ACEN is the renewable energy platform of the Ayala Group

ACEN

Ownership: 58.2%[1]

One of the fastest growing energy companies in the region, aspiring to be the largest listed renewables platform in Southeast Asia

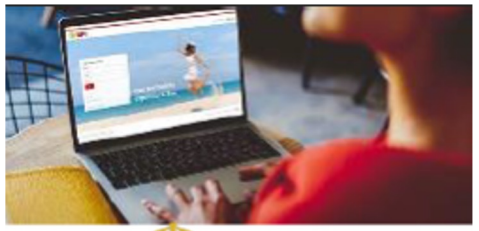
Market cap[3]: ~US$4.1 Bn

AyalaLand

Ownership: 51.6%[2]

Leading property developer in the country with solid track record of developing large-scale, mixed-use, and sustainable estates across over 12,000 hectares of landbank

Market cap[3]: ~US$8.1 Bn



BPI

Ownership: 44.4%[2]

Among the top three banks in the country with established leadership in new banking technology and sustainable financing

Market cap[3]: ~US$10.9 Bn

Globe

Ownership: 30.7%[2]

Digital platform with market leadership in telecommunications and fintech and major interests in digital marketing solutions, venture capital funding, etc.

Market cap[3]: ~US$5.9 Bn

Emerging Businesses

AC Health
An Ayala Company

AC Logistics
An Ayala Company

Portfolio Investments

AC Industrials
An Ayala Company

AC Infra
An Ayala Company

AC Ventures
An Ayala Company

iPEOPLE

1. Ownership held by AC Energy and Infrastructure Corp. (ACEIC), a wholly-owned Ayala subsidiary, after distribution of property dividends, as of Public Ownership Report 30 June 2024.
2. As of Public Ownership Report 30 June 2024 available from Philippine Stock Exchange data. ALI includes Mermac, Inc. share; BPI includes Liontide Holdings, Inc. share.
3. Market capitalization from Philippine Stock Exchange data as of August 15, 2024.

ACEN Generation Portfolio

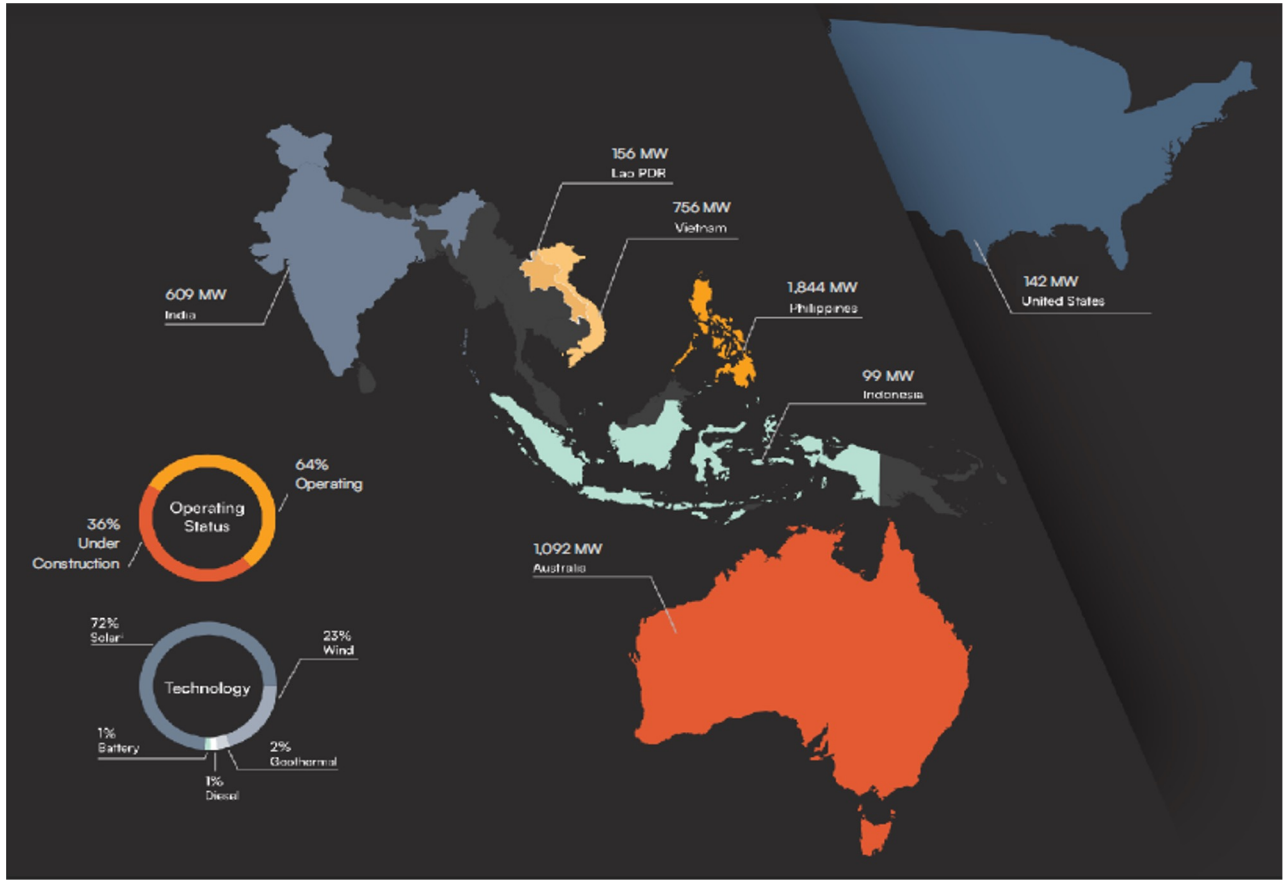
Renewables Attributable Capacity

~4,800 MW

Operating and under construction

~2000 MW

Signed Agreements



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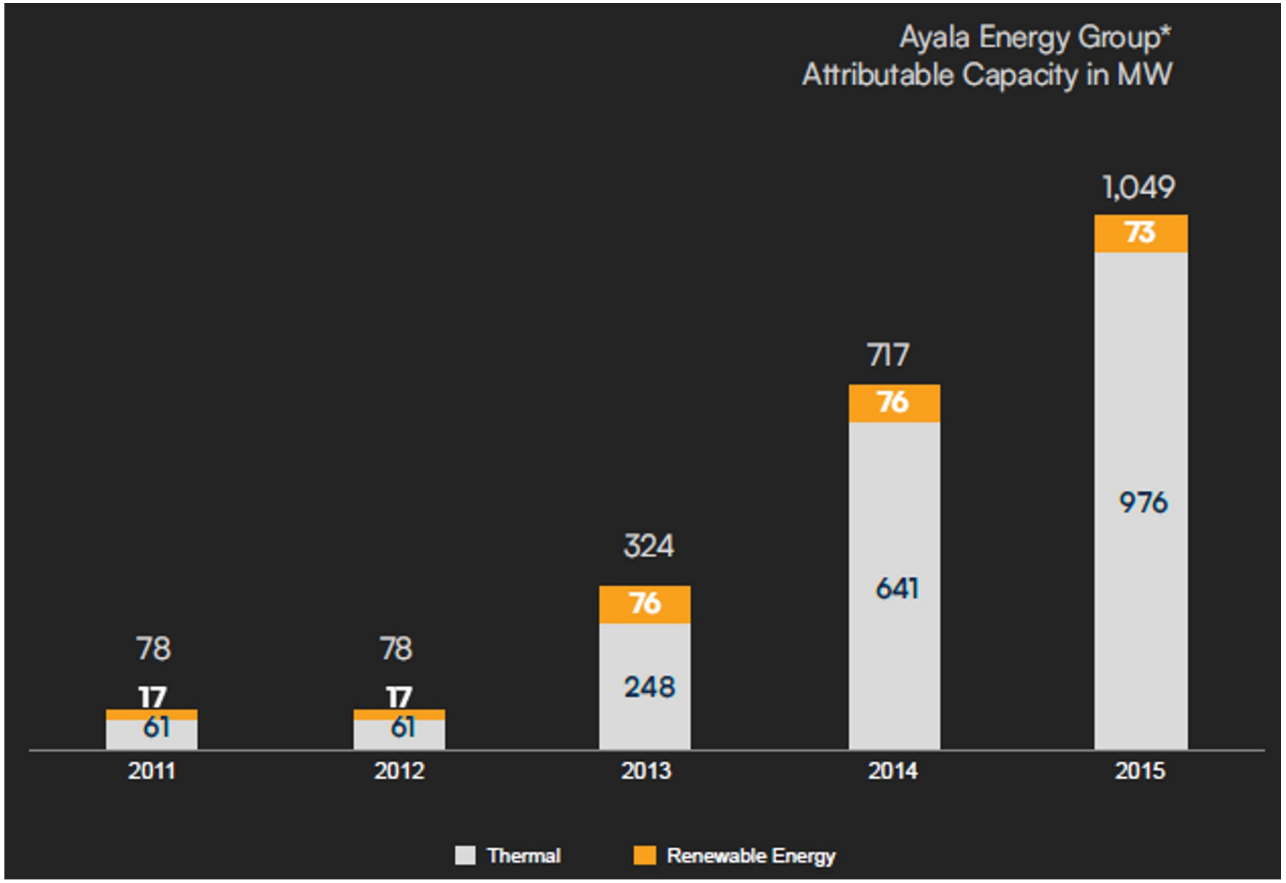
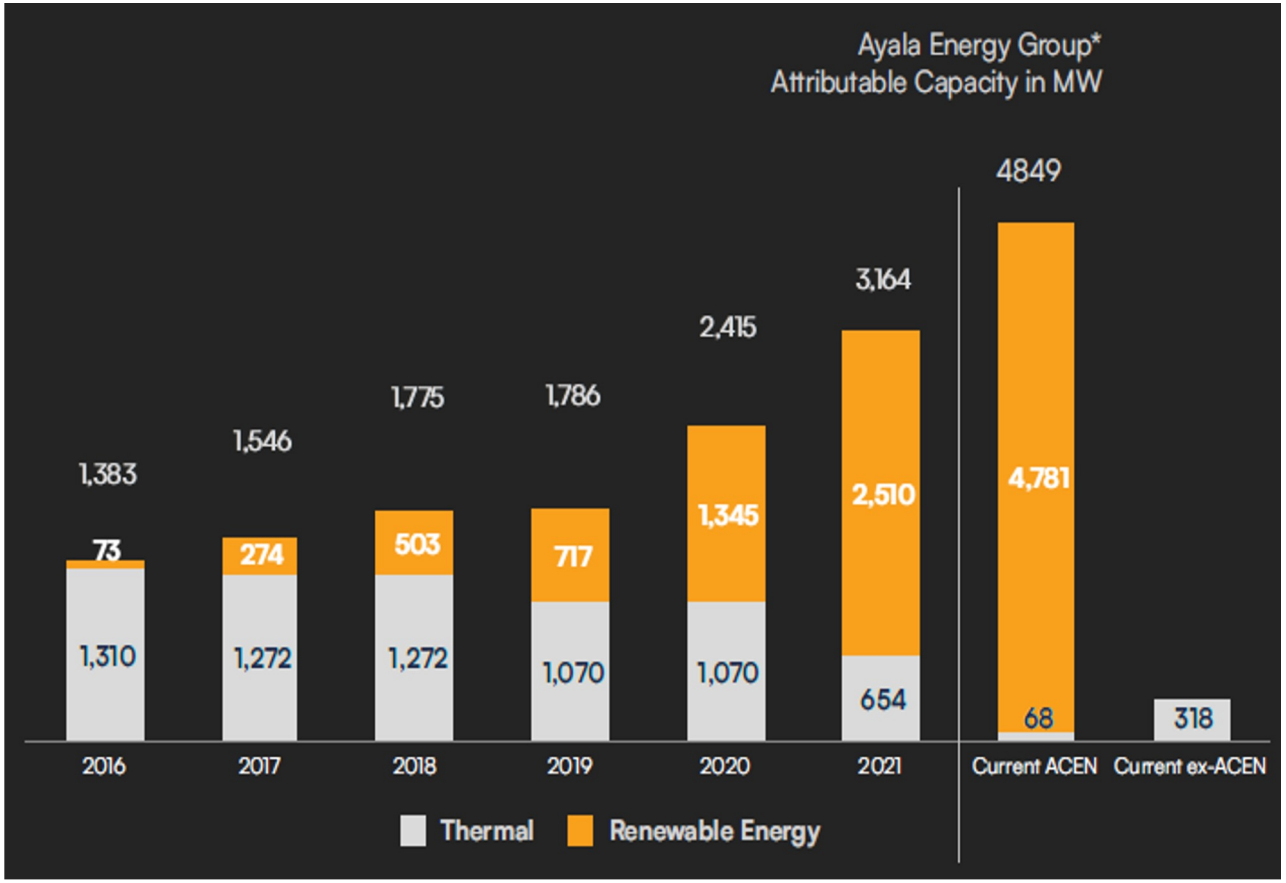
2011-2015 Building the platform, from zero to 1000 MW

- Leveraged strategic partnerships
- Focused on the Philippines
- Disproportionate investment in thermal



Transforming to be Asia Pacific's leading renewables platform

- Divest thermal and scale up renewables
- Regional expansion
- Acquisition of renewables platform



Energy Transition Mechanism

- Leverages public and private investments with the aim of retiring coal power assets on an earlier schedule

- ACEN completed the world's first market based Energy Transition Mechanism which involved the divestment and early retirement of coal plant by 2040

- Transaction potentially reduces lifetime emissions of up to 50 million metric tons of C02

Acceleration of coal plant retirement can be enabled by Transition Credits

At COP28: ACEN, The Rockefeller Foundation's Coal to Clean Credit Initiative (CCCI) and the Monetary Authority of Singapore (MAS) signed a cooperation agreement to pilot the world's first Transition Credits project.

- High integrity carbon credits granted to projects that enable the early retirement of coal plants and their replacement with clean energy, while ensuring a just transition.

- ACEN's pilot project will potentially accelerate the retirement of the 246 MW SLTEC coal plant from 2040 to 2030, when the plant completes 15 years of operations.

- Proceeds from transition credits will help fund foregone cash flows from the coal plant, subsidize clean energy replacement and just transition of affected communities and workers.

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Energy lost from early retirement of coal fired power plant should be replaced by clean, reliable and affordable energy

Coal

- 246 MW coal fired power plant
- ~1800 GWH net output
- Base load profile
- Historic CapEx ~USD 500 million
- LCOE ~ USD 0.085/kwh

Renewables

- 400MW mid-merit IRESS* plant
- ~1400MW solar + 1600MWH battery storage
- ~1800 GWH net output
- Mid-merit profile
- Estimated CapEx ~USD 1.5 billion
- LCOE ~ USD 0.145/kwh

*Integrated Renewable Energy Storage System

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Key Takeaways Transition Credits can have significant impact

HIGH INTEGRITY:

- Corresponding adjustments
- Replaces coal output on 1:1 ratio with clean, reliable and affordable energy

AT SCALE:

- 1.9mn mtCO2 per year emissions reduction
- 19mn tons over 10 years

IMMINENT:

- 2025 Target Approvals
- 2030 Coal Retirement Date

REPLICABLE:

- Verra / CCCI methodology
- Compliance and voluntary markets

ACEN Transition Credits Pilot Project

- South Luzon Thermal Energy Corporation (SLTEC) is a 246 MW coal plant in Calaca, Batangas,, **with an annual generation of ~1,690 GWh and annual emission of 1.93 million MTCO2.**
- Transition credits can enable **accelerated retirement of SLTEC from 2040 to 2030,** cutting its operations by 10 years and delivering up to ~19 million transition credits by 2040

South Luzon Thermal Energy Corporation (SLTEC) Plant

~1.9 million TCO2
emissions reduction per year from 2031 to 2040

10
years avoided

~19 million TCO2
total emissions reduction from the Pilot Project

1:1 RE Paring	Accelerated Retirement	Just Transition
New **~1.6 TWh** RE generation by 2031	**~19 million TCO2** emission reduction	**200** workers transitioned and Community Programs
no leakage	*absolute and permanent*	Addressing socioeconomic impacts

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ACEN Transition Credits Pilot Project

Proceeds from transition credits will cover the following: (1) foregone cash flows of existing investors, (2) the economic gap between RE generation + BESS1 and coal generation to arrive at a reasonable electricity price and (3) costs associated with the just transition and decommissioning.

Recover cash flows that will be foregone from the avoided operational years

Bridge the economic gap between coal generation and reliable and stable RE generation to arrive at a reasonable electricity price for the consumers

Implementation of just transition programs targeted to the workers and community and decommissioning and remediation activities for the SLTEC plant

[1]BESS - battery energy storage system, transition credits will subsidize BESS to firm the output of the RE plants

ACEN Transition Credits Pilot Project Key Priorities

Since the announcement of collaboration on the pilot project, several discussions and engagements were conducted which highlighted the **gaps currently existing in the market and the key challenges in successfully piloting** the early retirement and transition of the SLTEC plant through transition credits.

G2G Article 6.2 Arrangements

Government-to-government discussion on Memorandum of Understanding, Bilateral Agreement and Implementation Agreement to allow issuance of authorized units

Securing Early Interest from Potential Offtakes

Sovereigns and corporates' willingness to commit offtake ahead of the actual awarding of the credits

Pricing

Differentiating transition credits from traditional carbon credits which differ significantly in costs components and impacts

First-Mover Related Complexities and Risks

Considering nascent ecosystem, the need for capacity building in the market, ongoing development of methodology for a coal retirement and just transition and the role of external financing in addressing timing mismatch

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