

Corporate Briefing Session
FOR THE FINANCIAL YEAR ENDED
June 30, 2024

TABLE OF CONTENTS

1	Company's Profile
2	Sponsors' Profile
3	Shareholding Pattern
4	Company's Strength
5	Working Capital
6	Yearly Despatches
7	Turnover / Net Profit of last 5 years

TABLE OF CONTENTS

5	Earning Per Share (EPS) and dividends declared for last 5 years
9	Dividend Payout History
10	Challenges
11	Corporate Social Responsibility
12	Q & A Session

Kohinoor Energy Limited (KEL) was established by Saigols Group of Companies (a well-known multi-industrial group of Pakistan) and Toyota Tsusho Corporation (an eminent consortium of multi-industrial undertakings of Japan).

The main equipment at power complex includes eight (8) WARTSILA Diesel 18V46 Type Diesel Generators, Steam Turbine and three (3) ABB 63 MVA Step-Up Transformers converting the Electrical Output from 11 kV to 132 kV

The principal activities of the Company is to own, operate and maintain a furnace oil power station with the net capacity of 124 MW.

KEL has an exclusive 30-years Power Purchase Agreement (PPA) with CPPA-G (the power purchaser) & an exclusive 30-years Fuel Supply Agreement (FSA) with Pakistan State Oil (the fuel supplier).

As a security package, KEL also entered into an Implementation Agreement (IA) with the Government of Pakistan (GOP), which guarantees performance of the power purchaser and the fuel supplier.

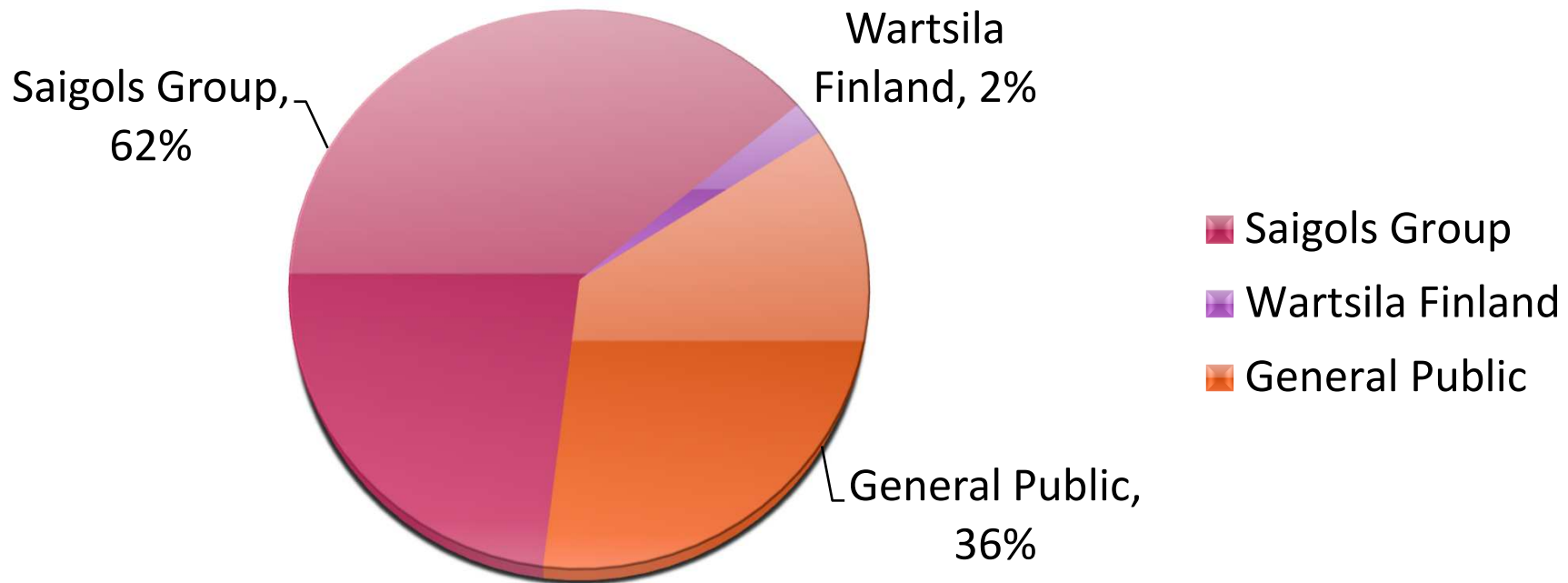
Saigols Group of Companies

Saigols group stands as a leading group in the industrial and commercial sector of Pakistan and holding majority share holding in the Company. Major businesses of the group comprises Textiles, Home Appliances, Electrical equipment manufacturing and Power Generation.

Now the Saigols hold majority of 62% shareholding in the Company.

Shareholding Pattern

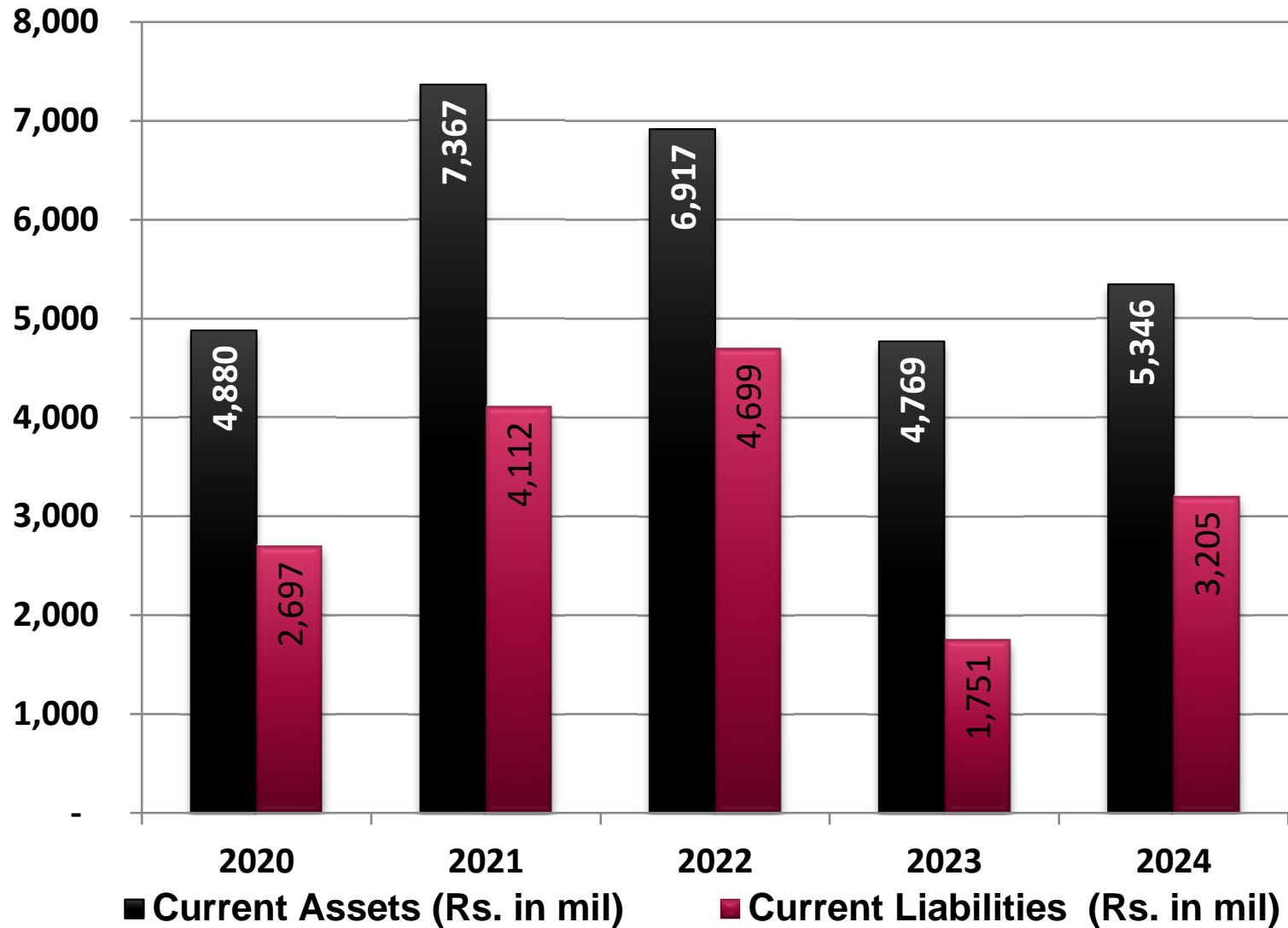
Shareholding %



Company's Strength

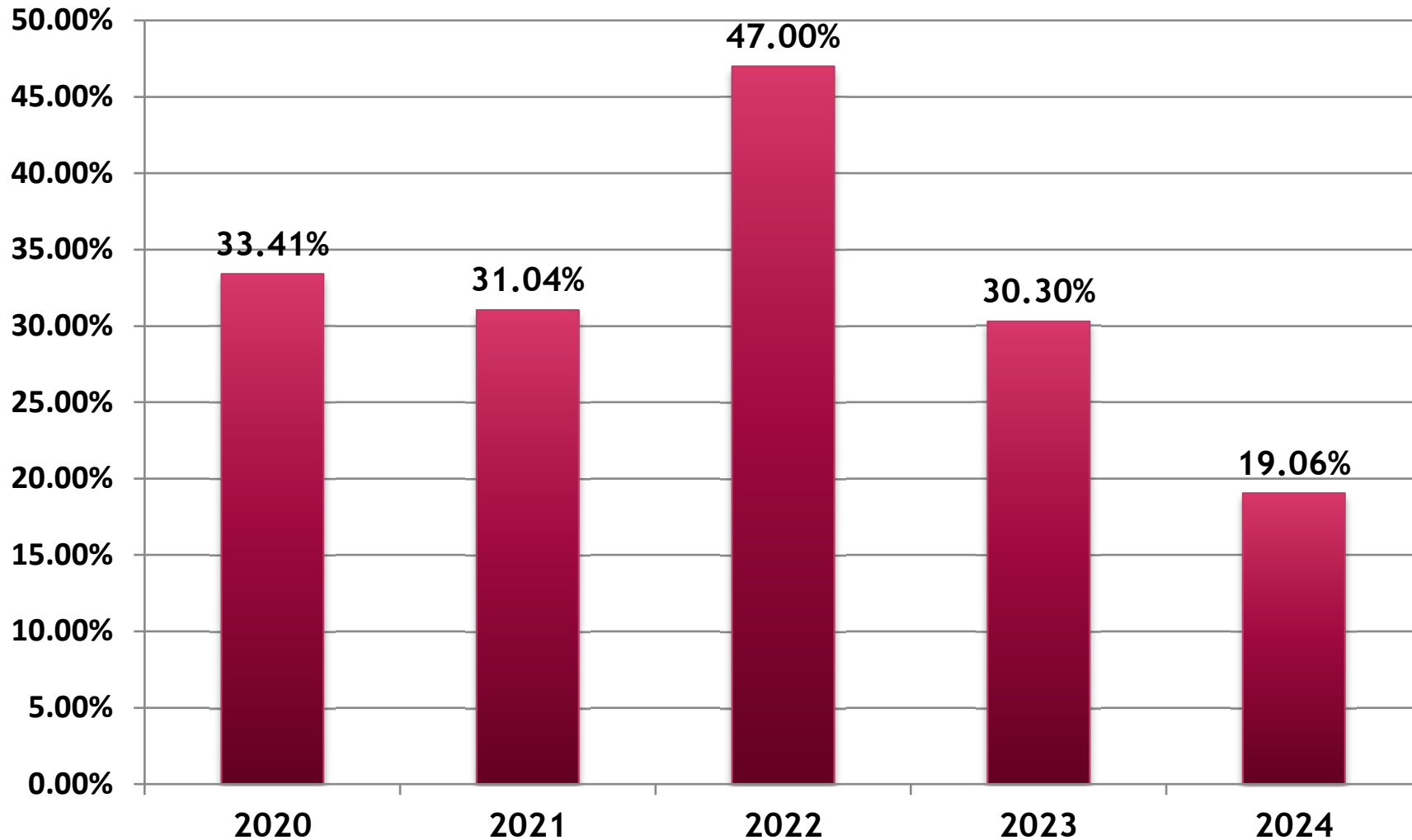
- ◉ Under the Implementation Agreement with the GOP, performance of the Power Purchaser and the Fuel Supplier, are guaranteed.
- ◉ KEL, in its Annual Dependable Capacity Test which was done on June 07, 2024 the company demonstrated 128.77 MW capacity more than the contractual obligation i.e. 124 MW.
- ◉ KEL is a debt free company, as it has completely repaid, all of its long term debts without any default.

Working Capital

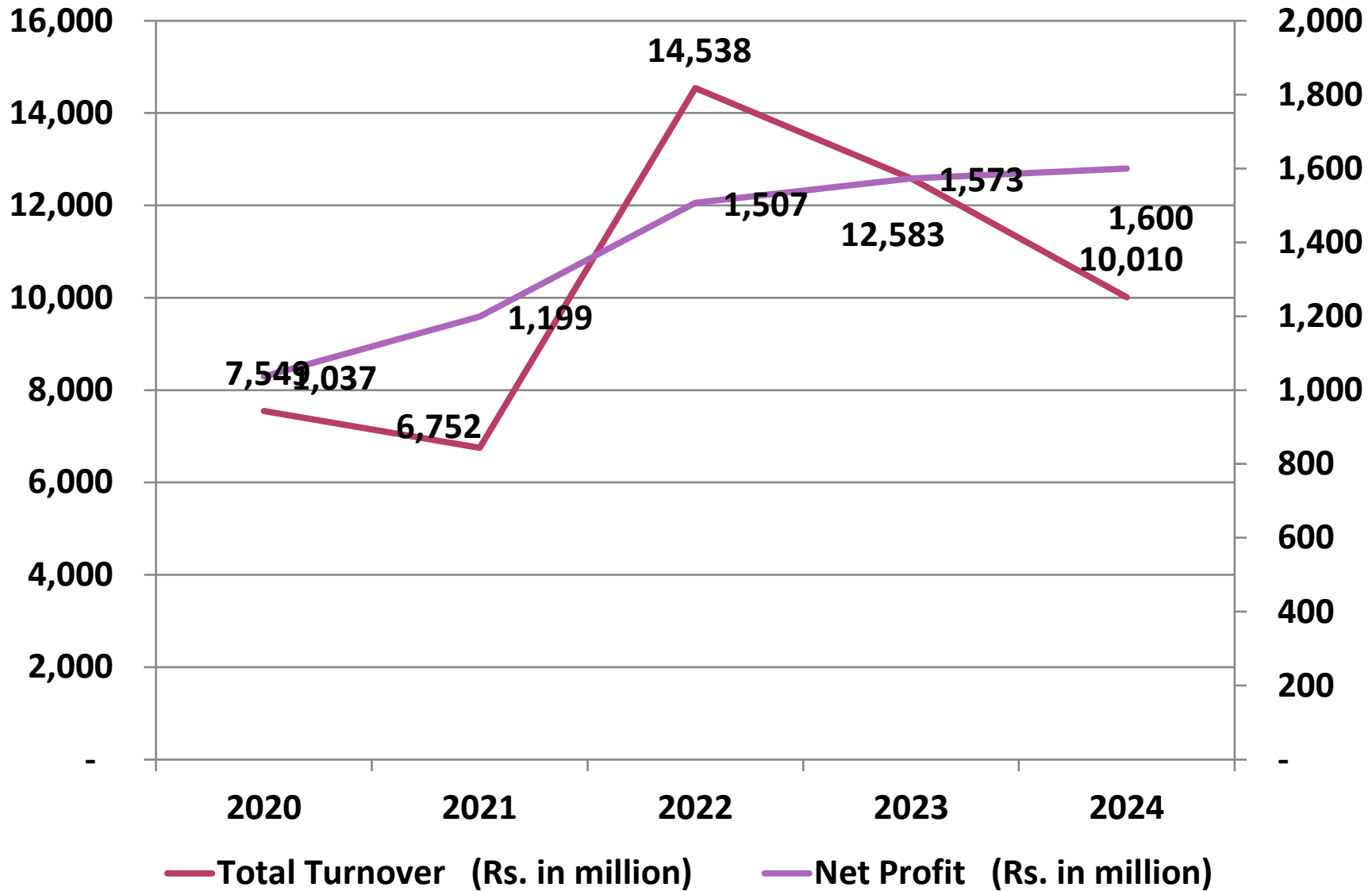


Yearly Dispatches

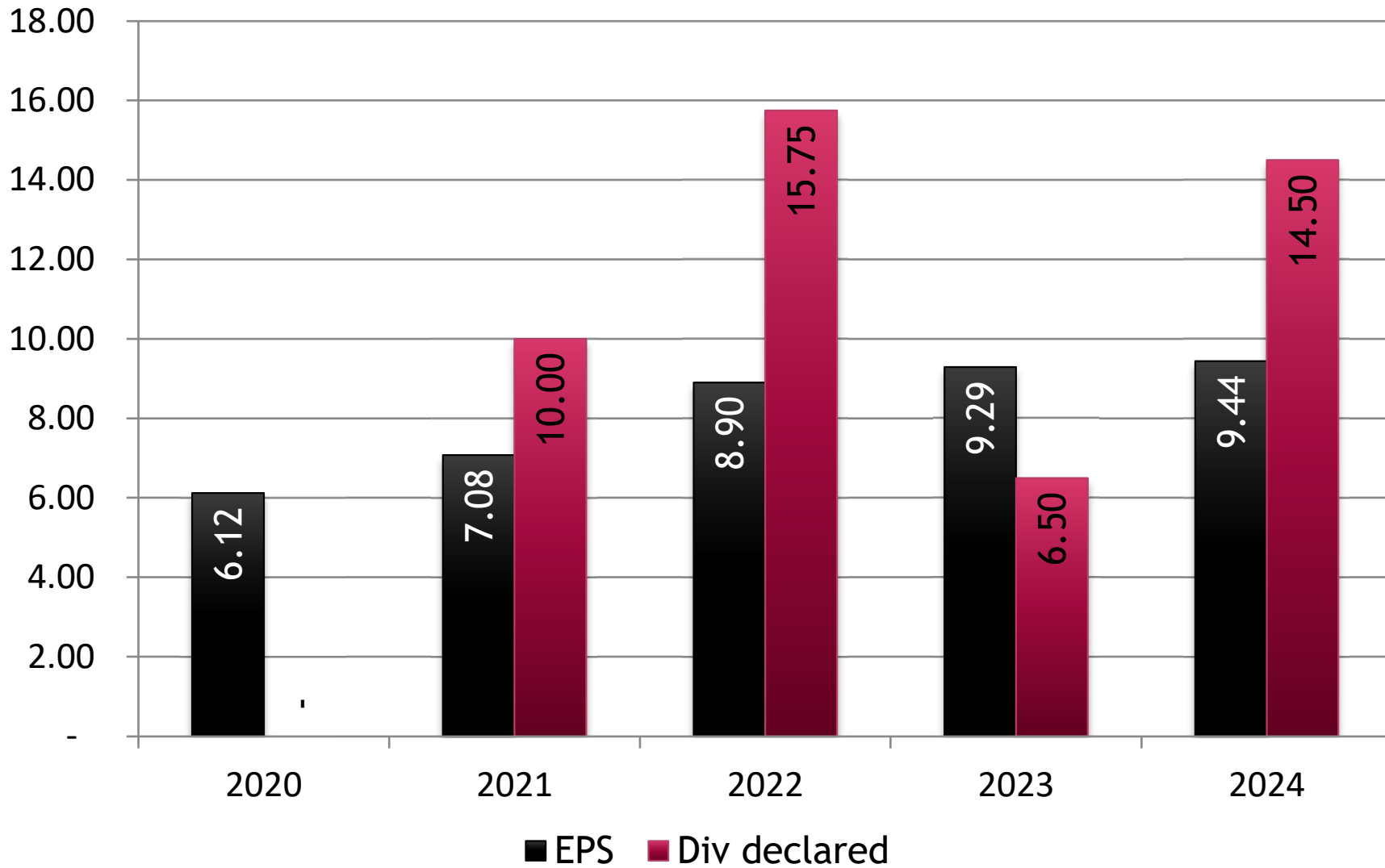
Despatch



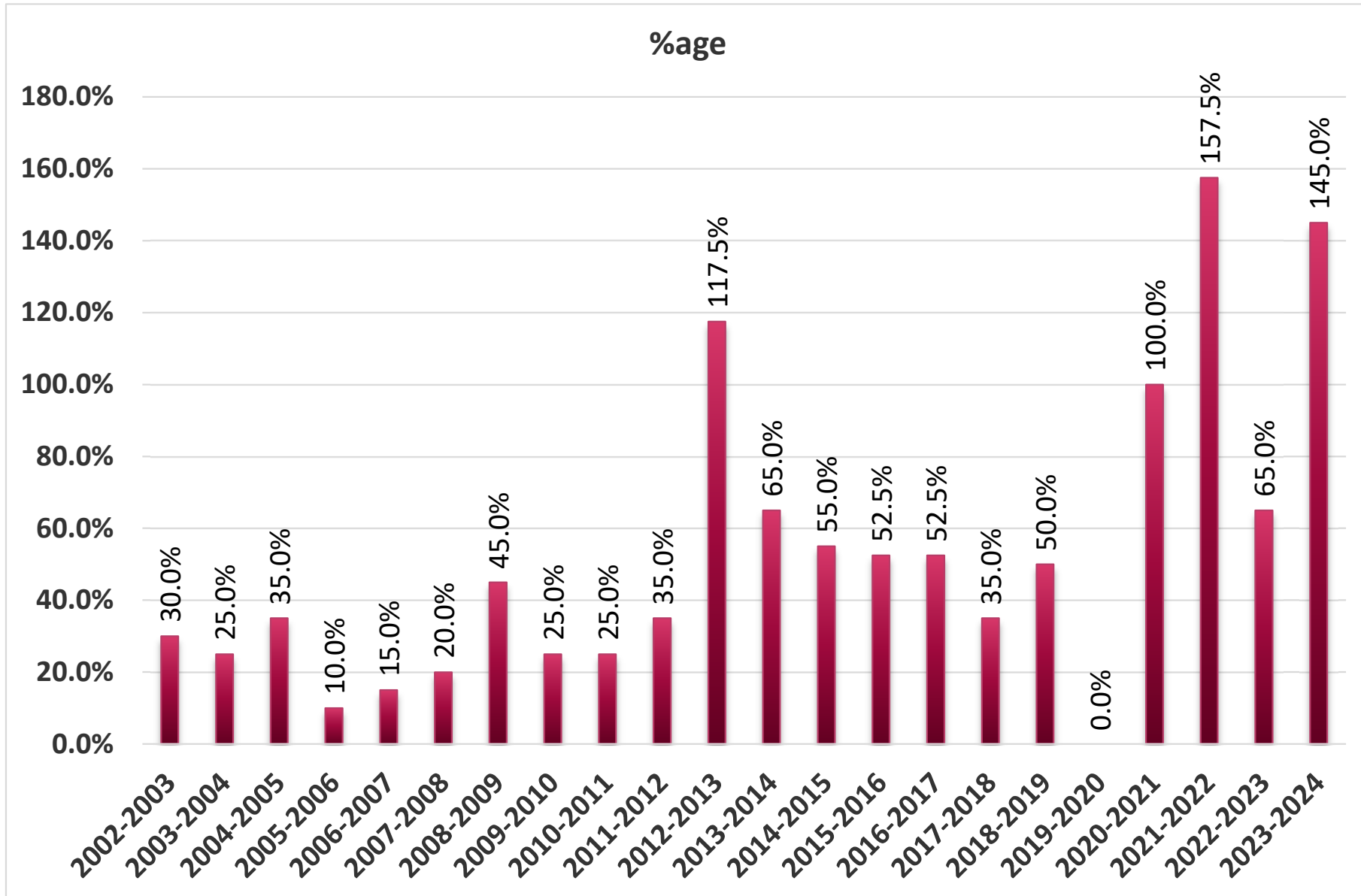
Turnover / Net Profit of last 5 years



Earning Per Share (EPS) and dividends declared for last 5 years – Rs. / share



Dividend Payout History



Challenges

- ⦿ **Circular Debt**
- ⦿ **Lower Dispatches**
- ⦿ **Increasing Solarisation**
- ⦿ **Expiry of the PPA**

Free Medical Facility

KEL is providing free medical treatment facilities to the people residing in the vicinity areas of the power plant. A qualified and experienced medical team is serving the people with passion and devotion. During the year ended June 30, 2024, 8,126 patients have been provided free medical care at a cost of Rs. 7.75 m.

Free Education Facility

KEL is helping the deserving children of nearby community to get education by bearing their educational expenses. We believe that such contribution to the under privileged society is playing an important role in uplifting the living standard of our neighboring community. During the year ended June 30, 2024, 63 students were provided free education in Secondary & Higher School Education and Rs. 3.59 m have been spent on account of education program of CSR.

KEL has agreed to the amendments to the Power Purchase Agreement and Implementation Agreement and to revise the tariff as proposed by the Task Force constituted by the Prime Minister of Pakistan to convert the existing tariff to a 'Hybrid Take and Pay' model. KEL has installed the agreement, which will be finally executed after the cabinet's approval.

Some salient terms and conditions are as follows:

⦿ **Effective date**

1. The Amendment Agreement shall be effective from November 01, 2024;

⦿ **Variable Tariff (EPP)**

2. The indexation mechanism of variable O&M has been changed. Before the amendment, it was supposed to be indexed against 100% devaluation of the Pak Rupee and the variation of the US CPI. In terms of the amendment, it shall be indexed against a 70% devaluation of the Pak Rupee; however, indexation against the US CPI will remain the same;

⦿ **Hybrid Take-and-Pay**

3. The frozen part of the escalable component, will be paid in a hybrid take and pay mode. 35% of this component shall be paid on a take-or-pay and 65% on a take-and-pay basis;

Key Terms PPA Amendment

4. The indexable part of the escalable component has been reduced by 30%. It shall be indexed at the rate of 5% or NCPI annually, whichever is lower.
5. Waiver of Delay Payments interest till Oct 31, 2024
6. The PPA term will be extended for 161 days, with no capacity payment, in lieu of an amicable settlement of the disputed Liquidated Damages.
7. LCIA Arbitration clause in PPA will be substituted with Islamabad seated Arbitration under the local laws.

The estimated annual impact of 3 and 4 above is Rs. 1 billion. Due to such a tariff cut, we have reduced our fixed cost by around Rs. 250 million, mainly by applying the rightsizing of the HR. Hence, there will be a decrease in our capacity payments revenue, but it will not cause a negative bottom line for the company. Based on last year's dispatch factor and the amended tariff, there will be an estimated cash generation of Rs. 1 billion against the earlier generation of Rs. 2 billion.

Question and Answer

