



**INVESTMENTS
CORPORATION**

April 1, 2022

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th St. corner 5th Ave.
BGC, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Re: **Press Release - SMIC to acquire Philippine Geothermal
Production Company (PGPC)**

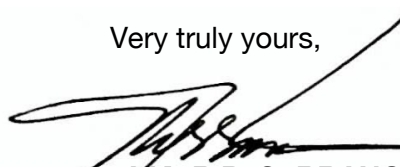
=====

Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled "SMIC to acquire Philippine Geothermal Production Company (PGPC)."

Thank you.

Very truly yours,



ELMER B. SERRANO
Corporate Secretary

Encl. a/s



Press Release

SMIC to acquire Philippine Geothermal Production Company (PGPC)

(1 April, 2022. Pasay City, Philippines) – Today the Board of Directors of SM Investments Corporation (SMIC) approved the acquisition of the 81% stake from related parties in Allfirst Equity Holdings Inc (Allfirst) in exchange for shares in SMIC, subject to valuation confirmation by an independent appraiser.

Allfirst is the holding company for Philippine Geothermal Production Company, Inc. (PGPC), which operates the Tiwi and Mak-Ban steam fields. Tiwi is the first commercial-scale geothermal steam field development in Southeast Asia, followed by Mak-Ban, both in operation since 1979. Together they generate geothermal steam sufficient to produce approximately 300 MW of electricity.

In addition to its two producing steam fields, PGPC also has several other greenfield concession areas for geothermal steam production which it will develop moving forward.

“As a leading sustainability advocate, SMIC is pleased to invest directly in clean renewable energy-related production, which is a national priority and aligned with our commitments to environmental stewardship and to tackling climate change. Renewable geothermal energy production contributes to carbon reduction efforts and is aligned to UN Sustainability Goals,” said Frederic C. DyBuncio, President and CEO of SMIC.

“The terms of this transaction will additionally create value for our minority shareholders and ensure alignment of the interests of all shareholders in the geothermal property. PGPC is expected to generate significant carbon offsets reported under the Task Force on Climate-Related Financial Disclosures (TCFD) framework,” he continued.

The transaction will bring SMIC’s ownership in PGPC to 100%, and it will be included in SMIC’s portfolio investments in future reporting. This portfolio comprises investments in high growth sectors in the Philippines where SMIC seeks to support market leading companies that benefit from synergies within the ecosystem of the SM Group.

The transaction will be structured as a share swap based on a Php 26.6 billion enterprise valuation of PGPC, resulting in the issuance of 17.4 million SMIC shares based on a 60-day VWAP of Php 903.88/share. The transaction will be accretive to SMIC based on 2021 earnings.

The valuation is based only on the cash flow of the existing geothermal steam fields and does not impute any value to the other concession areas in the portfolio of PGPC which are currently in the developmental stage. All further upside from the production of these developmental concession areas are all for the benefit of SMIC shareholders.

The transaction will be subject to approval by SMIC shareholders at the company's ASM on April 27, 2022 and by regulators and is expected to be completed in the third quarter of 2022.

This transaction further reinforces the SM Group's commitment to sustainability, good governance and acting as a catalyst for responsible development in the communities we serve.

###

About SM Investments Corporation

SM Investments Corporation is a leading Philippine company that is invested in market-leading businesses in retail, banking, and property. It also invests in ventures that capture high growth opportunities in the emerging Philippine economy.

SM's retail operations are the country's largest and most diversified with its food, non-food, and specialty retail stores. SM's property arm, SM Prime Holdings, Inc., is the largest integrated property developer in the Philippines with interests in malls, residences, offices, hotels and convention centers as well as tourism-related property developments. SM's interests in banking are in BDO Unibank, Inc., the country's largest bank, and China Banking Corporation, the 6th largest bank. For more about SM, visit www.sminvestments.com

Timothy Daniels

Consultant, Investor Relations & Sustainability

SM Investments Corporation

Email: smic_corpcomm@sminvestments.com