



PANASIAN POWER PLC

A RENEWABLE ENERGY COMPANY

Q3 Earnings Update

CSE:PAP

Forward Looking Statements Disclaimer



This written and accompanying oral presentation contains certain forward-looking statements which are provided for the purpose of presenting information about management's current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Panasian Power PLC's actual results could differ materially from those expressed in, or implied by, these forward-looking statements, and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur. Forward-looking statements are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "predicts", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions or future or conditional verbs such as "may", "will", "should", "would" and "could".

These statements may also include, without limitation, statements regarding future adjusted EBITDA, free cash flow, dividend payments and dividend pay-out ratios; the construction, completion, attainment of commercial operations, cost and output of development projects; litigation claims; plans for raising capital; and the future operations, business, financial condition, financial results, priorities, ongoing objectives, strategies and outlook of Panasian Power PLC and its subsidiaries.

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All figures are presented in LKR unless otherwise indicated.

Agenda



1. Introduction
2. Strategy
3. Key Highlights
4. Financial Review of Q3 – FY20/21
5. Long Term Growth and Strategy Plan
6. Closing Remarks/Q&A



18+ years of experience in renewable energy infrastructure and energy solutions

Diversified, modern asset base – 50% hydro, 50% Solar

3 Hydro Power Plants – 8.9 MW

4.9 MWp Ground Solar Power Plants

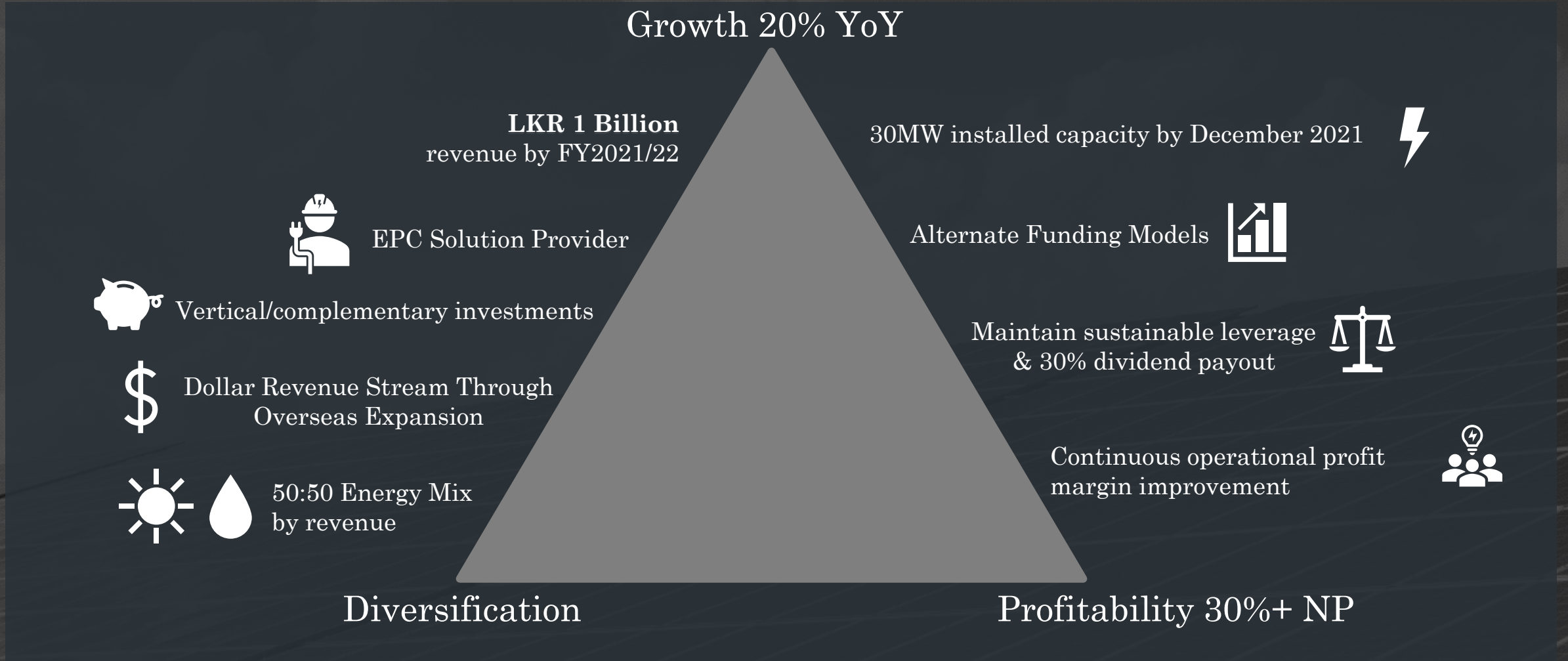
9 Rooftop Solar Power Plants – 8.5 MWp

Significant development opportunities in Africa and Asia

2.6 MWp Ground Solar and 8 MW Hydro in progress

Annual Energy Capacity by FY22 – 60 Gwh

2.5 MWp Rooftop solar awaiting connection



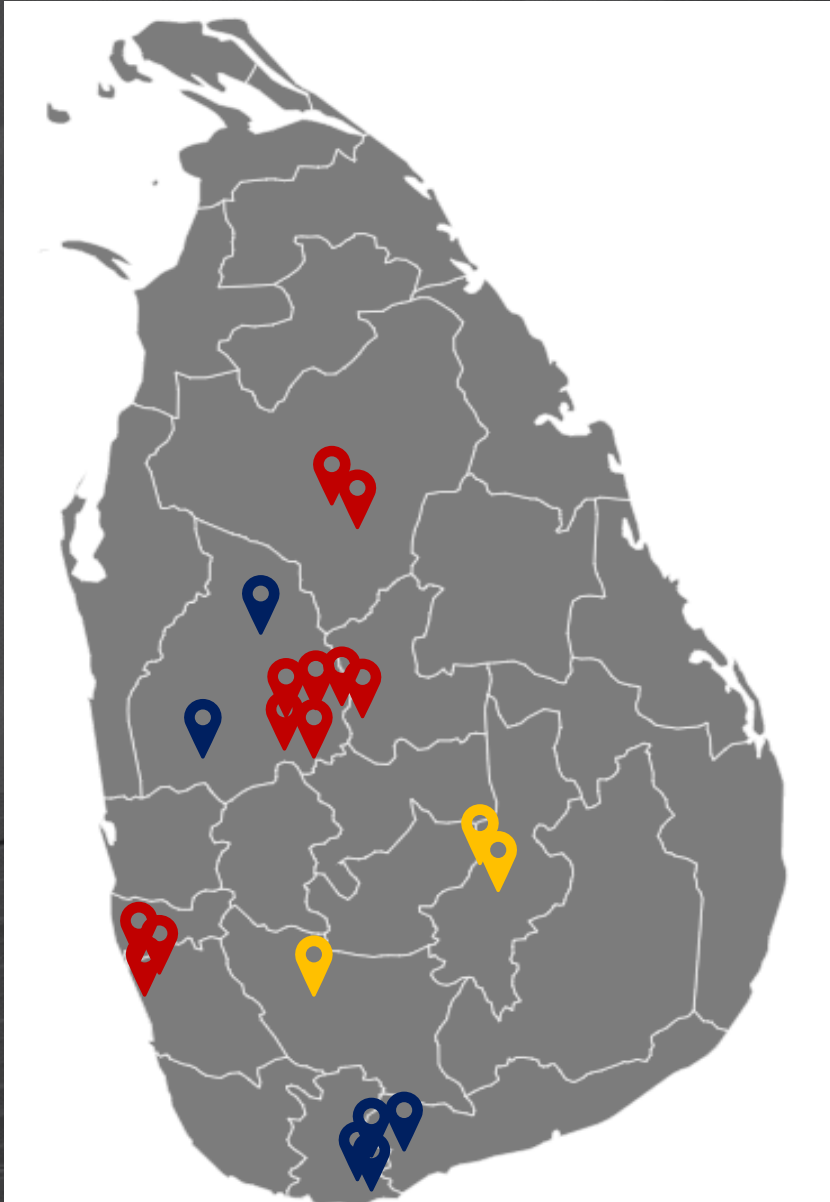
Key highlights Q3 20/21






1. 2.5 MWp rooftop commissioned in Q3
2. Sungrow inverter sales beat forecasts
3. Continued investment in solar portfolio with 2.5 MWp rooftop solar to be commissioned (construction complete)
4. Completed construction on 3.9 MWp ground solar in Matara – commissioned after quarter end in February 2021
5. 2 x 1.3 MWp ground solar PPAs received. Target commission date is Q2 FY 21/22
6. Zambia mini hydro EIA underway
7. Significant borrowing cost savings due to low interest rate environment & moratoria granted where possible



Portfolio (as of Feb 2021)



Project Type	Location	Capacity (MW/MWp)
 Mini Hydro	Rathganga, Manelwala, Padiyapelella	8.9
 Rooftop Solar	Colombo , Kurunegala, Anuradhapura	11.2
 Ground Solar	Beliatta , Matara, Maho (UC), Pannala (UC)	7.8

(UC) - under construction

Secured Pipeline (as of Feb 2021)



Project	Location	Size (MW/MWp)	Tariff per kWh	Ownership	Status
Rooftop Solar	Anuradhapura, Sri Lanka	2.5	LKR 22 for 7 years, LKR 15.5 for 13 years	100%	Awaiting connection to the grid
Ground solar 1 MW	Pannala, Sri Lanka	1.3	LKR 14.77 – 20 years	100%	PPA received, land secured, construction to begin in March 21
Ground solar 1 MW	Maho, Sri Lanka	1.3	LKR 13.97 – 20 years	100%	PPA received, land secured, construction to begin in March 21
Hydro - Zambia GET FiT program	Mansa, Zambia	8	\$0.08 – 20 years (TBC)	100%	EIA underway
Hydro Lower Padiyapelella Phase 2	Padiyapelella, Sri Lanka	2.5	TBC	100%	Awaiting issuance of LOIs
Hydro - Medukumbara 2	Kotmale, Sri Lanka	1.5	TBC	100%	Awaiting issuance of LOIs
Hydro - Lower Kotmale/Medukumbara 1	Kotmale, Sri Lanka	1	TBC	75%	Awaiting issuance of LOIs
Total		18			

All projects meet a hurdle rate of USD equity IRR of 12% or LKR equity IRR of 18%+

Building a more resilient and consistent Group



All figures in LKR	YTD Q3 2019/20	YTD Q3 2020/21	% Change
Revenue	405,825,735	474,817,399	17%
Cost of sales	(82,377,604)	(161,533,365)	
Gross profit	323,448,131	313,284,034	
Other operating income	3,172,151	7,309,590	
Administrative expenses	(87,634,006)	(87,184,154)	
Operating profit	238,986,276	233,409,470	
Net finance cost	(82,939,804)	(73,052,787)	
Share of profit of equity accounted investees, net of tax	488,073	3,189,624	
Profit before taxation	156,534,544	163,546,307	
Income tax expense	(39,849,459)	(27,164,287)	
Profit for the period	116,685,085	136,382,020	17%
Operating cash flow	43,257,658	148,653,913	244%

- Solar revenue has increased 56% compared to the same period last year as we improved productivity of our existing solar assets as well as commissioned 2.5MWp of rooftop solar in December
- Hydro revenue has dropped 13% compared to YTD FY19/20 due to the impact of the reduced Rathganga tariff despite generation being broadly the same as a whole
- Revenue from Sungrow inverter sales reached Rs. 81mn for the quarter

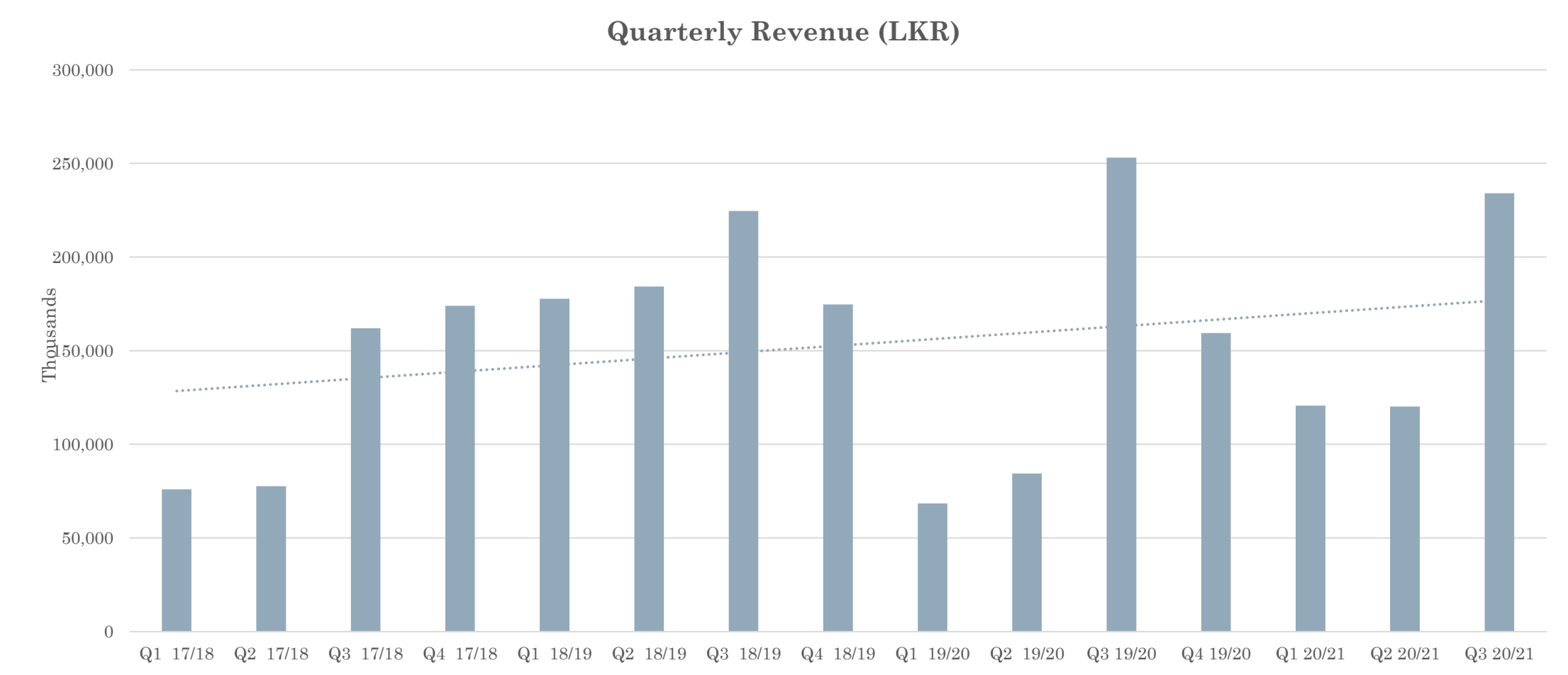
- Continuous focus on costs despite increase in pipeline and capacity to deliver incremental returns

- Reduction due to drop AWPLR – majority of financing is floating

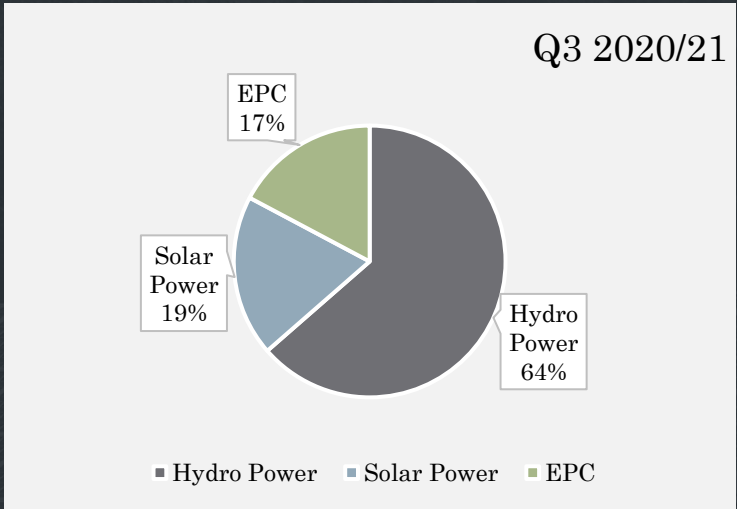
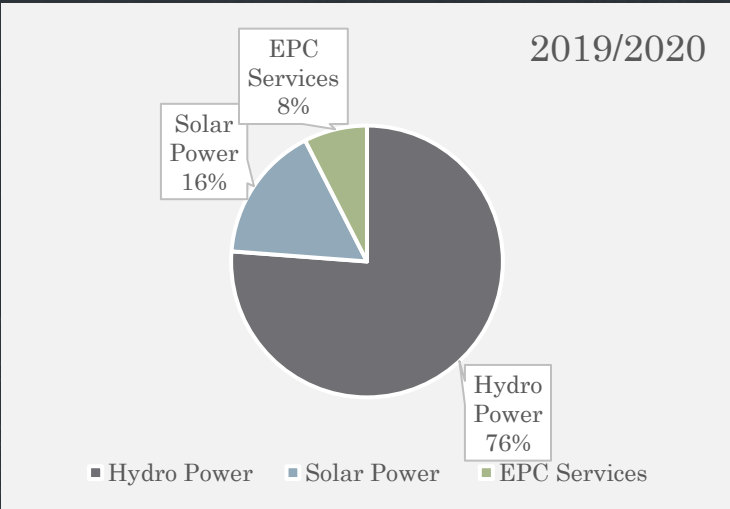
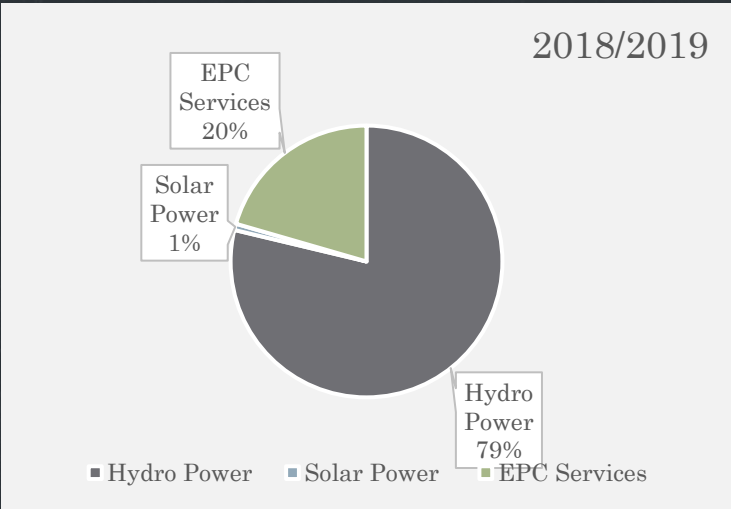
PAP continues to deliver strong results showcasing significant year on year growth

- Revenue growth in line with strategic target
- Profit in line with strategic target

Track Record of Growth in Financial Results



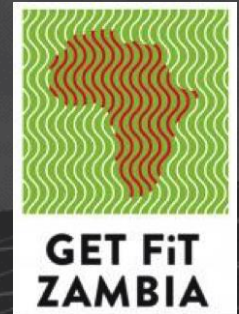
Diversification of Revenue



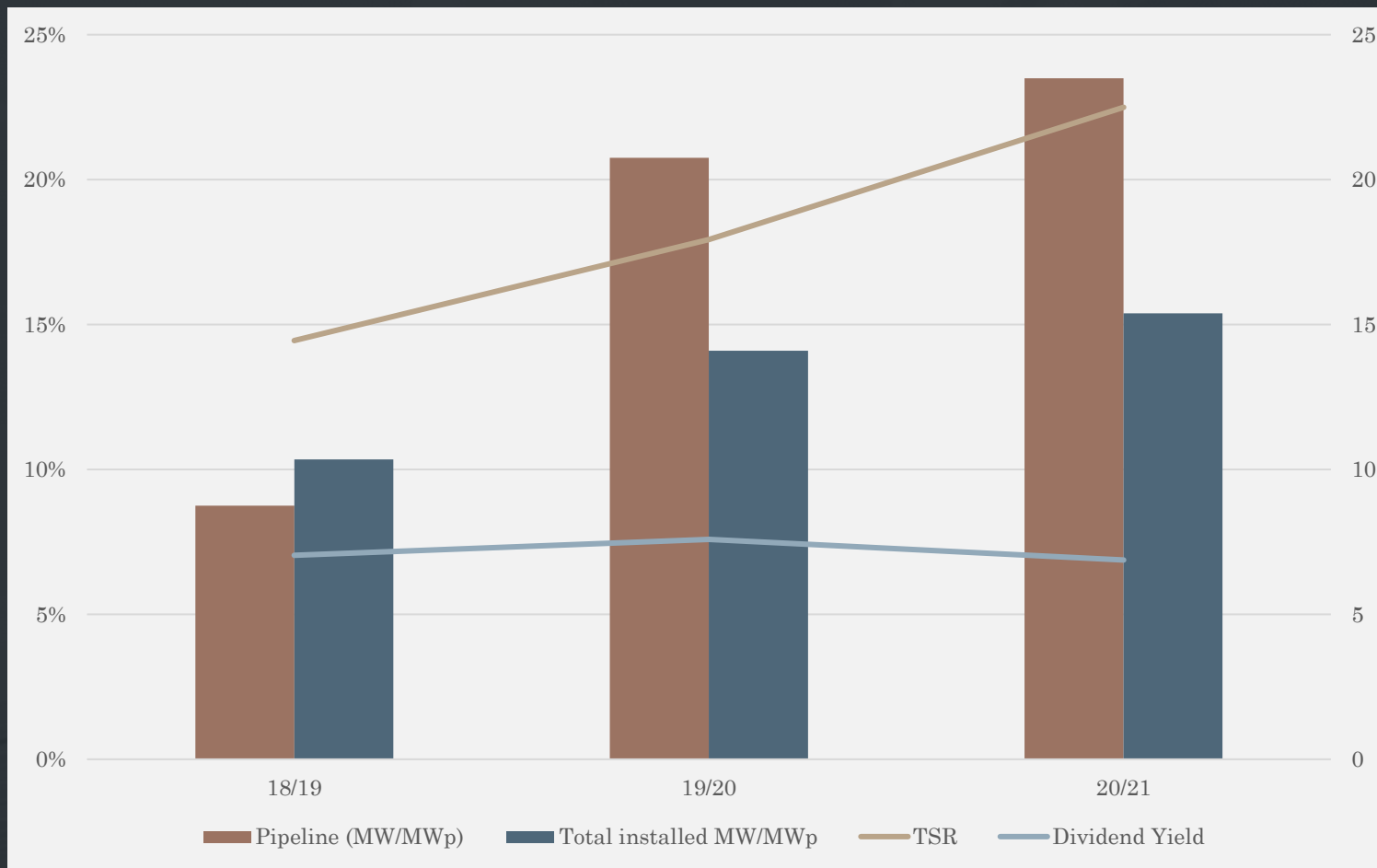
Dollar revenue & Global diversification



- Dollar revenue mitigates country risk of Sri Lanka and currency risk of LKR
- Global Energy Transfer Feed in Tariff Program(GET FiT) is a programme administered by KfW, the German development bank which facilitates the creation of a private market for renewable energy projects
 - GET FiT pays an additional tariff premium on top of what is paid by the Zambian utility ZESCO
 - Offers liquidity risk protection
 - Dollar linked tariffs
- Currently PAP is performing the environmental impact assessment after completing the hydrology
- We are monitoring Zambia's credit situation after it defaulted on Government bonds
 - An appropriate risk premium will be included when bidding for tariff premiums
 - Credit risk insurance will be sought
 - If PAP considers the risk too high, we will consider selling the project at PPA/COD



Track record of strong consistent returns to shareholders



- Consistent total shareholder return and dividend yield over the past 3 years
- Continuous development of our pipeline and installed capacity
 - PAP has increased its pipeline 169% over the 3 year period, compared to 66% for our peer group
 - Further PAP has increased its installed capacity 49% over the period, compared to 8% for our peers
- Weighted average life of PPAs
 - Solar – 19 years
 - Hydro – 13 years³

1. Peers include VPEL, HPFL, HPWR and VLL
2. Pipeline and capacity at beginning of financial year
3. 20/21 TSR figures as at 8th Feb 2021
4. Includes Rathganga renewal for 20 years from July 2019

Track record of corporate growth



Assets	End FY17/18	FY20/21 E ¹	Annual Growth
Total Assets (Rs. '000)	2,348,386	4,412,576	29%
Installed capacity (gross MW)	10	24	45%
Pipeline (gross MW)	8	15 ³	22%
Market Value	End FY17/18	Feb 21 ²	Annual Growth
Market Cap (Rs. '000)	1,350,000	2,312,500	25%
Share price	2.7	3.7	13%

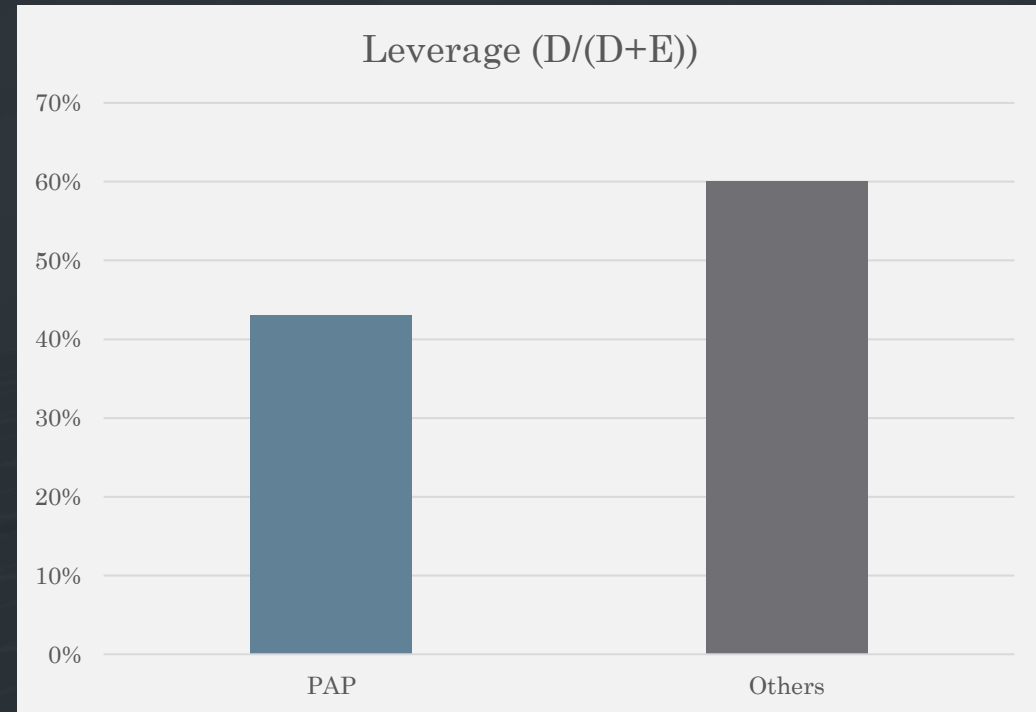
1. Forecast 31 March 2021
2. As at 8th Feb 2021
3. Excludes projects we expect to secure in Q4



Track Record of Financial Stewardship



1. Prudent use of leverage and liquidity
2. Healthy corporate debt level relative to IPP industry, to support flexibility
3. Significant headroom when compared to peers who are increasing installed capacity and developing pipeline



1. Peers include HPWR and VLL

Share performance (at 8/2/21)



Continued Performance

	%
Expected long term revenue growth	20%+
Profitability	30%+
Dividend pay-out (of net profit)	30%

Past 12M total shareholder return as at 8/2/21

	Cents/%
Price appreciation from 3.20 to 3.70	0.5
Dividend (including dividend declared)	0.22
Total Return	0.72
Annual return %	23%

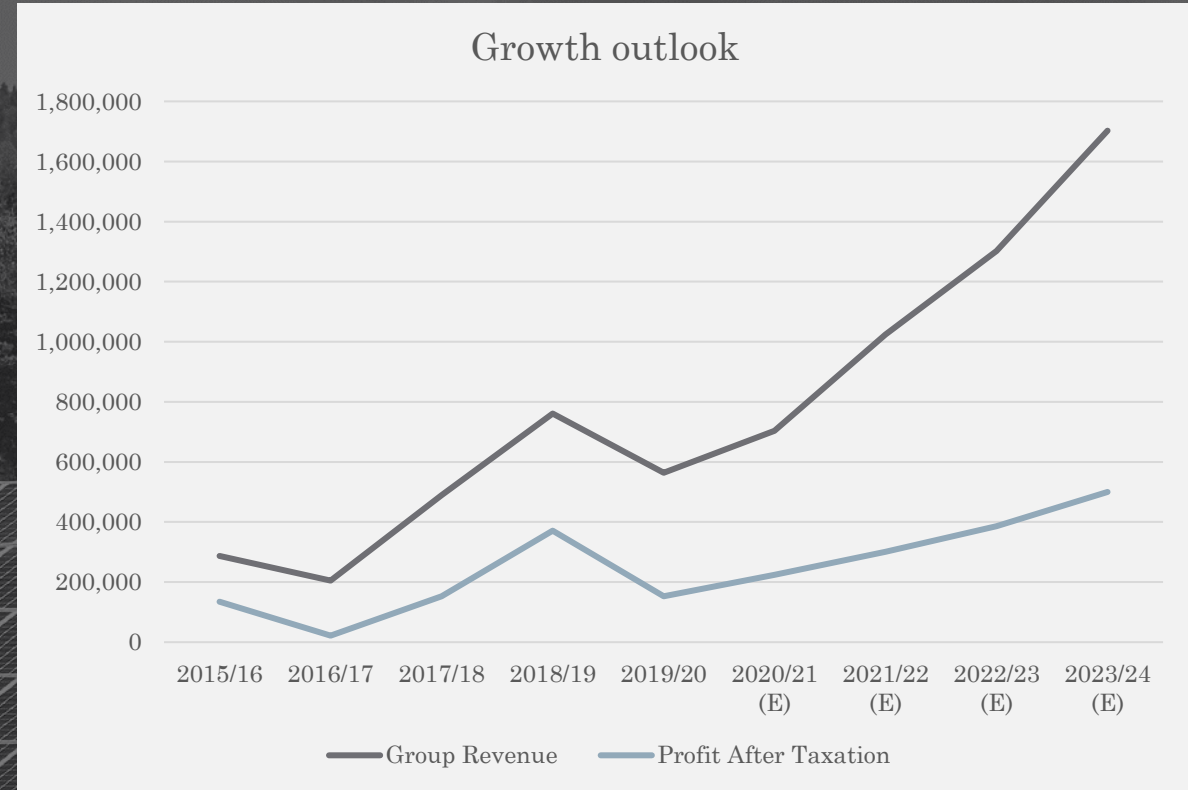
Price to BV per share – 1.13
Sector average – 1.77

Dividends paid TTM – Rs.
137.5mn

Expected Growth Outlook



- Forecast is driven through execution of current pipeline of projects
 - Continue track record of on-time, on-budget execution
 - Continue to optimize operating portfolio – adding expertise and technology
- Maintain dividend policy of 30% of net profit
- Maintain net profit margin at 30% and EBITDA % at 80%
- Minimising environmental risk through:
 - Diversification of generational sources - continue to advance and secure high-quality projects
 - Diversification geographically
 - Develop in house EPC arm further to complete projects for 3rd parties
 - Develop solutions business further – currently sole agent for Sungrow inverters in Sri Lanka – world's 2nd largest inverter brand





Thank you

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