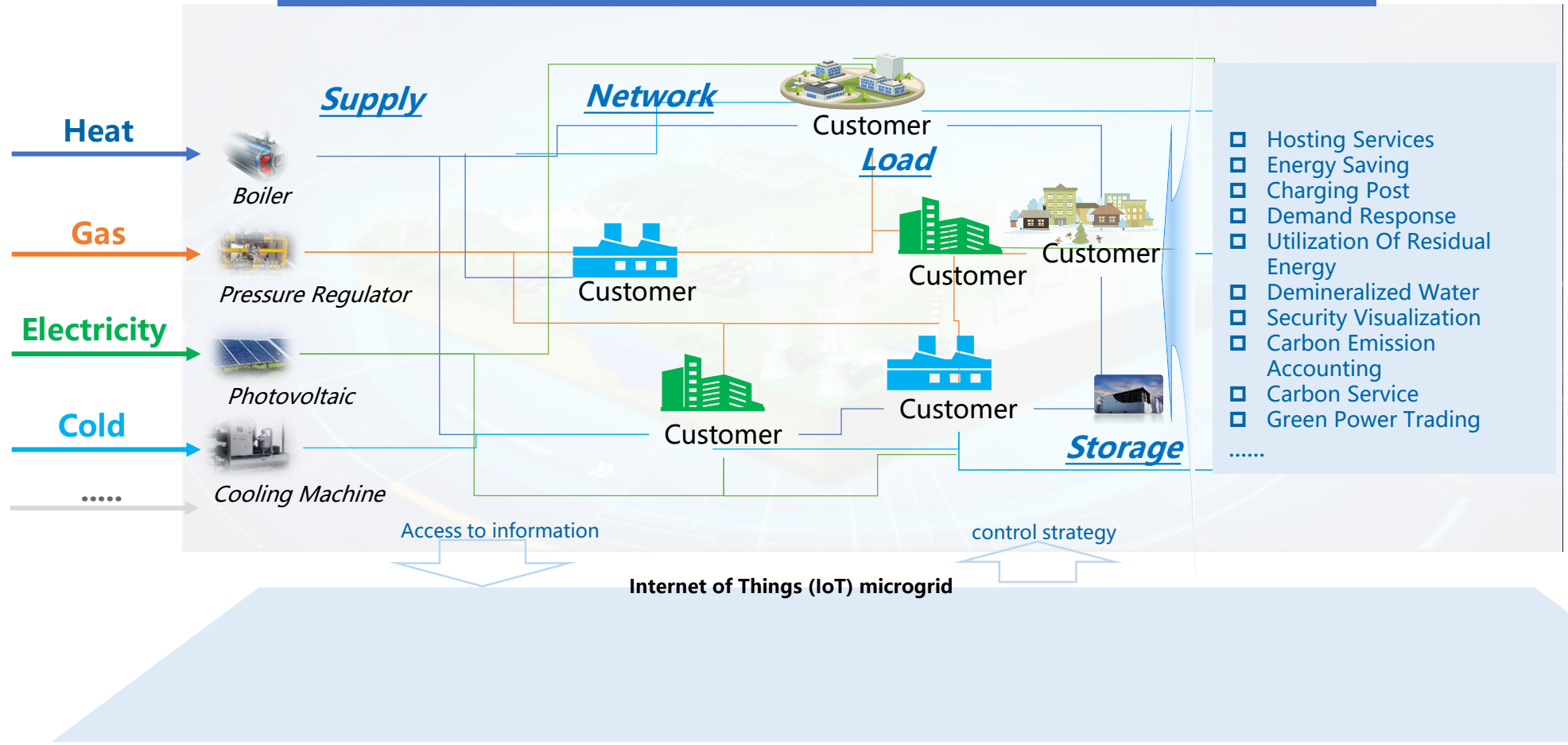


# Gas Delivery Process

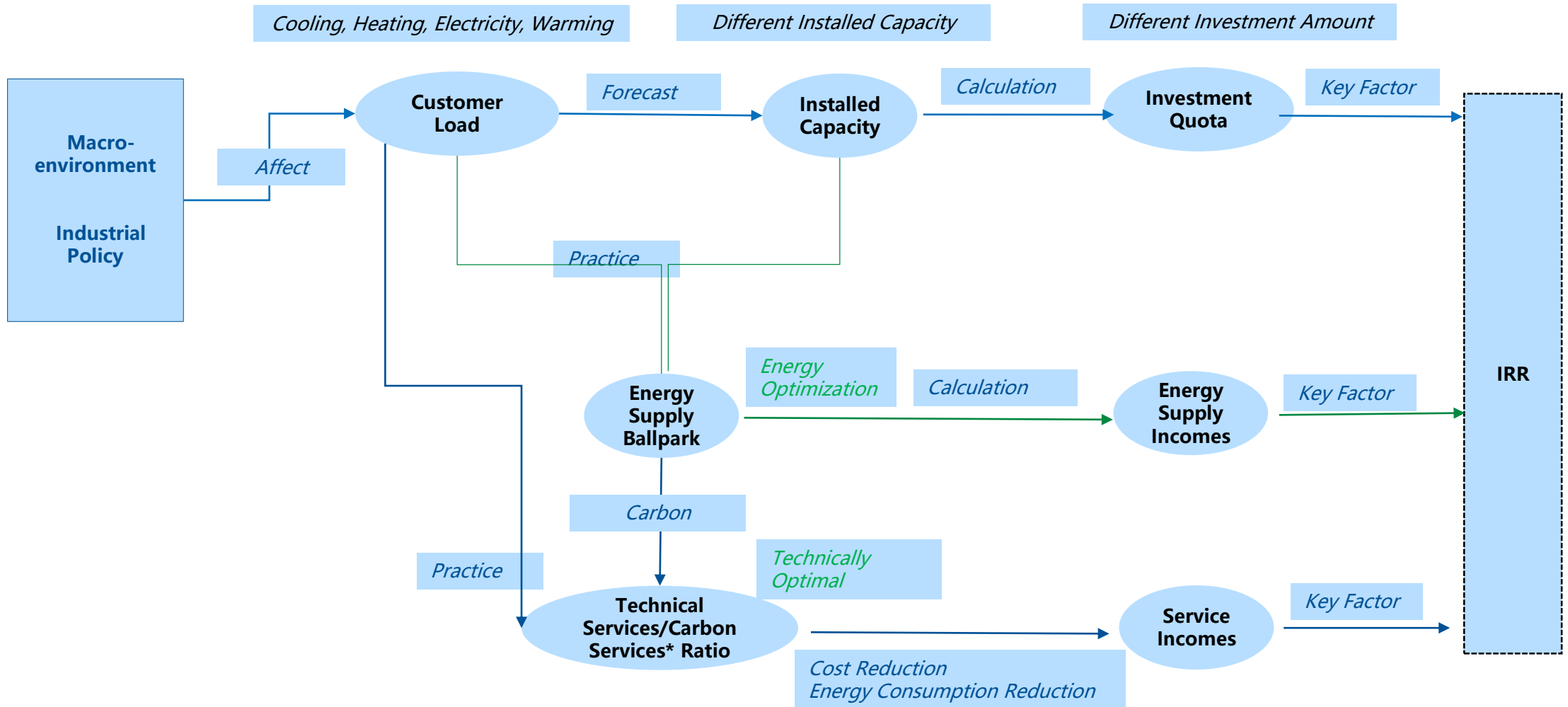


# IE Business Model

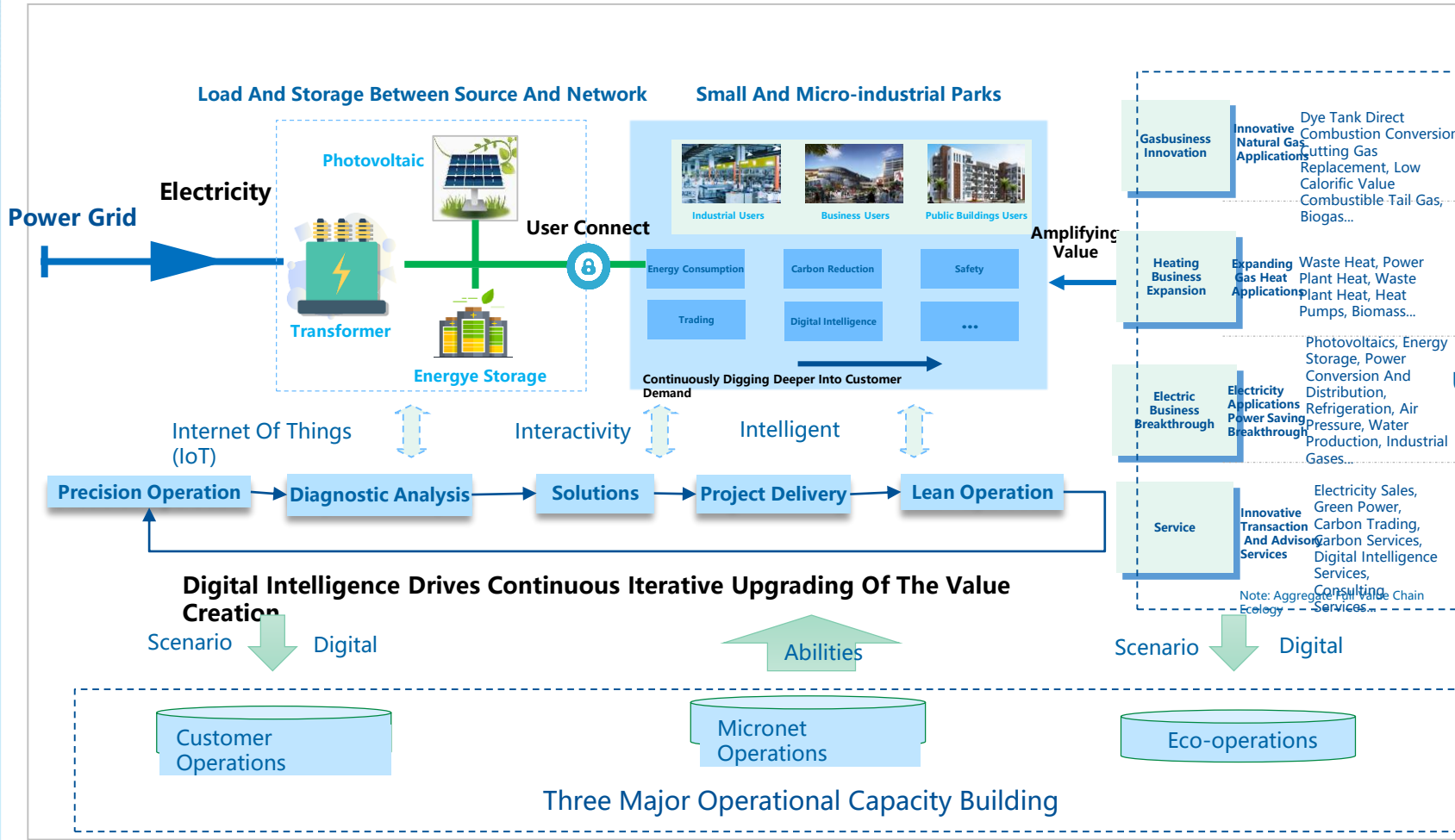
Multi-energy Coupling, Provide Load Source, Network And Storage Integrated Solutions



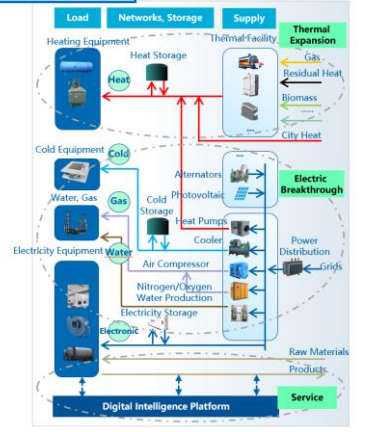
# IE Business Logic



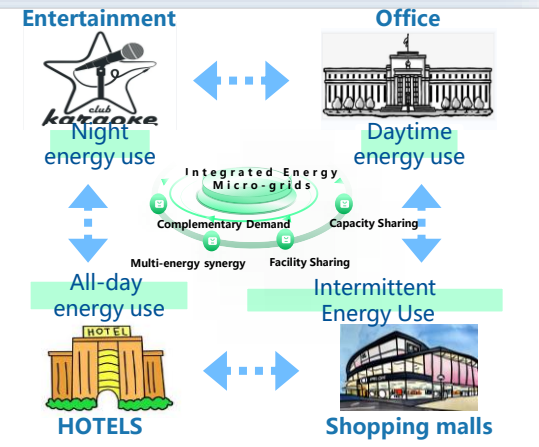
# Integrated Energy Micro Grids Promotes Business Upgrades



## Single To Multiple Products Load-Source-Grid-Storage



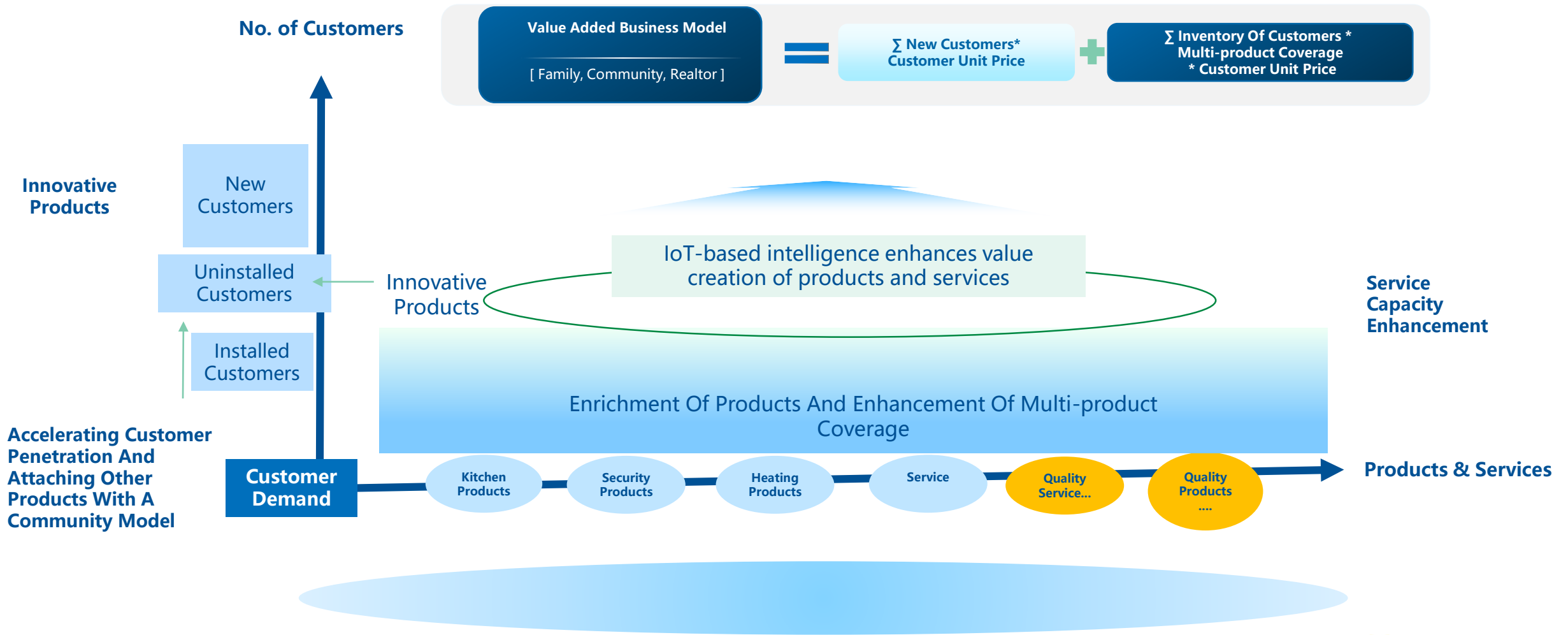
## Upgrading Existing Projects



## Single Project to Microgrid Multiple Synergies

# Value Added Business Value Creation Logic

- Enhance Multi-Product Coverage Of Existing Customers Based On Product And Service Capabilities





# Value Added Business: Linking Home, Community and Public Services Based on IoT to Innovate Services and Products

New Service



From gas service to families



From families to communities



From communities to public services



New Connection (IoT)



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## **Investors Relations Contact:**

**Ms. Karen Liu / Ms. Chelsea Sun / Mr. Martin Ding**

**Tel: +852 2528 5666 / +86 316 2599928 Fax: +852 2865 7204**

**Email: [IR@enn.cn](mailto:IR@enn.cn) / Website: <http://ir.ennenergy.com>**