

Azure Power Announces Results for Third Quarter Fiscal 2022

February 25, 2022

EBENE, Mauritius, Feb. 25, 2022 /PRNewswire/ -- Azure Power Global Limited (NYSE: AZRE), a leading independent renewable power producer in India, today announced its consolidated results under United States Generally Accepted Accounting Principles ("GAAP") for the third quarter of fiscal 2022, ended December 31, 2021.



Operating Highlights:

- Megawatts ("MWs") Operating* were 2,523 MWs, as of December 31, 2021, an increase of 37% over December 31, 2020. Operating, Contracted & Awarded MWs* were 7,425 MWs, as of December 31, 2021.

Contracted & Awarded megawatts included 1,537 MWs for which we had received Letters of Award ("LOA"), but the Power Purchase Agreements ("PPAs") had not been signed as of December 31, 2021.
- Operating revenues for the quarter ended December 31, 2021, were INR 4,480 million (US\$ 60.2 million), an increase of 27% over the quarter ended December 31, 2020.
- Net loss for the quarter ended December 31, 2021, was INR 610 million (US\$ 8.2 million) against the net loss of INR 1,088 million for the quarter ended December 31, 2020. The decrease in loss in current quarter was primarily due to additional revenue from customers, reversal of stock appreciation rights (SARs) expense, offset by an increase in interest and tax expense. *(Refer the detailed explanation in the Net loss/(profit) section below)*
- Adjusted EBITDA for the quarter ended December 31, 2021, was INR 3,935 million (US\$ 52.9 million), an increase of 152% over the quarter ended December 31, 2020. The increase was primarily due to additional revenue from new projects, revenue from customers and reversal of stock appreciation rights (SARs) expense during the quarter ended December 31, 2021.
- Non-GAAP Cash Flow to Equity ("CFE") from operating assets for the quarter ended December 31, 2021, was INR 1,941 million (US\$ 26.1 million), an increase of 58% over the quarter ended December 31, 2020. The increase was primarily due to projects which were commissioned after the quarter ended December 31, 2020, and incremental revenue from customers.

*Megawatts Operating and Megawatts Operating, Contracted & Awarded exclude the Rooftop portfolio, for which we entered into an agreement to sell in April 2021. We excluded 153 MWs from our Operating, Contracted & Awarded portfolio as of December 31, 2021, and the prior comparable period. We excluded 153 MWs from our Operating portfolio as of December 31, 2021, and 147 MWs from prior comparable period. *The exclusion from prior period is for the purpose of comparison with current period, however we continue to consolidate these assets as of December 31, 2021.*

Key Operating Metrics

Electricity generation during the quarter and nine-months ended December 31, 2021, was 1,068 million kWh and 3,181 million kWh, respectively, an increase of 284 million kWh or 36%, over the quarter ended December 31, 2020, and an increase of 744 million kWh or 31%, over the nine months ended December 31, 2020. The increase in electricity generation was principally a result of an additional 689 MWs of AC (805 MWs DC) operating capacity, including our Rooftop portfolio commissioned since December 31, 2020.

Our Plant Load Factor ("PLF") for the quarter and nine months ended December 31, 2021, was 19.6% and 21.1%, compared to 19.3% and 20.1%, respectively, for the same comparable periods in 2020, which increased principally due to the addition of AC and DC capacity and improved performance by our plants, including Rooftop portfolio. Our Plant Load Factor ("PLF"), excluding rooftop portfolio, for the quarter and nine months ended December 31, 2021, was 20.5% and 22.0% respectively.

We commissioned 313 MWs AC during the three months ended December 31, 2021, and 533 MWs AC during the nine months ended December 31, 2021, against 153 MWs AC (236 MWs DC) during the comparative three months and 179 MWs AC (264 MWs DC) during the nine months ended December 31, 2020.

Project cost per megawatt operating (megawatt capacity per the PPA or AC) consists of costs incurred for one megawatt of newly commissioned solar power plant capacity during the reporting period. The project cost per megawatt (DC) operating for the nine months ended December 31, 2021, was INR 33.9 million (US\$ 0.46 million), compared to INR 31.2 million for the nine months ended December 31, 2020. The project cost per megawatt (AC) operating for the nine months ended December 31, 2021, was INR 35.9 million (US\$ 0.48 million), compared to INR 45.0 million, for the nine months ended December 31, 2020. Excluding the impact of safeguard duties, the DC and the AC costs per megawatt for the nine months ended December 31, 2021, would have been lower by approximately INR 2.0 million (US\$ 0.03 million) and INR 2.1 million (US\$ 0.03 million), respectively, and for the nine months ended December 31, 2020, the DC and the AC costs per megawatt would have been lower by approximately INR 2.6 million and INR 2.7 million, respectively

Megawatts Operating and Megawatts Contracted & Awarded

We measure the rated capacity of our plants in megawatts. Rated capacity is the expected maximum output that a solar power plant can produce without exceeding its design limits. We believe that tracking the growth in aggregate megawatt rated capacity is a measure of the growth rate of our business.

"Megawatts Operating" represents the aggregate cumulative megawatts rated capacity of solar power plants that are commissioned and operational as of the reporting date.

"Megawatts Contracted & Awarded" represents the aggregate megawatt rated capacity of solar power plants pursuant to customer PPAs signed, allotted or won in an auction but not commissioned and operational as of the reporting date.

As of December 31, 2021, our Operating, Contracted & Awarded megawatts were 7,425 MWs. Contracted & Awarded megawatts included 1,537 MWs for which we had received LOAs but the PPAs had not been signed as of December 31, 2021. There was an increase of 470 MWs compared to prior comparable period. The Company has received letter of awards (LOA), for its first 120 MWs wind project and 150 MWs solar – wind hybrid project from Solar Energy Corporation of India (SECI) and 200 MWs solar – wind hybrid project from Maharashtra State Electricity Distribution Company Limited (MSEDCL). During the quarter, we signed PPAs for 600 MWs and 2,333 MWs with SECI at a fixed tariff of INR 2.54 per kWh and INR 2.42 per kWh, respectively, for supply power for 25 years, as a part of 4,000 MWs manufacturing linked projects.

About Azure Power

Azure Power is a leading independent sustainable energy solutions provider, and power producer in India on a mission to create value for all stakeholders through high-performance Renewable Energy assets to displace 230 million tons of global emissions by 2030.

We developed India's first utility scale solar project in 2009 and since then, Azure Power has grown rapidly to become a leader in developing and operating renewable energy projects in the country. We have substantially reduced our total project cost, which includes a significant reduction in balance of systems costs due in part to our value engineering, design, and procurement efforts.

For more information about us, visit: www.azurepower.com

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995, including statements regarding our future financial and operating guidance, operational and financial results such as estimates of nominal contracted payments remaining and portfolio run rate, and the assumptions related to the calculation of the foregoing metrics. The risks and uncertainties that could cause our results to differ materially from those expressed or implied by such forward-looking statements include: the availability of additional financing on acceptable terms; changes in the commercial and retail prices of traditional utility generated electricity; changes in tariffs at which long term PPAs are entered into; changes in policies and regulations including net metering and interconnection limits or caps; the availability of rebates, tax credits and other incentives; the availability of solar panels and other raw materials; its limited operating history, particularly as a relatively new public company; its ability to attract and retain its relationships with third parties, including its solar partners; our ability to meet the covenants in its debt facilities; meteorological conditions; issues related to the COVID-19 pandemic; supply disruptions; solar power curtailments by state electricity authorities and such other risks identified in the registration statements and reports that our Company has filed with the U.S. Securities and Exchange Commission, or SEC, from time to time. Portfolio represents the aggregate megawatts capacity of solar power plants pursuant to PPAs, signed or allotted or has received the LOA. There is no assurance that we will be able to sign a PPA even though we have a letter of award. All forward-looking statements in this press release are based on information available to us as of the date hereof, and we assume no obligation to update these forward-looking statements.

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