



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

REPORT OF FACTUAL FINDINGS

AC Energy Corporation

35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas cor. Makati Avenue, Makati City
1226, Philippines

We have performed the procedures agreed with you and enumerated below with respect to the attached Progress Report as of and for the quarter ended **June 30, 2022** on the application of the proceeds from the Follow-On Offering (the “Offering”) of **AC Energy Corporation** (the “Company”). The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the accuracy of information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures are summarized as follows:

1. Obtained the Progress Report on the Application of the Proceeds from the Follow-On Offering as at and for the quarter ended June 30, 2022 (the “Schedule”);
2. Checked the mathematical accuracy of the Schedule;
3. Compared the disbursements in the Schedule to the Progress Report for the quarter ended June 30, 2022;
4. Traced disbursements to the supporting documents such as bank debit memo and bank deposit slip and agreed the amount to the accounting records;
5. Inquired into and identified the nature of the disbursements for the quarter ended June 30, 2022. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the Offering.

We report our findings below:

- (a) With respect to item 1, we were able to obtain the Schedule as at and for the quarter ended June 30, 2022.
- (b) With respect to item 2, we found the Schedule to be mathematically correct.
- (c) With respect to item 3, we noted that the total application of proceeds in the Schedule agree to the total disbursements per list of disbursements provided. No exceptions noted.
- (d) With respect to item 4, we obtained the supporting documents such as bank debit memo and bank deposit slip. The amounts recorded agreed with the supporting documents, except that based on our examination of supporting documents, we noted a difference of ₱582,426,528.76 between the supporting document and the amount of disbursement in the schedule for General Corporate Requirements. Upon further inquiry, we confirmed that the difference pertains to the funding from the proceeds of SRO amounting to ₱109,058,150.93 and the remaining balance came from other sources. These funds were used as the payment for the purchase of power from South Luzon Thermal Energy Corporation totaling ₱682,426,528.76. No exceptions noted.
- (e) With respect to item 5, we noted, based on our inquiries, examination of supporting documents and understanding of the underlying transactions that all the disbursements made for the quarter ended

June 30, 2022 as appearing in the Schedule are consistent with the planned use of the proceeds. We also noted the Company reallocated the planned use of proceeds from the Offering which was approved by the Company's Board of Directors during their meeting held on August 4, 2021. No exceptions noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the use of proceeds from the Offering based on the said standards.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the Offering and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.


Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

SEC Accreditation No. 111562-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-120-2022, January 20, 2022, valid until January 19, 2025

PTR No. 8854386, January 3, 2022, Makati City

July 14, 2022