

February 10, 2023

To,
BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001.

Scrip Code: 543284
Symbol: EKI

Subject: Investor Presentation.

Dear Sir(s),

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Investor Presentation of the Company on the Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2022.

The Investor Presentation may also be accessed on the website of the Company at www.enkingint.org

Kindly take the above information on records.

Thanking you,

Yours Faithfully
For EKI Energy Services Limited

ITISHA SAHU
Digitally signed by
ITISHA SAHU
Date: 2023.02.10
17:30:08 +05'30'

Itisha Sahu
Company Secretary & Compliance Officer

Encl: a/a

CARBON NEUTRAL COMPANY

EKI Energy Services Limited (Brand name- “EnKing International”)

Investor Presentation – February 2023



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Contents



- 1 EKI Overview and Performance
- 2 Financial Results Update
- 3 Key Strategic Initiatives
- 4 Future Outlook and Business Opportunities
- 5 ESG

EKI Overview and Performance

MARKET LEADER IN A
GROWING MARKET



Our Vision

Vision Statement of EKI

“

Imagine a net zero world. A world where humanity has come together and defeated the climate crisis. Where sustainability is prime consideration in all human activity. Where, through focused innovation, both technological progress and energy generation are in harmony with the environment.

At EKI, we believe that if we lead by example and enable communities to take positive collective actions, we can bring about this ideal world. A low-carbon, net zero, sustainable world where the environment doesn't need protection. This is the dream that spurs us on everyday.

”

3,000+ Clients
40+ Countries

250+ Employees

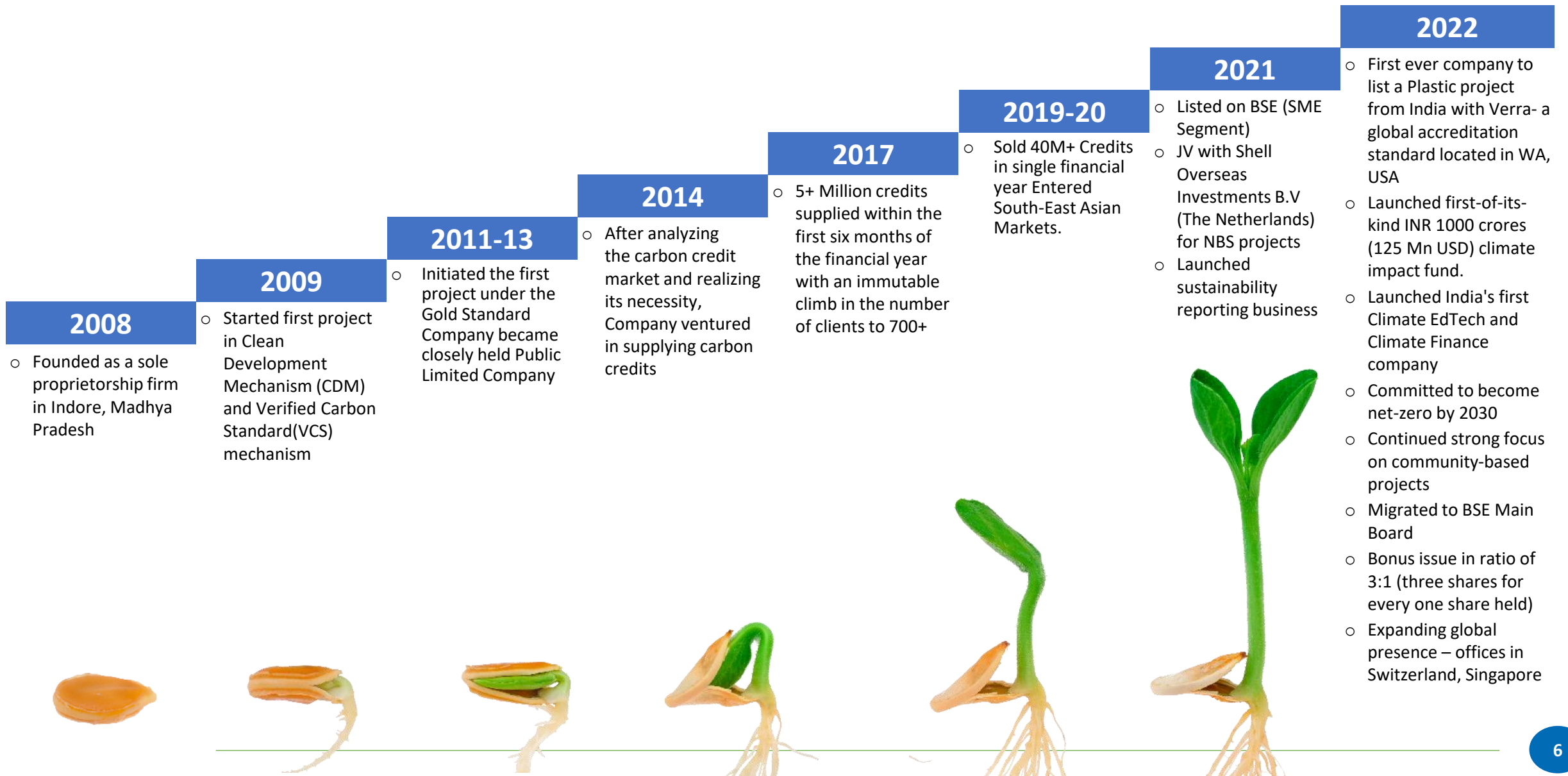
Leadership has **60+** years of
experience in carbon market

200+ Mn credits mobilised

1000+ Projects

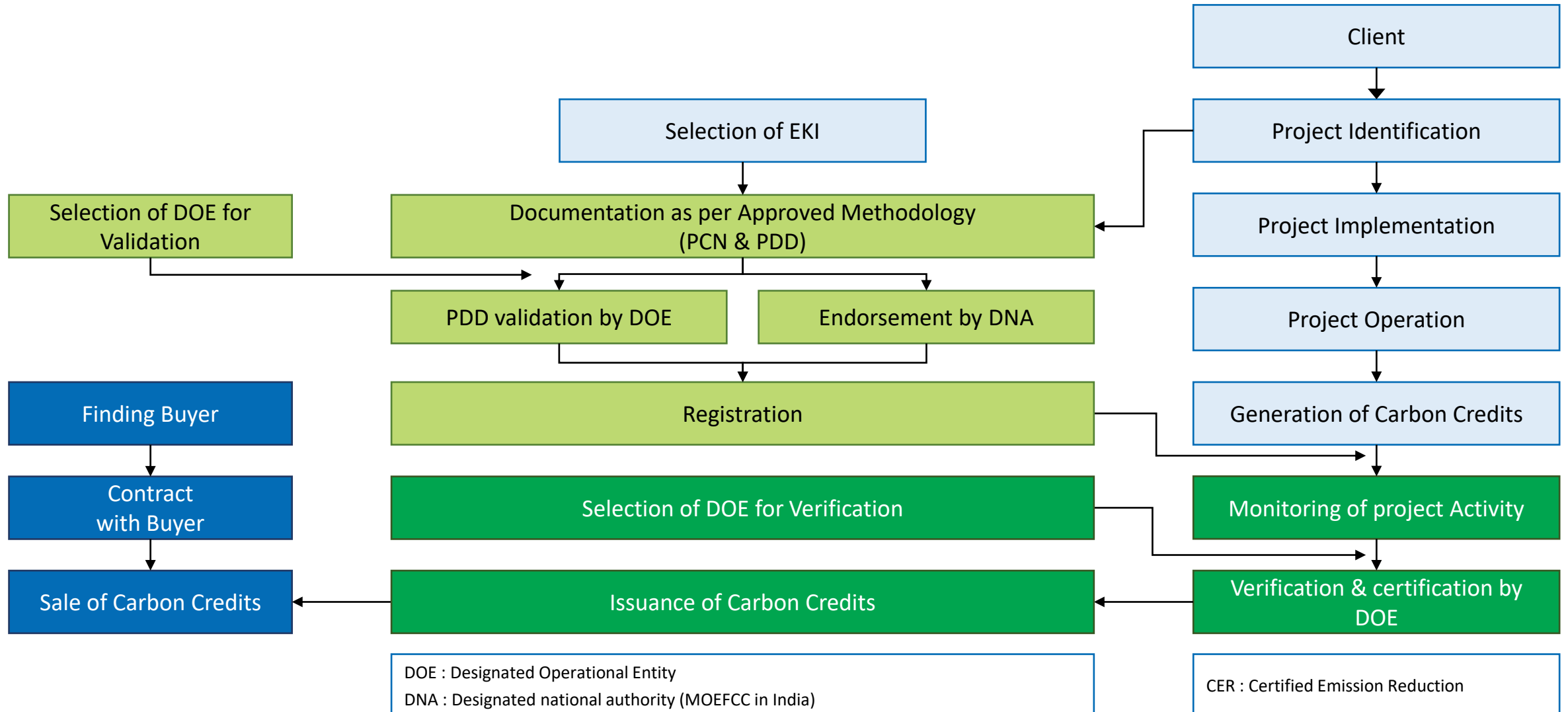


Our Growth Journey: Celebrating 14 Years of Success



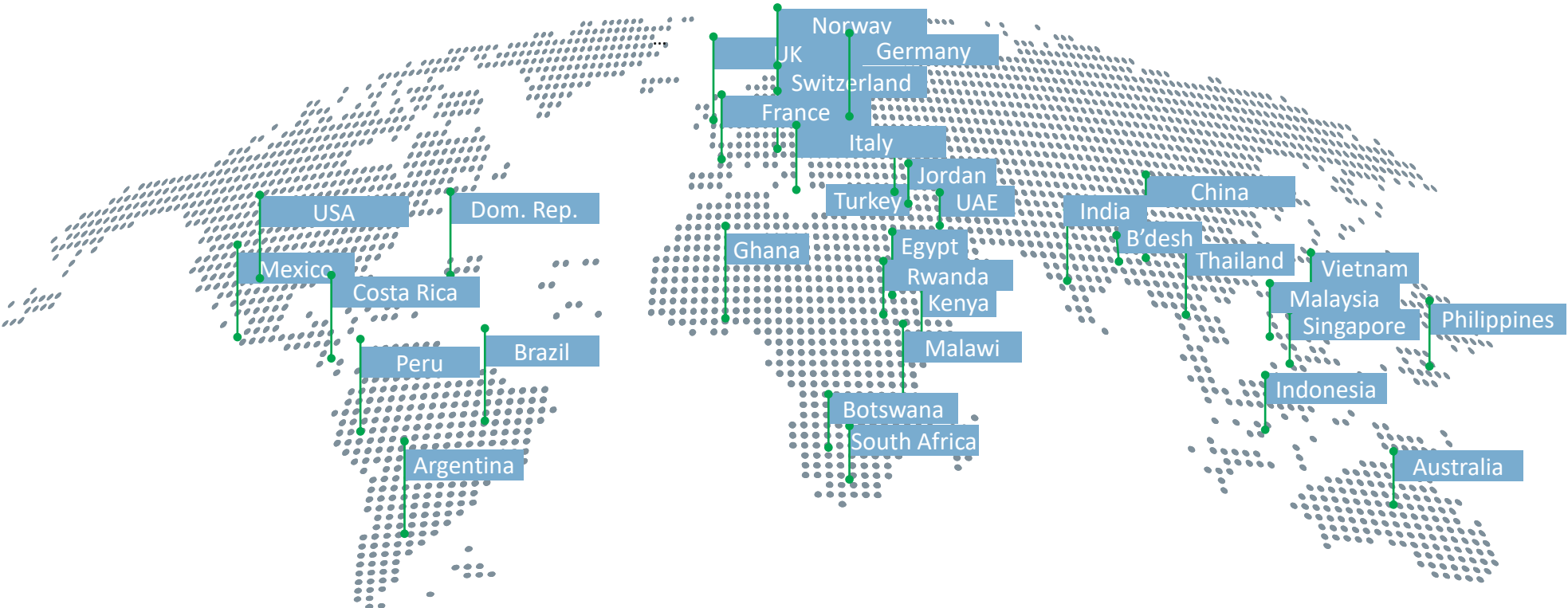
Our Business Process for Carbon Credit Development

■ Project Owner role including selection of EKI
 ■ Validation + Registration Process
 ■ Verification & Issuance Process
 ■ Sale of Carbon Credits



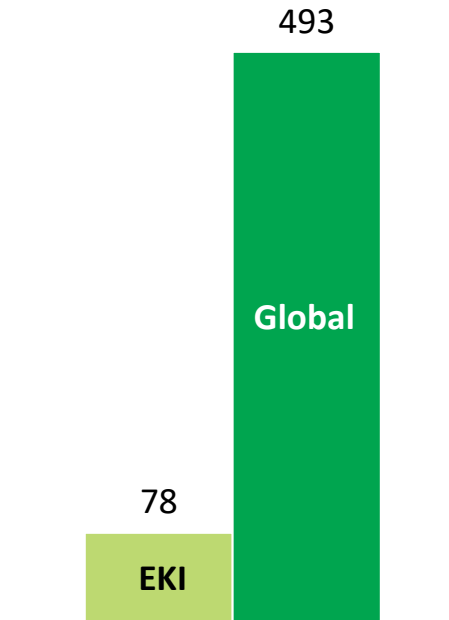
Company Overview: A Truly Global Company With Leading Market Share...

Global Presence- EKI & our Client



Leading market share

Voluntary carbon credits mobilized, MtCO₂e¹



Jan-Dec 2021

~15% market share globally

Verticals

Carbon Consulting and Offsetting

~55mn credits mobilized (FY23 YTD)

Project Development

Credits issued from 342 projects (FY23 YTD)

ESG & Net-Zero consulting

15 clients acquired in Q3'23

JVs and subsidiaries



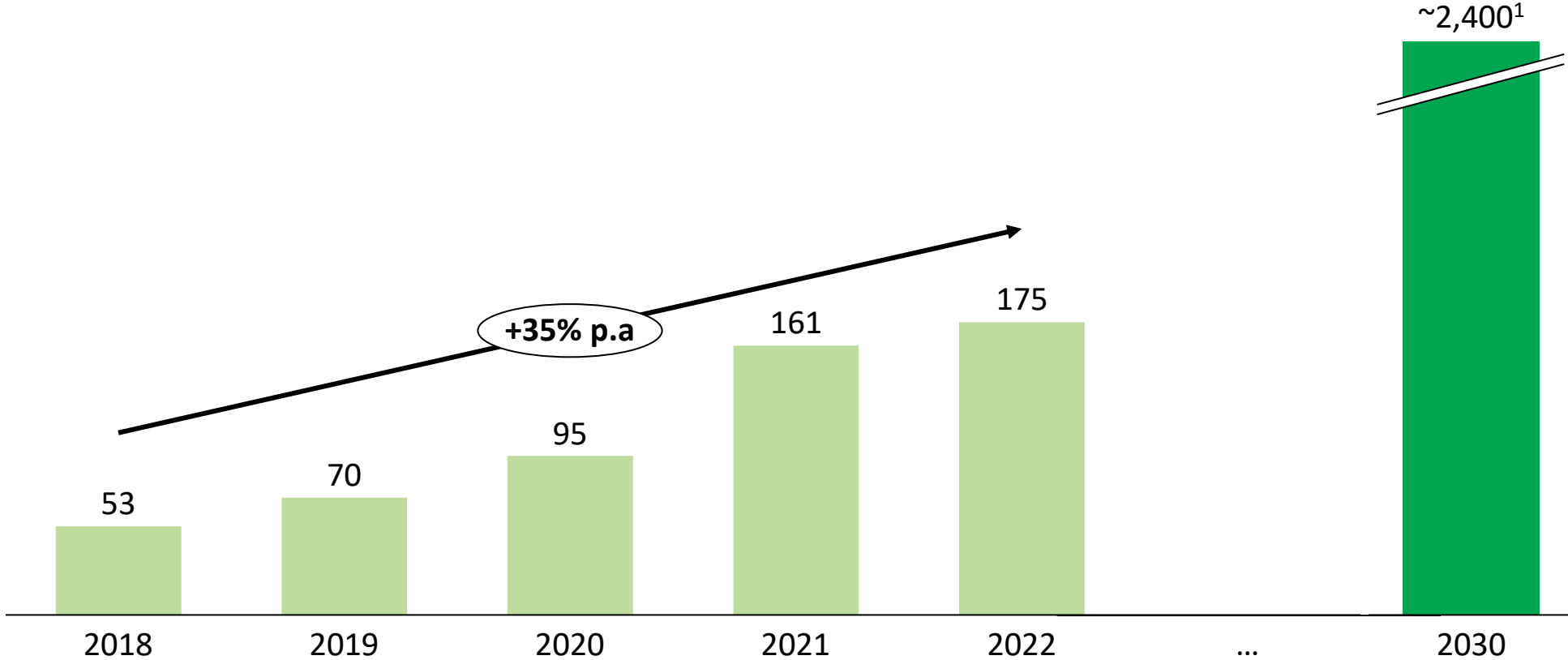
ClimaCool Projects & EduTech Solutions

1. Ecosystem Marketplace, State of the Voluntary Carbon Markets Report 2022,
 2. 493 MtCO₂ includes all type of credits issued by various registry bodies however EKI figure comprising GS, VERRA & CDM
 Map is only representative , not all countries are depicted

Carbon credits retirements have grown at a CAGR of 35% over the past 5 years...

...and are expected to at least triple this decade, as more companies announce net-zero targets and compliance markets emerge

Carbon credits retired, MtCO₂e



Source: Global voluntary carbon registry data, Ecosystem Marketplace, Network for Greening the Financial System

1. Voluntary (inc. CORSIA) & Compliance market share will be 84% & 16% respectively

Our International Clients



THE WORLD BANK

World Bank Group



International Monetary Fund (IMF)

International Monetary Fund



UNOPS

The United Nations Office for Project Services

SIEMENS

Ingenuity for life

Siemens AG, Germany



Statkraft

Statkraft Energias



KenGen

Energy for the nation

Kenya State Electricity Generation Company, Kenya



Shell, Singapore



Volkswagen, Germany



energy

DEVELOPMENT CORPORATION

Burgos Wind Farm, Philippines



BITEXCO GROUP

Bitexco Group



PacificLight

Pacific Light, Singapore



XUAN THIEN GROUP

Xuan Thien Group



HALCOM

Halcom Vietnam JSC



SHP

Southern Hydropower JSC



ORTADOĞU HOLDING

Ortadogu (Turkey)



Vitol

Vitol



TotalEnergies

Total Energies



MACQUARIE

Macquarie Group



IDCOL

IDCOL Bangladesh



EGCO GROUP

EGCO (Thailand)

Our National Private Clients

Indian Conglomerates

MNCs with Indian presence

		 Zinc & Silver of India									
	 planet positive power				 GROWING STRONGER TOGETHER						
 For a cleaner world		 EVOLUTION IS CONSTANT			 By Mahindra						
 Health for All											

Our National PSU Clients



NTPC



NHPC



Airports Authority of India



Indore Smart City Development



Oil and Natural Gas Corporation



Gail



Central Water & Power Research Station



Ordnance Factory Board



Balmar Lawrie & Co.



Rajasthan State Mines and Minerals

International partnerships provides us a platform for product innovation

CMAI
Carbon Markets Association of India

Carbon Markets Association of India
(CMAI)

IETA
CLIMATE CHALLENGES
MARKET SOLUTIONS

Membership with IETA (International
Emissions Trading Association)

ASSOCHAM
INDIA

ASSOCHAM

CDP

Global Gold Consultant of Carbon
Disclosure Project (CDP)

CII
Confederation of Indian Industry

Membership with Confederation of
Indian Industry(CII)

FICCI

Federation of Indian Chambers
Of Commerce and Industry

UNFCCC

Member of UNFCCC CNN

Our Association and Empanelment (Cont'd)



Services Exports Promotion Council

RECS International

I am SME of India

BEE ESCO INDIA



Solar Baba Turkey

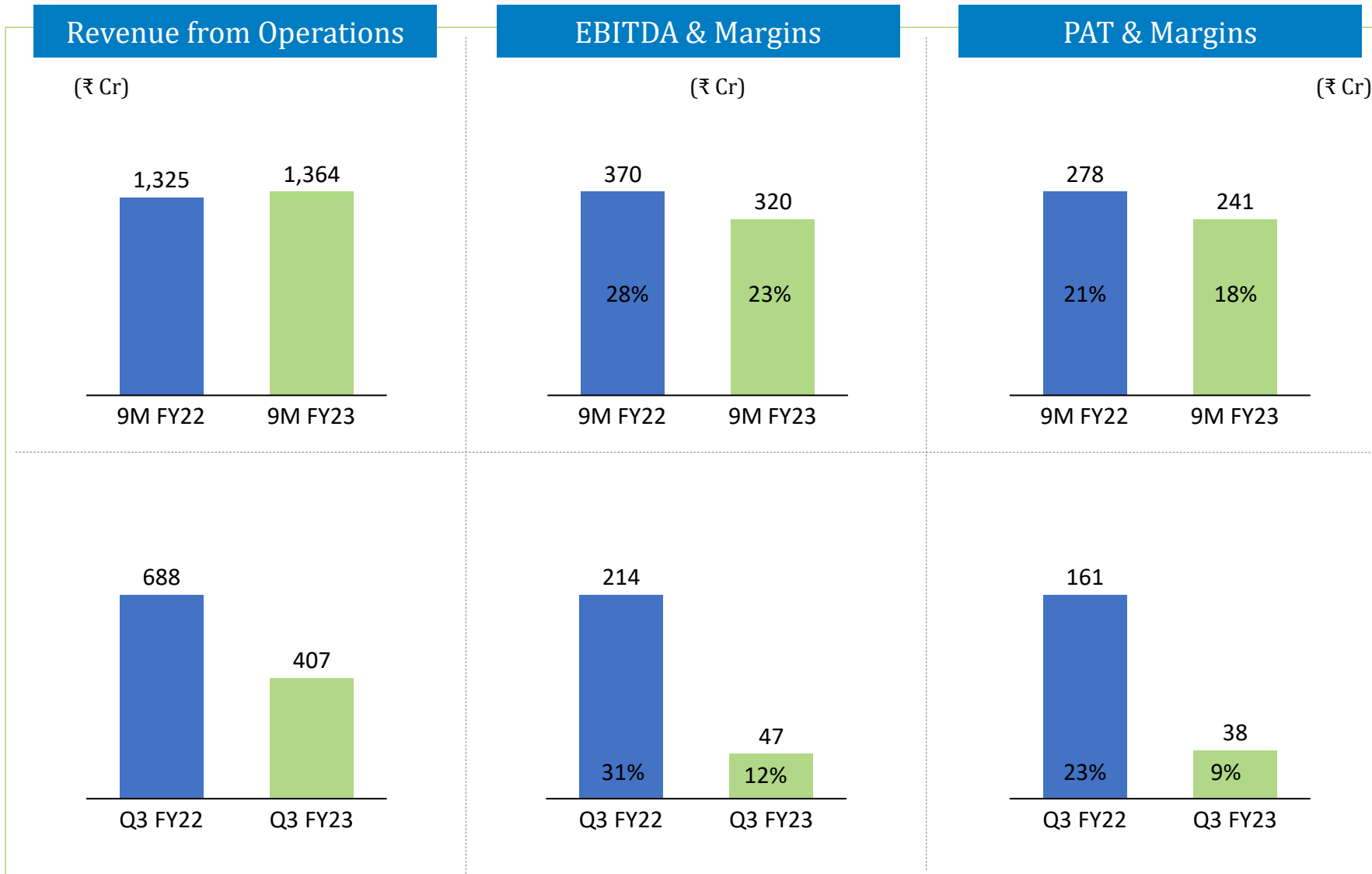
World Biogas Association

Forum Energy Technology

FINANCIAL RESULTS UPDATE

BALANCED ROADMAP
FOCUSSING ON
PLANET AND PROFITS





Rationale for Q3 performance

- Prolonged Ukraine War subduing economic growth and reducing discretionary expenditure
- Anticipation of inflation and recession at global level
- Low demand from newly setup carbon markets

Even though this scenario might continue for next couple of quarters, EKI remains one of the largest carbon credit suppliers in the world with ~15% market share²

Notes:

1. Other income has been excluded from EBITDA calculations
2. FY2022

Standalone Financial Performance

Particulate (₹ Cr)	9M FY23	9M FY22	Y-o-Y	Q3 FY23	Q3 FY22	Y-o-Y
Revenue from Operations	1364.2	1324.6	3.0%	406.6	687.8	-40.9%
Purchase of stock-in-trade	951.2	998.3		431.7	509.4	
Changes in Inventories	-64.0	-159.1		-118.0	-78.1	
Employee Benefits Expense	37.0	17.2		12.2	8.6	
Other Expenses	120.2	98.2		33.8	34.4	
EBITDA	319.8	370.0	-13.6%	46.9	213.5	-78.0%
EBITDA %	23.4%	27.9%		11.5%	31.0%	
Depreciation and Amortisation Expense	1.9	0.7		0.7	0.5	
Finance Costs	4.7	0.5		2.0	0.1	
Other Income	8.9	1.1		7.6	0.7	
PBT	322.0	369.9	-12.9%	51.8	213.6	-75.7%
PBT Margin	23.6%	27.9%		12.7%	31.1%	
Exceptional Items					-	
Tax Expenses	81.3	92.0		13.7	52.6	
PAT	240.7	277.9	-13.4%	38.1	161.0	-76.3%
PAT %	17.6%	21.0%		9.4%	23.4%	

Notes:

1. Other income has been excluded from EBITDA calculations

Auditor's Statement on Recognition of Revenue

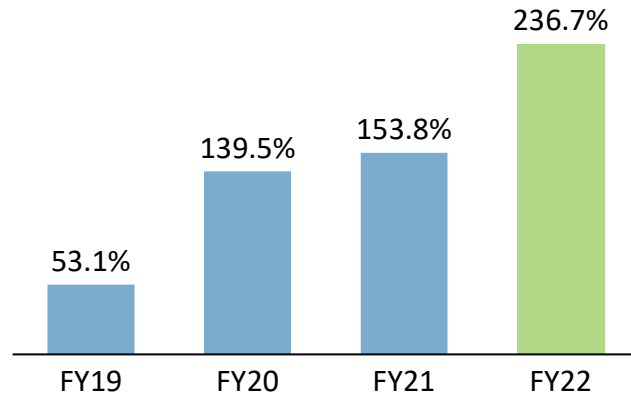
Auditors Statement: “During the quarters ended 31 December 2022 and 30 September 2022, and nine-month period ended 31 December 2022, the Company has recognized revenue from contracts with certain customers as detailed in Note 3 to the accompanying Statement. However, in our view, recognition of aforesaid revenues and the corresponding cost to fulfil the underlying performance obligations is not consistent with accounting principles as stated in Ind-AS 115, Revenue from Contracts with Customers, as the performance obligation of delivering the verified carbon units under the aforesaid arrangements, is not yet satisfied by the Company. Had the Company applied the principles of revenue recognition as per Ind AS 115, revenue would have been lower by ₹1,818 Lakhs, ₹10,162 Lakhs and ₹19,011 Lakhs, cost would have been lower by ₹1,140 Lakhs, ₹3,950 Lakhs and ₹7,971 Lakhs and the profit before tax for the periods stated above would have been lower by ₹679 Lakhs, ₹6,212 Lakhs, and ₹11,040 Lakhs respectively, together with corresponding impact on the earnings per share for the aforesaid periods.”

In the opinion of the management of the company, the revenue is recognized based on the following principles:

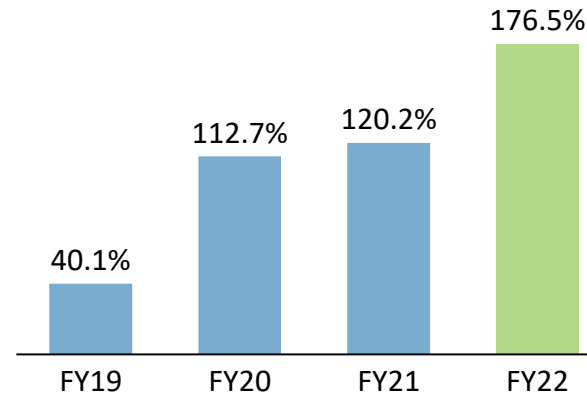
- 1. Substance over form:** In substance, the agreement between company and the customer is development of carbon credit eligible projects whereas, the form of the agreements between the company and the customers is delivery of VCUs from project implementation. The projects have been implemented and some are also duly registered with the respective registry bodies in the name of the project proponent (i.e., customer). Since the projects are duly implemented in the name of the customer, the revenue is ought to be recognized considering substance of the transactions over mere form.
- 2. Transfer of underlying asset:** The projects deployed by the company has been registered with the registry bodies in the name of the project proponent (customer), which implies that the underlying asset generating VCUs are transferred by the company. Accordingly, there will be no sale transaction at the time of generation of VCUs and thus revenue must be recognized upon project development by the company.
- 3. Performance Obligation satisfied:** The company has duly deployed the project and accordingly has satisfied its performance obligation in substance. In the routine course of business of the company, the issuance of VCUs from a project is only an administrative activity in nature and therefore does not qualify to be called as a performance obligation.
- 4. Standalone Transaction price received and recognized:** The company has recognized only the transaction price relating to project deployment as its revenue in the results of current period. The future revenue for issuance of VCUs will be earned by the company in addition to the revenue already recognized and the same will be accounted for by the company as revenue in the future as per the relevant and applicable accounting standards. Company has realized contractual amount during the year.

Focused on Capital Efficiency

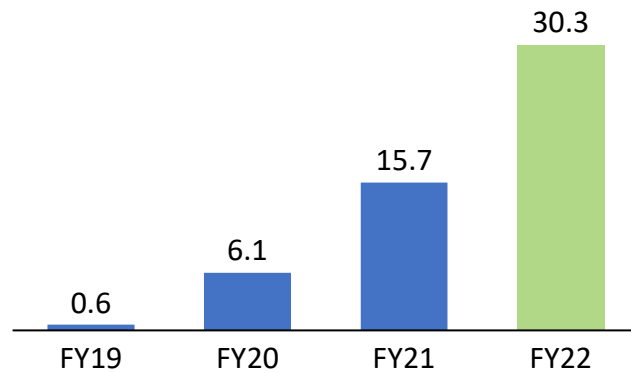
Return on Capital Employed (%) #



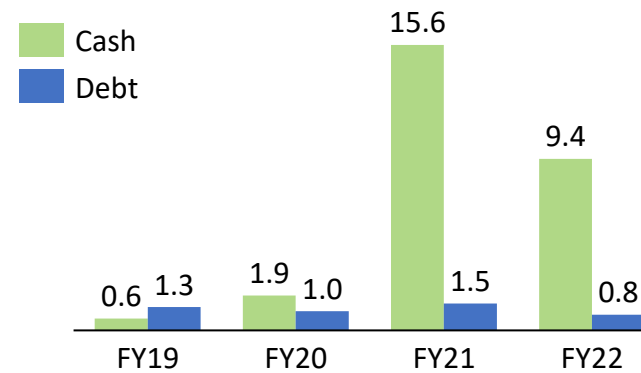
Return on Equity (%) *



Cash Flow from Operations (₹ Cr)



Cash & Debt Balance (₹ Cr)



Our growth is:

Strategic:

- **Market intelligence based:** Actively managed credit inventory based on demand and price outlook
- **Network and capability driven:** Leveraged deep relationships across global carbon market to drive sales

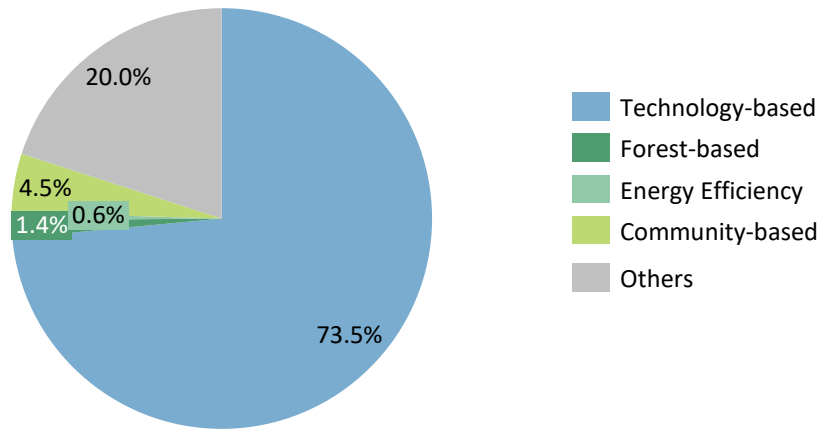
Sustainable:

- **Investments in backward integration:** Deploying capital towards project development and credit generation from diverse sources e.g., cookstoves
- **Investments in capabilities:** building global teams and technology tools to drive long term client retention

Healthy Inventory and Broad Geographic Footprint of Sales

Stock in hand: ~14 Mn Credits (end of Q3 FY23)

Split by number of credits



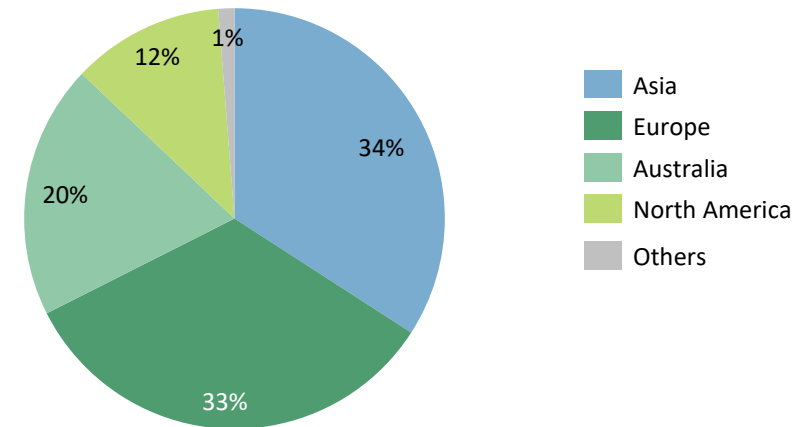
A strong Inventory

EKI has a broad inventory of credits with >25% of credits from non-technology-based solutions

Continuing to actively expand portfolio to include a wider variety of credits to mitigate risk of price volatility in credits associated with a particular technology.

Geographic dispersion of Sales: ~55Mn Credits (YTD FY23)

Split by number of credits



Diversified Sales

Geographic footprint of sales continues to remain balanced and global.

Key regions contributing sales remain Europe and Asia, together contributing 67% of the sales by volume

By cultivating clients around the globe, EKI mitigates the risk of demand falling off in a particular geography.

KEY STRATEGIC INITIATIVES

BALANCED ROADMAP
FOCUSSING ON
PLANET AND PROFITS

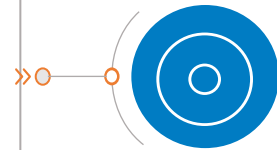


Key Strategic Initiatives



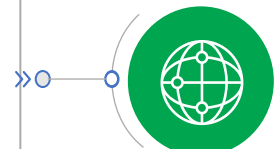
1. Addition of new clients & projects across the Globe

With the acquisition of new talent pool and development of existing human capital, company is aiming to enter new geographies across the Globe, where it sees huge potential for climate change advisory services & acquisition of carbon credits projects



2. Strengthening presence across the supply chain

EKI is strengthening backward integration by **carbon credit project development**. EKI is also building 360-degree MRV capabilities through digital verification and on-ground checks.



3. Increasing our brand's presence in key markets

Company will continue to expand its end-user client base in the developed countries such as Germany, U.S.A and Australia. Through international events and media outreach, it seeks to highlight its brand in these geographies, particularly in hard-to-abate sectors.



4. Focus on corporate governance

EKI seeks to bring more independent directors with relevant experience on board, strengthen internal finance controls and ensure regulatory compliance.

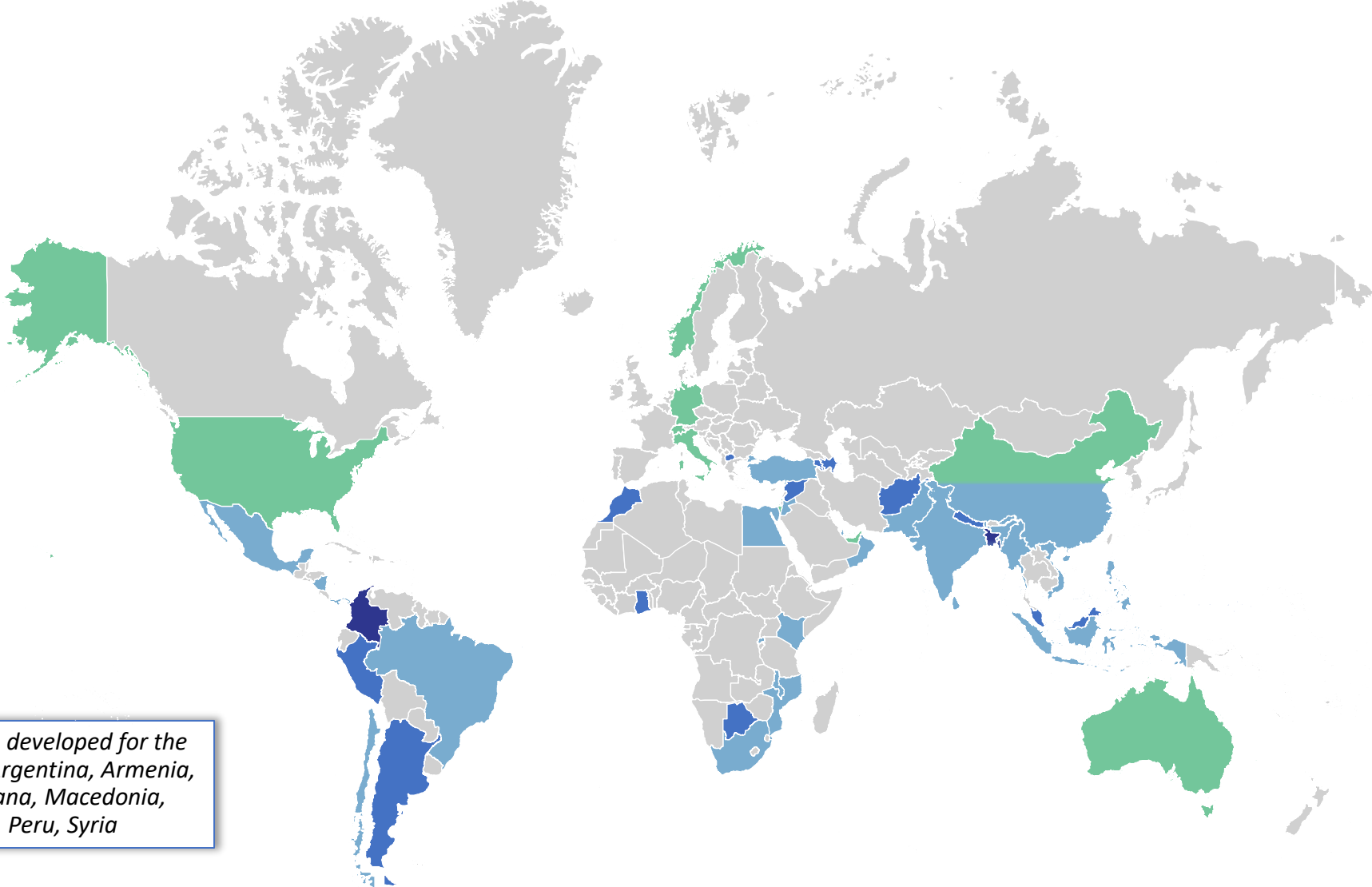
SATISFACTION AND SUSTAINABILITY KEY TO GROWTH

In addition, the Company is constantly looking for new growth avenues including acquisitions/partnerships to play a bigger role in global carbon asset management



1. Addition of New Clients and Projects Across Globe

We are present in 40+ countries around the globe



In YTD FY23, projects were developed for the first time in Afghanistan, Argentina, Armenia, Azerbaijan, Botswana, Ghana, Macedonia, Malaysia, Morocco, Nepal, Peru, Syria

- Existing projects (as of FY22)
- New projects (FY23 YTD)
- Existing Client (as of FY22)
- New Clients (FY23 YTD)

2. Strengthening Supply Chain: Backward Integration

WE ARE ONE OF THE LARGEST BIOMASS-BASED COOKSTOVE MANUFACTURER IN THE WORLD



GHG REDUCTION TECHNOLOGIES PVT. LTD.

- ✓ Strengthening backward integration of carbon credit supply chain through community-based projects
- ✓ Started manufacturing cook stoves in Nashik plant in April 2022
- ✓ Multiple benefits including
 - Emission reduction through reduced firewood consumption
 - Forest and biodiversity conservation
 - Community upliftment through employment creation
 - Savings in health cost, indoor air quality enhancement
- ✓ New capabilities enable Company to cater to high growth sector of cookstove based credits



Manufacturing facility

Nashik

**5 Mn+ cookstoves
(operational)**

2. Strengthening Supply Chain: Robust Process For End-to-End Execution Of Community-based Projects ⁽¹⁾

Monitoring Approach

Illustrative evidences

1 Beneficiary data captured digitally:

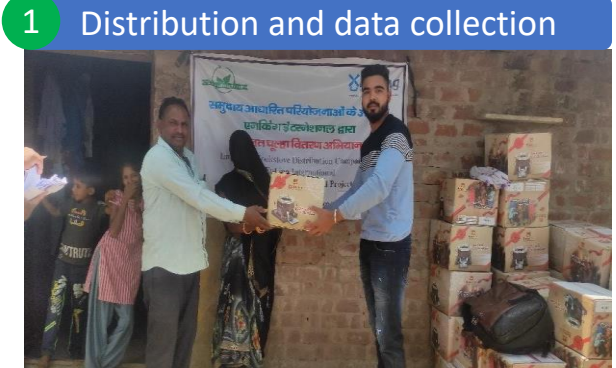
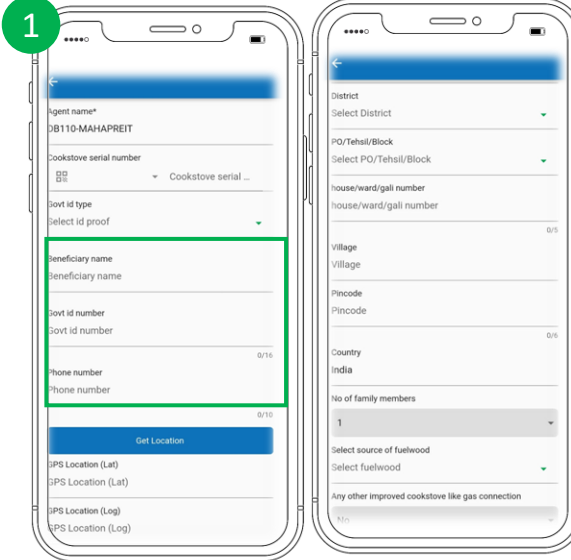
- Identifiers incl. contact number, geo-coordinates, national ID, etc. captured during distribution
- Data captured is used for tracking via EKI team, distributors, and DOEs for audit monitoring

2 Local Stakeholder meeting:

- Creating community level project awareness e.g., through live demonstrations

3 On ground monitoring:

- Surprise audits by EKI team to collect direct feedback and address on ground issues; along with encouragement
- Semi – annual DOE audits for usage



1. Improved cookstoves

3. Increasing Brand Presence Through 4-pronged Strategy

1 Actively shaping the global agenda

Participation and speaking opportunities at key global events; editorials and perspective sharing in reputed media



MoneyControl

No integrity issue regarding carbon credits market: EKI Energy CMD

Every project goes through a rigorous audit process, said Manish Dabkara, so there is no integrity issue with credits available in the international voluntary market from different sectors and geographies

SHUBHANGI MATHUR | NOVEMBER 18, 2022 / 09:31 PM IST

The Economic Times

Carbon credits imperative for climate positive plans: EKI Energy Services

PTI • Last Updated Oct 10, 2022, 02:05 PM IST

Synopsis

India has submitted its updated Nationally Determined Contribution (NDC) under the Paris Agreement to the UN Framework Convention on Climate Change, emphasising that it is a step forward towards its long-term goal of reaching net zero by 2070.

#BUDGET WITH

Countdown to Budget 2023: Expectations of Analysts

2 Building regional networks

Participation in reputed events in key geographies for EKI



Reuters

Commodities

2 minute read · October 12, 2022 1:05 PM GMT+5:30 · Last Updated 4 months ago

Indian energy firms join hands to develop a carbon market

By Mohi Narayan

3 Sectoral outreach and relevance

Engagement opportunities with target client segments



4 Key partnerships and new ventures

Announcements for key partnerships

Business Standard

EKI Energy Services collaborates with Impact Capital Asset Management

Capital Market
Last Updated at October 18, 2022 14:04 IST

The Financial

Home / Function 2 / Eki Energy Services Ltd Launches Climate Ed Tech Finance Marketplace

EKI Energy Services Ltd. launches climate ed-tech, finance marketplace

The venture will facilitate mobilisation of funds to drive investments for strategic climate interventions.

4. Focus On Corporate Governance



Board of directors

EKI's board has 3 out of 6 as independent directors

Plan to appoint additional individuals as Independent directors with:

- Experience in energy transition or affiliated sector
- Financial and market experience
- Experience of regulatory compliance



Strong IFC (internal finance control)

Internal project launched to identify business risks and define strategic initiatives for mitigation

Creation of internal committees to approve expenditures above defined threshold limit

Introducing system-integrated processes e.g., for contracting and payments



Strong Regulatory Compliance

Onboarded reputed statutory auditors Walker Chandiook & Co. LLP (Grant Thornton Group)

Onboarded internal auditor Protiviti India Member Pvt. Ltd.

Regular disclosures mandated by SEBI, BSE being carried out time-to-time.

FUTURE OUTLOOK AND BUSINESS OPPORTUNITIES

WORLDS NEXT BIG
SUNRISE SECTOR



Implementation of the Paris Agreement's Article 6



- Provision for trade of emission reductions between countries
- Unlocking new geographies and project types

Project development experience in 40+ countries positions EKI well to provide expertise and services to sovereign entities; and facilitate transactions under Article 6 regime.

New industry & national compliance schemes



New sources of demand for credits:

- Industry level compliance schemes (e.g. CORSIA, MARITIME)
- Country level compliance schemes. E.g., in India:
 - Carbon market framework under Electricity Conservation (Amendment) Act 2022
 - **Green credit programme** in FY 23 Budget serves as a strong market signal

Diverse credit portfolio across technologies and standards, which meets global requirements

Within India, advocacy capability with Carbon Markets Association of India (CMAI) leadership

Ability to educate industry participants given strong relationships

Quality premium in the voluntary market



- Growing demand for high-quality credits
- Premium for credible offsets

Portfolio of credits that issued by global standards such Verra Gold Standard

Strong measurement, reporting and validation process

Diversification into credit types that are well received, e.g., community based credits

Strong Business Outlook and Plans across each of the business verticals

Business unit	Strategic Outlook	Progress so far (FY23 YTD)	Plans for next 12 months
Consultancy and Offsetting	Diversify credit supply base and continue to strengthen quality	<ul style="list-style-type: none"> ○ Introduced new range of products:, Cookstove credits, Waste management credits, Plastic credits, EV credits, Nature based credits etc. 	<ul style="list-style-type: none"> ○ Increase share of supply from community-based, nature-based projects with reported SDGs. ○ Provide transparency through customer site visit, continuous collection of project parameters. ○ Expand presence in chief client geographies through M&A activities and partnerships
ESG & Net-Zero advisory	Strengthen value proposition for end customers to complement offset offerings	<ul style="list-style-type: none"> ○ 15 major new clients added in last quarter. ○ Supported clients with newly developed offerings like science-based targets, green building certifications. 	<ul style="list-style-type: none"> ○ Developing partnerships to provide enhanced capabilities like emission measurement, foot printing through digital platform. ○ Launch of comprehensive solution including advisory, offsets, financing, compliance services
Project Development	Backward integration to strengthen access and for greater control on quality	<ul style="list-style-type: none"> ○ 329 additional projects taken up for development in FY23 ○ Increased presence across Least Developed Countries e.g. projects in Afghanistan, Botswana, Malawi 	<ul style="list-style-type: none"> ○ Investment for community-based projects ○ Capability building to capture new opportunities, e.g., expansion of manpower in developing Countries, feasibility study of new technologies such as biochar, stakeholder engagement for Article 6 of Paris Agreement

Key Investment Highlights



Trust and experience

- Strong legacy of over **14 years** in the carbon markets
- Over **3,000 clients** globally
- Presence in **40+ countries**



Market leader in growing market

- **~15% share** of global voluntary carbon market
- Voluntary carbon market growing at **CAGR of ~35%** in past 5 years
- Demand expected to scale to coming years on back of sovereign and corporate climate action



Strong performance

- **Performance** driven by **market intelligence, skilled people** and **strong relationships** across carbon markets
- **Partnerships** with global leaders such as Shell, Vitol, ICAM Singapore
- Continually building moats to reinforce strong market position



Sound business philosophy for sustainable growth

- **Reverse integration:** transitioning portfolio strongly towards project development
- **Building capabilities** for direct relationships with end buyers
- **Diversifying credit portfolio** in response to demand indicators
- Capabilities such as cookstove manufacturing through subsidiaries, project financing etc.



Strengthened corporate governance

- 50% of board of directors consists of **Independent Directors**
- **Statutory Auditor appointed** – Walker Chandniok & Co. LLP
- **Third-party internal auditor** appointed – Protiviti India Member Pvt. Ltd.

ESG

**POISED FOR SUSTAINABLE
GROWTH OVER LONG TERM**





Environment

- Committed to reach Net Zero by 2030:
 - Undertaking annual GHG footprint calculation
- Committed to UNFCCC Climate Neutral Now
- Our projects are aligned with Kyoto Protocol, Paris Agreement and the UN SDGs
- Increased use of sustainable products-jute bags, pen stands, plants etc.
- Implemented waste segregation at source at our offices
- Tree Plantation drive to be conducted in waste land area near EKI premises.



Social

- Plan for social activities developed including:
 - Financial literacy programs for marginalized communities
 - Skill building and financial support to women SHGs for technical work/supporting their individual business
 - Repair of community infrastructure- waste management system, drinking water pipelines
 - Education initiatives: Counselling families of drop-out students, ward/village-level classes for girl students, improving facilities at model schools, Anganwadis



THANK YOU



EKI Energy Services Ltd

CIN :L74200MP2011PLC025904

Ms. Itisha Sahu

Company Secretary & Compliance Officer

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