

PRESS RELEASE

AC Energy to consolidate its International and Philippine platforms

March 18, 2020 - AC Energy Philippines (ACEPH), today announced that its parent company, AC Energy, Inc. (AC Energy), will be infusing its international business into ACEPH.

The transaction, which was approved by the Boards of Directors of both companies, will consist of the issuance of additional primary shares of ACEPH stock in favor AC Energy, in exchange for property consisting of shares owned by AC Energy in its 100% subsidiary Presage Corporation ("Presage"), which holds AC Energy's international renewable energy portfolio. The determination of the final issue price and the number of additional shares to be issued to AC Energy was delegated to the Executive Committee, provided that the issue price and number of shares fall within the fair range of values determined by the third party independent valuator, FTI Consulting Philippines, Inc. (FTI Consulting). The transaction is subject to regulatory approvals, and is expected to close within the year.

This latest transaction is part of ACEPH's transformation and restructuring. In 2019, the ACEPH Board of Directors approved the infusion of various Philippine assets of AC Energy into ACEPH and subsequently approved a Stock Rights Offering, both of which are undergoing regulatory approvals. After all of these transactions are completed, AC Energy is expected to own approximately 85% of ACEPH.

Both ACEPH and Presage were valued by an independent third-party evaluator FTI Consulting, which is accredited by both the Securities and Exchange Commission and the Philippine Stock Exchange. The third party valuator put the combined value of Presage and ACEPH at approximately Php 97 billion.

The ACEPH Board of Directors also approved the change of company name to AC Energy Corporation, as well as the increase in its authorized capital stock by Php 24 billion. "This transaction will firmly establish the company as Ayala's energy platform both in the Philippines and around the region", said Fernando Zobel de Ayala, AC Energy's Chairman. "We are sensitive to the very difficult period our country is going through. However we also want to reinforce our strong commitment to invest in much needed energy investments in the Philippines", Mr. Zobel added.

The combined platform will have an attributable capacity of around 1,500 MW in operations and under construction, of which 60% is from renewable energy. “The company shall continue to focus on renewables expansion, as we move towards our 2025 goal of reaching 5GW of renewables capacity”, said AC Energy President and CEO Eric Francia.

New developments underway

The ACEPH Board of Directors also approved potential investments in wind and new technologies, and has delegated final decision to the Executive Committee. This includes over \$200mn investment in the Balaoi Wind Project, a 160 MW Wind Farm located in Pagudpud, Ilocos Norte. The project is a joint venture with UPC Renewables.

The approval also included up to a \$100mn investment in new technologies and a renewable energy laboratory project in Mariveles, Bataan.

About AC Energy, Inc.

AC Energy is the energy platform of Ayala, one of the largest business groups in the Philippines.

AC Energy is one of the fastest growing energy companies with over US\$1 billion of invested and committed equity in renewable and thermal energy in the Philippines and around the region.

From a strong local base, AC Energy is expanding rapidly around the region through strategic partnerships and greenfield initiatives. The company aspires to exceed 5 GW of attributable capacity, and generate at least 50% of energy output from renewables by 2025.

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