Continuum Green Energy Limited

December 06, 2022

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Key presenters

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– Over 17 years of work experience with leading banks/ FIs
– B.E. (Civil) and MBA (Finance) from Jamnalal Bajaj Institute of Management Studies

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Senior Manager, Corporate Finance

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I. Group Overview

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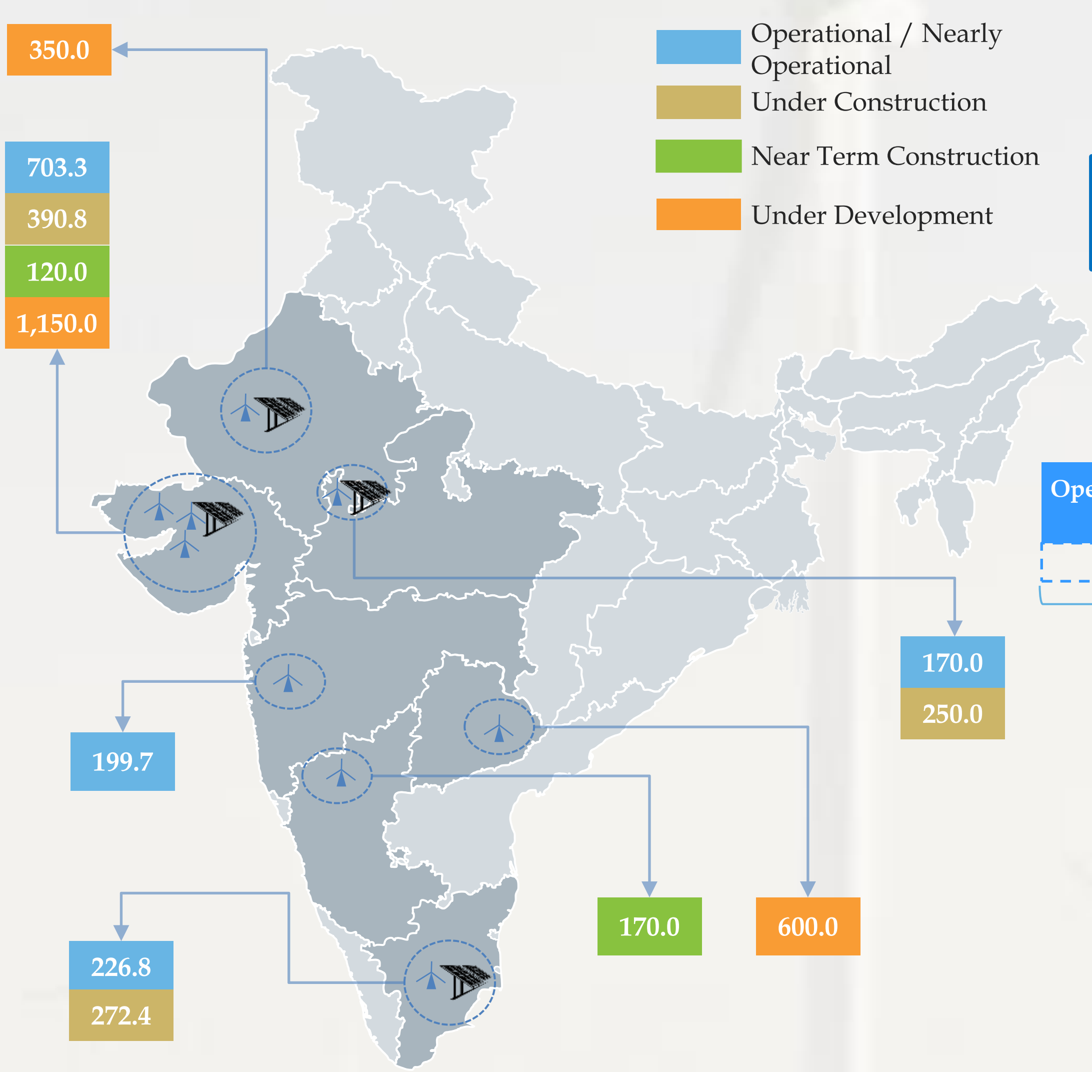
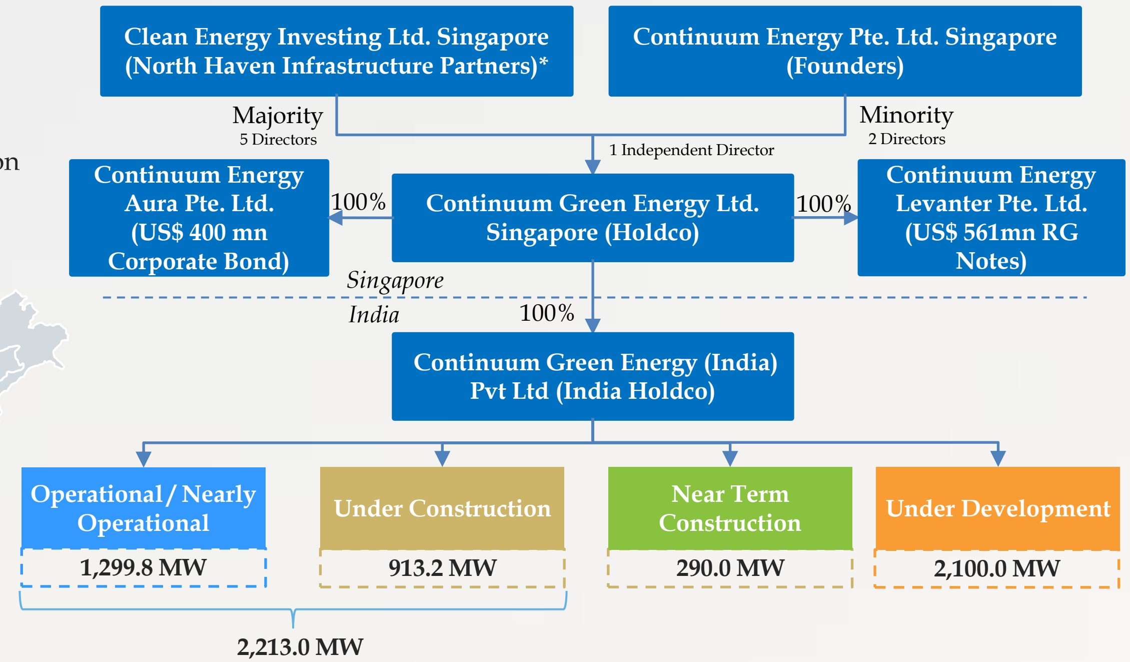
Continuum Green Energy – Group Overview

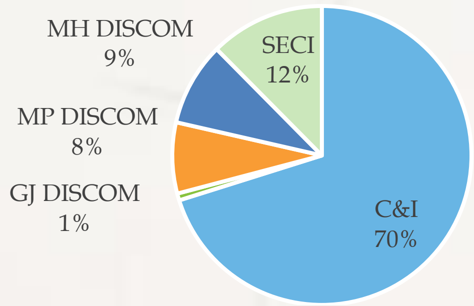
Presence across wind-rich states with diversified off-takers



Continuum Corporate Structure



Off taker mix (2,213.0 MW Operational / Nearly Operational and Under Construction)



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

* *Managed by Morgan Stanley Infrastructure Partners*

Status of Construction of Projects

Nearly Operational by Q3 FY 22–23

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:
  - 126 MW delivered to site
  - 126 MW installed
  - 88 MW commissioned

Morjar

148.5 MW (Wind)

- 25-year PPA with SECI at a fixed tariff of INR 2.82/kWh
  - Expect additional INR 0.11/kWh as a Change in Law compensation (add GST)
- Financial Closure achieved
- 55 GE-132 2.7 MW WTGs
- Project Status:
  - 220kV line and Pooling Substation completed and commissioned
  - 100% of the 148.5 MW WTGs delivered
    - ✓ 102.6 MW installed
    - ✓ 81.0 MW commissioned

Rajkot – III

239.9 MW (Wind Solar Hybrid)

- PPAs with C&I Consumers in Gujarat
- Financial Closure achieved
- 37 GE-132 2.7 MW WTGs and 140 MWp from Waaree Solar
- Project Status:
  - 220kV line & Pooling Substation operational
  - 100% of 99.9 MW WTGs delivered
    - ✓ 91.8 MW installed
    - ✓ 83.7 MW commissioned
  - 100% of 140 MWp solar modules delivered
    - ✓ 105.0 MWp installed
    - ✓ 70.0 MWp commissioned

Status of Construction of Projects

Under Construction and expected commissioning - Q1 FY 23–24

Ratlam II

250.0 MW (Wind Solar Hybrid)

- Brownfield expansion of Ratlam I project site with capacity of 99.9 MW wind & 150.1 MWp solar
- PPAs with C&I Consumers in Madhya Pradesh
- Financial Closure achieved
- 37 GE-132 2.7 MW WTGs contracted
- Solar equipment under contracting

Bhavnagar

300.8 MW (Wind Solar Hybrid)

- Greenfield Wind solar hybrid project with capacity of 118.8 MW wind & 182.0 MWp solar
- PPAs with C&I Consumers in Gujarat
- Financial Closure achieved for 280.7 MW
- 44 Senvion – 130 2.7 MW WTGs contracted
- Solar equipment under contracting

Dalavaipuram

272.4 MW (Wind Solar Hybrid)

- Greenfield Wind solar hybrid project with capacity of 118.8 MW wind & 153.6 MWp solar
- PPAs with C&I Consumers in Tamil Nadu
- Financial Closure achieved
- 44 GE-132 2.7 MW WTGs contracted
- Solar equipment under contracting

Kalvad I

90.0 MW (Wind Solar Hybrid)

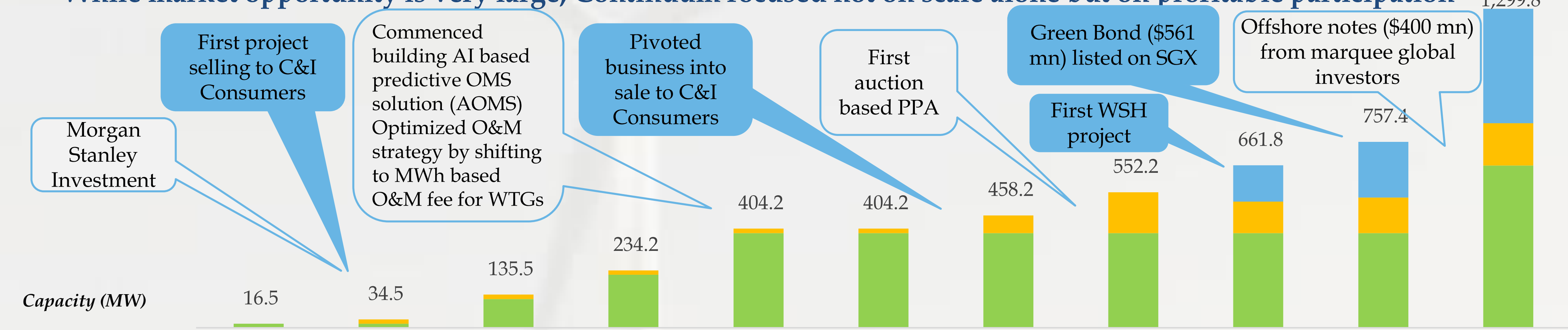
- Greenfield Wind solar hybrid project with capacity of 35.1 MW wind & 54.9 MWp solar
- PPAs with C&I Consumers in Gujarat
- Financial Closure to be achieved
- Wind & solar equipment under contracting

337.5 MW of wind turbines contracted on supply, install, commission, operate and maintain basis

INR 33.2 bn of 18-20 year tenor senior INR project debt tied up in local markets in this quarter at sub 9% p.a. for 803 MW of C&I projects

Continuum's differentiated approach to keep ahead of the profitability curve

While market opportunity is very large, Continuum focused not on scale alone but on profitable participation



	FY12A	FY13A	FY14A	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	Q3 FY23E
WSH C&I PPAs	-	-	-	-	-	-	-	-	148.0	226.8	466.7
Wind C&I PPAs	-	18.0	18.0	18.0	18.0	18.0	72.0	166.0	127.6	144.4	172.4
Wind Utility PPAs	16.5	16.5	117.5	216.2	386.2	386.2	386.2	386.2	386.2	386.2	660.7
Total	16.5	34.5	135.5	234.2	404.2	404.2	458.2	552.2	661.8	757.4	1,299.8

Feed in Tariff Regime – Regulators determined Tariff basis predefined return

- Control development to optimize Capex/kWh
- 100% ownership and control of large projects for
  - ✓ Control on O&M, deployment of AI based analytics to drive efficiency
  - ✓ ability to add solar/storage
- Experiment with C&I sales – 18.0 MW since 2012

Competitive Bidding Regime driving Capex/kWh down

- Capitalize on reducing auction driven capex levels and selling into higher value C&I market to increase profitability
- Build diverse customer base and expertise in C&I
- Retain tariff upside (inflation hedge)

Advantageous capex, C&I market and Hybridization

- Hybridization of the existing windfarms to drive down the LCOE by adding solar
- Build additional hybrid capacity for sale into high value C&I market

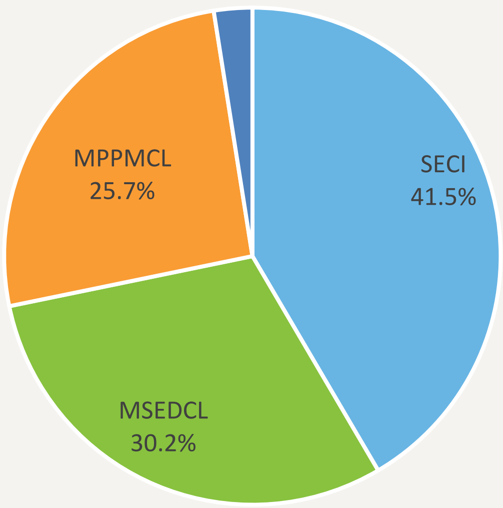
LCOE – Levelized Cost of Energy

Superior counterparty profile with attractive C&I mix

Operational and shortly Operational capacity: ~1.3 GW

Highly rated utility offtakers

Split of operational/ shortly operational capacity (660.7 MW)

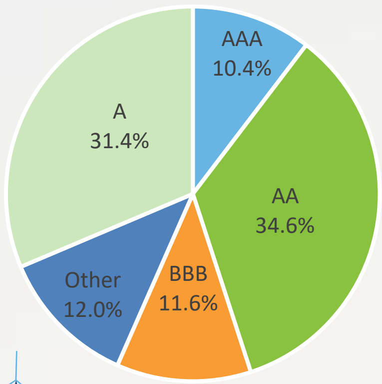


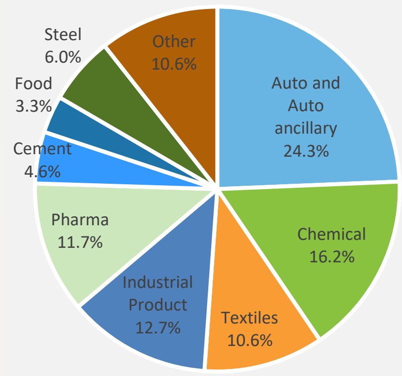
AAA (ICRA)	SECI
AA- (ICRA)	Gujarat Discom (GUVNL)
A+ (Acuite)	Maharashtra Discom (MSEDCL)
A- (CARE)	MP Discom (MPPMCL)

Highly rated C&I customers with timely payments

Off-taker credit ratings $ **Off-taker Industries**

(Operational/ shortly operational C&I capacity: 639.1 MW)



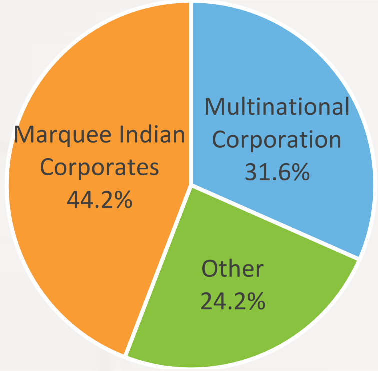


< 2-3 weeks DSO in C&I market with no bad debts

Strong quality of service attracting several marquee clients

Off-taker profile

(Operational / shortly operational C&I capacity: 639.1 MW)



$ *Credit ratings as per Indian credit rating agencies*

II. C&I and Wind Solar Hybrid business

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Why do we like C&I Business?

01 — Auctions have reduced LCOE. However, higher tariffs in C&I than auctions — **High margins**

02 — Inflation hedge for operating costs — **Inflation hedge**

03 — Highest value for wind-solar hybrid and wind compared to stand alone solar projects — **Optimum value realisation**

04 — Low consumer concentration risk and revenue risk — **Revenue diversification**

LCOE : Levelized Cost of Energy
C&I : Commercial and Industrial

C&I tariffs to continue to remain high to subsidize weaker segments

- Tariffs charged by utilities to industries have risen at a CAGR of ~4% on all India average basis
- Tariffs charged to agriculture and residences continue to be cross-subsidized by higher commercial and industrial tariffs
- Increase in agricultural tariff is politically unpalatable

Increasing tariffs charged by DISCOMs to C&I consumers

– Rising Average Cost of Supply (ACoS) of Utilities despite lower cost of renewables purchase
– Utilities continuing to make losses at current tariffs
– Higher fixed cost of backed-down thermal power due to increasing renewable energy penetration
– Higher Transmission & Distribution (T&D) costs to provide 24X7 electricity to all
– Higher per unit T&D cost on account of thrust for renewables

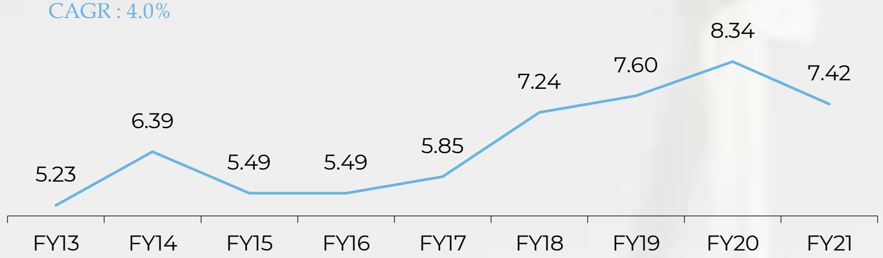
Recent DISCOM Reforms 3.0 Program likely to require further increase in tariffs charged to C&I consumers

Objectives	Implementation and enforcement through
• Improved quality, reliability and affordability of power supply to consumers • Financially sustainable and operationally efficient distribution sector • Ensuring zero deficit for DISCOMs by FY25 • Reduce the Aggregate Technical & Commercial (AT&C) losses to pan-India levels of 12-15% by FY 24-25	• Denying access to bank/financial institutional financing unless DISCOMs adhere to the plan • Federal financial support to DISCOMs who undertake reforms • 60% marks in evaluation criteria linked to: ✓ Zero deficit between tariffs and costs ✓ Timely payment of subsidy by state governments to DISCOMs ✓ Timely payment by DISCOMs to generators / transmission companies ✓ Reduced AT&C losses

Consistent rise in discom revenue per kWh from industrial consumers

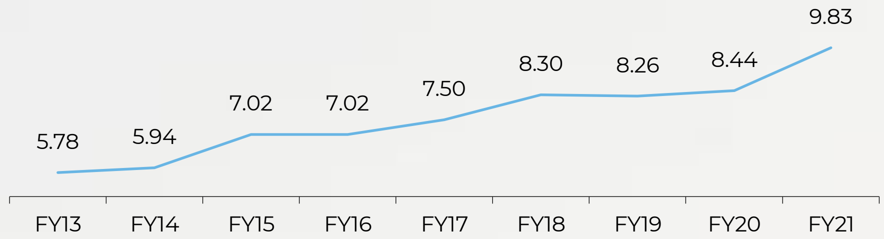
MAHARASHTRA

CAGR : 4.0%



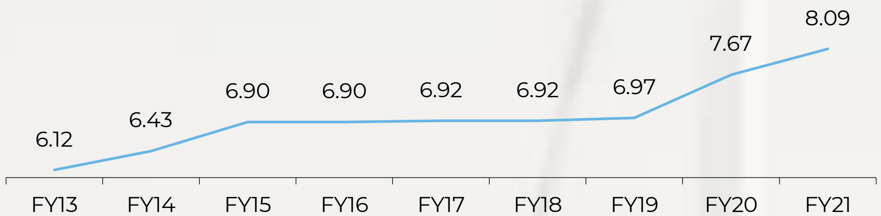
KARNATAKA

CAGR : 6.9%



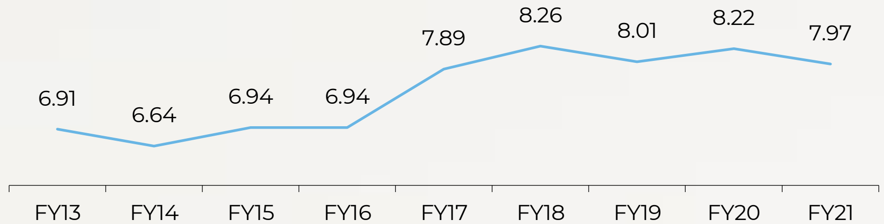
GUJARAT

CAGR : 3.5%



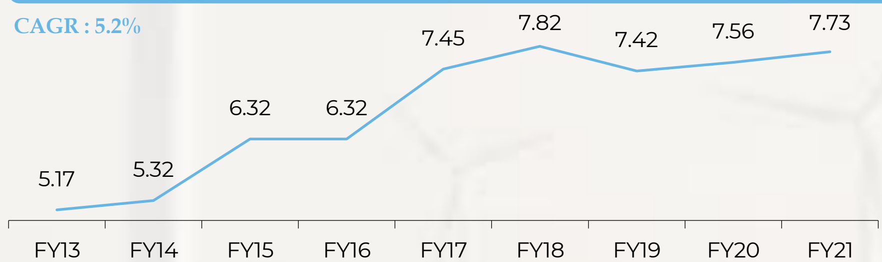
MADHYA PRADESH

CAGR : 1.8%



RAJASTHAN

CAGR : 5.2%



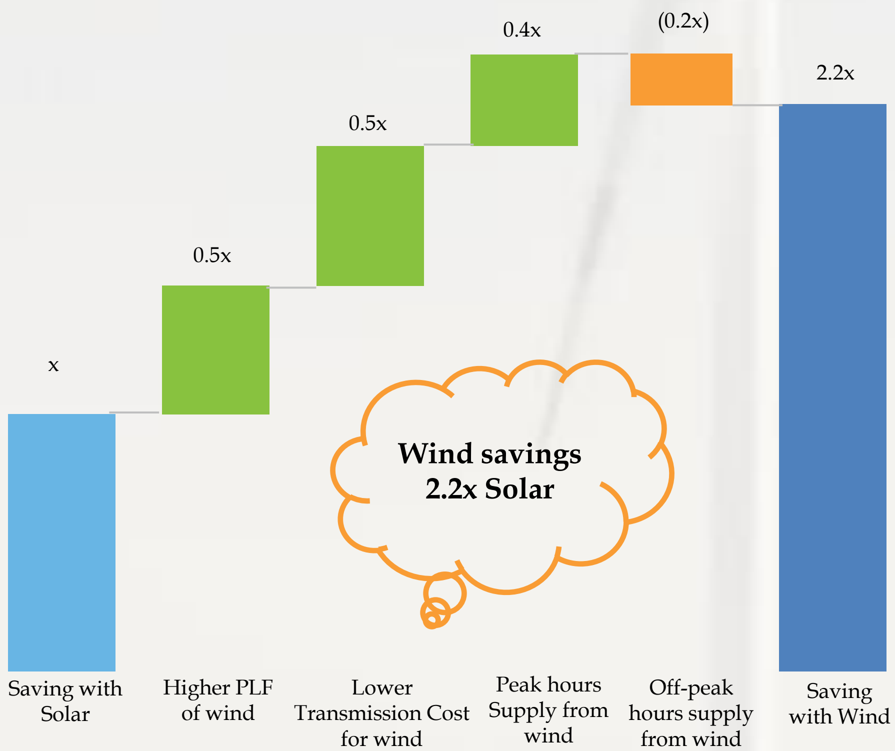
Sources: Power Finance Corporation's Reports on Performance of Power utilities FY2020-21

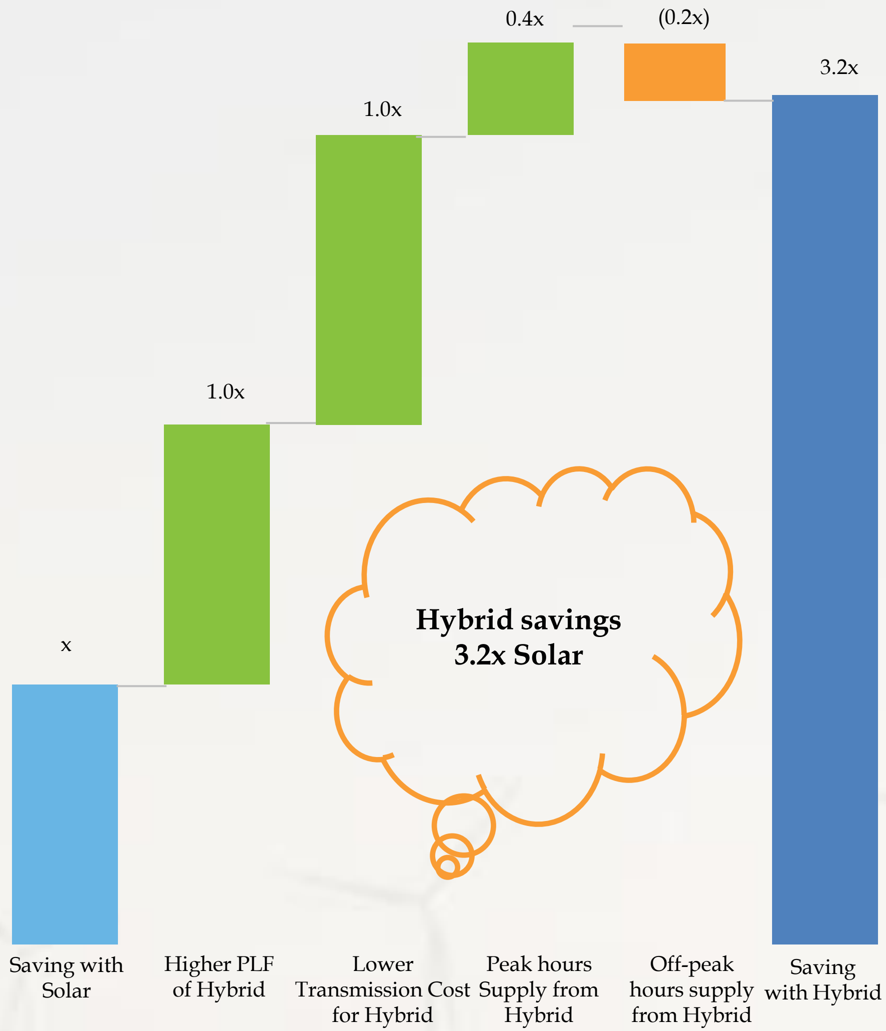
***Note –** "In case of Tamil Nadu, the tariffs were not been revised since 2015, and, therefore, given the huge deficit, Tamil Nadu has announced to increase C&I tariffs by lower of CPI or 6% p.a. for next 5 years on top of a 6% increase in Sep 22*

Higher supply, peak tariff hour generation and savings in transmission charges lead to higher consumer savings in WSH projects

Annual savings calculation for Industrial consumer (at same bus bar tariff) with connection to Gujarat Grid

WSH projects per MW offers higher generation to customer (vis-à-vis independent wind/solar) leading to higher savings for consumers





The C&I customers are incentivised to maximise offtake given the cost advantage compared to alternative sources

Continuum's strategic position for hybridization

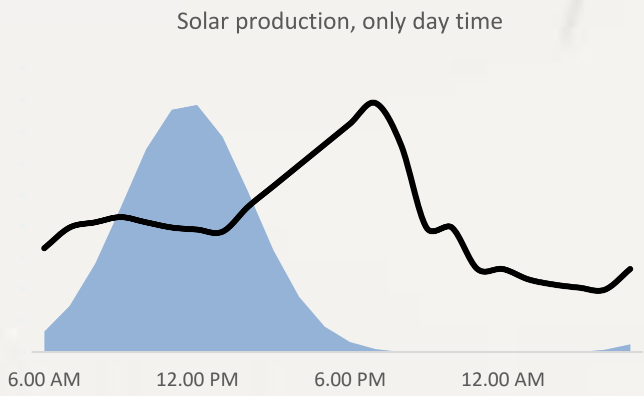
We are able to hybridize existing windfarms due to intrinsic project design advantages:

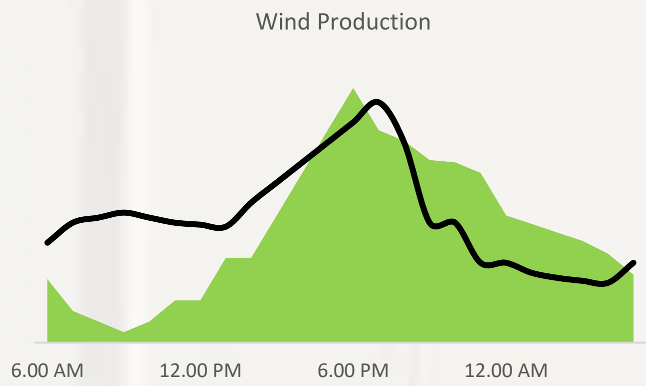
- We own 100% of the turbines in windfarms with largely no shared infrastructure with other turbine owners in the windfarm
- We have built and own dedicated EHV evacuation substation and transmission lines for its windfarms
- We have self-development capability to acquire land/permits to build additional solar capacity
- We have existing on-site teams who are familiar with the sites and have relationships with the communities
- All sites are connected to high voltage, high capacity transmission grids with enough room for augmented capacity
- WSH project do not require grid expansion as they produce power at different intervals and during complementary seasons

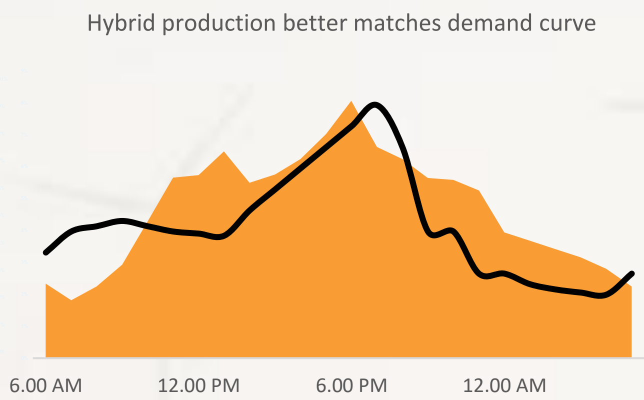
We plan to deliver enhanced customer and shareholder value by hybridization:

- Delivers at higher combined PLFs with much lower variability
- Realise significant capex/kwh and opex/kwh savings on evacuation infrastructure, grid access costs, O&M costs etc.

Wind and Wind-Solar Hybrid match electricity demand curve better than solar



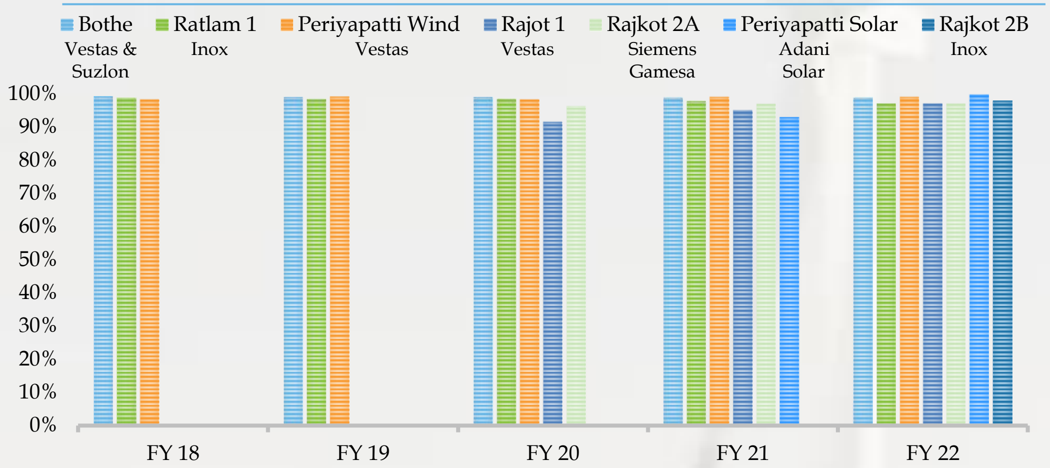




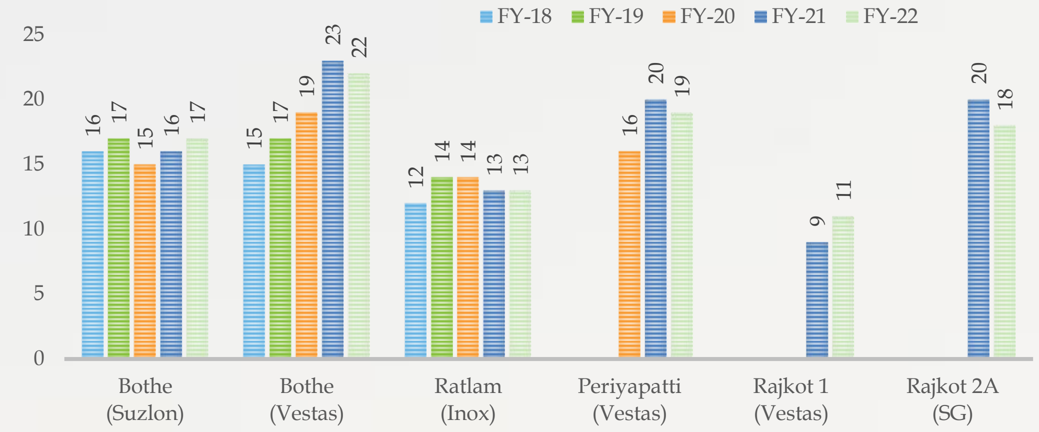
III. Operating and Financial Snapshot

Strong historical operational track record

Wind turbine availability-consistently better than guaranteed levels

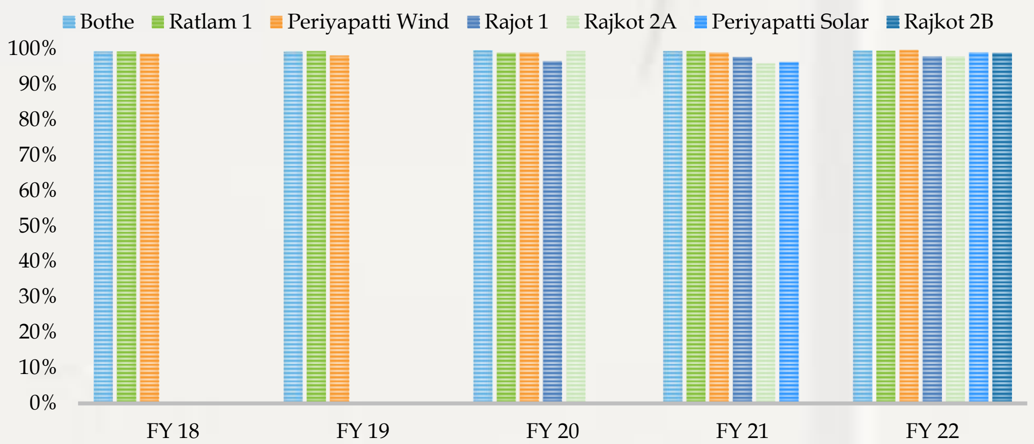


Increase in MTBI(1) (Days) Post Implementation of AOMS

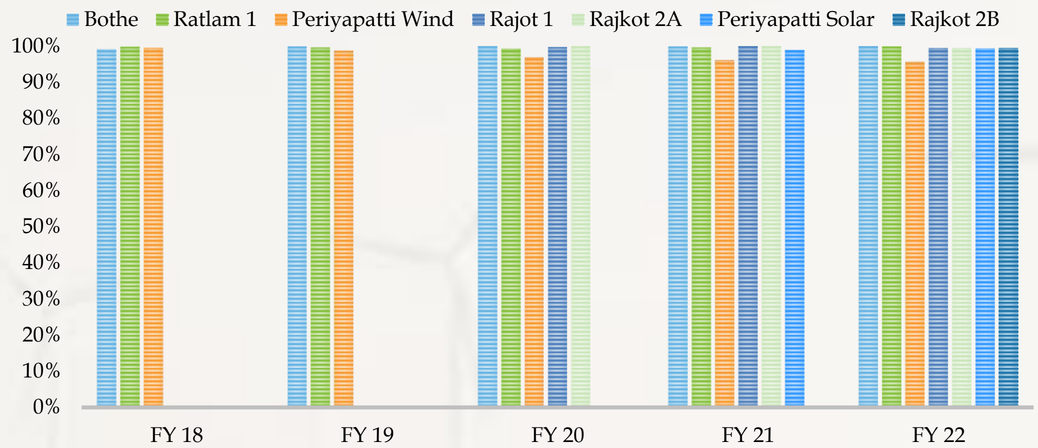


1. MTBI: Mean Time Between Inspections, Indicates period between two successive breakdowns/inspections for a turbine

Internal grid availability



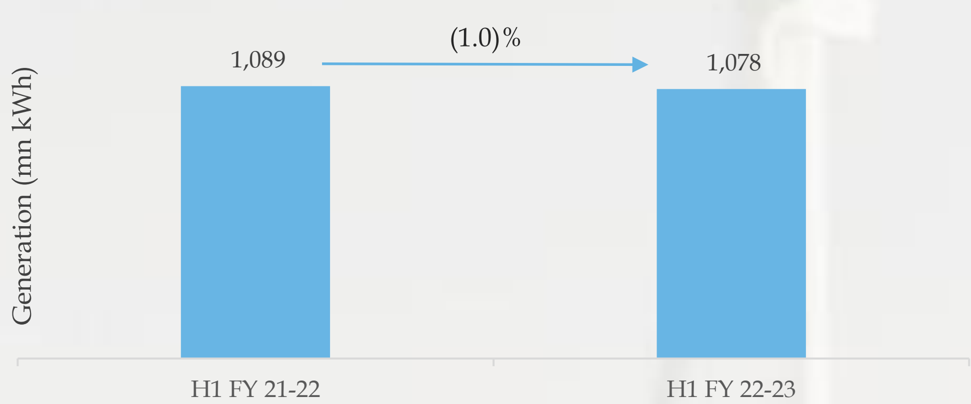
External grid availability



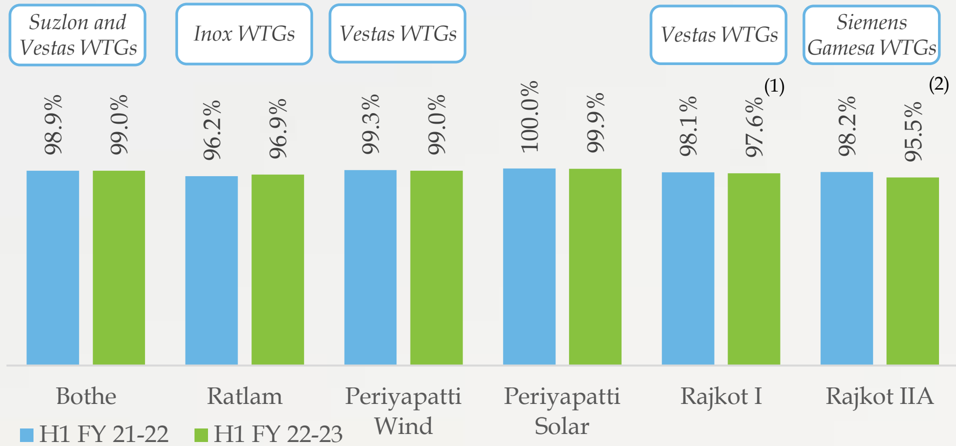
Note: (1) Availability at Periyapatti in FY20 was lower due to a force majeure issue (2) Availability at Rajkot 1 in FY21 was lower due to force majeure event caused due to fire incident in Jul-20. Vestas has rectified the damaged turbine and replaced the faulty transformers in all the turbines without any cost to Continuum (3) FY2021 was the first full year of operations for Rajkot I (4) FY 2022 was the first full year of operations for Rajkot 2A and Periyapatti Solar (5) FY23 will be the first full year of operation for Rajkot 2B

RG Operational Performance – H1 FY 22-23

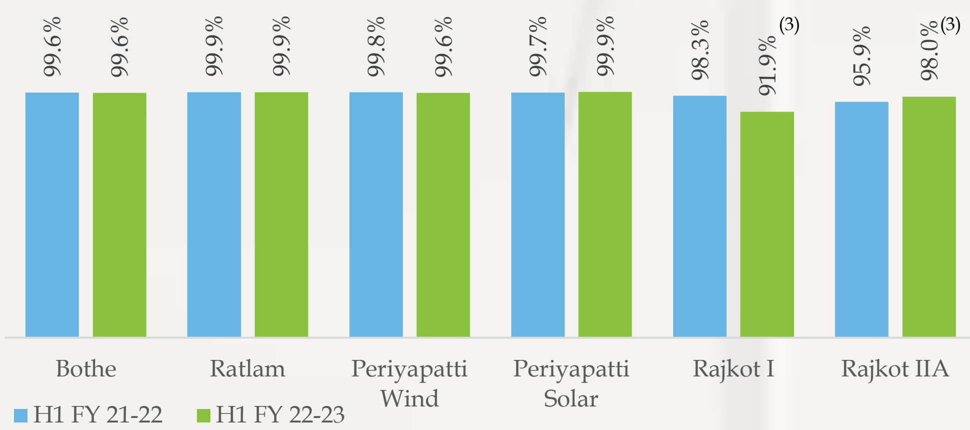
Restricted Group Performance



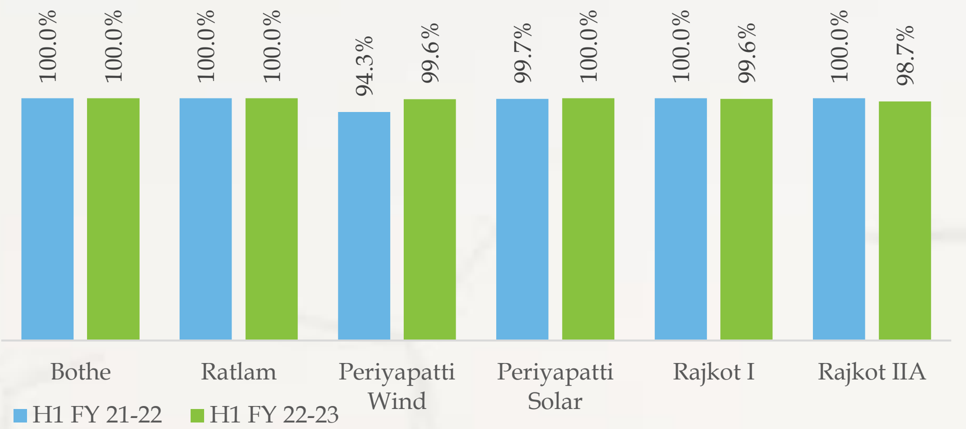
Wind turbine / Solar availability



Internal grid availability



External grid availability



The Performance Ratio for the solar farm was 81.4% for H1 FY 22-23 vs 81.7% for H1 FY 21-22

Note:

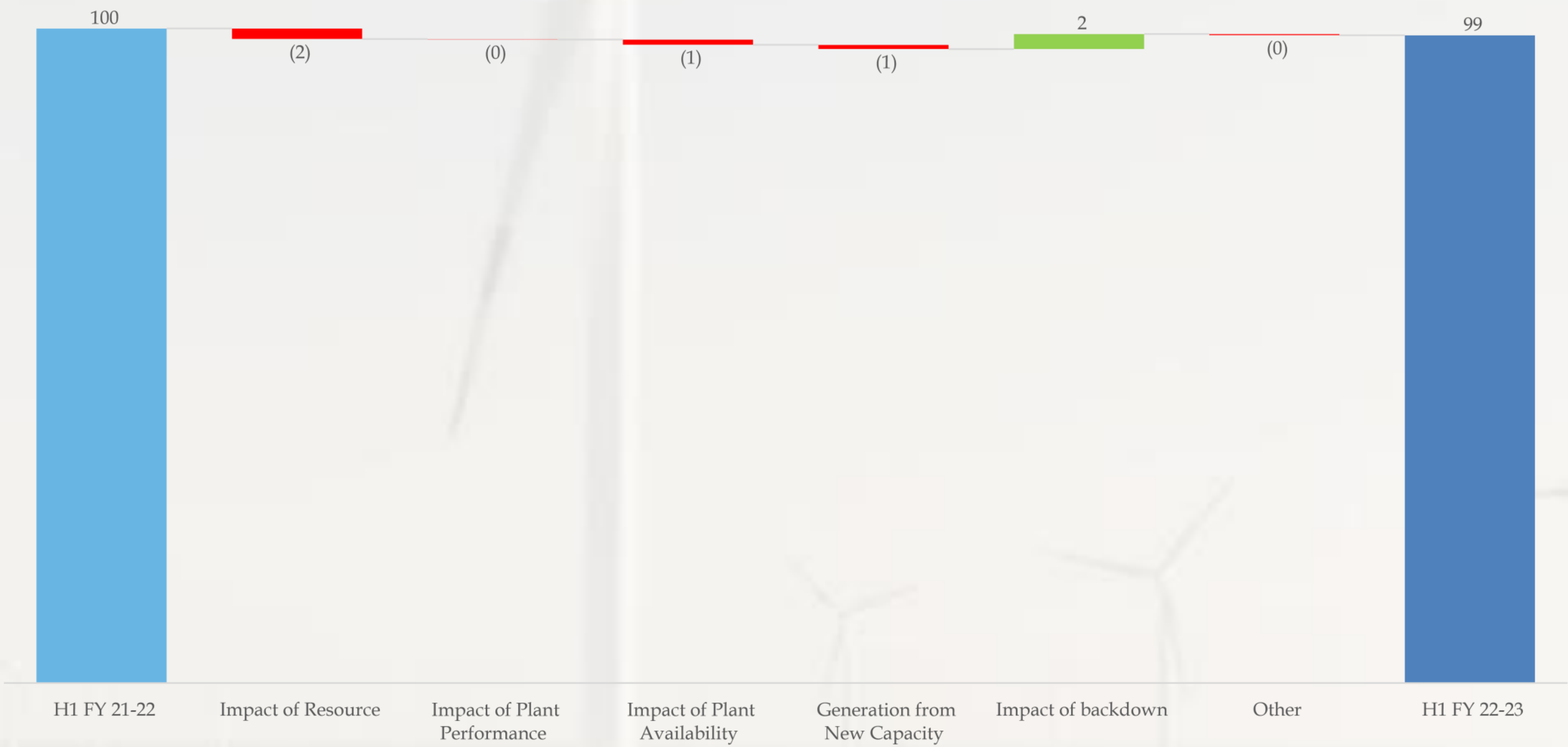
(1) Implementation of software upgrades on 19 turbines

(2) Turbine down due to transformer failure, restoration delayed due to crane availability

(3) Downtime due to reshuffling of internal lines because of construction of the Rajkot – III

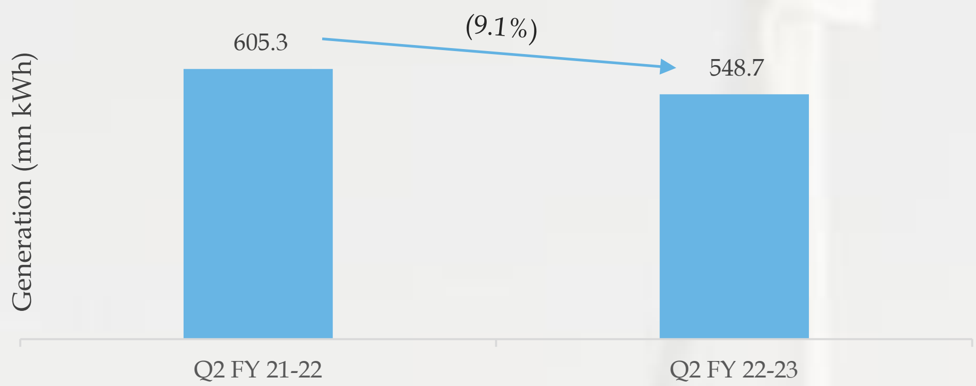
RG Operational Performance – Waterfall Analysis (H1 FY 22-23)

Waterfall of Generation from H1 FY 21-22 to H1 FY 22-23

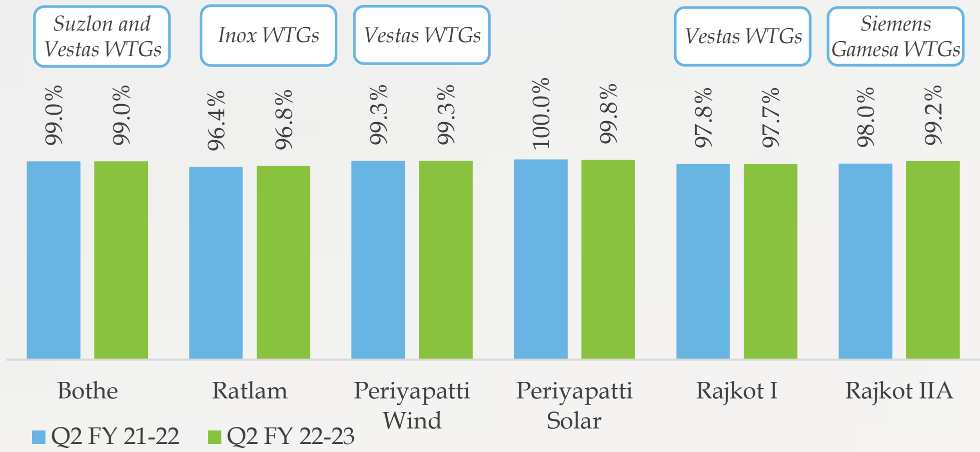


RG Operational Performance – Q2 FY 22-23

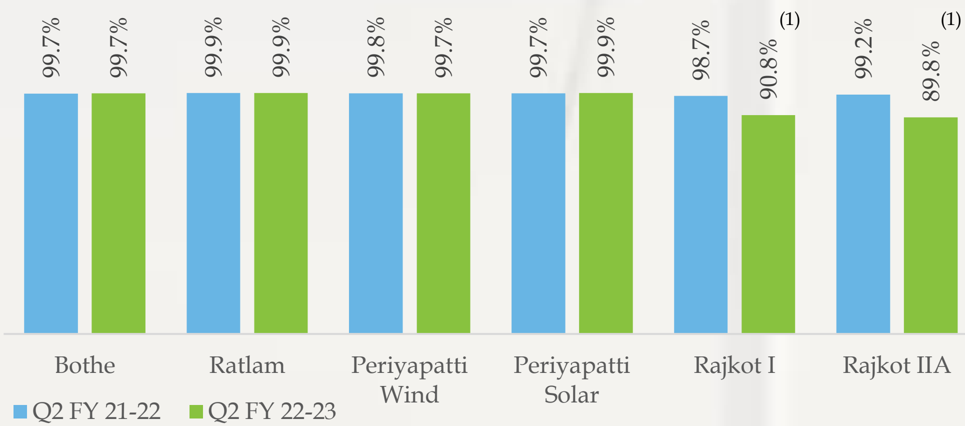
Restricted Group Performance



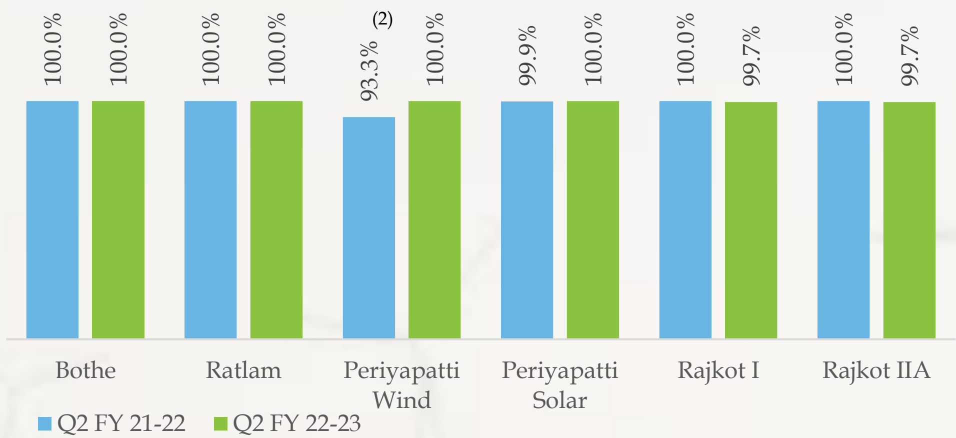
Wind turbine / Solar availability



Internal grid availability



External grid availability



The Performance Ratio for the solar farm was 81.5% for Q2 FY 22-23 vs 82.0% for Q2 FY 21-22, implying a 0.5% p.a. degradation

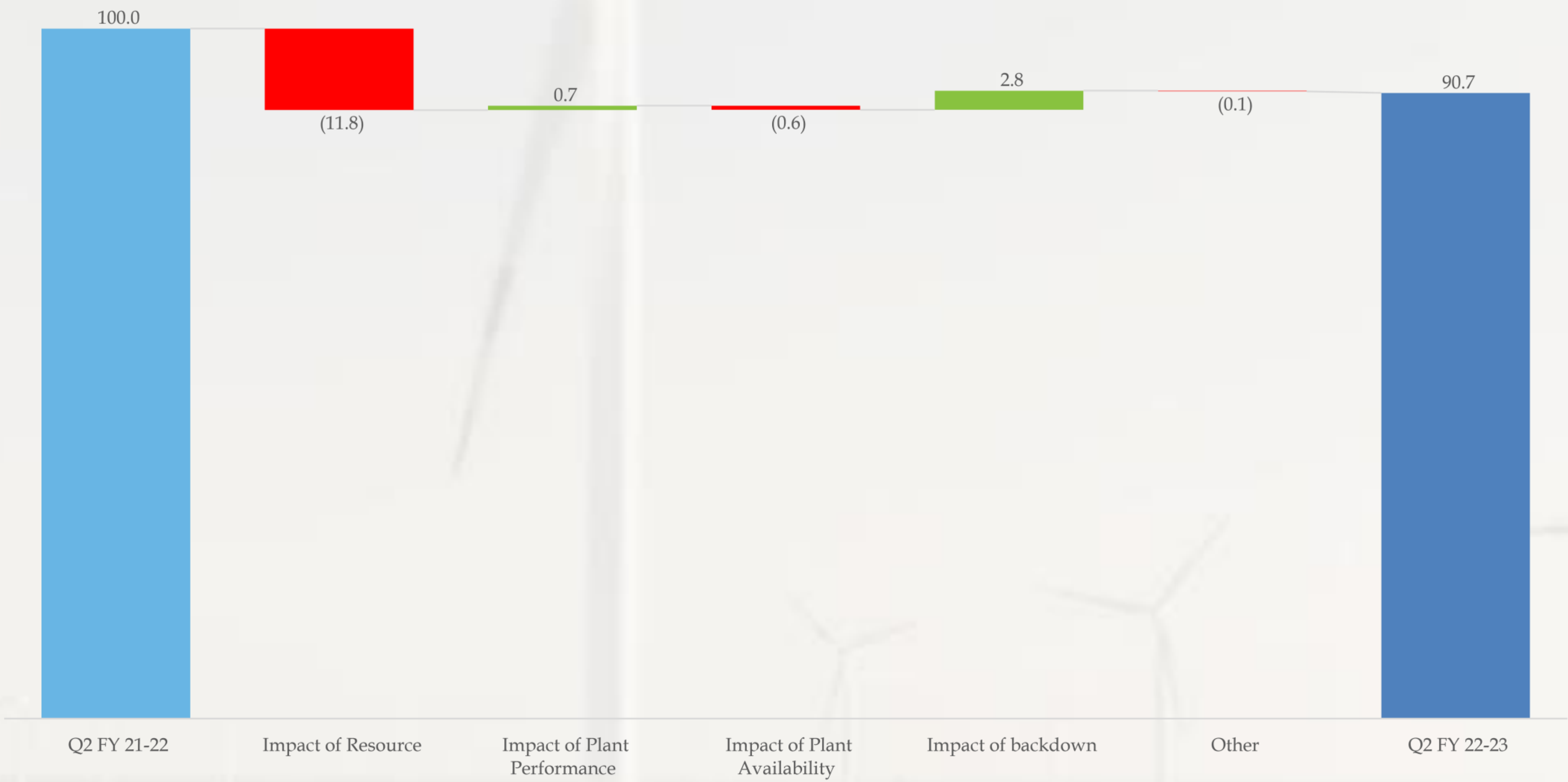
Note:

(1) Downtime due to reshuffling of internal lines because of construction of the Rajkot – III

(2) Curtailment due to delay in competition of high voltage green corridor by utility, which was completed in March 2022 and we have not faced any curtailment since June 22

RG Operational Performance – Waterfall Analysis (Q2 FY 22-23)

Waterfall of Generation from Q2 FY 21-22 to Q2 FY 22-23



IV. RG Financial Performance

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RG Financial Highlights

- DSRA is funded in cash representing next six months of interest and scheduled principal amortization payment
- INR 3,924 mn cash balance as of 30 Sep 2022 net of working capital facility drawdown
- Timely serviced the Notes on 9 Aug 2022 (US$ 23.0 mn) for:
  - ✓ Coupon: US$ 12.4 mn
  - ✓ Scheduled Amortization: US$ 1.4 mn
  - ✓ Mandatory Cash Sweep: US$ 9.1 mn
- Historical Financial Covenants

12 months period ending	Jun 21	Dec 21	Jun 22
Debt Service Cover Ratio	1.41x	1.72x	2.01x
Fund From Operations to Net Debt Ratio	2.7%	12.3%	14.2%

- Recap: Distribution covenants as per the Indenture are:
  - ✓ 100% of eligible surplus above DSCR of 1.5x, 60% for 1.4x to 1.5x, 50% for 1.3x to 1.4x, nil for less than or equal to 1.3x
  - ✓ If FFO to Net Debt ratio is less than or equal to 6%, only 75% of the above surplus is permitted to be distributed (Only in the scenario when DSCR is equal to or higher than 1.5x)

Debt payment schedule

	Period (in year)	Aug-21	Feb-22	Aug-22	Feb-23	Aug-23	Feb-24	Aug-24	Feb-25	Aug-25	Feb-26	Aug-26	Feb-27	Total
As a % of notes size	Scheduled amortization	0.750%	0.625%	0.250%	0.250%	0.750%	0.500%	0.750%	0.750%	1.000%	1.000%	1.250%	0.000%	**7.875%**
	Mandatory cash sweep			1.625%	3.500%	3.125%	3.750%	3.125%	3.875%	3.250%	3.875%	3.000%	9.750%	**38.875%**
	Total repayment	0.750%	0.625%	1.875%	3.750%	3.875%	4.250%	3.875%	4.625%	4.250%	4.875%	4.250%	9.750%	**46.750%**

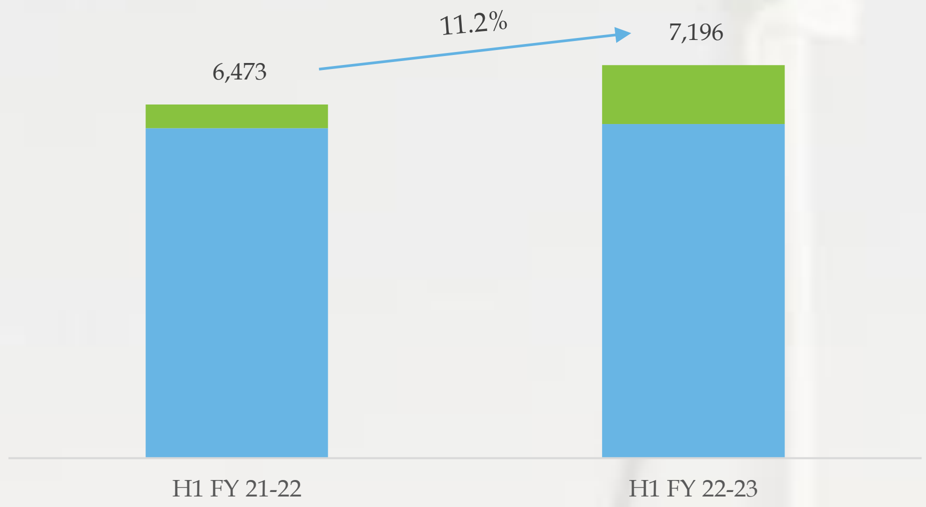
Cash released after building DSRA and meeting DSCR and FFO / Net debt requirements

Cash to be released only after building DSRA and meeting MCS, DSCR & FFO / Net debt requirement at end of each period

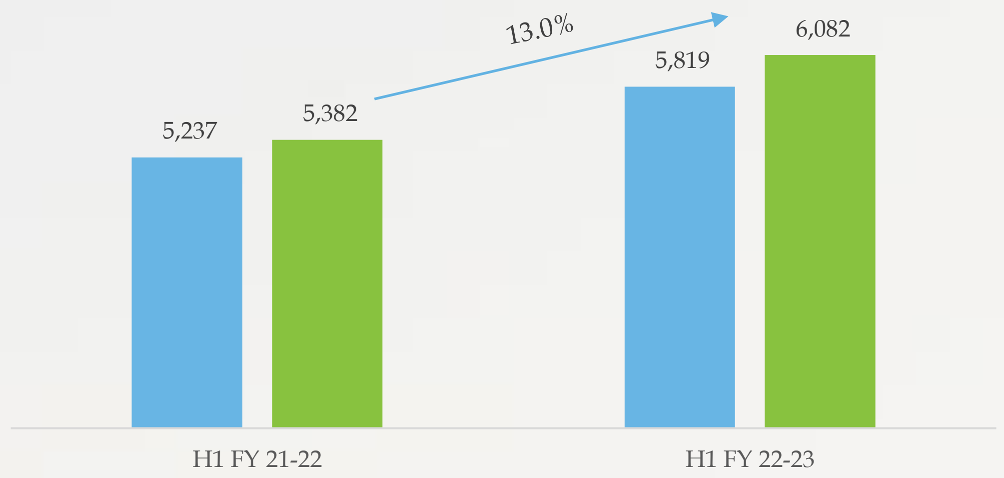
Equivalent to last approximate 6 months cash locked up + DSRA

RG Financial Performance – H1 FY 22-23

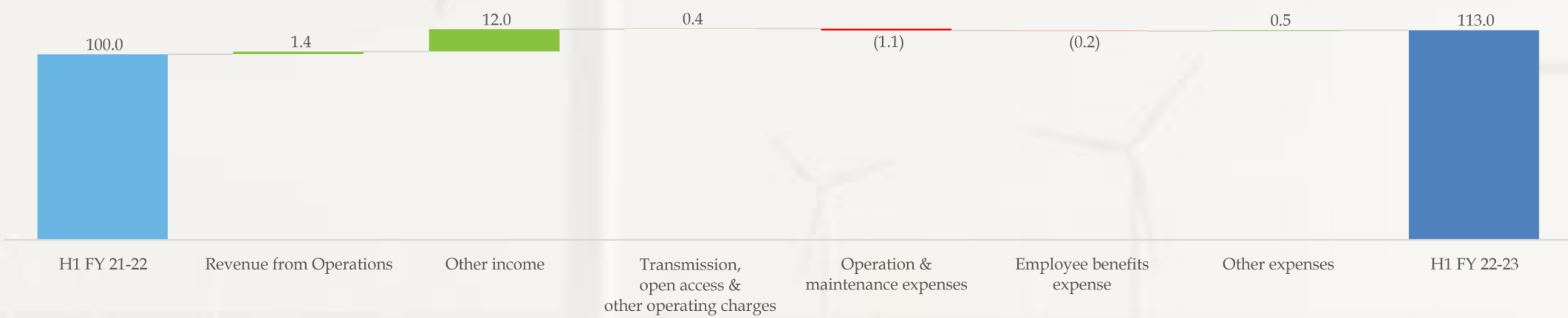
Restricted Group – Revenue (INR mn)



Restricted Group – EBITDA (INR mn)



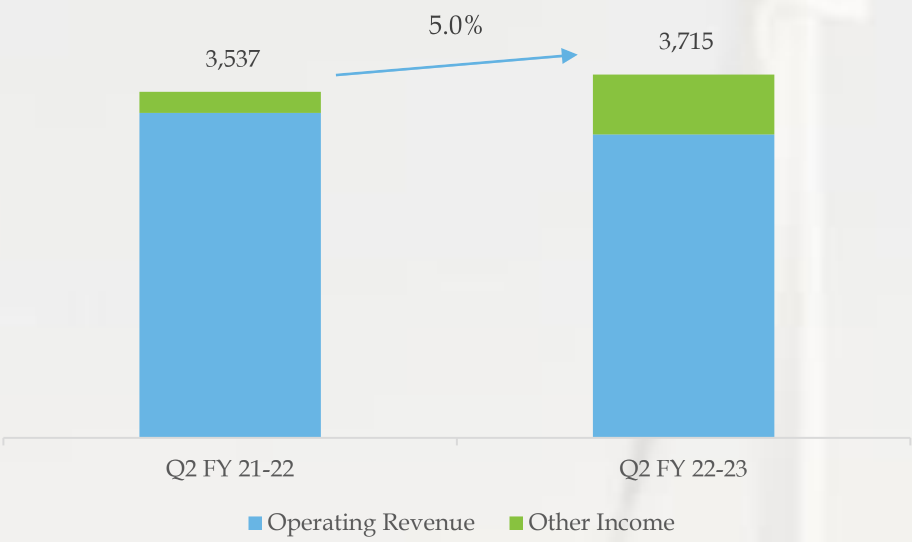
Waterfall of Adjusted EBITDA from H1 FY 21-22 to H1 FY 22-23



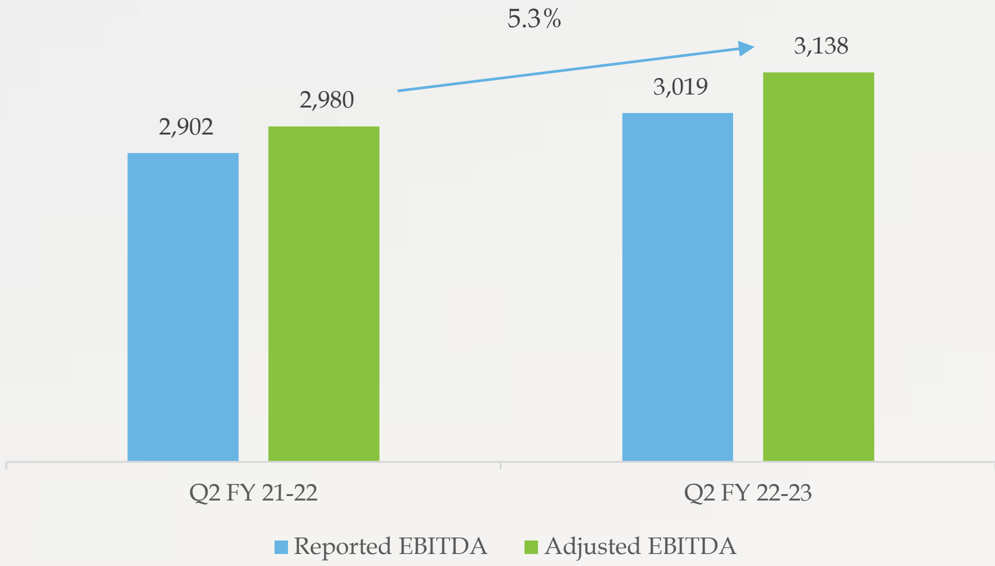
Reported EBITDA = Total income - Operating expenses
Adjusted EBITDA = Reported EBITDA + Common Overhead Expenses (paid out of distributable surplus) + Any Provision + Notional Foreign Exchange Loss

RG Financial Performance – Q2 FY 22-23

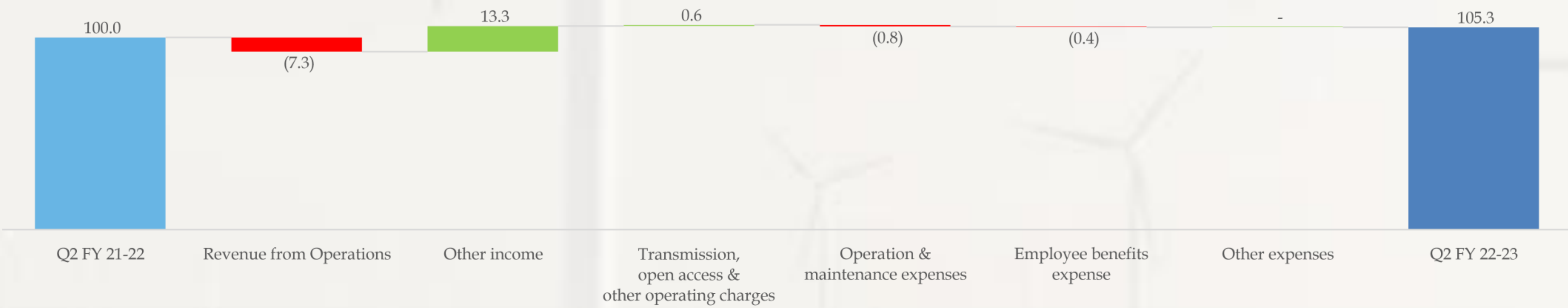
Restricted Group – Revenue (INR mn)



Restricted Group – EBITDA (INR mn)



Waterfall of Adjusted EBITDA from Q1 FY 21-22 to Q1 FY 22-23



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

Rotation of Auditors to Deloitte pursuant to Indian law requirement

Auditors until FY22

- The entire Continuum Green Energy Group have been audited by Ernst & Young since FY 2013, including:
  - ✓ Continuum Green Energy Ltd and its two subsidiaries in Singapore by Ernst & Young LLP
  - ✓ Continuum Green Energy (India) Pvt Ltd (India Holdco) and all its 22 subsidiaries including operational, under construction and under development by SRBC & Co. LLP (Ernst & Young's member firm)

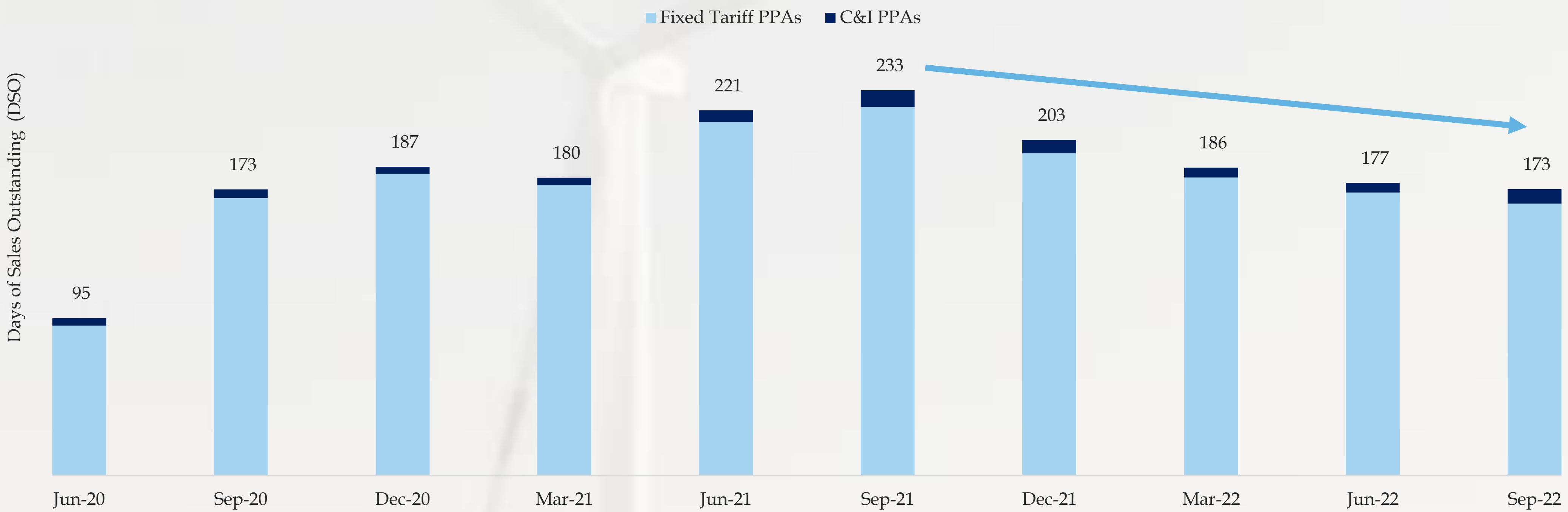
Rotation of Auditors to Deloitte pursuant to Indian law requirement

- With audit by Ernst & Young of India Holdco for consecutive 10 financial years, we are mandated by India's Companies Act 2013 to change the auditor for India Holdco
  - ✓ Similar laws exist in several jurisdictions like US, UK, EU, etc.
  - ✓ The rotation of auditor is mandated by section 139(2) and rule 5 of the Companies (Audit and Auditors) Rules 2014, and mandates that maximum term for an audit firm as auditor shall be two terms of five consecutive years
- In order to have the same Auditor across the Continuum Green Energy Group, the Group has decided to:
  - ✓ appoint Deloitte Haskins & Sells as the Auditor across Continuum Green Energy Ltd and all Indian and Singapore subsidiaries
  - ✓ appointment has happened in the annual general meeting of Sep 2022
- **All our quarterly and annual accounts beginning Sep 2022 ending quarter is being audited/reviewed by Deloitte**

V. RG Business Update

CONTINUUM

Days of Sales Outstanding (DSOs)



- Receivables situation from DISCOMs has improving consistently
  - ✓ Late Payment Surcharge Rules 2022 announced in June 2022 have been implemented leading to accelerated collections
  - ✓ Received INR 1,781 mn during Q2 FY 22-23 and INR 924 mn in Q3 FY 22-23 (up to 30th Nov) from DISCOMs against electricity sales
  - ✓ Received Late Payment Surcharge of INR 101 mn from MH Discom in Q2 FY 22-23 and INR 52 mn in Q3 FY 22-23 (upto 30th Nov) along with the receipt of dues in Q3 FY 22-23.
  - ✓ MP DISCOM is paying historical outstanding invoices plus Late Payment Surcharge of INR 134.4 mn in monthly instalments (see details in following slides)
  - ✓ Late payment charges received are being accrued as "Other Income" in our P&L
- DSOs from C&I consumers at less than 20 days

DSO = (365*Receivables)/(LTM billings)

Days of Sales Outstanding (DSOs) (Cont.)

Impact of Late Payment Surcharge Rules

- MP DISCOM (170 MW Ratlam I)
  - ✓ Has opted reschedule their dues till generation month of Mar 22 along with LPS amount into 40 equal monthly installments.
  - ✓ Has paid the installments due on 5th of each month since August 2022
  - ✓ Has cleared their dues for the invoices relating to generation during months of Apr 22 to Aug 22 which were due 2.5 months from invoice date along with the LPS amount of INR 13.6 mn for the period April to June
- MH DISCOM (199.7 MW Bothe)
  - ✓ Has already submitted, to the regulator, a plan for the payment, in phases, by Feb 23 for invoices till the generation month of Aug 22

S no.	Generation Month	Payment Date	Payment Status as of 8 Sep 2022
1	Up to Mar 21	Apr 22	Received in Apr 22 along with LPS
2	Apr 21, May 21, Jun 21	Jun 22	Received in May 22 along with LPS
3	Jul 21, Aug 21, Sep 21	Aug 22	Received in Aug 22 along with LPS
4	Oct 21, Nov 21, Dec 21	Oct 22	Received in Nov 22 along with LPS
5	Jan 22, Feb 22	Nov 22	Received in Nov 22 along with LPS
6	Mar 22, Apr 22	Dec 22	To be received
7	May 22, Jun 22	Jan 23	To be received
8	Jul 22, Aug 22	Feb 23	To be received

Fast reduction in DSOs **expected** over next 3 quarters

Other Significant Regulatory Updates

Power Purchase Agreement for 6.3 MW

MH DISCOM challenges favorable order from Appellate Tribunal of Electricity (APTEL) regarding pending PPA for 6.3 MW with MH DISCOM, with Honorable Supreme Court

- On 18 Aug 2022, APTEL issued favorable order regarding the pending PPAs for our 6.3 MW capacity at Bothe project with MH DISCOM. Summary of the order
  - ✓ Directed MH DISCOM to immediately execute the power purchase agreement for 6.3 MW at the tariff of INR 5.70 per kWh, effective from the date of the application filed by us for the registration of the capacity i.e. Dec 2015 for a period of 13 years
  - ✓ For the electricity supplied till the date of the application filed, MH DISCOM shall pay at Average Power Purchase Price (APPC) for the power supplied from the date of commissioning (Dec 2014) – Received from MH Discom in May 2021

- In Nov 2022, MH DISCOM has been granted interim stay by Honorable Supreme Court against the APTEL judgement, however the Honorable Supreme Court has directed as under:
  - ✓ MH Discom to deposit INR 300 million with the Honorable Supreme Court
  - ✓ MH Discom to pay to us for the electricity supplied to MH DISCOM at the rate of INR 3.50/kWh
  - ✓ MH Discom to deposit the differential amount with the Supreme Court on a bi-monthly basis.
  - ✓ Listed the matter for hearing in Feb 2023

Impact on Continuum

- *Since the MERC order in 2021, we have been recognizing the revenue on 6.3 MW at APPC rate and have been creating a provision for the same amount to result in nil contribution to EBITDA. After the APTEL order we have reversed the provisions in our financial statements for this quarter.*

Other Significant Regulatory Updates

Future Tariffs to be set to recover historical regulatory assets also

Direction from Ministry of Power, GoI to State Electricity Regulatory Commission to ensure tariff are set without creating any regulatory assets and to recover historical regulatory assets also

- In Nov 2022, Ministry of Power has written to all the State Electricity Regulatory Commission to ensure that
  - ✓ No regulatory assets should be created by the DISCOM; and
  - ✓ If created, there should be trajectory for recovery of the said cost along with carrying cost for not more than 7 years
- The directive was pursuant to the Electricity Act – 2003 and Tariff Policy – 2016 provision which states:

  "The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

  a. Under business-as-usual conditions, no creation of Regulatory Assets shall be allowed;

  b. Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same"
- In Nov 2022, Ministry of Power has also written to Power Finance Corporation Ltd and Rural Electrification Corporation Ltd to not lend to the DISCOM, other than the Revamped Distribution Scheme, with insufficient cash flow to meet their debt obligation, especially where DISCOM have accumulated regulatory assets
  - ✓ Directed to evaluate the ability of the DISCOM to service the loan basis actual cashflows rather than accrual accounting basis

<u>Impact on Continuum</u>

- *Cumulative regulatory assets in India as of June 2022 were at a high of approx. INR 887.2 bn*
- *The adherence of the provision of the Tariff Policy is expected to result in increase in electricity tariff for the consumers*

Other Significant Regulatory Updates

Commencement of Renewable Generation Obligation

Notification of Renewable Generation Obligation as per the revised Tariff Policy – 2016

- On 7 Nov 2022, Ministry of Power issued a notification seeking stakeholder comments on draft notification of Renewable Generation Obligation as per the revised Tariff Policy – 2016
- Tariff Policy 2016 stated that any generating company establishing a coal /lignite based thermal generation station after a '**specified date'** shall be required to establish such renewable generating capacity or procure and supply renewable energy '**equivalent to such capacity'**, as may be prescribed by the Central Government from time to time
- In the draft notification, the Ministry of Power has proposed the
  - ✓ Specified date as **<u>1 Apr 2024</u>**
  - ✓ Capacity of renewable energy to be established / procured / supplied by new coal / lignite based thermal generating station to be **<u>minimum twenty five percent (25%)</u>** of the capacity of thermal generating station being established.

<u>Impact on Continuum</u>

- *No direct impact on Continuum*
- *Will enable India to achieve its goals of transitioning to renewable energy*

Other Significant Regulatory Updates

Green Energy Open Access Rules

Launch of the Green Energy Open Access Portal

- On 6 Jun 2022, Ministry of Power notified the Green Energy Open Access Rules for promoting generation, purchase and consumption of green energy
- Pursuant to the rule, Ministry of Power launched the Green Energy Open Access Registry for management of long term, medium term and short-term open access transactions by the Grid Controller of India (formerly known as POSOCO) to inter state transmission system and intra state transmission system
- On 17 Nov 2022, Grid Controller of India issued the Procedure for Grant of Green Energy Open Access
    - ✓ In case of a regional entity, the application for registration shall be processed by the concerned RLDC within 7 working days for new application or 3 working days for renewal
    - ✓ In case of an intra state entity, the application will be processed by the concerned SLDC within 5 working days for new application or 2 working days for renewal, post which RLDC shall process the application within 2 working days for new application or 1 working days for renewal
    - ✓ If the SLDC, has not communicated any deficiency or refusal of registration, after receipt of application complete in all respects within 5 working days for new application and 2 working days for renewal, from the date of application, then the registration will be automatically forwarded to the respective RLDC for the review and processing

Impact on Continuum

- *Boost to the C&I sales of renewable energy by streamlining the process of grant of green open access*

V. RG ESG Performance

CONTINUUM

ESG Performance

Key pointers

0.51 mn tonnes CO_2 emissions avoided in Q2 FY 22-23 which is equivalent to the average **annual** carbon footprint of ~0.91 mn Indian citizens*.

Cumulative 8.11 mn tonnes CO_2 emissions avoided since inception across the Restricted group

Restricted group has planted a cumulative number of ~4,900 trees up to Sept'22

8.32^ mn cumulative safe working man-hours across the Restricted group, since Apr 2016

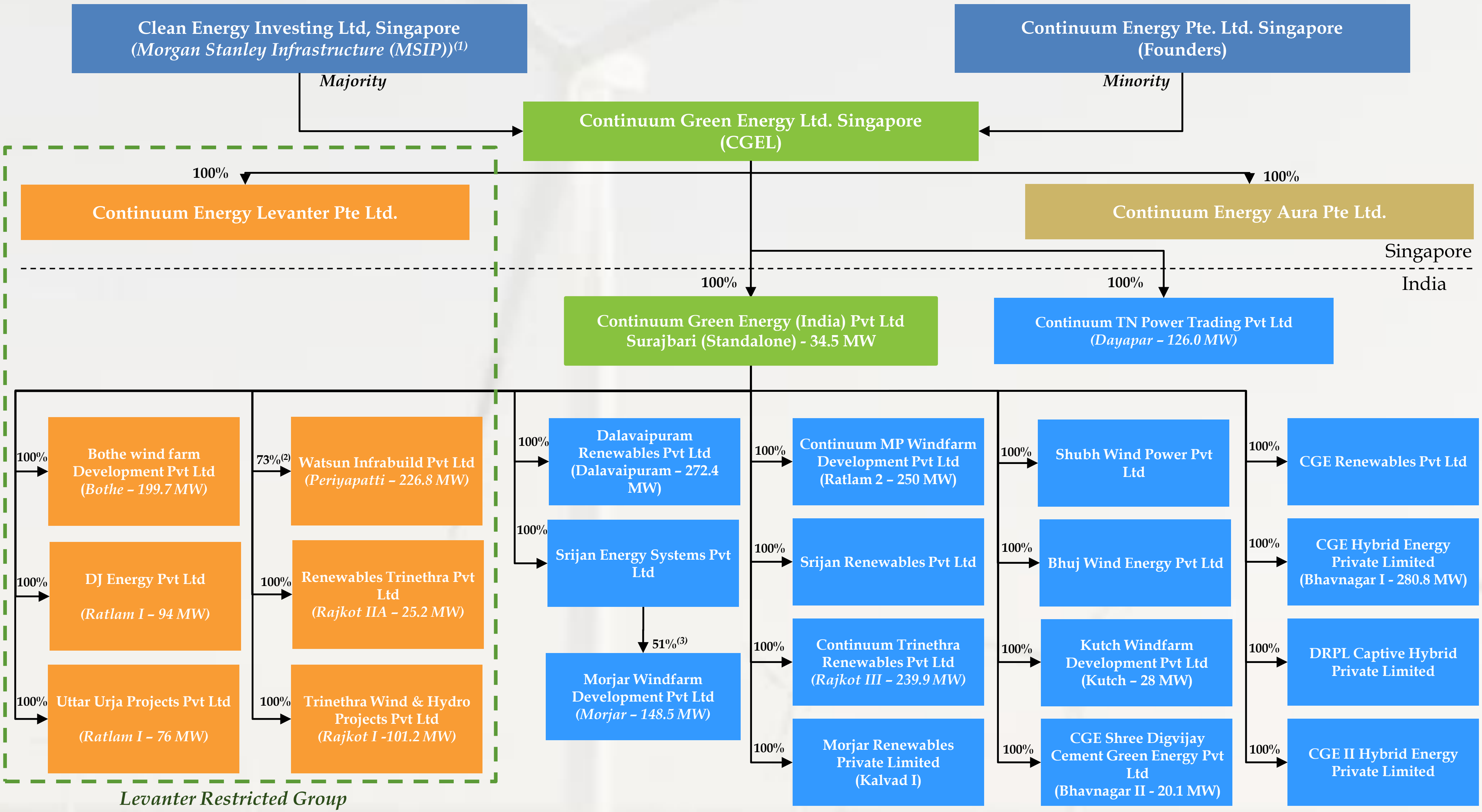
ISO Certifications for all operational and under construction sites under ISO 9001-2015 (Quality), ISO 14001-2015 (Environment), ISO 45001-2018 (Safety)

* As researched by the Japanese Research Institute for Humanity & Nature, the mean carbon footprint of every Indian citizen is estimated at 0.56 tonne per annum
^ Revised due to reshuffling of manpower across projects

Appendix: frequently asked information

CONTINUUM

Corporate Structure

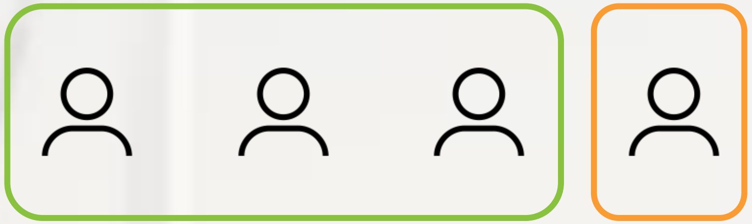


Note: (1) Clean Energy is a fully owned subsidiary of one of the fund entities managed by Morgan Stanley Infrastructure.
(2) ~27% held by group captive consumers
(3) 49% held by an affiliate of GE Energy Financial Service on a fully diluted basis

Composition of Board of Directors

Continuum Green Energy Ltd.

Continuum Energy Levanter Pte. Ltd.



Restricted Group Subsidiaries (India)

MSIP Representatives

Founders Representatives

Independent

How does our C&I Sale Model work?

Energy Generated at Continuum's Plant

\-

A Transmission and Wheeling Loss

=

Net Supply to Consumer

X

Variable Industrial Tariff charged by Discom

\-

Small Discount

=

Billed Tariff to consumer

\-

B Transmission and Wheeling Charges

\-

C CSS and AS

\-

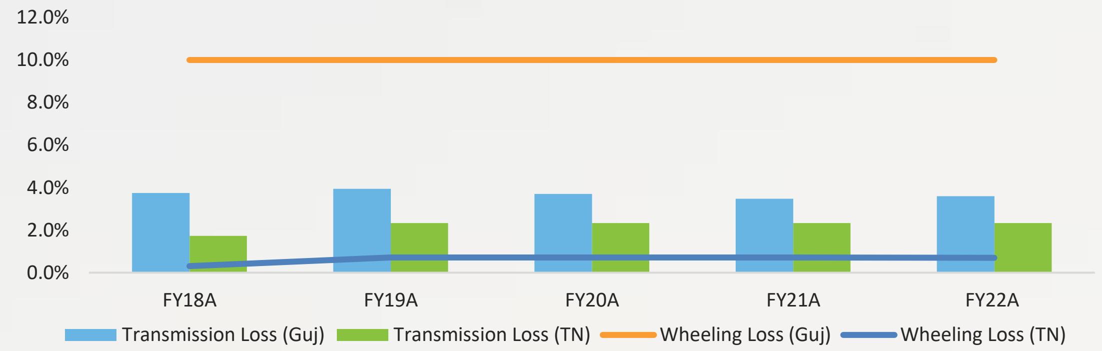
Small amount of admin costs/charges

Continuum's Net Revenue

A

Transmission Losses and Wheeling Losses are determined basis the expected energy flowing through the network and the technical design of the network

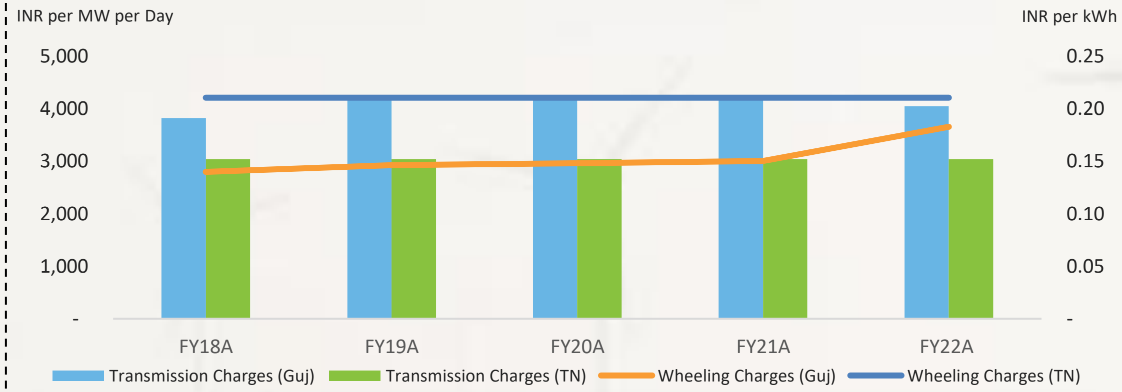
Historical figures show low variability



B

Transmission and Wheeling are regulated business and charges are determined by regulator on basis cost-based approach for the new capex incurred by the utilities or the opex as per the prescribed normative parameter

Historical figures show low variability



How does our C&I Sale Model work? (cont.)

Energy Generated at Continuum's Plant

-

A Transmission and Wheeling Loss

=

Net Supply to Consumer

X

Variable Industrial Tariff charged by Discom

-

Small Discount

=

Billed Tariff to consumer

-

B Transmission and Wheeling Charges

-

C CSS and AS

-

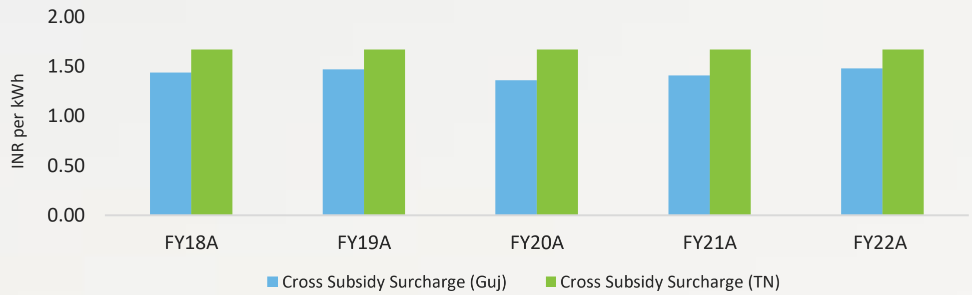
Small amount of admin costs/charges

Continuum's Net Revenue

C1

Electricity Act/National Tariff Policy mandate that:

1. Cross Subsidy Surcharge (CSS) & Additional Surcharge (AS) are not applicable to captive / Group Captive sales and is applicable only to third party non-captive sales
2. CSS be capped at 20% of the average billing rate to industries
3. **Since CSS is already at 20%, an increase in CSS will be accompanied by a 5x increase in Discom Tariffs**



C2

Additional Surcharge (AS) is determined by each state regulator based on 'stranded capacity' due to purchase of electricity by discom consumers under open access

Any material increase in this surcharge over time may be limited due to

- growing total electricity demand at the utilities; and
- Decreasing share of long term contracted capacities of Discoms

Green Open Access Rules, 2022 provide that AS will not be applicable to renewable energy if fixed charges are being paid by such a consumers (Applicable for all Continuum consumers

C3

CSS & AS are not applicable to the Group Captive Capacity in Tamil Nadu Periyapatti Project

50% of CSS and AS is waived for Continuum's Rajkot Projects in Gujarat for 25 years period

Hedges in place for Levanter RG Notes

- Executed Currency Hedging Arrangements for the life of Notes
  - ✓ Cross Currency Swap in relation to all USD denominated coupon payments through bond tenor
  - ✓ Call Spread on all principal payments (including mandatory cash sweep) and redemption at maturity by buying call options at the INR to USD spot rate on the date of each incurrence of onshore debt, and selling call options at strike rates At The Money Forward (ATMF) level (which range up to INR 95.94/USD for the last date of repayment at maturity of the Notes)
- We retain the ability to extend the sell call limits for principal payments in case of excessive volatility

Thank you

CONTINUUM

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