



CONTINUUM

Bond Investor Update

Q3 FY 21-22 – Operational and Financial Highlights

10th February 2022

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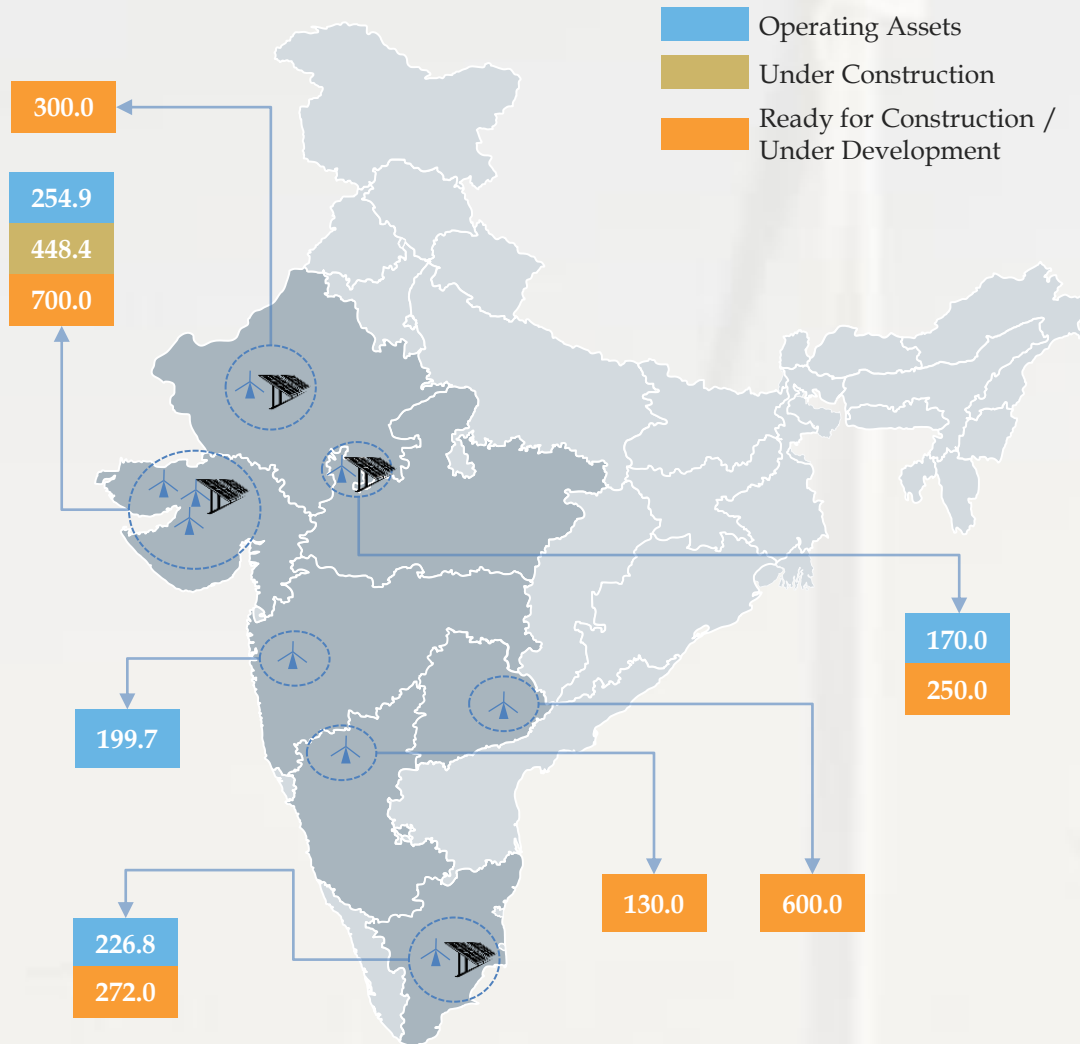


I. Group Overview

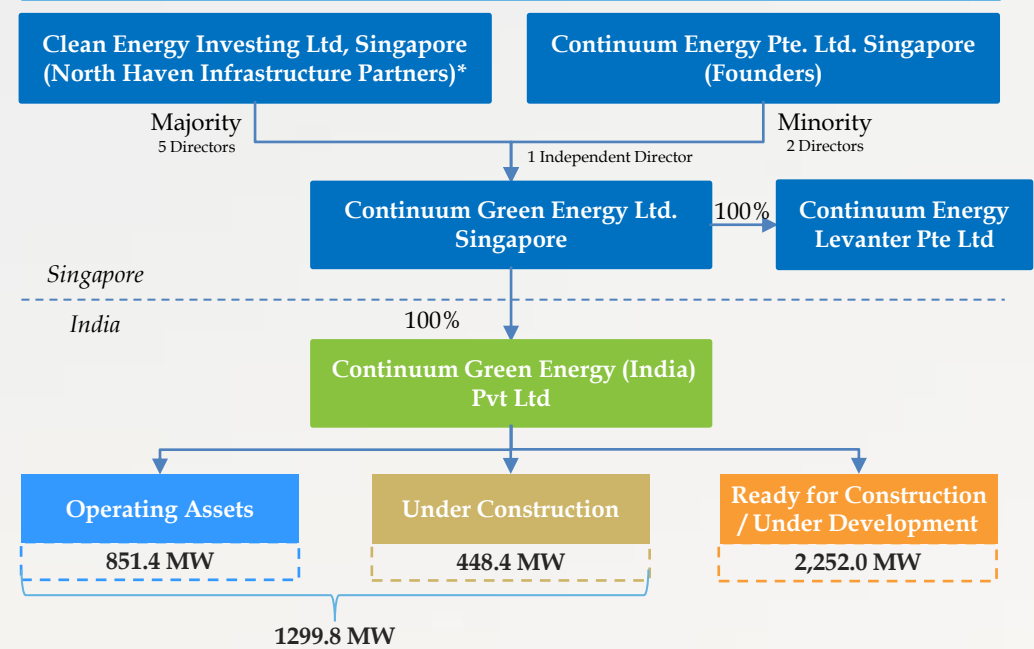


Continuum Green Energy - Group Overview

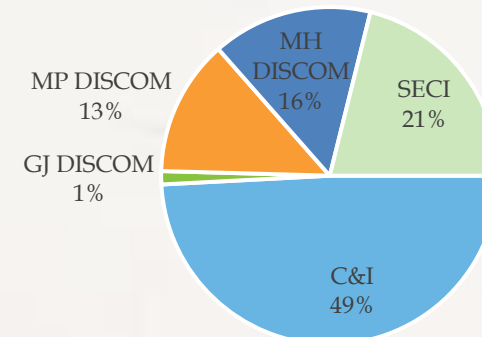
Presence across wind-rich states with diversified off-takers



Continuum Corporate Structure



Off taker mix (Operating + Under-construction)



MPPMCL is MP DISCOM, MSEDCL is MH DISCOM, GUVNL is Gujarat DISCOM

* Managed by Morgan Stanley Infrastructure Partners

Continuum Green Energy - Updates

Status of Under Construction Projects

Dayapar

126.0 MW (Wind)

- 25-year PPA with SECI at a fixed tariff of INR 2.51/kWh
- Financial Closure achieved
- 63 Inox-113 2.0 MW WTGs
- Project Status:
 - 70 MW is operational
 - 94 MW installed
 - Expect full commissioning by Mar / Apr 2022

Rajkot - IIB

28.0 MW (Wind)

- PPAs with 13 C&I Consumers in Gujarat
- Financial Closure achieved
- 14 Inox-113 2.0 MW WTGs
- Project Status:
 - 24 MW is operational
 - 26 MW installed
 - Expect full commissioning by Feb 2022

Morjar

148.5 MW (Wind)

- 25-year PPA with SECI at a fixed tariff of INR 2.82/kWh
- Financial Closure achieved
- 55 GE-130 2.7 MW WTGs
- Project Status:
 - 73 MW WTGs delivered; 35 MW installed
 - 220kV line and Pooling Substation nearing completion, Balance of plant construction underway
- Expect full commissioning by Jun 2022

Rajkot - III

239.9 MW (Wind Solar Hybrid)

- PPAs with 35 C&I Consumers in Gujarat
- Financial Closure achieved
- 37 GE-130 2.7 MW WTGs and 140 MWp from Waaree Solar
- Project Status:
 - 220kV line operational, PSS augmentation nearing completion
 - 27 MW WTGs delivered
 - Balance of plant construction underway
- Expect full commissioning by Jun 2022

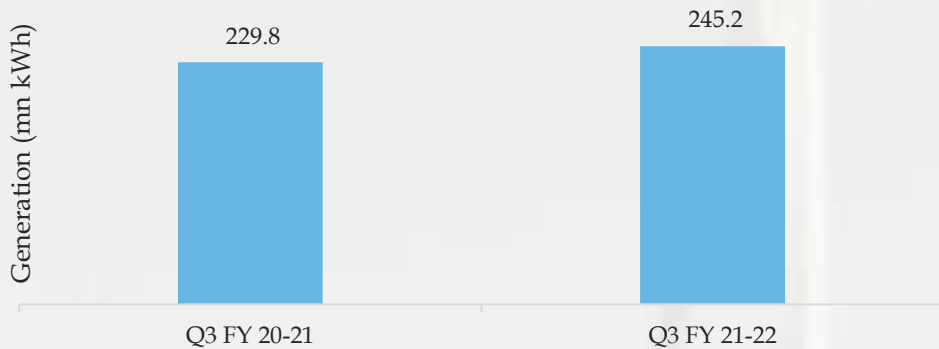


II. RG Operating Performance

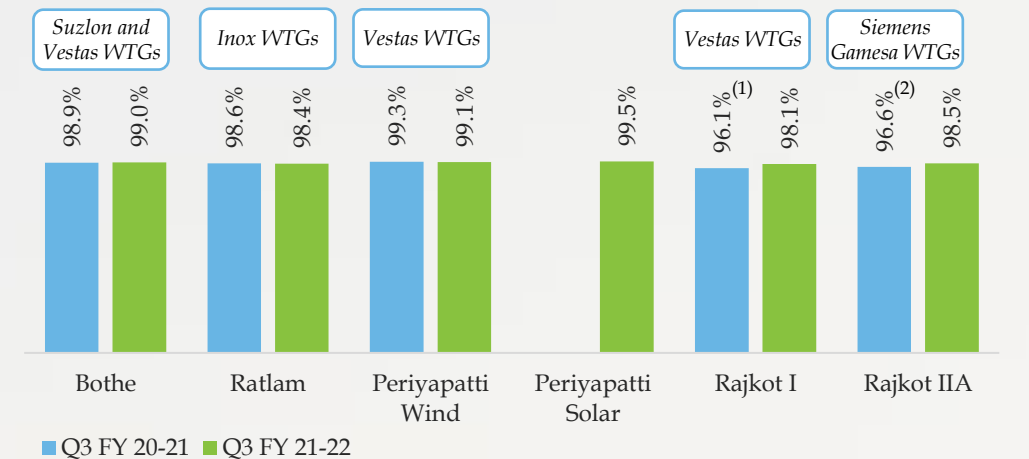


RG Operational Performance - Q3 FY 21-22

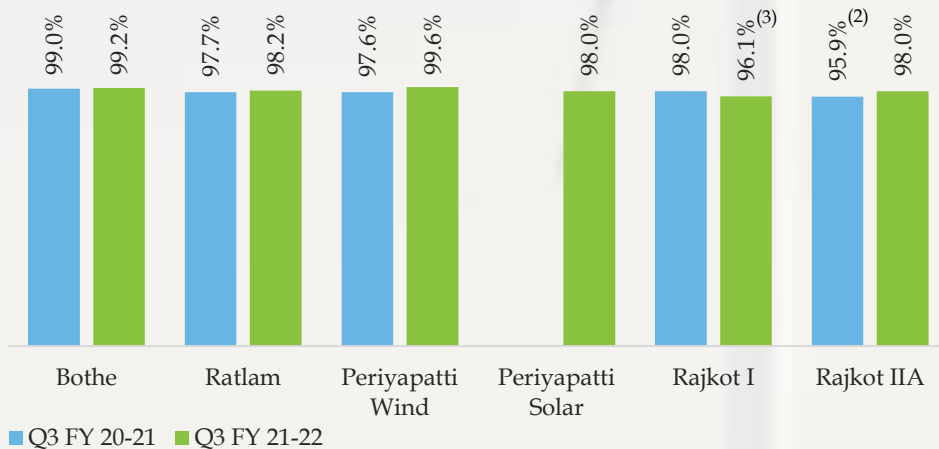
Restricted Group Performance



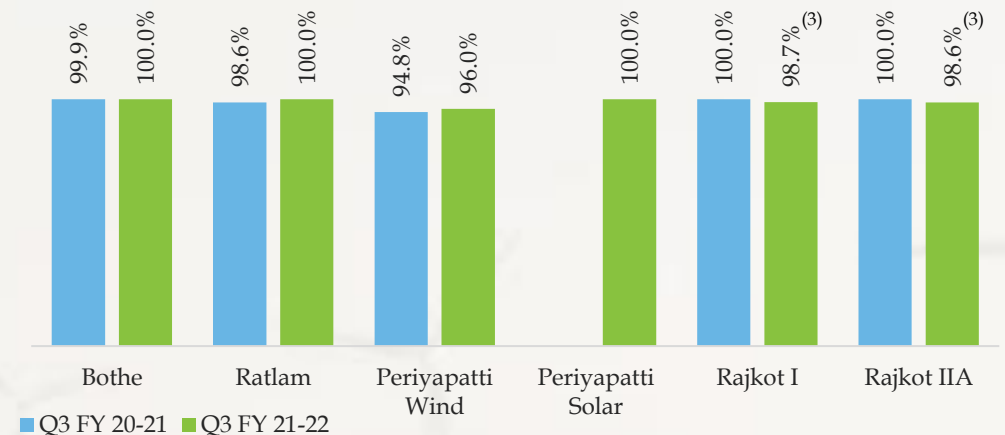
Wind turbine / Solar availability



Internal grid availability



External grid availability



Periyapatti Solar started supply of power from 1st Mar-21. The Performance Ratio for the solar farm was 82.7% for Q3 FY 21-22

Note:

(1) Upgradation works were undertaken on the wind turbines between Sep-20 to Feb-21

(2) Shutdowns were taken to complete pending work after commissioning of the project

(3) Shutdowns were taken to commission the Rajkot - IIB project

RG Operational Performance – Waterfall Analysis (Q3 FY 21-22)

Waterfall of Generation from Q3 FY 20-21 to Q3 FY 21-22

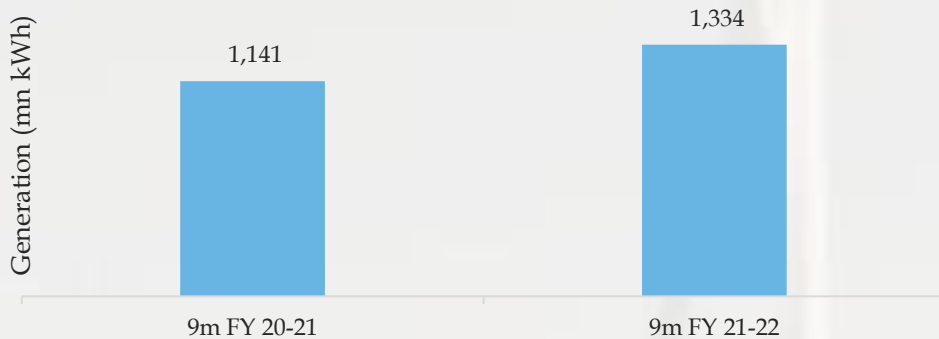


Note:

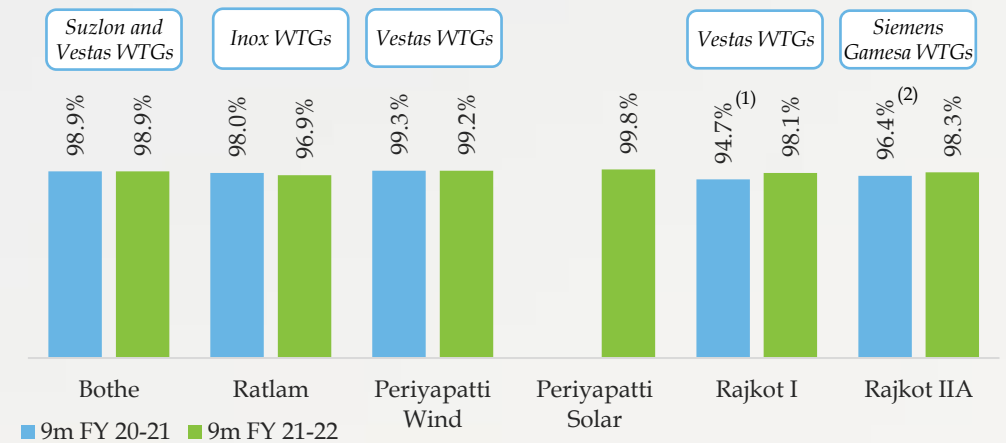
(1) Capacity commissioned after Q3 FY 20-21 – 78.8 MW Periyapatti Solar

RG Operational Performance - 9m FY 21-22

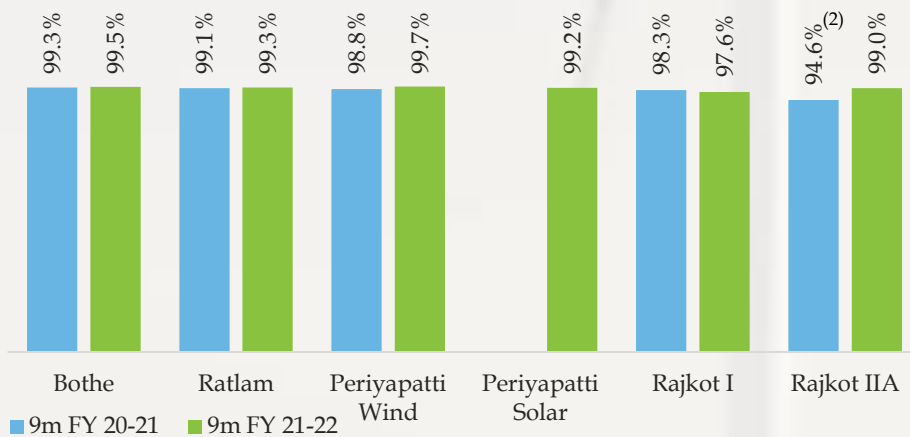
Restricted Group Performance



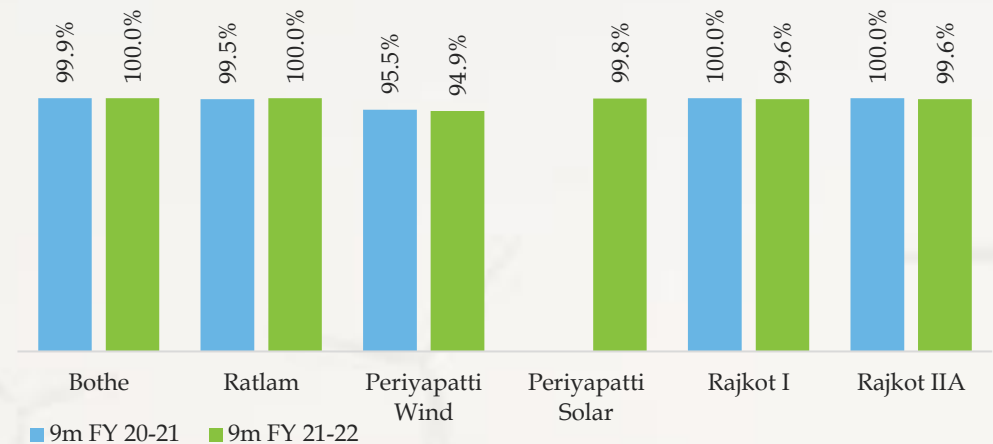
Wind turbine / Solar availability



Internal grid availability



External grid availability



Periyapatti Solar started supply of power from 1st Mar-21. The Performance Ratio for the solar farm was 82.0% for 9m FY 21-22

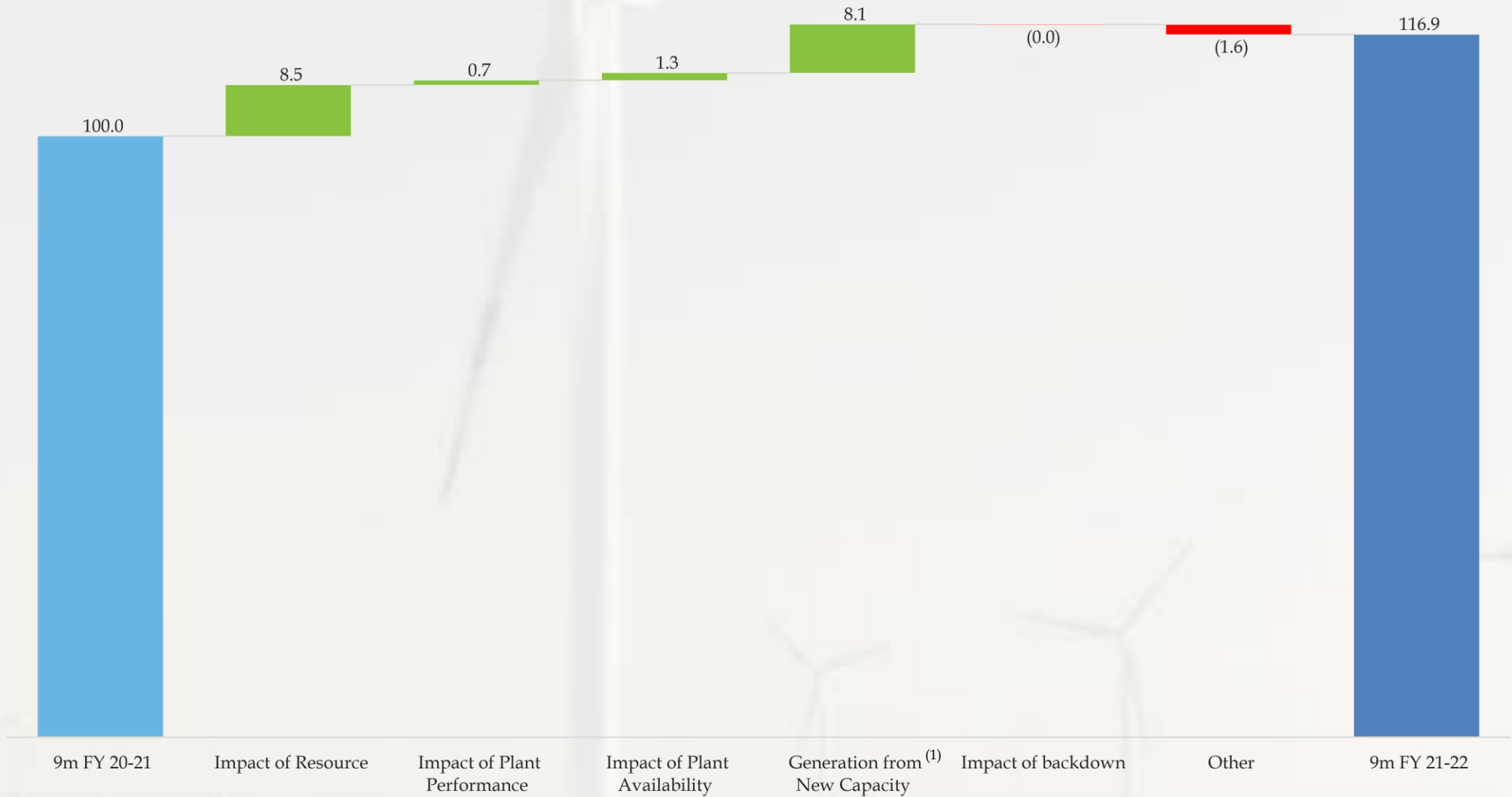
Note:

(1) Wind turbines were shutdown / operated in derated mode as a precaution after the fire incident in Vestas make wind turbine in Jul-20 at Rajkot - I site. Upgradation works were undertaken on the wind turbines between Sep-20 to Feb-21

(2) Shutdowns were taken to complete pending work after commissioning of the project

RG Operational Performance – Waterfall Analysis (9m FY 21-22)

Waterfall of Generation from 9m FY 20-21 to 9m FY 21-22



Note:

(1) Capacity commissioned after Q3 FY 20-21 – 78.8 MW Periyapatti Solar



III. RG Financial Performance

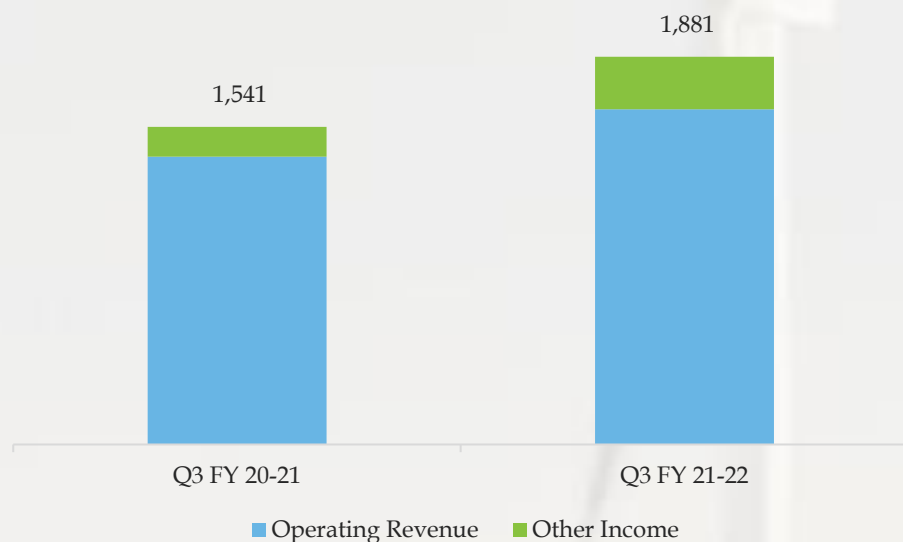


RG Financial Highlights

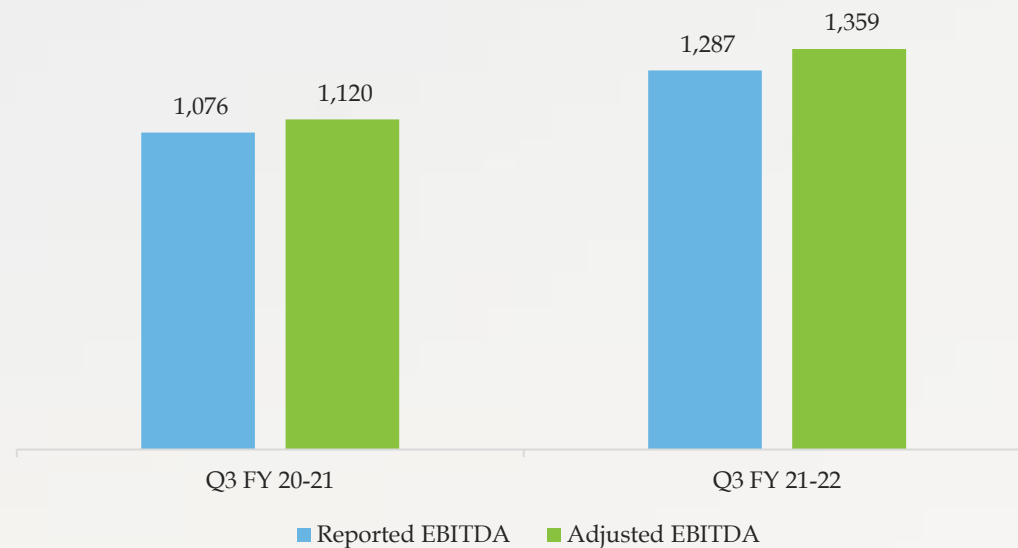
- Funded the Debt Service Reserve Account (DSRA) in cash as of 31st December 2021
 - INR 2,119.5 mn representing next six months of interest and principal payment
 - INR 3,351 mn cash balance as of 31st December 2021 net of working capital facility
- Timely serviced the Notes for amounts (principal and coupon) due on 9th February 2022 (US\$ 27.30 mn) and 9th August 2021 (US\$ 24.85 mn)
- Improvement in DSOs by 30 days over Sep 30, 2021
- Q3FY22 Adjusted EBITDA up by 21.3% compared to Q3FY21
- 9mFY22 Adjusted EBITDA up by 20.1% compared to 9m FY21

RG Financial Performance - Q3 FY 21-22

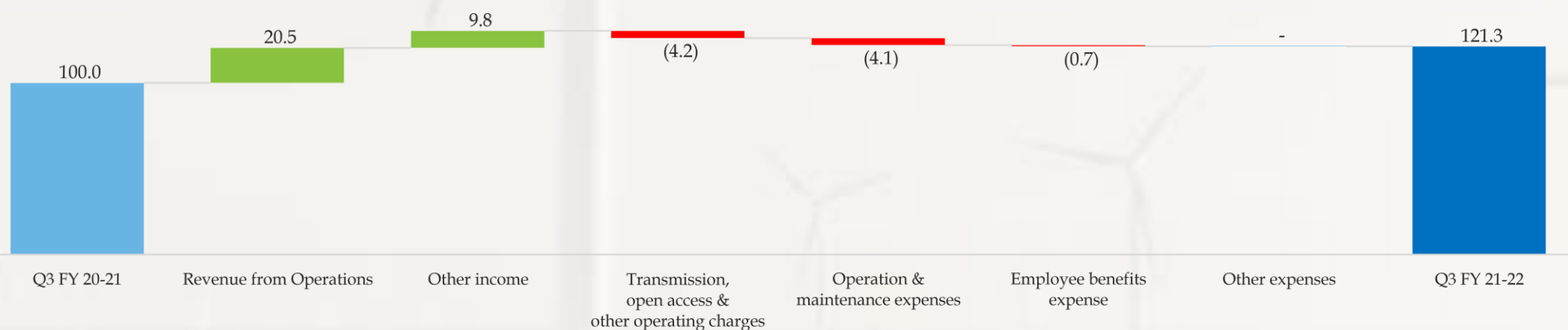
Restricted Group - Revenue (INR mn)



Restricted Group - EBITDA (INR mn)



Waterfall of Adjusted EBITDA from Q3FY21 to Q3FY22

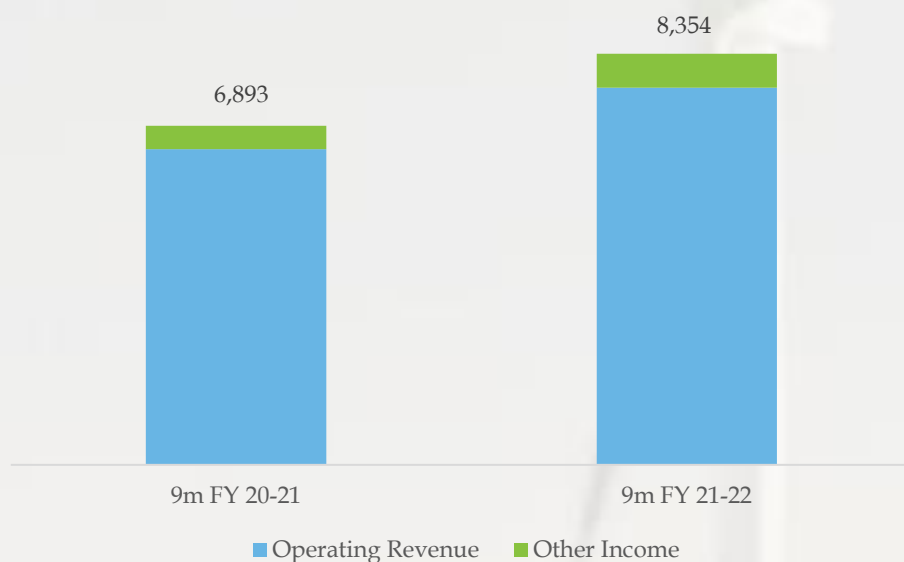


Reported EBITDA = Total income - Operating expenses

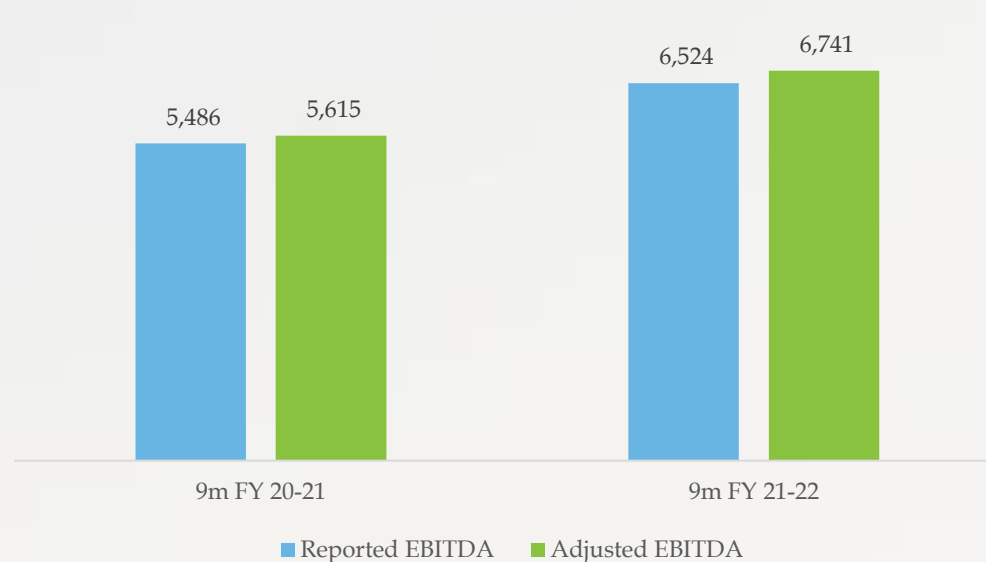
Adjusted EBITDA = Reported EBITDA + Common Overhead Expenses (paid out of distributable surplus) + Any Provision + Notional Foreign Exchange Loss

RG Financial Performance - 9m FY 21-22

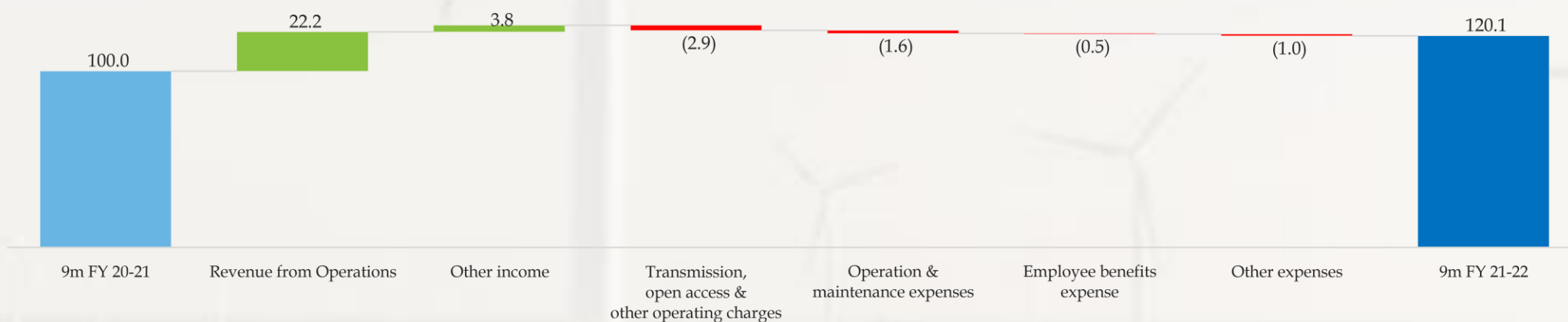
Restricted Group - Revenue (INR mn)



Restricted Group - EBITDA (INR mn)



Waterfall of Adjusted EBITDA from 9mFY21 to 9mFY22



Reported EBITDA = Total income - Operating expenses

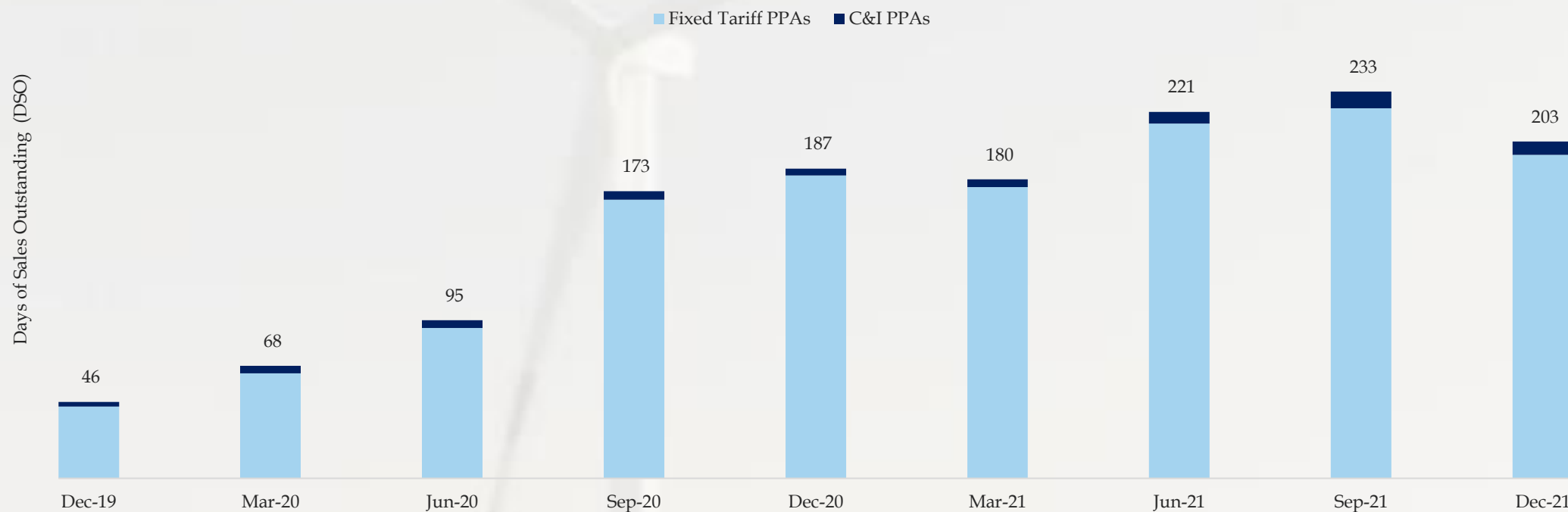
Adjusted EBITDA = Reported EBITDA + Common Overhead Expenses (paid out of distributable surplus) + Any Provision + Notional Foreign Exchange Loss



IV. RG Business Update



Days of Sales Outstanding (DSOs)



- Receivables situations from DISCOMs has started to improve
 - ✓ Improved power demand (~10% higher than pre-Covid levels) also improving DISCOM financial health
 - ✓ Concerted pressure from Govt of India to make DISCOMs clear outstanding payables
 - ✓ Received INR 1,238 mn during the quarter and INR 212 mn in January 2022 from DISCOMs
- DSOs from C&I consumers at less than 20 days

DISCOM payments situation expected to improve (contd.)

- In our previous quarterly updates, we have provided details on Late Payment Surcharge Rules, 2021 and the draft amendments thereafter
 - ✓ Notification of revised Late Payment Surcharge Rules is awaited from Govt of India
- Ministry of Power, Govt of India has also clarified that DISCOMs can be subjected to the bankruptcy process under the Insolvency and Bankruptcy Code.
- Various Judicial forums at state and central levels have, in the recent past, issued judgements directing DISCOMs to clear outstanding payments.
- In Nov 2021 Ministry of Power, Government of India has directed the two largest lenders to DISCOMs – Power Finance Corporation and Rural Electrification Corporation to lend to DISCOMs, only if they are financially viable on cash basis rather than accrual basis. In other words, evaluation for lending will :
 - ✓ Exclude all unpaid dues by state governments to DISCOMs (including subsidy payments)
 - ✓ Exclude all regulatory income which is accrued but not collected from customers by way of tariffs
 - ✓ Treat payables to generators and transmission companies at senior to the debt servicing obligations for determining Cash Available for Debt Service

DISCOM payments situation expected to improve (contd.)

Update on Maharashtra (MH) DISCOM (Off taker for our 199.7 MW Bothe project)

- On 4 Feb 2022, Maharashtra Electricity Regulatory Commission (MERC) directed MH DISCOM as follows:
 - ✓ To provide a plan to make payments of the outstanding amount of bills in respect of generation until Dec 2021;
 - ✓ Plan to be provided within a month of the order; and
 - ✓ Plan to include payment of Late Payment Surcharge as well (1.25% per month of delay)
- A similar order was issued in respect of bills for generation until Dec 2020
 - ✓ MH DISCOM has largely made payments according to the plan; and
 - ✓ MH DISCOM has made payments of generation until Dec 2020

DISCOM payments situation expected to improve

Update on Madhya Pradesh (MP) DISCOM (Off taker for our 170.0 MW Ratlam I project)

On 8 Feb 2022, Appellate Tribunal for Electricity (APTEL)

- Reprimanded MP Electricity Regulatory Commission from enforcing discipline in payments by the MP DISCOM; and
- Directed MP Electricity Regulatory Commission to issue decisive orders within 4 weeks requiring:
 - ✓ MP DISCOM to clear all outstanding to wind generators along with delayed payments surcharge; and
 - ✓ MP DISCOM to discharge its obligations on payments under the PPA on a regular basis going forward

Continuum's view:

The Central Government as well as Judiciary is now focused on improving payments discipline by DISCOMs through multi-pronged actions:

- *Late Payment Surcharge Rules and penalty for not paying on time;*
- *Making financing to DISCOMs conditional on financial viability of DISCOMs and financial discipline;*
- *Directing regulatory commissions to take decisive steps to enforce payments discipline including payment of delayed payment penalty; and*
- *Bringing DISCOMs under the purview of bankruptcy laws creating pressure on state governments to keep the DISCOMs solvent and enable them to discharge their payment obligations*



V. ESG Performance



ESG Performance

Key pointers



0.23 mn tons CO₂ emissions avoided in Q3 FY 21-22 which is equivalent to the average annual carbon footprint of ~0.43 mn Indians*, cumulative 7.6 mn ton CO₂ emissions avoided since inception



Continuum has planted ~250 trees in Q3 FY 21-22 across the Restricted group, the cumulative number of trees planted is 4,371



7.45 mn cumulative safe working man-hours, since Apr-16



ISO Certifications for all operational and under construction sites under ISO 9001-2015 (Quality), ISO 14001-2015 (Environment), ISO 45001-2018 (Safety)

Plan to release 1st Sustainability Report in Q1 FY 22-23



Thank you



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For any query, please reach out to us at continuum.levanter@continuumenergy.in

