

NISHAT POWER LIMITED

Corporate Briefing Session

on Annual Audited Accounts for the Financial Year ended June 2023

Contents

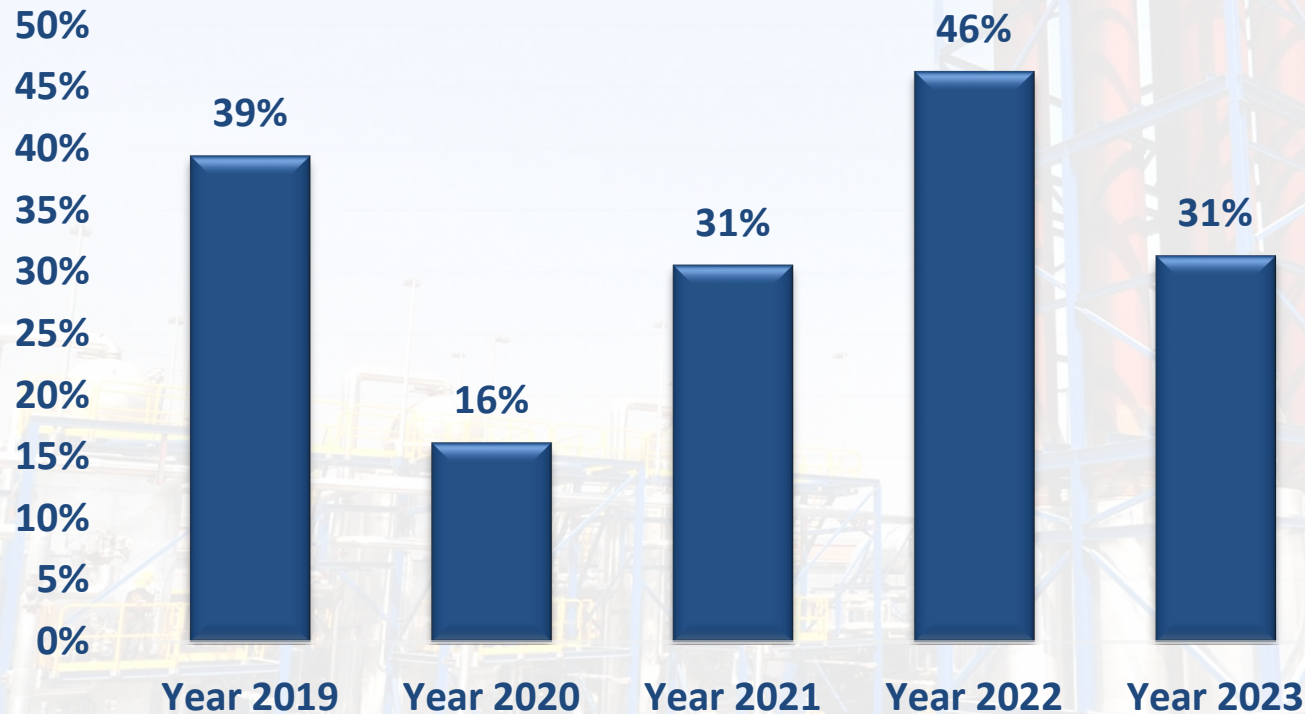
- ❑ Company Brief
- ❑ Operational Highlights
- ❑ Financial Highlights
- ❑ Strategic/Operational Developments
- ❑ Agreements
- ❑ Challenges
- ❑ Business outlook
- ❑ Questions and Answers

Company Brief

- ❑ 200 MW RFO Fired – Combined Cycle Thermal Power Plant
- ❑ Term of Power Purchase Agreement – 25 years
- ❑ Located at 66KM on Multan Road, Tehsil Pattoki
- ❑ Subsidiary of Nishat Mills Limited with 51% equity ownership
- ❑ Established under the “Power Policy 2002”
- ❑ Incorporated in year 2007
- ❑ Shares listed in year 2009
- ❑ Commercial operations started in year 2010
- ❑ Master Agreement and Power Purchase Amendment Agreement in 2021

Operational Highlights

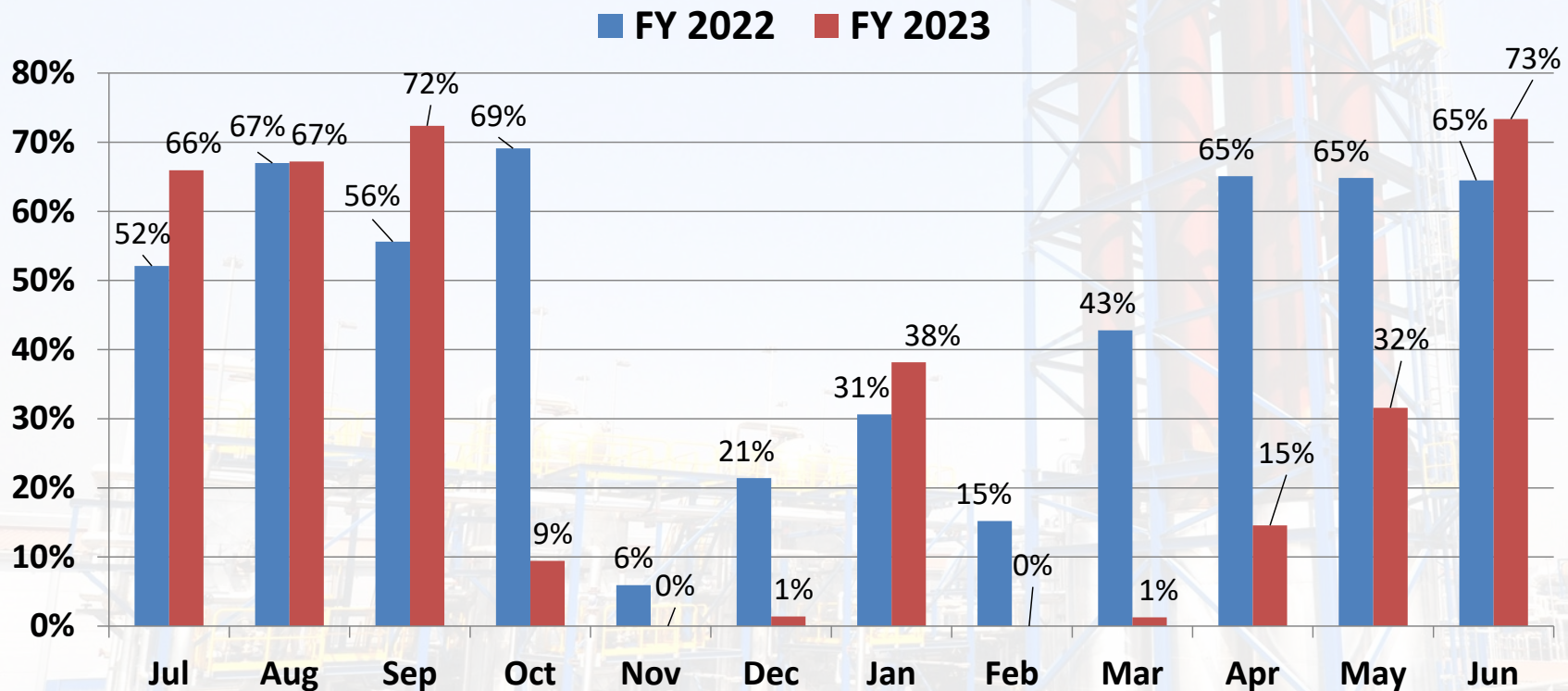
Capacity Utilization %age



The plant operated at average capacity of 31.35% with 538GWh during the year (2022: 46.42% with 794GWh). The slowdown in overall economic activity and variations in climatic conditions has reduced electricity demand during the current year.

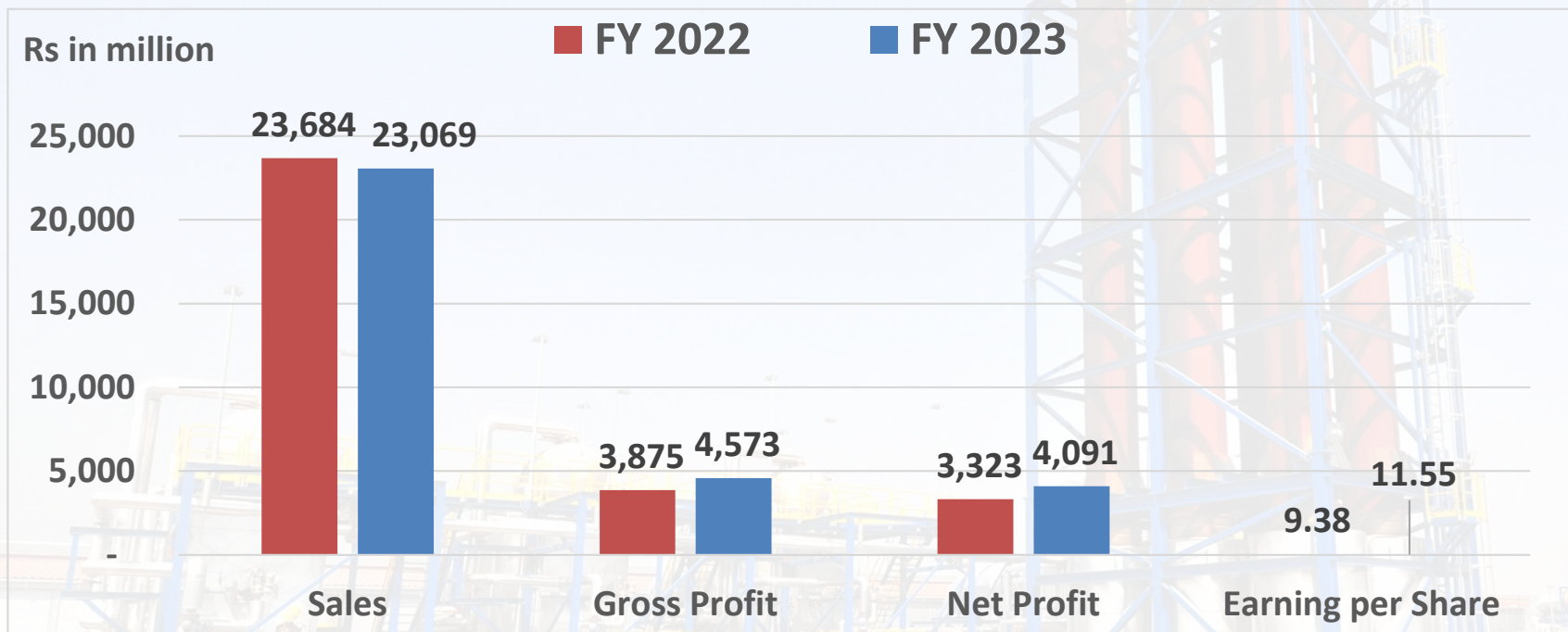
Operational Highlights

Capacity Utilization (%age) Financial Year 2023 vs 2022



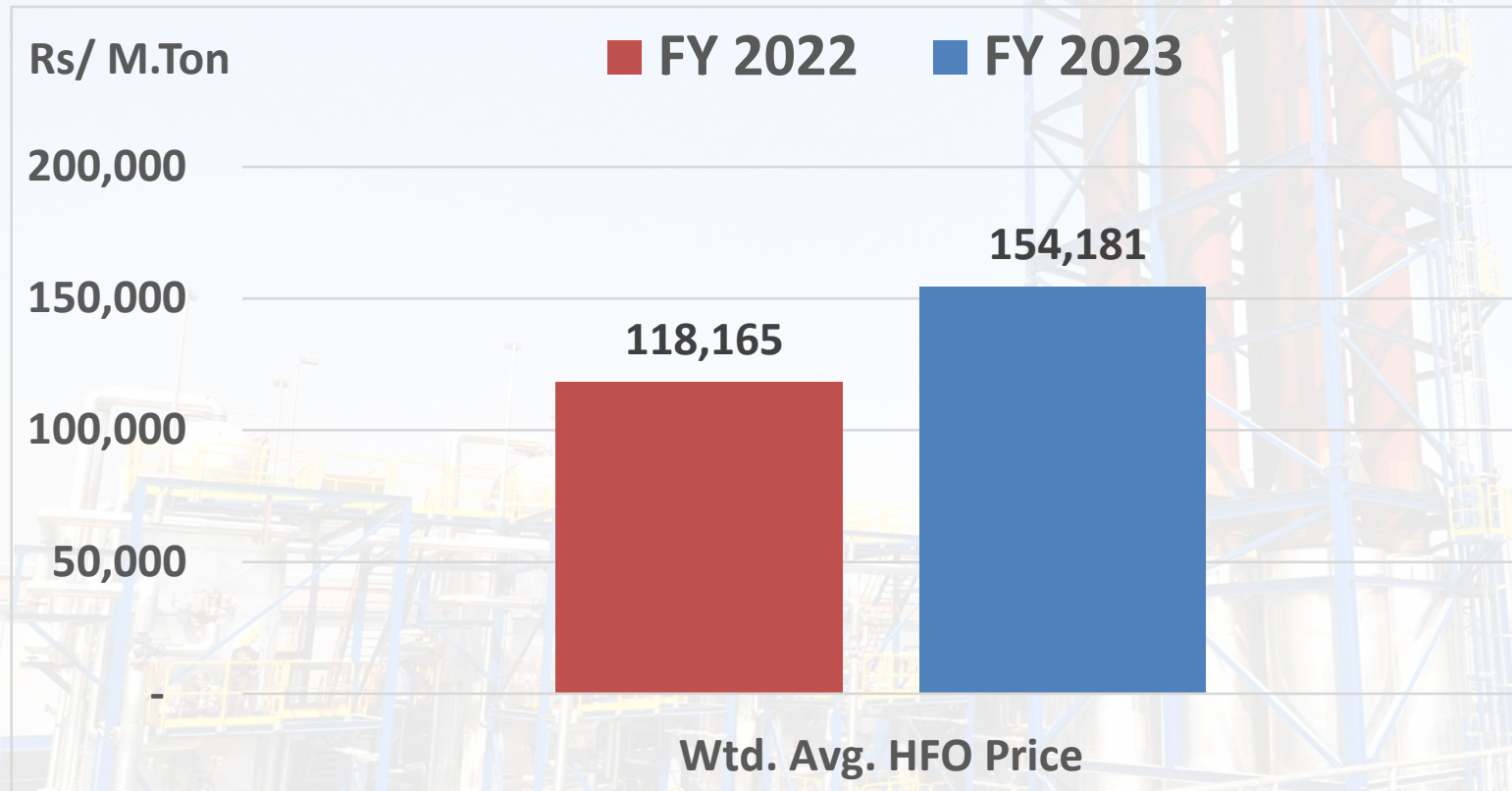
Overall reduction in utilization in other than summer season, compared to same period last year

Financial Highlights



Profits have increased mainly due to increase in tariff indexation and reduction in short term mark up costs due to lower utilization of working capital lines during the year

Financial Highlights



Avg Furnace oil prices have increased ~ 30% over the course of FY 2023

Strategic/Operational Developments

Maintenance Reserve

The maintenance of Power Plant involves cyclical running hours based activities and its related costs. Management considers that the remaining balance of maintenance reserve of Rs. 2.636 billion created out of retained earnings of the Company in previous years, is sufficient to account for major repair and maintenances expenses.

Agreements

Timeline of Significant Events

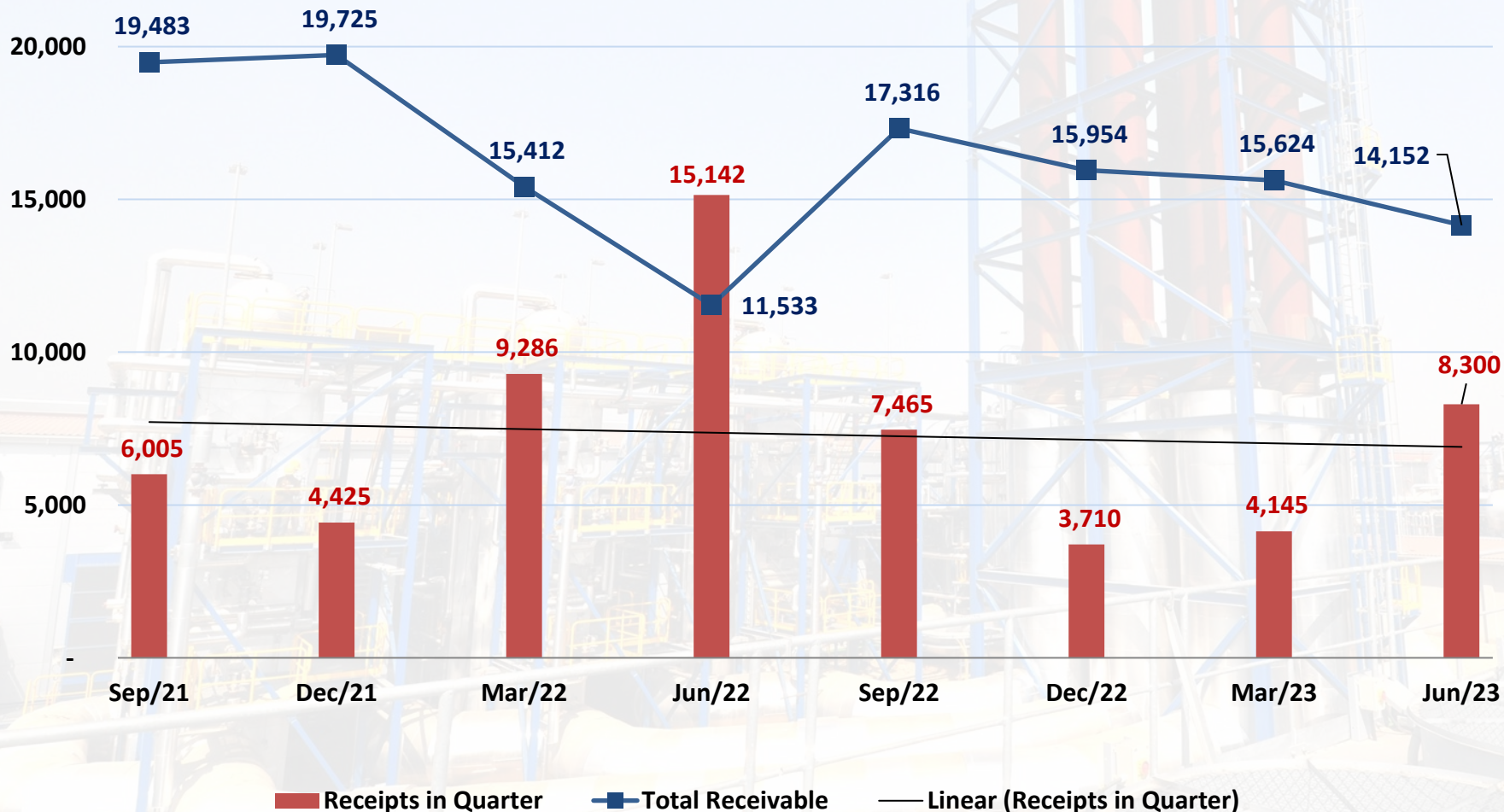
Date	Description
12-Feb-21	Master Agreement, PPA Amendment Agreement and other agreements. FIFO payment method being followed by the Power Purchaser.
June 09, 2021 to August 15, 2021	Capacity dispute related Other Force Majeure Event 68 days Period completed for settlement of Capacity dispute and the disputed amounts have been received by the Company.
06-Jan-22	1 st installment (40%) amounting to Rs.5.7bln was received. Discount on RoE and RoEDC was commenced.
15-Jun-22	Arbitration Submission Agreement signed with the Government of Pakistan for resolution of dispute
30-Jun-22	2 nd installment (60%) amounting to Rs.8.6bln was received. Terms of the Agreements, including revised tariff, has become applicable for remainder of the term of the PPA

Challenges

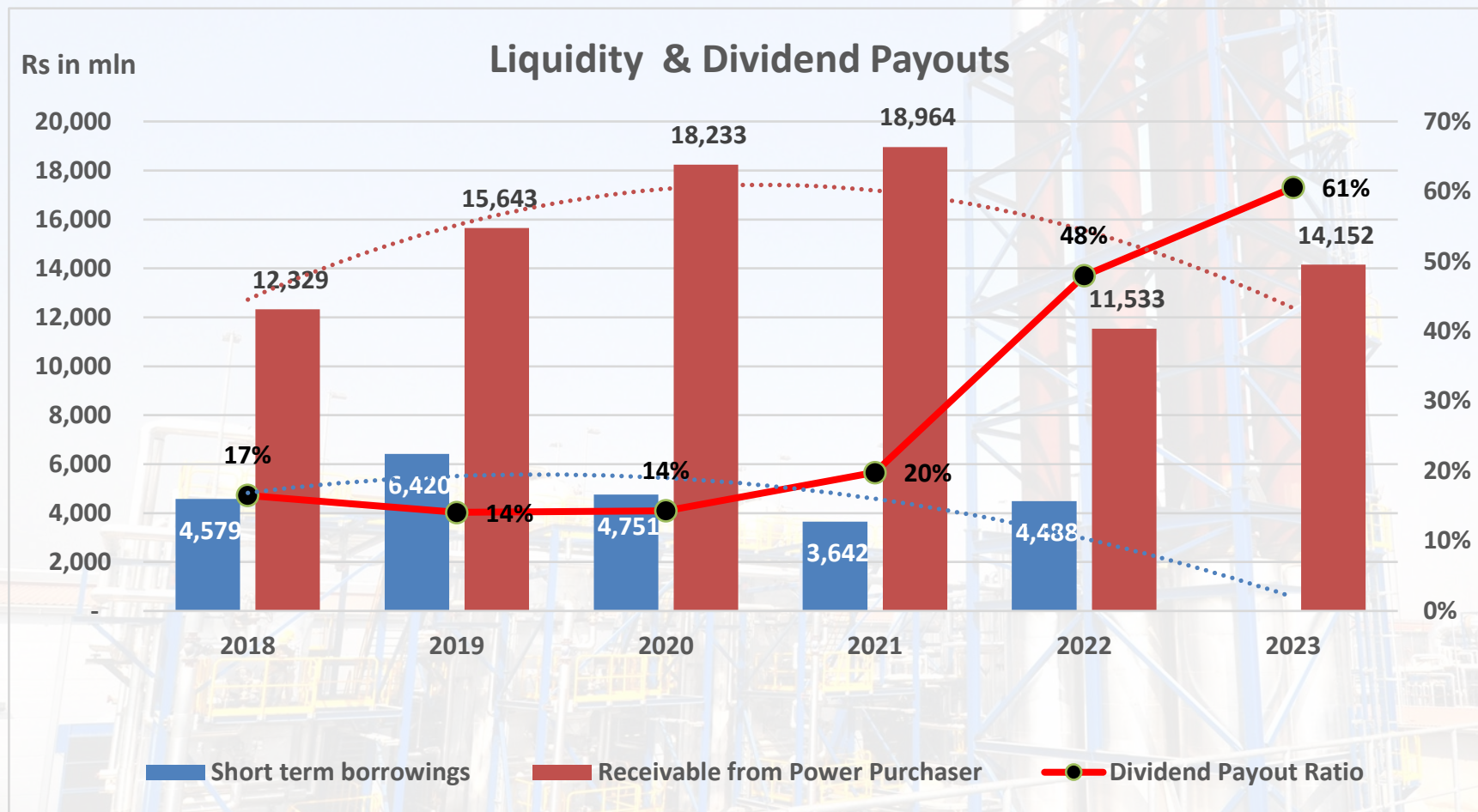
Receivables and Circular Debt.

Trade Receivable - FY 2022 & 2023

Rs in mln



Challenges



Business Outlook

Circular Debt

- We foresee circular debt to remain a challenge for the government and the energy sector particularly in the near future, particularly due to increase in fuel prices, unless concrete policy measures are taken to address the underlying causes.

Capacity Utilization

- The ongoing slowdown in overall economic activity, impact of inflation and variations in climatic conditions has reduced electricity demand.
- The plant kept on being utilized during the summer months, due to the unique technological advantage of RFO based eleven (“11”) Reciprocating Engines and one (“01”) Steam Turbine, which can produce power during peak hours round the year, at a very short notice period.

Questions and Answers

Thank You