



Analysts' Briefing – 9M 2020

12 November 2020

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ACEN 9M 2020 Financials

In Php Mns	9M 2019	9M 2020	Change
Attributable Output (in GWh)	853	1,610	89%
Equity in Earnings	-229.1	3,365.6	
Other Income (Expenses) ⁽¹⁾	288.9	732.3	153%
Parent Expenses ⁽²⁾	-340.6	-1,162.8	241%
Net Income	-280.8	2,935.1	
EBITDA ⁽³⁾	628.4	6,175.90	883%

9M 2020 Consolidated Net Income of Php2.93 billion

- Increase in output driven by asset infusion from parent, acquisition of operating plants, and better thermal availability
- Increase in equity in earnings due to higher contracted capacity
- Other income includes adjustments pertaining to prior periods and other fee income
- Parent expenses grew as a result of personnel integration, and increased net interest expenses

Notes:
 (1) Other Income (Expenses) include one-off gains and losses, feed-in tariff retroactive adjustments and development gains
 (2) Parent Expenses include overhead, net interest expense and provision for income tax
 (3) EBITDA excludes noncash expenses/losses (i.e., impairment provisions and mark to market losses) and other income items

Consolidated Balance Sheet Highlights as of 30 September 2020

In Php Mns	31 Dec 2019	30 Sept 2020	Change
Assets	48,537.5	62,753.7	29%
Liabilities	31,957.5	42,382.9	33%
Equity	16,580.0	20,370.7	23%
Cash and ST investments ⁽¹⁾	9,693.2	6,683.7	-31%
Loans Payable	22,923	31,171.8	36%
Capital expenditure	308.9	13,850.0	4384%

Ratios	31 Dec 2019	30 Sept 2020
Net Debt to Equity	0.8x	1.20x
Interest Coverage ⁽²⁾	1.01x	3.57x

- Increase in assets mostly driven by the successful infusion of AC Energy, Inc.'s on-shore assets and the acquisition of operating assets
- Expansion of assets was funded by a combination of debt from new loans and equity issued to AC Energy, Inc. in the asset-for-share swap
- Healthy leverage ratios, which will further improve following additional capital infusions

Notes:

(1) Cash and Cash equivalents and Short Term (ST) Investments

(2) As disclosed in ACEN's 17Q for the same period

ACEN's Stock Rights Offering ("SRO")

1. The Board of Directors approved the issuance of 2,267,580,434 shares at PHP2.37 per share - SRO terms, including the price, are subject to regulatory approval
2. Parent company, AC Energy, Inc. ("ACEI"), will not participate in the rights offer to provide maximum availability of rights shares to the minority stockholders, but ACEI will have the option to participate in the institutional offer.
3. Given the current 2,517,014,282 outstanding shares held by minority investors, every 1.11 shares held entitles such minority investors to subscribe to one (1) share in the rights offer.
4. Targeting receipt of regulatory approvals by December 2020 and SRO completion by Q1 2021

GIC Private Limited to invest Php20bn in ACEN

The Board of Directors of ACEN approved the proposal of an affiliate of GIC Private Limited (“GIC”), Singapore’s sovereign wealth fund, to acquire a 17.5% ownership stake in ACEN

- The investment will be implemented through a combination of subscription to 4 billion primary shares (via private placement) and purchase of secondary shares from ACEN’s parent, AC Energy Inc.
- Subscription price is Php2.97/share on a post-SRO basis, subject to agreed price adjustments. This represents a 25% premium to the board-approved SRO price of Php2.37/share, which is subject to regulatory approval. It is at par with the theoretical ex-rights price (TERP) using a 30-day VWAP of Php3.51/share, and the board-approved SRO price.

	Shares	Price per Share	Value	Comments
Pre-SRO Shares	1.11	₱ 3.51	3.90	Price based on 30-day VWAP as of 10 Nov 2020
SRO Shares	1	₱ 2.37	2.37	SRO price, subject to regulatory approval
Total	2.11		6.27	
TERP		₱ 2.97		

Conditions and Timeline

- Completion of primary shares subscription is subject to conditions precedent, including completion of the ACEN SRO (target: Q1 2021), and applicable regulatory approvals
- Completion of purchase of secondary shares is subject to conditions precedent, including completion of the infusion by ACEI of its international business into ACEN via a property-for-share swap (target: Q3 2021), and applicable regulatory approvals
- Target to sign definitive transaction documents within November 2020

ACEN Capital Structure – Illustration:

	Status / Target	Outstanding Shares					
		Total	ACEI	Other Non-Public	Public	Investor	
Starting point	Done	7,507,274,922 100.00%	4,990,260,640 66.47%	412,136,947 5.49%	2,104,877,335 28.04%	- 0.00%	
ACEI Philippine Transaction	Done	6,185,182,288 13,692,457,210 100.00%	6,185,182,288 11,175,442,928 81.62%	- 412,136,947 3.01%	- 2,104,877,335 15.37%	- - 0.00%	Newly issued shares to be listed upon issuance of the Certificate Authorizing Registration (CAR)
Stock Rights Offering	1Q21	2,267,580,434 15,960,037,644 100.00%	- 11,175,442,928 70.02%	371,294,547 783,431,494 4.91%	1,896,285,887 4,001,163,222 25.07%	- - 0.00%	SRO Terms subject to regulatory approval; figures assume 100% take up among minorities
Subscription	1Q21	4,000,000,000 19,960,037,644 100.00%	- 11,175,442,928 55.99%	- 783,431,494 3.93%	- 4,001,163,222 20.05%	4,000,000,000 4,000,000,000 20.04%	4bn subscription represents primary shares issued to GIC
Follow-on Offering	2/3Q21	2,250,000,000 22,210,037,644 100.00%	- 11,175,442,928 50.32%	- 783,431,494 3.53%	2,250,000,000 6,251,163,222 28.15%	- 4,000,000,000 18.01%	Number of FOO shares for illustrative purpose only
ACEI International Transaction	2/3Q21	16,685,800,533 38,895,838,177 100.00%	16,685,800,533 27,861,243,461 71.63%	- 783,431,494 2.01%	- 6,251,163,222 16.07%	- 4,000,000,000 10.28%	Number of shares issued to ACEI subject to an updated third-party valuation to be done in H1 2021
Top-up	4Q21	- 38,895,838,177 100.00%	(2,806,771,681) 25,054,471,780 64.41%	- 783,431,494 2.01%	- 6,251,163,222 16.07%	2,806,771,681 6,806,771,681 17.50%	Illustrative number of secondary shares sold by ACEI to GIC to reach the target 17.5% ownership

Note: Indicative figures subject to adjustments and regulatory approvals.

ACEN Assets in the Philippines

~1,000 MW

NET ATTRIBUTABLE CAPACITY

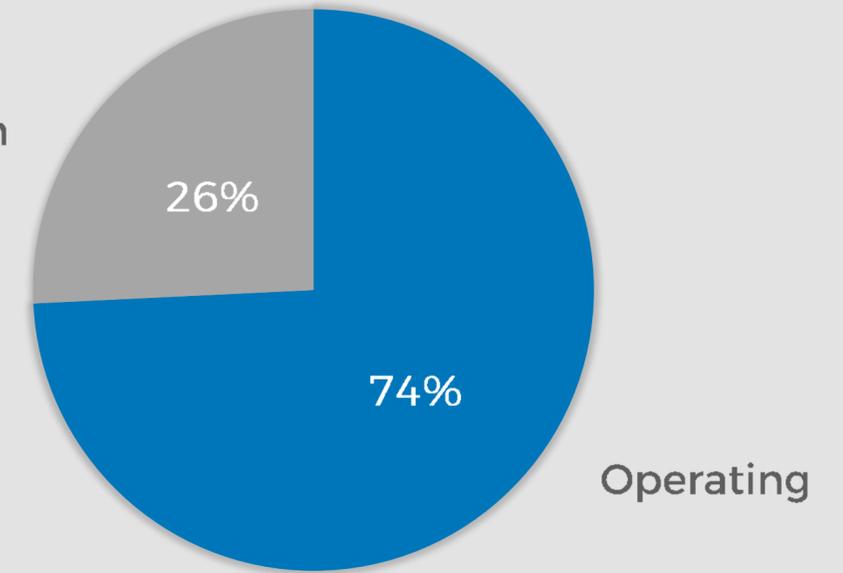
INCLUDING

**~450 MW
RENEWABLES**

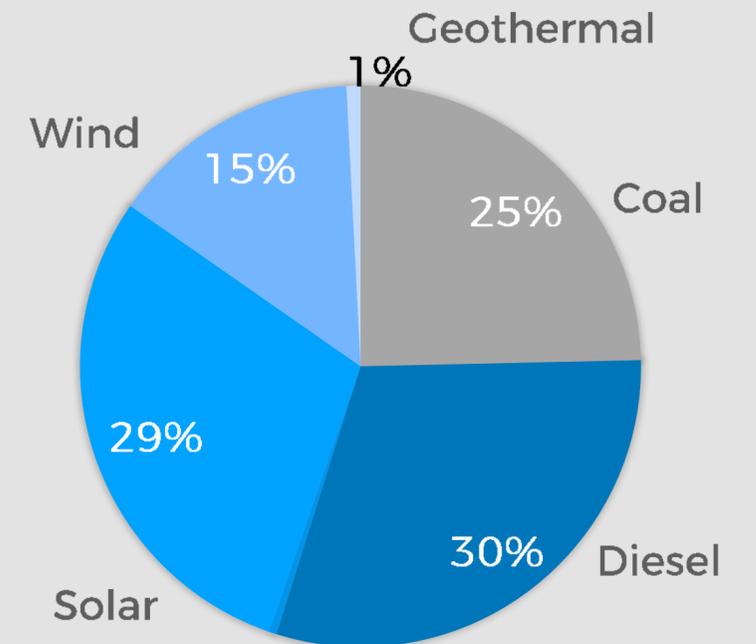


Map shows installed capacities as of Oct 2020, using DC capacities for solar projects.

Under Construction



OPERATING STATUS

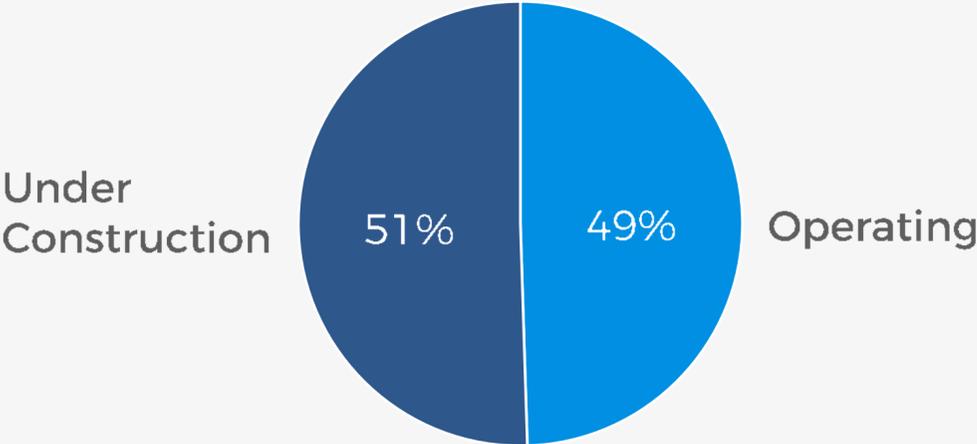


TECHNOLOGY

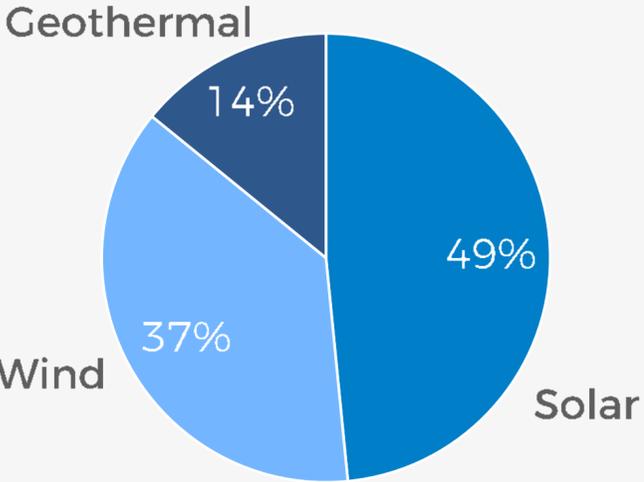
International Assets for Infusion into ACEN*

~900 MW
NET ATTRIBUTABLE CAPACITY

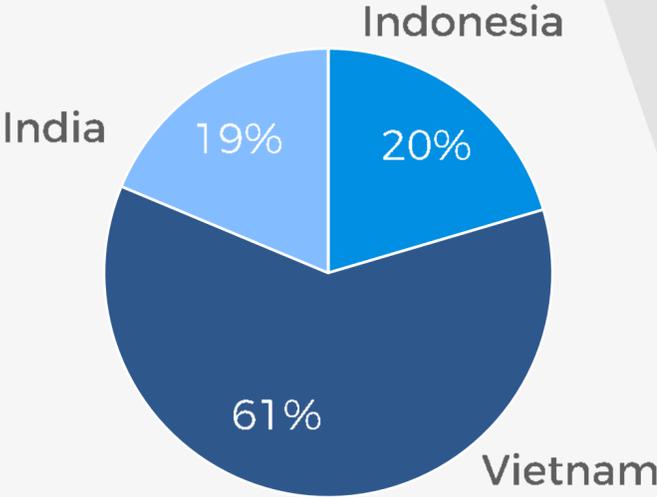
100% RENEWABLES



OPERATING STATUS



TECHNOLOGY



GEOGRAPHY



● Operating plants ● Under construction

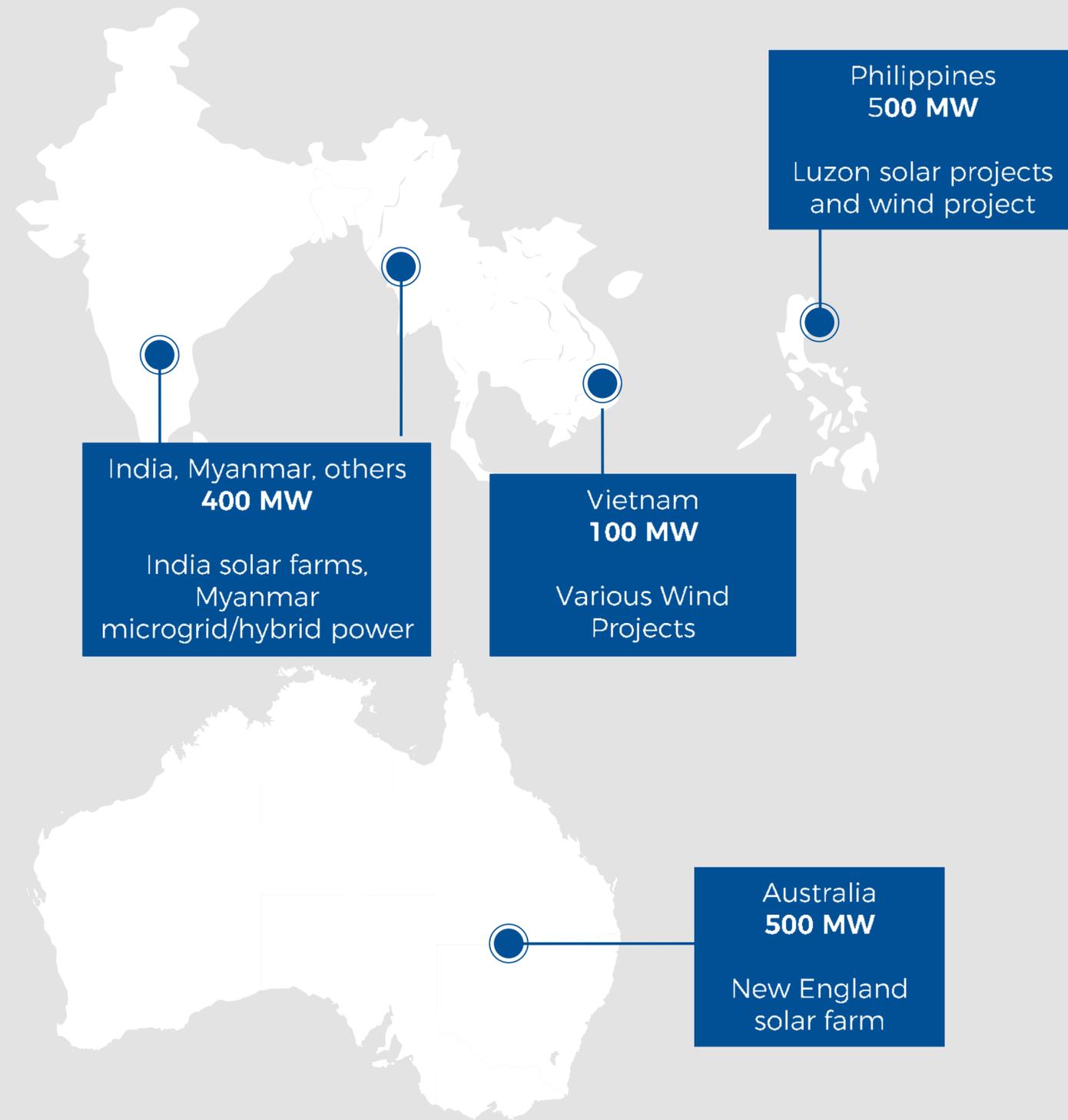
Map shows installed capacities as of Oct 2020, using DC capacities for solar projects.
 *Subject to regulatory approval
 **Includes 75 MW solar and 40 MW wind under construction

PIPELINE AS OF NOV 2020

1,500+ MW

Targeted for
Financial Close
within 12 months

ACEN expects to reach
over 2,500 MW
of renewables
by 2021



Note: Based on gross capacities.

AC ENERGY
2025 VISION

Largest Listed Renewables Platform

in SOUTHEAST ASIA

5GW

Renewable energy capacity
>50% output from renewables



AC Energy Environmental & Social Policy

Transition to low carbon portfolio involves divestment of coal assets by 2030



Transition to
Low Carbon Portfolio



Excellence in
Environmental Management



Fulfilling our Commitment
to the Community



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