

GIC Private Limited to invest Php20bn in AC Energy Philippines

November 11, 2020 - AC Energy Philippines (PSE: ACEN) today announced the potential investment of an affiliate of GIC Private Limited ("GIC"), Arran Investment Pte Ltd, in ACEN, in a deal valued at approximately Php 20bn. The Board of Directors of ACEN approved today the proposal of GIC's affiliate to acquire a 17.5% ownership stake in ACEN (the "Investment"), and which 17.5% ownership stake is on the basis that ACEN's stock rights offering ("SRO") and follow-on-offering, and the infusion by ACEN's parent company, AC Energy, Inc. ("AC Energy"), of its international business into ACEN, have been completed.

The Investment, which will be implemented through a combination of subscription to four billion primary shares (via a private placement) and purchase of secondary shares from AC Energy, will be at a price of Php2.97 per share on a post-SRO basis and is subject to agreed price adjustments. The price represents a 25% premium to the board-approved SRO price of Php2.37/share, which is subject to regulatory approval, and is at par with the theoretical ex-rights price (TERP) using the 30-day VWAP of Php3.51/share and the ACEN Board-approved SRO price of Php 2.37/share. The terms of ACEN's SRO, including the offer price, are subject to approval by the Securities and Exchange Commission.

Given that AC Energy will not participate in the initial round of the SRO to provide maximum availability to minority shareholders, the summary computation of the TERP is provided in the following table using the ratio of one subscription share entitlement for every 1.11 shares held.

	Shares	Price/Share (in Php)	Value	Comments
Pre-SRO Shares	1.11	3.51	3.90	Price based on 30-day VWAP as of 10 November 2020
SRO Shares	1	2.37	2.37	SRO price, subject to regulatory approval
Total	2.11		6.27	
TERP		2.97		

The completion of the subscription by the GIC affiliate to primary shares is subject to definitive documentation being signed by the parties and satisfaction of agreed conditions precedent, which includes among others, the completion by ACEN of the SRO, which is expected to occur in the first quarter of 2021, and applicable regulatory approvals. On the other hand, the completion of the purchase by the GIC affiliate of secondary shares from AC Energy is subject to definitive documentation being signed by the parties, the completion of the infusion by AC Energy of its international business into ACEN by way of a property for shares swap, which is expected to occur in the third quarter of 2021, and applicable regulatory approvals.

To implement the Investment, ACEN, GIC's affiliate, and AC Energy will sign an Investment Agreement as well as a Shareholders' Agreement that will document the rights and obligations of the GIC affiliate as an investor in ACEN. The transaction documents are expected to be signed within November 2020.

AlphaPrimus Advisors acted as financial advisor to ACEN and AC Energy for this transaction.

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About AC Energy

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 ~US\$2 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 renewables capacity and generate at least 50% energy output from renewables by 2025. In 2019, AC Energy's power portfolio registered an attributable capacity of over 1.8 GW in operation and under construction, spanning projects in the Philippines, Indonesia and Vietnam.

The company increased its attributable energy output in 2019 by 25% to 3,500 Gigawatt hours, of which 50% came from renewable energy sources.

www.acenergy.com.ph

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