OPG Power Ventures Plc

FY21 Results Investor Presentation

4 October 2021

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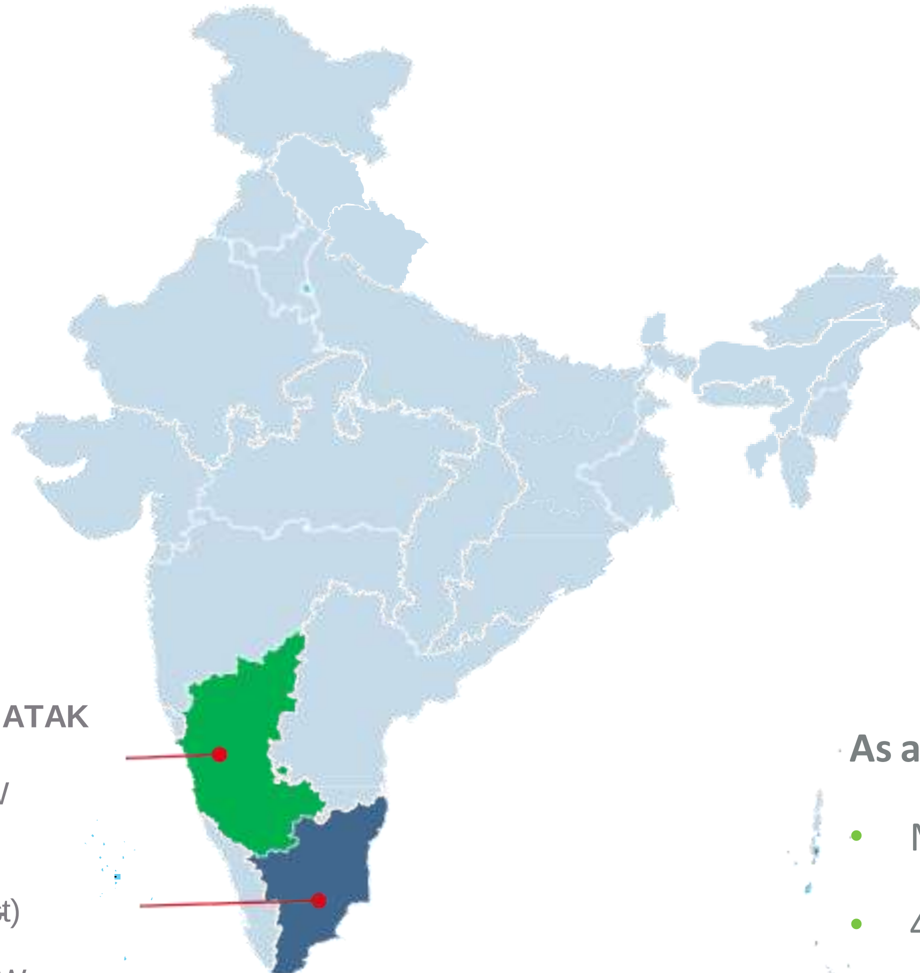
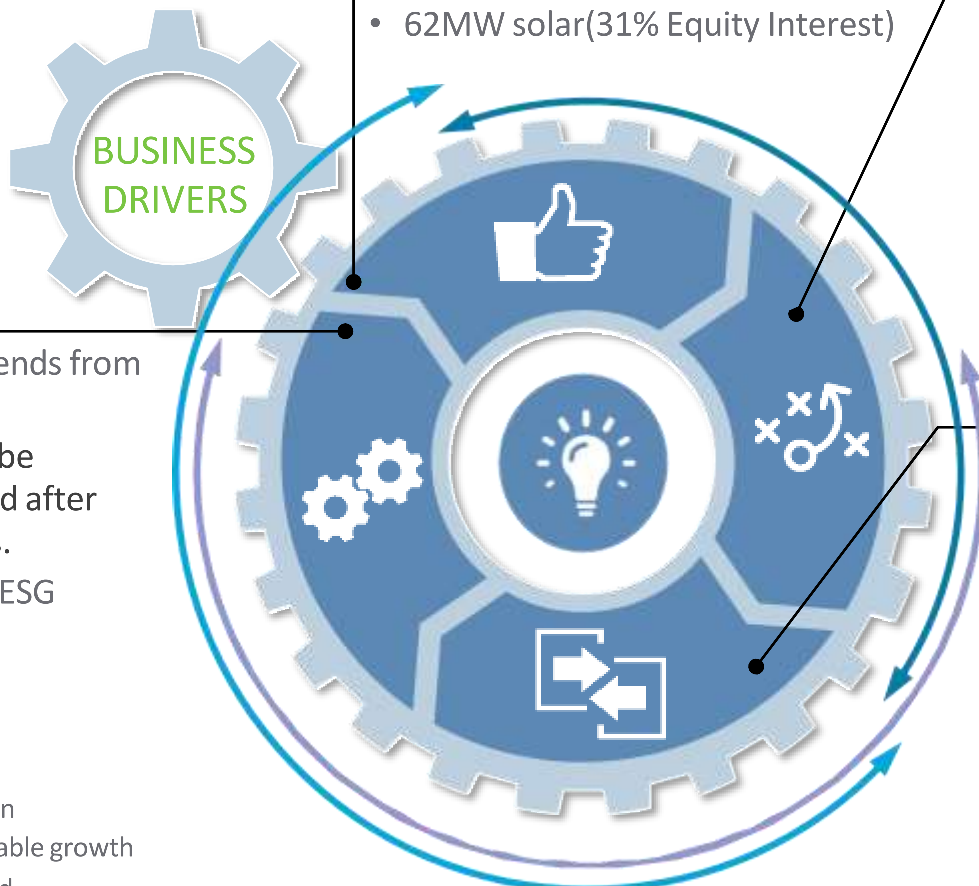
A DEVELOPER AND OPERATOR OF POWER PLANTS



As at 1 October 2021:

- Market cap: £51.1 million
- 400.7 million shares issued

CONSISTENT DELIVERY ON POTENTIAL



01. STRONG EXISTING ASSETS BASE

- 414MW thermal
- 62MW solar(31% Equity Interest)

02. WELL POSITIONED

- Strong electricity demand in India
- Although there is YoY increase in per capita consumption of electricity in India, still very low compared with developed countries.
- YoY increase in demand in line with GDP growth
- OPG thermal assets are performing at high PLF compared to industry average.

03. DECREASING DEBT PROFILE

- Decreasing gross debt
- £46.6m FY21 and £56.8m FY20,
- Net Debt £ 16.2m FY21 and £53.4 m FY20
- Chennai plant debt free by FY25.
- Gearing ratio is 9%, one of the lowest in the industry
- 0.5x Net Debt/Adjusted EBITDA
- No term loan repayments due before June 2022, providing strong liquidity to the Company.

04. POTENTIAL

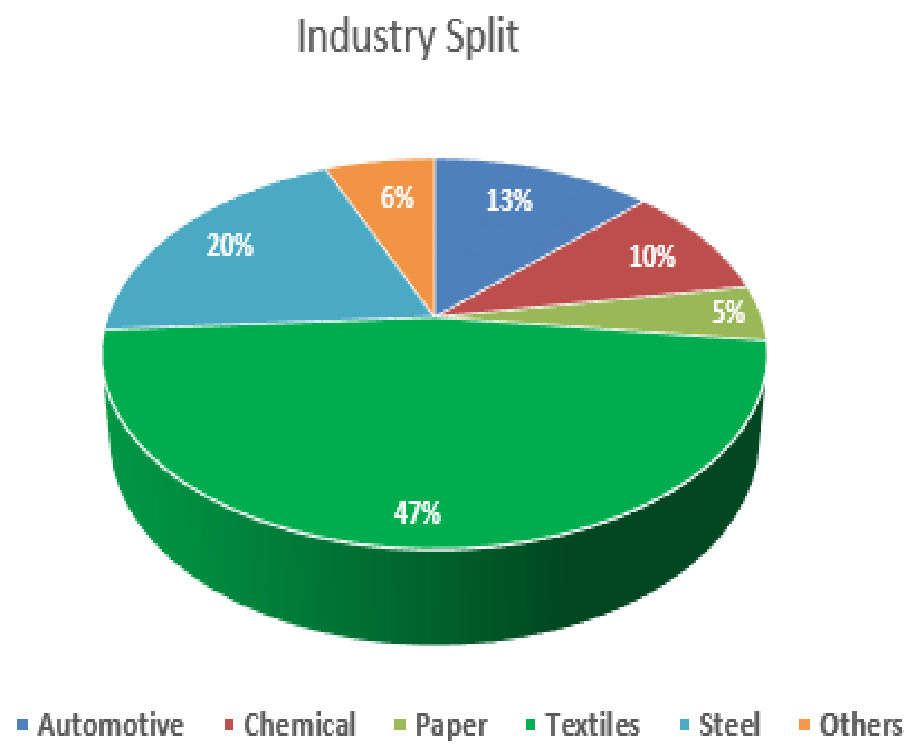
- Track record of dividends from FY17 to FY19.
- Dividend policy will be revisited by the Board after situation normalises.
- Potential for further ESG focused growth
- Strong EBITDA and profitability margins

Starting position
Delivery and stable growth
Moving forward

A DIVERSE INDUSTRIAL CAPTIVE POWER SHAREHOLDERS

Pioneer in Group captive model

- Captive power shareholders are from different sectors like textile, automotive, paper, chemical/petrochemical, foundry and steel
- Robust tariffs as majority of generation is sold directly to Industries
- Multi-year sales contracts
- Improved cash cycle
- One of the largest group captive players in India



FY21 FULL YEAR HIGHLIGHTS

FY21 HIGHLIGHTS

FY21 GENERATION

2.1 TWH*

(FY20: 2.7 TWH)

* Including 0.4 Bn of Deemed Generation

FY21 TARIFF FOR C&I CAPTIVE POWER SHAREHOLDERS

Rs5.52 per kWh

(FY20: Rs5.67 per kWh)

Reduced due to COVID-19 discount

FY21 REVENUES

£93.8 million

(FY20: £154 million)

Decreased due to COVID-19 impact

FY21 ADJUSTED EBITDA

£33.7 million

(FY20: £31.2 million)

Adjusted EBITDA margin 36%

FY21 PROFIT BEFORE TAX FROM CONTINUING OPS

£21.6 million

(FY20: £14.5 million)

Increased due to receipt of payments of historical contractual claims.

FY21 GEARING RATIO

9% (FY20: 25%)

Principal term loans repayment of £8.2 million during FY21 (2.04 pence per share value accretion)

FREE CASH FLOWS AND COMPARISON WITH INDIAN AND EUROPEAN PEERS

Data	(£m) FY21	FY20	FY19	Average
Cash flows from operations	40.2	28.6	28.7	**32.5**
Free cash flows **	34.7	20.0	13.2	**22.6**
Free cash flows yield * (Based on £51.1m market cap)	67%	38%	25%	**43%**

Indian power generation companies vs OPG	Free Cash Flow yield*, %	P/B ratio
Tata Power	10.4%	2.2
Gujarat Industries	-4.4%	0.4
NTPC Limited	-0.6%	1
Torrent Power	4.8%	2.4
CESC	12.8%	1.1
OPG Power Ventures	**45%**	**0.3**
Min	-4.4%	0.3
Median	**4.8%**	**1.1**
Mean	**4.6%**	**1.2**
Max	12.8%	2.4
Source: Factset		

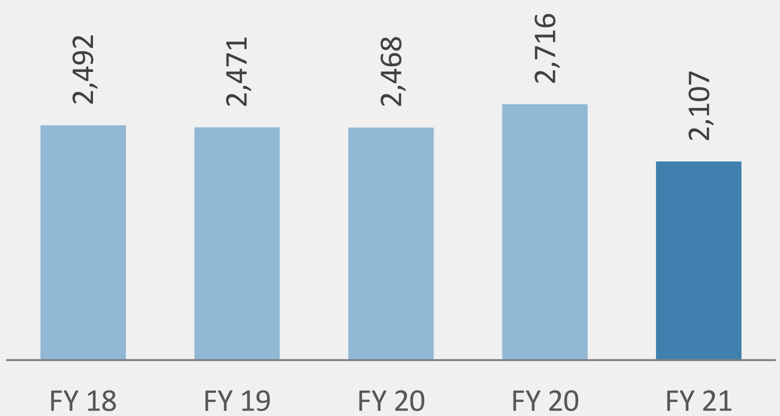
Europeaan power generation companies vs OPG	Free Cash Flow yield*, %	P/B ratio
SSE Plc	5.2%	3.1
Enel SPA	3.8%	2.6
Iberdrola	2.6%	1.5
Fortum oyj	8.3%	1.8
OPG Power Ventures	**45%**	**0.3**
Min	2.6%	1.5
Median	**4.5%**	**2.2**
Mean	**5.0%**	**2.3**
Max	8.3%	3.1
Source: Factset		

* Free Cash Flow yield = Free Cash Flows** / Market capitalisation

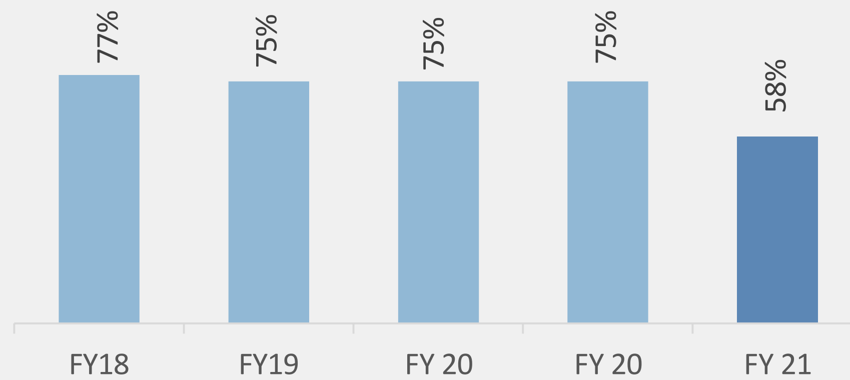
** Free Cash Flows = Cash flow from operations - CAPEX - Net interest expenses

MAXIMISING EXISTING ASSETS – OPERATIONAL PERFORMANCE

GENERATION *(MILLION UNITS)
(CHENNAI)



PLF (%)
(CHENNAI)



*Excluding deemed generation.

FY21 generation and PLF are lower due to Covid-19 disruption. Plant Load Factor ("PLF") for the five month period to 31 August 2021 was 72.8% in FY22.

FIRST-EVER STANDALONE ESG REPORT ISSUED

FY21 FINANCIALS

FY21 RESULTS
KEY PERFORMANCE HIGHLIGHTS

Year ended 31st March (£million)	FY21	FY20	Change %
Operational			
Units produced* (in BU)	2.1	2.7	
Average PLF (%)	58%	75%	
Financial			
Revenue	93.8	154.0	-39.1%
Adjusted EBITDA	33.7	31.2	8.2%
Net finance costs	(5.9)	(9.5)	-37.7%
Profit before tax	21.6	14.5	48.6%
Tax expense	(8.4)	(4.3)	-95.5%
Profit from continued operations	13.1	10.2	28.8%
Profit from discontinued Operations	1.0	-2.1	
Profit for the year	14.1	8.0	75.6%
Diluted EPS (pence per share)	3.25	2.59	26%
Cash flow from operations	40.1	28.6	40%
Net Debt	16.2	53.4	-70%
Net Debt/Adjusted EBITDA	0.5	1.7	-72%

Adjusted EBITDA has increased by £2.6 million (8.2% growth) primarily due to collection of contractual claims payments from its customers under power purchase agreements amounting to £9.4 million.

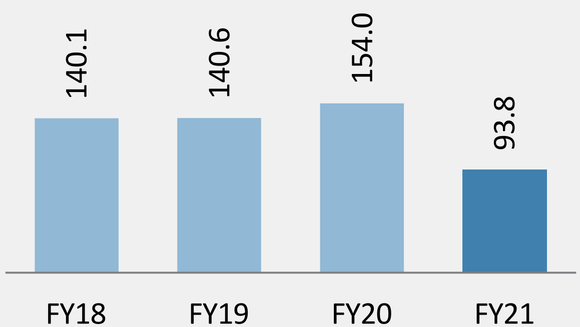
* Including deemed generation

FY21 DEVELOPMENTS AND HIGHLIGHTS

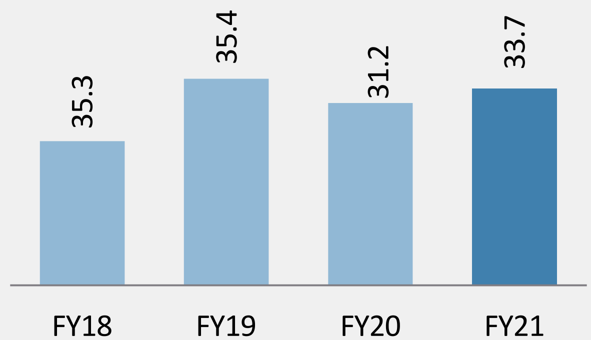
- Revenue decreased to £93.8 million from £154.0 million in FY20 due to the COVID-19 disruption in the Indian economy;
- Total generation (including deemed) of 2.1 billion units (2.7 billion units in FY20);
- Adjusted EBITDA of £33.7 million (36.0% margin) compared with £31.2 million (20.2% margin) in FY20;
- Profit before tax from continued operations was £21.6 million compared with £14.5 million in FY20;
- £8.2 million (Rs.7.8 billion) term loan principal repayments made during FY21; Borrowings reduced with gross debt of £46.6 million at 31 March 2021, compared to £56.8 million at 31 March 2020;
- Net debt reduced from £53.4 million at 31 March 2020 to £16.2 million at 31 March 2021;
- In June 2021, ESG Board Committee was created and Mr. Michael Grasby was appointed as Chairman of this committee. First-ever standalone FY21 ESG report was issued and is available on the Company's website.

EARNINGS FROM CONTINUING OPERATIONS

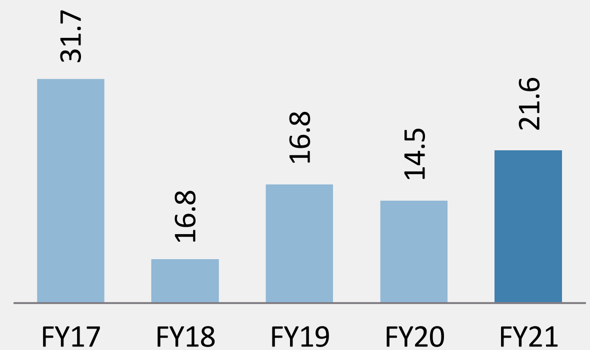
REVENUES (£M)



ADJUSTED EBITDA * (£M)



PROFIT BEFORE TAX AND IMPAIRMENTS (£M)



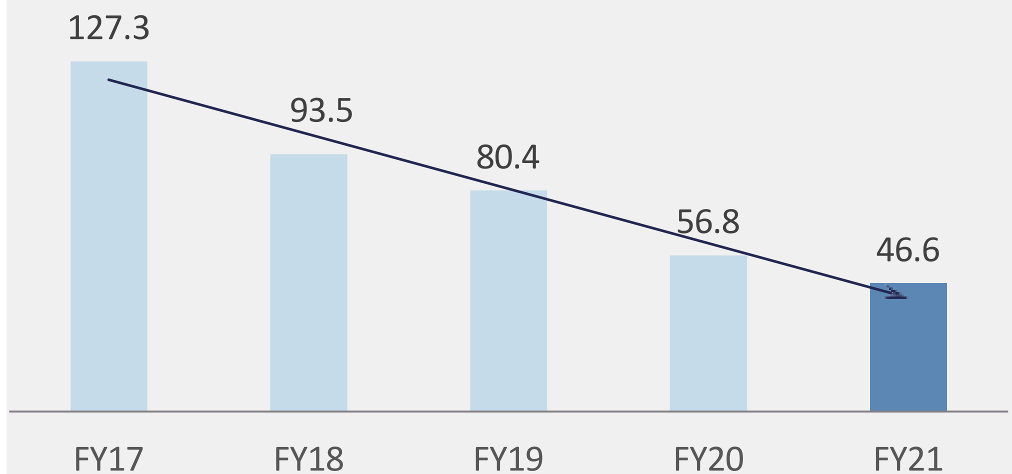
- Decrease in revenue during FY21 is due to disruption caused by COVID-19 induced lockdown.
- Increase in Adjusted EBITDA and PBT is due to £9.4 million income with respect to historical contractual claims during FY21.

*Adjusted EBITDA is a measure of a business' cash generation from operations before depreciation, amortisation, interest and share based payments and includes income with respect to previously contracted claims of £9.4 million in FY21.

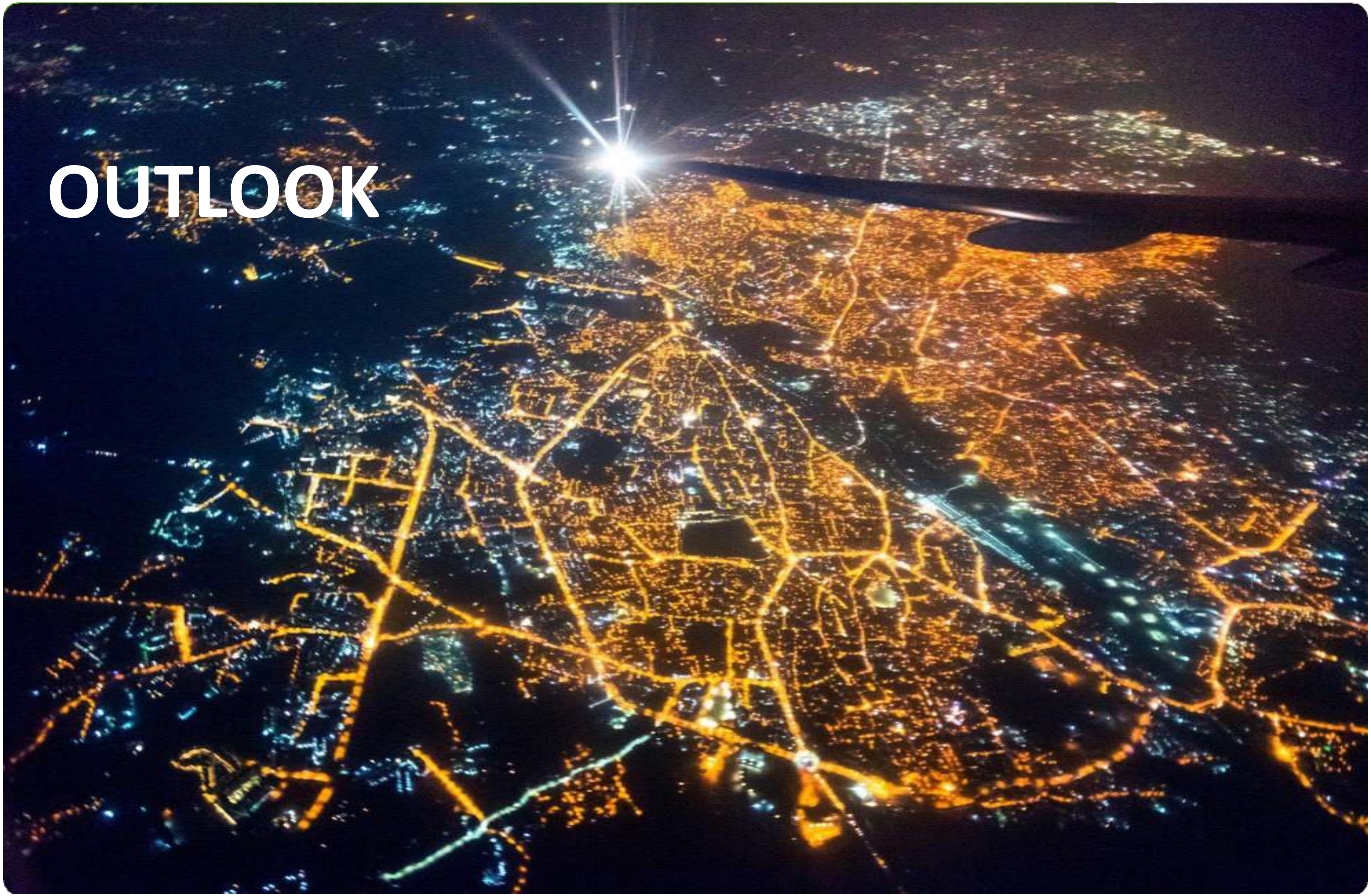
GROSS DEBT: CHENNAI

- As at 31s March 2021 net debt was £16.2m (31 March 2020: £53.4m)
- Gearing ratio is 9%, one of the lowest in the industry
- Net Debt/Adjusted EBITDA: 0.5 (FY20: 1.7)

GROSS DEBT £ MILLION

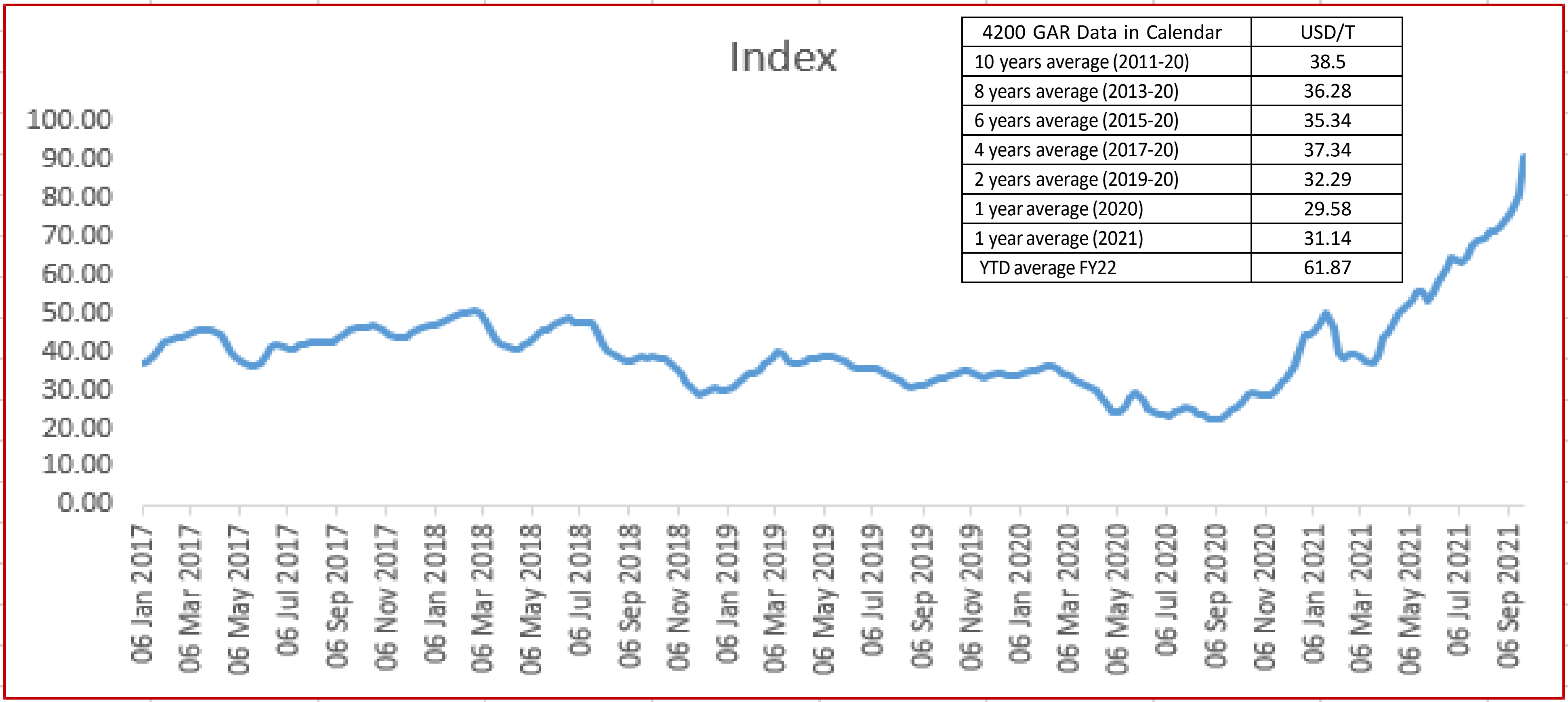


OUTLOOK



INTERNATIONAL COAL PRICE TREND

Thermal coal price Indonesian coal 4200 GAR -



4200 GAR Data in Calendar	USD/T
10 years average (2011-20)	38.5
8 years average (2013-20)	36.28
6 years average (2015-20)	35.34
4 years average (2017-20)	37.34
2 years average (2019-20)	32.29
1 year average (2020)	29.58
1 year average (2021)	31.14
YTD average FY22	61.87

FY 17 Ave. Price $35.94

FY 18 Ave. Price $44.23

FY19 Ave. Price $38.81

FY20 Ave. Price $34.79

YTD FY21 Ave. Price $31.14

Source: Argus

OUR PRIORITIES

Areas	Plan	Actions during the year
Cash flows	• Maximise cashflows from existing assets	• PLF & generation are recovering gradually post COVID-19 in line with increase in power demand from our customers but subject to coal and freight prices • Coal prices and freight are expected to remain higher
Safety & Environment Performance	• Maintain internal standards - exceeding regulatory norms. • Continued improvement in Total Reported Injury Rate	• Exceeding in most parameters • Near Zero TRIR • ESG focused strategy
Sustainable & Deleveraged	• Consistent repayment of debt • Maintain discipline and position for robust growth opportunities	• Continue deleveraging strategy in line with debt repayment schedule • Conserve cash for repayment of debt and growth ESG focused projects • Revisit dividend policy when situation with COVID-19 and coal & freight prices normalises

STRONG FUNDAMENTALS FOR INDIAN ECONOMY & POWER SECTOR

COVID -19 IMPACT AND RECOVERY

ECONOMY

- Indian economy had witnessed slowdown in growth due to successive lockdowns, movement restrictions, lower consumption and slow credit growth. As lockdown restrictions are eased in a phased manner Indian economy is showing the signs to bounce back.
- In June 2021, World Bank's Global Economic Outlook projected FY22 economic growth forecast for India at 8.3%. IMF revised its India growth forecast to 9.5% for FY22;
- India faced a severe second wave of COVID-19 infections starting February 2021 which resulted in economic slowdown. The number of infected cases peaked in the middle of May 2021;
- Since 16 January 2021, India administered the rollout of vaccines to its citizens and at least 0.75 billion doses of COVID vaccines have been administered. Based on recently reported data, currently around over eight million doses are being administered daily;
- Currently COVID-19 cases are reducing and state governments are now unlocking and easing restrictions, in phases;
- On 1 April 2021, the deadline for meeting emission norms for a majority of coal-based power plants in India, was extended from 2021 to December 2024.

POWER SECTOR

- During the initial lockdown the total power consumption reduced by approximately 25 per cent primarily due to a decrease in industrial demand for electricity on account of Covid-19 restrictions.
- As the restrictions were eased, power consumption gradually increasing. Following the gradual recovery of the Indian economy, the power demand in the country is expected to grow driven by rising industrial demand.

* Source: Reserve Bank of India

KEY DRIVERS FOR POWER DEMAND

KEY DRIVERS OF DEMAND

- *24x7 Power for All initiative*
- *Development of ‘smart cities’*
- *‘Housing for All’ scheme*
- *Industrial push through ‘Make in India’*
- *Increasing urbanization*
- *Infrastructure requirements*
- *Government push on electric mobility, and overall strong economic growth*

THANK YOU

Questions?

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[(www.opgpower.com)](http://www.opgpower.com)