PRESS RELEASE

NEBULA ENERGY PRIVATE LIMITED

August 2026

Ratings

Instrument/Facilities	Amount (NPR Mn)	Rating	Rating Action
Issuer Rating	NA	IRN BB- (Is)	Assigned

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has assigned the issuer rating of IRN BB- (Is) [(Double B Minus (Issuer)]. Issuers with this rating are considered to have the moderate risk of default regarding timely servicing of financial obligations.

Detailed Rationale

The rating assigned to Nebula Energy Private Limited (NEPL) derive strength from its experienced promoter and management personnel. The ratings also factor in NEPL's sole distributorship agreement for sale of electric two-wheelers, batteries, charging and battery-swapping stations, station parts and spare parts of "Gogoro" brand vehicles. With company also offering on-site troubleshooting, battery servicing and related reimbursable work related to "CATL" brand batteries, NEPL has diversified revenue stream with export services commencing from FY26 adding another dimension to NEPL's product offering. The rating also factors in the company's rapid expansion in scale of operations, albeit from a relatively small base, supported by the successful completion of its pilot phase in the Kathmandu Valley. Following the encouraging response during the pilot phase, the company is now proceeding with a nationwide expansion of its product offerings, which is expected to support significant revenue growth, aided by the increasing consumer preference for electric vehicles (EVs) in Nepal. The ratings also take a positive note of the favorable demand outlook for EVs, supported by increasing consumer adoption and regulatory initiatives by the Government of Nepal (GoN) to promote the development of the EV ecosystem, alongside the prospective receipt of green financing subsidy from the donor agencies, which is expected to support NEPL's planned expansion.

However, the ratings are mainly constrained by the company's limited track record of operations (since FY24). The rating also remains constrained due to its small scale of operations, inherent in company under pilot phase and execution risk associated with planned expansion across Nepal. The rating remains constrained by the company's low capital base of ~NPR 19 Mn, which has been further weakened by the erosion of capital arising from preliminary expenses, resulting in a minimal net worth of ~NPR 18.5 Mn. The limited tangible net worth has translated into a highly leveraged capital structure, with the overall gearing ratio increasing to 11.54x as of mid-July 2026 from 6.26x in FY25, while Total Outside Liability/Tangible Net Worth (TOL/TNW) stood at 13.86x in FY26 compared with 7.45x in FY25. The rating also remains constrained by the company's high operating cost structure relative to its scale of operations, resulting in a minimal bottom line, with PAT margin remaining below 1% during FY23–FY25. The rating is further constrained by the working capital-intensive nature of operations, primarily driven by an elongated receivable collection period, as the company is required to extend relatively lengthy credit periods to its customers. Furthermore, the ratings also take note of cyclical and competitive nature of the industry and the company's exposure to regulatory changes. Any unfavorable changes in regulatory/ tax regime on import of electric vehicles may have a bearing on incremental revenue and profitability of the company. Going forward, NEPL's ability to sustain growth in scale of operations, improve profitability margins and improve its capital structure through effective working capital management will remain key rating sensitivities. Furthermore, the receipt of green financing subsidy from the donor agencies and its utilization will remain key monitorable.

Detailed Description of Key Rating Drivers

Key Rating Strengths

Experienced promoters and resourceful EV ecosystem coupled with group support
The Company is one of three commonly controlled entities trading as "MG Group". Mr. Manoj Kumar Goyal with decades of experience is Chairman and 100% shareholder of the Company and provides financial governance and banking-sector governance experience. Mr. Sahayu Goyal with decades of experience is Managing Director and heads unified executive management across the group. Additionally, with positive demand outlook for EV's, NEPL is strategically focused on building an EV ecosystem encompassing sales and distribution of electric vehicles of 'Gogoro' brand, charging infrastructure, service centers, research and development, training facilities, and EV fleet services. Accordingly, NEPL's increasing market presence and integrated ecosystem provide a platform for further expansion in its scale of operations over the medium term. However, sustained growth will remain dependent on continued acceptance of the Gogoro brand, expansion of the charging network and broader adoption of EVs in Nepal.

Small albeit increasing scale of operations with ample scope for expansion
NEPL has a small but rapidly increasing scale of operations, having commenced commercial operations in FY23 and revenue generation from FY24. The company has adopted a strategic approach of developing an integrated ecosystem for the Gogoro brand, including the requisite battery-swapping and charging infrastructure. Accordingly, during FY24–FY25, revenues were largely derived from the sale of charging stations, station parts, CATL batteries and other accessories, as the company focused on infrastructure development. With the Kathmandu Valley battery-swapping network completed in February 2025, the company transitioned towards vehicle sales, resulting in revenue increasing significantly to NPR 252 Mn in FY26 from NPR 129 Mn in FY25 and NPR 35 Mn in FY24. In FY26, vehicles and batteries contributed NPR 221.85 Mn (~90%) of total revenue, compared with charging stations and station parts contributing NPR 38.52 Mn (~31%) in FY25. Further, recurring CATL service income increased nearly six-fold to NPR 14.06 Mn in FY26 from NPR 2.34 Mn. Going forward, NEPL is well positioned to benefit from the increasing adoption of EVs in Nepal, supported by growing consumer awareness, expanding EV infrastructure and the broader shift towards cleaner transportation, providing ample scope for further expansion in scale of operations.

Regulatory support for EV's
The Government of Nepal (GoN) has implemented supportive policies for the electric vehicle (EV) sector, including lower import duties compared to internal combustion engine (ICE) vehicles, even after recent revisions, as well as reduced annual taxes. Additionally, the Central Bank has introduced favorable regulations, allowing higher loan-to-value (LTV) ratios of up to 80% for EV purchases, compared to 50% for ICE vehicles. With this conducive regulatory framework and government's objective of ensuring that 60% of all passenger vehicles are EVs by 2030, leveraging domestically generated hydropower, the demand outlook for EVs remains strong.

Key Rating Weaknesses

Nascent track record of operations
NEPL has nascent track record of operations of around 3 years as it began commercial operation from FY23 onwards. It is the authorised Nepal partner for the Gogoro battery-swapping platform and holds the supplier relationships, import licences and letters of credit through which the platform's vehicles, batteries and stations enter Nepal. The ability of company to sustain its operation over long run while navigating intense competition remains to be seen.

Leveraged capital structure
NEPL's capital structure remains leveraged, primarily due to its small tangible net worth base. The relatively low paid-up capital of NPR 19 Mn, coupled with erosion of reserves from preliminary

expenses incurred during the initial phase of operations, has resulted in a limited tangible net worth of ~NPR 18.5 Mn. Consequently, despite the company's relatively small debt portfolio, the low net worth base magnifies its impact on leverage, with overall gearing increasing to 11.54x at the end of FY26 from 6.26x in FY25 and 10.90x in FY24. The borrowings have primarily been utilized to fund the company's working capital requirements. Similarly, TOL/TNW remained elevated at 13.86x in FY26 compared with 7.45x in FY25. Given the company's nascent stage of operations and relatively small revenue and EBITDA base, its debt protection metrics remain modest, with interest coverage ratio and DSCR at 1.69x and 1.64x, respectively, in FY26, improving from 1.17x and 1.12x in FY25. The management's ability to contain debt levels while strengthening the net worth base through sustained earnings generation remains a key rating monitorable.

Working capital intensive nature of business

NEPL's operations remain working capital intensive, as inherent to the dealership business, primarily due to the need to maintain adequate inventory levels and extend credit support to dealers. The company maintains inventory as buffer stock to mitigate potential supply disruptions. Further, suppliers generally require advance payments or letter of credit arrangements prior to vehicle dispatch, necessitating reliance on working capital borrowings and inventory financing facilities. The company's receivable days increased to 134 days in FY26 from 63 days in FY25, primarily reflecting the commencement of vehicle sales through its subsidiary, as FY25 revenue was largely derived from infrastructure-related sales. The increase is considered inherent to vehicle sales, which typically involve relatively longer credit periods. Nevertheless, ~90% of receivables are from its own subsidiary, thereby mitigating counterparty risk to some extent. Consequently, the company's working capital intensity remained elevated at ~65% in FY26.

Concentrated product portfolio amid intense competition

The company's product portfolio has been heavily concentrated on Gogoro Brand two wheeler vehicles, which accounted for ~64% of its total sales revenue in FY26, thereby raising concern regarding product concentration risks. The automotive sector is significantly influenced by economic growth, credit conditions, and consumer confidence, and is inherently vulnerable to economic cycles and sensitive to interest rates, which may impact sales volumes. Furthermore, given the structural shift in customer preferences towards EVs over the medium to long term, competitive intensity in this segment is expected to increase, as evidenced by the recent influx of multiple brands into the Nepalese market.

Analytical Approach: Standalone

Applicable Criteria:

Corporate credit rating methodology

About the Company:

Nebula Energy Private Limited (NEPL) is a private limited company incorporated on 25 December 2019 which began commercial operation from FY23. NEPL is involved in import and trading of electric two-wheelers, batteries, charging and battery-swapping stations, station parts and spare parts of 'Gogoro' brand. NEPL also provides technical and after-sales services including on-site troubleshooting, battery servicing and related reimbursable work of 'CATL' batteries. SMPL's registered office is located at Kamaladi, Kathmandu, Nepal. Entire shareholding of the company is borne by Mr. Manoj Kumar Goyal as of mid-July 2026.

Financial Indicators (Standalone)

For the year ended* As on	FY24	FY25	FY26
	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	35	129	252
EBITDA Margin (%)	3.23	3.29	2.17

For the year ended* As on	FY24 Audited	FY25 Audited	FY26 Unaudited
Interest Coverage Ratio (x)	1.26	1.17	1.69
Current Ratio (x)	1.01	0.96	0.90
Overall Gearing Ratio (x)	10.90	6.26	11.54
TOL/TNW (x)	10.94	7.45	13.86

**Classification as per Infomerics Nepal standards*
Earnings Before Interest Tax Depreciation Amortization (EDITDA)

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