



Levanter Notes Investor Update

Q3 FY 22-23 – Operational and Financial Highlights
February 2023

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Table of Contents

I	Group Overview	4-7
II	RG Operating Performance	8-12
III	RG Financial Performance	13-17
IV	RG Business Update	18-20
V	ESG Performance	21-22
VI	Frequently Asked Questions	23-31



I. Group Overview

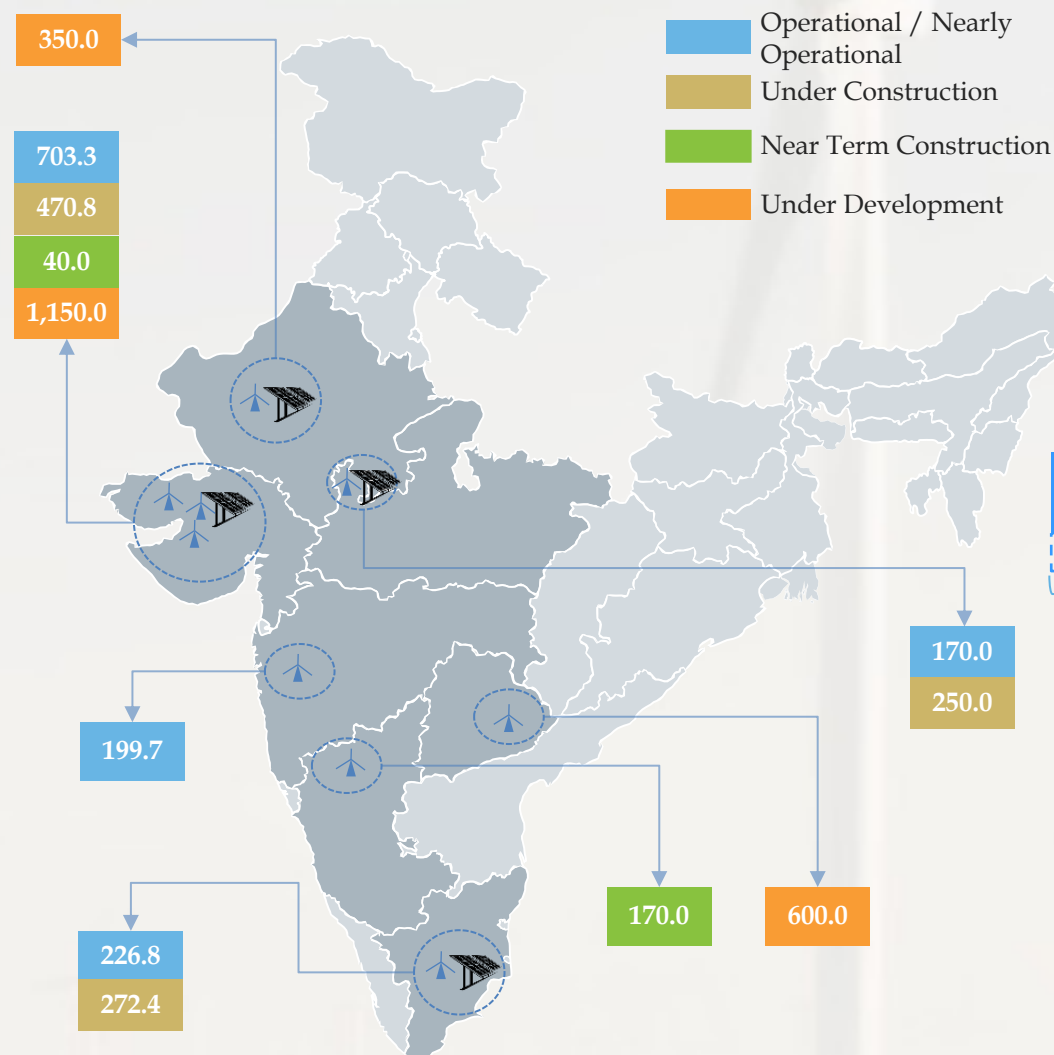


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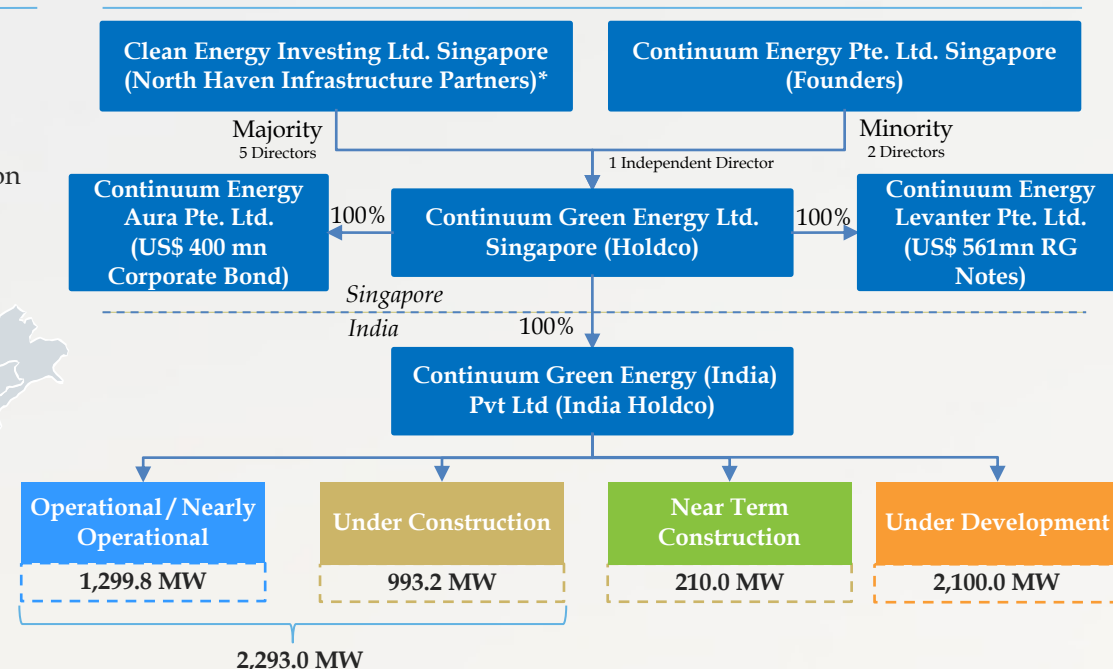


Continuum Green Energy – Group Overview

Presence across wind-rich states with diversified off-takers



Continuum Corporate Structure



Notes:

- Since FY2013 to Q1 FY2023, entire Continuum Green Energy Group (including Singapore Entities) have been audited by SRBC & Co. LLP (Ernst & Young's member firm) in India and Ernst & Young in Singapore.
- Deloitte Haskins & Sells LLP is an auditor from Q2 FY2023, pursuant to Indian law requirement of rotation of auditors after 10 years
- Majority of all board positions with Morgan Stanley representatives
- No related party transactions with shareholders

Status of Nearly Operational 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:
 - 126 MW delivered to site
 - 126 MW installed
 - 88 MW commissioned
- Final approval awaited from regulatory authority which is expected to be received shortly

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
 - ✓ 118.8 MW installed
 - ✓ 91.8 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
 - ✓ 100% installed
 - ✓ 89.1 MW commissioned
 - 100% of 140 MWp solar modules delivered
 - ✓ 100% installed
 - ✓ 105.0 MWp commissioned
- Final approval awaited from regulatory authority



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 and debt drawdown commenced
- 37 GE-132 2.7 MW WTGs contracted and installation work is in progress
- Solar equipment and BoS contract placed with Waaree



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
- 44 Senvion - 130 2.7 MW WTGs contracted and installation work is in progress
- Solar equipment contract placed with Waaree and BoS contract placed with Gensol



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 and debt drawdown commenced
- 44 GE-132 2.7 MW WTGs contracted and installation work is in progress
- Solar equipment contract in progress and BoS contract placed with Waaree



Kalawad I

170.0 MW (Wind Solar Hybrid)

- Greenfield Wind solar hybrid project with capacity of 64.8 MW wind & 105.2 MWp solar
- PPAs with C&I Consumers in Gujarat
- Debt tie-up in progress
- Wind contract under discussion with Senvion & solar equipment under contracting



337.5 MW of wind turbines contracted on supply, install, commission, operate and maintain basis, 65 MW underway with Senvion

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.



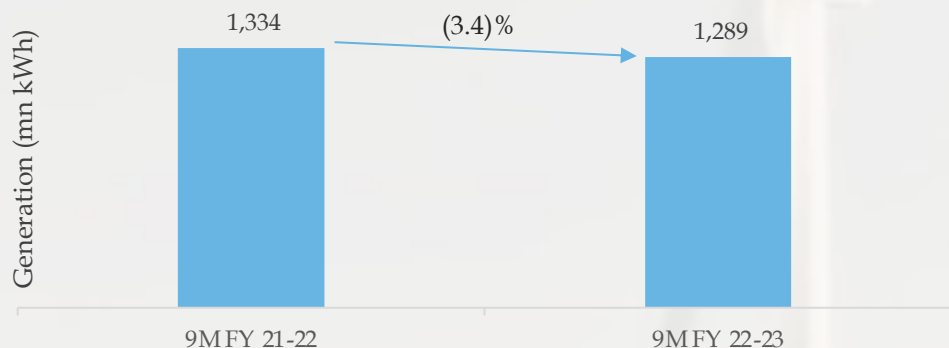
II. RG Operating Performance



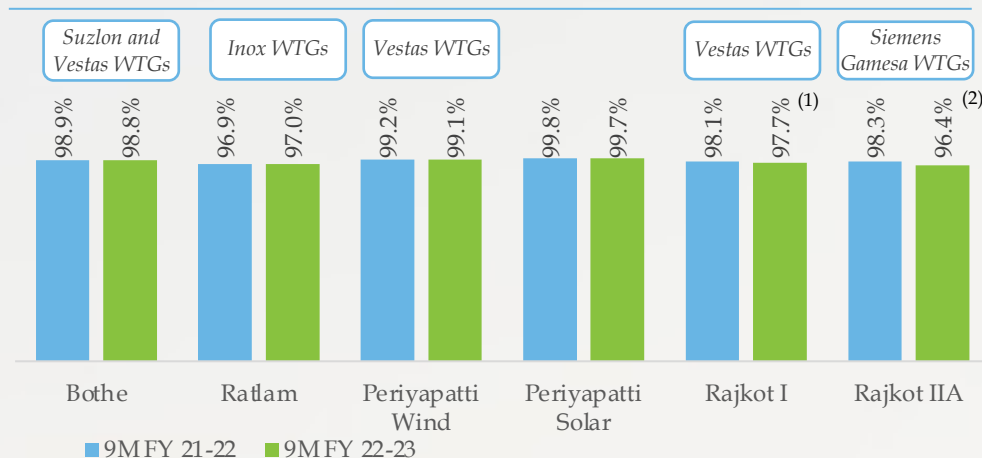
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RG Operational Performance – 9M FY 22-23

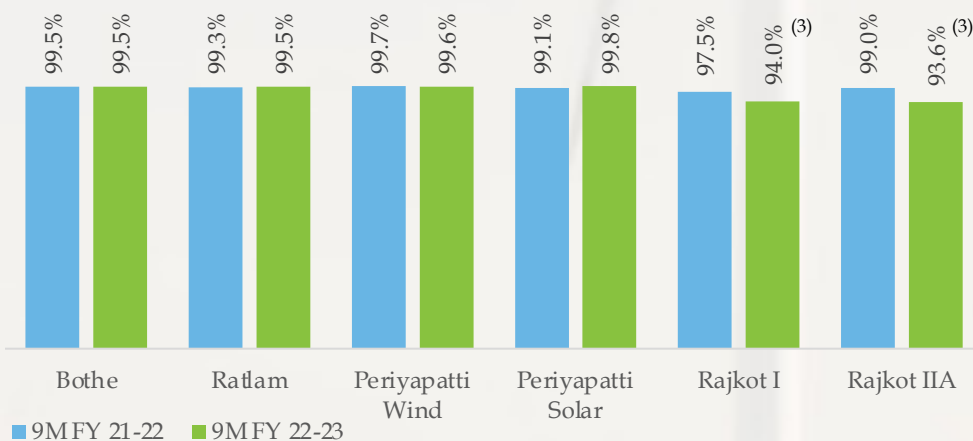
Restricted Group Performance



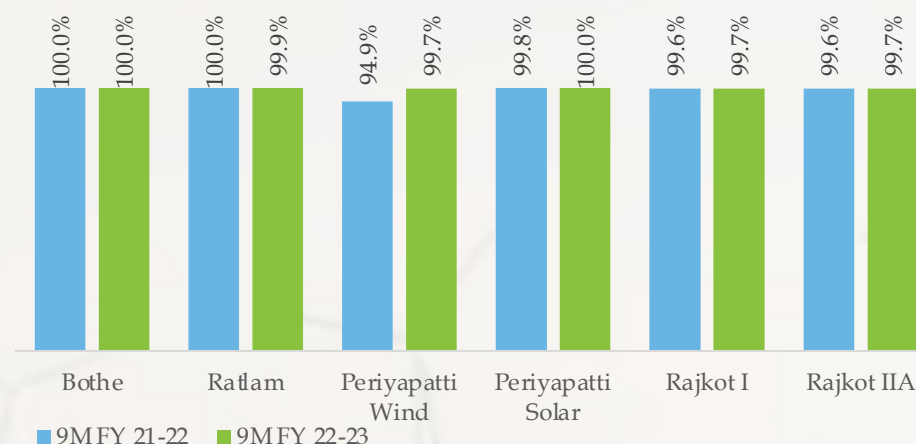
Wind turbine / Solar availability



Internal grid availability



External grid availability



The Performance Ratio for the solar farm was 81.6% for 9M FY 22-23 vs 82.0% for 9M 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

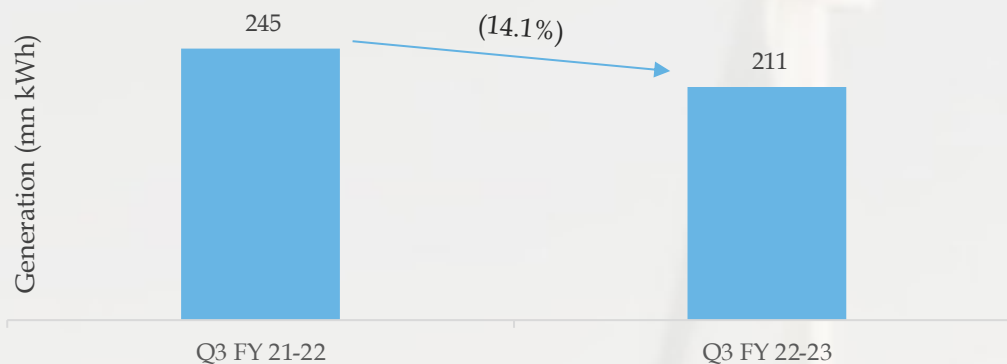
RG Operational Performance – Waterfall Analysis (9M FY 22-23)

Waterfall of Generation from 9M FY 21-22 to 9M FY 22-23

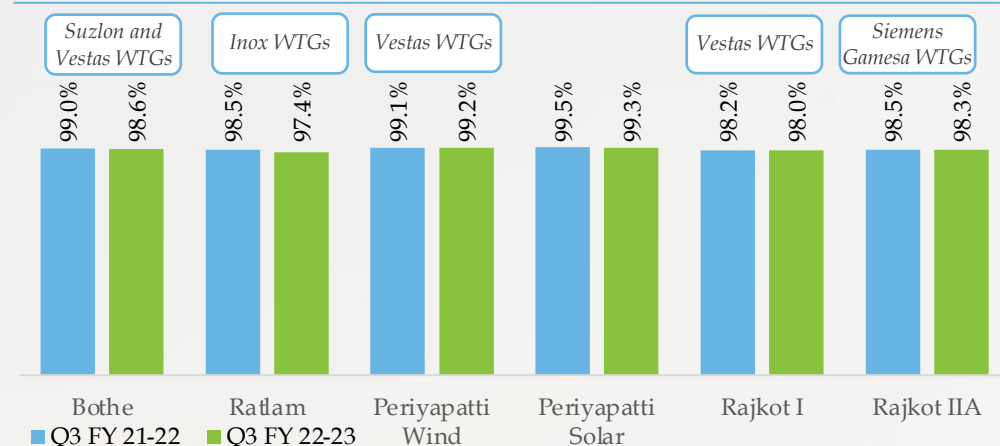


RG Operational Performance – Q3 FY 22-23

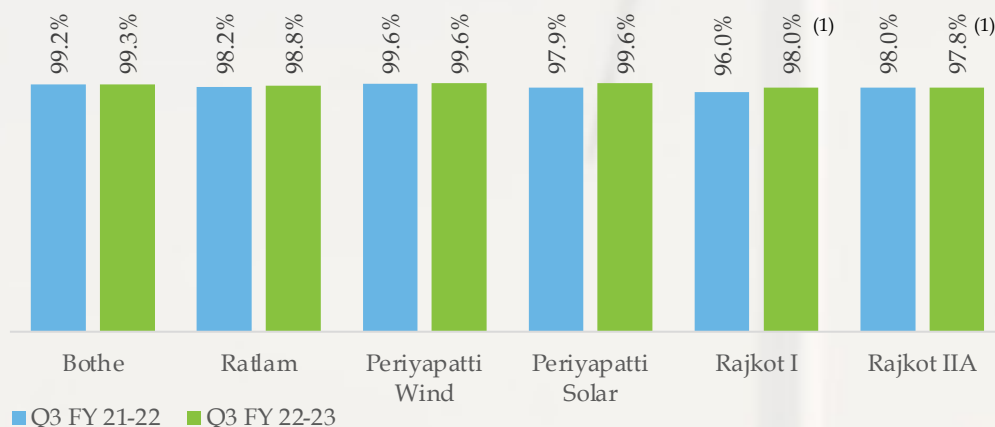
Restricted Group Performance



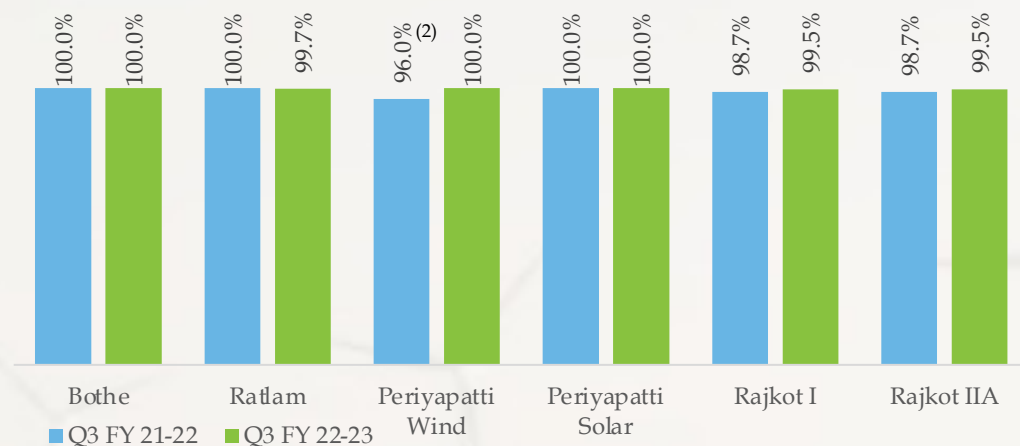
Wind turbine / Solar availability



Internal grid availability



External grid availability



The Performance Ratio for the solar farm was 82.0% for Q2 FY 22-23 vs 82.7% for Q2 FY 21-22, implying a 0.5% p.a. degradation

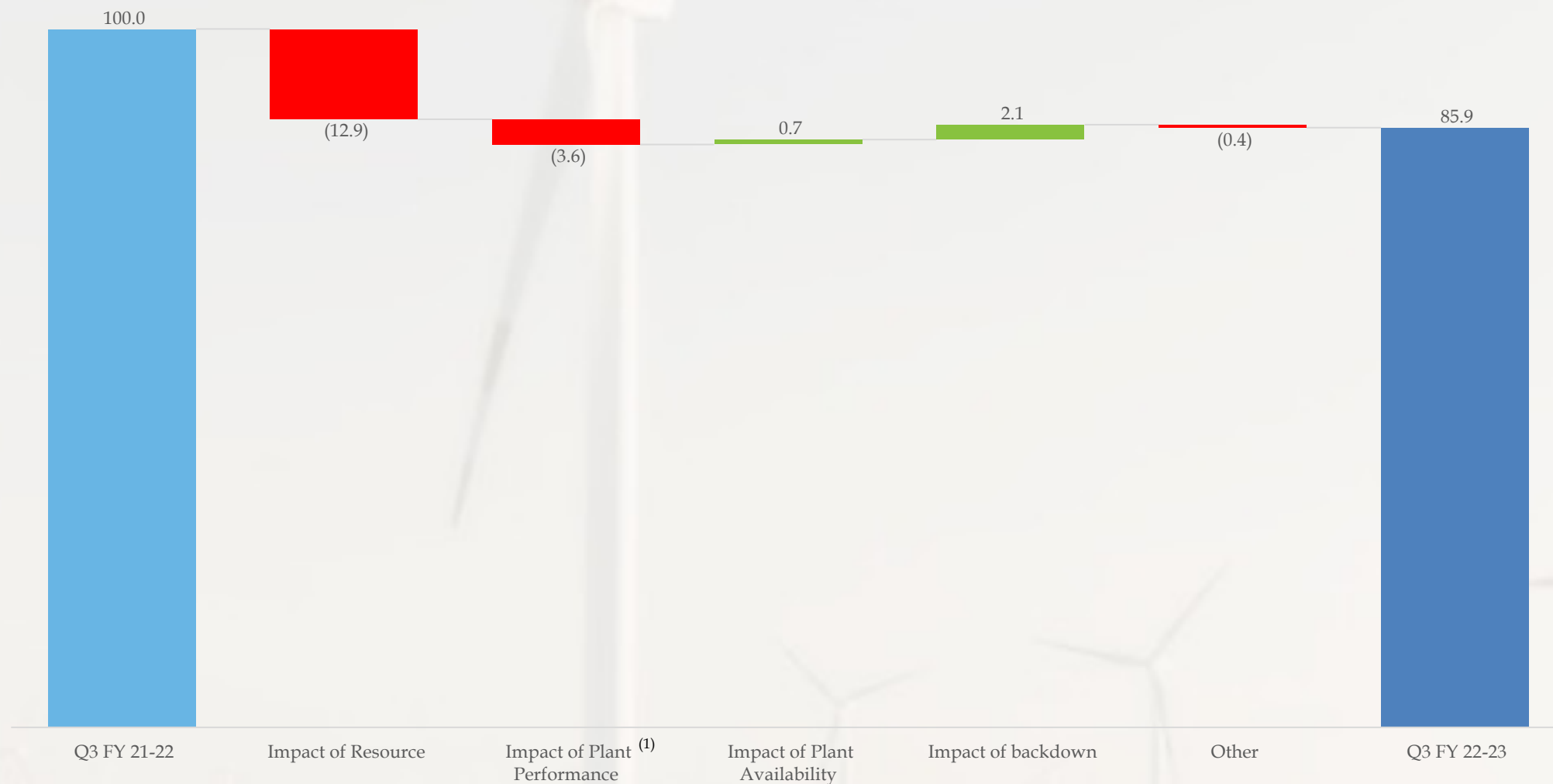
Note:

(1) Slight 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 (Q3 FY 22-23)

Waterfall of Generation from Q3 FY 21-22 to Q3 FY 22-23



Note:

(1) Negative impact of plant performance is mainly due to off season maintenance



III. RG Financial Performance

RG Financial Highlights

- DSRA is funded in cash representing next six months of interest and scheduled principal amortization payment
- INR 6,385 mn cash balance as of 31 Dec 2022 net of working capital facility drawdown
- Amount paid on Notes:

Fig in USD mn	Paid in Feb'23	Paid till Feb'23	Due in Aug'23
Coupon	12.2	49.8	11.7
Scheduled Amortization	1.4	10.5	4.2
Mandatory Cash Sweep	19.6	28.8	17.5
Total	33.2	89.1	33.4

- Historical Financial Covenants

12 months period ending	Jun 21	Dec 21	Jun 22	Dec'22
Debt Service Cover Ratio	1.41x	1.72x	2.01x	1.95x
Fund From Operations to Net Debt Ratio	2.7%	12.3%	14.2%	20.4%

- Recap: Distribution covenants as per the Indenture are:

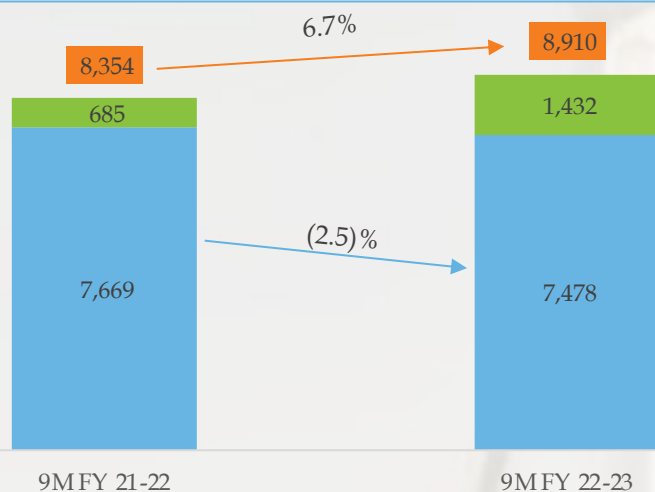
- ✓ 100% of eligible surplus above DSCR of 1.5x, 60% for 1.4x to 1.5x, 50% for 1.3x to 1.4x, nil for less than or equal to 1.3x
- ✓ If FFO to Net Debt ratio is less than or equal to 6%, only 75% of the above surplus is permitted to be distributed (Only in the scenario when DSCR is equal to or higher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

Debt payment schedule

As a % of notes size	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	
	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 approx. 6 months cash locked up + DSRA	

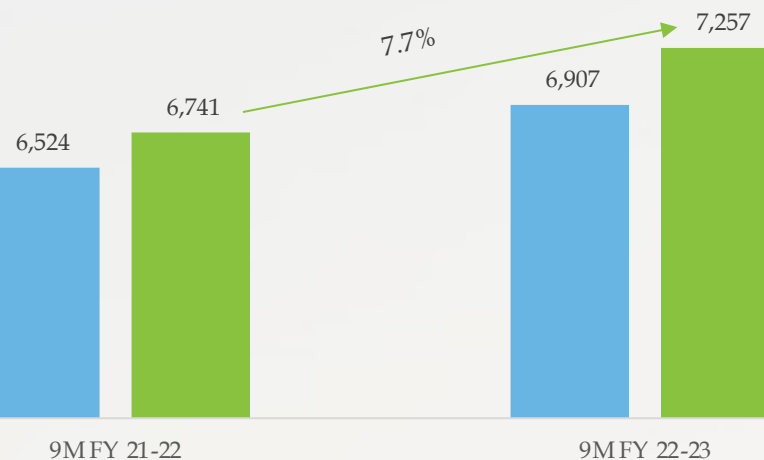
RG Financial Performance – 9M FY 22-23

Restricted Group – Revenue (INR mn)



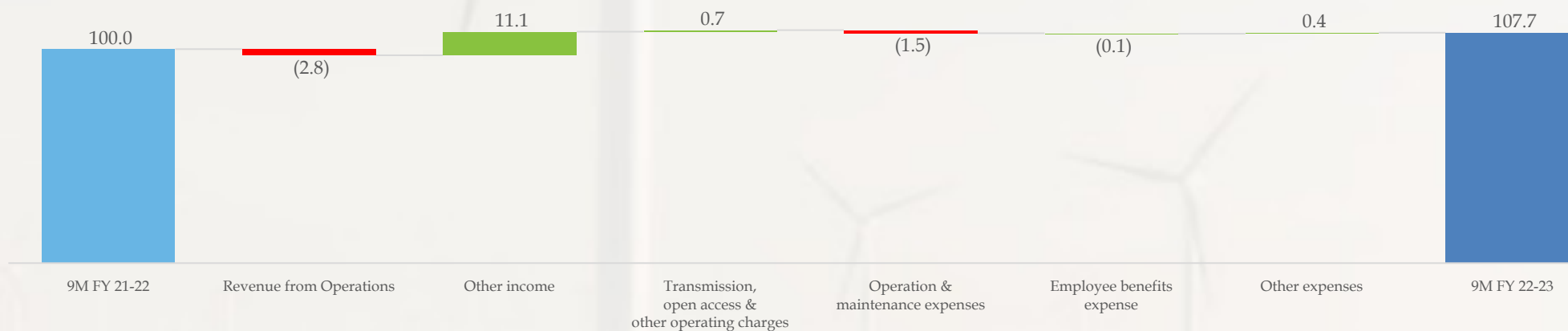
■ Operating Revenue ■ Other Income

Restricted Group – EBITDA (INR mn)



■ Reported EBITDA ■ Adjusted EBITDA

Waterfall of Adjusted EBITDA from 9M FY 21-22 to 9M FY 22-23

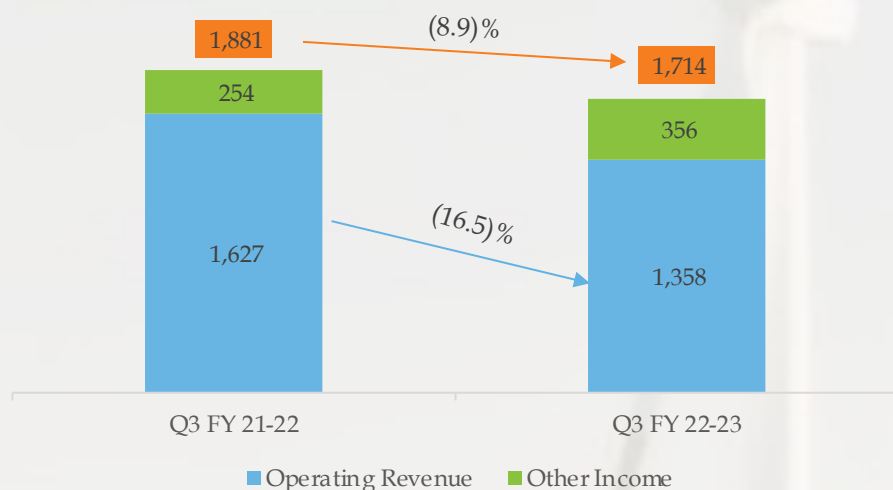


Reported EBITDA = Total income - Operating expenses

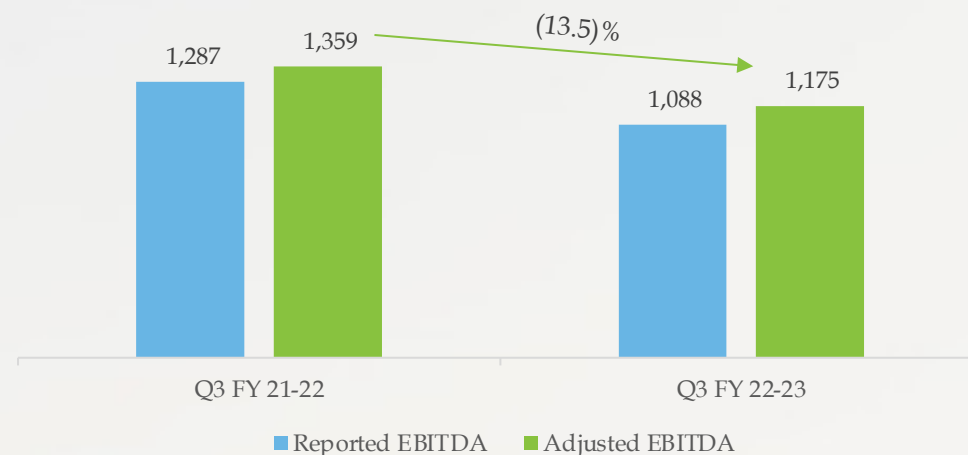
Adjusted EBITDA = Reported EBITDA + Common Overhead Expenses (paid out of distributable surplus) + Any Provision + Notional Foreign Exchange Loss

RG Financial Performance – Q3 FY 22-23

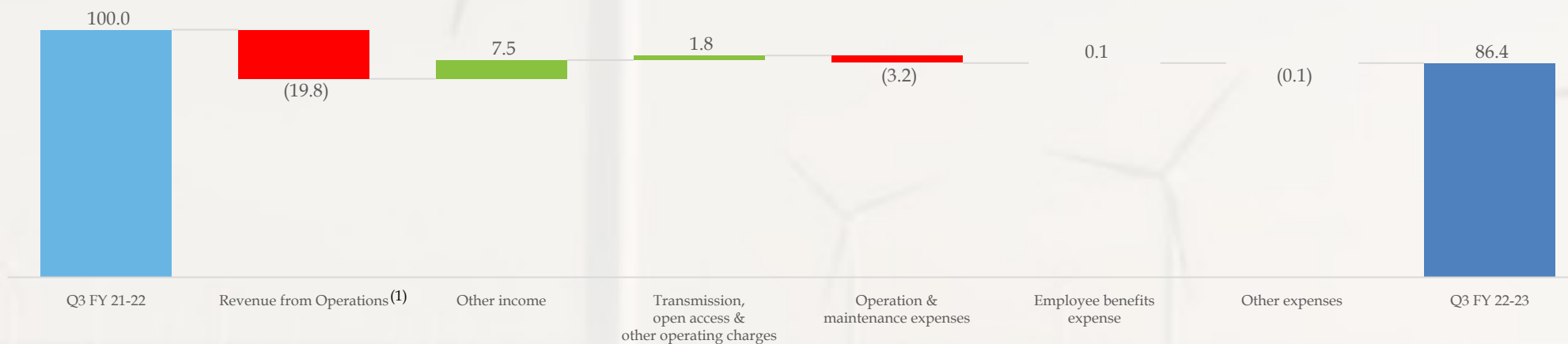
Restricted Group – Revenue (INR mn)



Restricted Group – EBITDA (INR mn)



Waterfall of Adjusted EBITDA from Q3 FY 21-22 to Q3 FY 22-23



Note: (1) Revenue from operations decreased mainly due to lower generation in Q3 FY23 and "nil" sale of Verified Carbon Units (VCUs) in Q3 FY23 vs INR 112 million sale in Q3 FY22

Reported EBITDA = Total income - Operating expenses

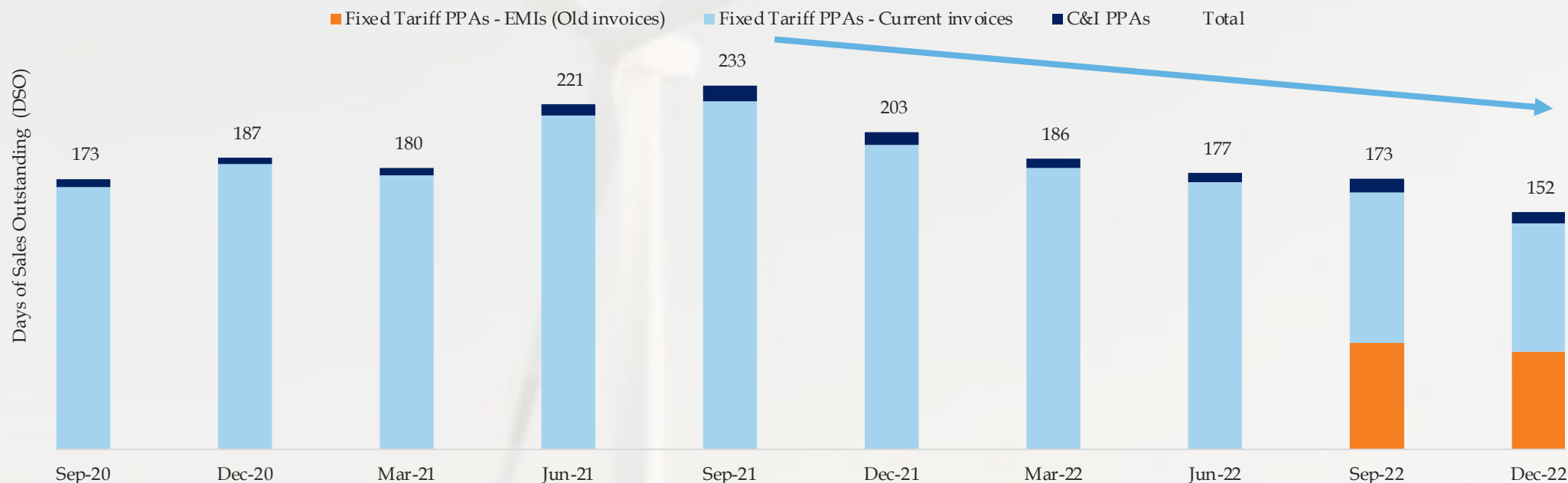
Adjusted EBITDA = Reported EBITDA + Common Overhead Expenses (paid out of distributable surplus) + Any Provision + Notional Foreign Exchange Loss



IV. RG Business Update



Days of Sales Outstanding (DSOs)



- Receivables situation from DISCOMs has improving consistently
 - ✓ Late Payment Surcharge Rules 2022 announced in June 2022 have been implemented leading to accelerated collections
 - ✓ Received INR 1,782 mn during Q2 FY 22-23 and INR 1,192 mn in Q3 FY 22-23 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 along with the receipt of dues in Q3 FY 22-23.
 - ✓ MP DISCOM is paying historical outstanding invoices plus Late Payment Surcharge of INR 134.5 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

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 Dec 22 along with the LPS amount of INR 16.35 mn for the period April to September (*current receivable cycle for MP Discom stands at 30 days and going forward it is expected to be between 30-60 days*)
- MH DISCOM (199.7 MW Bothe)
 - ✓ Has already submitted, to the regulator, a plan for the payment, in phases, by Apr 23 for invoices till the generation month of Dec 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	Received in Jan 23*
7	May 22, Jun 22	Jan 23	Received May 22 generation payment in Feb 23
8	Jul 22, Aug 22	Feb 23	To be received
9	Sep 22, Oct 22	Mar 23	Received Oct 22 generation payment in Feb 23
10	Nov 22, Dec 22	Apr 23	To be received

Fast reduction in DSOs expected over next quarter

* Received Dec'22 payment amounting to INR 0.24 bn on 10th Jan'23 due to strike at MSEDCL.

Significant Regulatory Updates

Notification of Electricity Rules 2022 as an amendment to Electricity Rules 2005

- **Rule 13: Surcharge payable by Consumers seeking Open Access** - 'Cross-Subsidy Surcharge' (CSS) will now be capped at 20% of 'Average Cost of Supply' (ACoS) (*earlier tariff policy provided that CSS should not exceed 20% of ABR*)
 - ✓ CSS is now a rule and legal mandate with no flexibility to 'Electricity Regulatory Commission' (ERCs)
 - ✓ CSS going forward will be lower because it is now set at 20% of ACoS instead of 20% of 'Average Billing Rate' (ABR)
- **Rule 14: Timely recovery of power purchase costs by distribution licensee** - Discoms are now obligated as well as entitled to seek pass through of change in costs of power within 2 months; else its right to recovery shall be forfeited
 - ✓ Discoms tariffs will now be more reflective of market price of fuel, market price of electricity
- **Rule 15: Subsidy Accounting** - Subsidy accounting at the time of setting tariffs by State ERCs (SERCs) will be based on standard operating procedures (SoPs) devised by the GoI.
 - ✓ Discom reforms 3.0 has mandated it to be on cash receipt basis. This means that either state govts will have to pay subsidy in cash or allow higher tariffs to be set.
- **Rule 16: Resource Adequacy** - Central Govt./State Commission shall issue guideline/regulation for resource adequacy. Resource Adequacy planning has to be done every year and adhered to.
 - ✓ Discoms will now have to take into account the open access volume and plan accordingly. Over medium term, this should mean lower stranded capacity and lower 'Additional Surcharge' (AS)

Impact on Continuum

- *Will make C&I sales of renewable energy more competitive on account of capped CSS and lower AS*
- *Increase in net realization for C&I sale of Renewable Energy wherein gross tariff is pegged to Industrial Tariff which is expected to increase on account of pass through of cost*



V. ESG Performance



ESG Performance

Key pointers



0.24 mn tonnes CO₂ emissions avoided in Q3 FY 22-23 which is equivalent to the average **annual** carbon footprint of ~0.43 mn Indian citizens*.

Cumulative 8.35 mn tonnes CO₂ emissions avoided since inception across the Restricted group



Restricted group has planted a cumulative number of ~5,250 trees up to Dec'22



8.93 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



Appendix: frequently asked information



CONTINUUM

A large wind turbine stands in a field of solar panels under a cloudy sky. The image is a composite showing a large wind turbine in the foreground on the left, with a vast field of solar panels stretching towards the horizon. The sky is overcast with grey clouds. In the distance, a line of trees and some small buildings are visible.



A large wind turbine stands in a field of solar panels under a cloudy sky. The image is a composite, with the wind turbine appearing to be part of a solar farm. The solar panels are arranged in rows, and the wind turbine is positioned in the foreground, slightly to the left. The sky is overcast with grey clouds. The overall image has a slightly grainy, high-contrast appearance.

A large wind turbine stands in a field of solar panels under a cloudy sky. The image is a composite, with the wind turbine appearing to be superimposed onto the solar panel field. The solar panels are arranged in neat rows, and the wind turbine is positioned on the left side of the frame. The sky is filled with soft, white clouds.

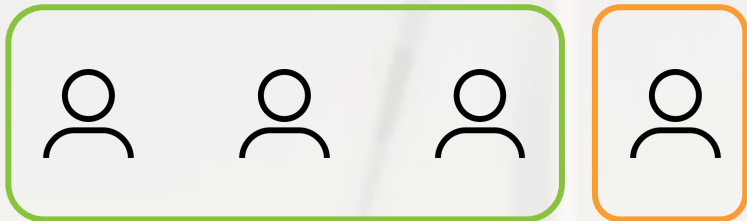
A large wind turbine stands in a field of solar panels under a cloudy sky. The image is a composite, with the wind turbine appearing to be superimposed onto the solar panel field. The solar panels are arranged in neat rows, and the wind turbine is positioned on the left side of the frame. The sky is filled with soft, white clouds.

Composition of Board of Directors

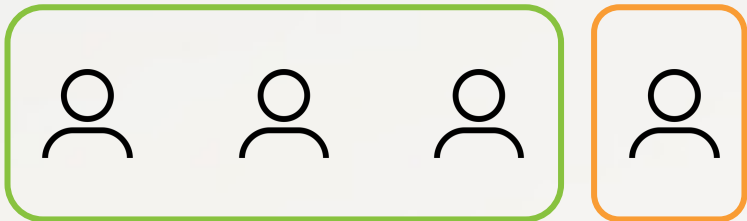
Continuum Green Energy Ltd.



Continuum Energy Levanter Pte. Ltd.



Continuum Energy Aura Pte. Ltd.



MSIP Representatives



Founders Representatives

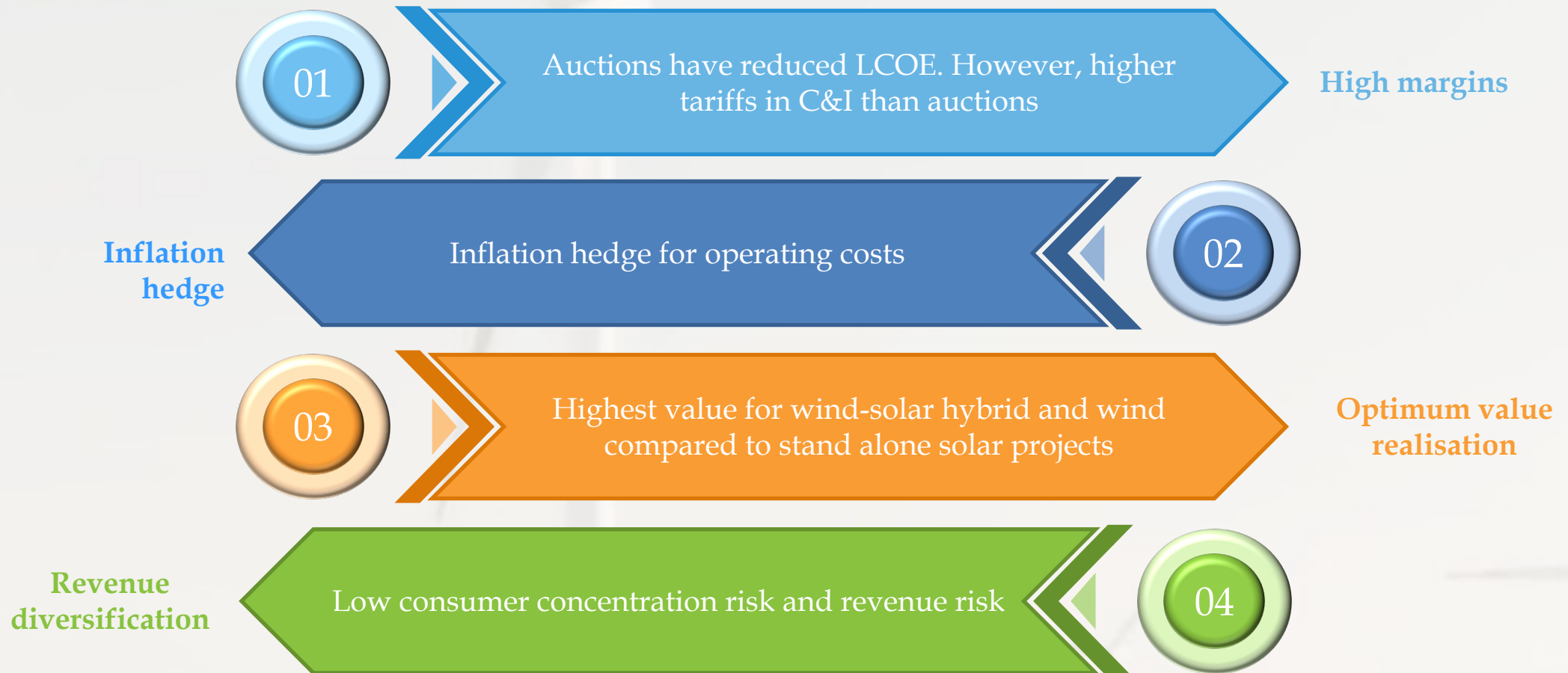


Independent

Restricted Group Subsidiaries (India)



Why do we like C&I Business?



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

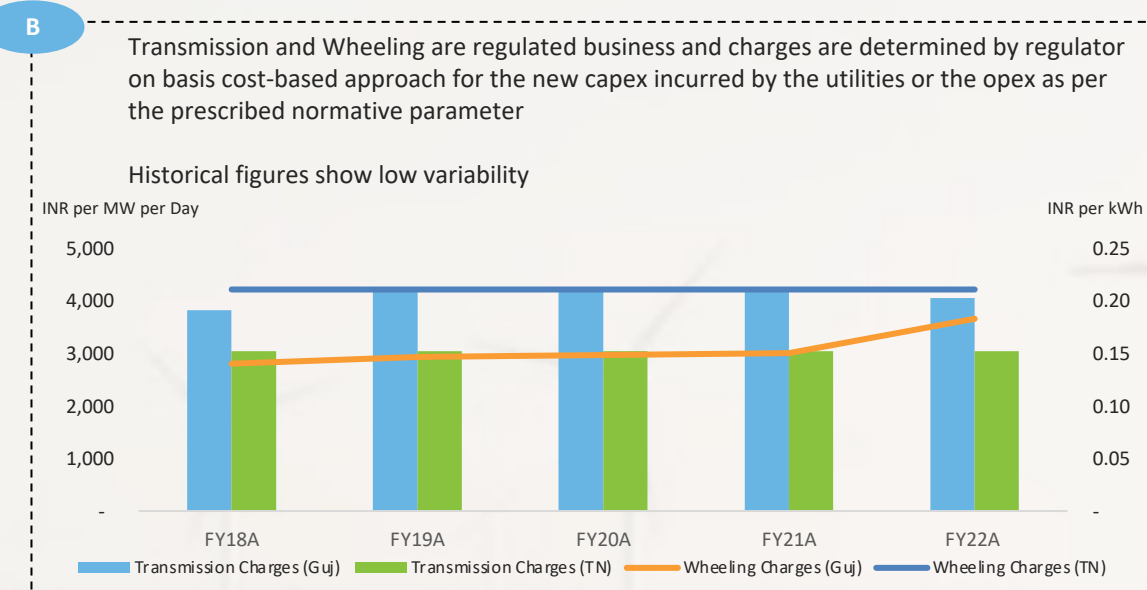
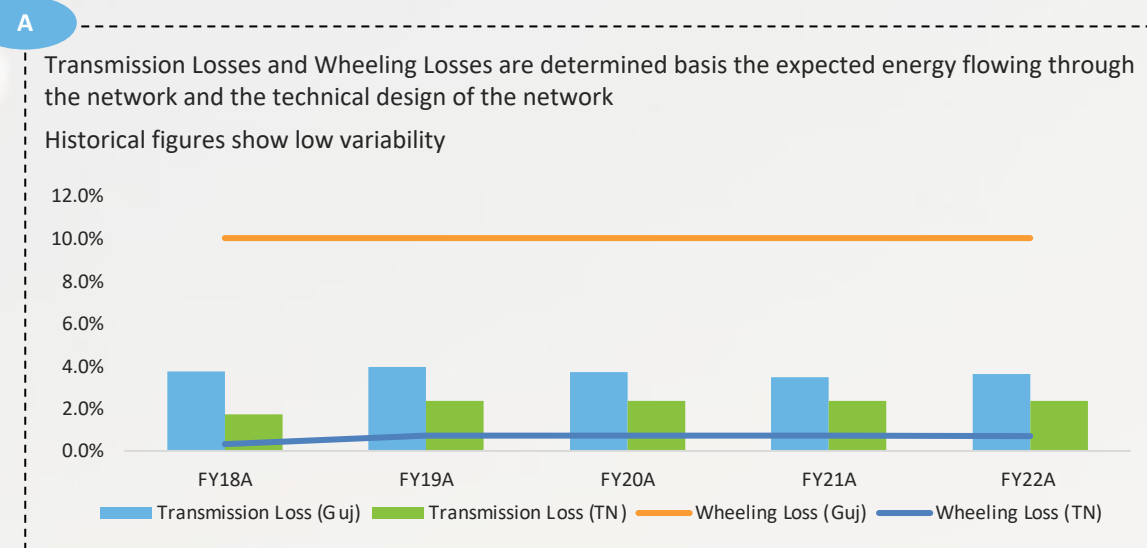
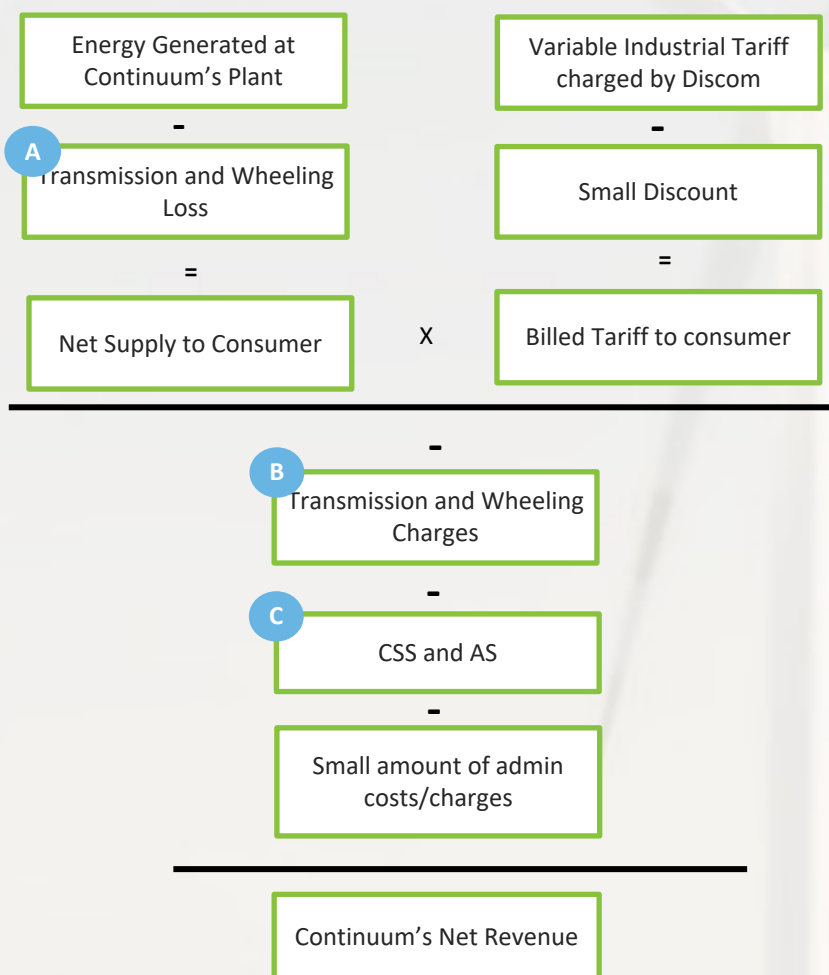
Increasing tariffs charged by DISCOMs to C&I consumers

- 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

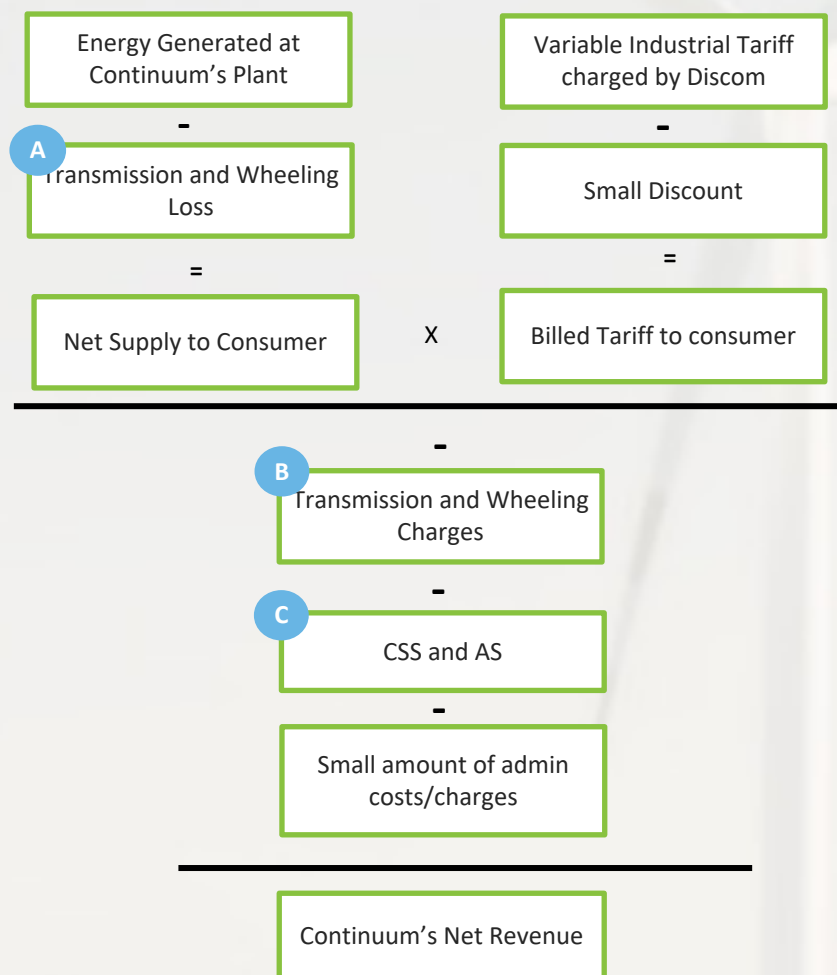
Recent DISCOM Reforms 3.0 Program likely to require further increase in tariffs charged to C&I consumers

Objectives	Implementation and enforcement through
<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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:<ul style="list-style-type: none">✓ 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

How does our C&I Sale Model work?



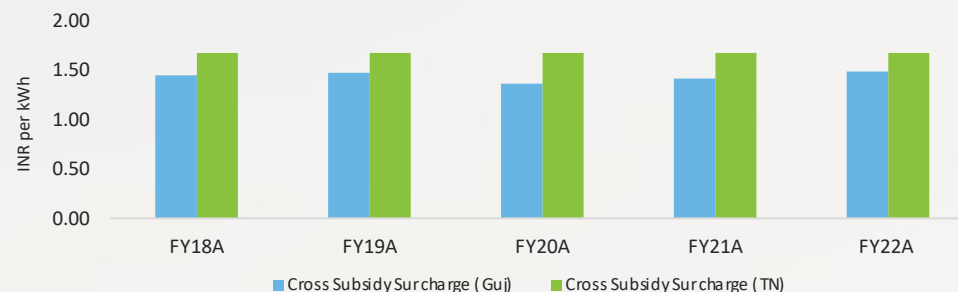
How does our C&I Sale Model work? (cont.)



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

