OPG Power Ventures Plc

FY23 Results Presentation

9th November 2023

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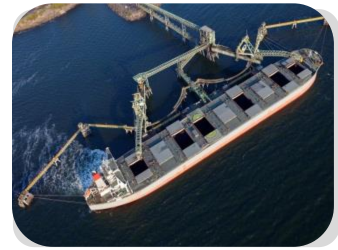
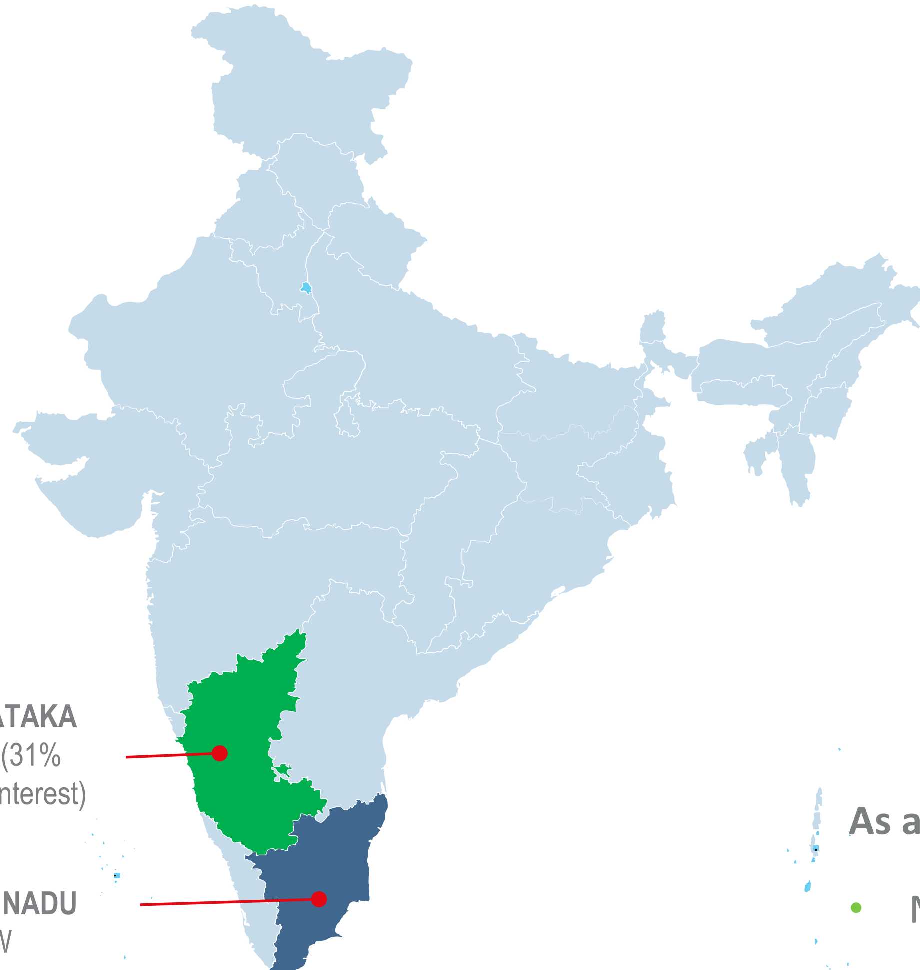
A DEVELOPER AND OPERATOR OF POWER PLANTS





As at 8th November 2023:

- Market cap: £52.1 million
- 400.7 million shares issued

STRONG FUNDAMENTALS FOR INDIAN ECONOMY & POWER SECTOR

ECONOMIC AND SECTOR UPDATE

ECONOMY

- On track to surpass Japan and become the third-largest global economy, with a projected GDP of $7.3 trillion by 2030
- World Bank forecasts India's GDP growth for FY23/24 to be at 6.3%.
- To propel India into a US$ 5 trillion economy by FY 25, the Government of India is undertaking numerous initiatives such as
  - "Make In India,"
  - "Vocal to Local,"
  - Rapid and widespread strides in digitization, labour reforms, and ease of doing business initiatives
- India's direct tax collection rises 11.2% to ~£39 Billion in H1FY24.
- The government's capital spending is increasing while the revenue expenditure is on a decreasing trend.

POWER SECTOR

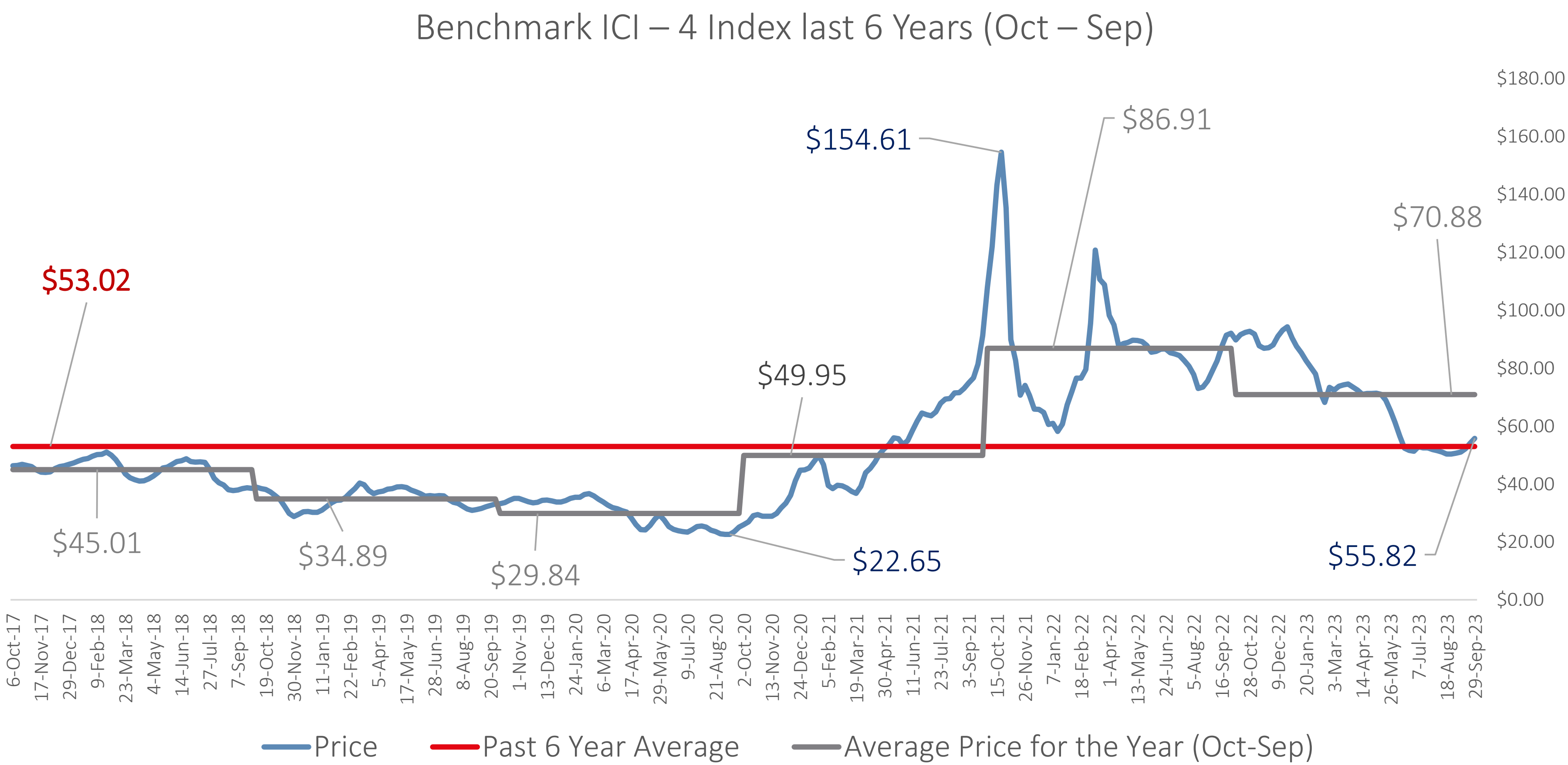
- India is the third-largest power consumer globally, however per capita consumption is low being only 1/3 of the global average.
- In FY 23, the total power demand in India surged by 9.6 percent to reach 1,512 billion units (BUs), significantly exceeding the average annual growth rate of 5.3 percent observed during the period of 2015-2019.
- Peak power demand in India has reached a historic high of 240 GW as on September 1. 2023.
- Electricity demand in India is expected to increase by 70 percent over the next decade (Source: Fitch Report)
- Coal to remain an important component of India's energy mix with current contribution at 73 percent of the total generation.

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*

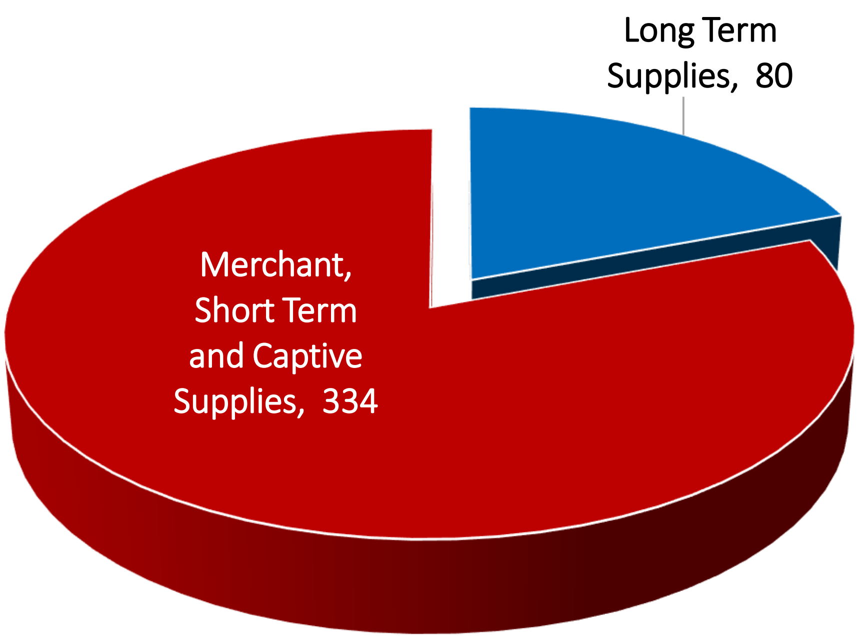
COAL PRICES STABILIZING AFTER A LONG TIME MARKING A RETURN TO NORMALCY



A ROBUST BUSINESS MODEL

- Nearly 20% capacity tied up in Long Term supplies which pays for most of operating expenses.
- Balance 80% dedicated to Merchant and Short Term clients or Group Captive customers.
- Strong in house O&M capabilities to manage flexible operations.
- Ability to fire different grades and types of coal of different origins
- Coal Trading contributes additional margins

Capacity Breakup (in MW)

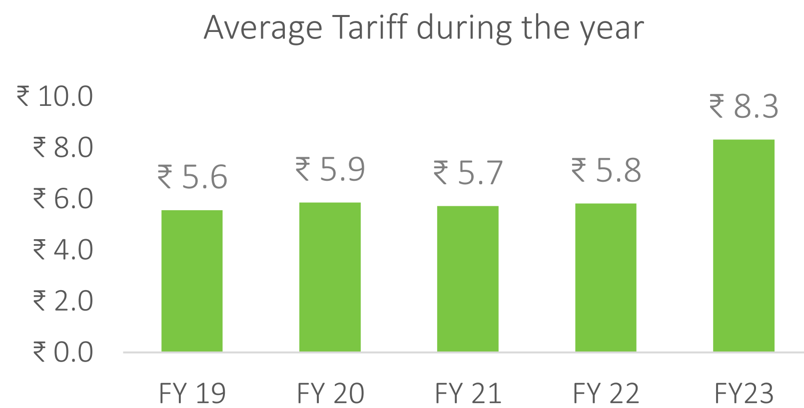


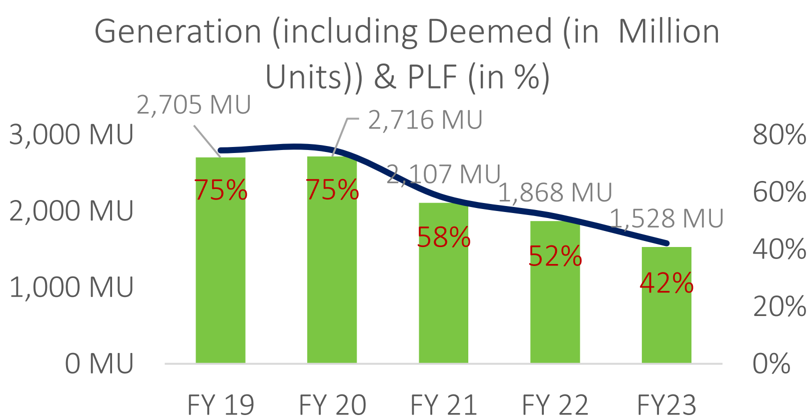
FY23 HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

FY23 Generation impacted by

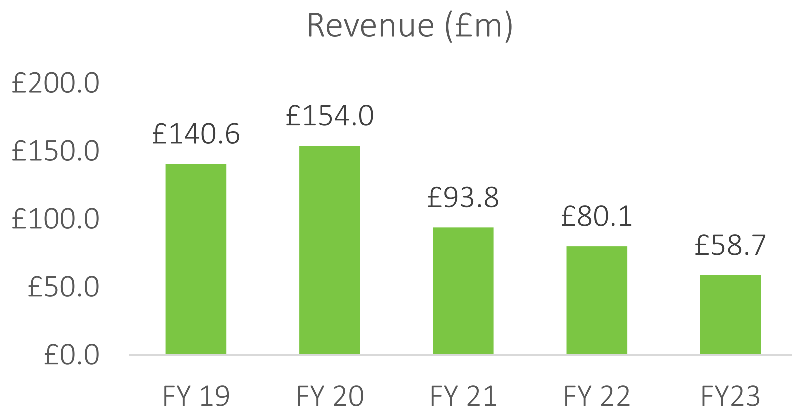
- Increased coal prices due to the ongoing war between Russia and Ukraine and higher coal demand from Europe





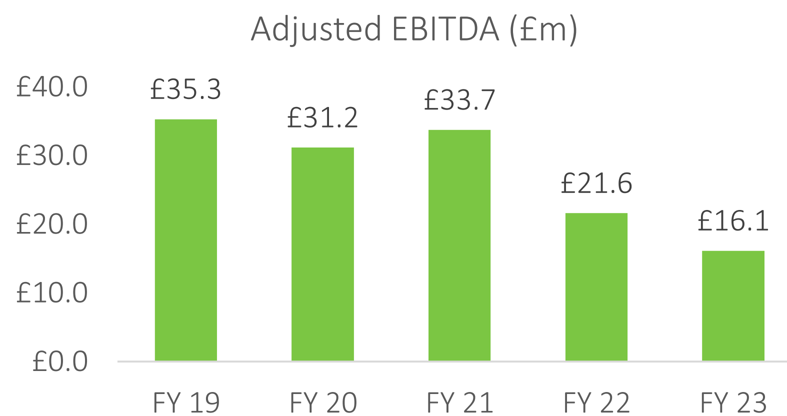
- Average Tariff improved in FY 23 due to pass through of high fuel costs and focus on profitable contracts

FINANCIAL HIGHLIGHTS



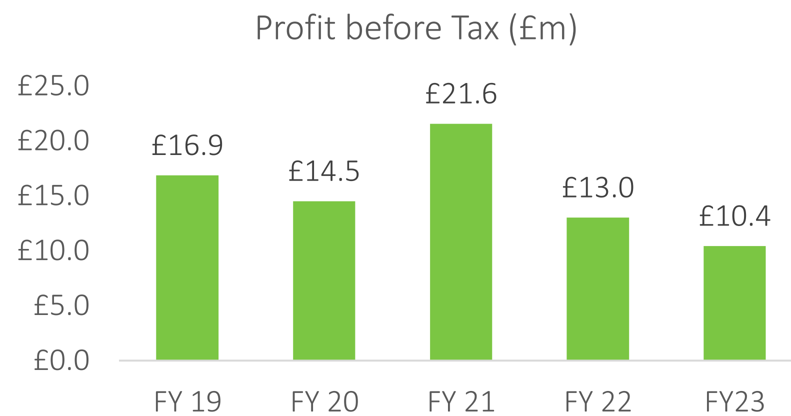
- Resulting from the company's focus on profitable generation.
- Testimony to cost control measures adopted by the company.

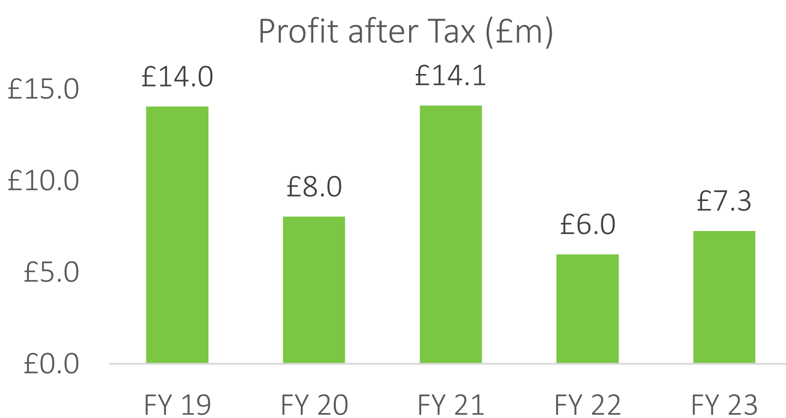
- Revenue decreased due to decrease in generation
- Adjusted EBITDA was 27.5% of revenue.
- Adjusted EBITDA declined in real terms but increased as a percentage of revenue .

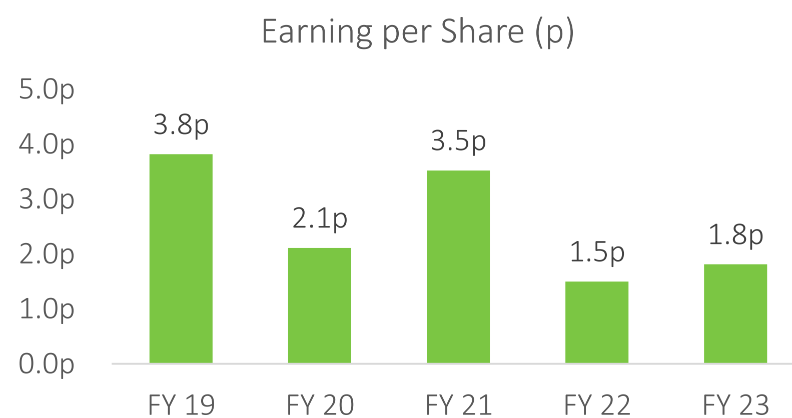


FINANCIAL HIGHLIGHTS

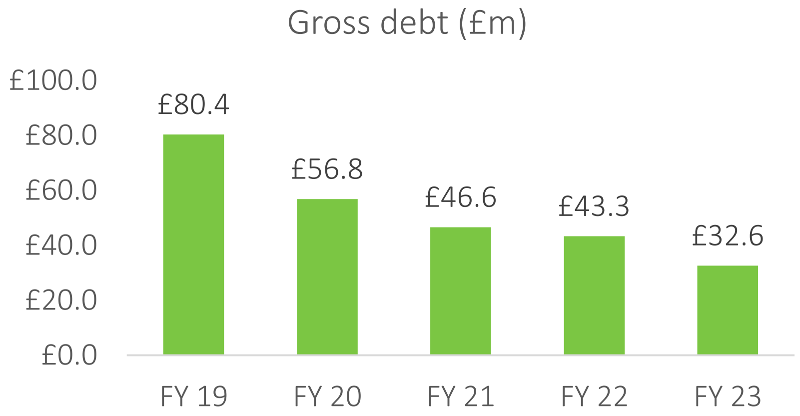
- PAT increased to £7.3m from £6.0m
- EPS increased to 1.8p from 1.5p





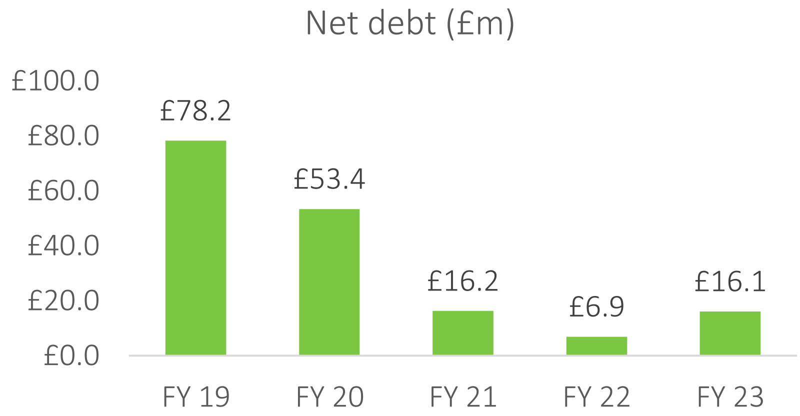


FINANCIAL HIGHLIGHTS



- Deleveraging is a key goal of the company
- Gross debt continued to decrease due to continued debt servicing.

- Company continues to conserve cash for sustainable operations



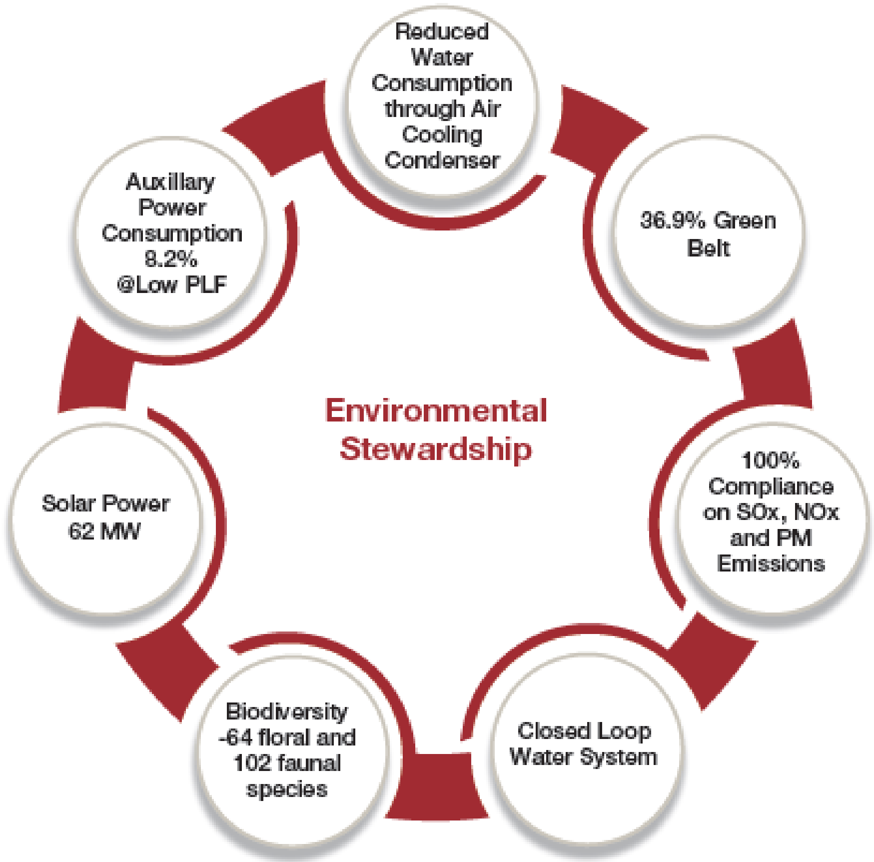
KEY FINANCIAL HIGHLIGHTS

	Highlights		
	FY 21	FY 22	FY 23
Revenue	£93.8m	£80.1m	£58.7m
Adjusted EBITDA	£33.7m	£21.6m	£16.1m
Net Finance Costs	(£5.9m)	(£3.1m)	(£4.3m)
Profit before Tax	£21.6m	£13.0m	£10.4m
Tax expense	(£8.4m)	(£4.1m)	(£3.2m)
Profit from continued operations	£13.1m	£8.9m	£7.3m
Profit/(Loss) from discontinued operations	£1.0m	(£2.9m)	£0.0m
Profit for the year	£14.1m	£6.0m	£7.3m
EPS (pence per share)	3.5	1.5	1.8

FY23 SUMMARY

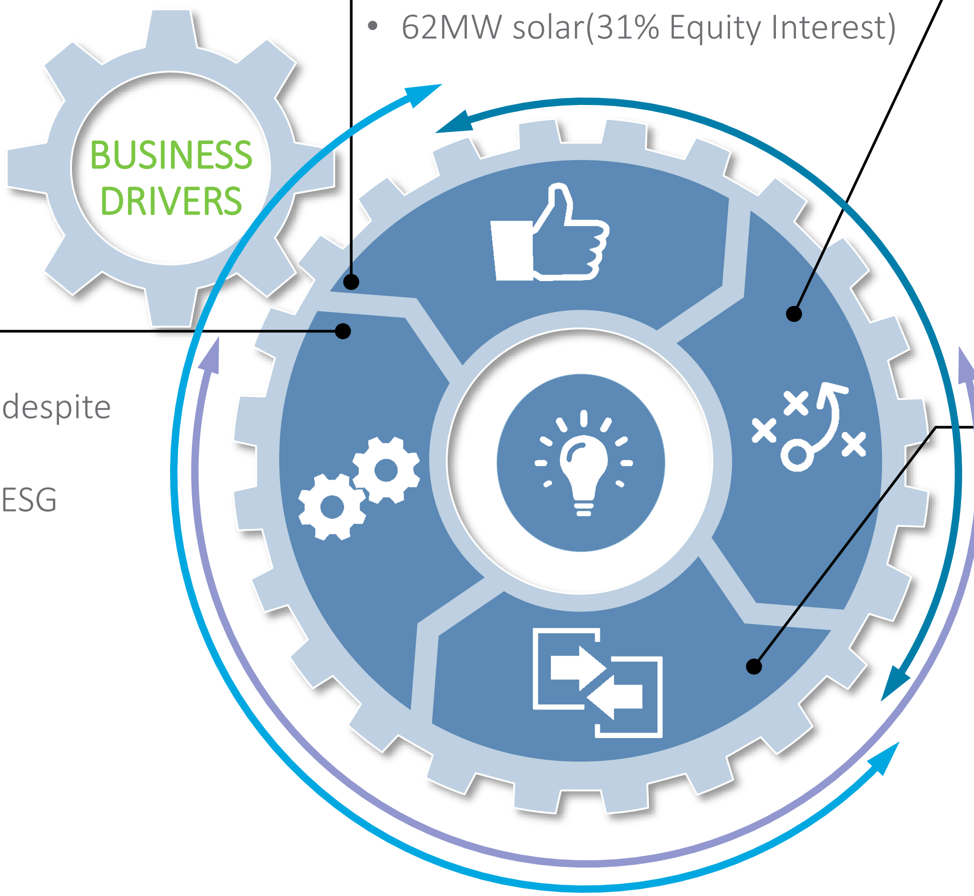
- The Group’s revenues saw a decrease of £21.4 million, representing a decline of 26.7 percent in FY 23 over the previous year’s £80.1 million as coal prices remained at elevated levels throughout the year.
- In order to conserve cash, the company narrowed down its focus on profitable generation and part refinancing of the NCDs repayable in Q1FY24.
- The total generation (including deemed generation), amounted to 1,528 million units (42.1 percent PLF), which represented a decrease of 18.2 percent when compared to the previous year's 1,868 million units (51.5 percent PLF).
- The Adjusted EBITDA amounted to £16.1 million (27.5 percent), in contrast to £21.6 million (27 percent) in FY 22.
- Profit before tax from continued operations was £13.0 million as compared to £21.6 million in FY22.
- Basic earnings per share of 1.81 pence in FY23 versus 1.5 pence in FY22.
- Gross Debt decreased from £43.3 million in FY 22 to £32.60 million in FY 23.

EXTRACT FROM THE ESG REPORT



COMPANY'S OUTLOOK

WELL POSITIONED



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

03. DECREASING DEBT PROFILE

- Decreasing gross debt to £32.6m in FY23 from £43.3m in FY22 with a reduction of 25%.
- Gearing ratio at 8.6%, one of the lowest in the industry.

04. POTENTIAL

- Strong EBITDA and profitability margins despite spike in coal prices
- Potential for further ESG focused growth

CURRENT OPERATIONS

- India's power consumption grew 9.4 per cent to around 984.39 billion units in the April 23 to October 23 period compared to a year ago mainly due to improvement in economic activities and weather conditions.
- Plant load factors for FY 24 is expected to increase to approximately 58%
- Short Term Contract with a state utility for five months in H2FY24.
- Last published ICI 4 Index (03 Nov 2023) was US$58.46 compared to US$73.53 as on 31 March 2023
- Gross Debt as at end of August FY24 is £23.8 million as compared to £32.6 million
- Company continues to explore short term and medium term contracts with various state utilities and large customers.

OUR PRIORITIES

Areas	Plan	Management's Actions
Cash flows	• Maximise cashflows from existing assets	• PLF & generation are increasing. • Increase in per Unit Tariff due to pass through of coal costs • Increasing participation by state utilities in the short term and medium term market. • Short Term Contract with a state utility has enabled us to tie up significant capacities for FY24 • Coal prices and freight have started softening
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 capital discipline	• Continue deleveraging strategy in line with debt repayment schedule and extension of tenure by refinancing • Conserve cash for repayment of debt and growth ESG focused projects


THANK YOU