



Bond Investor Update

Q4 FY 21-22 – Operational and Financial Highlight
14th June 2022

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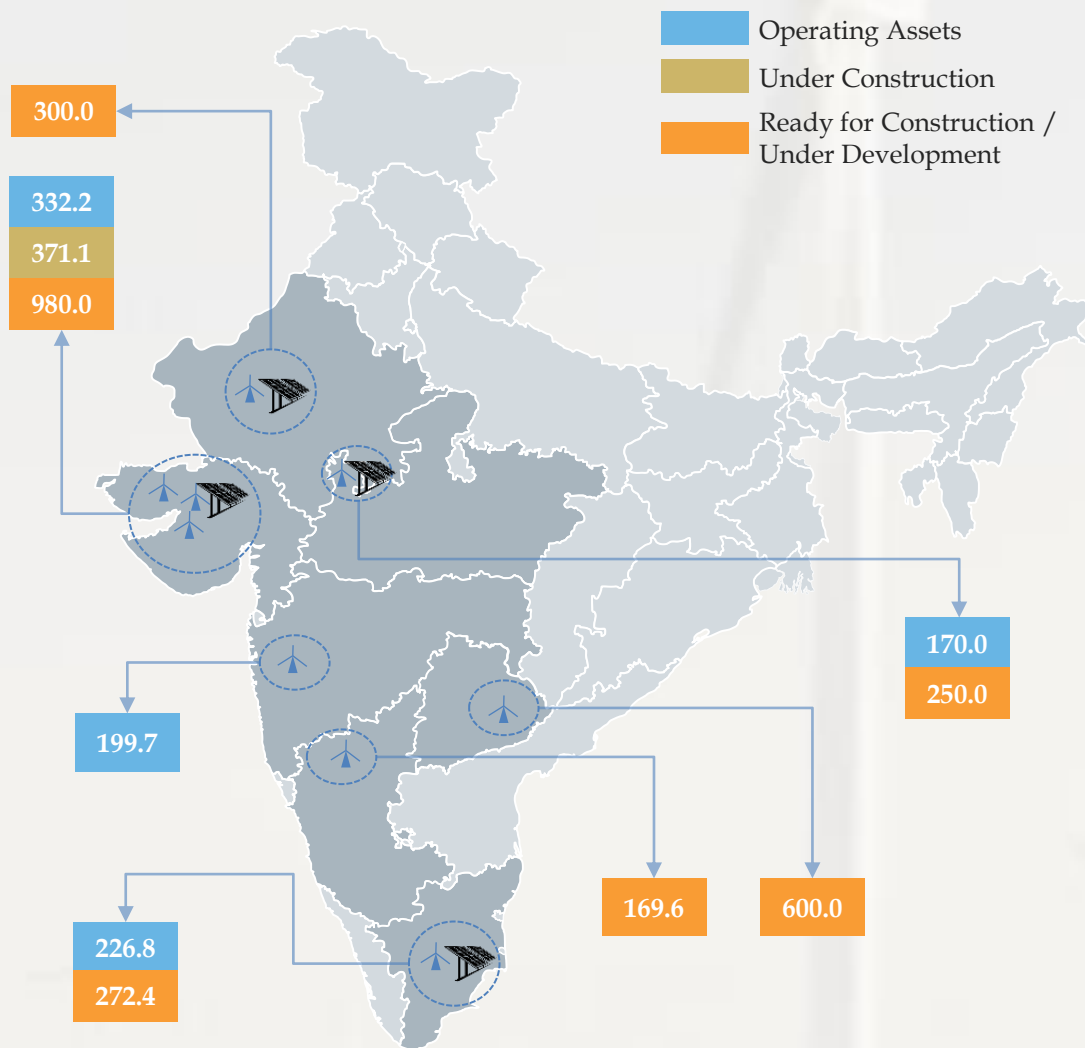


I. Group Overview

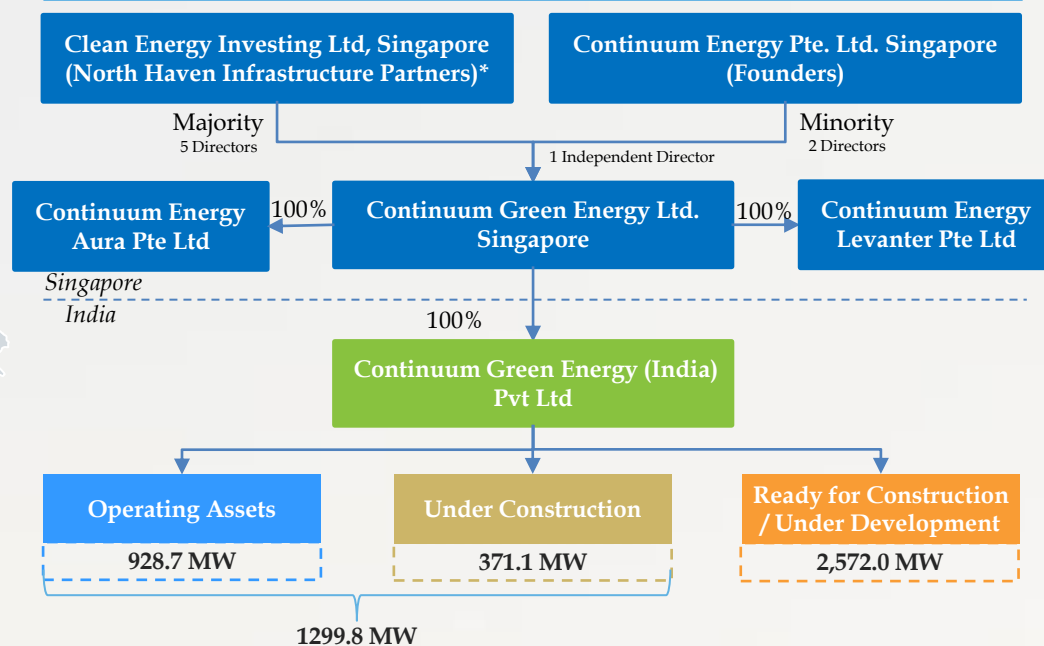


Continuum Green Energy - Group Overview

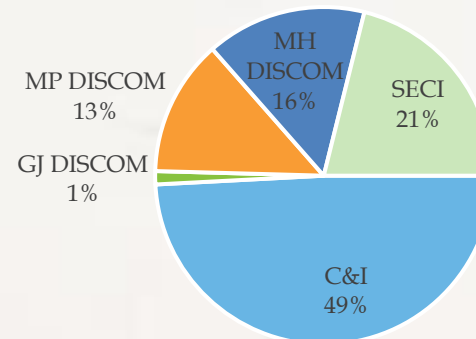
Presence across wind-rich states with diversified off-takers



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:
 - 88 MW is operational
 - 108 MW installed

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:
 - 126.9 MW WTGs delivered; 78.3 MW installed
 - 220kV line and Pooling Substation nearing completion, Balance of plant construction underway

Rajkot - III

239.9 MW (Wind Solar Hybrid)

- PPAs with 28 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 has been completed
 - Entire set of 99.9 MW WTGs delivered; 72.9 MW installed
 - 117 MWp of solar module delivered
 - 37.8 MW of wind capacity & 17.5 MWp of solar capacity have been commissioned
 - Balance of plant construction underway

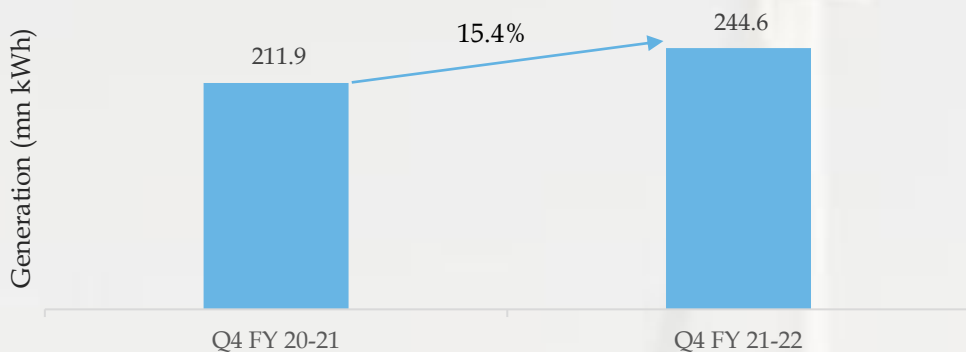


II. RG Operating Performance

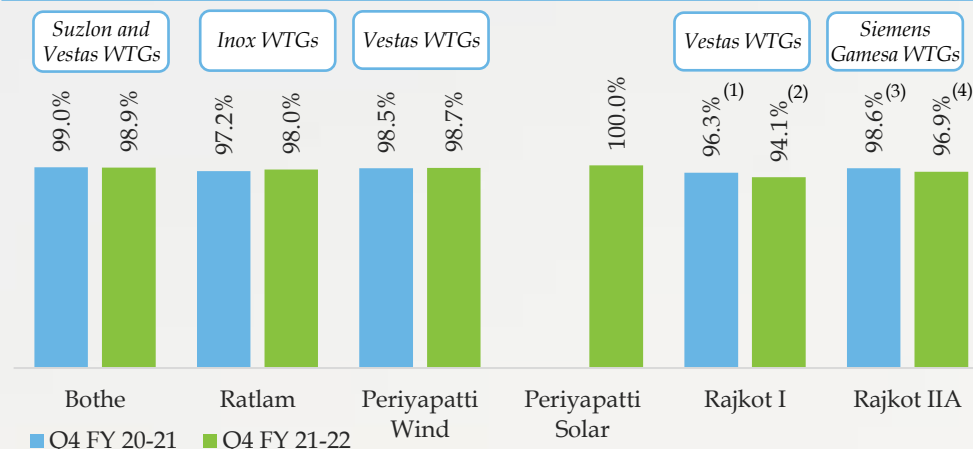


RG Operational Performance - Q4 FY 21-22

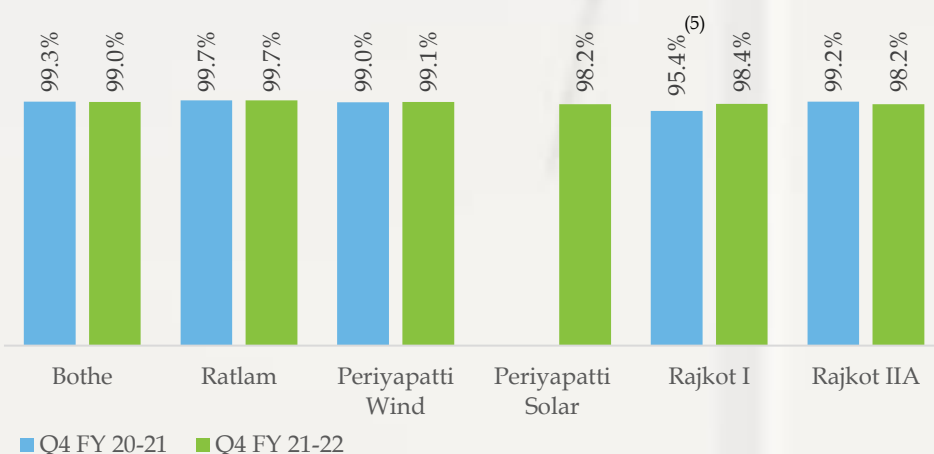
Restricted Group Performance



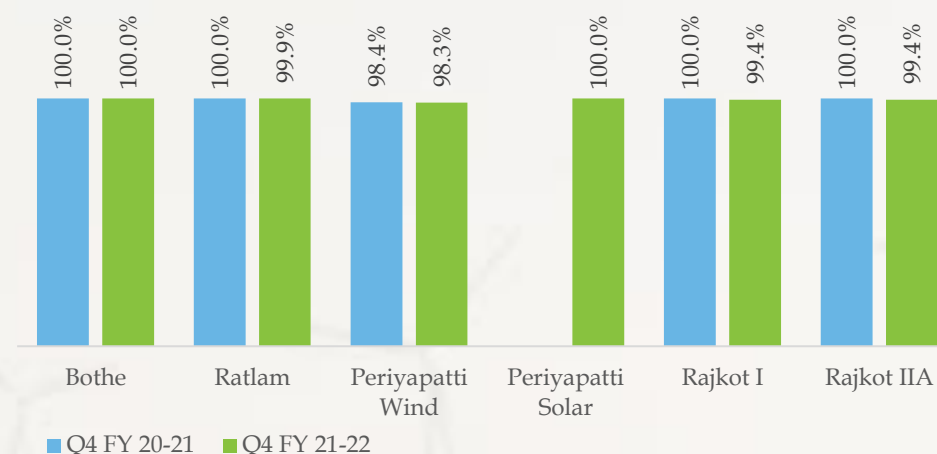
Wind turbine / Solar availability



Internal grid availability



External grid availability



Periyapatti Solar started supply of power from 1st Mar-21. The Performance Ratio for the solar farm was 78.8% for Q4 FY 21-22

Note:

(1) Upgradation works were undertaken on the wind turbines between Sep-20 to Feb-21 (5) Annual maintenance of 33kV line

(2) Repair works undertaken for leading edge erosion on the blades of Vestas V120

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

(4) Failure of USS transformer in one of the SGR SG122 WTG

RG Operational Performance – Waterfall Analysis (Q4 FY 21-22)

Waterfall of Generation from Q4 FY 20-21 to Q4 FY 21-22

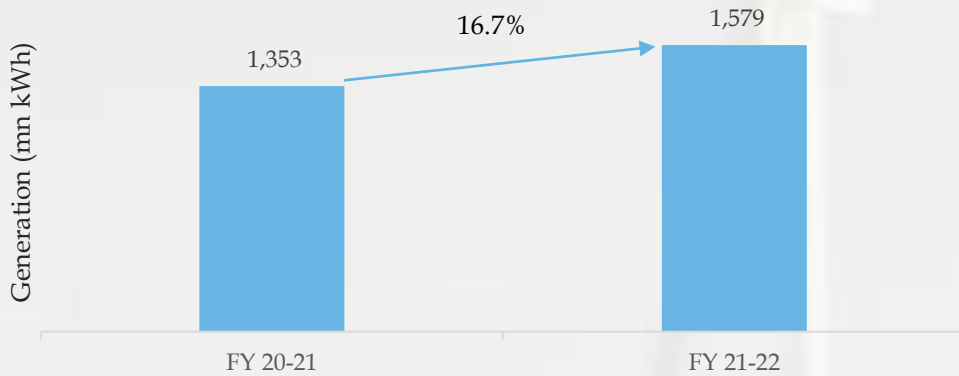


Note:

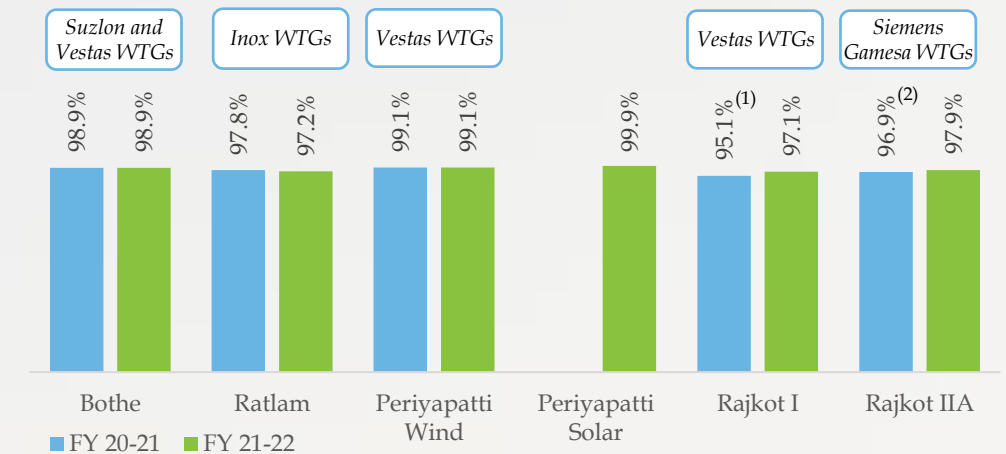
(1) 78.8 MW Periyapatti Solar started supplying on 1st March 2021

RG Operational Performance - FY 21-22

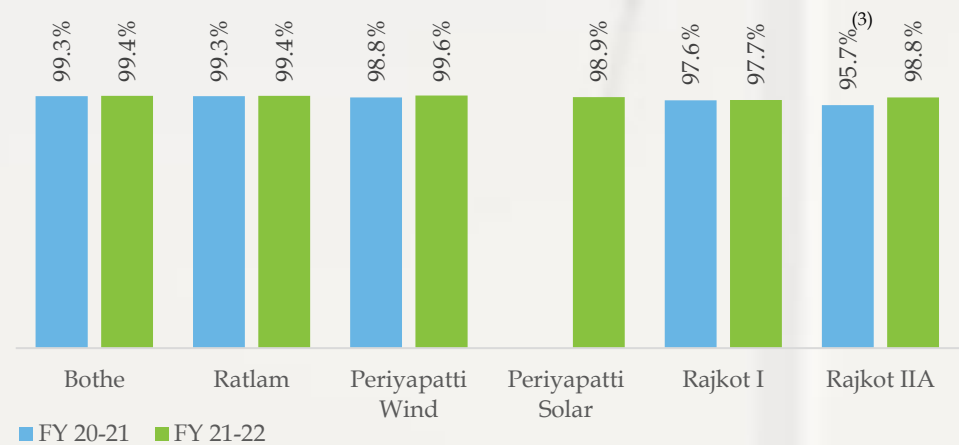
Restricted Group Performance



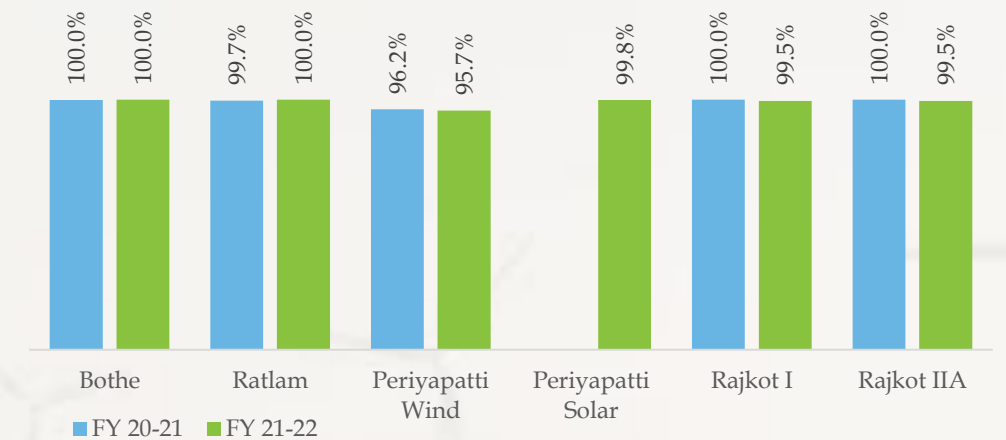
Wind turbine / Solar availability



Internal grid availability



External grid availability



Periyapatti Solar started supply of power from 1st Mar-21. The Performance Ratio for the solar farm was 81.2% for 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) Due to stabilization period post commissioning of the windfarm in Jun-20

(3) Due to construction and stabilization of the windfarm in Apr-20 to Oct-20

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

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



Note:

(1) 78.8 MW Periyapatti Solar started supplying on 1st March 2021



III. RG Financial Performance

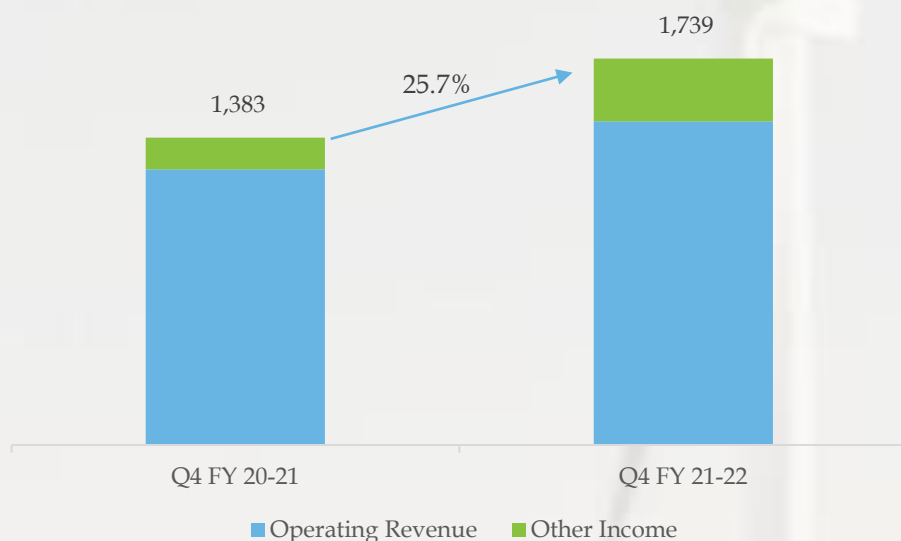


RG Financial Highlights

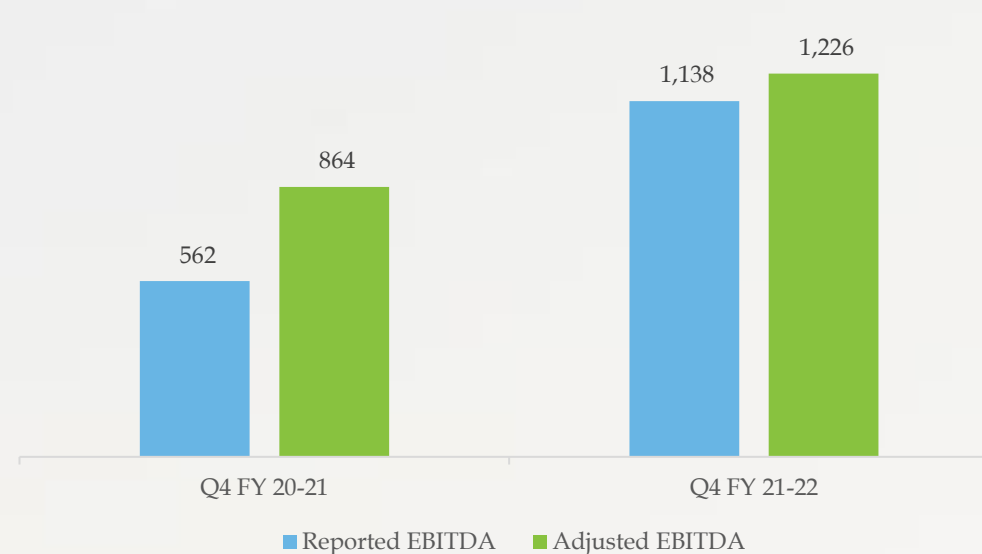
- Funded the Debt Service Reserve Account (DSRA) in cash to INR 2,120 mn representing next six months of interest and principal payment
- INR 2,437 mn cash balance as of 31 Mar 2022 net of working capital facility
- Timely serviced the Notes for amounts (principal and coupon) due on 9 Feb 2022 (US\$ 27.30 mn) and 9 Aug 2021 (US\$ 24.85 mn)
- Improvement in DSOs by 17 days over 31 Dec 2021
- Q4 FY 21-22 Adjusted EBITDA up by 41.9% compared to Q4 FY 20-21
- FY 21-22 Adjusted EBITDA up by 23.0% compared to FY 20-21

RG Financial Performance - Q4 FY 21-22

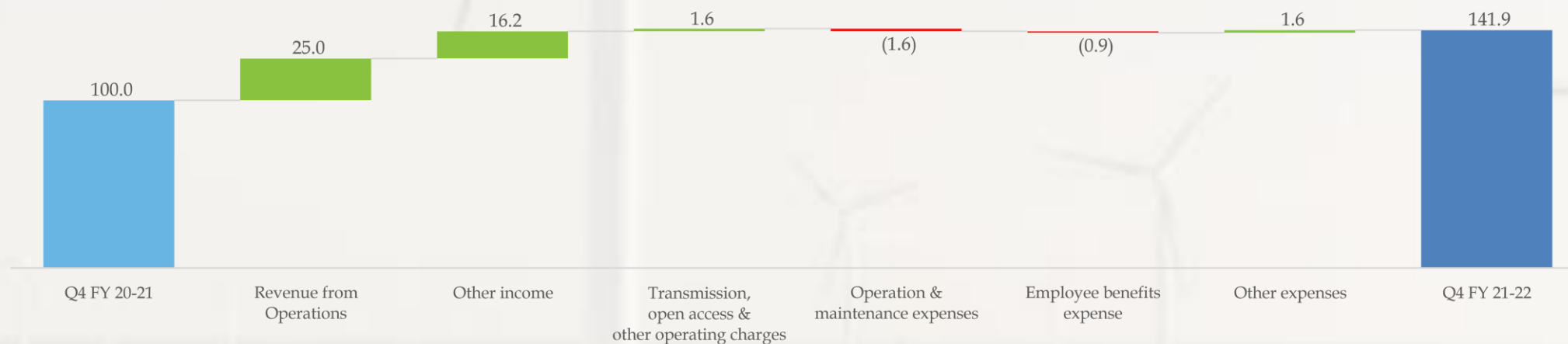
Restricted Group - Revenue (INR mn)



Restricted Group - EBITDA (INR mn)



Waterfall of Adjusted EBITDA from Q4 FY 20-21 to Q4 FY 21-22

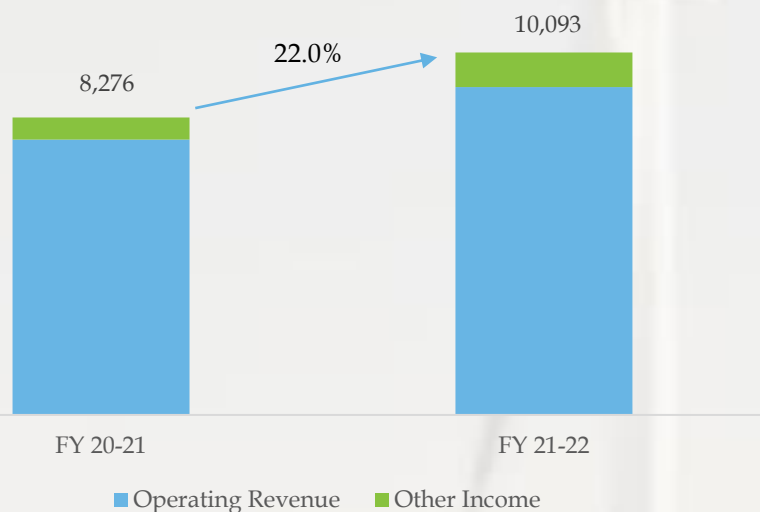


Reported EBITDA = Total income - Operating expenses

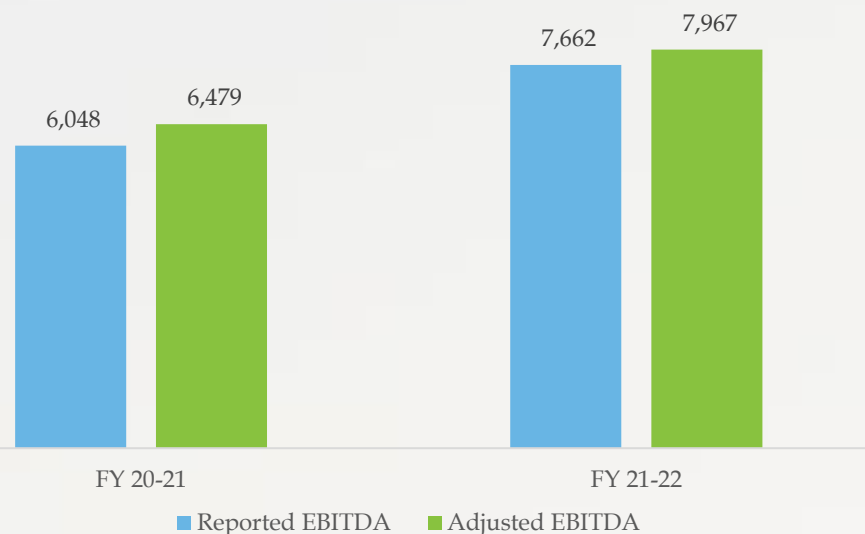
Adjusted EBITDA = Reported EBITDA + Common Overhead Expenses (paid out of distributable surplus) + Any Provision + Notional Foreign Exchange Loss

RG Financial Performance - FY 21-22

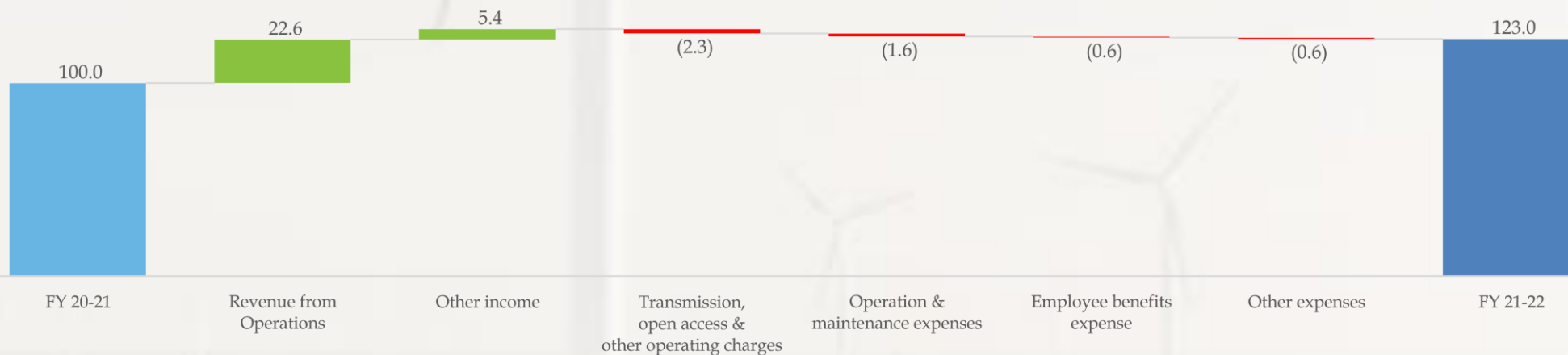
Restricted Group - Revenue (INR mn)



Restricted Group - EBITDA (INR mn)



Waterfall of Adjusted EBITDA from FY 20-21 to FY 21-22



Reported EBITDA = Total income - Operating expenses

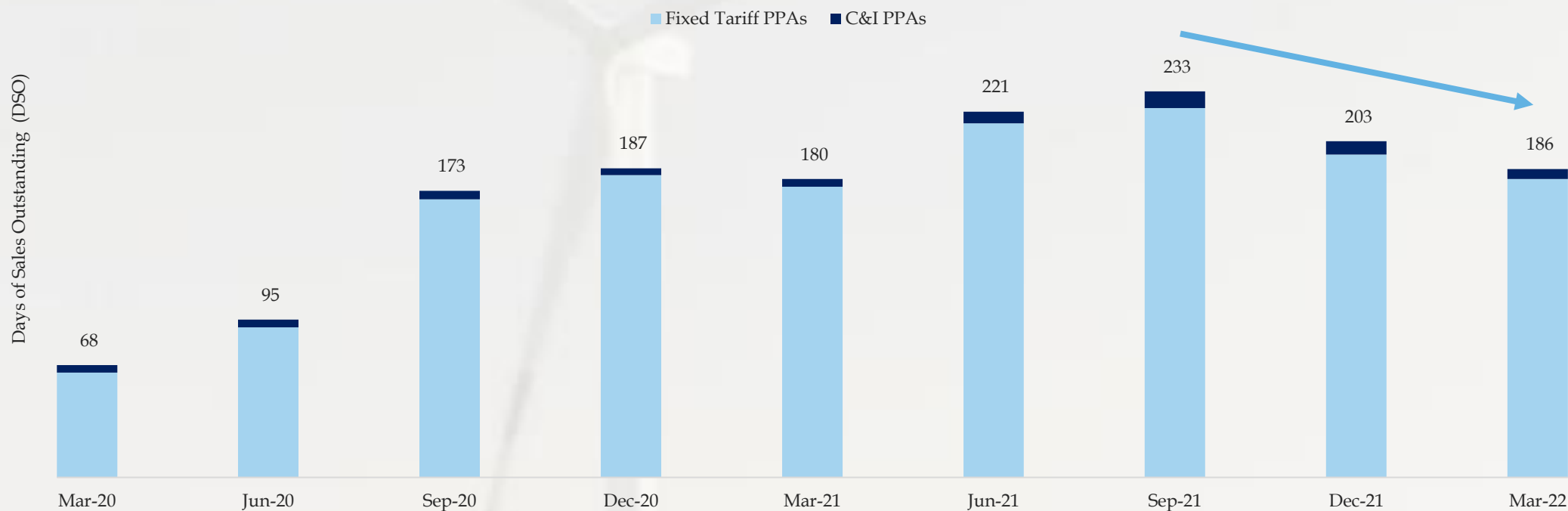
Adjusted EBITDA = Reported EBITDA + Common Overhead Expenses (paid out of distributable surplus) + Any Provision + Notional Foreign Exchange Loss



IV. RG Business Update



Days of Sales Outstanding (DSOs)



- Receivables situation from DISCOMs has started to improve
 - ✓ Concerted pressure from Govt of India to make DISCOMs clear outstanding payables
 - ✓ Received INR 754 mn during Q4FY22 and INR 1,078 mn in April / May 2022 from DISCOMs
 - ✓ Received Late Payment Surcharge of INR 116 mn from MH Discom along with the receipt of dues in April and May 2022
- DSOs from C&I consumers at less than 20 days

DISCOM DSOs expected to reduce

Update on Maharashtra (MH) DISCOM

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)
- On 4 Mar 2022, MH DISCOM had submitted the following payment plan to MERC with regards to clearance of the outstanding amount of bills in respect of generation until Dec 2021

| S n o. | Generation Month | Expected Payment Date | Status regarding Continuum's dues as of 10 June 2022 |
|-----------------------|-----------------------------------|------------------------------|---|
| 1 | Up to March - 2021 | April - 2022 | Received along with LPS |
| 2 | April - 2021 to June - 2021 | June - 2022 | Received along with LPS |
| 3 | July - 2021 to September - 2021 | August - 2022 | To be received |
| 4 | October - 2021 to December - 2021 | October - 2022 | To be received |

DISCOM DSOs expected to reduce (Cont.)

Update on Madhya Pradesh (MP) DISCOM

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 for not enforcing discipline in payments by the MP DISCOM; and
- Directed MP Electricity Regulatory Commission to issue decisive orders 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
- Since the directive, MP DISCOM has regularly released funds on each month and cleared due till generation month of Mar 2021

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*

DISCOM DSOs expected to reduce (Cont.)

Late Payment Surcharge Rules

Notification of revised Late Payment Surcharge Rules by Ministry of Power, Govt of India on 3 Jun 2022

- Late Payment Surcharge (LPS) shall be payable at Base Rate defined as 1 year SBI lending rate as of 1st of April of the Fiscal Year (in which period dues lies) plus 5%
 - ✓ For successive month of default the rate shall increase by 50 bps per month subject to a cap of 300 bps over the Base Rate, but not exceeding the rate mentioned in any PPA, if any
 - ✓ 1 year SBI lending rate was 7.0% as of 1 Apr 2021 and 7.0% as of 1 Apr 2022
- All payments shall be first adjusted towards LPS and thereafter, towards oldest invoices
- DISCOM may exercise the option, by 2 Jul 2022, to pay the outstanding dues including the LPS up to 3 Jun 2022 in following equal monthly instalments, paid on 5th of each month pro-rata to all parties whose dues are pending:

| S no. | Outstanding Dues Amount (INR bn.) | Max. no. of monthly installments |
|-------|-----------------------------------|----------------------------------|
| 1 | Up to 5 | 12 |
| 2 | >5 up to 10 | 20 |
| 3 | >10 up to 20 | 28 |
| 4 | >20 up to 40 | 34 |
| 5 | > 40 up to 100 | 40 |
| 6 | > 100 | 48 |

- If DISCOMS pay strictly on time as above, no LPS will accrue after 3 Jun 2022, otherwise, it will continue to be payable

Other Significant Regulatory Updates

Green Energy Open Access Rules

Notification of the Green Energy Open Access Rules by Ministry of Power, Govt of India on 6 Jun 2022

- Establishment of a central nodal agency for processing green energy open access applications
 - ✓ The applications shall be processed on FIFO basis with deemed approval in 15 days
 - ✓ No rejection of any application without reasonable opportunity to the applicant of being heard and any order denying the open access shall be a speaking order (i.e, an order which is full of reasons or a reasoned order)
- Common methodology for calculation of all the open access charges by forum of regulators within 4 months
- For green open access, only following charges shall be levied:
 - ✓ transmission and wheeling charges,
 - ✓ cross subsidy surcharge which shall not increase during first 12 years from COD of the generating plant, by more than 50% of the surcharge fixed for the year in which open access was granted
 - ✓ standby charges, wherever applicable, capped at 10% electricity charge to consumer tariff category
 - ✓ additional surcharge only if fixed charges are not being paid by the consumer
 - ✓ banking charges to be determined by appropriate regulatory commission, banking to be provided at least on a monthly basis and to be minimum 30% of the monthly consumption by the consumer

Continuum's view:

- *Boost to the C&I sales of renewable energy by bring more clarity to the charges and streamlining the process of grant of green open access*
- *No levy of additional surcharge on Continuum's customers (since all of them pay fixed charges to DISCOMs) will further improve attractiveness*

Other Significant Regulatory Updates (Cont.)

Trajectory for replacement of Thermal Energy with Renewable Energy

Trajectory for replacement of 58,000 MU Thermal Energy with 30 GW Renewable Energy by 2025 - 2026

- On 26 May 2022, Ministry of Power issued directive to CMDs of all Central PSUs and DISCOMs, and Principal Secretaries of the States to implement the following trajectory of replacement of thermal capacity by renewable capacity and bundle the same under their current power sale agreement
 - ✓ 20% by 2023-24
 - ✓ 35% by 2024-25
 - ✓ 45% by 2025-26
- Directive also stated that the technical minimum capacity factor for the Thermal Power Plant at 55% can further go down to 40% in another 2-3 years

Continuum's view:

- *The reduction in the capacity factor from 55% to 40% shall create space for additional absorption of renewables.*
- *However, it will also lead to higher burden on the DISCOMs of fixed capacity charge payments to thermal generators resulting in requirement of retail tariffs charged by DISCOMs to C&I consumers*



V. ESG Performance



ESG Performance

Key pointers



0.23 mn tonnes CO₂ emissions avoided in Q4 FY 21-22 which is equivalent to the average annual carbon footprint of ~0.41 mn Indians*, cumulative 7.1 mn tonnes # CO₂ emissions avoided since inception across the Restricted Group



Continuum across the Restricted group has planted a cumulative number of 4,424 trees



7.65 mn cumulative safe working man-hours, since Apr 2016



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

Released 1st Sustainability Report on 14th June 2022

* As researched by the Japanese Research Institute for Humanity & Nature, the mean carbon footprint of every Indian is estimated at 0.56 tonne per annum

The cumulative number has been restated basis a change in methodology for calculation of the CO₂ emissions avoided to bring in line with the standards set by CEA



Thank you



CONTINUUM

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

