Adani Power Limited

Presentation to Shareholders

27th Annual General Meeting
19th July 2023
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India demand growth expected to increase at CAGR of 6.5% and Thermal (Coal) capacity to range between 250-260 GW till FY30.

FY25 onwards, the new Capex cycle is expected to drive the demand with increased Manufacturing share.

Overall Demand is expected to be in the range of 2280-2300 BUs with Peak demand from 335-340 GW.

<table>
<thead>
<tr>
<th>SN</th>
<th>Source</th>
<th>IC</th>
<th>Installed Capacity Projections in 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>As of 31 Mar’23</td>
<td>CEA Optimal Mix Report Projections</td>
</tr>
<tr>
<td>1</td>
<td>Coal</td>
<td>211.9</td>
<td>252</td>
</tr>
<tr>
<td>2</td>
<td>Gas</td>
<td>24.8</td>
<td>24.8</td>
</tr>
<tr>
<td>3</td>
<td>Nuclear</td>
<td>6.8</td>
<td>15.5</td>
</tr>
<tr>
<td>4</td>
<td>Hydro</td>
<td>47</td>
<td>59.3a</td>
</tr>
<tr>
<td>5</td>
<td>Solar</td>
<td>66.8</td>
<td>292.6</td>
</tr>
<tr>
<td>6</td>
<td>Wind</td>
<td>42.6</td>
<td>99.9</td>
</tr>
<tr>
<td>7</td>
<td>Other RE</td>
<td>15.5</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Total capacity</td>
<td>415.4</td>
<td>777</td>
</tr>
<tr>
<td></td>
<td>PSP</td>
<td>4.7</td>
<td>18.9</td>
</tr>
<tr>
<td></td>
<td>BESS</td>
<td>-</td>
<td>41.7</td>
</tr>
</tbody>
</table>

Source: NPP, CEA, CEA Optimal mix and NEP

Source: CEA, Optimal Mix May 2023
a including hydro imports of 5.8 GW
Adani Power Limited (APL) At a Glance
APL: Leading private sector power generator

**Development**

- **Capacity**
  - 16.85 GW
  - Geographically diversified, modern and efficient fleet

**Operations**

- **Market share**
  - 16.0% / 5.7%
  - of India’s private/aggregate thermal generation capacity

- **Modern & Sustainable fleet**
  - 74%
  - Supercritical / Ultra-supercritical units resulting into lower GHG emissions (Out of Total Capacity)

- **Emissions**
  - 0.85 tCO₂e/MWh
  - 13% lower than all-India coal-fired power plants’ average emissions of 0.975 tCO₂e/MWh

- **Reliability**
  - 94%
  - Plant Availability in FY 2022-23

- **Efficiency**
  - Low Station Heat Rate
  - Supercritical / Ultra-supercritical fleet

- **Revenue Visibility**
  - 85%
  - Long term / medium term capacity tie up

- **Fuel Security**
  - 85%
  - of domestic fuel requirement secured

- **Creditworthiness**
  - A
  - Credit rating for long term facilities

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Leading private sector power generator with revenue visibility, fuel security and credibility

**Capacity:** includes 40 MW solar power plant at Bitta, Gujarat and 1600 MW under-development Ultra-supercritical power project at Singrauli, Madhya Pradesh

**Market share:** APL’s operational thermal capacity share; Source: CEA Mar’23 monthly report

**Emissions:** Source: CEA’s CO₂ Baseline Database for the Indian Power Sector, December 2022

**Credit Rating:** assigned by CRISIL Ratings and India Ratings, limited by power off-taker ratings.

- GW: Giga Watt; MW: Mega Watt; m³: Cubic meter; MWh: Mega Watt hour; GHG: Green House Gas
APL : Key Differentiators for Long Term Success
APL: All-round excellence for sustained leadership

**Integrated Project Management**
- Integrated approach from project conceptualization to project commissioning
- In-depth optimization at each stage of project management cycle
- Strong project controls, collaboration, and convergence leading to effective project delivery

**Leveraging Technology and Analytics**
- Centralised monitoring, analysis, and support through Energy Network Operations Centre (ENOC)
- Data Analytics driven decision-making for ensuring high uptime
- Fostering an organization-wide culture of continuous improvement and innovation with a focus on capability building

**Fuel Management and Logistics**
- Only IPP in India with in-house, mine-to-plant logistics capability
- Handling approx. 54 MMTPA of coal and 12 MMTPA of fly ash annually, a substantial logistics organization in its own right
- Annually managing 13,000 rake-equivalent of coal movement through multiple touchpoints with numerous agencies

**Critical Success Factors for long-term success and growth in a dynamic sector**
Reducing Carbon footprint through Benign coal conversion pathways— Ammonia / Biomass Co-firing, CCUS initiatives are underway...

Benefits

- Choice of dispatch in MOD
- Improved ESG rating
  - Bring in addtl. investment on improved ESG ratings / Green bonds
- New revenue streams
  - Potentially bring in addtl. revenue in form of methanol, timber etc

Establish net-zero cost without impacting asset health

Biomass / Ammonia Co-firing

- Green Ammonia
- Energy
- Biomass

Carbon Capture & gainful utilization

- Captured CO₂ utilized
- TPP
- Alternative Fuel Prod. & Sale
- Bring in addtl. investment on improved ESG ratings / Green bonds
APL: Key milestones achieved

Operating capacity and organizational structure

- First 800 MW Unit of 1600 MW Godda USCTPP synchronized with Bangladesh Grid in Nov '22
- Godda plant fully commissioned on 25\textsuperscript{th} June 2023
- Scheme of Amalgamation of APL with its six operating subsidiaries completed

Deleveraging and credit rating

- Cash flow surplus utilized to prepay outstanding debt
- Entire secured debt of Kawai, Rajasthan plant prepaid
- APL’s credit rating has improved from BBB- to A

Resolution of long-outstanding regulatory matters

- Virtually all regulatory matters related to coal shortfall claims resolved at Hon’ble Supreme Court level
- Liquidation of shortfall claims underway
- Improved recovery of fuel costs and visibility of earnings
APL: 1600 MW Godda Ultra-Supercritical power project commissioned

Supporting Bangladesh in achieving its long-term economic goals

- Supplanting costly liquid-fueled power with reliable and affordable supply

Secure revenue and profitability streams

- 25-year PPA of 1496 MW (net) with Bangladesh Power Development Board
- Connected to Bangladesh Grid with a 400kV dedicated transmission system
- Efficient recovery of fixed and variable costs under USD-denominated tariff

High efficiency, low emissions

- Pioneering project incorporating state-of-the-art, highly efficient 2x800MW Ultra-supercritical units
- Incorporating Flue Gas Desulphurisers (FGDs) and Selective Catalytic Reconverters (SCRs) to minimize emissions and comply with MOEF&CC regulations

Project execution prowess aptly demonstrated

- Fully commissioned in just 3.5 years from financial closure despite pandemic lockdown challenges in India, China, and Bangladesh
- Nearly 15,000 personnel engaged in project execution during peak construction period
APL: Post-amalgamation organisational structure and synergies

APL
(APMuL, APML, APRL, UPCL, REL, REGL)
12,450 MW

Mahan (MEL)
1,200 MW

Godda (APJL)
1,600 MW

Other Entities
(APDL, APResources, KPGL, Pench and Others)

Mature Assets

Geographic Diversification

Separate Funding Arrangements

Operational Synergy
- Scale economies
- Operational flexibility

Resource Management
- Cash flow pooling
- Fuel source optimisation

Capital Structure
- Debt right-sizing
- Debt market access

Value Creation
- Debt cost reduction
- Return on Equity improvement

Amalgamated Entity with 12,450 MW capacity spread across seven plants in six states

APL: Strong growth in revenues and operating margins

- Improved tariff realisation due to greater merchant / short-term demand and higher import coal price, coupled with higher operating capacity contributed to a 36% growth in FY23 revenues despite flat volumes.
- Robust EBITDA margin on account of revenue growth, offset partially by higher import coal prices.
- Liquidity has improved strongly due to realisation of major portion of regulatory receivables.
APL: Reduction in finance cost and improved post-tax profits

- Sharp reduction in Finance Cost due to debt reduction, including prepayment of senior debt utilising cash flows from regulatory receivables.
- Lower working capital borrowings due to improved collections from DISCOMs.
- Return to profitability following resolution of regulatory and commercial matters, revival of PPAs, turnaround of acquired power plants, and reduction in finance cost.
- Consolidated Profit After Tax for FY23 stood higher by 118% on account of one-time reversals consequent to the implementation of the Scheme of Amalgamation.
APL: Deleveraging of balance sheet and stronger net worth

- Significant reduction in senior debt through prepayment as well as regular repayments despite acquisitions and addition of project debt for the Godda plant.
- Improvement in operating profits as well as post-tax profits has resulted in revitalisation of financial position, including a stronger Net Worth.
- Improved debt coverage and reduced leverage have resulted in improvement in credit rating from BBB- to A.

### Senior Debt / Equity Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Debt to Equity (%)</td>
<td>480%</td>
<td>651%</td>
<td>324%</td>
<td>221%</td>
<td>118%</td>
</tr>
</tbody>
</table>

### Financial Year Ended 31st March

<table>
<thead>
<tr>
<th></th>
<th>31st March 2019</th>
<th>31st March 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt</td>
<td>46,980</td>
<td>42,252</td>
</tr>
<tr>
<td>Senior Debt</td>
<td>35,997</td>
<td>35,293</td>
</tr>
<tr>
<td>Total Equity*</td>
<td>7,712</td>
<td>29,876</td>
</tr>
</tbody>
</table>

*Includes Unsecured Perpetual Securities
ESG Philosophy and Practice at APL
Robust ESG assurance framework

Policy & framework backed by robust assurance program

ESG: Environment Social Governance; GRI: Global Reporting Initiative; UNSDG: United Nations Sustainable Development Group
# APL: ESG Philosophy

## Reduction in Carbon Emission
Technology driven reduction of specific carbon emissions: 74% capacity in Ultra-supercritical / Supercritical plants. Planned installation of emission control equipment (FGD) by Dec 2026.

## Resource Management
Sea water usage for cooling and consumptive requirement at coastal locations; 7 out of 9 plants certified with SUP (Single Use Plastic) Free certification for FY 2022-23; APJL & MEL SuPF target for FY 2023-24.

## Waste Management
Maximum utilization of fly ash at portfolio level

## Social Transformation
**Development, Education, and Health** are focus areas for social upliftment activities undertaken by APL in association with Adani Foundation.

## Safety
Safety of all employees and business associates is topmost priority. Developed safety measures adhering to standards like ISO 45001, resulting in the desired 'zero harm' goal at the workplace

## Skill Development
Adani Power Training Institute – one of its kind training institutes with global affiliates

## Board Independence
Board independence at listed company level

## Robust Policy Framework
Strict implementation of related party transactions policy and anti corruption and bribery policy

## Robust Governance
Rigorous quarterly audit conducted on various important parameters across all subsidiaries
In its endeavor for climate readiness, APL is aligning its business model with latest technologies in climate efficient manner.

### Sp. Water Consumption (m3 / MWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.55</td>
<td>2.37</td>
<td>2.07</td>
<td>2.14</td>
<td>2.19</td>
<td>2.22</td>
<td>2.31</td>
</tr>
</tbody>
</table>

**Statutory limit (3.5)**

- **FY 2023 A**
  - 68% Super Critical capacity
  - 23% Emission control equipment (FGD) installed capacity

- **FY 2024 E**
  - 72% Super Critical / Ultra Super Critical capacity
  - 31% FGD installed capacity

- **FY 2028 E**
  - 74% Super Critical / Ultra Super Critical capacity
  - 100% FGD installed capacity

Sp: Specific; MwH: Mega Watt Hour; m³: Cubic meters; FGD: Flue Gas Desulphuriser
APL: Adopted UN Sustainable Development Goals

Our Key Social Initiatives mapped to UNSDG

**Health**

- **3. Good Health & Well Being**
  - Mobile Health Care unit: 204,282+ treatments provided through 8 MHUs
  - Health insurance benefits for ~ 9,502 people by issuing health cards
  - 13,453+ patients have been benefitted through health camps
  - 15,000+ beneficiaries have been provided with safe drinking water facilities

**Education**

- **4. Quality Education**
  - GYANODAYA – Smart class implementation benefiting 80000
  - Scholarship program with Rs. 29.5 Lacs scholarships awarded

**Livelihood**

- **8. Decent Work & Economic Growth**
  - SAKSHAM – Training classes for > 1,460 people including 1,181 women and girls participation
  - Adani Power Training and Research Institute - Delivering high quality training to aspiring engineers/professionals
  - 3600 safety program focusing on hazard identification, training, prevention, assessment and review

Social philosophy drives initiatives that are aligned with UN Sustainable Development Goals

UNSDG : United Nations Sustainable Development Goals

**Key Focus Areas**

- 3 Good Health & Well Being
- 4 Quality Education
- 8 Decent Work & Economic Growth
As per our target, we have internalise global best practices of governance and board independence

**CORPORATE BEHAVIOUR**

**TILL OCT 2021**
- **Internal Audit Framework**
  - Quarterly Audit conducted on various parameters across all subsidiaries
  - Key Issues are highlighted and resolution timelines fixed

- **Compliance Framework**
  - IT enabled Compliance Management tool for automated monitoring and reporting to senior management

- **Policies**
  - RPT policy – applicable at listed co.

**POST OCT 2021**
- **Policies**
  - RPT policy applicable to all thermal entities
  - Formulation of anti bribery and anti corruption policies
  - Revised Risk Management Framework in line with Global best practices
  - Revisited and revised RPT Policy in order to make it more transparent and robust

**CORPORATE GOVERNANCE**

**Board Constitution**
- Listed Co. – 3 independent directors (50%)
- Subsidiaries – Few operating subsidiaries have independent directors on board

**Board Committees**
- All 5 committees have independent directors

**Senior Management Remuneration**
- Industry benchmarked remuneration, optimal mix of fixed and performance linked pay

**Board Constitution**
- Listed Co. – 3 independent directors (50%)
- Majority of the subsidiaries merged with listed company

**Board Committees**
- Formed below committees at APL with an objective of better governance and Independence:-
  - 100% IDs: Corporate Responsibility, Audit, Nomination & Remuneration Committee
  - 75% IDs: Risk Management, Mergers & Acquisition, Legal, Regulatory & Tax, Reputation Risk & Commodity Price Risk
  - 67% IDs: Stakeholders Relationship Committee, Info Tech and Data Security Committee

*IT: Information Technology; RPT: Related Party Transaction; IDs: Independent Directors*
THANK YOU