



SPNEC Investor Presentation

March 31 2022



SOLAR
PHILIPPINES
NUEVA ECIJA CORPORATION

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Objectives for Today's Briefing



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Summary of Corporate Actions

2

SPNEC Portfolio Post-Share Swap

3

Key Considerations

SPNEC IPO on December 17 2021



Php 2.7 billion IPO from sale of primary shares at PHP 1.00 per share

SPNEC as **first pureplay solar company** to list on the PSE, Nueva Ecija as single solar project development

Average daily trading value of **~Php 345 million** since IPO (~USD 6.7 million)

Volume-weighted average price from the past two months of **~Php 2.00** per share

Summary of Corporate Actions

Increase in Authorized Capital Stock (ACS)

- SPNEC board and stockholder approval for increase in authorized capital stock (ACS) from 10 billion to 50 billion shares
- Regulatory approval target mid-2022
- Plan to issue at least 5.124 billion shares to the public to meet 20% public float, from a combination of SRO and private placements

Asset-for-share swap

- SPNEC board and stockholder approval to acquire Solar Philippines shares in over 20 entities in exchange for 24.37 billion shares at a Php 2.50 per share
- Regulatory approval target mid-2022

Stock Rights Offering (SRO)

- Planned issuance of 1.875 billion shares at an offer price range of P1.60 to P1.76 per share, to fund acquisition of land for 4 GW of developments, forming part of the total 10 GW
- Target to conduct SRO in June 2022, subject to regulatory approval, but not subject to increase in ACS

- ✓ **Currently a portfolio with over 175 MW operational capacity + over 10 GW of developments with DOE SESC's**
- ✓ **Target by the end of 2023 to turn this into 1 GW operational capacity + fully secured sites for the balance of 10 GW with permitting to be ready to start construction between 2023 to 2025**

SPNEC Corporate Structure Post-Share Swap



Overview of SPNEC Portfolio

Solar Philippines Nueva Ecija Corporation

Batangas-1

Solar Philippines Calatagan Corporation

- 63 MW operational
- FIT from 2016 to 2036
- JV: SP 62%, KEPCO 38%
- SESC: 2014-12-091; WESC: 2019-10-126

Batangas-2

Solar Philippines Tanauan Corporation

- 140 MW for COD by 2023
- Meralco PSA for 20 years
- JV: SP 50%, Prime 50%
- SESC: 2017-02-363-AF1, 2017-06-421

Tarlac-1

Solar Philippines Tarlac Corporation

- 100 MW operational, further 100 MW for COD by 2023
- Meralco PSA for 20 years
- JV: SP 50%, Prime 50% (post-conversion of pref)
- SESC 2017-07-442-AF1

Nueva Ecija-1

Solar Philippines Nueva Ecija Corporation

- Ongoing construction of first 50 MW and transmission line with full 500 MW for COD by 2023
- Angeles Electric PSA for 97.8 MWh daily for 10 years
- 2017-06-404-AF1

Terra Solar

Terra Solar Philippines Inc.

- 4,000 MW of SP's planned developments are reserved for JV with Prime Infra
- To be funded by balance of IPO + 1.876B shares SRO

Other JV's To Be Announced

Various SPVs

- 5,000 MW of planned developments reserved for other JVs
- To be funded from subsequent share issuances in 2022
- SESCOs reserved for Terra Solar and Other JV's

• 2017-02-364	• 2017-06-421	• 2018-03-477
• 2017-02-365	• 2017-07-431	• 2018-03-478
• 2017-05-384	• 2017-07-432	• 2018-03-479
• 2017-05-385	• 2017-07-433	• 2019-02-500
• 2017-06-405	• 2017-07-434	• 2019-05-512
• 2017-06-407	• 2017-07-435	• 2019-05-513
• 2017-06-415	• 2017-07-436	• 2019-05-514
• 2017-06-420	• 2017-08-445	• 2019-10-531

Rooftops

Various Rooftop SPVs

- Rooftop projects with various corporate customers
- Operating rooftop projects include the following SESCO's
 - 2014-04-071
 - 2014-04-072
 - 2015-02-110
 - 2015-02-111

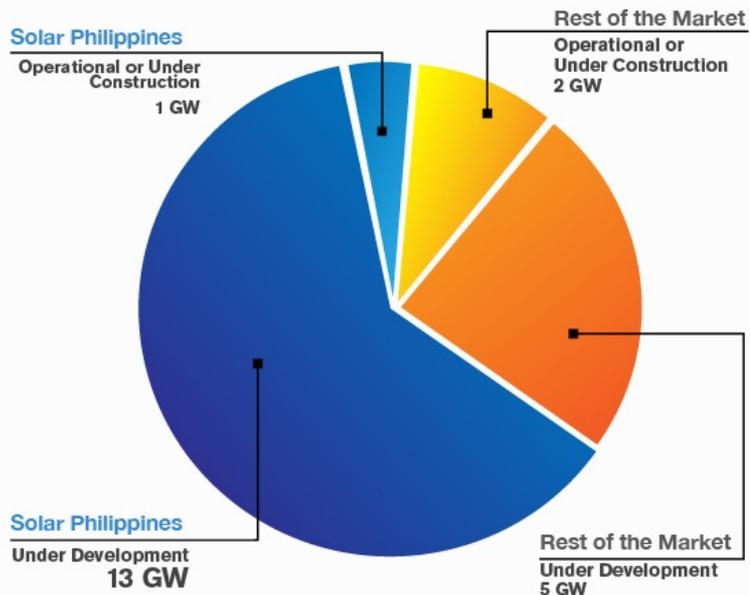
- ❖ **Currently over 175 MW operational**, with a target of 1 GW operational by the end of 2023
- ❖ **Currently over 10 GW of developments with SESCO's**, with a target of 10 GW ready to start construction between 2023 to 2025

SPNEC aims to create Php 15m/MW of value from 10 GW by 2025

- ❖ Project developer that creates value by **consolidating land and permits** for JV's with IPP's
- ❖ Approved share swap with its parent, SP, that would add **175 MW operating**, and **over 10 GW of developments with DOE SESC's**

AWARDED DOE SOLAR ENERGY SERVICE CONTRACTS (SESC'S)

(as of Dec 31, 2021)



SOLAR PHILIPPINES HAS OVER 33 DOE SESC'S WITH INDICATIVE CAPACITY OF OVER 14 GW, OR OVER 2/3 OF THE TOTAL 21 GW ACROSS ALL DOE SESC'S IN THE PHILIPPINES

Source: DOE List of Awarded Solar Energy Service Contracts and management estimates
Figures rounded to the nearest GW

Solar Energy Service Contract ("SESC") No. of SP Projects	Solar Power Project Name	Potential Capacity (MWp) per DOE list	Installed Capacity (MWp) per DOE list
2014-04-071	Central Mall Biñan	0.00	0.70
2014-04-072	SM North Edsa	0.00	1.47
2014-12-091	Calatagan	0.00	63.30
2015-02-110	Roxas City Mall	0.00	0.59
2015-02-111	SM Mall of Asia	0.00	2.69
2017-02-363-AF1	Calamba-Tanauan	100.00	0.00
2017-02-364	Medellin	100.00	0.00
2017-02-365	Iba-Palauig	0.00	0.00
2017-05-384	Balayan	600.00	0.00
2017-05-385	Tarlac	0.00	0.00
2017-06-404-AF1	Sta. Rosa Nueva Ecija 2	0.00	0.00
2017-06-405	San Rafael 1	140.00	0.00
2017-06-406	Maragondon-Naic-Tanza 2	200.00	0.00
2017-06-407	San Idefonso	140.00	0.00
2017-06-415	Iba-Palauig 2	1200.00	0.00
2017-06-420	Calamba-Tanauan 2	1680.01	0.00
2017-06-421	Maragondon-Naic-1	100.00	0.00
2017-07-431	Maragondon 1	60.01	0.00
2017-07-432	Maragondon 2	0.00	0.00
2017-07-433	Maragondon 3	1680.00	0.00
2017-07-434	Sta. Rosa Nueva Ecija 1	100.00	0.00
2017-07-435	Sta. Rosa Nueva Ecija 3	1680.00	0.00
2017-07-436	Concepcion Tarlac 2	0.00	0.00
2017-07-442-AF1	Concepcion 1	50.00	100.61
2017-08-445	SM City Tuguegarao	5.00	0.00
2018-03-477	Cabatang Tiaong	600.00	0.00
2018-03-478	El Nido	0.00	0.00
2018-03-479	Tayabas	0.00	0.00
2019-02-500	Padre Garcia	1680.01	0.00
2019-05-512	Kananga-Ormoc	1200.00	0.00
2019-05-513	Naga	1680.00	0.00
2019-05-514	General Santos	1200.00	0.00
2019-10-531	Laguna de bay Area 2E	0.00	0.00
SP SESC Total		14195.03	169.36
Rest of Market SESC Total		5796.60	1141.33
DOE SESC Total		19991.63	1310.69
Other SP Projects	Various Commercial & Industrial Projects	0.00	5.86 (not in DOE list)
2019-10-126	Calatagan Wind (Wind Energy Service Contract, "WESC")	200.00	0.00
SP Projects Total		14395.03	175.22

*DOE list of Awarded Solar Projects as of 31 December 2021
(<https://www.doe.gov.ph/renewable-energy/awarded-solar>)

Turning ~Php 1B in 2015 into ~Php 10B by 2021 from first projects

- ❖ Founded in 2013 to accelerate solar adoption, has come to focus on developing sites, seeing in it the greatest **first-mover advantage**
- ❖ Invested ~Php 1B (45% cash, 55% land) in 2015 for 400 MW and sold 38-50% at **~Php 10B valuation by 2021 (~Php 25m/MW)**
- ❖ Using the proceeds from these earlier projects, SPNEC's December 2021 IPO, and another Php 10B it seeks to raise in 2022, SPNEC aims to create **~Php 15m/MW value from 10 GW of developments by 2025**



2014-2016 – Completed first MW comm'l rooftops in PH, including SM North Edsa in 2014, MOA in 2016 (visited by Al Gore for his documentary)



Dec 2016, Oct 2017, Sep 2018 – Signed first Meralco solar PSA's, from all 3 Meralco solar CSP's



Jun 2019 – Energized Tarlac-1, with then lowest PPA price among operating solar farms in SE Asia



Jan 2021 – AC Energy JV for Solar Philippines Central Luzon Corporation, with loan agreement for Php 1B

2014

2015

2016

2017

2018

2019

2020

2021

Mar 2016 – Completed Batangas-1, the largest solar farm in Luzon under FIT, built by in-house EPC in 3 months from completing financing led by BDO



Dec 2018 – KEPCO makes its first RE investment in SE Asia, acquiring a 38% stake in Batangas-1 from SP (Visited by then KEPCO CEO Kim Jong-kap)



June 2020 – Prime Infra invests in Tarlac-1 for Php 1.5B



Oct 2021 – Prime Infra invests in Batangas-2 for 50% for Php 2B

Mar 2022 – Medco-SP JV signs PPA with PLN for a total of 50 MW in East and West Bali, the largest ground-mounted solar in Indonesia



Operating Solar Farms



- Solar Philippines Calatagan Corporation has been operating the 63.3 MW Batangas-1 Solar Farm since 2016, SP's first solar farm, then the largest in Luzon
- 20-year Feed-in-Tariff
- KEPCO invested Php 2.25 billion for preferred shares convertible to 38%

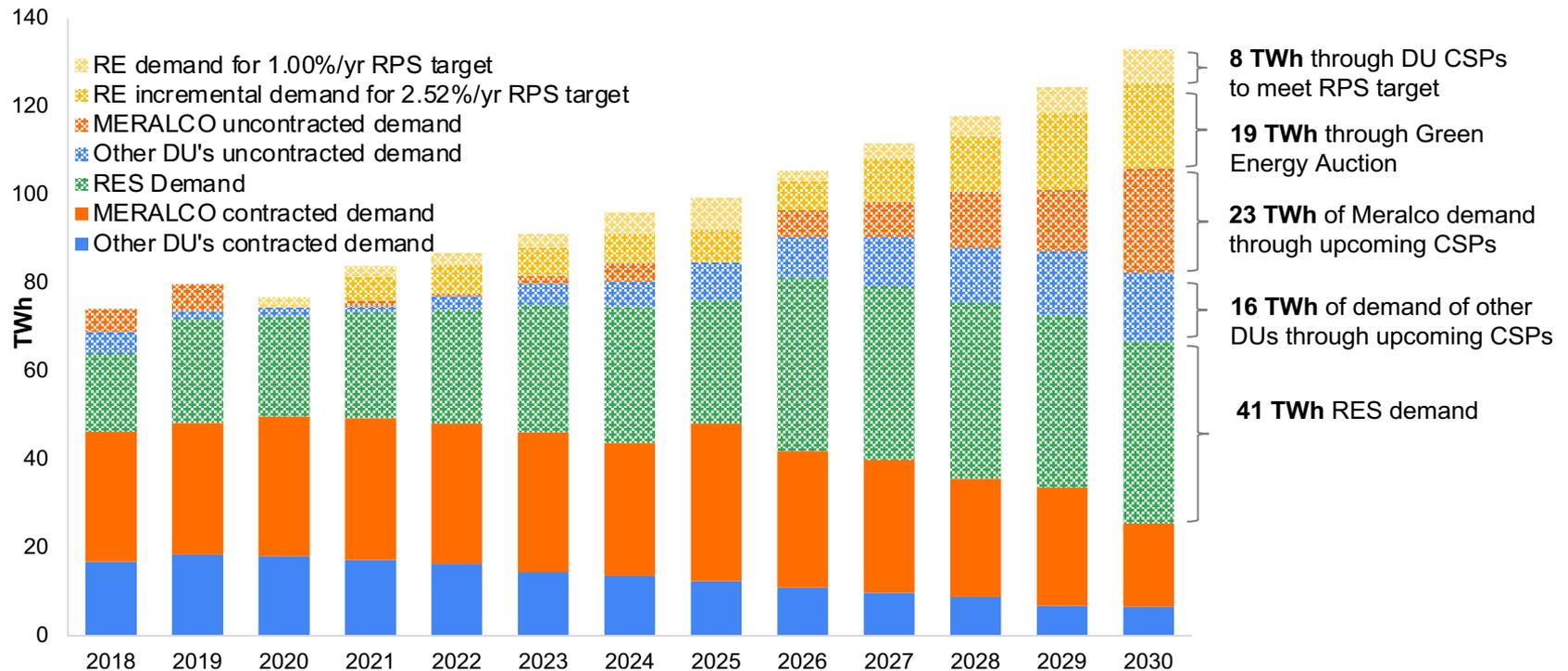


- Solar Philippines Tarlac Corporation has been operating the Tarlac-1 Solar Farm since 2019, with 100 MW currently operating with a target to expand to 200 MW by 2023
- 25-year Meralco Power Supply Agreement
- Prime Infra invested Php 1.5 billion for preferred shares convertible to 50%

Will there be enough demand for 10 GW of solar?

- ❖ DOE's RPS sets floor of **35% RE by 2030**, translating to **over 20 GW** if incremental RE is met by solar
- ❖ Shortage expected as existing supply depletes, new supply is delayed, and none can be added as fast as solar
- ❖ 10 GW of solar would serve roughly 13 TWh of demand (roughly 2 GW baseload), amid an estimated 100 TWh uncontracted demand by 2030, with 10 GW of solar translating to **less than 10% of total energy demand** in 2030

Philippine Annual Energy Demand (TWh) with uncontracted demand equivalent to over 30 GW of solar



Source:

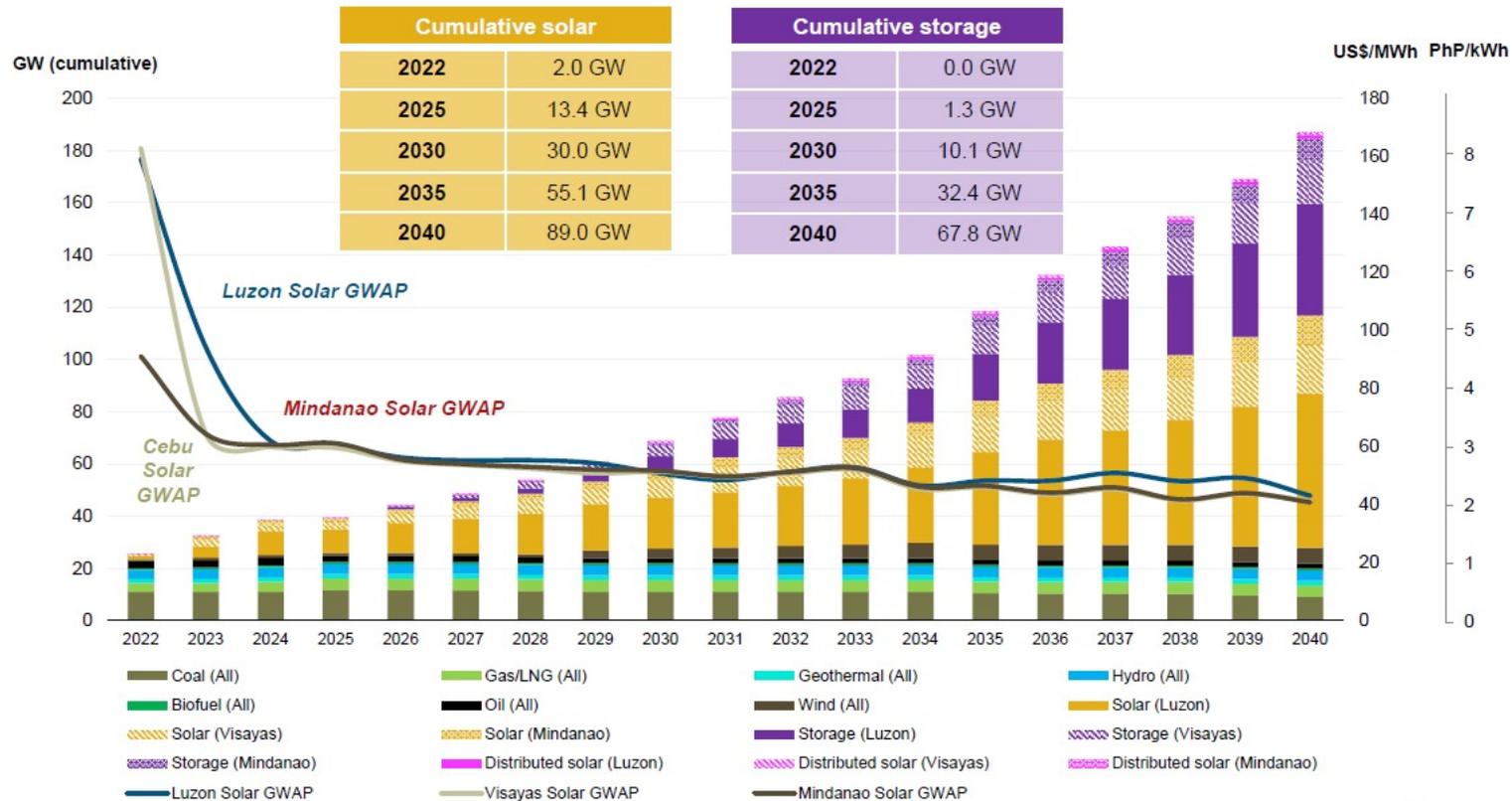
1. Meralco 2020 Power Supply Procurement Plan (PSP)
2. Businessworld, <https://www.bworldonline.com/nreb-confirms-higher-quota-for-contracted-re-power/>
3. Department of Energy statistics
4. The Lantau Group
5. Management estimates

Solar in the PH is constrained less by demand than supply

❖ Lantau forecasts near-term prices to average PhP5.4/kWh in Luzon through 2026 as driven by robust demand; structural changes in the supply mix; and lack of near-term large-scale baseload supply additions; decreasing only when new supply later comes online.

Solar and storage outlook based on economic capacity additions

Cumulative plant additions and solar GWAPs. Incorporates Solar Philippines' solar and storage cost curves

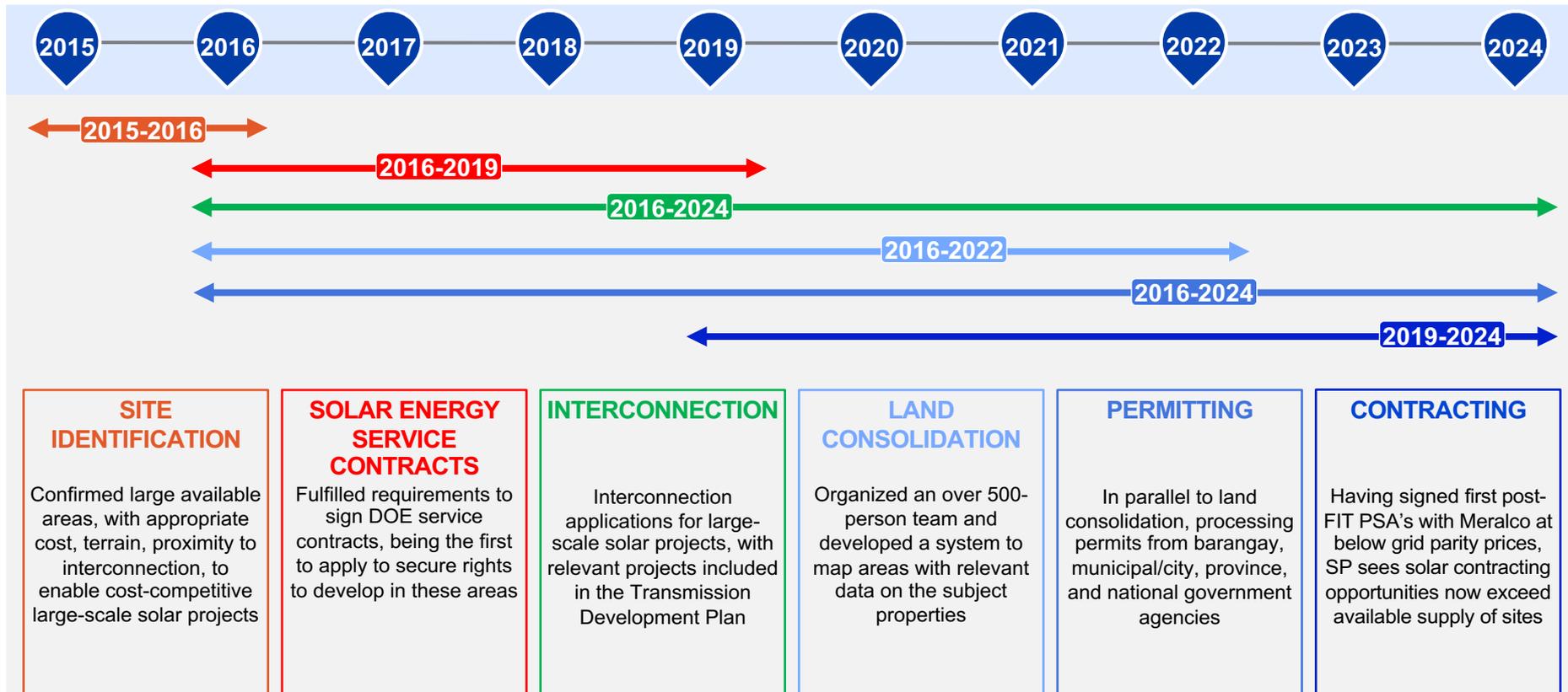


Note: Not inclusive of distributed solar, USD/PhP @ 50, annual escalation of nominal prices is 2%
 Source: TLG analysis



Can SPNEC deliver this much supply of solar?

- ❖ 2015-2021: Consolidating land, SESC's, SIS's
- ❖ 2022-2023: Complete payments for lands, then land conversion
- ❖ Aim to create supply of solar sites in the Philippines, which are of limited supply and increasing demand



For questions, email investorrelations@solarnuevaecija.ph

