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PRESS RELEASE

AC Energy upsizes senior green bonds to US\$ 470M

AC Energy, Ayala Corporation's power generation arm, recently announced the successful launch of a \$60 million tap on its senior Green Bonds due 2024 via private placement. This brings the total Green Bond issuance to US\$470 million, consisting of US\$360 million due 2024 and US\$110 million due 2029. The Green Bonds were issued under AC Energy's US\$1 billion Medium Term Note Programme established in 2019, and will be listed on the SGX-ST.

The private placement was priced in line with current market prices, as AC Energy locked in competitive rates in the midst of challenging market conditions. It appointed The Hongkong and Shanghai Banking Corporation Limited as Dealer for the Bonds.

"AC Energy's Green Bonds further strengthen our liquidity and enable us to continue scaling up our renewable investments despite the challenging environment," said Eric Francia, AC Energy President and CEO. "We are committed to transition to a low carbon portfolio and work towards our goal of reaching 5,000 MW of renewables capacity by 2025."

Funding for renewable energy expansion in the region

As of end Q1 2020, AC Energy has already allocated around US\$455 million to 11 renewable energy projects spanning Vietnam, Indonesia and the Philippines, with a combined gross capacity of ~1,600 MW. These include investments for new greenfield projects onshore and in Vietnam, as well as the acquisition of additional stakes in renewable energy projects in the Philippines.

The company currently has 180 MW of solar projects under construction in the Philippines, and over 200MW of solar and wind projects being constructed in Vietnam (all gross capacities).

"We are pleased to see the significant deployment of the AC Energy's green bond in various renewable projects. We continue to find ways to support the company's expansion into renewables across the region," said Michael Barrow, Director General of ADB's Private Sector Operations Department.

AC Energy's issuance in January 2019 was the company's maiden Green Bonds. The bonds were the first Climate Bond Initiative-certified US\$ green bonds listed in Southeast Asia, anchored by investments from International Finance Corporation (IFC) and the Asian Development Bank (ADB). Subsequently in November of the same year, AC Energy raised

US\$400 million through the first ever US\$ denominated fixed-for-life green bond issued globally.

For the issuances, AC Energy received global recognition as Best New Green Bond Issuer from London-based International Finance, and from Hong Kong's The Asset for Best Green Bond and Best Issuer for Sustainable Finance (Corporate) in the Philippines. Additionally, the company's perpetual green bond was awarded Best Corporate Bond in Asia Pacific by The Banker during its Deals of the Year Awards 2020.

Launch of E&S Policy

Most recently, AC Energy announced the board's approval of its Environmental and Social (E&S) Policy which highlights the company's transition to a low carbon portfolio. Divestment from existing coal generation assets shall be implemented, with the aim of achieving full divestment from coal generation assets by 2030.

"AC Energy's E&S policy is a welcome development for sustainable investing. The company provides a clear commitment to divest from coal and scale up its investments in clean energy," said Vivek Pathak, IFC's Director for East Asia and the Pacific.

AC Energy has committed to scale up its renewable energy expansion in the region and has identified the Philippines, Indonesia, Vietnam, Australia, India and Myanmar as key target markets.

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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



Bonds which are verified to conform with the Climate Bonds Standard are called Climate Bonds Certified Bonds. The Standard contains rigorous scientific criteria which are consistent with the 2 degrees Celsius warming limit as detailed in the 2015 Paris Agreement.

Therefore, Certified Climate Bonds have gone through a strict process to ensure that their assets and projects will contribute to a low carbon economy. In order to receive the Certified Climate Bonds stamp of approval a prospective issuer must appoint an Approved Verifier, who will supply an assurance report to say that the bond meets the Climate Bonds Standard's requirements. The Climate Bonds Standard Board provides the final confirmation of all Climate Bond Certifications.

The Climate Bond Standard allows Certification of a bond prior to its issuance, enabling the issuer to use the Climate Bond Certification Mark in the bond marketing efforts and investor roadshows. After the bond has been issued and allocation of the bond proceeds has begun, the issuer must confirm the Certification by obtaining another assurance (the "post issuance") report and providing that to the Climate Bonds Standard Board.

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