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Adani Portfolio Overview
Adani: A World Class Infrastructure & Utility Portfolio

Flagship
- Incubator
- Energy & Utility
  - AGEL Renewables
  - ATGL3 Gas Discom
  - ATL T&D
- Transport & Logistics
  - APSEZ Ports & Logistics
  - NQXT2
- Primary Industry
  - Materials, Metal & Mining
    - Cement
  - Direct to Consumer
    - Food FMCG

Emerging B2C
- Direct to Consumer
  - AWL

A multi-decade story of high growth centered around infrastructure & utility core

(%) Promoter equity stake in Adani Portfolio companies
(%) AEL equity stake in its subsidiaries

Adani Portfolio: Decades long track record of industry best growth with national footprint

Secular growth with world leading efficiency

- **Growth 3x**
  - EBITDA 70% \(^\text{1,2}\)
- **Growth 5x**
  - EBITDA 92% \(^\text{1,4}\)

National footprint with deep coverage

- **Growth 3x**
  - EBITDA 92% \(^\text{1,3,5}\)
- **Growth 1.4x**
  - EBITDA 25% \(^\text{1,3}\)

Note: 1. Data for FY22; 2. Margin for ports business only. Excludes forex gains/losses; 3. EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; 4. EBITDA Margin represents EBITDA earned from power supply. 5. Operating EBITDA margin of transmission business only, does not include distribution business. 6. Contracted & awarded capacity 7. CGD: City Gas distribution 8. GAs - Geographical Areas. - Including JV | Industry data is from market intelligence 9. This includes 17GW of renewable capacity where PPA has been signed and the capacity is under various stages of implementation and 29GW of capacity where PPA is yet to be signed
Adani: Repeatable, robust & proven transformative model of investment

**Phase**

**Activity**

**Performance**

### Development

**Origination**
- Analysis & market intelligence
- Viability analysis
- Strategic value

**Site Development**
- Site acquisition
- Concessions and regulatory agreements
- Investment case development

**Construction**
- Engineering & design
- Sourcing & quality levels
- Equity & debt funding at project

### Operations

- Life cycle O&M planning
- Asset Management plan

### Post Operations

- Redesigning the capital structure of the asset
- Operational phase funding consistent with asset life

#### Notes:

#### Key Achievements:
- **India's Largest Commercial Port (at Mundra)**
  - Highest Margin among peers

- **Longest Private HVDC Line in Asia (Mundra – Mohindergarh)**
  - Highest line availability

- **648 MW Ultra Mega Solar Power Plant (at Kamuthi, Tamil Nadu)**
  - Constructed and commissioned in nine months

- **Energy Network Operation Center (ENOC)**
  - Centralized continuous monitoring of plants across India on a single cloud-based platform

#### Debt profile moving from PSU's banks to Bonds

<table>
<thead>
<tr>
<th>March 2016</th>
<th>March 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSU</td>
<td>31%</td>
</tr>
<tr>
<td>Pvt. Banks</td>
<td>55%</td>
</tr>
<tr>
<td>Bonds</td>
<td>14%</td>
</tr>
<tr>
<td>DII</td>
<td>6%</td>
</tr>
<tr>
<td>Global Int. Banks</td>
<td>6%</td>
</tr>
<tr>
<td>PSU – Capex LC</td>
<td>37%</td>
</tr>
</tbody>
</table>

- First ever GMTN of US$ 2bn by AEML - an SLB in line with India's COP26 goals
- ATL tied up revolving facility of US$ 1.1bn to fund its green infrastructure thrust.
- Issuance of 20 & 10 year dual tranche bond of US$ 750 mn - APSEZ the only infrastructure company to do so
- Green bond issuance of US$ 750 mn establishes AGEL as India's leading credit in the sector
ATL: A platform well-positioned to leverage growth opportunities in T&D business

<table>
<thead>
<tr>
<th>Development</th>
<th>Execution Prowess</th>
<th>Strategic Presence</th>
<th>Balanced pool mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission Network of 19,425 ckm(^{(1)})</td>
<td>Transmission - Presence in 14 states with 32 transmission projects</td>
<td>Transmission(^{(3)}): 52% of EBITDA - Central pool</td>
<td></td>
</tr>
<tr>
<td>Built Longest Private HVDC Line in Asia(^{(4)})</td>
<td>Distribution - Integrated utilities catering to gateway city of Mumbai (AEML) and Mundra SEZ area (MUL)</td>
<td>48% of EBITDA - State pool</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations</th>
<th>Operating Efficiency</th>
<th>Consumer-centricity</th>
<th>Embedded ESG Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robust network availability and supply/distribution reliability</td>
<td>Supplier of choice for 12 million+ consumers</td>
<td>Decarbonisation of Grid (30% and 60% RE power by FY23 and FY27)</td>
<td></td>
</tr>
<tr>
<td>One of the lowest O&amp;M cost per ckm(^{(2)})</td>
<td>CSAT surveys for 12 critical processes for high consumer satisfaction and AMI Installation</td>
<td>Installed 3.36 MWp solar capacity for auxiliary consumption at substations</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Returns and Equity Value Creation</th>
<th>Equity Partnerships(^{(5,6)})</th>
<th>Construction Framework Agreement</th>
<th>Significant Growth Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured primary and secondary equity investments from marquee investors – QIA in AEML (US$ 452 mn), IHC (US$ 500 mn) and GQG Partners (US$ 230 mn) in ATL</td>
<td>Fully funded plan, ATL has raised US$ 700 mn (US$ 1.1 bn fully drawn) revolving facility, additional US$ 2 bn GMTN program in place for AEML Capex program</td>
<td>Green industrial cluster in Mundra</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Increasing participation in renewable grid (eg: HVDC Mumbai, Khavda)</td>
</tr>
</tbody>
</table>

Note: 1) Transmission network as of Sept 2022 and includes operational, under-construction assets; 2) As per internal benchmarking on global transmission peers; 3) Pool mix as of FY22; 4) HVDC: High voltage direct current – Longest at the time of commissioning; 5) QIA’s Investment in AEML: US$ 452 mn (Rs 32 bn) total investment (US$ 170 mn of Equity and US$ 282 mn of shareholder sub-debt); 6) QIA: Qatar Investment Authority, IHC: International Holding Company, SEZ: AMI: Advanced Metering Infrastructure, Special Economic Zone, MUL: MPSEZ Utilities Limited EBITDA: Earning before interest tax and depreciation, O&M: Operation and Maintenance, MW: Megawatt Peak, SS: Sub-station, Ckm: Circuit Kilometer, ESG: Environmental, Social and Governance, ROE: Return on Equity, Mn: Million, GMTN: Global Medium Term Note, AEML: Adani Electricity Mumbai Limited
About ATL
Notes: 1) TBCB: Tariff based competitive bidding; 2) Network includes operational, under construction assets as of March 2023; AEML: Adani Electricity Mumbai Limited; MUL: MPSEZ Utility Limited (Mundra SEZ); AMI: Advanced Metering Infrastructure; HVDC: High voltage direct current; ROA: Return on Assets; Ckm: Circuit Kilometer; Sq.Km: Square Kilometer

3) Primary Equity - International Holding Corporation (IHC) holding 1.41% stake for US$ 500 mn (Rs. 3,850 Crs); 4) Secondary Equity - GQG Partners holding 2.55% stake for US$ 230 mn (Rs. 1,898 Crs); 5) Brihanmumbai Electric Supply & Transport Undertaking (BEST) – 10.8 Lakh smart meters project (Rs 13 bn) and Assam Power Distribution Company Limited (APDCL) – 7.7 Lakh smart meters (Rs. 8.5 bn).
### AEML: Century old utility serving the “Gateway” city of India

**About Mumbai**

- ~11.0% Real GDP CAGR (FY12 – 18)
- ~6.0% of India’s real GDP
- 4th Most Populous City in World
- 24th Richest City in world based on GDP (US$)

**Mumbai Consumers**

- 2.2x Per capita income of India
- $4,630 Per capita income of Mumbai
- ~ $31 Average Electricity Bill of AEML Consumer for FY21
- ~1% Average electricity bill as % of per capita income

**Consumer Centricity**

- CSAT survey for 12 critical processes (Supply restoration, Call Centre, Billing, etc.) to gauge & ensure high consumer satisfaction
- Advanced Metering for 7 lakh consumers in phase 1

### Servicing 12 million consumers in Mumbai with Consumer-centric Mindset

### AEML – Key Milestones Since Acquisition in 2018

<table>
<thead>
<tr>
<th>Annual Capex (Rs. Crs.)</th>
<th>RAB (Rs. Crs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18: 483</td>
<td>FY18: 5,532</td>
</tr>
<tr>
<td>FY21: 1,243</td>
<td>FY21: 5,217</td>
</tr>
<tr>
<td>FY22: 1,584</td>
<td>FY22: 7,547</td>
</tr>
<tr>
<td>FY23-25 (cumu.): 5,217</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distribution losses %</th>
<th>% of Renewable in Power Purchase mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18: 8.1%</td>
<td>FY18: 3.0%</td>
</tr>
<tr>
<td>FY22: 6.6%</td>
<td>FY19 (Target): 30.0%</td>
</tr>
<tr>
<td>FY22 (Target): 60.0%</td>
<td>FY27 (Target): 30.0%</td>
</tr>
</tbody>
</table>

### IG rated Platform with Fully Funded Growth

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**Note:** *Others include BEST, MSEDCL & Tata Power; AMI – Advanced Metering Infrastructure; BKC – Bandra Kurla Complex, MW - Mega Watt, GDP, GD - Gross Domestic Product, PU- per unit, ABR- Average billing rate; Source – Population Of Mumbai 2020 (Demographic, Facts, etc.) – India Population 2020, CAGR: Compound Annual Growth Rate, RAB: Regulatory Assets Base, IG: Investment Grade*
**ATL: Transformational Journey with Robust Growth and Credit Discipline**

ATL has delivered an impressive 18.4% CAGR in EBITDA from FY16-22, while still demonstrating credit discipline and maintaining investment grade rating.

- Operating portfolio of 4 ROA assets including the longest private HVDC line in Asia (Mundra – Mohindergarh)
- Acquired Maru and Aravali Transmission assets (397 ckm) from GMR
- Acquired WTPL and WTGL Transmission assets (3,063 ckm) from RInfra
- Acquired Mumbai Distribution from RInfra servicing 12 mn consumers over a 400 sq. km license area marking foray in distribution
- Induction of QIA as equity partner in AEML
- First USPP from India after a decade (30-year paper)
- US$ 2 bn GMTN program fully funding AEML’s Capex
- US$ 700 Mn revolving construction facility fully funding ATL’s growth
- IHC infused US$500 Mn as a fresh equity
- Acquired MUL facilitating distribution of electricity in Mundra SEZ area

**EBITDA (Rs. Crs)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,997</td>
<td>2,005</td>
<td>2,937</td>
<td>3,113</td>
<td>4,519</td>
<td>5,066</td>
<td>5,493</td>
</tr>
</tbody>
</table>

**Investment grade rating maintained**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>BBB-/ Baa3</td>
<td>BBB-/ Baa3</td>
</tr>
<tr>
<td>Net Debt to EBITDA (x)</td>
<td>4.6x</td>
<td>4.2x</td>
</tr>
<tr>
<td>Cost of debt (%)</td>
<td>10.9%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Average Maturity</td>
<td>5.8 years</td>
<td>9.1 years</td>
</tr>
</tbody>
</table>

**Consistent outperformance in operating assets**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATSOL Obligor Group EBITDA (Projected vs. Actual)</td>
<td>1697 1699</td>
<td>1627 2191#</td>
<td>2258 2260#</td>
</tr>
<tr>
<td>USPP Assets EBITDA (Projected vs. Actual)</td>
<td>598 600</td>
<td>609 618</td>
<td>602 654</td>
</tr>
<tr>
<td>AEML EBITDA (Projected vs. Actual)</td>
<td>1826 1861</td>
<td>1846 2080*</td>
<td>1982 2083</td>
</tr>
</tbody>
</table>

Notes: #Including one time income of INR 3295.2 Mn (US$ 43 mn) in FY21 and INR 2512 Mn (US$ 34 mn) in FY22; *Includes EBITDA for AEML and PDSL - Power Distribution Services Limited; EBITDA projections and actuals are from compliance certificates; ROA: Return on Assets; Ckm: Circuit Kilometer; HVDC: High voltage direct current; EBITDA: Earning before interest tax and depreciation; GMTN: Global Medium Term Note; ATSOL: Adani Transmission Step One Ltd.; USPP: US Private Placement; CAGR: Compound Annual Growth Rate; QIA: Qatar Investment Authority; US$ INR: 75.
ATL: Solid Locked-In Growth in both Transmission and Distribution

Transmission Project Pipeline (Rs. Bn)

<table>
<thead>
<tr>
<th>No. of projects</th>
<th>Project cost (Rs. Bn)</th>
<th>COD/SCOD(2,3)</th>
<th>Fully operational tariff (Rs. Bn)(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating ROA Assets</td>
<td>4 projects</td>
<td>109</td>
<td>COD: Aug’12- Mar’15</td>
</tr>
<tr>
<td>Operating TBCB Projects</td>
<td>20 projects</td>
<td>126</td>
<td>COD: Dec’13- Dec’22</td>
</tr>
<tr>
<td>Under-construction projects</td>
<td>7 projects</td>
<td>117</td>
<td>COD: Aug’22-Aug’24</td>
</tr>
<tr>
<td></td>
<td>1 HVDC project</td>
<td>~70</td>
<td>April’25</td>
</tr>
</tbody>
</table>

Locked-in tariff + O&M Efficiencies to drive EBITDA growth

AEML Capex Schedule (Rs. Bn)

<table>
<thead>
<tr>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>17</td>
<td>18</td>
</tr>
</tbody>
</table>

Notes: 1) Considered actual revenue for Operating ROA and Operating TBCB assets as of FY22 with full year tariff added for newer projects and for under-construction projects considered fully operational first year tariff; 2) COD - Scheduled Commercial Operation Date ; 3) SCOD for some under-construction projects have been extended by five months due to Covid-19 in line with extension offered by government on central projects; COD is tentative and subject to change 4) ROA: Return on Assets, TBCB: Tariff base competitive bidding, HVDC: High voltage direct current, O&M : Operation and Maintenance, EBITDA: Earning before interest Tax & Depreciation

Capex is focused around consumer-centricity

- Fully funded capex plan of Rs. 52 Bn over FY23-25
- Capex-led growth in Regulated Asset Base (asset hardening) to drive growth in returns
- Significant Smart Metering Opportunity
**ATL: Size of Transmission Opportunity** for Private Players is ~US$ 30 bn worth projects over FY21-30

### Attractive Industry Opportunity backed by strong policy support

- Mandatory competitive bidding introduced since 2006 (TBCB) has created a level playing field for private players
- Private sector has won 35 projects out of total 54 transmission TBCB projects awarded since April-15(1).
- Identified TBCB opportunity in near-term is about Rs. 520 Bn / US$ 6.9 Bn out of which Rs. 134 Bn / US$ 1.8 bn is under RFP/RFQ stage
- Schemes like UDAY, 24x7 Power for All, Village Electrification etc. strengthening the value chain

### Growth in transmission lines and transformation capacity

<table>
<thead>
<tr>
<th>Year</th>
<th>Transmission Lines ('000 km)</th>
<th>Transformation Capacity ('000 MVA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>404</td>
<td></td>
</tr>
<tr>
<td>FY24 (P)</td>
<td>868</td>
<td></td>
</tr>
<tr>
<td>FY29 (P)</td>
<td>1,208</td>
<td></td>
</tr>
<tr>
<td>FY34 (P)</td>
<td>2,093</td>
<td></td>
</tr>
</tbody>
</table>

### Renewable penetration to further boost requirement for transmission infrastructure strengthening

India has committed to sourcing 50% of its energy requirements from RE by 2030 targeting renewable capacity of 500 GW

- Renewable capacities concentrated in western and southern regions of the country
- Due to intermittent nature and to provide grid stability, there is a requirement of dedicated transmission corridors for renewable evacuation
- 15 projects of Rs. 153 Bn / US$ 2 bn are Inter State Green Energy Corridor projects under bidding currently

#### Overall investment of Rs. 8,180 Bn / US$ 109 bn over ~15 years

- Rs. 2,870 Bn / US$ 38 Bn
- Rs. 3,030 Bn / US$ 40 Bn
- Rs. 2,280 Bn / US$ 30 Bn

### Opportunity for Private Sector Players is Rs. 2,280 Bn / US$ 30 bn

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Notes:
1) Opportunity size as per internal study conducted by Deloitte in Jan 2019, 2) CEA, 3) FX rate as on Feb 16, 2022, US$ / INR = 75
**ATL: Distribution Privatization Opportunity and Other Drivers**

- Power distribution is one of the largest consumer facing sectors in the country. 96.7% of ~270 mn households in India are connected to the grid.
- Discoms in India have been primarily owned and operated by state governments.
- Government of India power ministry recently issued the standard bidding documents for privatisation of power discoms.
- Privatization being undertaken under Atmanirbhar Bharat scheme, starting with Union territories. Government has completed tendering process for Chandigarh Discom, Dadra & Nagar Haveli Discom.
- Smart Metering Opportunity – Estimated Market Size of 25 Crs Meters requiring investment of Rs. 2.2 Lakh Crs / US$ 29 billion by FY26. ATL won smart metering project worth Rs. 13 billion to install 10.8 Lakh smart meters for BEST in October 2022.

### Current Inefficiencies Faced by Discoms

<table>
<thead>
<tr>
<th>State owned distribution utilities (Discoms) plagued by structural issues and financial inefficiencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>High leverage levels, inefficient capital structure</td>
</tr>
<tr>
<td>Tariff inadequacy, resulting in requirement for high subsidies</td>
</tr>
<tr>
<td>Payout of subsidies typically delayed, due to budget deficits</td>
</tr>
<tr>
<td>High levels of operational inefficiencies (AT&amp;C loss(^{(1)})), low network reliability</td>
</tr>
<tr>
<td>High-cost overheads against regulatory targets</td>
</tr>
</tbody>
</table>

### How Privatisation Will Help Reform The Sector

<table>
<thead>
<tr>
<th>Operational efficiencies: Reduce AT&amp;C losses, improve collection efficiencies, reliability metrics (SAIDI(^{(4)}), SAIFI(^{(4)}))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power purchase: Optimisation in power mix to reduce power purchase cost and in turn reduce consumer tariff</td>
</tr>
<tr>
<td>Investment to strengthen network: Above efficiencies will allow investment towards improving network reliability</td>
</tr>
<tr>
<td>Better consumer services: Faster responsiveness, consumer-centric service delivery model, quick redressal of consumer grievance</td>
</tr>
</tbody>
</table>

**Notes:** 1) Aggregate Technical & Commercial losses; 2) After privatization in 2002, AT&C (Aggregate Technical & Commercial) losses in Delhi were reduced from a high of 53% to around 8%; 3) Standard Bidding Document issued by the Ministry of Power 4) SAIDI: System Average Interruption Duration Index, SAIFI: System Average Interruption Frequency Index 5) UT: Union Territory; 5) Internal estimates.
**ATL: Attractive Industry Opportunity supported by an Evolved and Stable Regulatory Regime**

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**ROA Distribution (AEML)**

<table>
<thead>
<tr>
<th>Section 62 (ROA) Tariff Method - Multi Year (5 yr) Tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs</strong></td>
</tr>
<tr>
<td>O&amp;M Expenses, Power Procurement Costs, All other costs</td>
</tr>
<tr>
<td><strong>RAB Components (Regulated Debt and Equity)</strong></td>
</tr>
<tr>
<td>Return on Capital, Interest Costs (Term debt and Working Capital), Return on Equity grossed up for tax</td>
</tr>
<tr>
<td>Efficiency Gains, Additional incentives linked to efficiencies</td>
</tr>
<tr>
<td>Return of Capital, Total @ 90% RAB (Salvage Value @ 10%)</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
</tbody>
</table>

**Section 63 (TBCB) Tariff Method – License Period Basis**

- Annual charge for a 35-year period is set through the bidding process
- Projects are bid either on BOOM or BOOT basis (residual life of assets normally exceed TSA period/concession period)
- Tariff is adopted by the relevant Electricity Regulatory Commission (ERC)

**Regulatory landscape**

- CERC and SERC established & predictable in maintaining and defining tariffs

**MYT Determination**

- CERC – 20 years track record
- MERC – 19 years track record

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**Transmission: Payment Pooling Mechanism Reduces Counterparty Risk**

**Transmission System Users**

- All demand / withdrawal nodes
- All generator / injection nodes

**Central Payment Pool**

- CTU (PGCIL) / STU acts as revenue aggregator

**Transmit**

<table>
<thead>
<tr>
<th>Transmission Licensees</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGCIL + Private Sector Transmission Licensees</td>
</tr>
</tbody>
</table>

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1) MYT – Multi Year Tariff; CTU – Central Transmission Utility; STU – State Transmission Utility; CERC – Central Electricity Regulatory Commission; MERC – Maharashtra Electricity Regulatory Commission, RERC - Rajasthan Electricity Regulatory Commission; BOOM – Build, Own, Operate and Maintain, BOO – Build, Own, Operate, BOT – Build Operate and Transfer
ATL Business Philosophy
ATL: Business Philosophy focusing on De-risking at every stage of project lifecycle

**Route Identification & Survey**
- Route alignment on topographic maps to optimize route & identify key parameters
- Utilization of Drones for route survey
- Robust site diligence and route planning to minimize project cost and ROW issues

**Project Planning & Scheduling**
- Robust Pre bid estimation of ROW, Project Cost and Timelines resulting in assurity of returns
- Solid vendor management and strong relationships adds to business sustainability and avoid cost escalations

**Capital Management**
- Takeout of construction debt post commissioning (eg: USPP issuance)
- Maintained international investment grade rating while achieving impressive growth

**Project Execution**
- Complex projects experience: Completed HVDC project (~1000 kms) in a record time of 24 months
- Contracting methodology focused on derisking – competitively awarded on fixed price & fixed time basis
- Availability of large talent pool and in-house capabilities

**Construction Finance**
- Derisked financing through fully-funded plan
- Revolving Construction facility of US$ 700mn for transmission and GMTN facility of US$2 bn for AEML
- LC facility to reduce financing cost & optimize funding schedule

**Tech Enabled Operations**
- Life cycle O&M planning
- Reliability centered Maintenance
- Remote operation of sub-stations and integration with Energy Network Operating Centre

Notes:
- EPC: Engineering, procurement, and construction
- O&M: Operations & Maintenance
- USPP: US Private Placement
- LC: Letter of credit
- GMTN: Global Medium-Term Note
- AEML: Adani Electricity Mumbai Limited
**ATL: Technology enabled O&M Excellence**

**Design and Technology Excellence**
- In-house design team capable of designing towers using software tools like PLS Tower and STAAD-PRO
- Drone inspection for Asset maintenance and Pre-bid survey (LIDAR method)\(^{(1)}\)
- ERS tool for emergency restoration of lines up to 765kV within 48 hours for higher reliability and incentive income

**Project Excellence**
- Completed HVDC project (~1,000 kms) within record time of 24 months
- Majority of the projects completed within time and budget allowing ATL to maintain high market share of 35% in FY21 and 22% in FY22
- Cost savings at development and O&M allowing RoE optimization

**Execution Excellence**
- In-house team with vast O&M experience
- Remote operation of sub-stations (Rajasthan assets) and predictive maintenance through Energy Network Operating Centre (ENOC)
- Low-cost and condition-based O&M through tools like SCADA and processes like IMS, Disha for robust and sustainable O&M

**Operational Excellence**
- Robust Transmission and Distribution Network
  - Transmission business - Average System Availability %
  - Distribution business - Supply Reliability (ASAI) %

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Notes: 1) LIDAR: Light Detection and Ranging - currently at trial stage; IPMS: Integrated Project Management Solution; ENOC: Energy Network Operating Center; SCADA: Supervisory Control and Data Acquisition; ABEM (Adani Business Excellence Model); AHM: Asset Health Management; IoT: Internet of Things; IMS: Integrated Management Systems; ERS: Emergency Restoration System; Ckm: Circuit Kilometer; RoE: Return on Equity; O&M: Operation and Maintenance; HVDC: High Voltage Direct Current
AEML Business philosophy: Sustainability, Reliability and Consumer Focus (Affordability & Responsiveness)

- **Reliability**
  - Pioneer in adoption of advanced technologies
  - Only utility with integrated GIS, WMS, OMS, CRM
  - Redundancy built at 3 levels (N-1 -1 Cluster wise)
  - 100% unmanned remote operated stations
  - Islanding scheme insulating consumers from external grid outage
  - Installed capacity is twice of maximum demand
  - Sustainable Regulated Asset Development ensuring asset hardening
  - 100% underground network

- **Affordability & Responsiveness**
  - Consumer-centric service delivery model → Emerging as "supplier of choice"
  - Consumer Affair Committee for Consumer satisfaction
  - Widening Digital Payment avenues
  - Long term renewable power tie up at lower cost
  - Asset hardening ensures operational excellence → Higher consumer base → Lower tariff
  - Smoothening of FAC resulting in tariff stability

### High Supply Reliability

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.992%</td>
<td>99.993%</td>
<td>99.996%</td>
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</table>

### Consistent decline in tariff

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. Power Purchase Cost (INR/unit)</td>
<td>4.58</td>
<td>4.44</td>
<td>5.25</td>
</tr>
<tr>
<td>Avg. Billing Rate (INR/unit)</td>
<td>9.21</td>
<td>7.56</td>
<td>7.53</td>
</tr>
</tbody>
</table>

**Notes:** GIS - Geographical Information system, WMS - Work Management system, OMS - Outage management system, CRM - Customer relationship management, FAC - Fuel adjustment charges.
**ATL: Capital Management Philosophy to achieve growth at scale with capital discipline**

ATL is the only private sector transmission and distribution company in India with International IG Rating
- Long life contracted assets with sovereign counterparties in a stable regulatory regime (Transmission: 35 year concession, Distribution: Perpetual life)
- Capital structure designed through debt financing at longer tenure matching concession life and terms akin to stable assets

### Project Construction Financing
- Ensure senior debt availability for Project Construction
- Ensure NFB facility to bid for project

### Development Phase
- Raised green field finance over ~INR 140 Bn (USD 1.9 bn) for project construction
- NFB limit of INR 1,150 crore (USD 153 mn)
- Revolving Construction Facility of USD 700 mn

### Cash to Growth
- Free Cashflow from operational projects providing necessary equity capital for growth
- LRA for future unfunded capex

### Post-Commissioning Phase
- Debt Capital market refinancing at lower interest rate, longer tenure and terms akin to stable assets

1st issuance - ATL Obligor Group: US$ 500 mn
2nd issuance - ATL Obligor Group: US$ 500 mn
30 year USPP issuance: US$ 400 mn
AEML bond issuance: US$ 1 Bn
AEML GMTN program: US$ 2 Bn (US$ 300 mn drawn)

Future USD bonds/USPP raise via. Global Debt Capital Market (already demonstrated for operational projects)

Notes: FCFE: Free Cash Flow for Equity; LRA: Liquidity reserve account; Mn: Million; Bn: Billion NFB: Non fund Based; GMTN: Global Medium-Term Notes, IG : Investment Grade, AEML : Adani Electricity Mumbai Limited., USPP : US Private Placement
ATL: Transformational Capital Management Plan in AEML resulting in value unlocking

**Capital structure consistent with underlying Business philosophy**

**Elongated maturity reflecting perpetual nature of business**

**High quality stable cashflow profile to ensure IG metrics – reduced cost of debt**

**Diversified and deep investor base, to provide stability**

**Fully funded long term capex program**

---

**Stage-1 (Acquisition): Aug-18**
- On acquisition, introduced efficient capital structuring - debt financing of USD 1.1 bn
- Debt from Domestic Banks
- Fresh capex debt (D/E 70:30) at competitive pricing

**Stage-2 (Post Acquisition): Feb-20**
- QIA's acquisition of 25.1% stake
- Debt reduction through shareholder sub-debt of US$ 282 mn
- Refinancing through US$ 1 bn IG non amortizing bond
- US$ 400 mn ECB Capex revolver facility to fully fund Capex program

**Stage-3 (June 2021)**
- Revolving ECB Capex facility used for RAB growth
- Asset hardening improved operational efficiency promoting affordable tariff
- Successfully placed US$ 2bn GMTN program to replace ECB in July 2021

**Stage-4 (Proposed 2025)**
- 100% of term debt placed in international capital markets.
- Diversified global investor base to provide stability
- Elongated maturity → liquidity
- Prudent Capital Management plan to enhance credit quality

---

Notes: QIA: Qatar Investment Authority; ECB: External Commercial borrowings; Bn: Billion; US$: United State dollar; IG: Investment Grade; GMTN: Global medium-term notes; D/E: Debt to equity ratio, RAB : Regulatory Asset Base , QIA: Qatar Investment Authority
Investment Case
**ATL: Compelling Investment Case**

**Favorable Industry Landscape**
- Significant growth opportunities in Transmission and Distribution with **favorable government policy** and strong T&D infrastructure demand with **increasing shift to renewable energy**
- Evolved and stable regulatory regime conducive for infrastructure investment

**Development and Construction Expertise**
- Proven track record of excellence in development & construction
- ATL remains **competitive at bidding stage** due to scale benefits. Synergies from wide geographical presence and execution expertise helps **mitigate cost and time overrun risk**
- **Solid vendor management** and strong relationships adds to business sustainability and avoid cost escalations

**Operational and Execution excellence**
- **Robust operational metrics** - line availability, supply reliability, distribution loss
- One of the **lowest O&M cost through predictive maintenance** and technology excellence

**Capital Management Philosophy**
- Capital structure designed through debt financing at longer tenure matching concession life and terms akin to stable assets
- ATL is the only private sector transmission and distribution company in India with **International IG Rating**

**Capital Allocation and turnaround capability**
- Disciplined approach towards new project bidding and acquisitions; stringent IRR (returns) threshold
- Commitment to **maintain strong credit profile and investment grade rating**
- Strong track record of acquisition and turn around of transmission and distribution assets

Notes: T&D: Transmission and Distribution; IG: Investment Grade, O&M: Operation and Maintenance, IRR: Internal Rate of Return
**ATL:** As a matured O&M player, shifting from Time-based Maintenance to Reliability Centered Maintenance

### Time-based Maintenance (TBM)
- Emergency restoration system
- Offline condition assessment
- Solar module cleaning
- Preventive & Corrective actions
- Dry cloth cleaning

### Preventive Maintenance (PM)
- SAP Integration for triggering and closure of PM activities
- Regular monitoring of SF6 gas pressure in Breaker
- Checking of all parts of equipment & cleaning
- Field force mobility
- Insulator washing
- Hotline maintenance

### Condition-based Maintenance (CBM)
- Performing key tests based on equipment health condition
- Online Partial Discharge (PD) for GIS
- Tan Delta measurement of equipment
- PID of insulator
- Asset segregation based on grading
- Corona scanning

### Reliability Centered Maintenance (RCM)
- Image Analytics and Drone surveillance of assets
- Asset Performance Management (APM)
- Sensorization of assets
- Health index monitoring of critical equipments
- SF6 gas analyzer

### Notes:
- GIS: Gas Insulated Sub-station
- PID: Punctured Insulator Detection
- SF6: Sulfur hexafluoride

Harnessing Cutting-edge Technology for advanced O&M
ATL: O&M Philosophy focused on Reliability, Longevity, Sustainability & Safety

Average Availability

<table>
<thead>
<tr>
<th>Year</th>
<th>Availability</th>
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<tbody>
<tr>
<td>FY18</td>
<td>99.9%</td>
</tr>
<tr>
<td>FY19</td>
<td>99.8%</td>
</tr>
<tr>
<td>FY20</td>
<td>99.8%</td>
</tr>
<tr>
<td>FY21</td>
<td>99.8%</td>
</tr>
<tr>
<td>FY22</td>
<td>99.7%</td>
</tr>
</tbody>
</table>

Reliability
- Industry-leading System Availability
- Remote Operations through ENOC

Longevity
- Asset Health Monitoring Using Analytics Platform

Safety
- Robust Safety Framework Leading to “Zero” Fatalities in O&M

Business Sustainability
- Adani Business Excellence Model (ABEM)
- Integrated Management System (IMS)
- Business Continuity Management (BCM)
- Cluster Based Maintenance & Inventory Management
- Cyber Security
- Technical Assessment

ENOC Benefit
- Enhanced Safety
- Data Analytics
- Video Monitoring System (VMS)
- Security Automation System (SAS)
- Asset Performance Management (APM)

Analytical dashboard
- Asset Integration in SAP
- Health Index formulation
- Risk score and Action plan

Analytical dashboard monitoring and diagnosing asset health on multiple test parameters Driving enhanced asset life.

Notes: AI: Artificial intelligence; ML: Machine Learning; EMI: Electro Magnetic Induction; LSSR: Life Saving Safety Rules
Case Study: TBCB portfolio takeout through USPP

USPP: 30 years USD notes (USD 400 mn) issued by restricted group of 7 subsidiaries of ATL (2,084 ckm network) with fixed coupon and amortizing structure matching the concession period & revenue profile of the issuer companies

Case study USPP: Fully funded Value Creation over lifecycle -> Reinvestment in Growth

- **Phase**
  - Development
  - Operations
  - Capital Management

- **Pre-bid Estimates**
  - Original Est. Project Cost Rs. 36 Bn
  - Original Est. Cost Rs. 0.5 Bn
  - Planned RoE <21%
  - Executed RoE of 21%

- **Actual**
  - Actual Project Cost Rs. 32 Bn
  - Actual Cost Rs. 0.32 Bn
  - Optimized RoE of 55%

- **Value Creation through Replicability and Reinvestment Demonstrated in USPP Pool**
  - Cash released for further growth
  - Fixed FCFE ensuring regular cash streams

- **Future of ATL Capital Management Program**
  - Enabling Assets to Ensure Efficient Capital Churn Cycle at ATL
    - New Asset Construction – Construction Financing and Debt Sizing
    - Refinancing Stabilized Asset-Sustainable Debt Upsized
    - Free Cash Flow reinvested in growth

- **Notes:** TBCB: Tariff-based competitive bidding; USPP: US Private Placement; Ckm: Circuit Kilometer; RoE: Return on Equity, FCFE: Free Cash flow for Equity
Adani Transmission Limited

Operating Assets

- ATIL: 100% ownership, 3,834 km, 3,063 MVA, 950 MVA, Mumbai GTD Transmission Limited.
- MEGPTCL: 100% ownership, 6,630 MVA, 950 MVA, MEGPTCL Limited, WRSS M Transmission Limited.
- AEML Discom: 100% ownership, 3,603 MVA, 950 MVA, AEML Limited, WRSS M Transmission Limited.
- MUL Discom: 100% ownership, 573 MVA, 950 MVA, MUL Discom Limited, WRSS M Transmission Limited.
- MPSEZ Utilities: 100% ownership, 278 MVA, 950 MVA, MPSEZ Utilities (Mundra SEZ Area).
- Maru A Rayavi lines: 100% ownership, 650 MVA, 950 MVA, MJPL Ltd.
- Western Transmission (Gujarat): 100% ownership, 1,360 MVA, 950 MVA, Aravali Transmission Service Company Limited.
- Allipurdaur Transmission: 100% ownership, 630 MVA, 950 MVA, Western Western Transmission (Maharashtra).
- Suratgarh-Sikar: 100% ownership, 630 MVA, 950 MVA, Western Western Transmission (Maharashtra).
- Raipur-Rajnandgaon-Warora: 100% ownership, 630 MVA, 950 MVA, Chhattisgarh WR Transmission Limited.
- Sipat-Rajnandgaon: 100% ownership, 630 MVA, 950 MVA, Sipat Transmission Limited.
- Fatehgarh-Shadia: 100% ownership, 630 MVA, 950 MVA, Fatehgarh-Shadia Transmission Limited.
- Hadoti, Barmer, & Thar Lines: 100% ownership, 630 MVA, 950 MVA, Hadoti, Barmer, & Thar Lines.
- Bikaner-Sikar: 100% ownership, 630 MVA, 950 MVA, Bikaner-Sikar Transmission Limited.
- Ghatampur: 100% ownership, 630 MVA, 950 MVA, Ghatampur Transmission Limited.
- Obra: 100% ownership, 630 MVA, 950 MVA, Obra Transmission Limited.
- Lakadia-Baijnath: 100% ownership, 630 MVA, 950 MVA, Lakadia-Baijnath Transmission Limited.
- WRSS – XXI (A): 100% ownership, 630 MVA, 950 MVA, WRSS – XXI (A).
- Jam Khandalwai: 100% ownership, 630 MVA, 950 MVA, Jam Khandalwai Transmission Limited.

Recently Commissioned Projects

- ATL’s Operational Asset Portfolio as of March 2023

ATL's Under-construction Asset Portfolio as of March 2023

ATL's "Grid-to-Switch" Integrated Platform

- Transmission Line (Ckms)
- Distribution Customers (mn)

Notes:
1) Asset base for under-construction assets – as per the estimated project cost as of March 2023;

Adani Transmission Limited

Under Construction

- 304 ckms
- 1,060 ckms
- 74 ckms
- 1,756 ckms
- 80 ckms
- 221 ckms
- 10 ckms
- 630 ckms

- 1,000 MVA
- 2,736 MVA
- 1500 MVA
- 3500 MVA
- 1,000 MW
- 4,500 MW
- 1,000 MW
- 6,000 MW

- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A

- Centre
- State
- State
- Centre
- Centre
- Centre
- Centre
- Centre

- INR 6.7 Bn
- INR 12 Bn
- INR 18.9 Bn
- INR 35 Bn
- INR 70 bn
- INR 12 bn
- INR 2 bn
- INR 24 bn

- FY17
- FY18
- FY19
- FY20
- FY21
- FY22
- Mar'23

Transmission line length
Transformation capacity
Residual concession life / License period
Contract type
Counterparty

100% NKTL
100% Ghatampur Transmission Limited
100% MP
100% MP Power Transmission Package-II Ltd
100% JKTL
100% KH
100% Warora Kurnool
100% KVTL
100% Karur Transmission
100% WR-SR

Notes:
#HVDC project SPV will be 100% subsidiary of AEML (Adani Electricity).

1) Asset base for under-construction assets – as per the estimated project cost as of March 2023;
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