

ACEN Reports ₱405 Million Net Income for First Quarter 2022

- Revenues rose 29% to ₱7.4 billion, but short-term headwinds led to a 68% decline in net income
- New strategic partnerships to boost long-term capacity toward aspiration to become largest renewables player in the region

11 May 2022 – **ACEN**, the listed energy platform of the Ayala Group, disclosed today that its consolidated revenues for the first quarter of 2022 grew 29% to ₱7.4 billion. This was driven by new operating capacity, including two solar farms each in the Philippines and in India, as well as several wind facilities in Vietnam.

The company reported a consolidated net income of ₱405 million for the first quarter of 2022, 68% lower than the previous year. The decline in net income was driven by higher costs of purchased power due to elevated spot market prices during a major preventive maintenance outage of the SLTEC thermal plant. During the period, revenues were also affected by curtailment to the company's output in the Visayas because of transmission line damage from Typhoon Rai (Odette) and prior damage to a major sub-sea cable. To date, most transmission and distribution lines have been restored, but curtailment is still expected for the 80-MW Islasol solar farm until the end of the year, due to reconstruction on the said sub-sea cable. The company also incurred a one-time buyout expense related to a customer contract. Without the impact of these events, the company's net income would have reached approximately ₱1.6 billion during the period, for a growth of 23% year-on-year.

"The company faced significant headwinds in the first quarter from the impact of natural disasters, extended plant outages, and elevated spot purchases. However, we expect these issues to be resolved in the short to medium term, with the full rehabilitation of transmission lines damaged by Typhoon Rai (Odette), and supported by new operating capacity coming online in the next few months," ACEN Chief Finance Officer & Treasurer Cora G. Dizon said.

Attributable Output increased by 4% to 1,161 gigawatt-hours (GWh) in the first quarter of 2022. Although output grew as a result of new operating capacity opened in 2021, this was offset by the effects of the SLTEC maintenance outage, as well as curtailment in the Visayas.

Output from International assets rose by a noteworthy 62%, reducing the impact of the decline in Philippine generation. Renewables' contribution to ACEN's output increased by a significant 52%, bringing RE's share to 76% of total energy production.

Strategic Partnership Updates. To help achieve its capacity expansion targets and return to a robust growth trajectory, ACEN recently entered into new partnerships. In March, the company formed a joint venture with CleanTech Renewable Energy 4 Corporation to begin construction on a 133-MW solar farm and transmission line in Lal-lo, Cagayan, Philippines. The following month, ACEN and ib vogt, a German-based developer of tracking solar farms, have agreed to set up a 1,000-MW solar asset platform in Asia. Finally, in late April, ACEN announced the formation of a strategic partnership with United States-based firms Pivot Power Management and UPC Solar & Wind Investments LLC to pursue opportunities to acquire operating wind projects in the US and to explore strategies for extending their useful life through preventative maintenance and repowering.¹

"Recent global events have shed light on the importance of energy security and have accelerated the worldwide energy transition. The recent conflict in Ukraine and supply chain disruptions have led to soaring prices of commodities and fossil fuels, highlighting the need for more indigenous and sustainable energy sources. ACEN's aggressive RE portfolio expansion and geographical diversification allow us to capitalize on these developments in the long run," ACEN President & Chief Executive Officer Eric T. Francia said.

ACEN currently has ~3,800 MW of pro forma attributable capacity in the Philippines and across the region, of which ~3,300 MW, or close to 90%, is renewable. This puts the company in a strong position to reach its 5,000-MW target earlier than 2025, towards its vision of becoming the largest listed renewables platform in Southeast Asia.

DISCLAIMER: This disclosure may contain forward-looking statements that are subject to risk factors and opportunities that may affect ACEN's plans to complete the transaction/s that are the subject of this disclosure. Each forward-looking statement is made only as of the date of this disclosure. Outcomes of the subject transaction may differ materially from those expressed in the forward-looking statements included in this disclosure.

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¹ The transaction is subject to usual and customary conditions precedent to closing.

About ACEN

ACEN is the listed energy platform of the Ayala Group. The company has ~3,800 MW of attributable capacity in the Philippines, Vietnam, Indonesia, India, and Australia. The company's renewable share of capacity is close to 90%, among the highest in the region.

ACEN's aspiration is to be the largest listed renewables platform in Southeast Asia, with a goal of reaching 5,000 MW in renewables capacity by 2025. In October 2021, ACEN announced its commitment to achieve Net Zero greenhouse gas emissions by 2050.

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