

ACTIS CLOSES US\$600 MILLION MTERRA SOLAR INVESTMENT WITH MERALCO POWERGEN (MGEN) UNIT MGREEN

LUXEMBOURG, 17 March 2025: Actis announces the closing of the acquisition of a stake in Terra Solar Philippines, Inc. ("MTerra Solar"), with MGEN Renewable Energy, Inc. (MGreen), through its subsidiary SP New Energy Corporation ("SPNEC").

The signing of the subscription agreement marks the completion of the Share Subscription Agreement between Terra Solar Philippines, Inc. and Actis which was signed on September 6, 2024, granting Actis the right to an equity stake in MTerra Solar, subject to certain conditions, for a total consideration of approximately US\$600 million.

MTerra Solar represents one of the largest mid merit renewable generation capacities in the Philippines, with 850MW contracted capacity over 20 years. This investment is the largest foreign direct investment in a single project for greenfield infrastructure in the Philippines, a clear testament of MTerra Solar's key positioning in the country's renewable energy (RE) sector. With the Philippines' growing energy demand and strong RE potential, this project aims to significantly contribute to the country's Renewable Portfolio Standards programme.

Rahul Agrawal, Partner, Head of Energy for Southeast Asia at Actis, said: *"MTerra Solar is a marker of what's possible in terms of scale and ambition with renewable energy in Southeast Asia. It represents the largest such project in this fast-growing region, and we're delighted to be partnering with MGEN and MGreen to deliver this critical project and accelerate the Philippines' energy transition."*

Lucy Heintz, Partner, Head of Energy Infrastructure at Actis, commented: *"Actis specialises in building and operationalising energy assets both to accelerate the energy transition as we seek to deliver value for our investors. We are resolute in achieving these goals, and this project is expected to do just that and provides an excellent illustration of how we look to deliver a clean energy future at scale."*

"This landmark investment marks a major step forward in our mission to accelerate the clean energy transition in the Philippines. With MTerra Solar, we are reinforcing our commitment to delivering reliable, sustainable, and cost-effective energy solutions. This collaboration with Actis and MGEN strengthens our ability to meet the country's growing energy demand while advancing a greener and more resilient energy future," **said Emmanuel V. Rubio, President and CEO of MGEN and SPNEC.**

MGreen is the renewable energy arm of Meralco PowerGen Corporation (MGEN), which is a wholly owned subsidiary of Manila Electric Company (Meralco). This strategic investment will support MGEN's mission to accelerate the clean energy transition in the Philippines.

Actis, a leading global investor in sustainable infrastructure with deep project execution and contract management expertise, will work together with MGEN and MGreen, to jointly develop and expand MTerra Solar, which will have 3,500MWp of installed PV capacity and 4,500MWh of installed BESS capacity once fully commissioned.

Significant development progress has been made with MTerra Solar. Groundbreaking was led by President Ferdinand R. Marcos Jr. in November 2024, and Phase 1 Notice-to-Proceed has already been issued to contractors. Continued progress has been made on all fronts towards achieving the scheduled COD by the first quarter of 2026: (i) Phase 1 land has been fully secured; (ii) EPC contracts have been awarded to leading engineering and construction companies; (iii) construction of transmission line is on track for completion towards end of 2025; and (iv) PHP 150 billion of committed Project Financing has been signed with a syndicate of the largest Philippine banks.

MTerra Solar forms a significant part of Meralco's commitment to support the government's goal to have 35% of the Philippines' energy being sourced from renewable energy by 2030. MTerra Solar is also part of several pipeline projects of MGEN to have more than 1,500 MW of attributable RE capacity by 2030.

With this partnership, Actis joins the Meralco group in a shared goal to drive the growth of renewable energy and enhance the energy security of the Philippines. The investment is also expected to play a key role in the country's long-term decarbonisation efforts, supporting the Philippines' transition to a more sustainable and resilient energy system.

“Started as an ambitious project, MTerra Solar is moving towards the direction of providing meaningful contribution to the government’s goal to have about 35% of the country’s energy to come from renewable energy. Our collaboration with Actis is a pathway to the Philippine’s goal of having clean energy for the Filipino people,” **Meralco Chairman and CEO Manuel. V. Pangilinan** said.

UBS AG Singapore Branch acted as financial advisor to SPNEC. Latham & Watkins and Picazo Law acted as international and domestic legal counsel to MGreen and SPNEC. Morgan Stanley acted as financial advisor while Milbank and SyCip Law acted as international and domestic legal counsel, respectively, to Actis.

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About Meralco

Meralco is the largest private sector DU in the Philippines covering 39 cities and 72 municipalities with a franchise area of c.9,685km², which accounts for c.55% the Philippines’ electricity consumption. Meralco is listed on the Philippine Stock Exchange (“PSE”), with a market capitalization of US\$10.014 billion / PHP 573.126 billion as of 14 March 2025. Meralco’s principal shareholders are Beacon Electric Asset Holdings, Inc. 34.96%, Metro Pacific Investments Corporation 12.50%, JG Summit Holdings, Inc. 26.37%, and Others (including free float) 26.17%.

About MGEN

MGEN is a wholly owned subsidiary of Meralco. MGEN operates a diverse portfolio of power generation assets equipped with advanced technologies. Its main subsidiaries include Global Business Power (MThermal), MGEN Renewable Energy Inc. (MGreen), and MGEN Gas Energy Holdings, Inc. (MNatural Gas). Additionally, MGEN holds stakes in PacificLight Power (PLP), a Liquefied Natural Gas facility in Singapore, and SP New Energy Corporation (SPNEC), a renewable energy company. Recently, MGEN has invested a 40.2% stake in the biggest and most expansive LNG facility located in Batangas, Philippines. Across its portfolio, MGEN has a combined net sellable capacity of 4,912 MW from traditional and renewable sources as of February 2025.

About Actis

Actis is a leading global investor in sustainable infrastructure, seeking to deliver measurable positive impact for the countries, cities and communities in which it operates. Actis invests in structural themes that aim to support long term, equitable growth in defensive, critical infrastructure across energy transition, digitalisation transition, and supply chain transformation.

Actis believes that the firm’s decades of global experience, operational know-how and strong culture allow it to create global sustainability leaders at scale. Actis is a signatory to the Principles for Responsible Investment (PRI), an investor initiative supported by the United Nations.

You can learn more about Actis at www.act.is

Disclaimer

The statements made by Actis executives are as at 17 March, 2025 and are not necessarily representative of the views of executives of portfolio companies in which Actis has invested.

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