



August 30, 2021

Fellow Shareholders,

Our company delivered solid second quarter results, with excellent bottom line profit and positive cash flow from operations. Our strategy to focus on project sales at the NTP stage is paying off: gross margin of 61.0% and net income of \$7 million were well ahead of analyst forecasts. This is the most profitable quarter since we became a pure-play project developer in the third quarter of 2017. Adjusted EBITDA of \$10 million represented an increase of 66% from the first quarter 2021 and 33% from the second quarter of 2020. Furthermore, our business model is also showing its strength. Second quarter marked our fifth consecutive quarter of profitability, with the bottom line well ahead of expectations despite sequentially lower revenue due to the timing of a project sale. Our growth was primarily driven by the strength in both Europe and the U.S. with strong demand for high-quality projects. (We expect to complete the sale of a 12MW project in Spain within the next month, and as such, we will recognize revenue from the sale in the third quarter of 2021.)

This excellent bottom-line performance was driven by our team's superb execution. First, we successfully closed the sale of a 38 MW portfolio of solar projects in Poland to Obton, a leading international solar investment company based in Denmark. The projects were sold at the NTP stage, and ReneSola Power will be responsible for EPC management, project financing, and the final delivery of the projects to Obton at the COD. Second, we completed the sale of a total of 5 MW projects in Maine, U.S., and recognized revenue in the quarter. Third, we grew our project pipeline from 1 GW in the beginning of 2021 to over 1.3 GW by the end of Q1 2021, and further expanded our pipeline to ~1.6 GW by the end of the second quarter of 2021. Fourth, we were awarded 29 solar utility projects with the capacity of 1 MW each and 1 small utility scale project with the capacity of 4 MW in Poland's electricity auction. These 30 projects are under Poland's Contract for Difference (CFD) regime and eligible for a 15-year guaranteed tariff. The projects are expected to be connected to the grid within the next two years.

In addition to strong bottom-line performance, we strengthened our financial position through debt reduction in the second quarter, retiring short-term debt of \$11.8 million. As a result, we further improved our capital structure with a debt-to-assets ratio of 16%. Our balance sheet remains healthy with a large cash position of \$286 million. We intend to use this cash to expand our solar project pipeline, further penetrate the solar-plus-storage market, for working capital, and for potential strategic M&A opportunities.

Further executing our growth plan, we recently signed a strategic partnership agreement with Emeren, a London, United Kingdom-based project developer specializing in the development of renewable energy power plants in Europe and other international markets. We will co-develop ground-mounted solar projects in Italy, with a pipeline of several transactions scheduled for 2021. As part of the agreement, ReneSola Power and Emeren intend to develop projects in a broad range of sizes across Italy, with a target of reaching 110 MW shovel-ready projects by 2022.

Our expanding pipeline of business activity indicates robust demand for project development, and we remain optimistic about our multi-year growth prospects. In the rest of this letter, we will describe in more detail our strong position today, and prospects for robust growth tomorrow.

Large and Growing Market Opportunity

The global solar power project development business is large and continues to grow. Industry market research estimates that by 2040, the share of renewables in the energy market will increase to around 30% and globally will become the single largest source of power generation. Europe continues to lead the way in terms of penetration of renewables. Renewable energy is expected to account for more than 50% of the European energy market by 2040. Europe, the U.S., and China are expected to be the three key markets driving the growth of renewables for many years in the future.



With our focus on Europe, the U.S., and China, we believe we are strategically positioned for growth. Europe, U.S., and China all have new carbon neutral emissions policy targets. In Europe, we have major development activities across Poland, Hungary, Spain, France, Germany, the U.K. and Italy. Beyond these countries, we are actively pursuing other emerging markets in Europe including the Czech Republic. In the U.S., our late-stage projects include community solar projects in Minnesota, Maine, and New York. Additionally, we have projects under development in Florida, Pennsylvania, Illinois, and California, and we operate utility projects in North Carolina. In China, our key geographic focus will be in the Yangtze River Delta area, which has attractive electricity tariffs and is one of the major metropolitan areas designated to play a pivotal role in the country's future economic growth. As discussed previously, we intend to expand our IPP assets, where we are taking a disciplined approach and selectively adding high-quality and profitable projects to the pipeline. In addition, we have built a late-stage pipeline of 88 MW of DG projects located in various provinces across China, including Zhejiang, Jiangsu, Anhui, etc.

Our Project Development business benefits from an intense focus on small-scale projects in diverse jurisdictions with a high PPA/FIT price that generates attractive returns. As of June 30, 2021, our quality mid-to-late-stage pipeline was 1.6 GW, up from 1.3 GW in the first quarter of 2021. We continue to focus on profitable markets, including the U.S. and Europe, where we see tremendous growth opportunities with high-quality projects.

Importantly, we are committed to adding incremental projects in our core markets to reach 2 GW by the end of 2021. We are confident that we can achieve this target because our teams around the world are (1) dedicated, skilled, and experienced; and (2) supported by the foundation of our strong balance sheet.

| Pipeline Target | Capacity (MW) |
|-------------------|----------------|
| U.S. | 500.0 |
| Poland | 400.0 |
| Spain | 400.0 |
| U.K. | 250.0 |
| Germany and Italy | 200.0 |
| China | 100.0 |
| France | 100.0 |
| Hungary | 50.0 |
| Total | 2,000.0 |

Q2 2021 Financial Highlights: Solid Profitability and Fortress Balance Sheet

| | Q2'21 (\$ millions) | Q1'21 (\$ millions) | Q/Q Change |
|--|------------------------|------------------------|---------------|
| Revenue | \$18.5 | \$22.8 | -19% |
| GAAP gross profit | \$11.3 | \$6.8 | +66% |
| GAAP operating income | \$7.3 | \$4.1 | +79% |
| Non-GAAP operating income | \$8.8 | \$4.6 | +90% |
| EBITDA | \$9.5 | \$3.9 | +143% |
| Adjusted EBITDA | \$10.0 | \$6.1 | +66% |
| GAAP net income attributed to ReneSola Power | \$7.0 | \$0.8 | +798% |
| Non-GAAP net income attributed to ReneSola Power | \$7.5 | \$3.0 | +149% |

- Revenue was \$18.5 million, down from \$22.8 million in the first quarter of 2021:



| Revenue Breakdown | Q2'21 Revenue (US\$'000) | % of Total Revenue |
|---------------------|--------------------------------|-----------------------|
| Project Development | \$12,805 | 69.1% |
| IPP | \$5,645 | 30.5% |
| Others | \$81 | 0.4% |
| Total | \$18,521 | 100.0% |

- “IPP” consists mainly of the sale of electricity in China.
- “Other” refers to operations and maintenance.
- Gross margin was 61.0%, compared to 29.9% in the first quarter of 2021 and 28.4% in the second quarter of 2020;
- Net income attributed to ReneSola Power was \$7.0 million, compared \$0.8 million in the first quarter of 2021 and \$3.1 million in the second quarter of 2020;
- Non-GAAP¹ net income attributed to ReneSola Power was \$7.5 million, compared to \$3.0 million in the first quarter of 2021 and \$3.6 million in the second quarter of 2020;
- Sold 38 MW of projects in Poland and 5 MW of solar projects in Maine;

Attractive Profit-Optimized Project Pipeline

| | | |
|----------------------------|-------------------------------|---|
| 850 MW Completed | 170 MW In Operation | 1,598 MW Mid-to-Late-stage Pipeline |
|----------------------------|-------------------------------|---|

The development pipeline is strong, ending the second quarter with late-stage projects of approximately 1.6 GW, and about 15 MW under construction. We believe this pipeline portfolio is attractive due to its broad geographic diversification.

Late-stage projects include those with the legal right to develop based on definitive agreements, including those held by project Special Purpose Vehicles (“SPVs”) or joint-venture project SPVs whose controlling power belongs to us.

The following table highlights our late-stage project pipeline by location:

| Project Location | Mid-to-Late stage (MW) | Under Construction (MW) |
|------------------|------------------------|-------------------------|
| U.S. | 470.0 | -- |
| Poland | 339.0 | 8.0 |
| U.K. | 281.0 | -- |
| Spain | 216.0 | -- |
| France | 100.0 | -- |
| China | 88.0 | 3.0 |
| Germany | 62.0 | -- |
| Hungary | 42.0 | 4.0 |
| Total | 1,598.0 | 15.0 |

¹ Reconciliations to U.S. generally accepted accounting principles (“GAAP”) financial measures from non-GAAP financial measures are presented below under “Use of Non-GAAP Financial Measures” in Appendix 4.



Strong Global Performance and Outlook

United States

Our quality mid-to-late-stage projects total 470 MW, of which 82MW are community solar projects in Minnesota, Maine, and New York. Additionally, we have projects under development in Florida, Pennsylvania, Illinois and California. Meanwhile, we operate 24.1 MW of utility projects in North Carolina.

| US: Late-stage Pipeline | Location | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|-------------------------|----------|---------------|---|-----------------------------------|--------------|---------------------|
| MN-VOS-2 | MN | 10.0 | Community Solar | Under Development | 2021/2022 | Project Development |
| New York | NY | 50.0 | Community Solar | Under Development | 2021/2022 | Project Development |
| Florida | FL | 100.0 | Utility Scale | Under Development | 2022/2023 | Project Development |
| Maine | ME | 22.0 | DG & Community Solar | Under Development | 2021/2022 | Project Development |
| Welcome Solar Portfolio | PA | 70.0 | Utility Scale | NTP in Q3/Q4 | 2021/2022 | Project Development |
| California | CA | 28.0 | DG/Small-scale Utility/ Battery Storage | PPA signed, mid-stage development | 2022/2023 | Project Development |
| Illinois | IL | 50.0 | Utility Scale | Under Development | 2023/2024 | Project Development |
| California | CA | 140.0 | Large-scale PV/storage | PPA negotiations | 2024/2025 | Project Development |
| Total | | 470.0 | | | | |

Poland

Business momentum accelerated in recent months. As of June 30, 2021, we had ~339 MW of projects in our development pipeline.

| Poland: Mid-to-Late-stage Pipeline | Project | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|------------------------------------|---|---------------|----------------|-------------------|--------------|----------------|
| Auction 2019 Dec | 8 individual projects, 1MW each | 8.0 | Ground-mounted | Under Development | 2021 | Build-Transfer |
| Auction 2020 Q4 | 38 individual projects, 1MW each | 38.0 | Ground-mounted | Under Development | 2021/2022 | Build-Transfer |
| Auction 2021 Q3 | 40 individual projects, 1MW each | 33.0 | Ground-mounted | Under Development | 2022/2023 | Build-Transfer |
| Auction 2022 | Include both small-and-large-scale projects | ~260.0 | Ground-mounted | Under Development | 2023/2024 | Build-Transfer |
| Total | | ~339.0 | | | | |

Hungary

In Hungary, we invest in small-scale DG projects. Our late-stage pipeline has a total capacity to 42 MW. These projects are under development.

| Hungary: Late-stage Pipeline | Location | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|------------------------------|----------|---------------|----------------|-------------------|--------------|----------------|
| Portfolio with PPAs | Hungary | 8.0 | Ground-mounted | Ready-to-Build | 2021/2022 | Build-Transfer |
| Portfolio without PPAs | Hungary | 34.0 | Ground-mounted | Under Development | 2021/2022 | Build-Transfer |
| Total | | 42.0 | | | | |

France

In France, we have a project pipeline of 100 MW, all of which are ground-mounted projects.

| France: Late-stage Pipeline | Location | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|-----------------------------|----------|---------------|----------------|-------------------|--------------|---------------------|
| Project Portfolios | France | 70.0 | Ground mounted | Under Development | 2021/2022 | Project Development |
| Project Portfolios | France | 30.0 | Ground mounted | Under Development | 2021/2022 | Project Development |
| Total | | 100.0 | | | | |

Spain

We have a late-stage pipeline of 216 MW of ground-mounted projects located in various regions across Spain.

| Spain: Late-stage Pipeline | Location | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|----------------------------|----------|---------------|----------------|-------------------|--------------|---------------------|
| Caravaca | Murcia | 6.0 | Ground-mounted | Under Development | 2021 | Project Development |
| Altajero | Murcia | 6.0 | Ground-mounted | Under Development | 2022 | Project Development |
| Abanilla | Alicante | 4.0 | Ground-mounted | Under Development | 2022 | Project Development |
| Pedraera | Alicante | 10.0 | Ground-mounted | Under Development | 2022 | Project Development |
| Serrata | Alicante | 10.0 | Ground-mounted | Under Development | 2022 | Project Development |
| Project Portfolio | Spain | 180.0 | Ground-mounted | Under Development | 2023/2024 | Project Development |
| Total | | 216.0 | | | | |

Germany

We have secured a late-stage pipeline of 62 MW of ground-mounted projects now under development.

| Project Pipeline | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|-------------------------------|---------------|----------------|-------------------|--------------|----------------|
| Project Portfolios - Kentzlin | 12.0 | Ground-mounted | Under Development | 2022 | Build-Transfer |
| Project Portfolios - Vodusun | 50.0 | Ground-mounted | Under Development | 2023 | Build-Transfer |
| Total | 62.0 | | | | |

U.K.

We have a late-stage pipeline of 281 MW of ground-mounted projects under development.

| Project Pipeline | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|------------------|---------------|--------------------|-------------------|--------------|---------------------|
| UK- Novergy | 212.0 | Solar only | Under Development | 2022/2023 | Project Development |
| UK- Innova | 69.0 | Solar-plus-storage | Under Development | 2021/2022 | Project Development |
| Total | 281.0 | | | | |

China

We have a late-stage pipeline of 88 MW of DG projects located in various provinces across China.

| Late-stage Pipeline Type | Location | Capacity (MW) | Project Type | Status | Expected COD | Business Model |
|--------------------------|----------|---------------|--------------|-------------------|--------------|----------------|
| China DG | Zhejiang | 19.0 | Net Metering | Under Development | 2021 | IPP |
| China DG | Jiangsu | 40.0 | Net Metering | Under Development | 2021/2022 | IPP |
| China DG | Anhui | 13.0 | Net Metering | Under Development | 2021/2022 | IPP |
| China DG | Other | 16.0 | Net Metering | Under Development | 2021/2022 | IPP |
| Total | | 88.0 | | | | |

Operating Assets and Completed Projects for Sale

We currently own 170 MW of operating projects, of which we operate 145.8 MW of rooftop projects in China, and 24.1 MW in the U.S. The China rooftop solar projects are concentrated in several attractive eastern provinces with Commercial and Industrial (C&I) off-takers.

| Operating Assets | Capacity (MW) |
|----------------------|---------------|
| China DG | 145.8 |
| - Zhejiang | 34.7 |
| - Henan | 46.1 |
| - Anhui | 30.9 |
| - Hebei | 16.9 |
| - Jiangsu | 10.8 |
| - Shandong | 2.0 |
| - Fujian | 4.4 |
| United States | 24.1 |
| Total | 169.9 |

Second Quarter 2021 Financial Details

Revenue

Second quarter revenue was \$18.5 million, down both sequentially and year-over-year. Revenue from Project Development was largely driven by the sale of solar projects in Poland and Maine. Energy sales were mostly from the 55.1 million KWh generated by our rooftop DG projects in China and the U.S.

By their nature, project sales are large with unpredictable timing, and quarterly revenue will often fluctuate significantly. The Company measures its success in project development by 1) focusing on profit performance, and 2) achieving attractive rates of pipeline growth.

| Revenue by Region | Q2'21 Revenue (US\$'000) | % of Total Revenue |
|-------------------|-----------------------------|-----------------------|
| Europe | \$10,145 | 54.7% |
| US | \$3,169 | 17.1% |
| China | \$5,217 | 28.2% |
| Total | \$18,531 | 100.0% |

Gross Profit and Gross Margin

Gross profit was \$11.3 million in the second quarter of 2021, yielding a gross margin of 61.0%. Importantly, the Company was not affected by material cost increases in the solar supply chain. This result compares to a gross profit of \$6.8 million and gross margin of 29.9% in the first quarter of 2021, and a gross profit of \$7.4 million and gross margin of 28.4% in the second quarter of 2020.

Operating Expense and Operating Income



Operating expenses in the second quarter of 2021 were \$4.0 million, up both sequentially and year-over-year. Sales and marketing expenses of \$286,000 were up both sequentially and year-over-year. General and administrative expenses of \$3.0 million were also up both sequentially and year-over-year. Other operating expenses was \$721,000, which was mainly related to the cancellation of project assets in the U.S.

Second quarter 2021 operating income was \$7.3 million, compared to \$4.1 million in Q1 2021 and \$4.6 million in the second quarter of 2020. Non-GAAP operating income in the second quarter of 2021 was \$8.8 million, compared to non-GAAP operating income of \$4.6 million in the first quarter of 2021 and \$6.0 million in the second quarter of 2020.

Net Income

In the second quarter of 2021, net income attributed to ReneSola Power was \$7.0 million, compared to \$0.8 million in the first quarter of 2021 and \$3.1 million in the second quarter of 2020. Net income per ADS was \$0.10 in the second quarter of 2021, compared to \$0.01 in the first quarter of 2021 and \$0.06 in the second quarter of 2020.

Non-GAAP net income attributed to ReneSola Power in the second quarter of 2021 was \$7.5 million, compared to \$3.0 million in the first quarter of 2021 and \$3.6 million in the second quarter of 2020. Non-GAAP net income per ADS was \$0.11, compared to \$0.05 in the first quarter of 2021 and \$0.08 in the second quarter of 2020.

Financial Position

Cash and equivalents were \$286.0 million as of June 30, 2021, compared to \$301.0 million as of March 31, 2021. Total current assets (as disclosed in appendix 2) were \$357.1 million as of June 30, 2021, compared to \$370.2 million as of March 31, 2021. Long-term borrowings were \$69,000 as of June 30, 2021, which was flat when compared to the first quarter ended March 31, 2021. Our long-term failed sale-lease back and finance lease liabilities associated with the financial leasing payables for rooftop projects in China were \$36.0 million as of June 30, 2021, compared to \$38.7 million as of March 31, 2021. Short-term borrowings were nil as of June 30, 2021, down from \$800,000 as of March 31, 2021, and debt to asset ratio is only 16%.

Cash flow provided by operating activities was \$602,000 in the second quarter of 2021. Cash flow used in investing activities was \$753,000. Cash flow used in financing activities was \$14.3 million. Net asset value (or NAV) equals \$6.05 per share.

Outlook

For full year 2021, while we continue to expect revenue in the range of \$90 to \$100 million, we are raising our gross margin outlook and expect gross margin to exceed 30%, compared to prior guidance of over 25%. Additionally, we expect a profitable 2021 with robust profit growth compared to 2020. This outlook reflects our strategy to focus on profitability and bottom-line growth.

For the third quarter of 2021, we expect revenue to be in the range of \$19 to \$21 million and gross margin in the range of 36% to 40%.

Conclusion

We believe our strategic focus on the U.S., Europe and China will enable us to become a global leader in project development and produce positive results. We are operating efficiently and profitably, delivering high returns, and generating strong cash flow. With our talented team, diversified geographic



coverage and track record of success at every stage of project development, we believe we are in a solid position to deliver profitable growth in the years ahead.

I would like to thank our employees for their hard work and dedication. I also want to thank our customers, partners and shareholders for their continued support and confidence in ReneSola Power.

Second Quarter 2021 Earnings Results Conference Call

We will host a conference call today to discuss our second quarter 2021 business and financial results. The call is scheduled to begin at 4:30 p.m. U.S. Eastern Time on Monday, August 30, 2021 (4:30 a.m. China Standard Time on Tuesday, August 31, 2021.)

Please register in advance to join the conference call using the link provided below and dial in 10 minutes before the call is scheduled to begin. Conference call access information will be provided upon registration.

Participant Online Registration: <http://apac.directeventreg.com/registration/event/2883696>

A replay of the conference call may be accessed by phone at the following numbers until September 7, 2021. To access the replay, please reference the conference passcode **2883696**.

| | Phone Number | Toll-Free Number |
|---------------------|--|-------------------|
| United States | +1 (646) 254-3697 | +1 (855) 452-5696 |
| Hong Kong | +852 3051-2780 | +852 (800) 963117 |
| Mainland China | +86 (800) 870-0206 +86 (400) 602-2065 | |
| Other International | +61 (2) 8199-0299 | |

Additionally, a live and archived webcast of the conference call will be available on the Investor Relations section of ReneSola Power's website at <http://www.renesolapower.com>.

Sincerely,

Yumin Liu
Chief Executive Officer



Safe Harbor Statement

This shareholder letter contains statements that constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. Whenever you read a statement that is not simply a statement of historical fact (such as when the Company describes what it "believes," "plans," "expects" or "anticipates" will occur, what "will" or "could" happen, and other similar statements), you must remember that the Company's expectations may not be correct, even though it believes that they are reasonable. Furthermore, the forward-looking statements are mainly related to the Company's continuing operations and you may not be able to compare such information with the Company's past performance or results. The Company does not guarantee that the forward-looking statements will happen as described or that they will happen at all. Further information regarding risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements is included in the Company's filings with the U.S. Securities and Exchange Commission, including the Company's annual report on Form 20-F. The Company undertakes no obligation, beyond that required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even though the Company's situation may change in the future.

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Appendix 1: Unaudited Consolidated Statements of Income

RENESOLA LTD

Unaudited Consolidated Statements of Operations
(US dollars in thousands, except ADS and share data)

| | Three Months Ended | | | Six Months Ended | |
|---|--------------------|----------------|----------------|------------------|----------------|
| | Jun 30, 2021 | Mar 31, 2021 | Jun 30, 2020 | Jun 30, 2021 | Jun 30, 2020 |
| Net revenues | 18,531 | 22,775 | 26,190 | 41,306 | 47,352 |
| Cost of revenues | (7,235) | (15,975) | (18,756) | (23,210) | (38,557) |
| Gross profit | 11,296 | 6,800 | 7,434 | 18,096 | 8,795 |
| Operating (expenses)/income: | | | | | |
| Sales and marketing | (286) | (125) | (135) | (411) | (203) |
| General and administrative | (2,996) | (2,749) | (1,784) | (5,745) | (3,833) |
| Impairment of long-lived assets | - | - | (1,013) | - | (1,093) |
| Other operating (expenses)/income | (721) | 158 | 64 | (563) | (239) |
| Total operating expenses | (4,003) | (2,716) | (2,868) | (6,719) | (5,368) |
| Income from operations | 7,293 | 4,084 | 4,566 | 11,377 | 3,427 |
| Non-operating (expenses)/income: | | | | | |
| Interest income | 603 | 520 | 185 | 1,123 | 392 |
| Interest expense | (1,009) | (1,501) | (1,657) | (2,510) | (3,263) |
| Foreign exchange (losses)/gains | 619 | (1,878) | 564 | (1,259) | (1,565) |
| Total non-operating (expenses)/income | 213 | (2,859) | (908) | (2,646) | (4,436) |
| Income/(loss) before income tax | 7,506 | 1,225 | 3,658 | 8,731 | (1,009) |
| Income tax (expense)/benefit | 75 | (401) | (130) | (326) | (140) |
| Income/(loss),net of tax | 7,581 | 824 | 3,528 | 8,405 | (1,149) |
| Less: Net income attributed to non-controlling interests | 628 | 50 | 441 | 678 | 158 |
| Net income/(loss) attributed to ReneSola Ltd | 6,953 | 774 | 3,087 | 7,727 | (1,307) |
| Income/(loss) attributed to ReneSola Ltd per ADS | | | | | |
| Basic | 0.10 | 0.01 | 0.06 | 0.11 | (0.03) |
| Diluted | 0.10 | 0.01 | 0.06 | 0.11 | (0.03) |
| Weighted average number of ADS used in computing income/(loss) per ADS* | | | | | |
| Basic | 69,750,857 | 66,581,741 | 48,081,890 | 69,750,857 | 48,081,890 |
| Diluted | 70,554,191 | 67,273,809 | 48,081,890 | 70,554,191 | 48,081,890 |

*Each American depositary shares (ADS) represents 10 common shares



Appendix 2: Unaudited Consolidated Statements of Balance Sheet

RENESOLA LTD

Unaudited Consolidated Balance Sheets

(US dollars in thousands)

| | Jun 30, 2021 | Mar 31, 2021 | Jun 30, 2020 |
|--|-----------------|-----------------|-----------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 286,016 | 300,990 | 11,284 |
| Restricted cash | - | 1 | 782 |
| Accounts receivable, net of allowances for doubtful accounts | 35,754 | 32,241 | 24,271 |
| Advances to suppliers, net | 1,309 | 1,494 | 2,725 |
| Value added tax recoverable | 3,883 | 3,761 | 5,252 |
| Prepaid expenses and other current assets | 12,273 | 13,831 | 7,414 |
| Project assets current | 17,900 | 16,358 | 8,009 |
| Assets held for sale | - | 1,506 | 8,630 |
| Total current assets | 357,135 | 370,182 | 68,367 |
| Property, plant and equipment, net | 120,189 | 118,686 | 136,959 |
| Deferred tax assets, net | 766 | 753 | 759 |
| Project assets non-current | 3,438 | 2,571 | 5,827 |
| Goodwill | 1,023 | 1,023 | - |
| Operating lease right-of-use assets | 21,821 | 22,131 | 22,118 |
| Finance lease right-of-use assets | 25,266 | 25,375 | 24,114 |
| Other non-current assets | 29,596 | 26,418 | 19,884 |
| Total assets | 559,234 | 567,139 | 278,028 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Short-term borrowings | - | 800 | 31,459 |
| Bond payable current | - | 10,957 | - |
| Accounts payable | 4,058 | 4,572 | 6,732 |
| Advances from customers | 1,057 | 466 | 81 |
| Amounts due to related parties | 6,702 | 6,504 | 2,794 |
| Other current liabilities | 9,468 | 12,473 | 17,810 |
| Income tax payable | 542 | 920 | 800 |
| Salary payable | 326 | 286 | 355 |
| Operating lease liabilities current | 1,482 | 1,367 | 482 |
| Failed sale-lease back and finance lease liabilities current | 12,824 | 11,211 | 10,670 |
| Liabilities held for sale | - | 1,520 | 4,721 |
| Total current liabilities | 36,459 | 51,076 | 75,904 |
| Long-term borrowings | 69 | 69 | 2,995 |
| Operating lease liabilities non-current | 19,706 | 20,117 | 21,202 |
| Failed sale-lease back and finance lease liabilities non-current | 35,994 | 38,713 | 41,828 |
| Total liabilities | 92,228 | 109,975 | 141,929 |
| Shareholders' equity | | | |
| Common shares | 848,524 | 848,374 | 530,208 |
| Additional paid-in capital | 8,197 | 7,981 | 9,891 |
| Accumulated deficit | (431,839) | (438,793) | (443,654) |
| Accumulated other comprehensive loss | (2,885) | (4,240) | (2,799) |
| Total equity attributed to ReneSola Ltd | 421,997 | 413,322 | 93,646 |
| Noncontrolling interest | 45,009 | 43,842 | 42,453 |
| Total shareholders' equity | 467,006 | 457,164 | 136,099 |
| Total liabilities and shareholders' equity | 559,234 | 567,139 | 278,028 |



Appendix 3: Unaudited Consolidated Statements of Cash Flow

RENESOLA LTD
Unaudited Consolidated Statements of Cash Flow
(US dollars in thousands)

| | Three Months Ended | | |
|---|--------------------|-----------------|----------------|
| | Jun 30,2021 | Mar 31,2021 | Jun 30,2020 |
| Net cash provided by (used in) operating activities | 602 | (10,472) | 5,359 |
| Net cash provided by (used in) investing activities | (753) | 26,097 | 148 |
| Net cash provided by (used in) financing activities | (14,288) | 244,846 | (9,398) |
| Effect of exchange rate changes | (536) | (156) | (583) |
| Net increase (decrease) in cash and cash equivalents and restricted cash | (14,975) | 260,315 | (4,474) |
| Cash and cash equivalents and restricted cash, beginning of the period | 300,991 | 40,676 | 16,576 |
| Cash and cash equivalents and restricted cash held for sale | - | - | (36) |
| Cash and cash equivalents and restricted cash, end of the period | 286,016 | 300,991 | 12,066 |

Appendix 4

Use of Non-GAAP Financial Measures

To supplement ReneSola Power's financial statements presented on a GAAP basis, ReneSola Power provides non-GAAP financial data as supplemental measures of its performance.

To provide investors with additional insight and allow for a more comprehensive understanding of the information used by management in its financial and decision-making surrounding pro-forma operations, we supplement our consolidated financial statements presented on a basis consistent with U.S. generally accepted accounting principles, or GAAP, with EBITDA, Adjusted EBITDA, non-GAAP net income/ (loss) attributed to ReneSola Power and non-GAAP EPS as non-GAAP financial measures of earnings.

- EBITDA represents net income before income tax expense (benefit), interest expense, depreciation and amortization.
- Adjusted EBITDA represents EBITDA plus discount of electricity subsidy in China, plus share-based compensation, plus bad debt provision, plus impairment of long-lived assets, plus one-time penalty of postponed payables, plus one-time OCI settlement, plus loss/(gain) on disposal of assets, plus foreign exchange loss/(gain).
- Non-GAAP net income/ (loss) attributed to ReneSola Power represents GAAP net income/(loss) attributed to ReneSola Power plus discount of electricity subsidy in China, plus share-based compensation, plus bad debt provision, plus impairment of long-lived assets, plus one-time penalty of postponed payables, plus one-time OCI settlement, plus loss/(gain) on disposal of assets, plus foreign exchange loss/(gain).
- Non-GAAP EPS represents Non-GAAP net income/ (loss) attributed to ReneSola Power divided by the number of fully diluted shares outstanding.

Our management uses EBITDA, Adjusted EBITDA, non-GAAP net income/ (loss) attributed to ReneSola Power and non-GAAP EPS as financial measures to evaluate the profitability and efficiency of our business model. We use these non-GAAP financial measures to assess the strength of the underlying operations of our business. These adjustments, and the non-GAAP financial measures that are derived from them, provide supplemental information to analyze our operations between periods and over time.

We find these measures especially useful when reviewing pro-forma results of operations, which include large non-cash impairment of long-lived assets and loss on disposal of assets. Investors should consider our non-GAAP financial measures in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP.



RENESOLA LTD
GAAP to Non-GAAP Reconciliation

| | Three months ended | | | Six Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
| | Jun 30, 2021 | March 31, 2021 | Jun 30, 2020 | Jun 30, 2021 | Jun 30, 2020 |
| | (in thousands) | | | | |
| Reconciliation of Revenue | | | | | |
| GAAP Net revenue | \$ 18,531 | \$ 22,775 | \$ 26,190 | \$ 41,306 | \$ 47,352 |
| Add: Discount of electricity subsidy in China | 353 | 32 | 267 | 385 | 395 |
| Non-GAAP Net revenue | <u>\$ 18,884</u> | <u>\$ 22,807</u> | <u>\$ 26,457</u> | <u>\$ 41,691</u> | <u>\$ 47,747</u> |
| GAAP Gross Margin | | | | | |
| US. GAAP as reported | \$ 11,296 | \$ 6,800 | \$ 7,434 | \$ 18,096 | \$ 8,795 |
| Add: Discount of electricity subsidy in China | 353 | 32 | 267 | 385 | 395 |
| Non-GAAP Gross Margin | <u>\$ 11,649</u> | <u>\$ 6,832</u> | <u>\$ 7,701</u> | <u>\$ 18,481</u> | <u>\$ 9,190</u> |
| Reconciliation of operating expenses | | | | | |
| GAAP operating expenses | \$ (4,003) | \$ (2,716) | \$ (2,868) | \$ (6,719) | \$ (5,368) |
| Add: Share based compensation | 335 | 211 | 85 | 546 | 178 |
| Add: Bad debt provision of receivables | - | - | - | - | (15) |
| Add: Impairment of long-lived assets | - | - | 1,013 | - | 1,093 |
| Add: Loss on disposal of project assets | - | 286 | - | 286 | - |
| Add: Loss on disposal of property, plant and equipment | - | - | 22 | - | 220 |
| Less: Gains on disposal of property, plant and equipment | (66) | - | - | (66) | - |
| Non-GAAP operating expenses | <u>\$ (2,895)</u> | <u>\$ (2,219)</u> | <u>\$ (1,749)</u> | <u>\$ (5,953)</u> | <u>\$ (3,892)</u> |
| Reconciliation of Operating Income | | | | | |
| GAAP Operating Income | \$ 7,293 | \$ 4,084 | \$ 4,566 | \$ 11,377 | \$ 3,427 |
| Add: Discount of electricity subsidy in China | 353 | 32 | 267 | 385 | 395 |
| Add: Share based compensation | 335 | 211 | 85 | 546 | 178 |
| Add: Bad debt provision of receivables | - | - | - | - | (15) |
| Add: Impairment of long-lived assets | - | - | 1,013 | - | 1,093 |
| Add: Loss on disposal of project assets | - | 286 | - | 286 | - |
| Add: Loss on disposal of property, plant and equipment | - | - | 22 | - | 220 |
| Less: Gains on disposal of property, plant and equipment | (66) | - | - | (66) | - |
| Non-GAAP Operating Income | <u>\$ 8,754</u> | <u>\$ 4,613</u> | <u>\$ 5,952</u> | <u>\$ 13,367</u> | <u>\$ 5,298</u> |
| Reconciliation of Net income attributed to ReneSola Ltd | | | | | |
| GAAP Net income attributed to ReneSola Ltd | \$ 6,953 | \$ 774 | \$ 3,087 | \$ 7,727 | \$ (1,307) |
| Add: Discount of electricity subsidy in China | 211 | 19 | 160 | 230 | 236 |
| Add: Share based compensation | 335 | 211 | 85 | 546 | 178 |
| Add: Bad debt provision of receivables | - | - | - | - | (15) |
| Add: Impairment of long-lived assets | - | - | 972 | - | 1,020 |
| Add: Loss on disposal of project assets | - | 286 | - | 286 | - |
| Add: Loss on disposal of property, plant and equipment | - | - | 13 | - | 132 |
| Less: Gains on disposal of property, plant and equipment | (40) | - | - | (40) | - |
| Less: Interest income of discounted electricity subsidy in China | (178) | (156) | (114) | (334) | (220) |
| Add: Foreign exchange loss/(gain) | (619) | 1,878 | (564) | 1,259 | 1,565 |
| Non-GAAP Net income attributed to ReneSola Ltd | <u>\$ 7,502</u> | <u>\$ 3,012</u> | <u>\$ 3,639</u> | <u>\$ 10,514</u> | <u>\$ 1,590</u> |



Appendix 5: Adjusted EBITDA

ReneSola Ltd
Adjusted EBITDA
(US dollars in thousands)

| | Three months ended | | | Six Months Ended | |
|--|--------------------|--------------|--------------|------------------|--------------|
| | Jun 30, 2021 | Mar 31, 2021 | Jun 30, 2020 | Jun 30, 2021 | Jun 30, 2020 |
| Net Income | 7,581 | 824 | 3,528 | 8,405 | (1,149) |
| Income tax expenses | (75) | 401 | 130 | 326 | 140 |
| Interest expenses, net of interest income | 406 | 981 | 1,472 | 1,387 | 2,871 |
| Depreciation & Amortization | 1,559 | 1,697 | 1,793 | 3,256 | 3,559 |
| EBITDA | 9,471 | 3,903 | 6,923 | 13,374 | 5,421 |
| Discount of electricity subsidy in china | 353 | 32 | 267 | 385 | 395 |
| Share based compensation | 335 | 211 | 85 | 546 | 178 |
| Bad debt provision of receivables | - | - | - | - | (15) |
| Impairment of long-lived assets | - | - | 1,013 | - | 1,093 |
| Cancellation of project assets | 839 | - | - | - | - |
| Loss on disposal of project assets | - | 286 | - | 286 | - |
| Loss on disposal of property, plant and equipment | - | - | 22 | - | 220 |
| Gains on disposal of property, plant and equipment | (66) | - | - | (66) | - |
| Interest income of discounted electricity subsidy in china | (298) | (260) | (190) | (558) | (367) |
| Foreign exchange loss/(gain) | (619) | 1,878 | (564) | 1,259 | 1,565 |
| Adjusted EBITDA | 10,015 | 6,050 | 7,555 | 16,065 | 8,491 |