FINANCIAL CAPITAL

Bringing diverse perspectives together to make informed financial decisions for a better business future, ReNew.Hub, Gurgaon

Upholding one of our core values, Partner, which empowers ReNewers to collaborate and deliver the best outcomes

MATERIAL TOPICS IMPACTED

Climate Change

Risk Management

STRIVING FOR ADVANCEMENTS THAT DELIVER VALUE

The global shift towards clean energy is reshaping climate policy and defining financial capital flows. Goals like tripling renewable energy capacity and doubling energy efficiency by 2030, as outlined in the COP28 Climate Summit, are driving unprecedented investment.

This increase in clean energy demand marks both environmental progress and a fundamental reallocation of financial resources. Green energy is attracting large-scale investments, enabling export-oriented manufacturing and reducing India's dependence on volatile fossil fuel imports, contributing to macroeconomic stability.

At ReNew, we see this transition as both responsibility and opportunity in shaping a greener, stronger India. As **climate goals** increasingly **intersect** with **financial objectives,** ReNew remains at the forefront, channeling capital through **strategic investments** into a future where development and decarbonisation advance together.

Our financial capital is the cornerstone that allows us to invest in state of-the-art technology, diversify our renewable energy portfolio, and contribute to the worldwide movement towards cleaner energy solutions as we move towards a more sustainable future.

SDGs IMPACTED

KEY HIGHLIGHTS OF FY 2024-25

INR 4.59 billion
Profit After Tax (PAT)

INR 79.19 billion
Adjusted EBITDA

INR 97 billion
Revenue from sale of renewable energy

USD 900 million
Unlocked through capital recycling till date*

92.06%
CAPEX is EU taxonomy aligned

GRI INDICATOR

GRI 201: Economic Performance

BRSR PRINCIPLE

Principle 8: Businesses should promote inclusive growth and equitable development

* Including transactions pending closure

Focused minds, collaborative energy, a typical day at ReNew

BUSINESS OUTLOOK

Navigating Tomorrow: Insights for Strategic Growth

Our dedication to sustainability, sound governance, and careful risk management serve as the cornerstones of our financial strategy. In addition to increasing shareholder value, we give top priority to investments that support global efforts to lower carbon emissions and advance sustainable development. We hope to give our stakeholders a thorough grasp of our financial situation and strategic orientation by presenting comprehensive financial indicators and analysis, so reaffirming our commitment to forming a sustainable energy future.

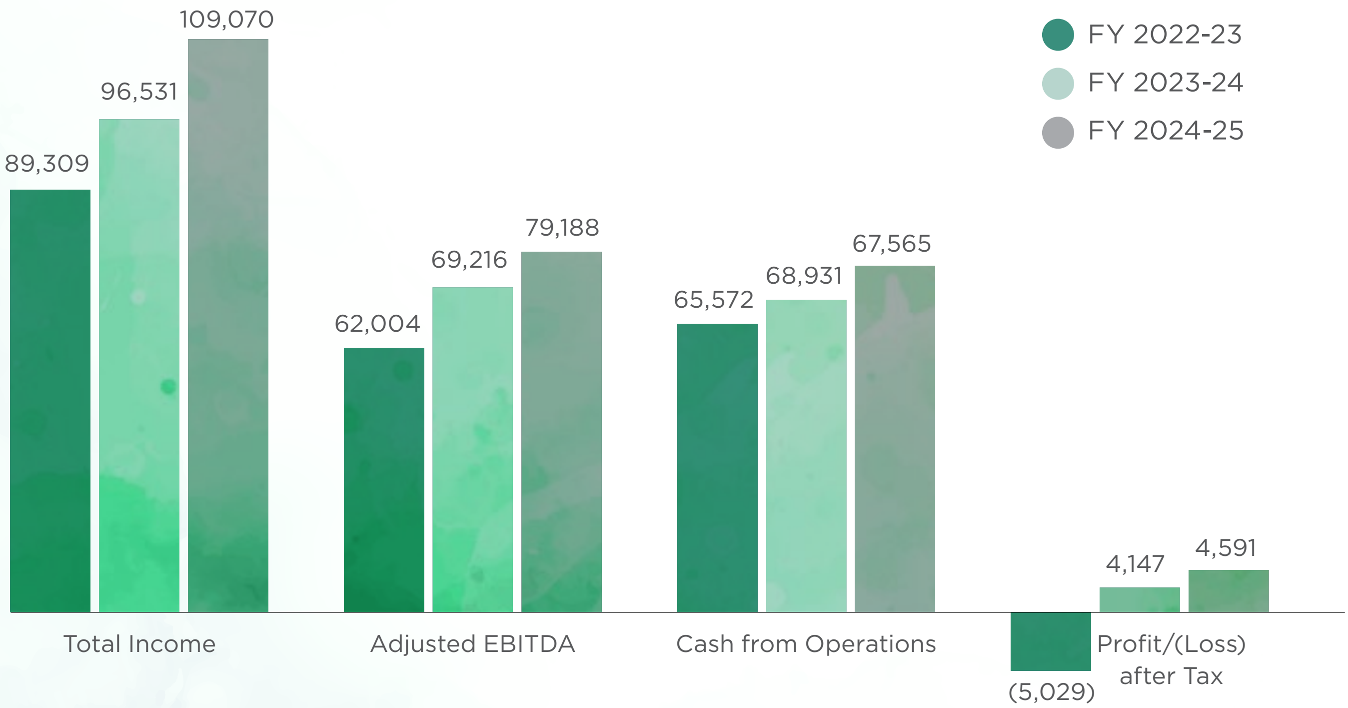
During the year, we have successfully commissioned **1.5 GW** of renewable energy capacity bringing our total operating portfolio to an impressive **10.7** GW, along with **150 MWh** of Battery Energy Storage Systems (BESS). This marks a **12.4%** increase from the previous year, underscoring our relentless pursuit of expanding our renewable footprint. Our strategic focus on signing Power Purchase Agreements (PPAs) for **5.3 GW** of renewable energy capacity since FY 2023-24 further solidifies our position as a leader in the industry, taking our total committed portfolio to **18.5 GW***

Financially, we have demonstrated remarkable performance with a 14% increase in adjusted EBITDA for FY 2024-25 compared to the previous year, alongside a significant 260 basis points improvement in EBITDA margins. This financial strength is a result of our ongoing expense optimisation efforts, which have effectively offset challenges such as lower wind resources. Our disciplined approach to managing receivables has led to a 67 days improvement in Days Sales Outstanding, over two years.

Our commitment to financial excellence is further reflected in our revised annual adjusted EBITDA guidance, now set at INR 87-93 billion for the next year, despite the adverse impact of lower wind resources. This adjustment highlights our ability to adapt and optimise operations in response to environmental variables, ensuring sustained financial health.

Key Performance Indicators

(in INR million)



* as of May 31, 2025

Highlights of FY 2024-25

- Days Sales Outstanding at **71 days** (138 in FY 2022-23 and 77 in FY 2023-24)
- Total Income increased to **INR 109 billion**, marking an increase of **13%** from the previous year
- Our adjusted EBITDA reached **INR 79.2 billion**, reflecting a more than **14%** YoY increase
- Profit before tax rose **23%** to **INR 10 billion**, and profit after tax grew to **INR 4.6 billion**

Financial Risks & Mitigation

Navigating Risk with Financial Prudence

Operating in a diverse and unpredictable environment, we encounter numerous risks on a regular basis that could potentially affect our business and financial well-being. We consistently monitor these risks and develop mitigation strategies, updating them frequently to anticipate potential issues and implement appropriate controls to manage them effectively. Below are some of the significant risks related to our business and finances, along with the corresponding mitigation measures.

Risk	Mitigation Strategy
Geopolitical issues affecting commodity prices and inflation	We stay informed on geopolitical developments and adjust financial strategies accordingly to mitigate risks.
Incomplete ESG due diligence	We ensure ESG aspects are covered in acquisitions by involving independent professionals for due diligence. We have established SOPs and frameworks for internal control to prevent fraudulent activities.
Foreign exchange volatility and interest rate fluctuations	We engage in hedging foreign exchange for import purchases and diversify borrowings, including from multilateral organisations.
Inability to service debt obligations or inability to meet debt covenants may lead to higher interest costs, freezing of credit markets and reputational damage	We continue to strengthen our internal cash flows through stronger receivable management. Our Day Sales Outstanding (DSO) has improved by 6 days over the past year.
Delay in securing financing for projects	We coordinate with dedicated teams to ensure timely collection of invoices and compliance with documentation requirements. We monitor and follow up with lenders to expedite.
Regulatory delays impacting profitability and IRR	We have established a dedicated in-house regulatory coordination team, strengthened our state-level liaison functions, and implemented a knowledge management system.

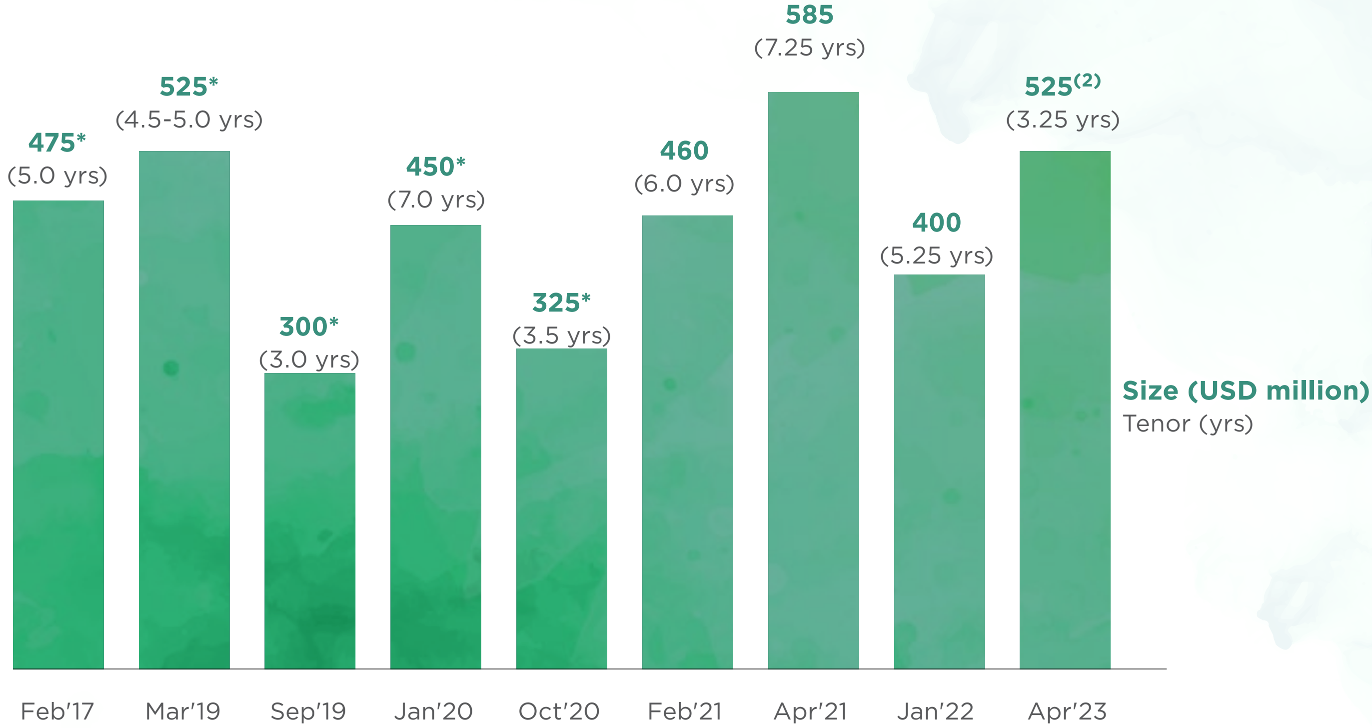
Financing Renewable Energy

Driving Renewable Growth for Clean Energy Leadership

We have consciously raised a significant amount of money to further renewable energy projects, demonstrating our dedication to climate leadership and sustainable development. We unlocked over USD 900 million* in value through capital recycling till date - a landmark achievement that reflects our capacity to scale responsibly and deliver sustained returns. These investments are essential for strengthening our pipeline of projects, supporting more than 10 GW of installed renewable power, and providing millions of homes with access to clean energy.

* Including transactions pending closure

Raised USD 4 billion+ through 9 USD[1] Bond Offerings



Year	Amount (in USD million)	Year of Refinancing
Feb 2017	475	April 2021
March 2019	525	Jun 2022
September 2019	300	September 2022
January 2020	450	Partially redeemed by USD 180 million in March 2023
October 2020	325	January 2024

In order to expedite measures to mitigate and adapt to climate change, we have also signed a historic Memorandum of Understanding (MoU) with the Asian Development Bank (ADB) worth more than **USD 5.3 billion**. This partnership demonstrates how international financial institutions trust our technical know-how and project management skills.

Our financial capital is further strengthened by our carbon credits financing deal with ADB. ADB has approved a **USD 300,000** grant for carbon finance and **USD 3 million** in debt that can be scaled up to **USD 20 million**. The development of carbon sequestration and mitigation projects in India, including as agroforestry, biochar, and upgraded cookstoves, is the focus of this funding.

These strategic financial engagements are crucial in driving India's clean energy transition, attracting additional global financiers, and aligning with several United Nations Sustainable Development Goals (SDGs). Through these partnerships and investments, we are positioned as a leader in sustainable development and innovation, fostering economic growth and environmental stewardship.

The table in the next page, titled 'Direct Economic Value Generated' provides a summary of the annual economic performance.

* Details on refinancing provided in the table
[1] till March 2025
[2] USD 400 million in April 2023 and Tap issuance of USD 125 million in August 2024

Direct Economic Value Generated & Distributed

(Amounts in INR million)

Economic value distributed

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Direct economic value generated - Revenues (A)	89,309	96,531	109,070
Economic value distributed	**84,552**	**94,196**	**105,920**
Operating costs (B)	36,346	36,021	41,735
Employee Benefits	4,413	4,467	4,616
Payment to providers of capital (C)	42,743	52,190	57,848
Payments to governments (incl. Taxes) (D)	903	1,278	1,410
Community Investments - CSR (E)	147	240	311
Economic value retained	**4,757**	**2,335**	**3,150**

A. Direct economic value generated - revenues represents total income (consisting of revenue from operations, other income, other operating income, Finance income, Late payment surcharge from customers and Change in fair value of warrants)

B. Operating costs includes raw materials and consumables used, depreciation and other expenses excluding CSR expense

C. Payment to providers of capital represents finance cost paid

D. Payments to governments includes income tax and indirect taxes paid

E. Community investments represents CSR expenditure

Our financial performance for the fiscal year 2024-25 reflects a robust generation of economic value, underscoring our commitment to creating sustainable growth. A significant portion of this value has been strategically distributed across various stakeholders, including our employees, capital providers, and community initiatives, demonstrating our dedication to equitable value sharing and corporate responsibility.

Our ability to reinvest in our operations and support long-term strategic goals is demonstrated by the economic value we were able to retain during this time. This retention is essential for bolstering our financial base, fostering innovation, and growing our portfolio of renewable energy sources to satisfy future needs.

STRONG POSITIONING TO DELIVER FUTURE GROWTH

Our commitment to creating a carbon-free world is underscored by our core values of pioneering, responsibility, excellence, and partnership. We project significant growth in operating capacity and adjusted EBITDA, targeting a long term compound annual growth rate (CAGR) of 16-18% in operating capacity and 18% in adjusted EBITDA. This growth is driven by self-funded initiatives and capital recycling*(Asset recycling is detailed in subsequent section), enabling expansion without issuing new shares.

We project a long-term annual EBITDA growth target of **16-18%** and anticipate a **20-25%** annual increase in cash flow to equity (CFe). Our goals include expanding our operating megawatts (MW) by **2.5 times**.

Our in-house wind EPC capabilities offer a competitive advantage by substantially reducing operations and maintenance (O&M) expenses. We underscore the benefits of wind energy in supplying reliable power, emphasising its cost-efficiency and capacity to meet peak demand requirements. By strategically prioritising wind, solar, and storage solutions, we establish ourselves as a leading provider of affordable, firm power solutions to satisfy the increasing needs of distribution companies (DISCOMs).

In terms of green financing, we have demonstrated a remarkable ability to raise over USD 4 billion through USD bond offerings, showcasing innovative and efficient financial structures. Between February 2017 and April 2023, we executed nine bond offerings with tenors ranging from 3 to 7.25 years and sizes between **USD 300 million** and **USD 585 million**. These offerings were strategically structured as a combination of secured and holds issuances, reflecting our adept approach to bond fundraising.

Since 2011, we have raised over USD 15 billion through debt financing, as well as refinancing efforts. This impressive fundraising capability reflects our robust financial strategy and adaptability in the evolving energy market. Our corporate rating stands at Ba2 by Moody's while our USD bonds are rated BB- by Fitch and Ba3 by Moody's, indicating a stable financial outlook and reinforcing investor confidence in our ability to meet financial obligations.

Complementing our Corporate ratings, we also achieved a score of 73 on the S&P Global Corporate Sustainability Assessment, earning us a place in the prestigious S&P Global CSA yearbook

By prioritising capital discipline, profitable expansion, and unique platform capabilities, we establish ourselves as a leader in the renewable energy sector. This approach enables us to generate shareholder value through strategic asset recycling and international collaborations.

Overall, our strategic financial maneuvers and pioneering achievements in the renewable energy sector have positioned us as a leader in sustainable energy financing. Our innovative bond structures, strategic refinancing, and strong partnerships with global financial institutions underscore our commitment to expanding financial capabilities and investing in green projects, driving growth and sustainability in the renewable energy industry.

Capital Recycling - Efficient Assets, Prosperous Futures

Asset recycling for us involves strategically managing our assets to optimise financial performance and support growth initiatives. This includes divestment of non-core assets to unlock capital to align more closely with the core strategic goals, reallocation of the capital from proceeds of sale of these assets towards enhancing technologies or entering new markets, cost reductions through achieving operational and financial efficiencies and risk management through divesting from the underperforming assets.

We wish to highlight our strategic approach to creating equity value through asset recycling, which has proven to be a significant driver of enhanced returns. By effectively recycling our capital, we have realised approximately **USD 900 million** till date. This process has enabled us to achieve a typical EV/EBITDA uplift of about **2 times** after reinvestment, underscoring our ability to generate higher value from the same capital base.

This approach not only boosts our financial value but also contributes to robust growth prospects by generating a high IRR.

Asset recycling stands as our current lowest-cost source of equity, allowing us to grow without share dilution while achieving higher EBITDA post-reinvestment. This strategy aligns with our commitment to maintaining financial strength and delivering sustainable growth, ensuring that we continue to enhance shareholder value and support our long-term objectives.

Empowering excellence through teamwork and expertise

* Including transactions pending closure

TAX STRATEGY

Responsible Tax Practices for Sustainable Growth

Our tax strategy is built upon the principles of integrity and compliance. We diligently observe all applicable laws, rules, and regulations in the countries where we operate, ensuring that our tax compliance requirements are met in a timely manner. We strive to maintain our reputation as a fair contributor to the economy, where tax forms a significant part of that contribution.

Our proactive engagement with tax authorities is aimed at minimising disputes and achieving early agreement on any disputed issues. We actively participate in tax policy consultations both nationally and internationally, contributing to the creation and development of tax laws and policies.

We maintain an open, honest, transparent, and constructive relationship with tax authorities, providing timely, accurate, and complete answers to their queries. Throughout any dispute resolution process, we uphold a collaborative and professional engagement with tax authorities. We acknowledge a broader group of stakeholders such as policymakers, employees, suppliers, customers, investors, communities, and civil society organisations and strive to establish and maintain constructive relationships with these groups concerning tax matters.

Through these efforts, we ensure that our tax strategy not only supports our financial capital but also contributes positively to the broader economic and social landscape.

EU TAXONOMY

Financing with Sustainable Objectives

Evaluation for EU Taxonomy – Eligible and Aligned Activities

Continuing from the previous year, we are committed to reporting on our alignment with the EU Taxonomy, which provides a framework for identifying environmentally sustainable economic activities. The EU Taxonomy is designed to help investors, companies and policymakers navigate the transition to a more sustainable economy by establishing clear criteria for what constitutes a "green" activity.

We have evaluated all our operations against the EU Taxonomy's six environmental objectives to pinpoint environmentally sustainable economic activities. These objectives include climate change adaptation, climate change mitigation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. From these, we have identified eligible activities under two objectives: Climate Change Adaptation and Climate Change Mitigation, for which the European Union has provided detailed guidance through Delegated Acts.

In the following sections, we detail our revenue, capital expenditures, and operating costs, focusing on their qualification and alignment with the EU Taxonomy criteria. To ensure compliance with these regulations, we have implemented several strategic measures, including enhancing our reporting systems, investing in sustainable technologies, and continuously monitoring our compliance with EU standards.

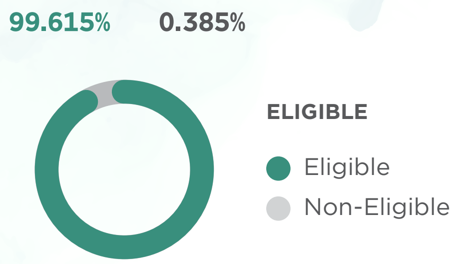
Out of **31 activities** listed by EU Taxonomy for our sector, we operate in **5 eligible activities** which were screened for further alignment with EU Taxonomy's requirements. The Eligible and Aligned activities are provided below:

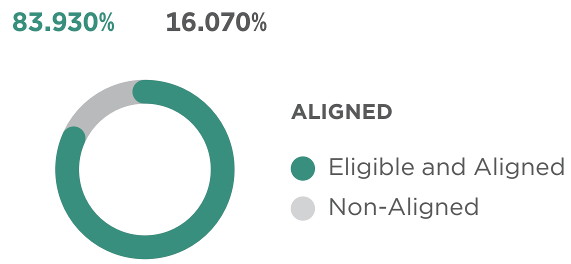
	Eligible		Non Eligible
MAPPING OF ACTIVITIES AS PER EU TAXONOMY	**Aligned** • Electricity generation from wind power • Electricity Generation using solar photovoltaic Technology • Electricity Generation of Hydropower	**Non-Aligned** • Transmission and Distribution of electricity • Manufacturing of Solar Cells & Modules	**Trading**

ReNew’s Assessment Under the EU Taxonomy

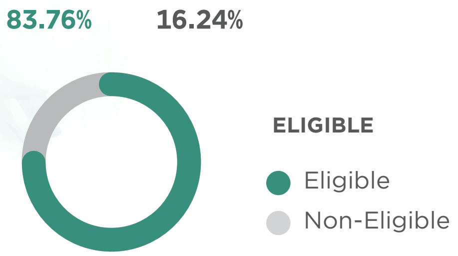
Key Performance Indicators

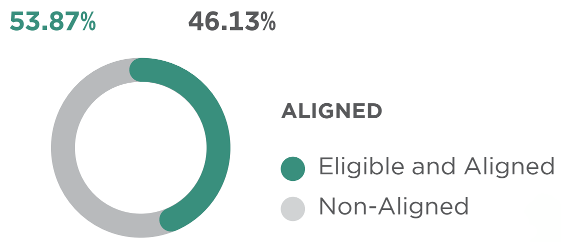
Revenue



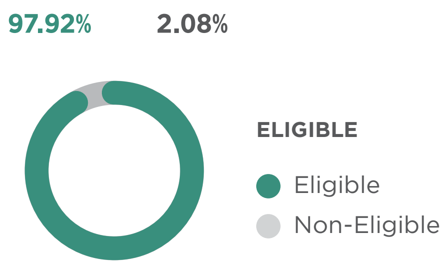


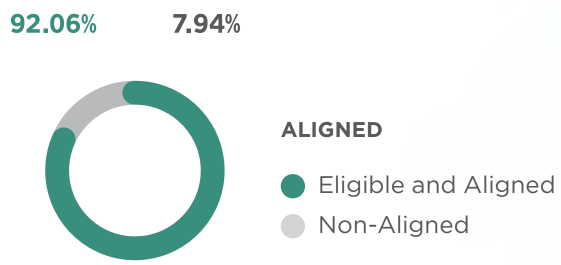
Opex





Capex





WAY FORWARD

As we continue to shape the future of energy, our financial capital remains a vital enabler of our strategic objectives. Through prudent risk management, robust governance, and a commitment to sustainability, we are poised to deliver long-term value to our stakeholders while driving the global transition to a carbon-free world.

Our balanced approach to distribution and retention emphasises our strategic focus on sustainability and growth, which is vital for maintaining a competitive edge in the renewable energy sector. By aligning our financial strategies with our broader mission, we ensure that we not only deliver returns to our stakeholders but also contribute positively to the global transition towards cleaner energy solutions.

Through prudent financial management, we continue to prioritise investments that drive progress and prosperity, reinforcing our position as a leader in the renewable energy industry. Our commitment to transparency and accountability in financial reporting provides stakeholders with confidence in our capacity to achieve sustainable success.