

Valuation Analysis | AC Energy Corporation

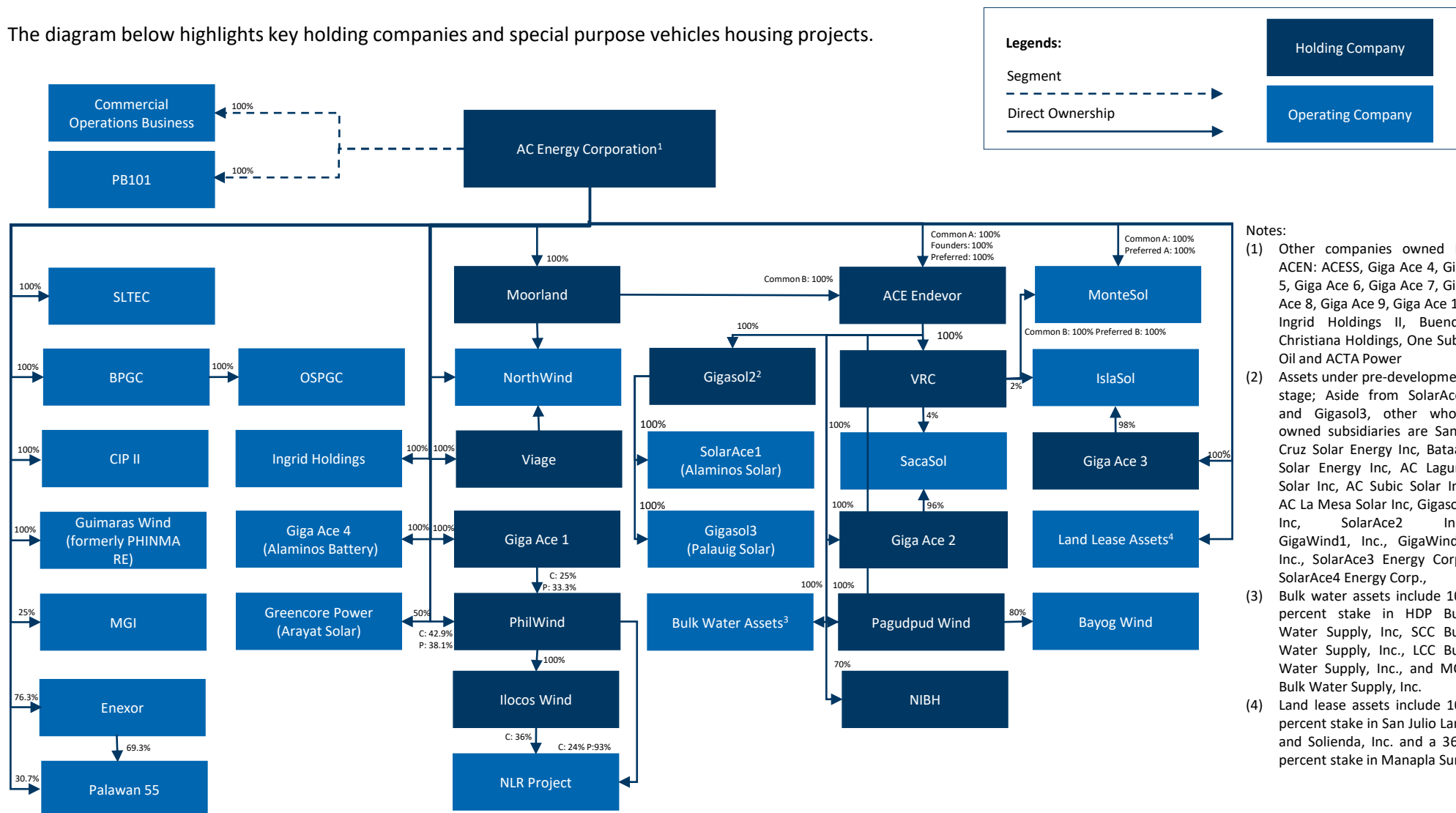
Corporate Background

- **AC Energy Corporation** (ACEN) is an integrated power solutions company listed in the Philippine Stock Exchange. ACEN is engaged in power generation, electricity supply, renewable energy, and resource exploration and development. As of December 31, 2020, ACEN has 735 MW of attributable operating capacity in the Philippines, with another 255 MW under construction that is expected to be completed within 2021.
- ACEN's existing business can generally be classified into four (4) main groups:
 - [1] *commercial operations business*: ACEN is a licensed Retail Electricity Supplier (RES). As a RES, the company is allowed to supply electricity to the contestable market through bilateral contracts and through the Wholesale Electricity Spot Market (WESM).
 - [2] *generation business*: ACEN manages the capacity of the operating plants including the sale of power to the public through distribution utilities and to contestable customers through its retail supply license.
 - [3] *project development*: ACE Endeavor is a project development company which focuses on the development of renewable energy projects.
 - [4] *resource exploration and development business*: ACEN holds investments in resource development companies under ACE Enexor with interests in exploration service contracts granted by the Philippine government.
- In November 2020, ACEN announced that Arran Investment Pte Ltd., an affiliate of GIC Private Limited, (GIC) will potentially invest in ACEN on the basis that the stock rights offering (SRO), follow-on offering and the infusion of the ACEIC's international business, ACE Intl, into ACEN have been completed. The potential investment will be implemented through a combination of subscription to four billion primary shares and purchase of secondary shares from ACEIC. The primary issuance of four billion shares is conditioned on SRO and FIRB (Australia regulator) approval. The balance of 17.5 percent is further subject to the FOO and ACEIC International Transaction.
- In January 2021, ACEN conducted a share rights offering of up to 2,267.58 million common shares at PHP2.37 per share (SRO).
- ACEN is also expected to conduct a follow-on offering in the second quarter of 2021 with a primary issuance size of up to two billion shares with a price range of PHP6.00 to PHP8.20 per share.

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Summary Corporate Structure

- The diagram below highlights key holding companies and special purpose vehicles housing projects.



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Valuation Summary

- We used the Sum-of-the-Parts method to estimate the fair range of market values for ACEN. Its assets and liabilities are categorized into: (1) operating assets, (2) pipeline assets, and (3) other assets and liabilities.
- The market value of these assets and liabilities were derived using different valuation methodologies such as the Discounted Cash Flows Method of the Income Approach and the Adjusted Book Value Method of the Cost Approach.
- The following are the special assumptions that were used in the valuation of ACEN. These special assumptions relate to transactions that Management is in the process of getting regulatory approvals but have been approved by the Board and/or shareholders of ACEN. These special assumptions are expected to be in place once the Transaction is executed. Our valuation conclusion and fairness opinion is dependent upon the execution / completion of the following transactions:
 - Execution of SRO for 2,267.58 million ACEN shares to be issued at PHP2.37 per share.
 - Subscription of four billion primary shares by Arran Investment Pte Ltd. (GIC Investment)
- For valuation purposes, the total number of common shares of ACEN are 19,960.0 million taking into account the special assumption¹ that ACEN already issued the shares related to the SRO and will issue the shares related to the GIC Investment. Please see the table below:

Number of Shares	in million
Outstanding, December 31, 2020	13,706.96
Stock Rights Offering	2,267.58
GIC Investment	4,000.00
Treasury Shares, December 31, 2020	(14.50)
TOTAL	19,960.04

Source: ACEN Management

¹ IVS 104 Bases of Value Section 200.4 states that “special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as “special” so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date.”

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Valuation Summary

Valuation Results

- Based upon discussions with and representations of management, research conducted, and valuation analyses performed, the consolidated equity value of ACEN using the Sum-of-the-Parts Method is reasonably estimated to be within the range of **PHP101,574.68 million to PHP144,634.98 million** with a share price range of PHP5.09 to PHP7.25 per share.

Summary of Values

In millions of Philippine peso (except for number of shares and per share values)

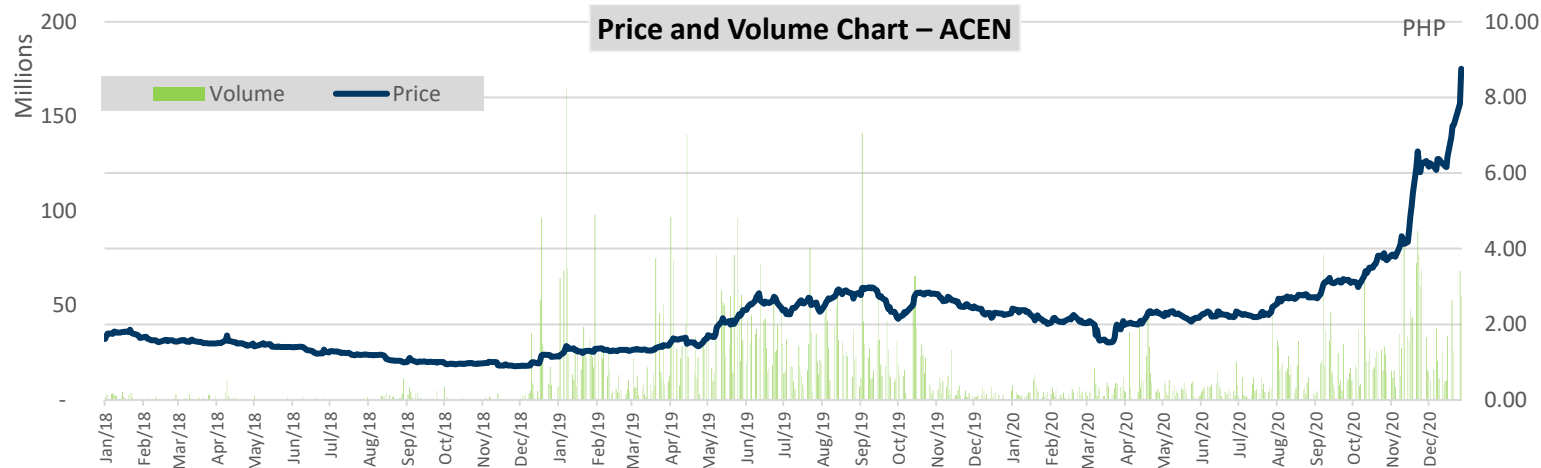
Business Segment	Primary Valuation Method	Equity Value		Section
		Low Estimate	High Estimate	
Operating Assets	DCF	63,414.92	87,252.91	Section A1
Projects Under Construction	DCF	21,937.04	27,902.48	Section A2
Pipeline Assets	DCF	9,089.33	22,346.20	Section A3
Others	Net Book Value	(10,120.77)	(10,120.77)	Section A4
TOTAL		84,320.52	127,380.82	
Add: SRO Proceeds		5,374.17	5,374.17	
Add: GIC Investment		11,880.00	11,880.00	
TOTAL EQUITY VALUE		101,574.68	144,634.98	
Number of Shares	(in millions)	19,960.04	19,960.04	
Value per Share		5.09	7.25	

Source: FTI Consulting Analysis

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Volume Weighted Average Price (VWAP) Analysis

VWAP Analysis



Period	VWAP (PHP)
3-year	2.71
2-year	2.79
1-year	3.92
6-month	4.44
3-month	5.26
2-month	5.97
1-month	6.98
As of 31 Dec 2020	9.00

Source: Refinitiv Eikon

- In comparing with the historical volume weighted average price (VWAP) of ACEN, we determined the value per share prior to considering the impact of the SRO and the GIC Investment.

Business Segment	Primary Valuation Method	Equity Value	
		Low Estimate	High Estimate
Operating Assets	DCF	63,414.92	87,252.91
Projects Under Construction	DCF	21,937.04	27,902.48
Pipeline Assets	DCF	9,089.33	22,346.20
Others	Net Book Value	(10,120.77)	(10,120.77)
TOTAL		84,320.52	127,380.82
Number of Shares		13,692.46	13,692.46
Value per Share		6.16	9.30

- We believe that the stock prices factor in both past and forward-looking information of the company, and that any changes in the price are reflection of that information.
- Our value per share range prior to factoring in the dilutionary effects of the SRO and the GIC Investment of PHP6.16 to PHP9.30 per share is in line with the 2-month VWAP and the closing price as of the Valuation Date.

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Multiples Analysis Reasonableness Check

- As a cross-check, we determined the range of EV-to-EBITDA and Price-Earnings multiples of ACEN's comparable companies and compared it to the multiples implied by our DCF-based valuation. We concluded that the our DCF-based valuation resulted in a range that is within the range provided by the comparable companies.

Implied EV/EBITDA using DCF Amounts in PHP Millions	DCF-based SOTP Low	High
Enterprise value (operating) before parent items	135,643.09	178,747.80
[+] Parent net non-operating Asset (Liabilities) and overhead	4,845.25	4,845.25
[=] Total enterprise value	140,488.34	183,593.05
[÷] EBITDA (normalized)	8,518.34	8,518.34
EV/EBITDA Multiple	16.49	21.55

Source: FTI Consulting Analysis

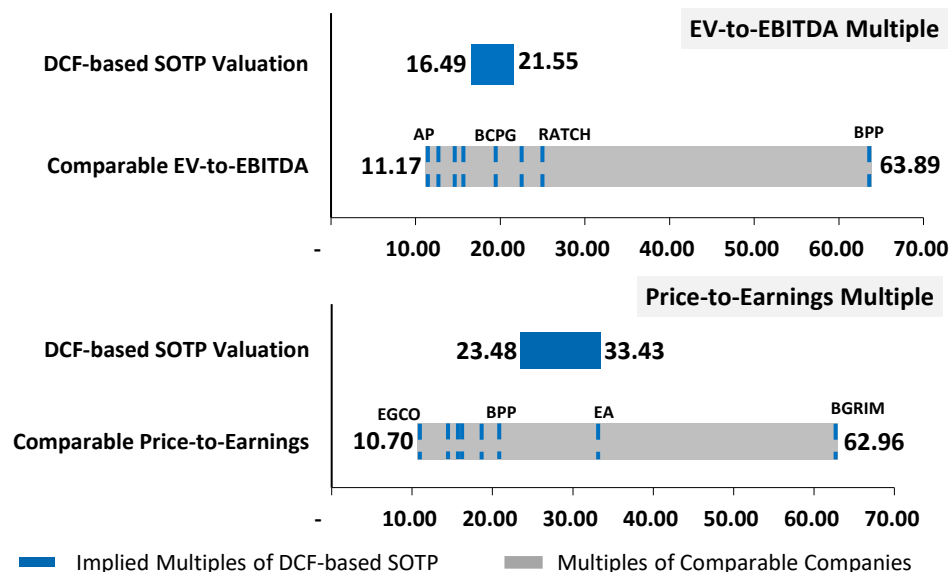
Implied P/E using DCF Amounts in PHP Millions	DCF-based SOTP Low	High
Total equity value	101,574.68	144,634.98
[÷] Net income (normalized)	4,326.72	4,326.72
Price/Earnings Multiple	23.48	33.43

Source: FTI Consulting Analysis

Comparable Companies	Ticker	Country	EV-to-EBITDA	Price-Earnings
Aboitiz Power Corp.	AP.PS	Philippines	11.17	17.97
Ratch Group PCL	RATCH.BK	Thailand	25.30	15.17
Banpu Power PCL	BPP.BK	Thailand	63.89	21.59
Electricity Generating PCL	EGCO.BK	Thailand	15.38	10.70
Super Energy Corporation PCL	SUPER.BK	Thailand	12.89	15.94
BCPG PCL	BCPG.BK	Thailand	19.50	14.06
BGrimm Power PCL	BGRIM.BK	Thailand	14.79	62.96
Energy Absolute PCL	EA.BK	Thailand	23.51	33.52
Minimum			11.17	10.70
Average			23.30	23.99
Median			15.38	15.94
Maximum			63.89	62.96

-Outliers were removed based on the interquartile range of values

Source: Refinitiv Eikon and FTI Consulting Analysis





AC Energy Corporation

Section A1 – Operating Assets

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Section A1 – Operating Assets

- Presented below are the summary details of our valuation analysis for ACEN's operating assets. This section includes a brief overview of the business of, and an explanation of the valuation methodology, assumptions, and results for ACEN's operating assets.

Business Segment	Valuation Method	Equity Value (100%)		Effective Ownership	Equity Value (ACEN Level)	
Amounts in Millions		Low Estimate	High Estimate	%	Low Estimate	High Estimate
Operating Assets						
SLTEC	DCF	16,715.59	29,890.51	100%	16,715.59	29,890.51
Commercial Operations						
Business	DCF	13,444.34	19,756.89	100%	13,444.34	19,746.89
Diesel	DCF					
PB 101	DCF	531.60	642.65	100%	531.60	642.65
CIP II	DCF	372.81	410.88	100%	372.81	410.88
OSPGC	DCF	1,720.23	1,853.93	100%	1,720.23	1,853.93
BPGC	DCF	835.95	889.99	100%	835.95	889.99
MGI	Adj BV/Mkt Approach	3,094.14	3,636.38	25%	773.54	909.09
Enexor	VWAP/Market Cap	2,687.86	2,875.00	76%	2,051.37	2,194.20
Wind						
Guimaras Wind	DCF	4,762.95	4,945.56	100%	4,762.95	4,945.56
North Luzon Renewable	DCF	10,236.24	10,382.97	58%	5,896.94	6,004.25
NorthWind	DCF	3,585.62	3,956.55	68%	2,433.92	2,685.71
Subtotal Forwarded		57,987.33	79,231.32		49,539.23	70,173.67

Valuation Analysis | AC Energy Corporation

Section A1 – Operating Assets

Continued

Business Segment	Valuation Method	Equity Value (100%)		Effective Ownership	Equity Value (ACEN Level)	
Amounts in Millions		Low Estimate	High Estimate	%	Low Estimate	High Estimate
Balance Forwarded		57,987.33	79,231.32		49,539.23	70,173.67
Solar						
SacaSol	DCF	4,374.22	4,385.44	100%	4,374.22	4,385.44
IslaSol	DCF	2,400.92	2,807.35	100%	2,400.92	2,807.35
MonteSol	DCF	1,466.46	1,504.45	100%	1,466.46	1,504.45
Land Lease						
Manapla Sun	DCF	761.51	823.64	36%	276.96	299.56
San Julio Land	DCF	118.78	140.95	100%	118.78	140.95
Solienda, Inc.	DCF	670.09	834.93	100%	670.09	834.93
Bulk Water						
HDP Bulk Water	DCF	123.25	123.25	100%	123.25	123.25
SCC Bulk Water	DCF	217.17	217.17	100%	217.17	217.17
LCC Bulk Water	DCF	267.80	267.80	100%	267.80	267.80
MCV Bulk Water	DCF	274.87	274.87	100%	274.87	274.87
ACE Endeavor	DCF	3,685.17	6,223.46	100%	3,685.17	6,223.46
TOTAL		72,347.57	96,834.64		63,414.92	87,252.91

Source: FTI Consulting Analysis

Valuation Analysis | AC Energy Corporation

Section A1 – South Luzon Thermal Energy Corporation (SLTEC)

Operating Assets

SLTEC

Comm. Ops Business

Diesel

MGI

Enexor

Wind

Solar

Land Lease

Bulk Water

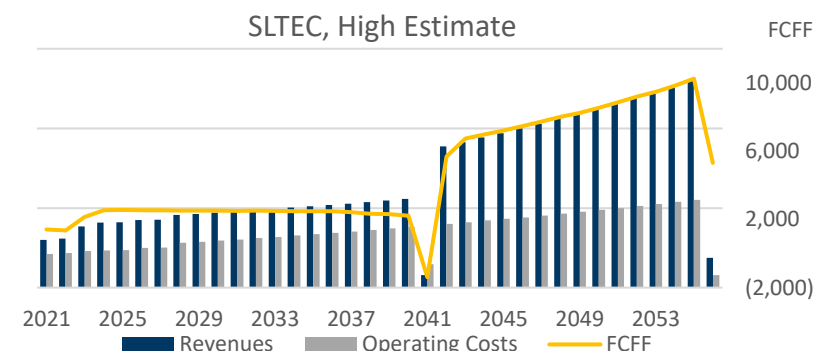
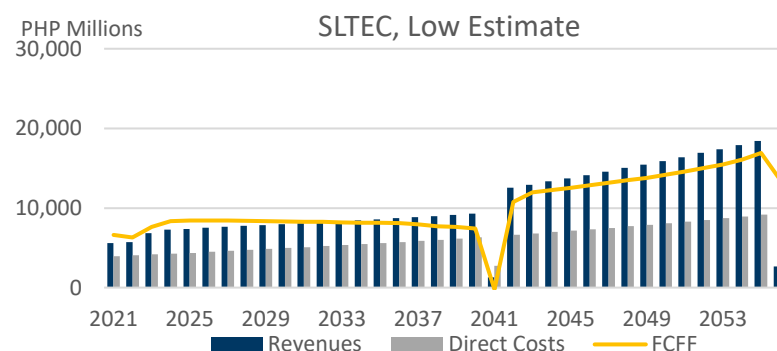
ACE Endeavor, Inc.

Business Overview

South Luzon Thermal Energy Corporation (SLTEC) operates a 244 MW coal-fired power plant in Calaca, Batangas.

The first unit of SLTEC's Circulating Fluidized Bed Coal-fired Power Plant started its commercial operations in 2015, while the second unit commenced operations in 2016. The plant is expected to have a 40-year economic life.

SLTEC was valued within the range of **PHP16,715.59 million** to **PHP29,890.51 million** using the Discounted FCFF method. We applied a 7.59 percent WACC as the discount rate. To arrive at our low and high estimates of value, we sensitized the capacity factor (low case - 82.5 percent, high case - 91.8 percent) and annual CAPEX budget (low est. - PHP500 million, high est. – PHP200 million).



Key Forecast Assumptions

- Revenue is derived mainly from its Administration and Management Agreement (AMA) with ACEN, which extends until early 2041. Thereafter, supply will be sold to WESM until 2056 (end of life). There's a conservative assumption that the full sales to WESM will start in 2042.
- Starting 2021, SLTEC has shifted to 100 percent local coal as inputs to electricity generation. Its cost is based on a discount to forecasted Newcastle Coal prices, which is based on the report of the WESM forecast¹.
- ACEN has improved the availability of the plant since its acquisition of 100 percent of SLTEC in 2019 by enacting a more proactive maintenance program and provision for additional critical spares. Capital expenditure is expected to vary depending on the plant's condition post rehabilitation.
- A tax rate of 30 percent was used for the valuation.

Source: ACEN Management and FTI Consulting Analysis

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	25,396.90	38,571.81
[+] Cash	1,600.08	1,600.08
[-] Debt Value	(10,587.83)	(10,587.83)
[+] Non-operating assets and liabilities (NOAL)	306.45	306.45
TOTAL EQUITY VALUE (100%)	16,715.59	29,890.51

¹Refer to Appendix 6 for more details on the WESM forecast report

Valuation Analysis | AC Energy Corporation

Section A1 – Commercial Operations Business

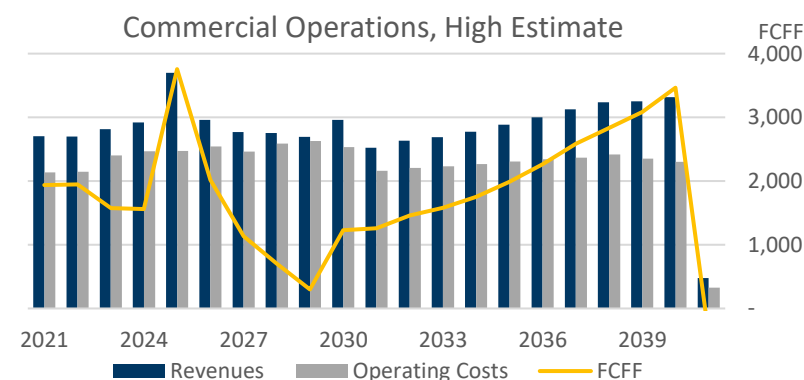
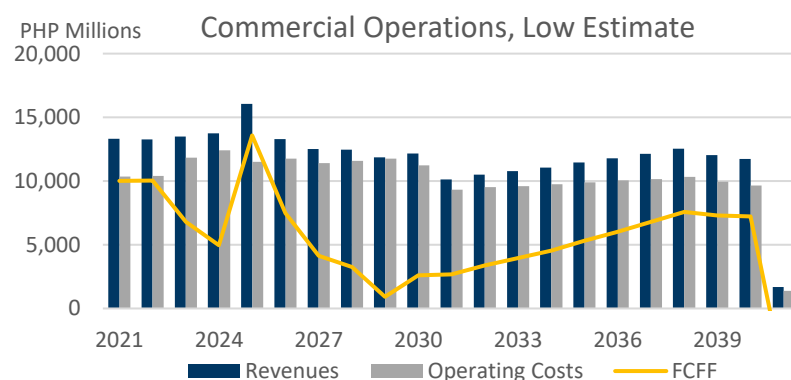
Operating Assets

SLTEC
Commercial Operations
 Diesel
 MGI
 Enxior
 Wind
 Solar
 Land Lease
 Bulk Water
 ACE Endeavor, Inc.

Business Overview

ACEN is a licensed Retail Electricity Supplier and supplies electricity to the contestable market pursuant to the EPIRA. It also sells wholesale electricity to contracted customers such as Meralco. Excess supply after fulfilling contracts is sold through WESM.

ACEN's Comm. Ops business was valued within the range of **PHP13,444.34 million** to **PHP19,746.89 million** using the Discounted FCFF method. We applied a 7.12 percent WACC as the discount rate. To arrive at our low/high estimates of value, we used the low and high WESM scenarios¹ as well as SLTEC's capacity factor to ACEN (low est. – 82.5 percent, high est. – 91.8 percent)



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Revenues are derived from contracted demand and WESM sales. As of December 31, 2020, ACEN has secured contracts across multiple customers including the 200MW Baseload Contract and 110MW Mid-Merit Contract with Meralco. There is an assumption that existing contracts will not be renewed upon expiry and that Commercial Operations will continue to sell through WESM.
- Excess supply is sold through WESM. WESM prices were assumed to have 25 percent premium over forecasted WESM LWAP for peak hours and 25 percent discount for non-peak hours, which is in line with recent data published by the Philippine Electricity Market Corporation (PEMC).
- Power supply is mostly sourced from SLTEC, from other ACEN-affiliated plants such as Maibarara Geothermal, Inc. and IslaSol, as well as third-party suppliers. Lower cost of power is expected based on cheaper coal prices assumed by SLTEC. This cost is passed on to Commercial Operations as part of its Administration and Management Agreement which expires in 2041.
- A tax rate of 30 percent was used for the valuation.

Valuation Summary

In PHP Millions	Low Est.	High Est.
TOTAL EQUITY VALUE (100%)	13,444.34	19,746.89

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A1 – Diesel Assets

Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Expected End of Life	Year
PB 101	2027
CIP II	2028
OSPGC	2030
BPGC	2027

ACEN's diesel assets were valued within the range of **PHP3,460.58 million to PHP3,797.46 million** using the Discounted FCF method. We applied a 6.68 percent WACC as the discount rate. To arrive at our low and high estimates of value, the proportion of energy produced that is sold to WESM over the forecast period was sensitized based on ACEN Management's assumptions.

Business Overview

- ACEN has investments in different diesel assets as follows:
 - Power Barge 101 (PB101), which has total installed capacity of 32MW.
 - CIP II Power Corporation (CIPP) which operates a bunker C-fired power plant in La Union, Philippines with a total installed capacity of 21MW.
 - One Subic Power Generation Corporation (OSPGC) which operates a diesel power plant in Subic, Olongapo City, Philippines with a total installed capacity of 116MW
 - Bulacan Power Generation Corporation (BPGC) which operates a bunker C-fuel power plant in Bulacan, Philippines with total installed capacity of 52MW.

Key Forecast Assumptions

- Diesel assets are mainly driven by sales from ancillary services procurement agreement (ASPA) and WESM.
- For all diesel assets, nominated capacity to ASPA is expected to be maximized. For our analysis, we used 80 percent of plant availability to be nominated to ASPA, which is in line with Management's expectations.

Key Forecast Assumptions (cont'd)

- Historical bid/offer rates for non-firm dispatchable reserves have a ceiling of PHP1.25/kwh based on current ASPA contracts with diesel entities.
 - Capacity factors to WESM for the diesel assets were assumed to be within high single digits to low double digits. The diesel assets use "BFO WESM" rates which assume premiums against WESM LWAP.
 - Fuel costs cover the majority of diesel entities' expense. Fuel costs were based on forecasted Singapore Fuel Oil prices provided by WESM market consultant Robinson Bowmaker Paul.
 - A tax rate of 30 percent was used for the valuation
- i. PB101
- The proportion of energy produced that is sold to WESM for PB101 was assumed at 0 percent for the low case. For the high case, it was assumed to be within a low single digit for 2020 to 2021 and a low double digit thereafter.

Valuation Analysis | AC Energy Corporation

Section A1 – Diesel Assets

Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Expected End of Life	Year
PB 101	2027
CIP II	2028
OSPGC	2030
BPGC	2027

ACEN's diesel assets were valued within the range of **PHP3,460.58 million** to **PHP3,797.46 million** using the Discounted FCF method. We applied a 6.68 percent WACC as the discount rate. To arrive at our low and high estimates of value, the proportion of energy produced that is sold to WESM over the forecast period was sensitized based on ACEN Management's assumptions.

Key Forecast Assumptions (cont'd)

ii. CIP II

- The proportion of energy produced that is sold to WESM was assumed at 5.9 percent for the low case. For the high case, it was assumed at 11.9 percent over the forecast period.

iii. OSPGC

- The proportion of energy produced that is sold to WESM was assumed at 3.9 percent for the low case. For the high case, it was assumed at 7.8 percent over the forecast period.

iv. BPGC

- The proportion of energy produced that is sold to WESM was assumed at 4.7 percent for the low case. For the high case, it was assumed at 9.3 percent over the forecast period.
- Please see Appendix 6 for discussion on the WESM forecast.

Valuation Summary

In PHP Millions	Low Est.	High Est.
PB101		
Equity Value	531.60	642.65
CIP II		
Enterprise Value	287.41	325.49
[+] Cash	69.05	69.05
[+] NOAL	16.35	16.35
Equity Value	372.81	410.88
OSPGC		
Enterprise Value	2,689.44	2,823.14
[+] Cash	63.15	63.15
[-] Debt	(396.87)	(396.87)
[-] NOAL	(635.48)	(635.48)
Equity Value	1,720.23	1,853.93
BPGC		
Enterprise Value	567.89	621.94
[+] Cash	204.42	204.42
[+] NOAL	63.64	63.64
Equity Value	835.95	889.99
TOTAL EQUITY VALUE (100%)	3,460.58	3,797.46

Valuation Analysis | AC Energy Corporation

Section A1 – Maibarara Geothermal, Inc. (MGI)

Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

MGI owns and operates the Maibarara Geothermal Power Project (MGPP) located in Sto. Tomas, Batangas, Philippines. The project has been in operations since 2014. MGPP has total capacity of 32 MW.

Current ownership structure of MGI is as follows: 65 percent PetroGreen Energy Corporation, 25 percent ACEN, and 10 percent PNOC Renewables Corporation.

MGI was valued within the range of **PHP773.54 million** to **PHP909.09 million** at ACEN's 25 percent stake. The low and high valuation estimates were determined using the Adjusted Book Value and Comparable Public Companies method, respectively.

Valuation of MGI

- MGI was valued using both cost and market approaches to valuation.
 - Adjusted Book Value Method under Cost Approach entails adjusting the assets and liabilities of MGI to fair value, and subsequently determining MGI's adjusted net asset value.
 - Comparable Public Companies Method under Market Approach involves identification of public companies that are reasonably comparable to MGI, and analysis of the valuation indications the multiples of comparable companies imply when applied to MGI.
- Income approach was not considered given that ACEN has no management control over the business. ACEN does not have access to MGI management's long-term financial forecast, which is required under the Income Approach.

A. Adjusted Book Value Method

- Presented below is MGI's net asset values as of December 31, 2020

In PHP Millions	Book Value	Fair Value
ASSETS		
Cash and cash equivalents	573.17	573.17
Restricted cash	381.26	381.26
Receivables	133.19	133.19
Other current assets	113.97	113.97
PPE ^[1]	4,561.81	4,561.81
Other non-current assets	145.69	145.69
Total Assets	5,909.09	5,909.09
LIABILITIES		
Accounts payable	264.79	264.79
Lease liability	2.76	2.76
Loans payable ^[2]	2,650.88	2,513.05
Asset retirement obligation	25.76	25.76
Accrued retirement liability	8.59	8.59
Total Liabilities	2,952.79	2,814.95
NET ASSETS	2,956.30	3,094.14
NET ASSETS (ACEN Level)		773.54

⁽¹⁾ The appraisal report for PPE was not available for purposes of the valuation exercise.

⁽²⁾ Fair value was computed by calculating the total of the present values of the fixed component of the loan from the date of repricing to the Valuation Date, and the floating component from the maturity date to the Valuation Date using the market rate as of Valuation Date.

Valuation Analysis | AC Energy Corporation

Section A1 – Maibarara Geothermal, Inc. (MGI)

Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

MGI owns and operates the Maibarara Geothermal Power Project (MGPP) located in Sto. Tomas, Batangas, Philippines. The project has been in operations since 2014. MGPP has total capacity of 32 MW.

Current ownership structure of MGI is as follows: 65 percent PetroGreen Energy Corporation, 25 percent ACEN, and 10 percent PNOG Renewables Corporation.

MGI was valued within the range of **PHP773.54 million** to **PHP909.09 million** at ACEN's 25 percent stake. The low and high valuation estimates were determined using the Adjusted Book Value and Comparable Public Companies method, respectively.

B. Comparable Public Companies Method

- We researched comparable companies classified under Global Industry Classification Standards (GICS) as "Independent Power and Renewable Electricity Producers". From the list, we selected companies that have a geothermal portfolio in Southeast Asian countries.
- From the analysis of the comparable companies, we gathered their Enterprise Value/EBITDA (EV/EBITDA) and Price/Earnings (P/E) multiples. These multiples were considered given that these are the more common multiples used for capital-intensive businesses such as MGI. The table below shows the comparable companies and multiples that were considered in our valuation.

Comparable Companies	Country	Portfolio Size	EV/EBITDA	P/E
Aboitiz Power Corporation	Philippines	682.8 MW	11.17	17.97
First Gen Corporation	Philippines	1,168.8 MW	4.65	8.47
BCPG PCL	Thailand	182 MW	19.50	14.06
PetroEnergy Resources Corp	Philippines	32 MW	6.31	8.81
Median			8.74	10.41
Average			11.44	12.33

- The median and average multiples were applied to the EBITDA and earnings of MGI as of the Valuation Date to get an estimated range of enterprise values. These are then adjusted for net debt and non-operating assets and liabilities to arrive at the range of equity values.

- Given that MGI is not publicly listed as compared to its comparable companies, it is more difficult to trade the company's shares in the market. Higher friction costs associated with the sale of the shares (e.g. selling costs, taxes, etc.) is also expected. As such, an illiquidity discount of 15 percent was further applied in our valuation. We then took the average of the equity values derived from the multiples analysis to arrive at the final equity value of MGI.

In PHP Millions	EV/EBITDA	P/E
MGI's financial metric as of 31 Dec 2020	731.12	287.43
MGI's net debt as of 31 Dec 2020	(2,040.48)	-
MGI's NOAL as of 31 Dec 2020	111.34	111.34
Illiquidity Discount	15.0%	15.0%
Implied Equity Value, post-discount (using Median multiples)	3,757.27	2,888.82
Implied Equity Value, post-discount (using Average multiples)	4,792.69	3,106.73
Average of Implied Equity Values (100%)		3,636.38
Equity Values (ACEN Level)		909.09

Valuation Summary

In PHP Millions	Low Est.	High Est.
TOTAL EQUITY VALUE (100%)	3,094.14	3,636.38
TOTAL EQUITY VALUE (ACEN Level)	773.54	909.09

Valuation Analysis | AC Energy Corporation

Section A1 – ACE Enexor, Inc. (Enexor)

Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

ACE Enexor is an investor in various consortia engaged in petroleum exploration, development and production. ACE Enexor has a stake in SC 55 which is held through Palawan55 Exploration & Production Corporation, an upstream oil and gas company. ACE Enexor owns 69.35 percent of Palawan55, while the remaining 30.65 percent is owned by ACEN. The SC 55 project is a deep-water block in the middle of a proven regional oil and gas fairway (Borneo offshore region to the offshore Philippine region NW of Palawan).

ACE Enexor was valued within the range of **PHP2,051.37 million** to **PHP2,194.20 million** at ACEN's 76 percent stake. For the low estimate, we used 1-month VWAP analysis, while the market capitalization as of the Valuation Date was used for the high estimate.

Valuation of ACE Enexor

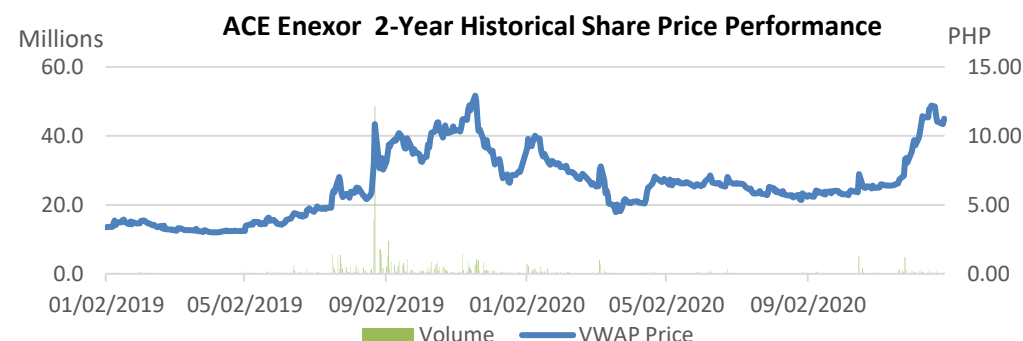
- ACE Enexor was valued using the Volume Weighted Average Price (VWAP) analysis and its market capitalization.
- VWAP analysis was considered given that there were limitations in using other valuation methodologies, such as income and market approaches. Limitations include the following: (1) there is no readily available financial forecast; (2) ACE Enexor has not started commercial operations. As such, financial metrics such as EBITDA, EBIT, and earnings would reflect negative balances; and (3) finding comparable publicly listed companies is challenging for extraction industries because of differences in location, accessibility, extraction costs, quality and status of reserves, and quality of equipment used in operations. These factors typically require transaction data to be adjusted as mentioned in IVSC's discussion paper on valuations in Extraction Industries.

VWAP/Market Cap Analysis

- The VWAP of ACE Enexor in the past two (2) years are as follows:

Period	VWAP (PHP)
Market price as of Dec. 31, 2020	11.50
1-month	10.75
3-month	8.41
6-month	7.96
12-month	7.86

- We note that the changes in VWAP may be affected by different factors including key milestones of the company's projects and market conditions. 1-month VWAP was considered given that a closer VWAP to the Valuation Date would better reflect prevailing market conditions and sentiment, and recent disclosures by ACE Enexor management on initiatives being undertaken to further develop their project. Using older VWAPs may be less relevant and applicable.
- The resulting 1-month VWAP and share price as of Dec. 31, 2020 was multiplied by ACE Enexor's total outstanding shares as of Valuation Date of 250,000,001, to arrive at the low and high estimates of value.



Valuation Summary

In PHP Millions	Low Est.	High Est.
TOTAL EQUITY VALUE (100%)	2,687.86	2,875.00
TOTAL EQUITY VALUE (ACEN Level)	2,051.37	2,194.20

Valuation Analysis | AC Energy Corporation

Section A1 – Guimaras Wind Corporation (Guimaras Wind)

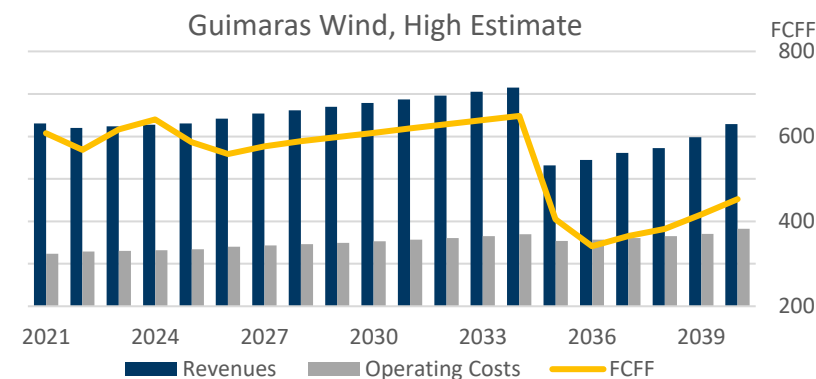
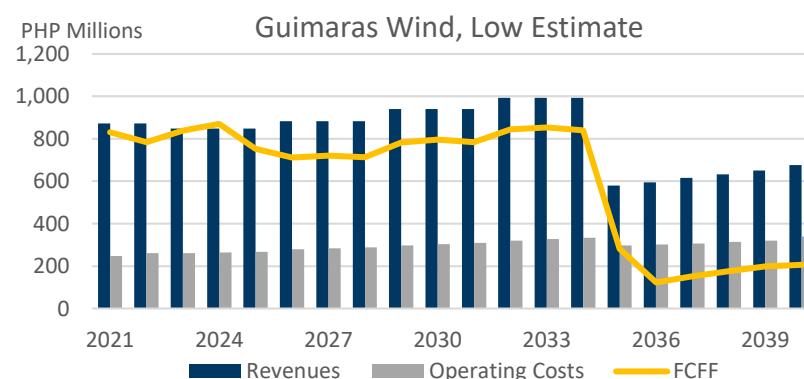
Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

Guimaras Wind Corporation (formerly PHINMA Renewable Energy Corporation) operates the 54 MW San Lorenzo Wind Power project in Guimaras, Philippines and is entitled to the Feed-in-Tariff (FIT) program until 2034.

Guimaras Wind was valued within the range of **PHP4,762.95 million** to **PHP4,945.56 million** using the Discounted FCFF method. We applied an 8.78 percent WACC as our discount rate. To arrive at our low and high estimates of value, we sensitized the frequency of escalation for the FIT rate (low est. – every 3 years, high est. – every year), as well as the low and high WESM scenarios¹.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Revenues are sourced from the 54 MW Guimaras Wind project, which is entitled to FIT until 2034. The plant is expected to sell to WESM from the expiration of the FIT program until 2040.
- The plant has an average net capacity factor of 22.4 percent.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Per R.A. No. 9513., renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years.

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	5,334.86	5,514.52
[+] Cash	276.26	276.26
[-] Debt Value	(1,415.27)	(1,415.27)
[+] NOAL	567.10	567.10
TOTAL EQUITY VALUE (100%)	4,762.95	4,945.56

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A1 – North Luzon Renewable Energy Corporation (NLREC)

Operating Assets

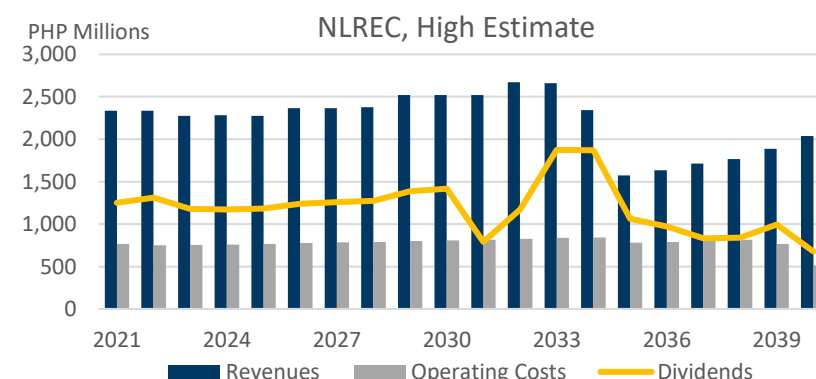
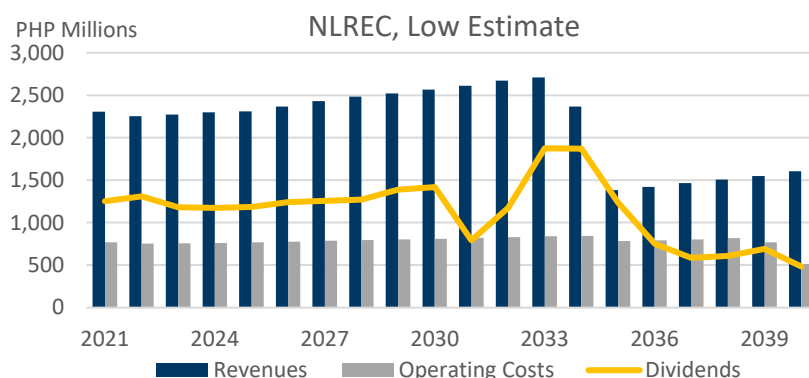
SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

North Luzon Renewable Energy Corporation (NLREC) owns and operates the 81 MW Caparisipan Wind Energy Project located in Pagudpud, Ilocos Norte.

The wind farm is comprised of 27 wind turbines with an individual capacity of 3 MW each and is entitled to the Feed-in-Tariff (FIT) program until 2034.

NLREC was valued within the range of **PHP5,896.94 million** to **PHP6,004.25 million** using the Discounted Dividend method. We applied a 10.91 percent cost of equity as our discount rate. To arrive at our low and high estimates of value, we sensitized the frequency of escalation for the FIT rate (low estimate – every 3 years, high estimate – every year), as well as the low and high WESM scenarios¹.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Revenues are sourced from the 81 MW North Luzon Renewables project, which is entitled to FIT until 2034. The plant is expected to sell to WESM from the expiration of the FIT program until 2040.
- The plant has an average net capacity factor of 33.3 percent.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Per R.A. No. 9513., renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years.

Valuation Summary

In PHP Millions	Low Est.	High Est.
TOTAL EQUITY VALUE (100%)	10,236.24	10,382.97
TOTAL EQUITY VALUE (ACEN Level)	5,896.94	6,004.25

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A1 – NorthWind Power Development Corporation (NorthWind)

Operating Assets

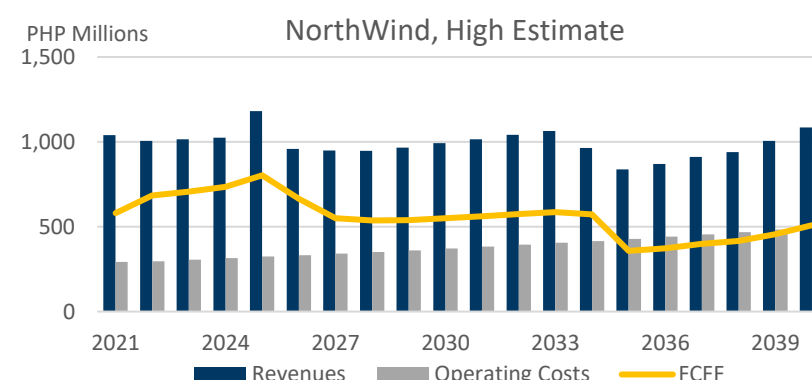
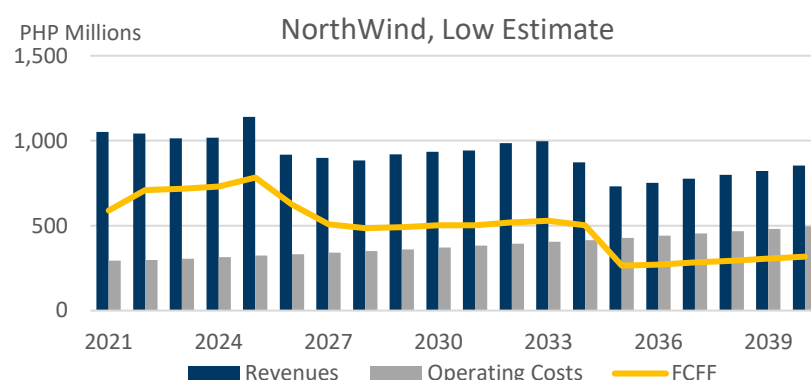
SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

NorthWind revenues are mainly derived from two projects:

1. Phase I & II (20 wind turbines with 33 MW) with FIT term until 2025 and revenues from WESM from 2026F to 2030F; and,
2. Phase III (six (6) turbines with 18.9 MW) with FIT term until 2034 and revenues from WESM from 2035F to 2039F.

NorthWind was valued within the range of **PHP2,433.92 million** to **PHP2,685.71 million** using the Discounted FCFF method. We applied an 8.78 percent WACC as our discount rate. To arrive at our low and high estimates of value, we sensitized the frequency of escalation for the FIT rate (low estimate – every 3 years, high estimate – every year), as well as the low and high WESM scenarios¹.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Revenues are sourced from the 51.9MW wind farm in Bangui, Ilocos Norte.
- Phase I and II plant have an average net capacity factor of 26.5 percent while Phase III has an average net capacity factor of 31.8 percent.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Per R.A. No. 9513., renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years.

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	5,427.00	5,797.92
[+] Cash	240.00	240.00
[-] Debt Value	(2,217.75)	(2,217.75)
[+] NOAL	283.88	283.88
[-] Preferred Equity	(147.51)	(147.51)
TOTAL EQUITY VALUE (100%)	3,585.62	3,956.55
TOTAL EQUITY VALUE (ACEN Level)	2,433.92	2,685.71

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A1 – San Carlos Solar Energy (SacaSol)

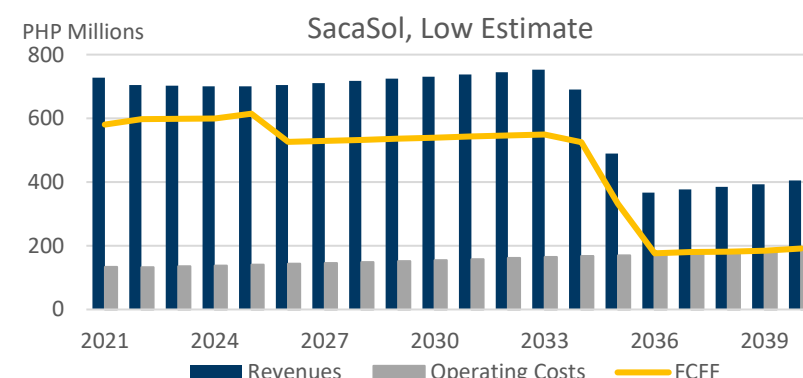
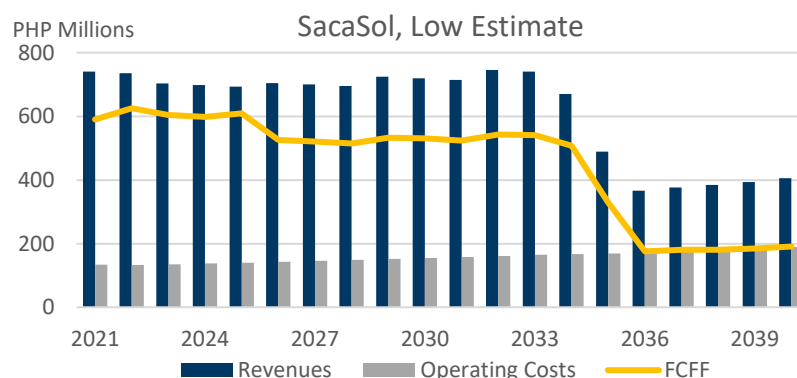
Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

San Carlos Solar Energy (SacaSol) solar farm is the country's first utility-scale solar farm. The solar farm is located on a collective 70-hectare property within the San Carlos Ecozone, San Carlos City, Negros Occidental, Philippines. It currently operates at a capacity of 45 MWdc.

SacaSol was valued within the range of **PHP4,374.22 million** to **PHP4,385.44 million** using the Discounted FCFF method. We applied a 7.79 percent WACC as our discount rate. To arrive at our low and high estimates of value, we sensitized the frequency of escalation for the FIT rate (low estimate – every 3 years, high estimate – every year), as well as the low and high WESM scenarios¹.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- SacaSol was developed in phases: Phase IAB with 22MWdc, and Phase ICD with 23MWdc.
- Phase IAB and Phase ICD, with capacity factor of 16.3 percent, are entitled to FIT until 2034 while Phase ICD, with capacity factor of 16.6 percent (subject to degradation), are entitled to FIT until 2035. The plant is expected to sell to WESM from the expiration of the FIT program.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Per R.A. No. 9513, renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years.

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	5,247.07	5,258.29
[+] Cash	115.26	115.26
[-] NOAL	(988.10)	(988.10)
TOTAL EQUITY VALUE (100%)	4,374.22	4,385.44

Valuation Analysis | AC Energy Corporation

Section A1 – Monte Solar Energy Inc. (MonteSol)

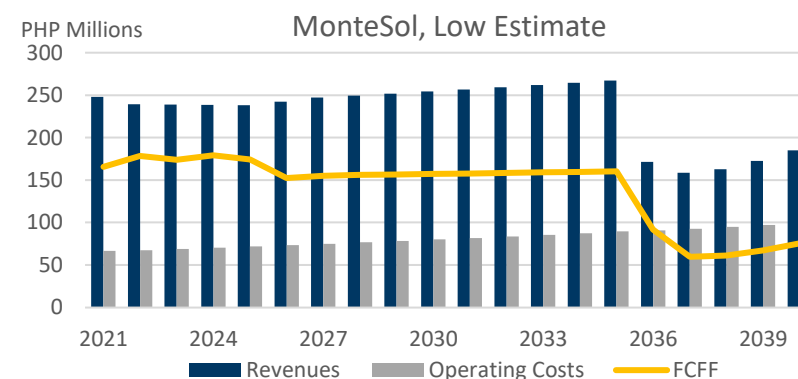
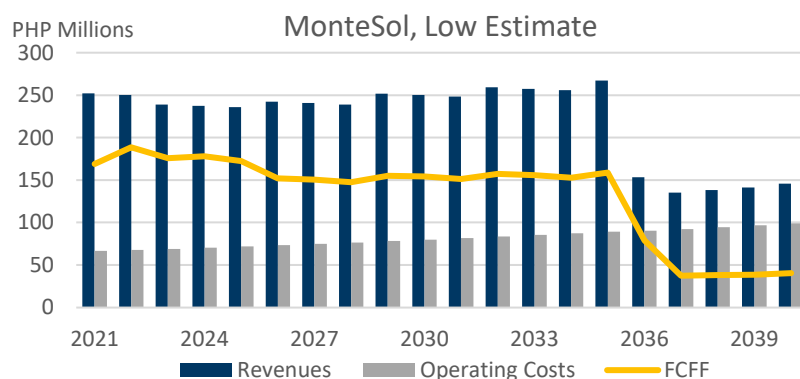
Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

Monte Solar Energy Inc. owns and operates an 18 MWdc solar power farm located in Bais City, Negros Oriental. The solar farm started full commercial operations in February 2016 and serves the rapidly growing daytime power requirements of Bais, Dumaguete, and Cebu.

MonteSol was valued within the range of **PHP1,466.46 million** to **PHP1,504.45 million** using the Discounted FCFF method. We applied a 7.79 percent WACC as our discount rate. To arrive at our low and high estimates of value, we sensitized the frequency of escalation for the FIT rate (low estimate – every 3 years, high estimate – every year), as well as the low and high WESM scenarios¹.



Key Forecast Assumptions

- Revenues are sourced from the 18 MWdc solar power farm, which is entitled to FIT until 2036. The plant is expected to sell to WESM from the expiration of the FIT program until 2040.
- The plant has an average net capacity factor of 14.8 percent, subject to degradation.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Per R.A. No. 9513, renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years.

Source: ACEN Management and FTI Consulting Analysis

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	1,541.50	1,579.49
[+] Cash	64.26	64.26
[-] NOAL	(139.30)	(139.30)
TOTAL EQUITY VALUE (100%)	1,466.46	1,504.45

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A1 – Negros Island Solar Power Inc. (IslaSol)

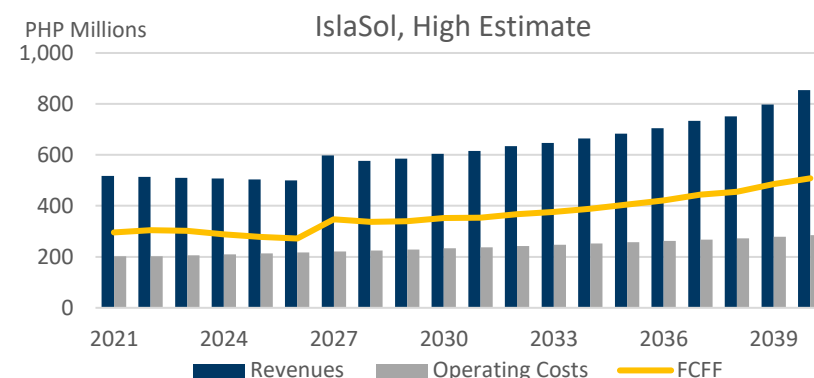
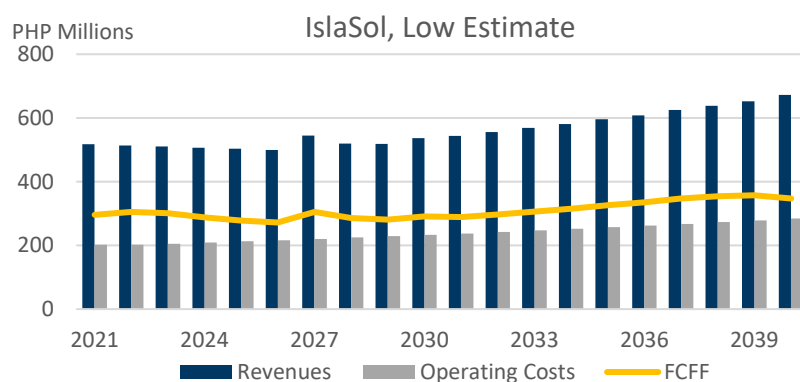
Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

IslaSol, located in La Carlota City and Manapla, Negros Occidental, has a total capacity of 80 MWdc. The plant is divided into Plant II and Plant III.

IslaSol was valued within the range of **PHP2,400.92 million** to **PHP2,807.35 million** using the Discounted FCFF method. We applied a 7.79 percent WACC as our discount rate. To arrive at our low and high estimates of value, we used the low and high WESM scenarios¹



Key Forecast Assumptions

- Revenues are sourced from the 80 MWdc solar power farm, which has a PSA contract with ACEN under its Commercial Operations until 2026. The plant is expected to sell to WESM from the expiration of the PSA contract until 2040.
- The project is split between Phases IIAB and III with each phase having an average net capacity factor of 16.0 percent and 16.7 percent, respectively, subject to degradation.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Per R.A. No. 9513, renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years.

Source: ACEN Management and FTI Consulting Analysis

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	3,119.43	3,525.87
[+] Cash	695.73	695.73
[-] NOAL	(1,414.24)	(1,414.24)
TOTAL EQUITY VALUE (100%)	2,400.92	2,807.35

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A1 – Land Lease Assets

Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

Manapla Sun owns the land with an area of 638,193sq.m that is leased to Negros Island Solar Power Inc.

San Julio Land has a share in the cash flow from lease agreements with Negros Island Solar Power Inc. and South Negros Biopower Inc.

Solienda Inc. has partial share in the economic rights of four lease contracts: SACASOL A&B (50 percent), SACASOL C&D (50 percent), San Carlos Sun Power, Inc. (SACASUN) (45 percent), and SCBP (50 percent).

ACEN's land lease assets were valued within the range of **PHP1,065.84 million** to **PHP1,275.44 million** using the Discounted FCFE method. We applied a 11.14 percent cost of equity as the discount rate.

Key Forecast Assumptions

- Lease revenues are based on the contracts and is expected to increase by inflation for Manapla Sun and Solienda, and 10 percent every 5 years for San Julio.
- Operating costs are mostly general and administrative expenses.
- The lease contracts have an initial term of 25 years. For the high estimate value, the lease term was extended for another 25 years.
- The land leasing entities use Optional Standard Deduction of 40 percent to determine taxable income which is subject to the regular 30 percent corporate income tax rate.
- For the value of Manapla Sun Power Development Corporation's land, we relied on the appraisal report prepared by Asian Appraisal. The estimated land value of Manapla Sun is included in the cash flows after the contract period.

Valuation Summary

In PHP Millions	Low Est.	High Est.
Manapla Sun Power Development Corp.		
Enterprise Value	756.25	818.38
[+] Cash	4.93	4.93
[+] NOAL	0.33	0.33
Equity Value (at 100%)	761.51	823.64
Equity Value (ACEN Level)	276.96	299.56
San Julio Land Development Corp.		
Enterprise Value	106.81	128.98
[+] Cash	13.37	13.37
[-] NOAL	(1.39)	(1.39)
Equity Value	118.78	140.95
Solienda Inc.		
Enterprise Value	658.91	823.75
[+] Cash	4.49	4.49
[+] NOAL	6.69	6.69
Equity Value	670.09	834.93
TOTAL EQUITY VALUE (ACEN Level)	1,065.84	1,275.44

Valuation Analysis | AC Energy Corporation

Section A1 – Bulk Water

Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

The companies under ACE Endeavor's Bulk Water portfolio include the following: (1) HDP Bulk Water Supply, Inc.; (2) SCC Bulk Water Supply, Inc.; (3) LCC Bulk Water Supply, Inc.; and (4) MCV Bulk Water Supply, Inc. (collectively, the Bulk Water Companies).

The Bulk Water Companies are primarily engaged in the business of extracting, generation, supply, and distribution of water.

ACEN's bulk water assets were valued at **PHP883.09 million** using the Discounted FCFF method. We applied a 9.29 percent WACC as the discount rate. These four bulk water companies are contracted to exclusively support ACEN's biomass projects.

Key Forecast Assumptions

- The Bulk Water Companies are contracted to operate for 25 years and exclusively support a specific biomass project.
- The Bulk Water Companies use Optional Standard Deduction of 40 percent to determine taxable income which is subject to the regular 30 percent corporate income tax rate.
- HDP started its operations in February 2007. Its contract will expire on January 31, 2032.
- SCC and LCC Bulk water started supplying water to its biopower plant clients starting 1Q 2019 and 3Q 2019, respectively. Full operations are expected when their respective biopower clients goes into commercial operations targeted in 2021. MCV is also expected to go into operations along with NNBP by 2021.
- The biomass partners being supported by the Bulk Water companies are as follows:

Entity	Biomass Partner
HDP Bulk Water Supply, Inc.	San Carlos BioEnergy
SCC Bulk Water Supply, Inc. ^[1]	San Carlos BioPower
LCC Bulk Water Supply, Inc. ^[1]	South Negros BioPower
MCV Bulk Water Supply, Inc. ^[1]	North Negros BioPower

^[1] These three companies support the three biomass companies owned by Negros Island Biomass Holdings.

Valuation Summary

In PHP Millions	Low Est.	High Est.
HDP Bulk Water Supply, Inc.		
Enterprise Value	120.25	120.25
[+] Cash	2.99	2.99
Equity Value	123.25	123.25
SCC Bulk Water Supply, Inc.		
Enterprise Value	214.74	214.74
[+] Cash	2.43	2.43
Equity Value	217.17	217.17
LCC Bulk Water Supply, Inc.		
Enterprise Value	276.41	276.41
[+] Cash	0.07	0.07
[-] NOAL	(8.67)	(8.67)
Equity Value	267.80	267.80
MCV Bulk Water Supply, Inc.		
Enterprise Value	276.41	276.41
[+] Cash	7.87	7.87
[-] NOAL	(9.41)	(9.41)
Equity Value	274.87	274.87
TOTAL EQUITY VALUE (100%)	883.09	883.09

Valuation Analysis | AC Energy Corporation

Section A1 – ACE Endeavor, Inc. (Project Development)

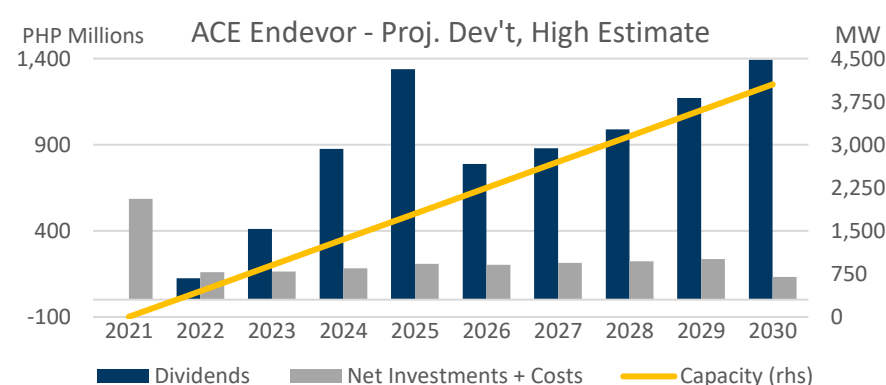
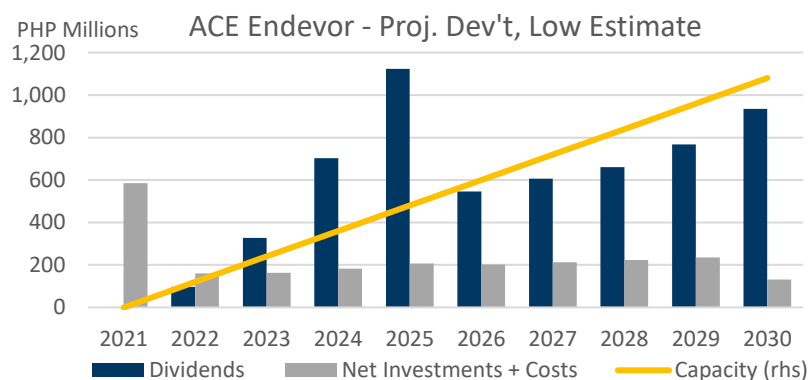
Operating Assets

SLTEC
Commercial Operations
Diesel
MGI
Enexor
Wind
Solar
Land Lease
Bulk Water
ACE Endeavor, Inc.

Business Overview

ACE Endeavor, Inc.'s core business is to develop renewable energy projects. It will receive an equity carry² for projects that it develops. Its main revenues will come from dividends from these projects.

The project development business of ACE Endeavor, Inc. (ACE Endeavor) was valued within the range of **PHP3,685.17 million to PHP6,223.46 million** using the Discounted FCFE method. We applied a 13.28 percent cost of equity as our discount rate. To arrive at our low and high estimates of value, we used the low and high WESM scenarios¹ and the EBITDA margins of the expected projects.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- ACE Endeavor, Inc. will receive 5 percent equity carry² from the projects that it develops. Revenues are derived from the dividends from these projects. Revenues of the underlying projects are based on the forecasted WESM rates.
- ACEN targets to develop 5,000 MW capacity by 2025 and ACE Endeavor is the company that is developing all of the onshore development of ACEN. ACEN will finance most of these projects through various equity fund raising activities such as the SRO, GIC Transaction, follow-on offering and external debt such as the green bonds and bank financing.
- Sensitivity was applied on the EBITDA margins of the underlying renewable energy projects (+10-15% on the high case).
- Corporate head office overhead starting at PHP153.9 million is assumed to grow at the expected inflation rate.
- A terminal value at the end of the forecast period was factored in using the long-term inflation rate.

Valuation Summary

In PHP Millions	Low Est.	High Est.
TOTAL EQUITY VALUE (100%)	3,685.17	6,223.46

¹Refer to Appendix 6 for more details on the WESM assumptions

²Equity carry is a share in economic rights in a project company given to a shareholder in consideration for development work in the project company.



AC Energy Corporation

Section A2 – Projects Under Construction

Valuation Analysis | AC Energy Corporation

Section A2 – Projects Under Construction

- Presented below are the summary details of our valuation analysis for ACEN's projects under construction. This section includes a brief overview of the business of, and an explanation of the valuation methodology, assumptions, and results for ACEN's projects under construction.

Business Segment	Valuation Method	Equity Value (100%)		Effective Ownership	Equity Value (ACEN Level)	
Amounts in Millions		Low Estimate	High Estimate	%	Low Estimate	High Estimate
Projects Under Construction						
Bayog Wind	DCF	11,379.11	15,198.65	80%	9,103.28	12,158.92
Ingrid Peaking Plant	DCF	4,735.35	5,216.50	100%	4,735.35	5,216.50
Alaminos Solar	DCF	4,153.78	5,472.82	100%	4,153.78	5,472.82
Palauig Solar	DCF	1,732.96	2,370.09	100%	1,732.96	2,370.09
Arayat Solar	DCF	1,918.60	2,635.15	50%	959.30	1,317.58
Alaminos Battery	DCF	1,416.73	1,513.64	100%	1,416.73	1,513.64
Bataan Solar	DCF	(164.38)	(147.06)	100%	(164.38)	(147.06)
TOTAL		25,172.16	32,259.79		21,937.04	27,902.48

Source: FTI Consulting Analysis

Valuation Analysis | AC Energy Corporation

Section A2 – Bayog Wind Power Corporation (Bayog Wind)

Under Construction

Bayog Wind

Ingrid Peaking Plant

Alaminos Solar

Palauig Solar

Arayat Solar

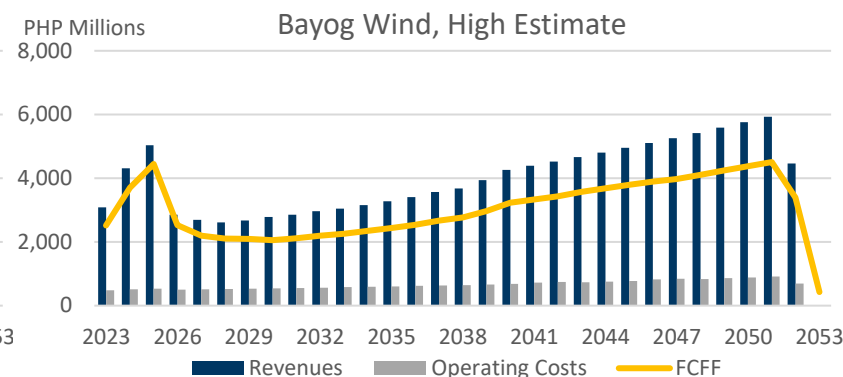
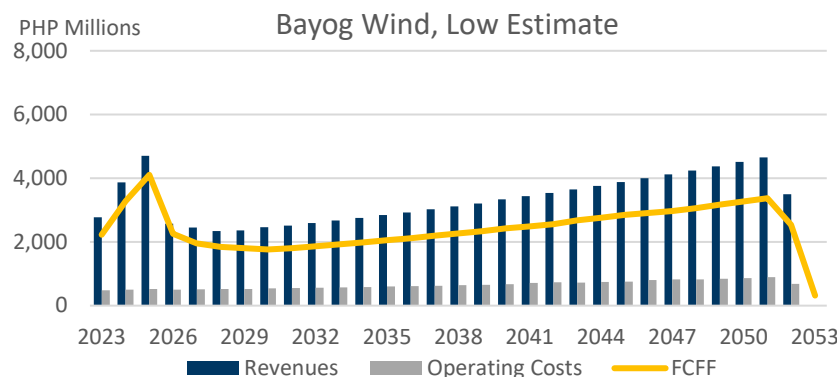
Alaminos Battery

Bataan Solar

Business Overview

Bayog Wind Power Corporation (Bayog Wind), located in Balaoi and Caunayan, Ilocos Norte, is projected to have a 30-year plant life. The wind farm is expected to run 31 turbines having a capacity of 5 MW each.

Bayog Wind was valued within the range of **PHP9,103.28 million** to **PHP12,158.92 million** using the Discounted FCFF method. We applied a 9.35 percent WACC as our discount rate. To arrive at our low and high estimates of value, we used the low and high WESM scenarios¹.



Key Forecast Assumptions

- Revenue will be driven by WESM. The 155 MW wind farm is expected to be operating in 2022.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- CAPEX amounting to PHP10.5 billion is expected to be incurred in the next two years to complete the construction.
- Per R.A. No. 9513, renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years.

Source: ACEN Management and FTI Consulting Analysis

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	11,793.98	15,613.53
[+] Cash	2.59	2.59
[-] NOAL	(417.47)	(417.47)
TOTAL EQUITY VALUE (100%)	11,379.11	15,198.65
TOTAL EQUITY VALUE (ACEN Level)	9,103.28	12,158.92

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A2 – Ingrid Power Holdings Inc. (Ingrid Peaking Plant)

Under Construction

Bayog Wind

Ingrid Peaking Plant

Alaminos Solar

Palauig Solar

Arayat Solar

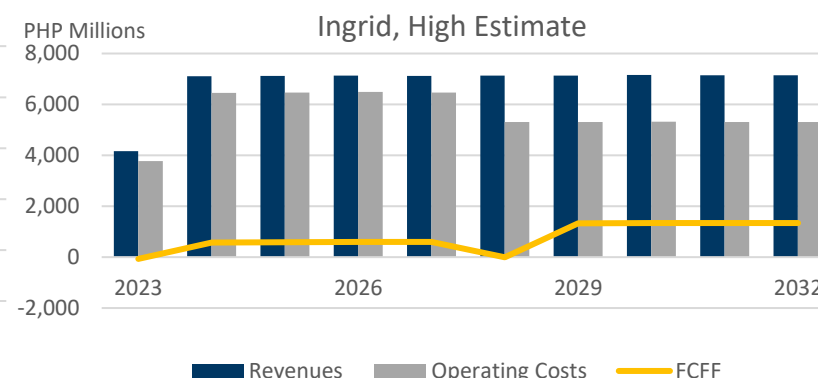
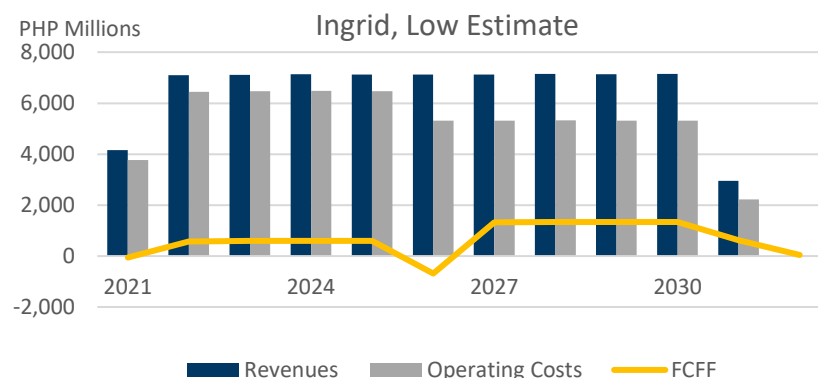
Alaminos Battery

Bataan Solar

Business Overview

Ingrid Power Holdings Inc. is intended to be a 50-50 joint venture with Marubeni. As of the Valuation Date, the company is 100 percent owned by ACEN. The diesel plant will provide ancillary services through a 150 MW diesel facility in Pililia, Rizal. It is expected to commence operations in 2021 subject to securing an ASPA with NGCP.

Ingrid Peaking Plant was valued within the range of **PHP4,735.35 million** to **PHP5,216.50 million** using the Discounted FCFF method. We applied a 9.35 percent WACC as our discount rate. To arrive at our low and high estimates of value, we sensitized using ACEN Management's purchase options at the end of the initial lease term.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Ingrid Peaking Plant is mainly driven by sales from ASPA with a plan to secure a contract with initial term of five (5) years and an intention to renew for an additional five (5) years. Total project life is assumed to be 10 years.
- Ingrid Peaking Plant will purchase the equipment from the O&M contractor at the end of the initial lease term (2026) with options on major service, overhaul, swap out or refurbishment.
- A tax rate of 30 percent was used for the valuation.

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	4,780.53	5,261.67
[+] Cash	55.73	55.73
[-] NOAL	(100.91)	(100.91)
TOTAL EQUITY VALUE (100%)	4,735.35	5,216.50

Valuation Analysis | AC Energy Corporation

Section A2 – Solarace1 Energy Corp. (Alaminos Solar)

Under Construction

Bayog Wind

Ingrid Peaking Plant

Alaminos Solar

Palauig Solar

Arayat Solar

Alaminos Battery

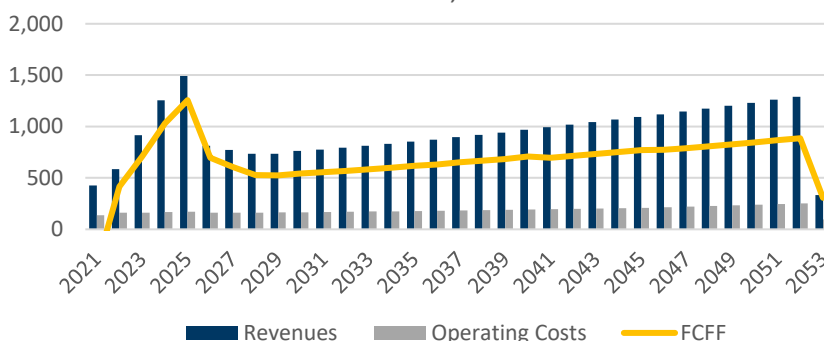
Bataan Solar

Business Overview

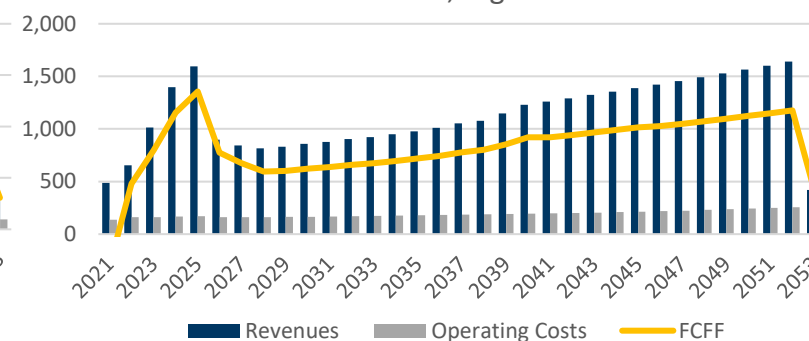
Solarace1 Energy Corp. owns a solar power project with 120 MWdc capacity. It is expected to be operational by 2021.

Solarace1 Energy Corp. was valued within the range of **PHP4,153.78 million** to **PHP5,472.82 million** using the Discounted FCFF method. We applied a 8.27 percent WACC as the discount rate. To arrive at our low and high estimates of value, we used the low and high WESM scenarios¹.

Alaminos Solar, Low Estimate



Alaminos Solar, High Estimate



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Alaminos Solar is located at Alaminos, Laguna and will operate up for 32 years.
- Valuation range is determined by using the Base and High WESM Scenarios.
- Total budgeted capital expenditures for the project is at PHP3,974.36 million.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Corporate income tax rate is 10 percent per R.A. No. 9513, post-income tax holiday period of 7 years.
- As the onshore business development platform of ACEN, ACE Endeavor is entitled to 5 percent of Alaminos Solar's annual EBITDA.

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	7,030.88	8,349.91
[+] Cash	23.96	23.96
[-] Debt	(692.48)	(692.48)
[-] NOAL	(2,208.57)	(2,208.57)
TOTAL EQUITY VALUE (100%)	4,153.78	5,472.82

Valuation Analysis | AC Energy Corporation

Section A2 – Gigasol3, Inc. (Palauig Solar)

Under Construction

Bayog Wind

Ingrid Peaking Plant

Alaminos Solar

Palauig Solar

Arayat Solar

Alaminos Battery

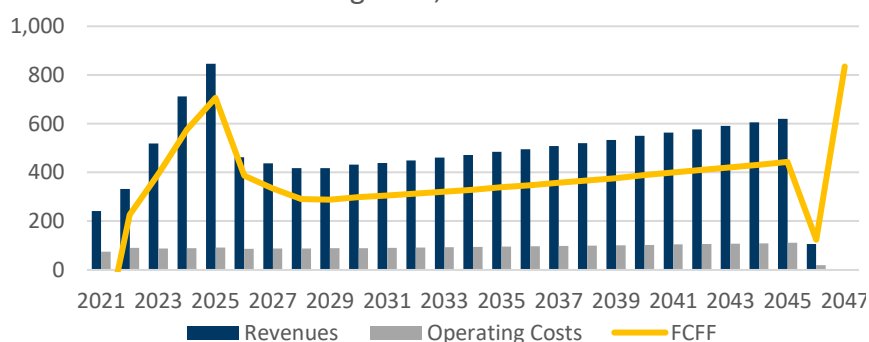
Bataan Solar

Business Overview

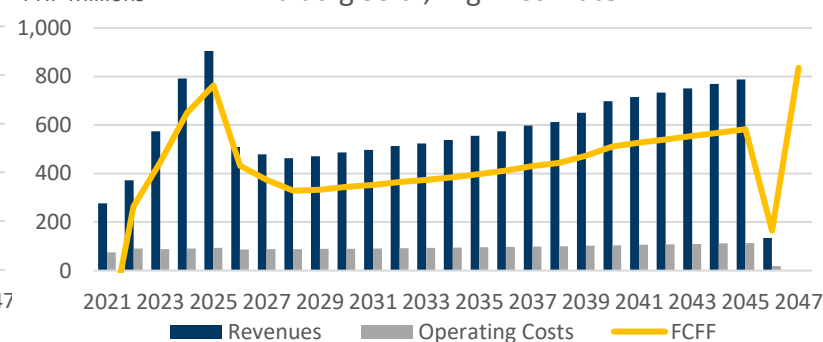
Gigasol3, Inc. owns a solar power project with 63 MWdc capacity. It is expected to be operational by 2021.

Gigasol3, Inc. was valued within the range of **PHP1,732.96 million** to **PHP2,370.09 million** using the Discounted FCFF method. We applied a 8.27 percent WACC as the discount rate. To arrive at our low and high estimates of value, we used the low and high WESM scenarios¹.

Palauig Solar, Low Estimate



Palauig Solar, High Estimate



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Palauig Solar is situated at Palauig, Zambales and will operate up for 25 years.
- The estimated land value of Palauig Solar is included in the cash flows after the contract period.
- Valuation range is determined by using the Base and High WESM Scenarios.
- Total budgeted capital expenditures for the project is at PHP2,178.12 million.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Corporate income tax rate is 10 percent per R.A. No. 9513, post-income tax holiday period of 7 years
- As the onshore business development platform of ACEN, ACE Endeavor is entitled to 5 percent of Palauig Solar's annual EBITDA.

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	3,558.74	4,195.87
[+] Cash	115.04	115.04
[-] NOAL	(1,940.82)	(1,940.82)
TOTAL EQUITY VALUE (100%)	1,732.96	2,370.09

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A2 – Greencore Power Solutions 3, Inc. (Arayat Solar)

Under Construction

Bayog Wind

Ingrid Peaking Plant

Alaminos Solar

Palauig Solar

Arayat Solar

Alaminos Battery

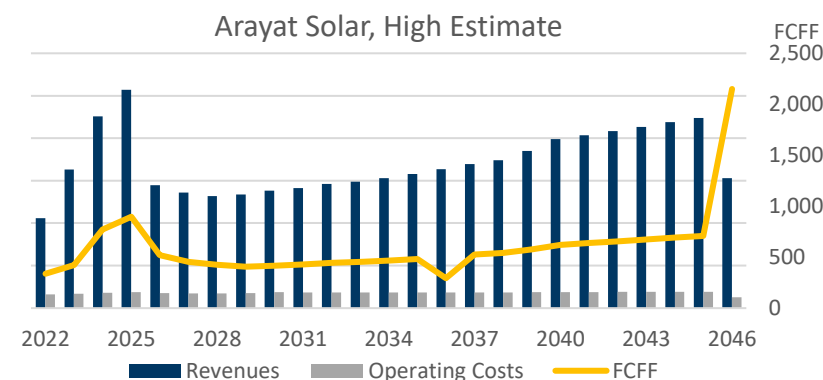
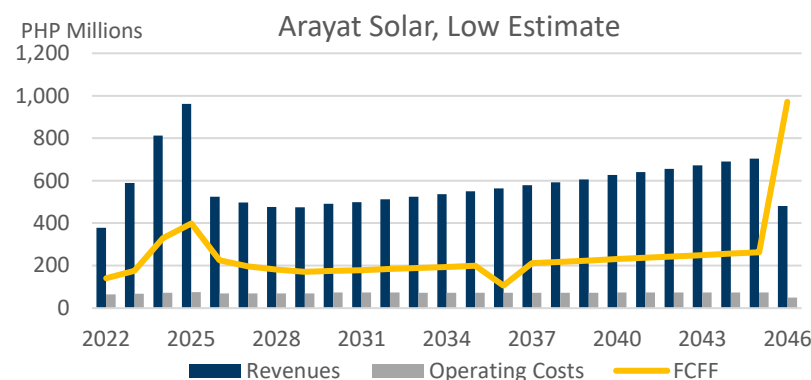
Bataan Solar

Business Overview

Greencore Power Solutions 3, Inc. owns a 71 MWdc solar farm in Arayat and Mexico, Pampanga. It is a joint venture between ACEN and CITICORE Renewable Energy Corp. (CREC), which is affiliated with Megawide Construction Corporation.

Arayat Solar is expected to be operational by 2021, with a 25-year expected life.

Arayat Solar was valued within the range of **PHP959.30 million** to **PHP1,317.58 million** at ACEN's 50 percent stake using the Discounted FCFF method. We applied an 8.27 percent WACC as the discount rate. To arrive at our low and high estimates of value, we used the low and high WESM scenarios¹.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Revenue is expected to be driven by sales to WESM until 2046.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- CAPEX amounting to PHP2.6 billion is expected to be incurred in 2021 to complete construction. There's an assumed land sale at the end of the project life amounting to PHP1.7 billion.
- As the onshore business development platform of ACEN, ACE Endeavor is entitled to 5 percent of Arayat Solar's annual EBITDA.
- Per R.A. No. 9513, renewable energy plants enjoy a lower corporate income tax rate of 10 percent, post-income tax holiday period of 7 years

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	2,299.65	3,016.19
[+] Cash	76.12	76.12
[-] NOAL	(457.17)	(457.17)
TOTAL EQUITY VALUE (100%)	1,918.60	2,635.15
TOTAL EQUITY VALUE (ACEN Level)	959.30	1,317.58

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Analysis | AC Energy Corporation

Section A2 – Giga Ace 4, Inc. (Alaminos Battery)

Under Construction

Bayog Wind

Ingrid Peaking Plant

Alaminos Solar

Palauig Solar

Arayat Solar

Alaminos Battery

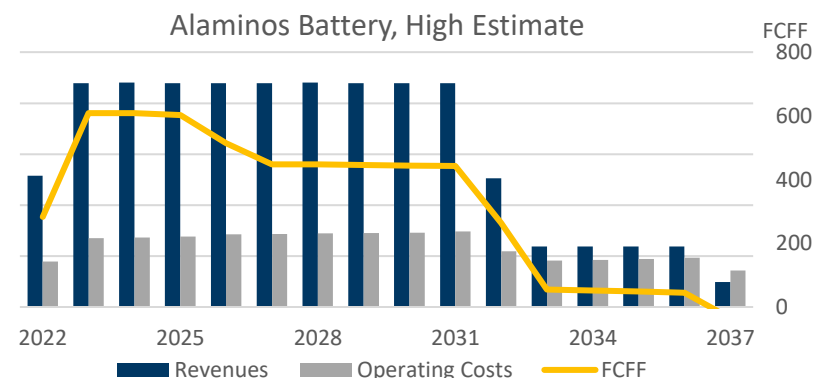
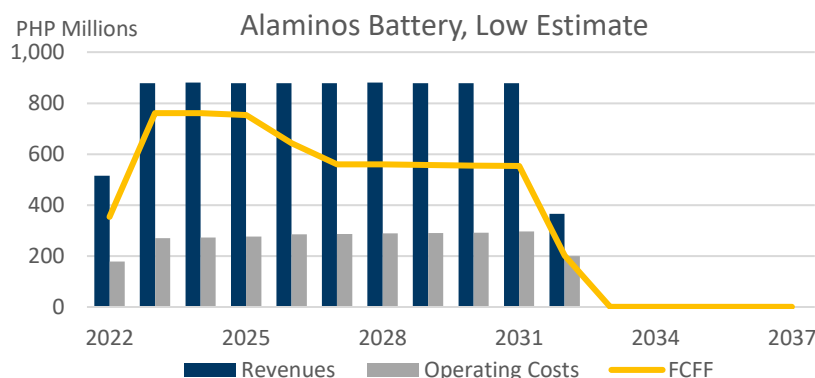
Bataan Solar

Business Overview

Giga Ace 4, Inc. owns a 40 MW Battery Energy Storage System located in Alaminos, Laguna. It is expected to provide grid support in a form of ancillary service reserve.

Alaminos Battery is expected to be operational by 2021 subject to securing an ASPA with NGCP.

Alaminos Battery was valued within the range of **PHP1,416.73 million** to **PHP1,513.64 million** using the Discounted FCFF method. We applied an 8.37 percent WACC as the discount rate. To arrive at our low and high estimates of value, we sensitized the length of the project's ASPA contracts designated as contingency reserve (low est. – 10 years, high est. – 15 years).



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Revenue is expected to be driven by ASPA contracts. Alaminos Battery is expected to secure, based on prevailing market rates of projects of similar type and purpose. 20MW of storage is designated as regulating reserve while another 20MW is designated as contingency reserve.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- CAPEX amounting to PHP1.7 billion is expected to be incurred in 2021 to complete construction.
- As the onshore business development platform of ACEN, ACE Endeavor is entitled to 5 percent of Alaminos Battery's annual EBITDA.
- A tax rate of 30 percent was used for the valuation, post-income tax holiday period of 4 years.

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	1,564.17	1,661.08
[+] Cash	140.37	140.37
[-] NOAL	(287.81)	(287.81)
TOTAL EQUITY VALUE (100%)	1,416.73	1,513.64

Valuation Analysis | AC Energy Corporation

Section A2 – Bataan Solar Energy Inc. (Bataan Solar)

Under Construction

Bayog Wind

Ingrid Peaking Plant

Alaminos Solar

Palauig Solar

Arayat Solar

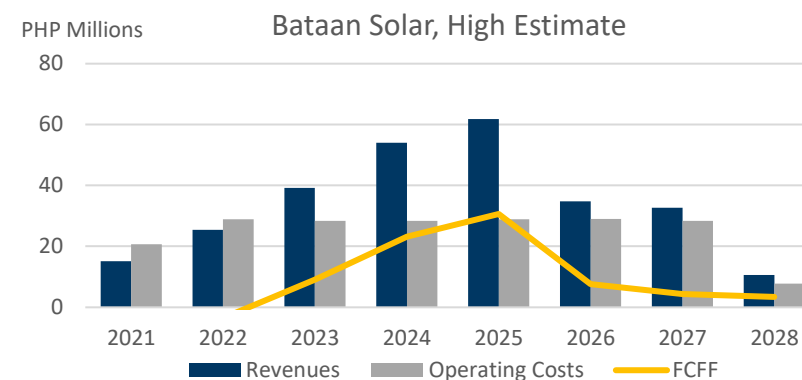
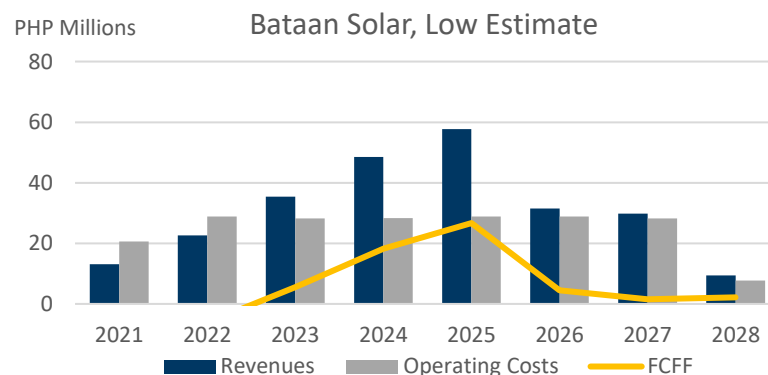
Alaminos Battery

Bataan Solar

Business Overview

Bataan Solar Energy Inc. is a laboratory facility that utilizes state of the art technologies in the solar industry. It has a capacity of 5 MWdc. It is expected to be operational by 2021.

Bataan Solar Energy Inc. was valued within the range of **PHP(164.38) million** to **PHP(147.06) million** using the Discounted FCFF method. We applied a 8.27 percent WACC as the discount rate. To arrive at our low and high estimates of value, we used the low and high WESM scenarios¹.



Source: ACEN Management and FTI Consulting Analysis

Key Forecast Assumptions

- Bataan Solar Energy Inc. is located at Mariveles, Bataan and will operate up for 7 years.
- Valuation range is determined by using the Base and High WESM Scenarios.
- Total budget capital expenditures for the project is PHP365.01 million.
- Operating costs are mostly direct costs and are expected to grow in line with inflation.
- Corporate income tax rate is 10 percent per R.A. No. 9513, post-income tax holiday period of 7 years.
- As the onshore business development platform of ACEN, ACE Endeavor is entitled to 5 percent of Bataan Solar's annual EBITDA.

¹Refer to Appendix 6 for more details on the WESM assumptions

Valuation Summary

In PHP Millions	Low Est.	High Est.
Enterprise Value	(171.54)	(154.22)
[+] Cash	28.21	28.21
[-] NOAL	(21.05)	(21.05)
TOTAL EQUITY VALUE (100%)	(164.38)	(147.06)



AC Energy Corporation

Section A3 – Pipeline Assets

Valuation Analysis | AC Energy Corporation

Section A3 – Pipeline Assets

- Presented below are the summary details of our valuation analysis for ACEN's pipeline assets. This section includes a brief overview of the business of, and an explanation of the valuation methodology, assumptions, and results for ACEN's pipeline assets.

Business Segment	Valuation Method	Equity Value (100%)		Effective Ownership	Equity Value (ACEN Level)	
Amounts in Millions		Low Estimate	High Estimate	%	Low Estimate	High Estimate
Pipeline Assets						
San Marcelino Solar I	DCF	2,352.87	4,761.86	100%	2,352.87	4,761.86
Rizal Floating Solar 1	DCF	1,085.29	3,253.38	70%	759.70	2,277.36
Ingrid Peaking Plant II	DCF	757.53	1,404.29	100%	757.53	1,404.29
San Marcelino Solar II	DCF	2,673.98	6,009.17	100%	2,673.98	6,009.17
South Zambales Wind	DCF	1,830.62	6,337.16	100%	1,830.62	6,337.16
Palauig Solar II	DCF	714.64	1,556.36	100%	714.64	1,556.36
TOTAL		9,414.92	23,322.22		9,089.33	22,346.20

Source: FTI Consulting Analysis

Valuation Analysis | AC Energy Corporation

Section A3 – Pipeline Assets

ACEN currently has several projects in the pipeline, of which some have already reached a stage where several key requirements to proceed with development have been obtained or is significantly underway. These “pipeline assets” were also considered in our valuation and were valued within the range of **PHP9,089.33 million** to **PHP22,346.20 million** at ACEN’s stake using the Discounted FCFF method.

Business Overview

- The pipeline assets included in the valuation are as follows:
 - **Ingrid Power Holdings Inc. (Ingrid Peaking Plant II):** an expansion of Ingrid I, a 150 MW diesel project in Pililia, Rizal.
 - **Santa Cruz Solar Energy Inc. (San Marcelino 1):** a solar farm based in San Marcelino, Zambales.
 - **Pangasinan UPC Corp. (Rizal Floating Solar 1):** a floating solar project located in Laguna Lake, of which ACEN effectively owns 70 percent.
 - **Santa Cruz Solar Energy Inc. (San Marcelino Solar II):** an expansion of the San Marcelino 1 solar project.
 - **Giga Wind 1, Inc. (South Zambales Wind):** a solar farm based in San Marcelino, Zambales.
 - **Giga Ace 8, Inc. (Palauig Solar II):** a solar farm based in Palauig, Zambales.

Key Forecast Assumptions

- Except for Ingrid II, all Pipeline projects are assumed to sell to WESM using our low and high WESM scenarios¹. Sensitivity on EBITDA margins of the renewable energy projects (+10-15% on the high case) were also applied on these projects.
- For Ingrid Peaking Plant II, revenues are expected to be driven by ASPA contracts it is expected to secure, based on prevailing market rates of projects of similar type/purpose. The plant is expected to operate for 10-15 years.

- Capital expenditure per project is mainly dependent on type and size and is comparable to projects with similar scope.
- As the onshore business development platform of ACEN, ACE Endeavor is entitled to 5 percent of San Marcelino Solar I, Rizal Floating Solar 1, San Marcelino Solar II, South Zambales Wind and Palauig Solar II’s annual EBITDA.

Project Name	Plant Type	Gross MW ²	Const. Start	COD	WACC
Ingrid Peaking Plant II	Diesel	180	2022	2023	7.52%
San Marcelino 1	Solar	200	2021	2022	8.64%
Rizal Floating Solar 1	Solar	180	2021	2022	8.64%
San Marcelino Solar II	Solar	300	2022	2023	9.48%
South Zambales Wind	Wind	200	2022	2024	10.77%
Palauig Solar II	Solar	75	2021	2022	9.48%

¹Refer to Appendix 6 for more details on the WESM assumptions

²Capacity of solar plants are in MWdc

Valuation Analysis | AC Energy Corporation

Section A3 – Pipeline Assets

ACEN currently has several projects in the pipeline, of which some have already reached a stage where several key requirements to proceed with development have been obtained or is significantly underway. These “pipeline assets” were also considered in our valuation and were valued within the range of **PHP9,089.33 million to PHP22,346.20 million** at ACEN’s stake using the Discounted FCFF method.

Valuation Summary

In PHP Millions	Low Est.	High Est.
Ingrid Peaking Plant II		
Enterprise Value	757.53	1,404.29
[+] Cash and NOAL	-	-
Equity Value (ACEN Level)	757.53	1,404.29
San Marcelino Solar I		
Enterprise Value	2,371.05	4,780.04
[-] Cash and NOAL	(18.18)	(18.18)
Equity Value (ACEN Level)	2,352.87	4,761.86
Rizal Floating Solar 1		
Enterprise Value	1,126.14	3,294.23
[-] Cash and NOAL	(7.75)	(7.75)
[-] Debt	(33.11)	(33.11)
Equity Value (100%)	1,085.29	3,253.38
Equity Value (ACEN Level)	759.70	2,277.36
San Marcelino Solar II		
Enterprise Value	2,673.98	6,009.17
[+] Cash and NOAL	-	-
Equity Value (ACEN Level)	2,673.98	6,009.17
South Zambales Wind		
Enterprise Value	1,830.62	6,337.16
[+] Cash and NOAL	-	-
Equity Value (ACEN Level)	1,830.62	6,337.16
Palauig Solar II		
Enterprise Value	716.81	1,558.52
[-] Cash and NOAL	(2.17)	(2.17)
Equity Value (ACEN Level)	714.64	1,556.36
TOTAL EQUITY VALUE (ACEN Level)	9,089.33	22,346.20



AC Energy Corporation

Section A4 – Other Assets and Liabilities

Valuation Analysis | AC Energy Corporation

Section A4 – Other Assets and Liabilities

ACEN's Other Assets and Liabilities include non-operating assets and liabilities (NOAL), Net Debt and Other Items and were mostly valued using the Net Asset Value (NAV) method by adding the market value of assets and subtracting the market value of liabilities. ACEN's Parent Overhead was valued using the Discounted Cash Flow method using an 8.83 percent WACC as the discount rate.

Non-Operating Assets and Liabilities

- ACEN's NOAL include the following: Power Barge 102 and other NOAL, which consist of the parent's other non-current assets and liabilities, advances to affiliates & subsidiaries that do not relate to investments in assets being valued, creditable withholding and deferred taxes, as well as financial assets.

Net Debt

- Net debt is calculated by deducting ACEN parent's cash and cash equivalents balance from the total debt in the parent's books.

Parent Overhead

- ACEN expects to incur overhead costs at the parent level in order to support the operations of its business segments and subsidiaries. Key corporate overhead costs include recurring G&A expenses and management fees.
- These costs were adjusted annually by 5.2 percent over the forecast period, but total cost tapers down whenever a plant ends its operations.

Other Assets and Liabilities

In PHP millions	Equity Value
Non-Operating Assets and Liabilities	
ACEN, Power Barge 102	6.24
Advances to Affiliates and Subsidiary	7,413.80
CWT and Deferred Tax Assets	708.02
Financial Assets and Other Investments	1.57
Other Non-current Assets	1,752.38
Other Non-current Liabilities	(2,721.09)
Subtotal	7,160.92
Net Debt	
Cash and Cash Equivalents	1,127.86
Debt (current and non-current)	(17,537.36)
Subtotal	(16,409.50)
Parent Overhead	(2,309.43)
Holding Companies¹	1,437.23
TOTAL	(10,120.78)

¹Refer to the next section for more details

Valuation Analysis | AC Energy Corporation

Section A4 – Holding Companies

ACEN's holding companies were valued using the Net Asset Value (NAV) method by adding the market value of assets and subtracting the market value of liabilities excluding its key investments which we have valued separately. These represent the residual values of the holding companies of ACEN.

Net Asset Value (in PHP Millions)

Corporate Name	Description	Equity Value
Buendia Christiana Holdings Corp. (BCHC)	a land holding company	542.15
ACE Endeavor, Inc.	develops renewable power projects which includes solar and wind power project. It owns Gigasol2, Solienda, San Julio Land, VRC, Bulk Water and Pagudpud Wind.	506.19
ACE Shared Services, Inc. (ACCESS)	the shared services provider for the group	153.75
Viage Corporation	owns 8.50 percent of the common equity of NorthWind	113.80
ACTA Power	pre-operating company to be used for future project developments	74.12
Negros Island Biomass Holdings, Inc. (NIBHI)	owns an estimated 10 percent of the economic interest of North Negros Biopower, San Carlos Biopower and South Negros Biopower, Inc. Biomass assets have no value.	59.10
GigaAce 2, Inc.	owns 90.00 percent of SACASOL	58.05
GigaAce 3, Inc.	owns 94.00 percent of ISLASOL	20.62
One Subic Oil	established to engage in the petroleum distribution business	15.54
GigaAce 1, Inc.	owns 27.07 percent of PhilWind	14.21
Gigasol2 Inc.	engaged in the development and acquisition of renewable power projects. It owns SolarAce1, Gigasol3 and Bataan Solar Energy.	3.52
Ingrid 2 Power Corp.	pre-operating company to be used for future project developments	3.33
Pagudpud Wind Power Corp.	owns 80 percent of Bayog Wind	1.08

Valuation Analysis | AC Energy Corporation

Section A4 – Holding Companies

ACEN's holding companies were valued using the Net Asset Value (NAV) method by adding the market value of assets and subtracting the market value of liabilities excluding its key investments which we have valued separately. These represent the residual values of the holding companies of ACEN.

Net Asset Value

In PHP Millions	Description	Equity Value
Northeast Wind Systems, Inc.	pre-operating company to be used for future project developments	0.01
GigaAce 10, Inc.	pre-operating company to be used for future project developments	(0.13)
GigaAce 5, Inc.	pre-operating company to be used for future project developments	(0.13)
GigaAce 7, Inc.	pre-operating company to be used for future project developments	(0.13)
GigaAce 9, Inc.	pre-operating company to be used for future project developments	(0.13)
GigaAce 6, Inc.	pre-operating company to be used for future project developments	(0.20)
Northpoint Wind Power Development Corp.	pre-operating company to be used for future project developments	(0.25)
GigaAce 8, Inc.	pre-operating company to be used for future project developments	(2.24)
Palawan55 Exploration & Production Corporation	the operator of SC 55 project which covers 9,880 km2 in West Palawan, Philippines. It is 31 percent owned directly by ACEN. Remainder is owned by ACE Enexor.	(6.32)
Visayas Renewable Corporation	a holding company engaged in solar power generation. It owns Common B shares and Preferred B shares of Monte Solar Energy. It also has a 4.0% and 2.0% economic interest in San Carlos Solar Energy and Negros Island Solar Power, respectively.	(45.76)
ACE Renewables Philippines	owns 59.38 percent of NorthWind common equity. It also owns the common B shares of ACE Endeavor.	(72.93)
TOTAL EQUITY VALUE		1,437.23



AC Energy International, Inc.

Valuation Analysis | ACE Intl

Corporate Background

- **AC Energy International, Inc.** (ACE Intl) is a wholly owned subsidiary of AC Energy and Infrastructure Corporation (ACEIC) registered with the Securities and Exchange Commission on April 3, 2007.
- The company was organized primarily to invest in financial instruments and engage in the activities of a holding company. ACE Intl is used by ACEIC as a corporate vehicle to hold its international renewable energy projects.
- ACE Intl is the parent company of AC Renewables International Pte Ltd., AC Energy Cayman, and ACE International HK Ltd.

AC Renewables International Pte Ltd.

- Incorporated on May 23, 2016, AC Renewables International Pte Ltd. (ACRI) is a Singapore private limited company intended to be the investment vehicle of ACE Intl for international renewable energy projects. These renewable energy projects consist of solar, wind, and geothermal energy projects, operating in different countries such as Indonesia, Vietnam, India, and Australia.
- ACRI's share capital is composed of redeemable preference shares (RPS) and common shares. ACE Intl owns 25.78 percent of the RPS while AC Energy Cayman owns the other 74.22 percent. Of the common shares, on the other hand, ACE Intl owns 100 percent.
- The RPS of ACRI have 3 classes: Class A, Class B, and Class C. Each class is entitled to certain set of rights and privileges, which is provided in ACRI's Constitution. ACE Intl holds all Class C RPS while AC Energy Cayman holds all Class A and B RPS. With regard to dividend distributions, the order of priority is as follows: (1) Class B RPS, (2) Class A RPS, and (3) Class C RPS.

AC Energy Cayman

- AC Energy Cayman is an investment holding company incorporated in the Cayman Islands on December 9, 2016.
- The company's common shares are 100 percent owned by ACE Intl, while its Class A1 RPS, Class A2 RPS, and Class B RPS, which have aggregate amount of USD953 million are owned by AC Energy Finance International Ltd.

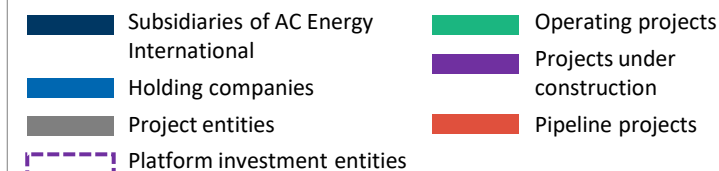
ACE International HK Ltd.

- ACE International HK Ltd. is the private company holding the investment in joint venture between ACEIC and Yoma Strategic Holdings Ltd. ACE Intl owns 100 percent of ACE International HK Ltd.

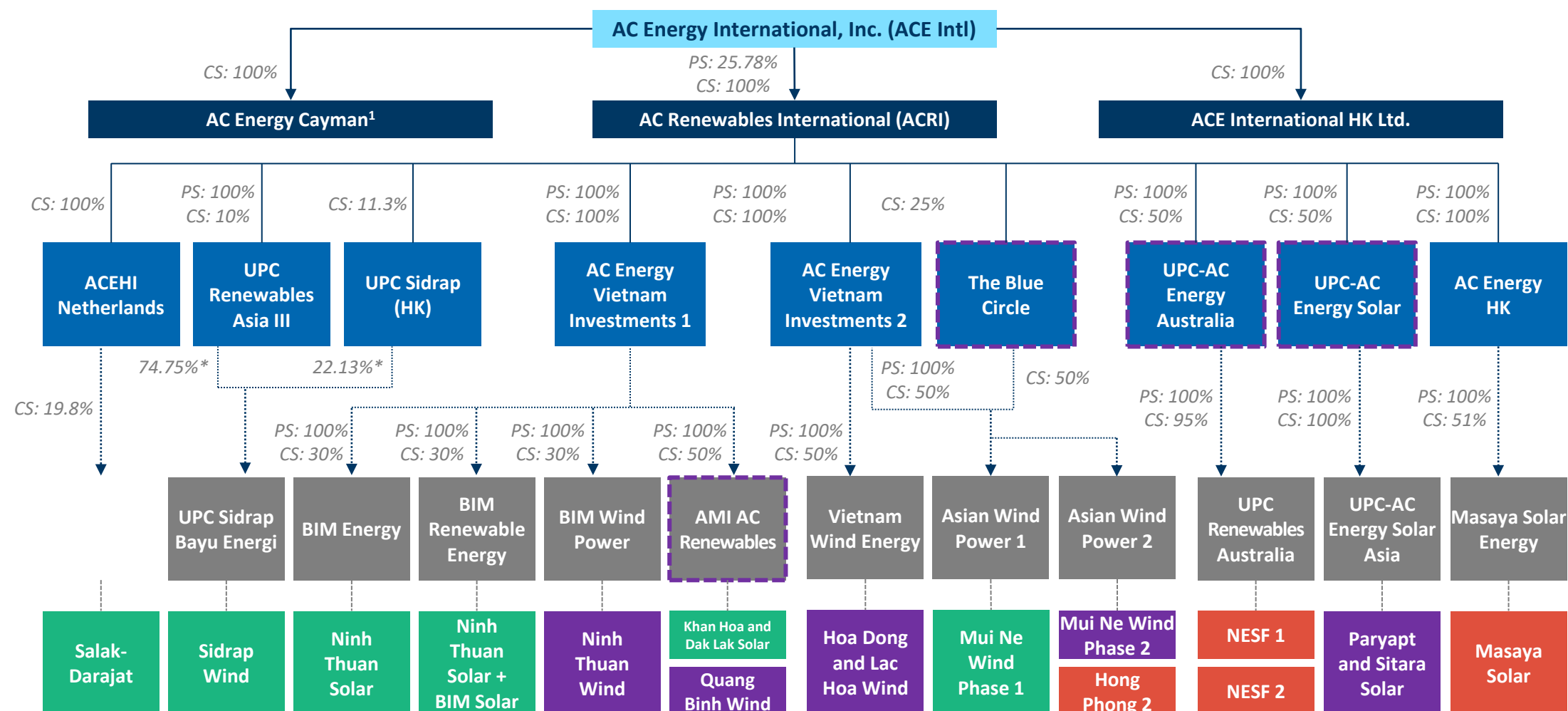
Valuation Analysis | ACE Intl

Summary Corporate Structure

Legend:



■ The diagram below highlights ACE Intl's key holding companies and special purpose vehicles housing projects.



*economic interest

¹ AC Energy Cayman owns USD953bn (74.22%) of USD1,284bn RPS of ACRI.

Source: ACE Intl Management

Valuation Analysis | ACE Intl Corporate Structure (cont'd)

- ACRI holds investments in operating, under construction, and pipeline international renewable energy projects, as well as in platform entities.
 - **Operating projects** are projects that are currently operating as of the Valuation Date. These include Salak-Darajat Geothermal and Sidrap Wind in Indonesia; and Dak Lak and Khanh Hoa Solar, Ninh Thuan Solar, and Mui Ne Wind in Vietnam.
 - **Projects under construction** are projects that are not yet operating but have already commenced construction as of the Valuation Date. These include Hoa Dong and Lac Hoa Wind, Quang Binh Wind, and Ninh Thuan Wind in Vietnam; and Paryapt and Sitara Solar in India.
 - **Pipeline projects** are projects for which Notice to Proceed (NTP) is expected in the near term. These include the first phase and second phase of New England Solar in Australia, Masaya Solar in India, and Hong Phong 2 Wind in Vietnam.
 - **Platform entities** are entities that manage ACRI's projects under development, together with its Joint Venture partners. These include The Blue Circle, UPC-AC Energy Australia, UPC-AC Energy Solar, and AMI AC Renewables.
- The foregoing projects are being managed by different project entities in which ACRI has an ownership stake by virtue of its investment in holding companies. These project entities are established either solely or together with partner companies.

Valuation Analysis | ACE Intl

Valuation Summary

- Based upon discussions with and representations of management, research conducted, and valuation analyses performed, the consolidated equity value of ACE Intl as of the Valuation Date using the Sum-of-the-Parts method is reasonably estimated to be within the range of **USD1,442.57 million** to **USD1,788.71 million** or equivalently **PHP69,387.45 million** to **PHP86,036.85 million**.

Valuation Summary of ACE Intl as of December 31, 2020

Amounts in millions

Business Segment	Valuation Method	Equity Value (in USD)		Equity Value (in PHP)*		Section
		Low Estimate	High Estimate	Low Estimate	High Estimate	
Operating Assets	DCF Method	593.93	665.95	28,568.13	32,032.08	Section B1
Projects under Construction	DCF Method	350.83	392.49	16,874.96	18,878.71	Section B2
Pipeline Assets	DCF Method	192.77	223.00	9,272.39	10,726.34	Section B3
Platform Investments	DCF Method	306.10	508.34	14,723.54	24,451.29	Section B4
Development Loans	Cost Approach	234.16	234.16	11,263.25	11,263.25	Section B4
Cash and ST Investments	Cost Approach	740.30	740.30	35,608.25	35,608.25	Section B4
Green Bonds	Cost Approach	(953.00)	(953.00)	(45,839.30)	(45,839.30)	Section B4
Other Assets	Cost Approach	6.44	6.44	309.77	309.77	Section B4
Other Liabilities	Cost Approach	(8.02)	(8.02)	(385.56)	(385.56)	Section B4
Corporate Overhead	DCF Method	(20.96)	(20.96)	(1,007.98)	(1,007.98)	Section B4
TOTAL EQUITY VALUE		1,442.57	1,788.71	69,387.45	86,036.85	

*USD/PHP Exchange Rate as of Valuation Date = 48.10

Note: Equity values reflect ACE Intl's effective ownership.

Source: FTI Consulting Analysis

Valuation Analysis | ACE Intl

Valuation Summary (cont'd)

- We used the Sum-of-the-Parts method to estimate the fair range of market values for ACE Intl. Its assets and liabilities are categorized into: (1) operating assets; (2) projects under construction; (3) pipeline assets; (4) platform investments; and (5) development loans, other assets and liabilities.
- The market value of these assets and liabilities were derived using different valuation methodologies such as the Discounted Cash Flows (DCF) Method of the Income Approach and the Cost Approach. Further, we employed Market Approach as a secondary valuation method to cross-check our valuation results. Please refer to the next slide for a detailed discussion of the methodology and results of our analysis.
- Given that ACE Intl holds preferred and common shares, the resulting equity value was apportioned first to preferred equity holders and the residual to common equity. The par value of preferred shares was assumed to be the market value given the absence of a defined dividend rate on these shares as of the Valuation Date. Per ACE Intl's Articles of Incorporation, dividend rate on preferred shares is to be determined by the Board of Directors.
- As of the Valuation Date, the total number of preferred and common shares of ACE Intl are 15,030.28 million and 1,701.28 million, respectively. The preferred shares are redeemable at par. Shown below is a split of our range of values for ACE Intl between preferred and common shares.

Business Segment	Valuation Method	Equity Value (in USD)		Equity Value (in PHP)*	
Amounts in millions (except for per share values)		Low Estimate	High Estimate	Low Estimate	High Estimate
TOTAL EQUITY VALUE		1,442.26	1,788.46	69,387.45	86,036.85
Preferred Equity	Par Value	312.48	312.48	15,030.28	15,030.28
Common Equity	Residual Value	1,130.09	1,476.23	54,357.17	71,006.58
Price per Share					
Preferred Equity		0.02	0.02	1.00	1.00
Common Equity		0.66	0.87	31.95	41.74

*USDPHP Exchange Rate as of Valuation Date = 48.10

Note: Equity values reflect ACE Intl's effective ownership.

Source: FTI Consulting Analysis

Valuation Analysis | ACE Intl

Multiples Analysis Reasonableness Check

Valuation Methodology

- We conducted a reasonableness check of our SOTP valuation method by comparing the implied EV-to-EBITDA and Price-to-Earnings ratio of our calculated range of values to the multiples of the comparable public companies as of the Valuation Date.

- *Multiples of Comparable Companies*

Comparable Companies	Ticker	Country	EV-to-EBITDA	Price-to-Earnings
BGrimm Power PCL	BGRIM.BK	Thailand	14.79	62.96
BCPG PCL	BCPG.BK	Thailand	19.50	14.06
AC Energy Corporation	ACEN.PS	Philippines	24.18	25.44
Super Energy Corporation PCL	SUPER.BK	Thailand	12.89	15.94
Gulf Energy Development PCL	GULF.BK	Thailand	58.80	110.65
Minimum			12.89	14.06
Average			26.03	45.81
Median			19.50	25.44
Maximum			58.80	110.65

- *Implied EV-to-EBITDA Computation of ACE Intl*

Amounts in PHP Millions, except multiples	DCF Based SOTP	
	Low	High
Equity Value	69,387.45	86,036.85
[-] Net Debt	(10,231.05)	(10,231.05)
[+] ACE Intl Other Assets (Liabilities)	84.42	84.42
[=] Enterprise Value	59,240.82	75,890.22
[÷] EBITDA	3,157.97	3,157.97
EV-to-EBITDA	18.76	24.03

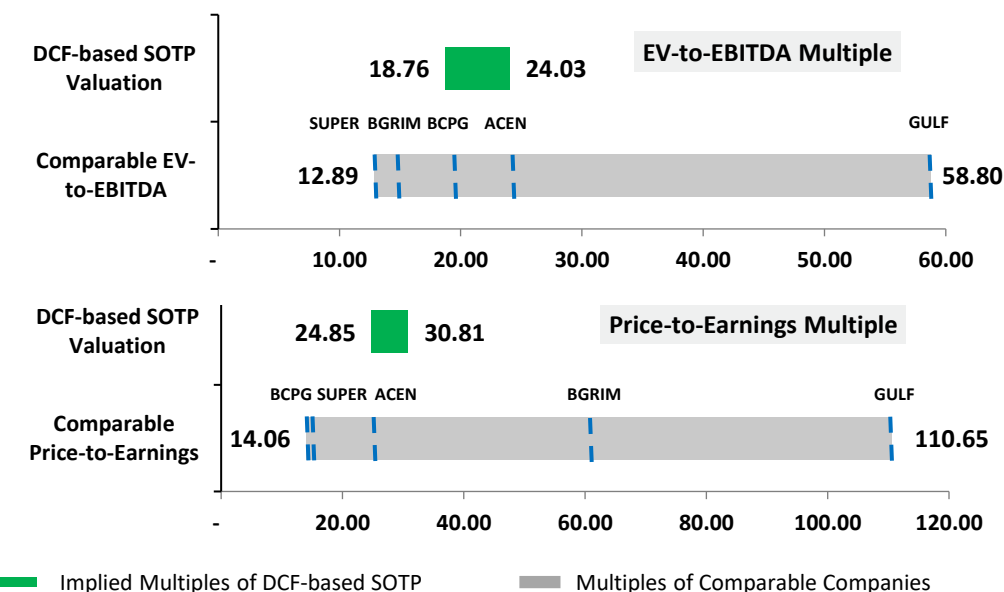
Source: Refinitiv Eikon, FTI Consulting

- *Implied Price-to-Earnings Computation of ACE Intl*

Amounts in PHP Millions, except multiples	DCF Based SOTP	
	Low	High
Equity Value	69,387.45	86,036.85
[÷] Earnings	2,792.05	2,792.05
Price-to-Earnings	24.85	30.81

Valuation Summary

- Based on the analysis performed, the implied EV-to-EBITDA and price-to-earnings multiples of the SOTP Valuation fall within the range of the multiples of comparable public companies.





ACE Intl Section B1 – Operating Assets

Valuation Analysis | ACE Intl

Section B1 – Operating Assets

- Presented below are the summary details of our valuation analysis for ACE Intl's operating assets. This section includes a brief overview of the business of, and an explanation of the valuation methodology, assumptions, and results for ACRI's operating assets.

Business Segment	Project	Valuation	Equity Value (in USD)		Equity Value (in PHP)*	
Amounts in Millions			Low Estimate	High Estimate	Low Estimate	High Estimate
Operating Assets						
[1] Star Energy Geothermal B.V.	Salak-Darajat Geothermal	DCF Method	237.56	285.59	11,426.42	13,736.93
[2] UPC Sidrap Bayu Energi	Sidrap Wind		60.95	59.88	2,931.69	2,880.34
UPC Renewables Asia III Ltd.						
Preferred shares		DCF Method	56.85	52.55	2,734.43	2,527.42
Common shares		DCF Method	1.83	4.33	88.19	208.07
UPC Sidrap (HK) Ltd.						
Common shares		DCF Method	2.27	3.01	109.07	144.85
[3] AMI AC Renewables	Dak Lak and Khanh Hoa Solar		34.91	36.89	1,679.31	1,774.59
Preferred shares		DCF Method	33.24	33.24	1,598.88	1,598.88
Common shares		DCF Method	1.67	3.65	80.42	175.70
[4] BIM Energy JSC and BIM Renewable Energy JSC	Ninh Thuan Solar		114.03	124.11	5,485.07	5,969.69
Preferred shares		DCF Method	45.06	45.12	2,167.17	2,170.31
Common shares		DCF Method	68.98	78.99	3,317.89	3,799.38
[5] Asian Wind Power 1 HK Ltd.	Mui Ne Wind**		146.48	159.47	7,045.65	7,670.54
Preferred shares		DCF Method	138.26	137.49	6,650.51	6,613.21
Common shares		DCF Method	8.21	21.98	395.14	1,057.33
TOTAL OPERATING ASSETS			593.93	665.95	28,568.13	32,032.08

*USD/PHP Exchange Rate as of Valuation Date = 48.10

**Equity values are inclusive of the Mui Ne Wind Phase 2 which is under construction as of the Valuation Date.

Note: Equity values reflect ACE Intl's effective ownership.

Source: FTI Consulting Analysis

Valuation Analysis | ACE Intl

Section B1 – Salak-Darajat Geothermal

OPERATING ASSETS

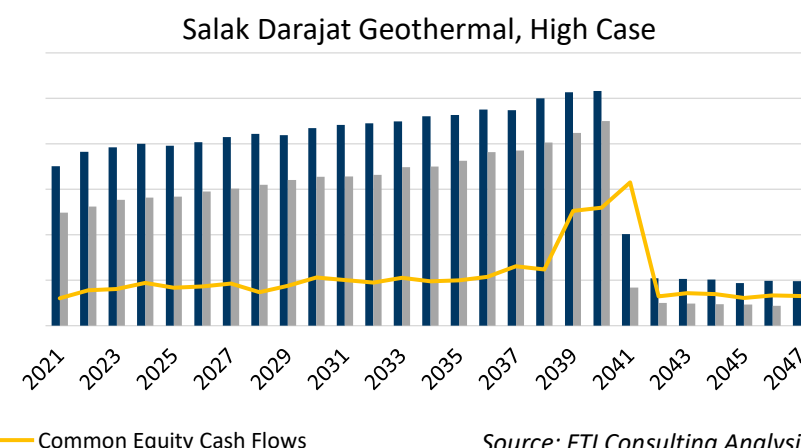
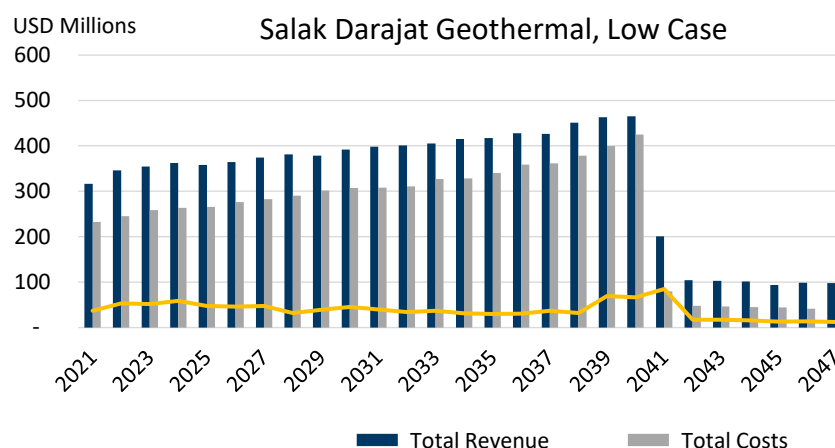
Salak-Darajat Geothermal

Sidrap Wind
Dak Lak and Khanh Hoa
Solar
Ninh Thuan Solar
Mui Ne Wind

Business Overview

Salak and Darajat are geothermal fields located in West Java, Indonesia with a combined capacity of 637 MW of steam and power. The project was acquired by AC Energy, as part of a consortium, from Chevron in April 2017. ACE Intl effectively owns 19.8 percent equity stake in the project through Star Energy Geothermal B.V., a joint venture company.

The value of ACRI's equity stake in Salak-Darajat Geothermal was estimated within the range of **USD237.56 million** to **USD285.59** million or equivalently **PHP11,426.42** million to **PHP13,736.93** million using the Discounted FCFE method. We applied a 6.64 percent cost of equity as our discount rate. To arrive at our low and high estimates of value, different levels of the energy generation output of the geothermal plants were considered.



Source: FTI Consulting Analysis

Key Forecast Assumptions

- Salak Darajat has multiple agreements with PLN, Indonesia's state-owned power company, with tenors extending until 2047 and tariff rates ranging between 3.7 and 4.5 USD cents/kWh before escalation adjustment.
- The binary expansion unit will start operating in January 2022 and will increase the project's capacity by 11.5 MW.
- Newly issued bonds amounting to USD1.11 million bear interest of 4.9 percent for Tranche 1 and 3.3 percent for Tranche 2.
- Estimated range of values was derived by assuming a decrease and increase of 5 percent in generation output for the low case and high case, respectively.

Valuation Summary

Amounts in Mn	Low Est.	High Est.
TOTAL EQUITY VALUE (USD)	237.56	285.59
TOTAL EQUITY VALUE (PHP)	11,426.42	13,736.93

Valuation Analysis | ACE Intl

Section B1 – Sidrap Wind

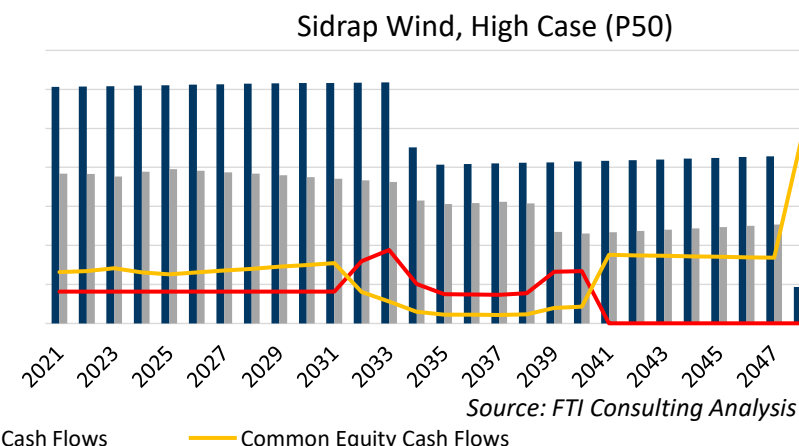
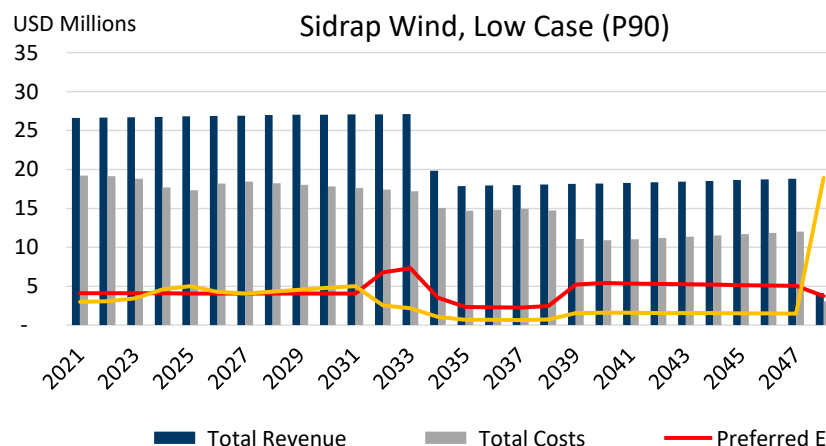
OPERATING ASSETS

Salak-Darajat
Geothermal
Sidrap Wind
Dak Lak and Khanh Hoa
Solar
Ninh Thuan Solar
Mui Ne Wind

Business Overview

Sidrap Wind consists of 30 x 2.5 MW wind turbines located in Sidrap, South Sulawesi, Indonesia. The project began operating in April 2018. UPC Renewables Asia III Ltd. and UPC Sidrap (HK) Ltd. holds economic interest of 74.75 percent and 22.13 percent in the project, respectively. Further, ACRI owns 100 percent of the preferred equity and 10 percent of the common equity of UPC Renewables Asia III Ltd. On the other hand, ACRI owns 11.3 percent of UPC Sidrap (HK) Ltd.'s common equity.

The value of ACRI's equity stake in Sidrap Wind was estimated within the range of **USD59.88 million to USD60.95 million** or equivalently **PHP2,880.34 million to PHP2,931.69 million** using the Discounted FCFE method. Common equity cash flows were discounted using the CAPM-determined cost of equity of 7.85 percent, while preferred equity cash flows were discounted using the comparable market yield of 6.37 percent. To arrive at our low and high estimates of value, different production levels of energy output were considered.



Key Forecast Assumptions

- Sidrap Wind's PPA with PLN provides for two tariff stages: Stage 1 is enforced until April 2034; thereafter, Stage 2 takes effect.
- Upon termination of Sidrap Wind's O&M contract with Gamesa in November 2023, O&M costs are charged annually and are subject to inflation adjustment. Other operating costs are based on inflation-adjusted budgeted amounts, plus a contingency premium.
- Sidrap Wind keeps 1 percent of its post-tax net profit as legal reserve, which will be distributed to shareholders at the end of the project's life.

Valuation Summary

Amounts in Mn	Low Est.	High Est.
Common Equity (USD)	4.10	7.34
Preferred Equity (USD) ^[1]	56.85	52.55
TOTAL EQUITY VALUE (USD)	60.95	59.88
TOTAL EQUITY VALUE (PHP)	2,931.69	2,880.34

^[1] The earlier redemption of the RPS in the High Case scenario, which resulted to lower total dividends, caused the Low Estimate to be higher than the High Estimate.

Valuation Analysis | ACE Intl

Section B1 – Dak Lak and Khanh Hoa Solar

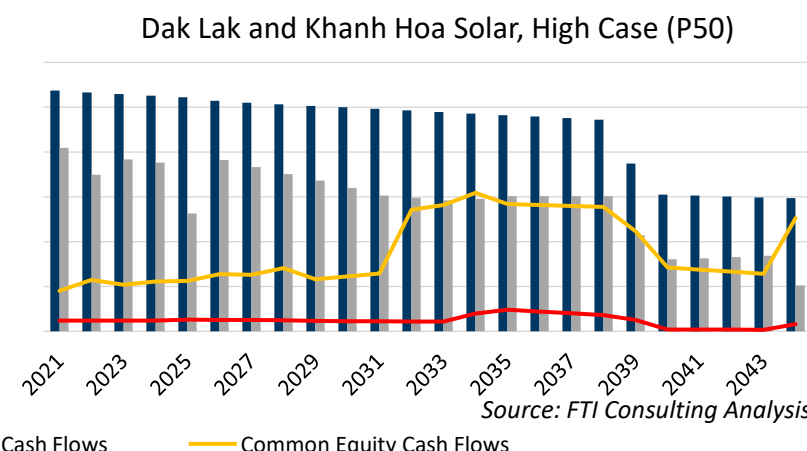
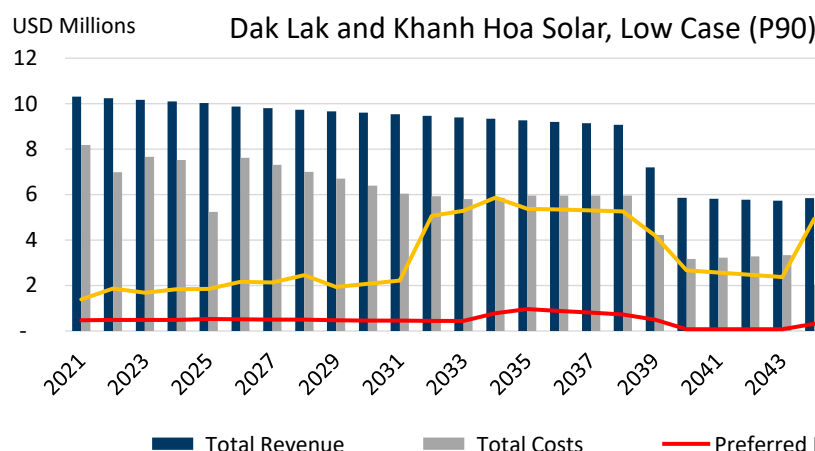
OPERATING ASSETS

Salak-Darajat
Geothermal
Sidrap Wind
Dak Lak and Khanh Hoa Solar
Ninh Thuan Solar
Mui Ne Wind

Business Overview

AMI Solar consist of two operating solar farm entities in Vietnam: (1) Dak Lak Solar with a capacity of 30MWdc and (2) Khanh Hoa Solar with a capacity of 50MWdc. ACEV1 owns 50 percent interest in the renewable energy platform, AMI AC Renewables Corporation, with AMI Renewables owning the other 50 percent. Both projects commenced operations in the second quarter of 2019.

The value of ACRI's equity stake in Dak Lak and Khanh Hoa Solar was estimated within the range of **USD34.91 million to USD36.89 million** or equivalently **PHP1,679.31 million to PHP1,774.59 million** using the Discounted FCFE method. Common equity cash flows were discounted using the CAPM-determined cost of equity of 8.04 percent, while preferred equity cash flows were discounted using the comparable market yield of 6.37 percent. To arrive at our low and high estimates of value, different production levels of energy output were considered.



Key Forecast Assumptions

- Revenues are mainly from its existing PPA with a feed-in-tariff (FIT) rate of USD9.35 cents/kWh.
- Third-party O&M services cover an average of 70 percent of the project's annual operating expenses. The O&M service contract stipulates an annual O&M cost escalation of 3 percent during its 5-year term and is assumed in-house afterwards.
- AMI solar plants are 70 percent financed by debt and 30 percent by equity.

Valuation Summary

Amounts in Mn	Low Est.	High Est.
Common Equity (USD)	1.67	3.65
Preferred Equity (USD)	33.24	33.24
TOTAL EQUITY VALUE (USD)	34.91	36.89
TOTAL EQUITY VALUE (PHP)	1,679.31	1,774.59

Valuation Analysis | ACE Intl

Section B1 – Ninh Thuan Solar

OPERATING ASSETS

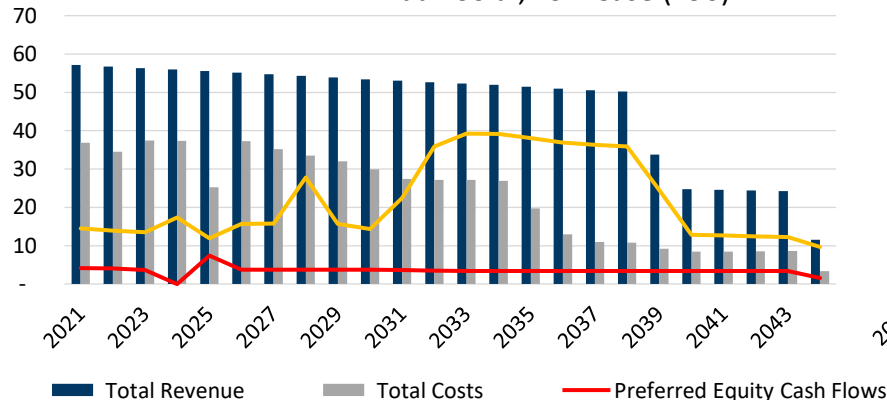
Salak-Darajat
Geothermal
Sidrap Wind
Dak Lak and Khanh Hoa
Solar
Ninh Thuan Solar
Mui Ne Wind

Business Overview

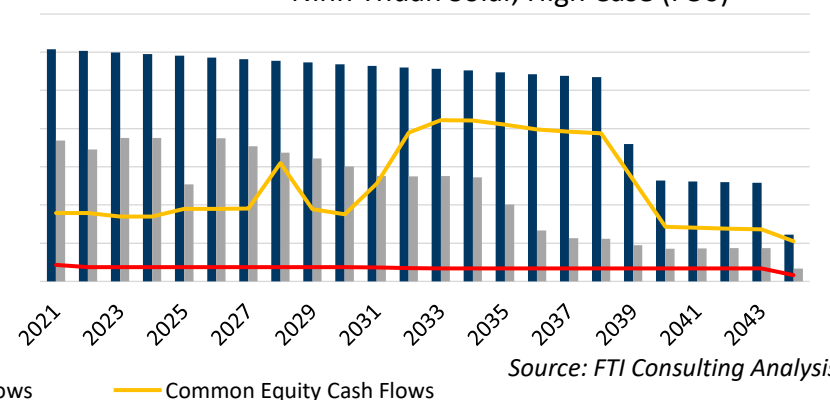
Ninh Thuan Solar is a joint venture between ACRI and the BIM Group located in the Ninh Thuan Province, Vietnam. The first 330MWdc was completed in 2019 while the 75MWdc expansion commenced commercial operations in December 2020. The expansion phase is covered by FIT and has a separate contract with Vietnam Electricity (EVN) with terms similar with the PPA for the first 330MWdc.

The value of ACRI's equity stake in Ninh Thuan Solar was estimated within the range of **USD114.03 million to USD124.11 million** or equivalently **PHP5,485.07 million to PHP5,969.69 million** using the Discounted FCFE method. Common equity cash flows were discounted using the CAPM-determined cost of equity of 8.04 percent, while preferred equity cash flows were discounted using the comparable market yield of 6.37 percent. To arrive at our low and high estimates of value, different production levels of energy output were considered.

USD Millions
Ninh Thuan Solar, Low Case (P90)



Ninh Thuan Solar, High Case (P50)



Source: FTI Consulting Analysis

Key Forecast Assumptions

- Revenues from the first 330MWdc and the 75MWdc expansion of the project are mainly based on FIT rate of 9.35 USD cents/kWh with a 20-year term.
- Ninh Thuan Solar has 5-year O&M contracts covering all phases. After which, O&M will be taken over by In-house experts on inflation-adjusted budgeted amounts along with other operating costs.

Valuation Summary

Amounts in Mn	Low Est.	High Est.
Common Equity (USD)	68.98	78.99
Preferred Equity (USD)	45.06	45.12
TOTAL EQUITY VALUE (USD)	114.03	124.11
TOTAL EQUITY VALUE (PHP)	5,485.07	5,969.69

Valuation Analysis | ACE Intl

Section B1 – Mui Ne Wind

OPERATING ASSETS

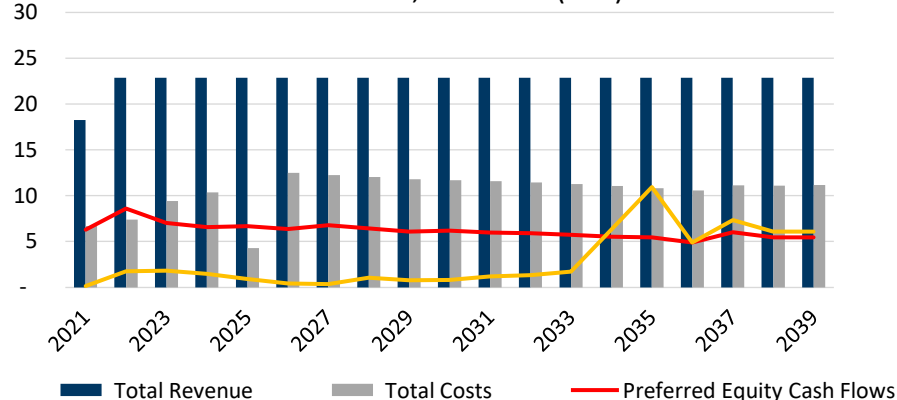
Salak-Darajat
Geothermal
Sidrap Wind
Dak Lak and Khanh Hoa
Solar
Ninh Thuan Solar
Mui Ne Wind

Business Overview

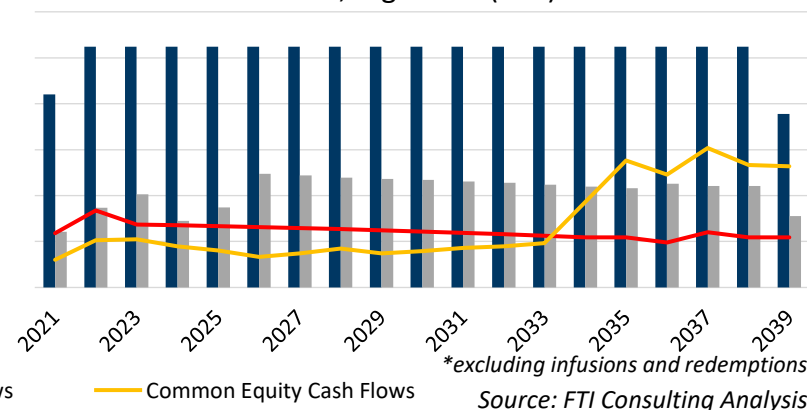
The Mui Ne Wind has a total capacity of about 170MW – with the first and second phases with capacities of 40MW each. The first and second phases consist of 10 wind turbines each. ACRI, through ACEV2, effectively owns 62.5 percent of common equity through itself and its share of The Blue Circle. Phase 1 has already started pre-operations while construction on the second phase is ongoing targeting completion by October 2021.

The value of ACRI's equity stake in Mui Ne Wind was estimated within the range of **USD146.48 million to USD159.47 million** or equivalently **PHP7,045.65 million to PHP7,670.54 million** using the Discounted FCFE method. Common equity cash flows of the first phase were discounted using the CAPM-determined cost of equity of 9.50 percent while preferred equity cash flows were discounted using the comparable market yield of 6.37 percent. To arrive at our low and high estimates of value, different production levels of energy output were considered.

USD Millions Mui Ne Wind, Low Case (P90)*



Mui Ne Wind, High Case (P50)*



Key Forecast Assumptions

- Sales from PPA is the key driver of the project's revenues. The 20-year PPA contract stipulates a fixed rate of 8.5 USD cents/kWh.
- Annual O&M costs are pre-determined on a per wind turbine generator ("WTG") basis with rates increasing every five years per WTG.
- The second phase of Mui Ne Wind is currently under construction. Cash flows from this project were discounted using the CAPM-determined cost of equity of 10.50 percent.
- 30 percent of the total project cost is funded by ACEV2 through a shareholder loan facility. The shareholder loan is convertible to preferred equity.

Valuation Summary^[1]

Amounts in Mn	Low Est.	High Est.
Common Equity (USD)	8.21	21.98
Preferred Equity (USD) ^[2]	138.26	137.49
TOTAL EQUITY VALUE (USD)	146.48	159.47
TOTAL EQUITY VALUE (PHP)	7,045.65	7,670.54

^[1] Equity values are inclusive of the valuation results of Mui Ne Wind Phase 2.

^[2] The cumulative and compounding feature of Preferred Equity dividends resulted the Low Case scenario to be higher⁹² than the High Case scenario.



ACE Intl Section B2 – Projects under Construction

Valuation Analysis | ACE Intl

Section B2 – Projects under Construction

- Presented below are the summary details of our valuation analysis for ACE Intl's projects under construction. This section includes a brief overview of the business of, and an explanation of the valuation methodology, assumptions, and results for ACRI's projects under construction.

Business Segment	Project	Valuation	Equity Value (in USD)		Equity Value (in PHP)*	
<i>Amounts in Millions</i>			Low Estimate	High Estimate	Low Estimate	High Estimate
Projects under Construction						
[1] Vietnam Wind Energy Ltd.	Hoa Dong and Lac Hoa Wind		120.16	130.24	5,779.50	6,264.74
Preferred shares		DCF Method	118.15	120.69	5,683.11	5,805.23
Common shares		DCF Method	2.00	9.55	96.39	459.51
[2] AMI AC Renewables	Quang Binh Wind**		119.12	136.16	5,729.90	6,549.06
Preferred shares		DCF Method	99.09	85.73	4,766.15	4,123.78
Common shares		DCF Method	20.04	50.42	963.74	2,425.28
[3] UPC-AC Energy Solar Ltd.	Paryapt and Sitara Solar		38.48	42.10	1,850.78	2,024.93
Preferred shares		DCF Method	35.45	39.12	1,705.00	1,881.57
Common shares		DCF Method	3.03	2.98	145.77	143.36
[4] BIM Wind Power JSC	Ninh Thuan Wind		73.07	83.99	3,514.79	4,039.98
Preferred shares		DCF Method	44.74	45.03	2,151.84	2,165.92
Common shares		DCF Method	28.34	38.96	1,362.95	1,874.06
TOTAL PROJECTS UNDER CONSTRUCTION			350.83	392.49	16,874.96	18,878.71

*USD/PHP Exchange Rate as of Valuation Date = 48.10

** Equity values are inclusive of the third phase of the Quang Binh Wind, BT3 Wind, which is a pipeline project.

Note: Equity values reflect ACE Intl's effective ownership.

Source: FTI Consulting Analysis