



# Hero Future Energies

FY'24 Update on Restricted Group (CREPL Bond)

September 2024







About HFE & Hero Group

Restricted Group (RG)

Financial Performance of RG

Operational Performance of RG

Appendix

# Introducing Hero Future Energies

Established in 2012, Hero Future Energies is a leading global renewable energy company focused on providing sustainable and clean energy solutions

~5.2 GWp\*

## Renewable Portfolio

spread across geographies & technologies

## HYBRID

### Capabilities

wind, solar, battery storage

~\$200 Mn / \$150 Mn

### Annual Revenue / EBITDA

from operational portfolio of ~1.8 GWp in FY '24

## GLOBAL

### Projects



India



UK



Ukraine



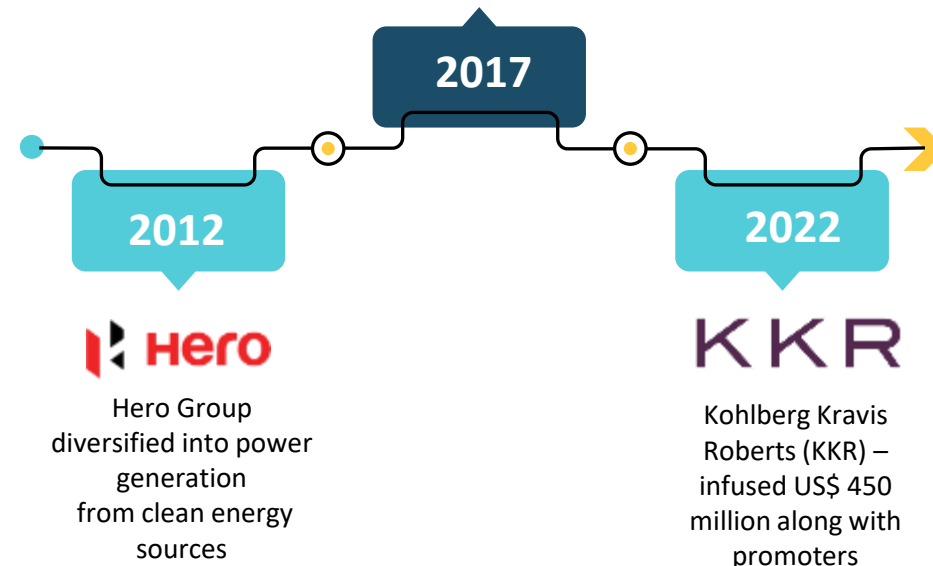
Vietnam



Bangladesh



International Finance Corporation (IFC) group infused US\$ 125 million



## Our growth plans

On course for 5X in 5 Years



## HSE highlights

**19 million**

safe hours achieved across previous six years

**15 million**

tonnes of CO2 mitigated till FY '24

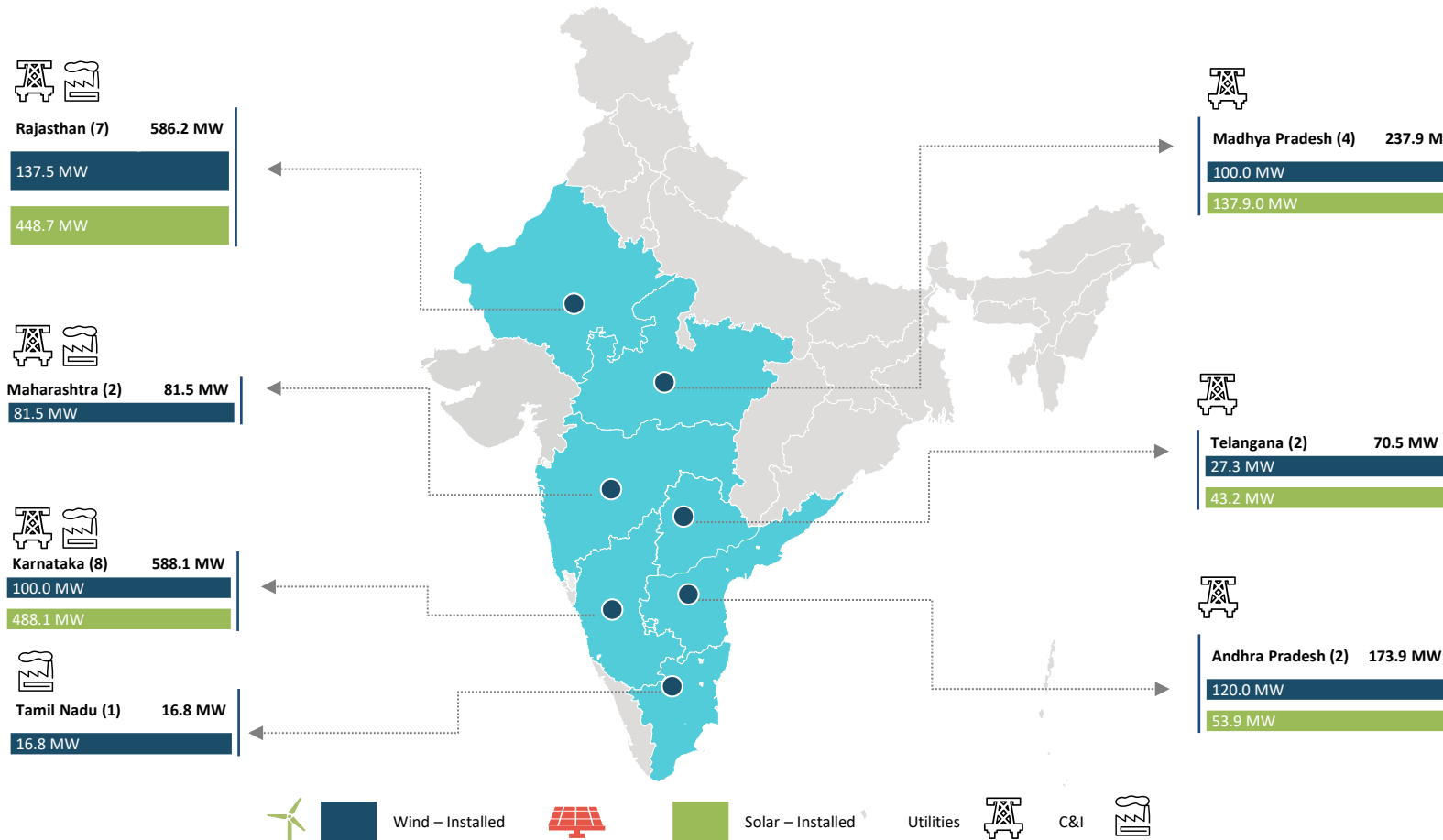
**Zero**

instances of non-compliance

\* All capacities mentioned in DC; Includes capacity won in competitive bid for which HFE has been awarded LoA

# HFE has an established presence across India...

Capacity (MWp)	Wind	Solar	Storage	Total
Operational	583	1,208	-	1,791
Under Construction	979	1,725	643	3,347

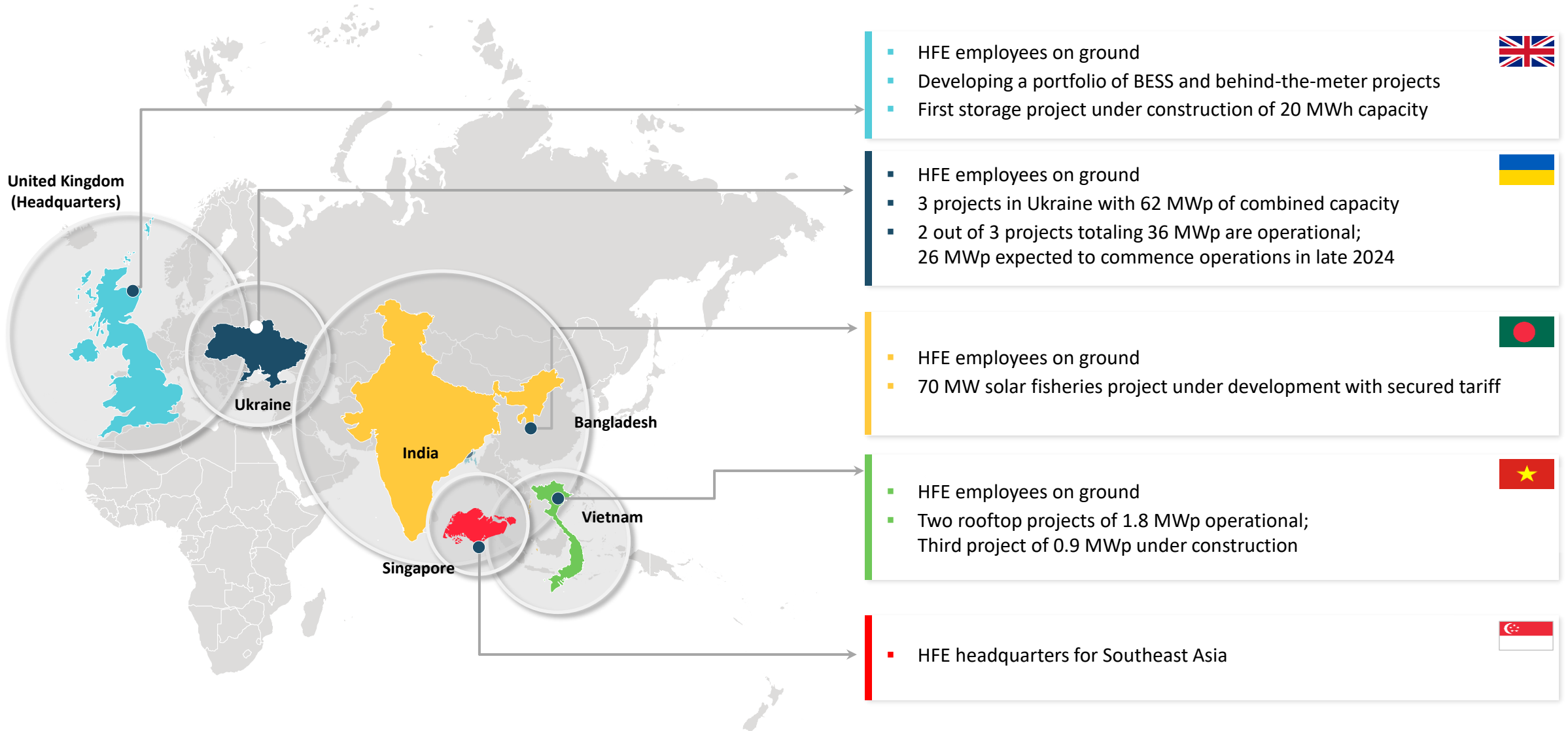


## Key Highlights

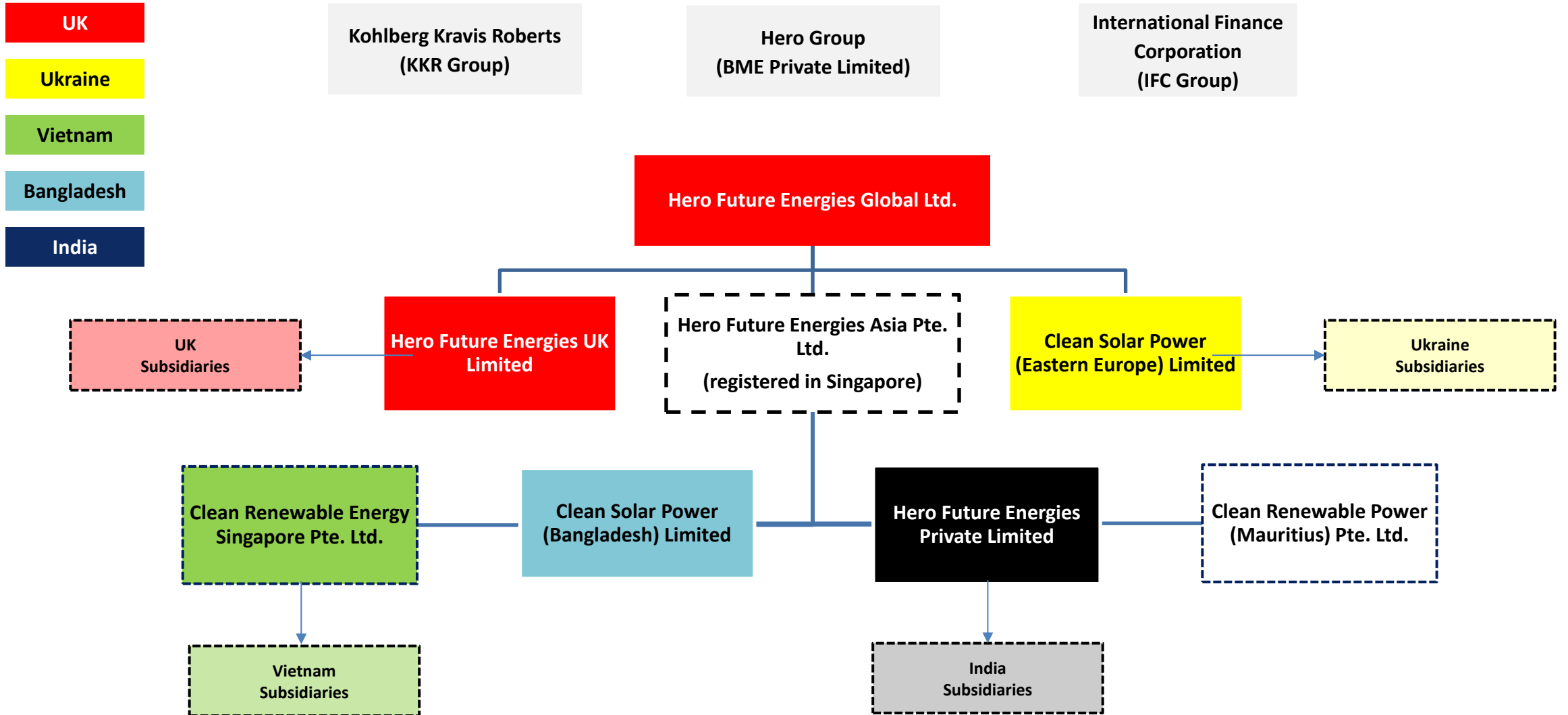
- ~5.2 GWp total portfolio size
- ~1.8 GWp operational portfolio in India spread across 7 states
- 43% of operational capacity in India contracted by SECI
- Long-term offtake agreements with local Distribution Companies & SECI
- Attractive offtake tariffs with Group Captive customers (e.g., Hero Group companies)
- ~3.4 GWp of capacity under development / construction

Note: Numbers in parentheses denote number of projects in the respective states. SECI – Solar Energy Corporation of India, RTC: Round-the-clock

# ...and growing global footprint across geographies



# HFE Corporate Structure





# Board of Directors

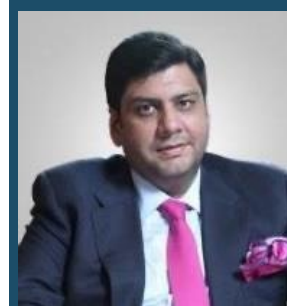
## Hero Group



Rahul Munjal  
Chairman



Pawan Munjal



Abhimanyu Munjal



Pooja Munjal

## IFC Group



Sumeet Thakur



Inderbir Dhingra

## KKR



Ami Momaya



Ravi Thanvi

## Independent Director



Andrew Hall

# Strong management team with experience across the value chain



**Srivatsan Iyer**  
Global Chief Executive Officer

- Several leadership roles in Braskem for over a decade, including as CEO of Braskem Europe GmbH and Group Vice-President of Strategy & Planning and Innovation & Technology
- Rich experience in due diligence, M&A, JVs and post-merger integrations while working at McKinsey
- Worked with Exxon Mobil in R&D and Technology development
- Chemical engineer from IIT Madras, MS and PhD in Chemical Engineering from Virginia Polytechnic Institute and State University, MBA from University of Texas at Austin



**Ben Fraser**  
Global Chief Financial Officer

- Seasoned CFO with over 25 years of experience, including for a company with a premium listing on the LSE and for a national flagship exploration & production company with GDR listing
- Brings on board a background of financial discipline and strong corporate governance from experience across diverse industries including energy natural resources and financial markets.
- Previously worked with Rothschild and HSBC. Chartered Accountant (ICAEW), trained with Deloitte



**R Sunder**  
Business Head – C&I India & South-Asia

- Strong sales & marketing experience in both B2B & B2C space with over 20 years of experience
- Previously worked with Havells, Bharti Aircel, Olam, Newark, Godrej GE Appliances and SRF
- B.E (Chemical) from IIT Roorkee and an MBA from IIM Lucknow



**Ashutosh Vyas**  
Business Head – Utilities (India)

- Joined HFE in 2018 and currently leading energy business for India
- Over 16 years of business development experience in power and renewable energy projects (solar, wind and storage)
- Previously worked with Adani Power and ACME Cleantech Solutions
- Bachelor of Engineering (Electronics and Communication) from RGPV University, Bhopal and MBA in Infrastructure Management



**Robert Ayres**  
Business Head - EMENA

- Joined HFE in 2017 to lead business in Europe, Middle and North Africa
- Vastly experienced in renewable energy sector since early 1990's; delivered hydro-electric, anaerobic digestion, solar PV, battery storage and wind projects in the Middle East, Africa, and Europe
- Graduate of Brunel University and a Postgraduate from Imperial College University of London



**Oman Singh**  
Business Head – SE Asia

- Over 16 years of experience, with 14 years in renewables
- Previously COO of Seawind Ocean Technology; served as General Manager of a JV between SMEC, Pacific Hydro and Mitsui & Co., and held a series of leadership roles at EcoSecurities-JP Morgan
- Bachelors in Electrical & Electronics Engineering and an MBA from Imperial College



**Anuj Agarwal**  
Head – Corporate Finance & IR

- Joined HFE in 2018, he has overseen all capital raises
- Over 20 years of experience in corporate finance, investment management, and strategic planning
- He began his career at Axis Bank in Infrastructure Advisory & has held various roles in corporate finance and investment at Trikona Capital and IDFC AMC
- PGDBM from IIM Kozhikode and a B.Tech from IIT Varanasi



**Sudhir Pathak**  
Head – Design, Engineering & Quality

- Over 30 years of experience in Design, Engineering, Erection, Testing & Commissioning of renewable energy (>4.5 GW) and thermal power
- Previously worked with ACME, Tata motors, NTPC, Lanco Infratech, Welspun energy
- B.Tech in Electrical Engg (Hons.) from IIT BHU



**Harish Pant**  
Head – Operations & Maintenance

- Over 30 years of experience in Operations of Marine Engines, Thermal power and Renewable sector
- Previously associated with GMR Energy, Suzlon Energy Limited and Engie Solar

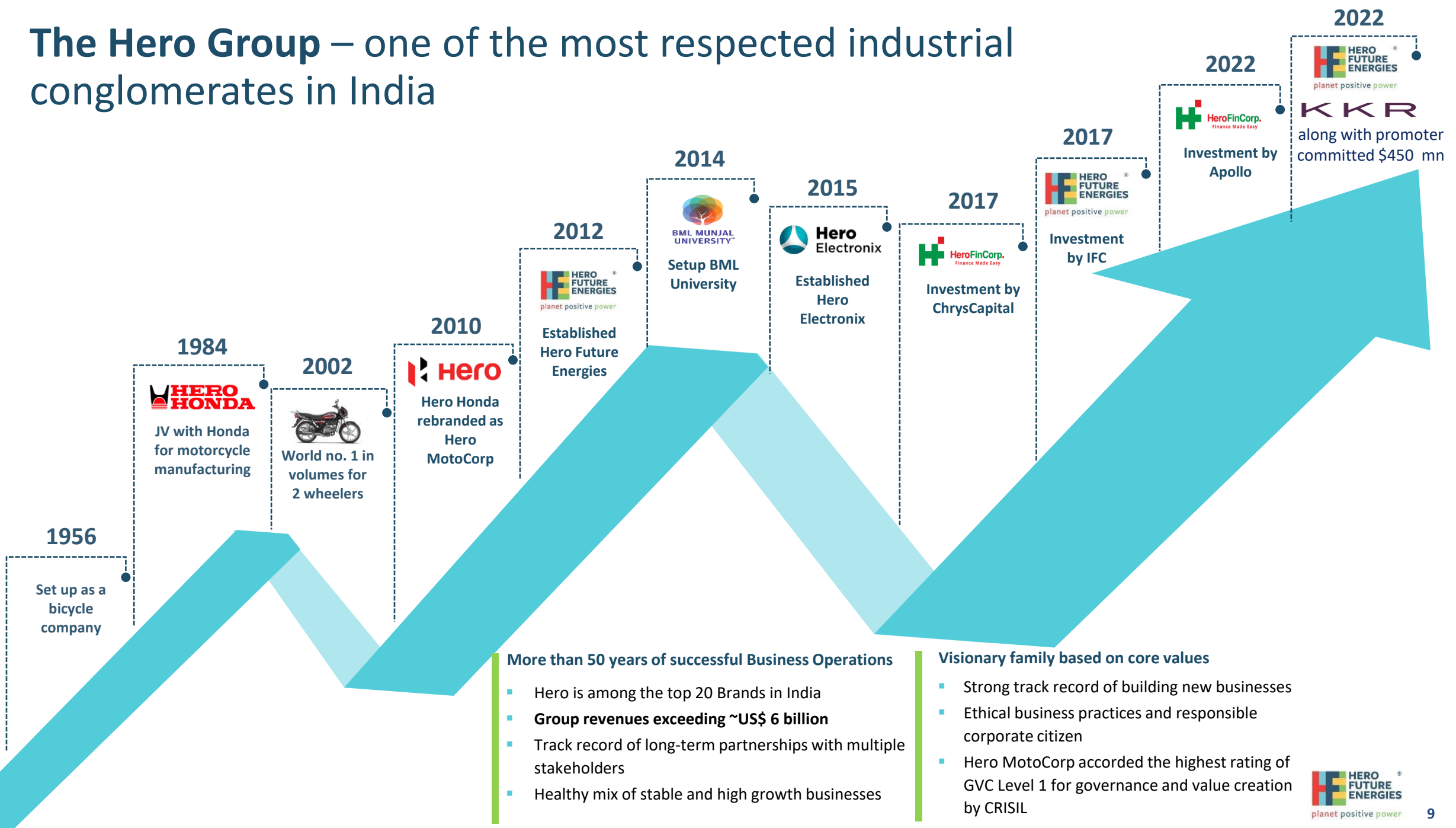


**Devendra Dwivedi**  
Head – Projects, Land & PMO

- Over 30 years of project, construction and land management experience in the energy and renewables sector
- Previously worked with JSW, Inox Wind and Reliance Industries
- Electrical Engineering graduate from Bangalore University



# The Hero Group – one of the most respected industrial conglomerates in India



## More than 50 years of successful Business Operations

- Hero is among the top 20 Brands in India
- **Group revenues exceeding ~US\$ 6 billion**
- Track record of long-term partnerships with multiple stakeholders
- Healthy mix of stable and high growth businesses

## Visionary family based on core values

- Strong track record of building new businesses
- Ethical business practices and responsible corporate citizen
- Hero MotoCorp accorded the highest rating of GVC Level 1 for governance and value creation by CRISIL

1: Economic Times (August 2016)

# The Hero Group – diverse footprint across sectors

## Manufacturing



- World's largest manufacturer of motorcycles and scooters
- Market cap of **US\$ 14.5 bn**
- Rated AAA (stable) by CRISIL



- Industry leader for aluminium die casting, machined and painted assemblies
- Supplier to global motorcycle manufacturers and automotive OEMs

## Renewables



- Global Independent Power Producer experienced in grid-connected hybrid, wind and solar projects as well as rooftop and open access

## Corporate Finance



- India's no. 1 two-wheeler financier with 65% market share
- Assets under Management of **US\$ 5.5 bn<sup>2</sup>**

## Technology



- Executing new age digital technologies (including IoT, Defense electronics, Auto-tech) for **100+ enterprise clients across 10+ countries**



- Multinational semiconductor engineering solution provider
- Expertise in Semiconductor IC Design, Test & Product Engineering, PCB design



- Learning platform with centered around data science, ML, AI & innovation
- Collaboration with MIT and Singularity University

## Not for Profit



- Transforming higher education in India by creating a world-class, innovation-led, teaching, learning and research environment

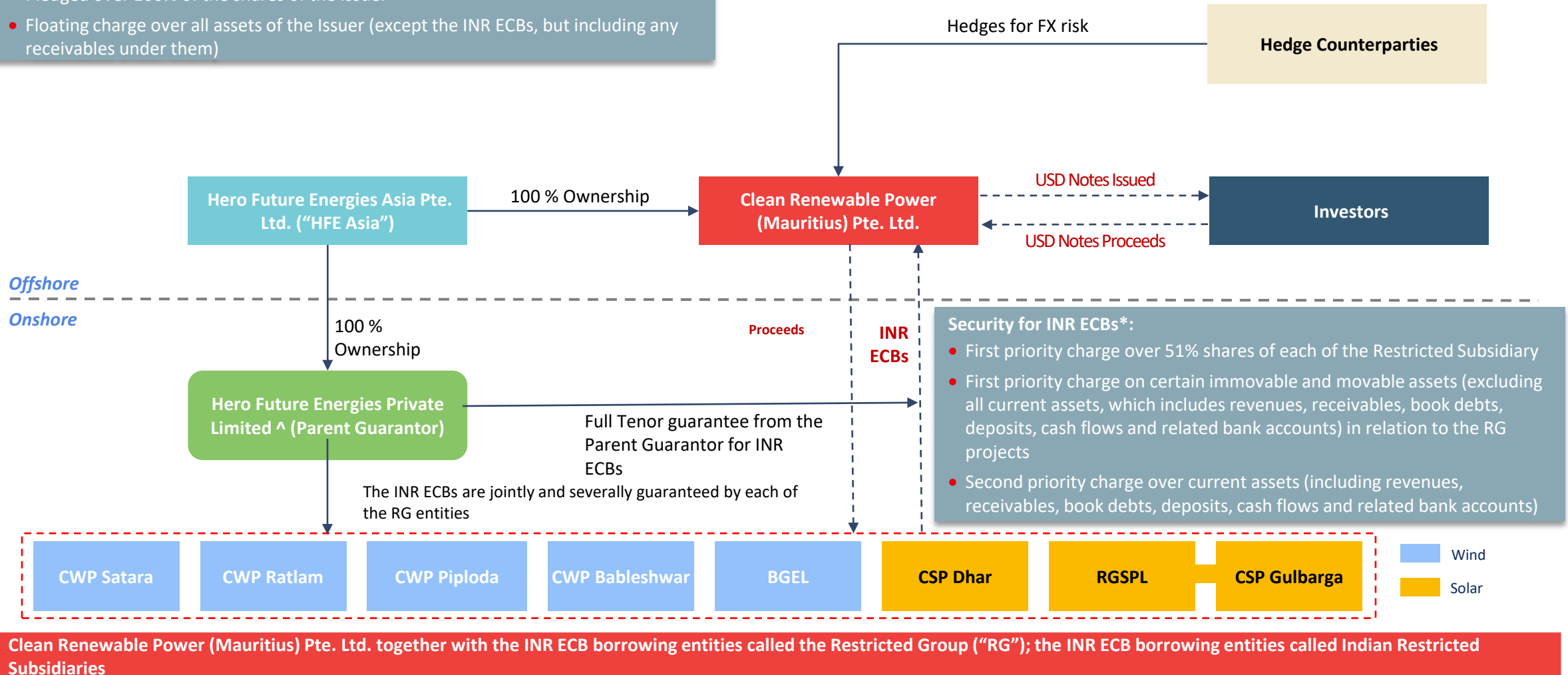


- Dedicated to enriching and energizing lives by helping the less privileged and thus building a happier and healthier community and society

# Issuance Structure

## Security for the USD notes :

- Pledged over 100% of the shares of the Issuer
- Floating charge over all assets of the Issuer (except the INR ECBs, but including any receivables under them)



Note:

^All Restricted Subsidiaries are 100% owned by Hero Future Energies Private Limited indirectly through two holding companies for wind and solar unless otherwise indicated. The above simplified corporate structure is for illustrative purposes. Please refer to the Offering Memorandum for the detailed corporate structure

\*External Commercial Borrowings

# Strong Transaction Structure vs Peers

## Transaction strengths overview

<b>Parent guarantee</b>	✓ Full tenor unconditional and irrevocable guarantee on the INR ECBs by the Onshore Parent – Hero Future Energies Private Limited.
<b>Cash lock-up</b>	<ul style="list-style-type: none"> <li>✓ No leakage of cash generated within the RG during bond tenor; no DSCR linked Restricted Payments</li> <li>✓ Excess cash post statutory payments, operation and maintenance costs and expenses and debt servicing 100% trapped in the RG, ensuring enough liquidity in the RG to take care of any unforeseen disruptive events</li> </ul>
<b>Lower refinancing risk</b>	<ul style="list-style-type: none"> <li>✓ Excess cash in the RG is used for scheduled amortizations and mandatory cash sweeps (MCS), amounting to c. 30% of the USD notes, thereby reducing refinancing risk through debt amortization</li> <li>✓ Residual cash post amortization and MCS is further trapped in the RG ensuring build of liquidity buffers within the RG</li> </ul>
<b>Static RG</b>	✓ No additional assets and debt can be added to the RG, except a working capital basket and incremental debt of US\$ 5 million

## Debt payment schedule

	Settlement Date (Month-Year)	Mar-22	Sept-22	Mar-23	Sept-23	Mar-24*	Sept-24	Mar-25	Sept-25	Mar-26	Sept-26	Total
As a % of notes size	Scheduled Amortization	0.50%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	<b>2.75%</b>
	Mandatory Cash sweep	1.50%	2.25%	2.25%	2.75%	2.75%	3.00%	3.00%	3.25%	3.25%	3.00%	<b>27.00%</b>
	<b>Total repayment</b>	<b>2.00%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.25%</b>	<b>3.25%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.25%</b>	<b>29.75%</b>

\*Principal repayment corresponding to scheduled amortization and MCS of 16.25% amounting to ~\$59 mn has been done till Sep 2024 from issue date



# RG represents c. 30% of operating HFE Portfolio (1/2)

Well diversified portfolio across technologies, offtakers and geographies

1

## Projects in RG represent Important Part of HFE's Portfolio...

- High quality assets selected for RG
- 8 operational projects with an aggregate installed capacity of 531.5 MWp
  - 3 solar projects with a total installed capacity of 300.0 MWp
  - 5 wind projects with a total installed capacity of 231.5 MW
- 47% of RG by capacity contracted with SECI

2

## With All Projects Having Achieved Commercial Operation...

- **No construction risk** as 100% of the capacity is constructed
  - c.100% capacity of the RG portfolio has been operational for more than 3 years
  - Weighted average operating life of assets is c.6.2 years

4

## ... And Well Positioned to Generate Stable Cash Flows with long-term PPAs

- **Most of the portfolio contracted through long term PPAs** with weighted average balance PPA tenor of 15.5 years as on 31<sup>st</sup> Mar 2024
- RG has achieved EBITDA of INR 4,167 m in FY22, INR 4,599 m in FY23 and INR 4,775 m in FY24
- Stabilized operations for entire RG capacity

3

## Diversified Across Key Parameters ...

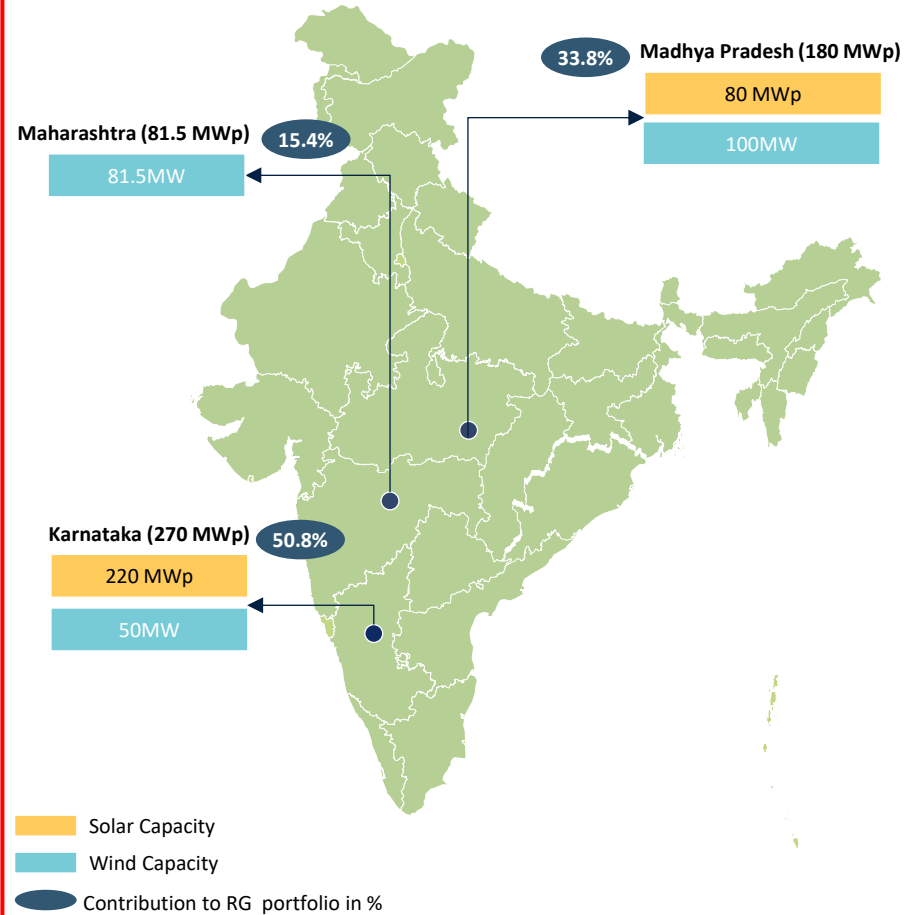
- **Geographic diversification** across 3 renewable energy rich states in India
- **Well balanced mix** between solar (c. 56.4%) and wind (c. 43.6%)
- **High quality and reputed vendor mix:** c. 65% of the wind energy capacity supplied by Gamesa and c. 76% of the solar energy capacity supplied Trina



# RG represents c. 30% of operating HFE Portfolio (2/2)

Well diversified portfolio across technologies, offtakers and geographies

## Geographical distribution





## Portfolio overview – Restricted Group

Project	State	Capacity (MWp)	COD	Offtaker	Rem PPA tenor (yrs)	Tariff INR/unit
<b>Solar Assets</b>						
CSP Gulbarga	Karnataka	220	Mar-18	SECI	>18	4.43 + VGF
Rajkot Gujarat Solar Energy	Madhya Pradesh	48	Mar-17	MPPMCL	>17	5.46
CSP Dhar	Madhya Pradesh	32	Mar-15	SECI	>15	5.45 + VGF
<b>Wind Assets</b>						
CWP Ratlam	Madhya Pradesh	100	Mar-16	MPPMCL	>15	5.92 + GBI
BGEL	Maharashtra	49.5	Mar-12	MSEDCL	<1	5.51 + GBI
CWP Satara	Maharashtra	32	Mar-14	MSEDCL	>3	5.76 + GBI
CWP Piploda	Karnataka	26	Mar-17	HESCOM	>17	4.50 + GBI
CWP Bableshwar	Karnataka	24	Mar-17	HESCOM	>17	4.50 + GBI
<b>Total</b>		<b>531.5</b>				

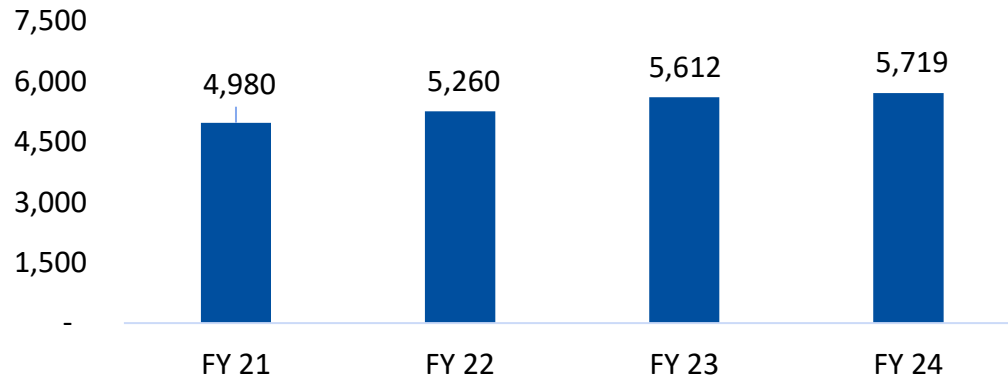
# Rating agencies have re-affirmed the credit rating

Clean Renewable Power (Mauritius) Pte.Ltd (the issuing company) raised \$363 Mn of senior secured notes due in 2027. These notes are rated by Fitch and Moody's

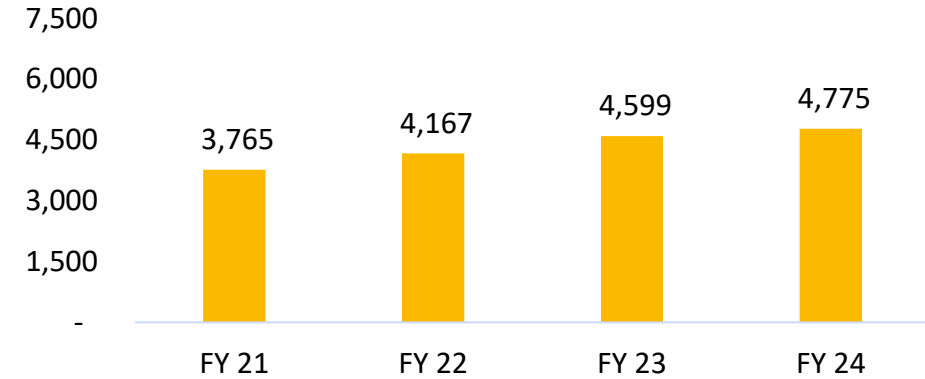
	LAST REVIEW	LATEST REVIEW
	26th April, 2023 BB-/Stable (Affirmed)	15th August, 2024 BB-/Stable (Affirmed)
	19th May, 2023 Ba2/Stable (Affirmed)	27th May, 2024 Ba2/Stable (Affirmed)

# Restricted Group: Financial Performance

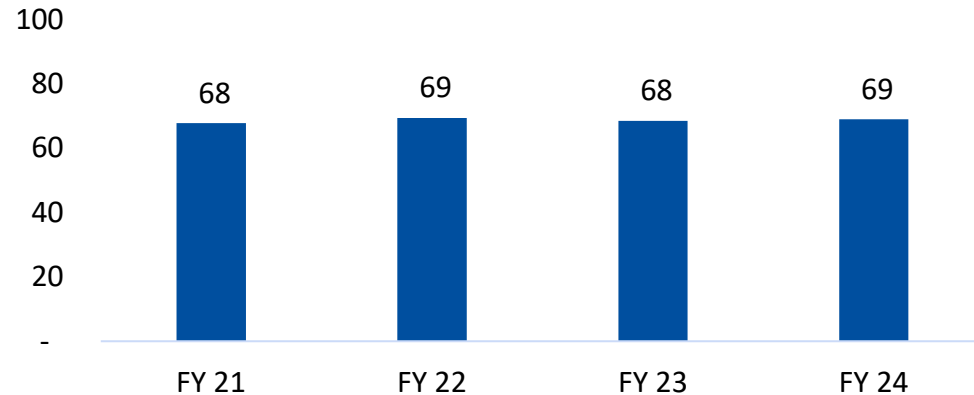
Revenue (INR M)



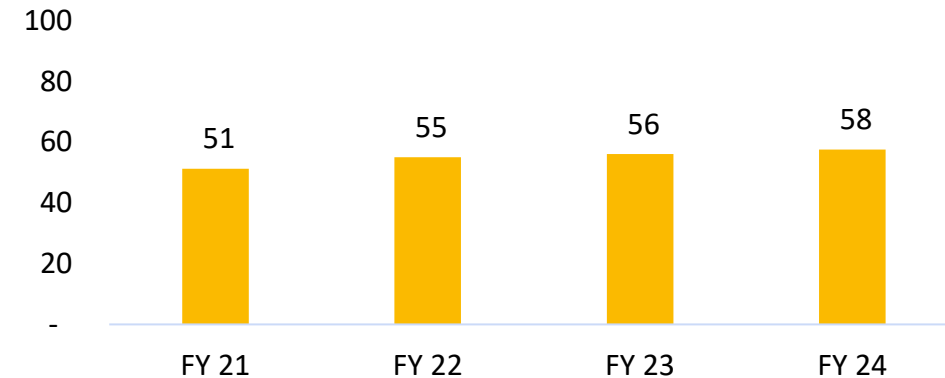
EBITDA (INR M)



Revenue (USD M)



EBITDA (USD M)



Note:

1. Revenue refers to total income including revenue from power sale, generation-based incentives (GBI) and other income;
2. USD INR rate for respective financial years is as follows; FY21 - 73.2, FY22 - 75.8, FY23 - 82.0, FY24 - 83



# RG Group - Improved Receivables

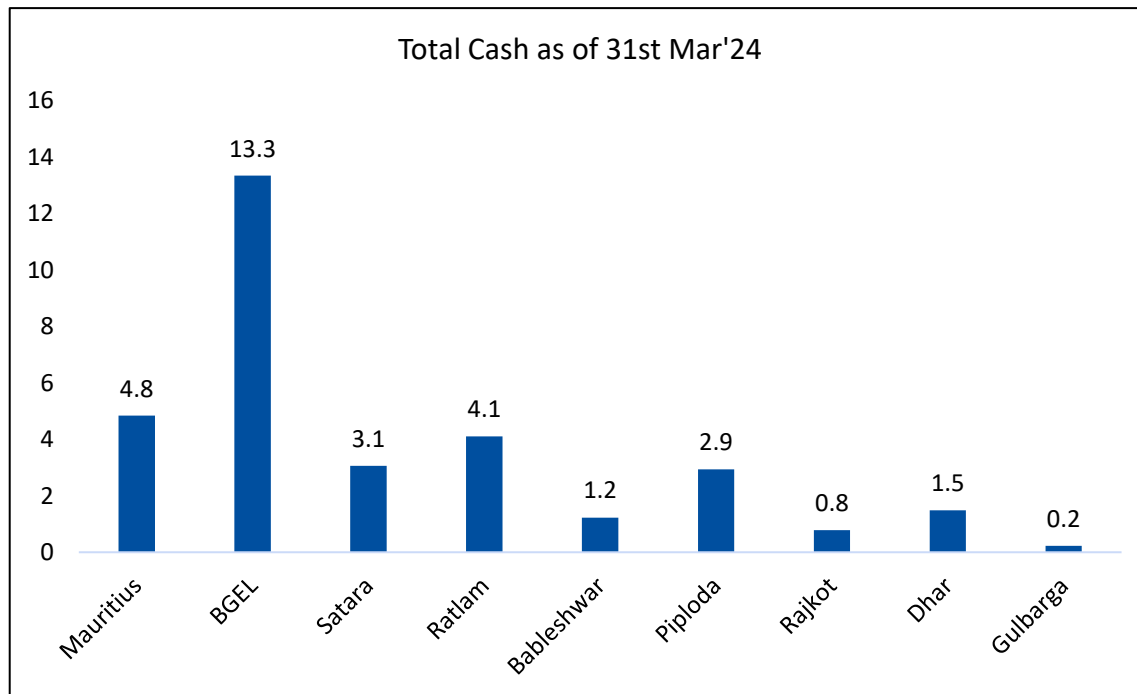
SPV name	Offtaker	Mar - 22		Sep - 22		Mar - 23		Sep - 23		Mar - 24	
		Debtors (\$ Mn)	Overdue DSO	Debtors (\$ Mn)	Overdue DSO	Debtors (\$ Mn)	Overdue DSO	Debtors (\$ Mn)	Overdue DSO	Debtors (\$ Mn)	Overdue DSO
Bableshwar	HESCOM	0.8	34	1.8	141	1.1	50	0.7	52	1.3	135
Ratlam	MPPMCL	18.4	324	13.3	286	11.2	232	7.9	165	6.1	184
Satara	MSEDCL	4.9	328	2.3	139	1.2	51	0.7	40	0.2	17
Piploda	HESCOM	0.7	25	1.9	84	1.3	70	0.8	51	1.2	121
BGEL	MSEDCL	7.5	343	3.6	142	2.2	63	1.4	50	0.4	24
Dhar	SECI	1.0	0	0.2	21	0.9	23	0.2	25	0.2	33
Rajkot	MPPMCL	1.2	4	0.1	4	1.1	32	0.1	4	0.1	5
Gulbarga	SECI	1.9	1	0.0	1	1.8	0.0	0.0	0	0.0	0
<b>TOTAL</b>		<b>\$36.4 Mn</b>		<b>\$23.2 Mn</b>		<b>\$20.8 Mn</b>		<b>\$11.8 Mn</b>		<b>\$9.5 Mn</b>	

Equated Monthly Installment (EMI) Scheme:								
SPVs	Total O/S as on 3rd June 2022 (INR Mn)	No. of EMIs	EMI amount (INR Mn)	EMI Start Date	EMIs received	Amount received (INR Mn)	Pending amount as on Mar-24 (INR Mn)	Pending amount as on Mar-24 (\$ Mn)
Ratlam	1,001.6	40	25.0	05-08-22	17	500.3	501.3	6.0
Piploda*	12.1	34	0.4	05-08-22	17	6.3	5.8	0.1
Bableshwar*	12.9	34	0.4	05-08-22	17	6.8	6.2	0.1

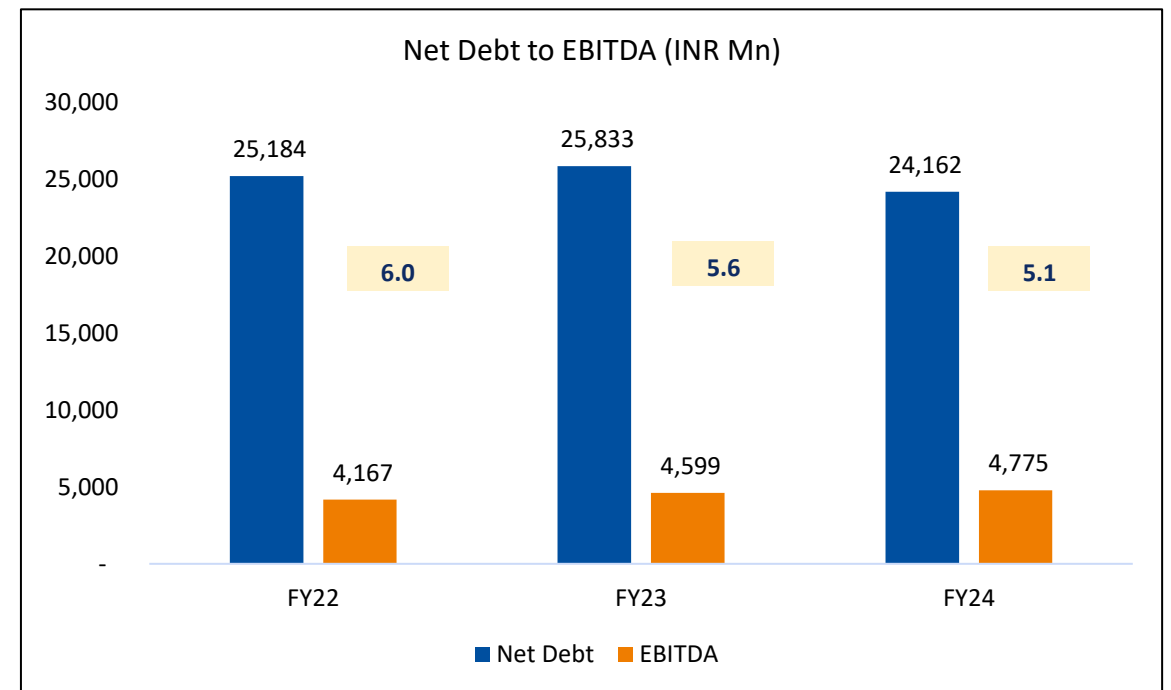
Note : In case of receivables USD INR rate for FY22 , FY23 & FY24 is 75, 82 & 83 respectively; for Piploda & Bableshwar as per LPS letter it was 48 EMIs but later discom changed it to 34 EMIs each.

# RG Group - Improving Debt Metrics

Consistent recovery of receivables has resulted in healthy cash level of ~\$32 Mn as on 31<sup>st</sup> Mar 24

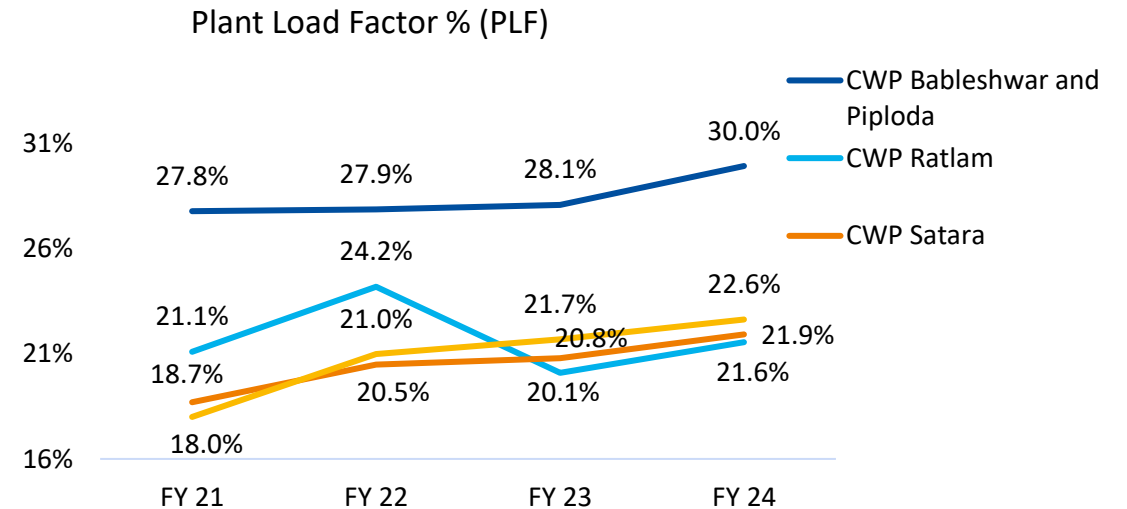
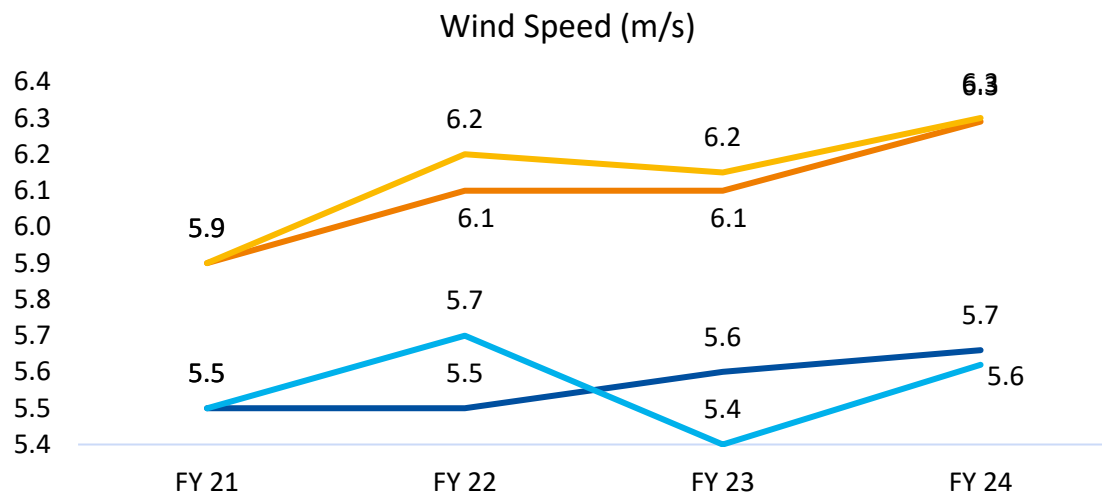
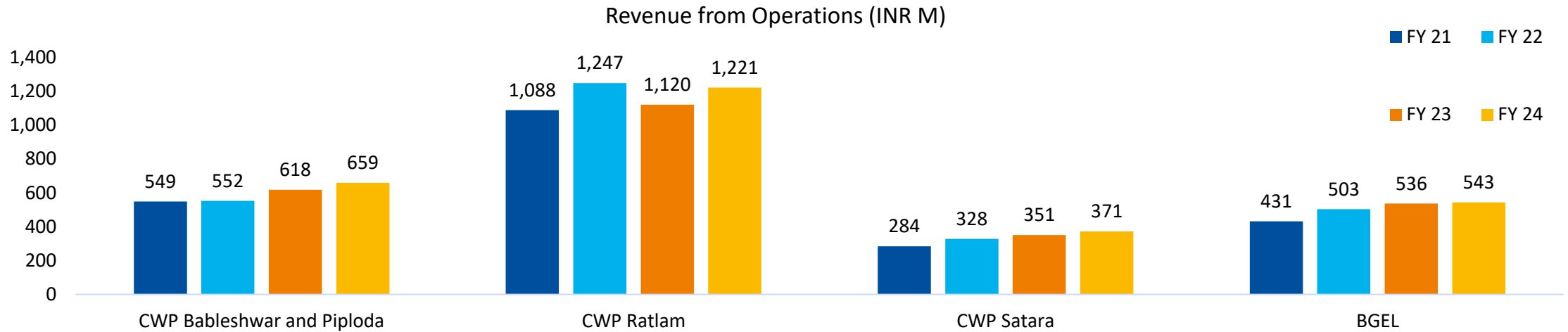


Improving Net Debt to EBITDA with consistent repayment of bond debt\*

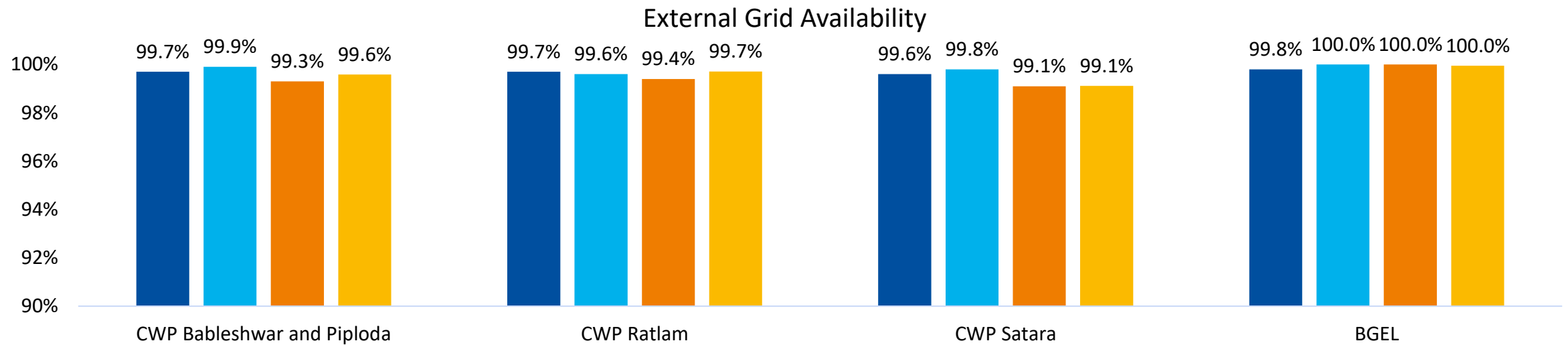
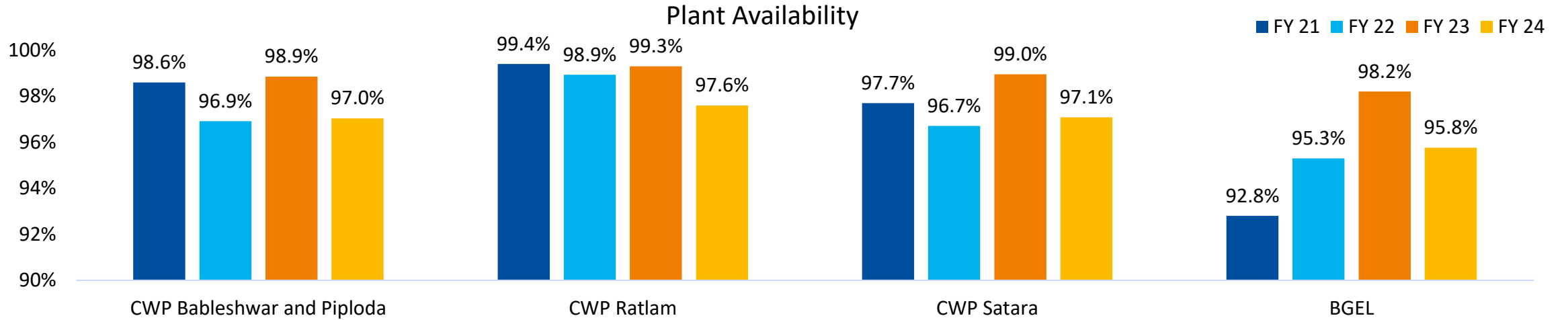


\* Debt balance as reported in financials in local currency

# Revenue Analysis- Wind Assets (1/2)



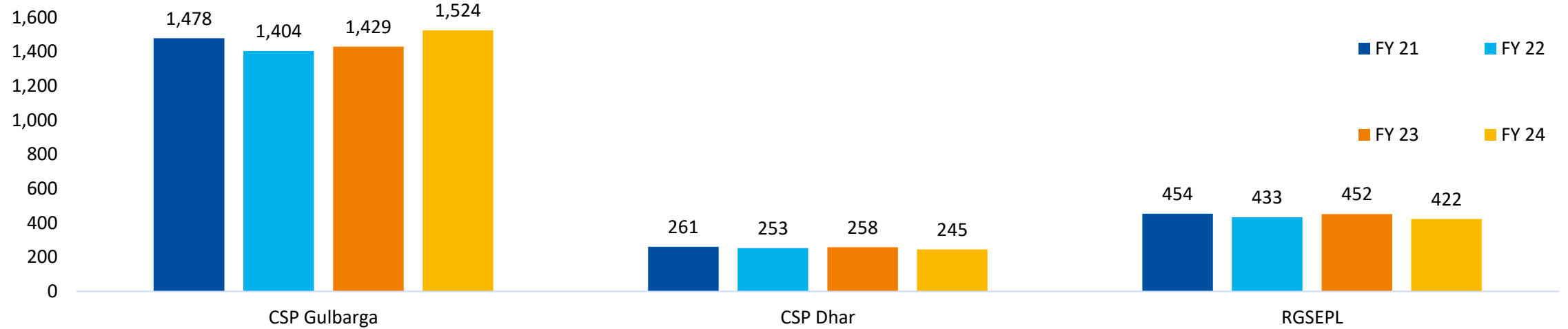
# Revenue Analysis- Wind Assets (2/2)



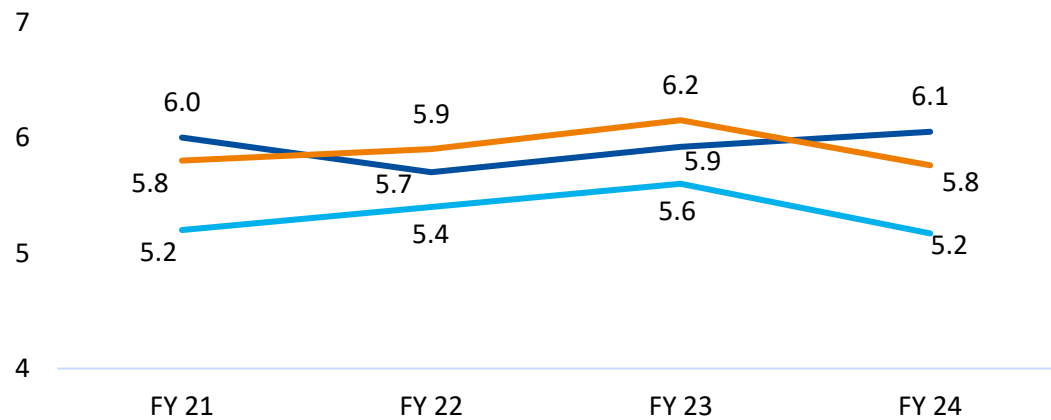


# Revenue Analysis- Solar Assets (1/2)

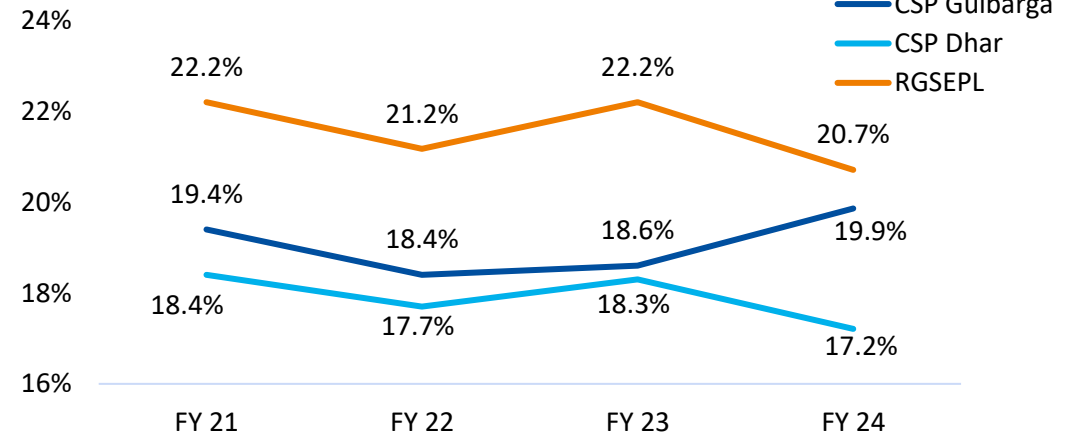
Revenue from Operations (INR M)



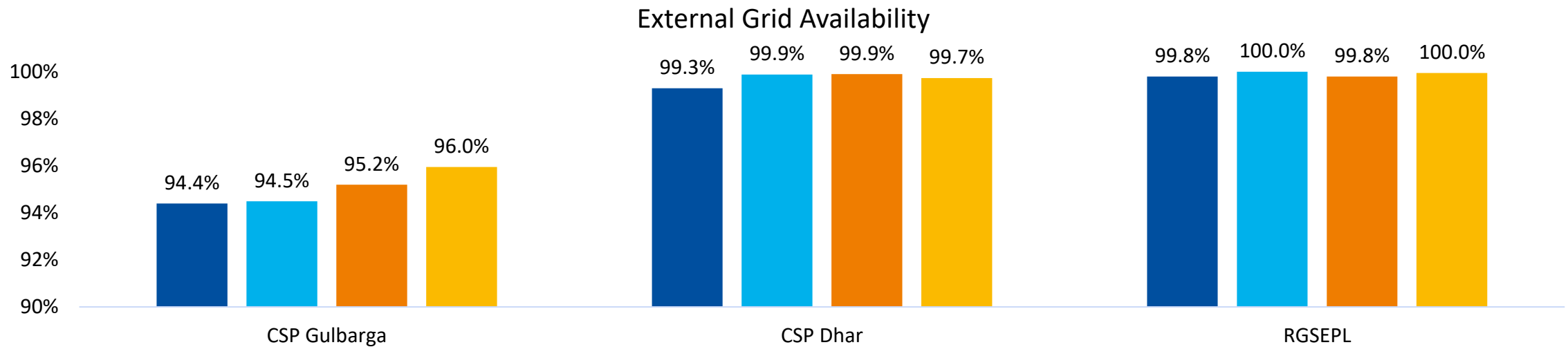
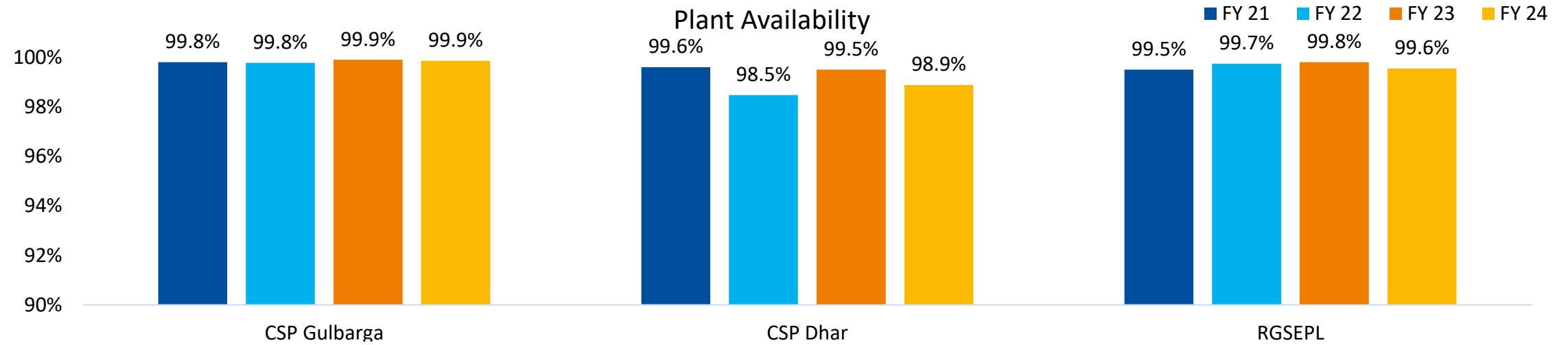
Solar Radiation (kWh/m2)



Plant Load Factor % (PLF)



# Revenue Analysis- Solar Assets (2/2)



# Summary of Green Notes Issuance

## Climate Bond Standards Board has approved the certification for the proposed Green Bond

<b>Issuer</b>	<ul style="list-style-type: none"> <li>Clean Renewable Power (Mauritius) Pte. Ltd., a Mauritius incorporated, wholly owned subsidiary of Hero Future Energies Asia Pte. Ltd.</li> </ul>
<b>Parent Guarantor of INR ECBs</b>	<ul style="list-style-type: none"> <li>Hero Future Energies Private Limited (“HFE”), wholly owned subsidiary of Hero Future Energies Asia Pte. Ltd.</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>144A/RegS Senior Secured Green Notes</li> </ul>
<b>Issue Ratings</b>	<ul style="list-style-type: none"> <li>Ba2 / BB- by Moody’s / Fitch</li> </ul>
<b>Issue Size</b>	<ul style="list-style-type: none"> <li>USD 363 Mn</li> </ul>
<b>Tenor</b>	<ul style="list-style-type: none"> <li>6 years (5.25 years WAL)</li> </ul>
<b>Use of Proceeds</b>	<p>USD Notes:</p> <ul style="list-style-type: none"> <li>The proceeds from this offering will be used to extend INR ECBs to eight subsidiaries of Hero Future Energies Private Limited that form the Restricted Group (RG) for the INR ECBs and hold the operating assets.</li> </ul> <p>INR ECBs:</p> <ul style="list-style-type: none"> <li>To repay Existing Project Indebtedness in full and pay related expenses</li> <li>To extend/repay inter-corporate loans</li> <li>For general corporate purposes</li> </ul>
<b>Security</b>	<p>USD Notes:</p> <ul style="list-style-type: none"> <li>A share pledge over the capital stock of the Issuer shared par passu with hedge providers</li> <li>A floating charge over all the assets of the issuer (except the INR ECBs, but including any receivables from the INR ECBs and any proceeds realized from the INR ECBs) shared par passu with hedge providers</li> <li>Prior to the release therefrom, a first-priority security interest in the Escrow Account</li> </ul> <p>INR ECBs:</p> <ul style="list-style-type: none"> <li>A first priority charge over 51% shares of each of the Restricted Subsidiary</li> <li>A first priority charge on certain immovable and movable assets (excluding all current assets, which includes revenues, receivables, book debts, deposits, cash flows and related bank accounts) in relation to the RG projects**</li> <li>A second priority charge over current assets (including revenues, receivables, book debts, deposits, cash flows and related bank accounts)</li> </ul>
<b>Currency Hedging Agreement</b>	<ul style="list-style-type: none"> <li>FX risk on coupons and principal are hedged by full coupon swap plus call-spread Currency Hedging Agreement till ATM for principal</li> </ul>
<b>Covenants</b>	<ul style="list-style-type: none"> <li>Customary, incurrence style high yield covenants</li> </ul>
<b>Green Bond Framework</b>	<ul style="list-style-type: none"> <li>Second party assurance by KPMG, certified by Climate Bonds Initiative</li> </ul>
<b>Listing</b>	<ul style="list-style-type: none"> <li>SGX</li> </ul>
<b>Governing Law</b>	<ul style="list-style-type: none"> <li>NY Law</li> </ul>

# RG Group - Hedge Summary

## Type of Hedge - Non-Deliverable Call Spread and Coupon Only Swap

### Principal Hedge through a Non-Deliverable Call Spread

\$363 Mn Principal amount is hedged through Non-Deliverable Call Spread which has below settlement arrangement:

1. If Expiry reference rate is less than strike rate, amount paid by counterparty is zero
2. If Expiry reference rate is  $\geq$  Strike rate but  $\leq$  cap rate, amount paid by counterparty is Notional amount \* (Expiry reference rate – Strike rate)
3. If Expiry reference rate is  $>$  cap rate, amount paid by counterparty is capped amount

We closely monitor FX rates and evaluate, for each settlement date, whether an additional hedge is required after doing a cost-benefit analysis by comparing the cost of hedge with potential loss;

### Interest rate Hedge through Coupon Only Swap

- Interest payments are fully hedged through fixed-coupon only swap;
- Such periodic amounts calculations are based on predetermined notional amounts in the two currencies

Settlement Date	Cap Range for principal
22-Sep-23	84.10 - 84.25
22-Mar-24	85.90 - 86.35
20-Sep-24	88.05 - 88.5
21-Mar-25	90.20 - 90.6
22-Sep-25	92.5 - 92.9
20-Mar-26	94.10 - 95.15
22-Sep-26	95 - 95.75
22-Mar-27	95.45 - 96.5

Hedging Bank	Notional Amount (MUSD)	USD Coupon received from Bank	INR Coupon paid (including hedging fees)
HSBC	140.9	4.25%	8.16%
Barclays	51.0	4.25%	8.16%
Barclays	102.3	4.25%	8.23%
Stan C	68.8	4.25%	8.16%



# RG Group – Asset-Specific Financials (Wind)

Particulars	Bableshwar			Piploda			Ratlam			Satara			BGEL		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
Capacity (MW)	24.0	24.0	24.0	26.0	26.0	26.0	100.0	100.0	100.0	32.0	32.0	32.0	49.5	49.5	49.5
Billed Generation (Mn Units)	60	62	64	62	62	68	212	177	189	58	58	62	91	94	99
Tariff	4.50	4.50	4.50	4.50	4.50	4.50	5.92	5.92	5.92	5.76	5.76	5.76	5.51	5.51	5.51
Revenue from Operations	272	277	288	280	279	305	1247	1032	1127	328	323	342	503	517	540
GBI Revenue	30	31	33	31	31	34	106	88	94	28	28	29	19	19	4
Other Income	22	180	41	7	167	20	89	201	191	22	52	31	79	119	138
<b>Total Income</b>	<b>324</b>	<b>488</b>	<b>362</b>	<b>318</b>	<b>477</b>	<b>359</b>	<b>1442</b>	<b>1321</b>	<b>1412</b>	<b>379</b>	<b>403</b>	<b>402</b>	<b>601</b>	<b>655</b>	<b>682</b>
EBITDA	243	416	286	249	413	302	1174	1058	1149	300	323	328	382	533	562

# RG Group – Asset-Specific Financials (Solar)

Particulars	Gulbarga			Dhar			Rajkot		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
FY→									
Capacity (MWp)	220.0	220.0	220.0	32.0	32.0	32.0	48.0	48.0	48.0
Billed Generation (Mn Units)	323	326	348	33	48	52	80	83	78
Tariff	4.43	4.43	4.43	5.45	5.45	5.45	5.46	5.46	5.46
Revenue from Operations	1404	1429	1524	253	258	245	433	452	423
GBI Revenue	-	-	-	-	-	-	-	-	-
Other Income	38	119	193	45	50	52	33	38	48
<b>Total Income</b>	<b>1443</b>	<b>1548</b>	<b>1717</b>	<b>298</b>	<b>308</b>	<b>297</b>	<b>466</b>	<b>490</b>	<b>471</b>
EBITDA	1197	1317	1506	252	260	248	398	413	398

