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FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

Please refer to the attached disclosures filed by Metro Pacific Investments Corporation (“MPIC”) with the Philippine Stock Exchange (“PSE”), relating to (i) Receipt of Updated Notice of Intent to undertake a Tender Offer, (ii) Approval by the MPIC Board of Directors of filing an application for Voluntary Delisting of its Common Shares from the PSE, (iii) Notice of a Special Stockholders’ Meeting, and (iv) Request for Voluntary Trading Suspension.

Dated this the 4th day of July, 2023

As at the date of this announcement, the Board of Directors of First Pacific Company Limited comprises the following directors:

Executive Directors:

Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*
Christopher H. Young

Non-executive Directors:

Anthoni Salim, *Chairman*
Benny S. Santoso
Axton Salim

Independent Non-executive Directors:

Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok
Madeleine Lee Suh Shin
Blair Chilton Pickerell

SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Jul 3, 2023
2. SEC Identification Number
CS200604494
3. BIR Tax Identification No.
244-520-457-000
4. Exact name of issuer as specified in its charter
Metro Pacific Investments Corporation
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
9th Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Pasig City
Postal Code
1604
8. Issuer's telephone number, including area code
(632) 8888-0888
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares of Stock	28,695,934,752

11. Indicate the item numbers reported herein
9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Metro Pacific Investments Corporation

MPI

PSE Disclosure Form 4-30 - Material Information/Transactions

References: SRC Rule 17 (SEC Form 17-C) and Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Receipt by the Company of the Updated Notice of Intent to undertake a Tender Offer ("Tender Offer Notice") and Approval by the Board of Directors of the Filing of an Application for Voluntary Delisting

Background/Description of the Disclosure

On July 3, 2023, Metro Pacific Investments Corporation ("MPIC") received an updated Tender Offer Notice ("Updated Notice") from a consortium consisting of Metro Pacific Holdings, Inc. ("MPHI"), GT Capital Holdings, Inc. ("GTCHI"), Mit-Pacific Infrastructure Holdings, Inc. ("MPIH") and MIG Holdings Incorporated ("MIG") (MPHI, GTCHI, MPIH and MIG shall collectively be referred to as the "Bidders") which states that they intend to make a tender offer ("Tender Offer") for common shares of MPIC with a view to taking MPIC private through a voluntary delisting process. The Tender Offer shall cover all outstanding common shares of MPIC, other than the common shares owned by the Bidders and the qualifying common shares of the directors of MPIC (the "Excluded Shares", and the shares subject of the Tender Offer, the "Tender Offer Shares"). The Updated Notice states that it supersedes the initial Tender Offer Notice that MPIC received from the Bidders on April 26, 2023 ("Initial Notice").

Under the Amended Voluntary Delisting Rules of the Philippine Stock Exchange ("PSE"), the voluntary delisting must be approved by: (a) at least two-thirds (2/3) of the entire membership of the board of directors, including the majority, but not less than two, of all of its independent directors; and (b) stockholders owning at least two-thirds (2/3) of the total outstanding and listed common shares of the listed company and with the number of votes cast against the delisting proposal not more than ten percent (10%) of the total outstanding and listed common shares of the listed company.

After receiving the Tender Offer Notice, a special meeting of the Board of Directors of MPIC was convened on the same day ("MPIC Board"). The MPIC Board, including all four independent directors, unanimously approved a resolution authorizing the filing of an application for voluntary delisting with the PSE, subject to compliance with the Amended Voluntary Delisting Rules of the PSE. During the same meeting, the MPIC Board also unanimously approved to schedule the holding of a Special Stockholders' Meeting ("SSM") on August 8, 2023 with record date of July 18, 2023. The only agenda item to be submitted for the approval of the shareholders on the SSM is the approval of the voluntary delisting of MPIC from the PSE. Assuming the shareholders approve the resolution to delist MPIC from the PSE during the SSM, the Bidders will launch the Tender Offer immediately thereafter.

To comply with the voluntary delisting requirements of the PSE, the Tendered Shares together with the Excluded Shares should constitute at least 95% of the total issued and outstanding common stock of MPIC, or such percentage as the PSE may allow to effect the voluntary delisting of MPIC from the Main Board of the PSE. Under the voluntary delisting rules of the PSE, delisting will be granted only if this requirement is satisfied. The Updated Notice from the Bidders states that it is their intention to delist MPIC from the PSE and as such, the Bidders will not accept any Tendered Shares unless the threshold for voluntary delisting is achieved or an exemptive relief is obtained from the PSE.

Based on the Tender Offer Notice, the Bidders will offer to acquire the Tender Offer Shares shall be at Php 5.20 per common share ("Tender Offer Price") on an all-cash basis, which represents a 37% premium over the one-year (based on the date of Initial Notice) Volume Weighted Average Price ("VWAP") of MPIC's common shares and is at a premium of Ten Centavos (Php 0.10) over the highest end of the range provided in the IFA Report (as defined below). The Bidders stated in the Updated Notice that they believe that the Tender Offer and voluntary delisting of MPIC will allow existing shareholders to sell their common shares and realize their investment, in cash, at a premium to the current trading price of the common shares.

Other Relevant Information

The Bidders also stated in the Updated Notice that assuming the Tender Offer is launched immediately after the SSM, shareholders who participate in the tender offer and tender their Tender Offer Shares will continue to be entitled to interim dividends that MPIC may declare after the announcement of its first half 2023 results.

To comply with the voluntary delisting requirements of the Philippine Stock Exchange ("PSE"), a fairness opinion and valuation report was prepared by Unicapital, Inc. as the independent financial advisor ("IFA Report") to support the tender offer price. The Company received a copy of the IFA Report from the Bidders and is attached hereto for the information and reference of the Company's shareholders.

This serves as an update to the Company's disclosure filed on April 27, 2023.

Please see attached SEC Form 17-C dated July 3, 2023.

Filed on behalf by:

Name	RICARDO III PILARES
Designation	VP for Legal / Compliance Officer / Corporate Governance Officer / Corporate Secretary



METRO PACIFIC INVESTMENTS CORPORATION

July 03, 2023

PHILIPPINE STOCK EXCHANGE

PSE TOWER
28th Street corner 5th Avenue
BGC, Taguig City

SECURITIES & EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village
Barangay Bel-Air
Makati City, 1209

Attention: **MR. JOSE VALERIANO B. ZUÑO**
OIC – HEAD, Disclosure Department

DIR. VICENTE GRACIANO P. FELIZMENIO, JR.
Markets and Securities Regulation Department

RE: SEC FORM 17-C
METRO PACIFIC INVESTMENTS CORPORATION (“MPIC”)

Metro Pacific Investments Corporation (“MPIC”) submits the attached SEC Form 17-C disclosing the receipt by the Company of the Updated Notice of Intent to undertake a Tender Offer (“Tender Offer Notice”) and Approval by the Board of Directors of the Filing of an Application for Voluntary Delisting.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Pilares III".

RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

Item 9. Other Items

On July 3, 2023, Metro Pacific Investments Corporation (“MPIC”) received an updated Tender Offer Notice (“Updated Notice”) from a consortium consisting of Metro Pacific Holdings, Inc. (“MPHI”), GT Capital Holdings, Inc. (“GTCHI”), Mit-Pacific Infrastructure Holdings, Inc. (“MPIH”) and MIG Holdings Incorporated (“MIG”) (MPHI, GTCHI, MPIH and MIG shall collectively be referred to as the “Bidders”) which states that they intend to make a tender offer (“Tender Offer”) for common shares of MPIC with a view to taking MPIC private through a voluntary delisting process. The Tender Offer shall cover all outstanding common shares of MPIC, other than the common shares owned by the Bidders and the qualifying common shares of the directors of MPIC (the “Excluded Shares”, and the shares subject of the Tender Offer, the “Tender Offer Shares”). The Updated Notice states that it supersedes the initial Tender Offer Notice that MPIC received from the Bidders on April 26, 2023 (“Initial Notice”).

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After receiving the Tender Offer Notice, a special meeting of the Board of Directors of MPIC was convened on the same day (“MPIC Board”). The MPIC Board, including all four independent directors, unanimously approved a resolution authorizing the filing of an application for voluntary delisting with the PSE, subject to compliance with the Amended Voluntary Delisting Rules of the PSE. During the same meeting, the MPIC Board also unanimously approved to schedule the holding of a Special Stockholders’ Meeting (“SSM”) on August 8, 2023 with record date of July 18, 2023. The only agenda item to be submitted for the approval of the shareholders on the SSM is the approval of the voluntary delisting of MPIC from the PSE. Assuming the shareholders approve the resolution to delist MPIC from the PSE during the SSM, the Bidders will launch the Tender Offer immediately thereafter.

To comply with the voluntary delisting requirements of the PSE, the Tendered Shares together with the Excluded Shares should constitute at least 95% of the total issued and outstanding common stock of MPIC, or such percentage as the PSE may allow to effect the voluntary delisting of MPIC from the Main Board of the PSE. Under the voluntary delisting rules of the PSE, delisting will be granted only if this requirement is satisfied. The Updated Notice from the Bidders states that it is their intention to delist MPIC from the PSE and as such, the Bidders will not accept any Tendered Shares unless the threshold for voluntary delisting is achieved or an exemptive relief is obtained from the PSE.

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The Bidders also stated in the Updated Notice that assuming the Tender Offer is launched immediately after the SSM, shareholders who participate in the tender offer and tender their Tender Offer Shares will continue to be entitled to interim dividends that MPIC may declare after the announcement of its first half 2023 results.

To comply with the voluntary delisting requirements of the Philippine Stock Exchange (“PSE”), a fairness opinion and valuation report was prepared by Unicapital, Inc. as the independent financial advisor (“IFA Report”) to support the tender offer price. The Company received a copy of the IFA Report from the Bidders and is attached hereto for the information and reference of the Company’s shareholders.

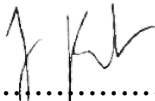
A copy of the Form 4-30 (Material Information/Transaction) will be filed to the Philippine Stock Exchange (PSE) is attached herewith as Annex “A”.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

METRO PACIFIC INVESTMENTS CORPORATION
MPIC or Issuer

July 03, 2023
Date



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RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Jul 3, 2023
2. SEC Identification Number
CS200604494
3. BIR Tax Identification No.
244-520-457-000
4. Exact name of issuer as specified in its charter
Metro Pacific Investments Corporation
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
9th Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Pasig City
Postal Code
1604
8. Issuer's telephone number, including area code
(632) 8888-0888
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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Metro Pacific Investments Corporation

MPI

PSE Disclosure Form 4-30 - Material Information/Transactions References: SRC Rule 17 (SEC Form 17-C) and Sections 4.1 and 4.4 of the Revised Disclosure Rules

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This serves as an update to the Company's disclosure filed on April 27, 2023.

Please see attached SEC Form 17-C dated July 3, 2023.



METRO PACIFIC

INVESTMENTS

METRO PACIFIC INVESTMENTS CORPORATION

FAIRNESS OPINION AND VALUATION REPORT

26 June 2023

26 June 2023

The Board of Directors of:

METRO PACIFIC HOLDINGS, INC.

10th Floor Net One Center
26th Street Corner 3rd Avenue
Fort Bonifacio, Taguig City, Philippines

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION

36th Floor, GT Tower International,
6813 Ayala Avenue,
Bel-Air, Makati City

GT CAPITAL HOLDINGS, INC.

43rd Floor, GT Tower International,
Ayala Avenue corner H.V. Dela Costa Street,
Makati City 1227

MIG HOLDINGS INCORPORATED

4th floor, SyCipLaw Center,
105 Paseo De Roxas Legaspi Village,
San Lorenzo, Makati City

Together, the "Consortium"

Gentlemen:

Pursuant to our engagement, we are pleased to present to the Board of Directors of the Consortium the Final Valuation Report on the common shares of Metro Pacific Investments Corporation ("MPIC" or the "Company") in accordance with the valuation methodologies agreed upon.

The Transaction

Metro Pacific Investments Corporation (“MPIC” or the “Company”), incorporated on March 20, 2006, is a holding company with business interests in water, power, tollways, hospitals, logistics, and railways. MPIC is currently listed on the Main Board of the Philippine Stock Exchange (“PSE”) under the ticker symbol “MPI”.

On April 26, 2023, MPIC received a Notice of Intent to undertake a Tender Offer from a consortium comprising Metro Pacific Holdings, Inc. (“MPHI”), GT Capital Holdings, Inc. (“GTCHI”), Mit-Pacific Infrastructure Holdings Corporation (“MPIH”), and MIG Holdings, Inc. (“MIG”) (collectively referred to as the “Consortium”) which stated their intention to make a tender offer for all the outstanding common shares of MPIC (the “Tender Offer”) with the aim of taking MPIC private through a voluntary delisting process.

On June 1, 2023, MPIC deferred the shareholders’ vote to approve the voluntary delisting of the Company from the PSE until a Fairness Opinion and Valuation Report commissioned by the Consortium is finalized in support of the Tender Offer.

We understand that the Consortium seeks to arrive at a fair and equitable valuation of MPIC’s common shares in connection with its potential voluntary delisting, subsequent to the Tender Offer to minority shareholders (the “Transaction”).

Our Engagement

On June 5, 2023, Unicapital, Inc. (“UI”, “Financial Advisor”, or “FA”) was engaged by the Consortium to issue an independent Fairness Opinion and Valuation Report (“FOVR”) for the issued common shares of MPIC subject of the Transaction.

Prior to this engagement, UI has not acted as a financial advisor in relation to the Transaction, to MPIC, its Subsidiaries and any affiliates, or any of the parties involved in the Transaction.

For this engagement, UI will receive a fixed financial advisory fee, which is not dependent on the success of the Transaction, but upon delivery of the Fairness Opinion and Valuation Report.

Based on the terms of reference of the engagement, UI immediately conducted a review of MPIC and its Subsidiaries’ financial statements and other publicly accessible information on MPIC that were considered to be relevant for the analysis. For purposes of this valuation exercise, the valuation methodologies were applied to the consolidated financial performance of MPIC and its Subsidiaries, as reflected in the historical audited financial statements provided by the Consortium. Subsequently, a structured approach was applied using the following valuation methodologies, when applicable, namely:

- Net Asset Value Approach, which estimates the net residual value of the Company’s common shares by carefully arriving at the value of its assets, using the latest full-year audited financial statements provided by the Consortium to the Financial Advisor and public reports published by the Company, and subsequently deducting all its liabilities, goodwill, and non-controlling interest (the “Net Asset Value” or the “NAV”);
- Discounted Cash Flow Approach, which estimates the value of the Company and its subsidiaries through the present value of expected future cash flows based on projections that assume full commercial operations;
- Dividend Discount Model, which estimates the value of the Company through the present value of all future dividends that the Company is expected to payout;
- Price-to-Earnings-Based Approach, which seeks to benchmark the value of MPIC’s shares compared to its counterparts, using applicable metrics; and

- Volume-Weighted Average Price, which examines the value of the Company's shares based on historical trading volume and price within a specific time period.

Valuation Summary

MPIC's Indicative Market Capitalization and Price per Share

Indicative Valuation P Thousands	Market Capitalization	
	Low	High
CPCM – P/E	96,591,712.30	122,078,668.17
SOTP – NAV	118,322,664.43	140,943,173.80
Single-Stage DDM	131,194,362.43	144,862,085.79
SOTP – DCF	133,063,336.42	146,326,006.94
VWAP	109,162,935.75	126,577,664.20
Range	96,591,712.30	146,326,006.94

Indicative Valuation Price Per Share	Price Per Share	
	Low	High
CPCM – P/E	3.37	4.25
SOTP – NAV	4.12	4.91
Single-Stage DDM	4.57	5.05
SOTP – DCF	4.64	5.10
VWAP	3.80	4.41
Range	3.37	5.10

Note: The implied price per share is based on MPIC outstanding shares of 28,695,934,752 as of June 23, 2023.

Our Opinion

After careful examination of different valuation methodologies used to estimate the fair value of MPIC's equity, the results were summarized into a range of values.

Based on the analysis undertaken and on the summary of valuation considerations described in the Valuation Report, the Financial Advisor is of the opinion that MPIC's indicative valuation ranges between **₱96.59 billion to ₱146.33 billion** equivalent to a share price of **₱3.37 to ₱5.10**.

Scope and Limitations

We have not audited or otherwise reviewed the accuracy of the full-year audited financial statements provided by the Consortium or taken from publicly available sources. It was assumed that these financial statements are true and accurate and are reflective of MPIC's financial condition during the date of the financial statements.

The preparation of the Fairness Opinion and Valuation Report by UI is limited to the purpose of the Transaction.

Some of the information contained in this report may have been taken from third-party sources or publicly available information. We have not independently verified whether such facts or information are true and correct. Further, UI has had no communications with MPIC management regarding any forward-looking guidance or financial projections for the purpose of this Report.

No representation or warranty, expressed or implied, is made by UI, or its respective affiliates subsidiaries, principals, directors, shareholders, officers, employees, agents, advisors, or representatives, as to the accuracy or completeness of any information, whether written or oral, contained in this Fairness Opinion and Valuation Report. UI expressly disclaims any and all liability, which may be based on such information, errors therein or omissions therefrom.

Nothing contained within this Fairness Opinion and Valuation Report is or should be relied upon as a promise of representation as to the future performance of the Company.

The recommendations and valuations contained therein were prepared by the Financial Advisor based on information available at the time the Valuation Report was prepared, and there are no representations, warranties, or other assurances that any of the conditions set forth herein will be realized.

We have no obligation to update this report or our recommended valuation for information that comes to our attention after the date of this report. This Valuation Report is based on the prevailing market, corporate, and economic conditions at the time of writing.

We have also assumed that all governmental, regulatory and other consents and approvals necessary for the consummation of the Transaction and any of MPIC's business dealings will be obtained without any material adverse effect on MPIC.

This Fairness Opinion and Valuation Report does not constitute a selling document, a recommendation to purchase or sell the shares of any of the companies mentioned herein, and makes no reference to the likelihood or relative benefits of any alternative transaction.

The Fairness Opinion and Valuation Report does not render an opinion on the fairness of the compensation in the Transaction to any of the Consortium's or MPIC's directors, officers, or employees relative to the Consortium or MPIC's shareholders.

Information Sources

The following sources of information were used in the preparation of this report:

- Company disclosures relevant to the analysis and as published on PSE EDGE;
- Audited financial statements of the Company and its Subsidiaries for the years ended and as of December 31, 2018, 2019, 2020, 2021, and 2022, and their respective annual reports;
- Certain publicly available information of the Company's financial performance from its company website; and
- Certain publicly available financial and stock market information (FactSet Research Systems, Inc., PSE Edge, and Bloomberg) regarding selected listed companies in a similar line of business we believe to be comparable to MPIC.


For the purposes of our analysis, we have assumed that all financial and other information received from all sources listed above were accurate and complete and have relied on this information without accepting any responsibility for independent verification.

Very truly yours,

UNICAPITAL, INC.



Jaime J. Martirez
President
TIN 101-540-783



Francis J. Reyes II
Assistant Manager
TIN 501-205-543-000

ABOUT UNICAPITAL, INC.

Unicapital, Inc. (“UI”) is a full-service investment house that is duly licensed by the Securities and Exchange Commission (“SEC”) to provide the widest array of finance and investment-banking product lines. Incorporated in 1994, the firm has successfully established itself as an active player in the trading of fixed income and equity securities, the underwriting and distribution of commercial papers, bonds, preferred shares and equity issues for listing in the Philippine Stock Exchange (“PSE”), and the provision of financial advice to its corporate clients.

On June 21, 2023, the PSE issued memorandum CN-2023-0030 (see ANNEX III | PSE ACCREDITATION) confirming the re-accreditation of UI as an accredited firm for issuing Fairness Opinions and Valuation Reports for a period of one year valid until June 26, 2024.

The Fairness Opinion and Valuation Report was not approved by a committee created within UI but instead was subject to an internal process of review and preparation. The Fairness Opinion for the Assets was initially prepared by an analyst and a junior officer of the Corporate Finance Department assigned to the transaction. It was then reviewed and approved by the President of the firm before it was issued out to the Board of Directors of the Company.

Mr. Jaime J. Martirez, President and CEO. He is concurrently the President and CEO of Unicapital Finance and Investments, Inc. and Chairman of the Executive Committee of the Group. He holds other key positions in several private and publicly listed corporations that are engaged in the fields of energy, real estate, and water distribution. He is the Vice President and Director of MAJALCO, Inc. and Treasurer and Director of Des Eaux Utilities Co., Inc., a bulk water provider of several local water districts in Bulacan. He is likewise a Director and Vice President of MJ Realty; Treasurer of GJ Holdings; and President of Unoventure, Inc., an enterprise facilities provider located in the PEZA Industrial Parks, south of Metro Manila. He also sits as Director of Malayan Savings and Mortgage Bank and Acme Pawnshops, Inc. He sits as a Director of Basic Energy Corporation, a publicly listed company in the Philippine Stock Exchange engaged in oil and renewable energy exploration and sits as Chairman of the finance and investments committee of the company. He is also a Director of Unicapital Securities, Inc. Mr. Martirez is a member of the Makati Business Club, Charter member of the Rotary Club of Makati Ayala and a past director of the Philippine Finance Association. He has acquired and developed professional expertise in the field of Investment Banking for the last 43 years, since 1976.

Mr. Francis Reyes II, Assistant Manager. He is a member of UI’s Corporate Finance Department. He graduated from Ateneo de Manila University with a Bachelor of Arts Degree in Economics. He is also currently taking a master’s degree in business administration from the Ateneo Graduate School of Business. He has experience in a broad range of private & public equity transactions, financial advisory, and mergers and acquisitions.

While Mr. Martirez and Mr. Reyes have extensive experience in business and finance, their professions are not bound by any licensure requirements.

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1 | BUSINESS OVERVIEW

1 | ABOUT METRO PACIFIC INVESTMENTS CORPORATION

COMPANY OVERVIEW



Metro Pacific Investments Corporation (the “Parent Company” or “MPIC”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (“SEC”) on March 20, 2006 as an investment holding company. MPIC’s common shares of stock are listed and traded through the Philippine Stock Exchange (“PSE”) with the ticker “MPI”. MPIC is a leading infrastructure holding company in the Philippines that continues to develop a diverse set of assets through its investments in water, toll roads, power generation and distribution, light rail, health, fuel storage, real estate, food and agriculture business.

The Company operates through the following business segments:



- **Power** – This primarily pertains to the distribution, supply, and generation of electricity by Manila Electric Company (“MERALCO”). The investment in MERALCO is held both directly and indirectly through Beacon Electric Asset Holdings, Inc. (“Beacon Electric”). In addition, MPIC has investments in Global Business Power Corporation (“GBPC”) held through MERALCO PowerGen Corporation (“MGen”) following MGen’s acquisition of GBPC in 2020. The assets and liabilities of GBPC were deconsolidated in relation to the sale.



- **Toll** – This primarily pertains to the operations and maintenance of toll facilities by Metro Pacific Tollways Corporation (“MPTC”) and its subsidiaries NLEX Corporation (“NLEX Corp.”), Cavite Infrastructure Corporation (“CIC”), MPCALA Holdings (“MPCALA”), Cebu Cordova Link Expressway Corporation (“CCLEC”), and foreign investees, CII Bridges and Roads Investment Joint Stock Company (“CII B&R”), and PT Nusantara Infrastructure Tbk (“PT Nusantara”).



- **Water** – This primarily pertains to provision of water and sewerage services by Maynilad Water Holding Company, Inc. (“MWHCI”) and its subsidiaries Maynilad Water Services, Inc. (“Maynilad”) and Philippine Hydro, Inc. (“PHI”), and other water-related services by MetroPac Water Investments Corporation (“MPW”) and its foreign investees, B.O.O. Phu Ninh Water Treatment Plant Joint Stock Company (“PNW”), and Tuan Loc Water Resources Investment Joint Stock Company (“TLW”).



- **Rail** – This primarily pertains to the operations of Metro Pacific Light Rail Corporation (“MPLRC”) and its subsidiary, Light Rail Manila Corporation (“LRMC”), the concessionaire for the operations and maintenance of the Light Rail Transit – Line 1 (“LRT-1”) and construction of the LRT-1 south extension (both known as the “LRT 1 Project”).
- **Others** – This pertains to the holding companies and operations of subsidiaries and other investees involved in health, fuel storage, real estate, biogas, food and agriculture.

POWER OPERATIONS

The investment in MERALCO is held directly by MPIC at 12.5% as of December 31, 2022 and held indirectly through Beacon Electric at an effective interest of 35.0% as of December 31, 2022.

MERALCO is the Philippines' largest electric power distribution company, with franchise area covering 9,685 square kilometers ("km"). It provides power to more than 7.6 million customers in 38 cities and 7 municipalities. Electricity distribution within the MERALCO franchise area accounts for over 50% of the power requirements of the country.

**TOLL OPERATIONS**

Metro Pacific Tollways Corporation is the largest toll developer and operator in the Philippines in terms of vehicle traffic volume, revenue levels, asset base, and combined length of expressways in kilometers. MPTC handles 700,000 vehicles per day on the average during the pandemic and close to a million vehicles per day pre-pandemic.



MPTC operates through Metro Pacific Tollways Data Services, Inc., Metro Pacific Tollways North Corporation, Metro Strategic Infra Holdings, Inc., Metro Pacific Tollways South Corporation, Metro Pacific Tollways Vizmin Corporation, CII Bridges and Roads Investment Joint Stock Company, Easy Trip Services Corporation, MPT Asia Corporation, PT Nusantara, Metro Pacific Tollways Asia Corporation PTE. LTD., Dibztech, Inc., CAVITEX, and NLEX Corporation. Information on key subsidiaries of MPTC are listed below.

- NLEX Corporation is a premiere company engaged in the development, design, construction, finance, operation and management of toll road projects. It is the builder-concessionaire and operator of two major expressways that link Metro Manila to North and Central Luzon: NLEX and SCTEX. The NLEX Corporation also holds the concession for the NLEX Connector, an 8-kilometer all-elevated highway to be built along the PNR right of way, extending the NLEX southward from the end of NLEX Harbor Link Segment 10 in C3/5th Avenue, Caloocan City to PUP Sta. Mesa, Manila.
 - NLEX is a modern toll expressway that was commissioned by the Government to replace the ageing North Luzon Diversion Road and to facilitate the development of the Subic and CSEZ. It serves as a gateway to travelers going to Central and Northern Luzon from the National Capital Region and vice versa.
 - SCTEX is a 94-km, four-lane expressway north of Manila, connecting the Subic Bay Freeport Zone in Zambales with the NLEX near the CSEZ in Angeles City and extending to the Central Techno Park in Tarlac City and is the longest toll expressway in the Philippines
- CAVITEX is a fourteen (14)-km expressway from Roxas Boulevard to Cavite;
- PT Nusantara, through its subsidiaries, holds investments in the following: (1) Toll road operators – PT Bintaro Serpong Damai ("BSD"), PT Jalan Tol Seksi Empat ("JTSE"), PT Metro Makassar Network ("MMN"), PT Jakarta Lingkar Baratsatu ("JLB") and JJC; (2) Water and waste management service providers – PT Sarana Catur Tirta Kelola ("SCTK") and PT Dain Celicani Cemerlang ("DCC"); (3) Power supply providers – PT Rezeki Perkasa Sejahtera Lestari ("RPSL") and PT Inpola Meka Energi ("IME");

WATER OPERATIONS

MWHCI, a joint venture between MPIC, DMCI Holdings, Inc. (“DMCI”), and Marubeni Corporation, holds controlling shares in Maynilad, which, in turn holds the exclusive concession granted by the Metropolitan Waterworks and Sewerage Systems (“MWSS”), on behalf of the Government, to provide water and sewerage services in the West Zone of the Greater Metro Manila.



Maynilad’s subsidiaries are PHI and Amayi Water Solutions, Inc. (“Amayi”). PHI owns and operates three plants that supply treated bulk water to the Legaspi City Water District in Albay, Norzagaray Water District, Santa Maria Water District, Bocaue Water District in Bulacan and in Bambang, Nueva Vizcaya. Amayi was organized to engage in the distribution of water outside the West Zone of the Greater Metro Manila.



MPW, a wholly-owned subsidiary of MPIC, is pursuing water infrastructure projects and other water-related investments across the Philippines. As at December 31, 2022, MPW’s subsidiaries hold the following concession rights:

- Through 95% in Cagayan De Oro Bulk Water Inc. (“COBI”) via its wholly owned subsidiary, MetroPac Cagayan De Oro Holdings, Inc. (“MCOH”). COBI, a joint venture between MCOH and Cagayan de Oro Water District (“COWD”), holds a 30-year bulk water supply agreement to supply up to 100 million liters per day (“MLD”) of treated water to COWD (“CDO Project”).
- Through 80% in Metro Iloilo Bulk Water Supply Corporation (“MIBWSC”). MIBWSC, a joint venture between MPW and Metro Iloilo Water District (“MIWD”), holds a 25-year bulk water supply project to supply MIWD up to 170 MLD (“Metro Iloilo Bulk Project”). On July 5, 2016, MIBWSC officially took over water production operations from MIWD.
- Through 80% in Metro Pacific Iloilo Water Inc. (“MPIWI”). MPIWI, a joint venture between MPW and MIWD, holds a 25-year concession to rehabilitate, operate, maintain and expand MIWD’s existing water distribution system and provide sanitation services to MIWD’s service area (“Metro Iloilo Distribution Project”).
- Through 80% in Metro Pacific Dumaguete Water Services Inc. (“MDW”). MDW, a joint venture between MPW and Dumaguete City Water District’s (“DCWD”) holds a 25-year concession to rehabilitate, operate, maintain and expand DCWD’s existing water distribution system and develop wastewater facilities to serve DCWD’s service area (“Metro Dumaguete Distribution Project”).

MPW also has an effective interest in the following:

- Effective interest of 27% in Laguna Water District Aquatech Resources Corp. (“LARC”) through its direct ownership of 30% in EquiPacific HoldCo Inc. (“EquiPacific”). LARC, a joint venture between EquiPacific and Laguna Water District (“LWD”), implements the joint venture project for the financing, rehabilitation, improvement, expansion, operation and maintenance of the water supply and distribution system within LWD’s franchise area in Los Baños, Bay, Calauan and Victoria of the Province of Laguna.
- Effective interest of 49% in TLW through its wholly owned subsidiary, Metro Pacific TL Water International Limited. TLW is one of the largest water companies in Vietnam, with 310 MLD of installed capacity. TLW’s main project assets are the: (1) Song Lam Raw Water Plant, (2) Ho Cau Moi Water Treatment Plant, and (3) Nhon Trach 6A Sewage Treatment Plant.
- 65% ownership in EcoSystem Technologies International, Inc. (“ESTII”). ESTII is engaged in the business of designing, supplying, constructing, installing, and operating and maintaining wastewater and sewage treatment plant facilities.

RAIL OPERATIONS

MPIC operates its rail business through its subsidiary, Metro Pacific Light Rail Corporation (“MPLRC”). MPLRC’s activity is the holding of shares of both Light Rail Manila Holdings Inc. (“LRMH”) and LRMCo. LRMCo holds the exclusive concession granted by the Department of Transportation (“DOTr”) and Light Rail Transportation Authority (“LRTA”), on behalf of the Government to operate and maintain the existing LRT-1, and to extend the south line Baclaran to Niog, Cavite. LRMH holds shares in LRMCo.



**LIGHT RAIL
MANILA
CORPORATION**

main
from

FUEL STORAGE

Philippine Coastal Storage and Pipeline Corporation (“PCSPC”) operates the petroleum storage and pipeline facilities of the former US military bases, namely Subic Bay Naval Base and Clark Air Force Base. MPIC indirectly owns 50% of PCSPC through a partnership with Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as trustee-manager of Keppel Infrastructure Trust (“KIT”)). PCSPC is the largest independent petroleum product import terminal in the Philippines with a storage capacity of approximately 6.0 million barrels. The 150-hectare facility comprises of 87 storage tanks, two piers and a pipeline infrastructure connecting the entire facility.



**PHILIPPINE COASTAL
STORAGE & PIPELINE
CORPORATION**

HEALTH

MPIC has created the Philippines’ first nationwide chain of leading private hospitals to deliver comprehensive in-patient and out-patient hospital services, including medical and surgical services, diagnostic, therapeutic intensive care, research and training facilities in strategic locations in the country. MPH has the largest network of premier private hospitals in the Philippines with over 3,800 beds, around 9,500 accredited doctors, and more than 13,000 staff as of December 2022.



MPIC’s digital arm mWell PH provides affordable and accessible health and wellness services anytime and anywhere through its fully integrated digital platform. mWell PH initially launched in July 2021 and reached over 1.4 million users at the end of 2022. mWell is available globally and offers telemedicine, wellness score developed by scientists, and provides a portable mobile digital clinic to remote communities in the country.

**REAL ESTATE**

The MPIC Group also has real estate investments through Landco Pacific Corporation (“Landco”), which develops leisure communities, resort-inspired condominiums and luxury home communities, and Metro Vantage Properties, Inc. (“MVPI”), which develops, designs and markets real estate properties. In 2021, Landco’s sales were at an all-time high since 2016, with 85% of sales from beachtown projects (Playa Laiya, Club Laiya, Playa Calatagan, Calatagan South Beach, Playa Azalea and Costa Azalea).



AGRIBUSINESS

Metro Pacific Agro Ventures Inc. (“MPAV”), the wholly owned agriculture unit of MPIC, is engaged in the following agriculture business:



1. The Vegetable Greenhouse Project, a 22-hectare property, housing a complex of modern greenhouses in San Rafael, Bulacan;
2. An agreement to acquire 34.76% ownership in Axelum Resources Corporation (“ARC”) for ₱5.3 billion. ARC is a leading manufacturer and exporter globally of high-quality coconut products, and one of the major suppliers of Vita Coco, the global market leader in coconut water; and
3. Future expansion of a dairy farm facility in Bay, Laguna, where it plans to annually produce at least 6 million liters of milk.

SHAREHOLDERS AND SENIOR MANAGEMENT

Stockholders of MPIC as of December 31, 2022 are as follows:

Shareholders	Type	Shares	Ownership %
Metro Pacific Holdings, Inc.	Common	13,222,948,174	41.89%
PCD Nominee Corp. (Filipino)	Common	7,510,450,510	23.79%
GT Capital Holdings, Inc.	Common	4,900,000,000	15.52%
PCD Nominee Corp. (Non-Filipino)	Common	3,534,908,319	11.20%
Metro Pacific Investment Corp.	Common	2,250,768,000	7.13%
Sergio Ong or Shirley Oland	Common	55,000,000	0.17%
La Filipina Uy Gongco Corporation	Common	41,450,000	0.13%
Albert F. Del Rosario and/or Margaret Gretchen V. Del Rosario	Common	12,774,224	0.04%
Manuel Velez Pangilinan	Common	9,500,001	0.03%
Others	Common	31,539,524	0.10%

The Board of Directors and Executive Officers of MPIC as of December 31, 2022 are as follows:

Name	Designation
Manuel V. Pangilinan	President and Chairman
Jose Ma. K. Lim	Director
June Cheryl A. Cabal-Revilla	EVP, CFO, CSO, and CRO
Pedro E. Roxas	Independent Director
Augusto P. Palisoc, Jr.	Director
Albert F. Del Rosario	Director
Alfred V. Ty	Vice Chairman
Artemio V. Panganiban	Independent Director

Name	Designation
Ramoncito S. Fernandez	Director
Oscar J. Hilado	Independent Director
Francisco C. Sebastian	Director
Ray C. Espinosa	Director
Christopher H. Young	Director
Rodrigo E. Franco	Director
Roberto C. Yap, S.J.	Independent Director
Ricardo M. Pilares III	Corporate Secretary, CGO, VP-Legal, and Compliance Officer
Cristina S. Palma Gil-Fernandez	Assistant Corporate Secretary
Stanley H. Yang	Senior Adviser
Melody M. Del Rosario	VP-PR and Corp. Communications
Loudette Anne M. Zoilo	VP-Human Resources
Michael T. Toledo	Head of Government Relations and Public Affairs
Marisa V. Conde	VP - Technical Finance / DPO
Maricris A. Ysmael	VP - Investor Relations
Nancy Kathleen S. Roxas	VP - Treasury
Ryan Jerome T. Chua	VP - Business Development
Kristine P. Fragante	AVP - Reporting and Financial Planning
Francis Alvin V. Asilo	AVP - Legal
Ma. Clarice U. Marucut	AVP - Business Development
Ma. Joanna Carmela P. Sanalila	Internal Audit Head
Christopher Andrew B. Pangilinan	VP - Enterprise Resilience

2 | INDUSTRY OVERVIEW

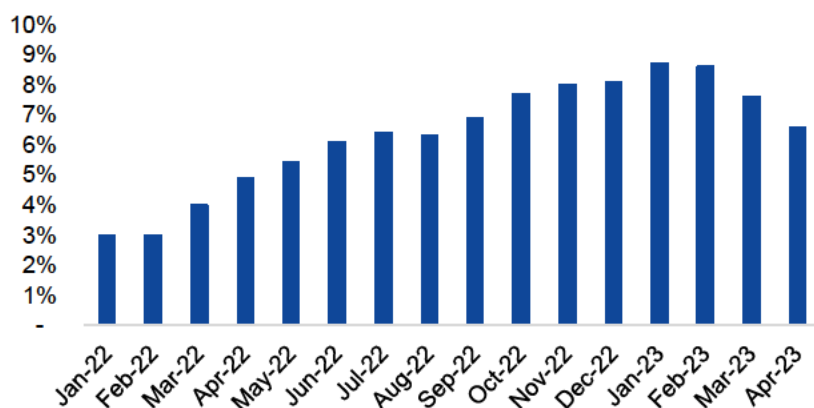
2 | INDUSTRY OVERVIEW

THE PHILIPPINE ECONOMY

The Philippines' economy is among the economies of Asia and the Pacific that are gradually recovering from the adverse impacts that the coronavirus disease ("COVID-19") pandemic brought globally. A stronger-than-expected domestic demand driven by rising employment and a recovery in tourism after the country lifted COVID-19 mobility restrictions are expected to support the Philippine economy's faster-than-expected growth, according to Asian Development Bank's ("ADB") Outlook report as of December 2022.

As of April 2023, the Philippines' headline inflation rate slowed down to 6.6% from the 7.6% in the previous month, resulting in an average inflation rate of 7.4% based from the Philippine Statistics Authority ("PSA") data. According to Finance Secretary Benjamin Diokno, the country is on track in terms of managing inflation to within its 2% to 4% target by 2024. The downtrend in inflation is mainly due to the lower contribution of food and non-alcoholic beverages, transport, housing, water, electricity, gas and other fuels to the overall inflation. The continuous decline in inflation from the recent months showed moderation of food inflation, particularly price declines in some vegetables and sugar as supply improved.

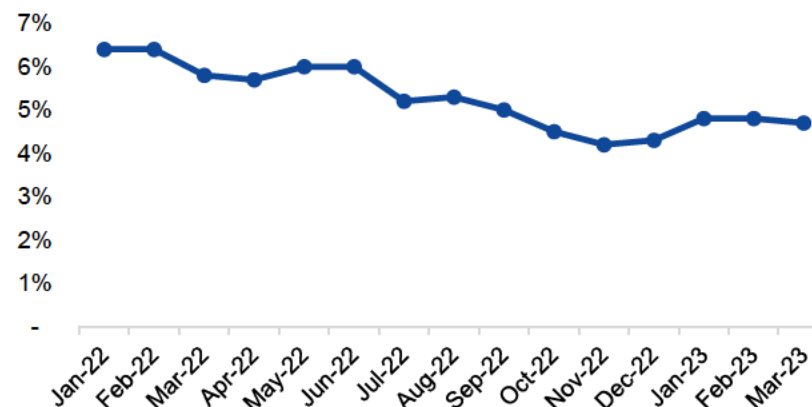
Headline Inflation Rate



Source: Philippine Statistics Authority

In line with the country's overall recovery from the pandemic and transition to full reopening of the economy, the unemployment rate significantly dropped to 6.6% in December 2021 compared to the 10.3% of 2020. In March 2023, the unemployment rate decreased further to 4.70%. Majority of the increase in employment came from the services sector, specifically in wholesale and retail trade. The National Economic and Development Authority ("NEDA") is expecting more job opportunities and a higher employment rate as the country moves toward full pandemic recovery. Out of the overall improvement in employment, the services sector accounted for the largest share with 59% employment, followed by agriculture sector and industry sector with 23.5% and 17.5%, respectively."

Unemployment Rate

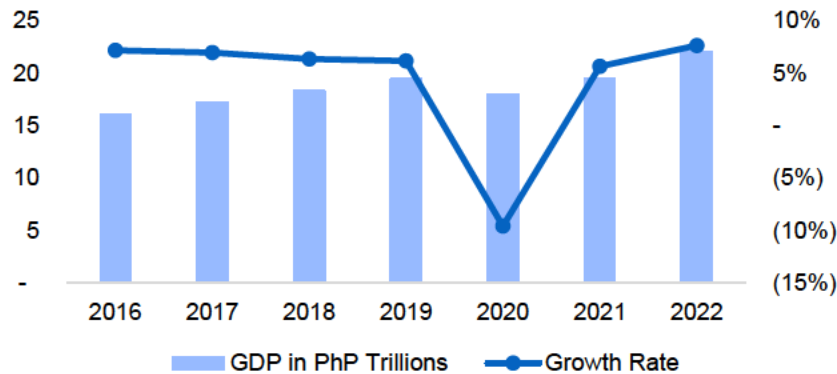


Source: Philippine Statistics Authority

Gross Domestic Product ("GDP") refers to the total market value produced by a country, which includes all final goods and services for a specific time frame. In 2022, the Philippines registered a nominal GDP of PhP22.0 trillion, which is a 7.6% year-on-year growth. In a September 2022 report, the ADB projects the Philippines' GDP growth

to decelerate to 6.0% in 2023, compared to the prior projection of 6.5%. Even though the Philippine economy has exhibited signs of recovery, there are downside risks to growth in 2023, which include inflation stickiness, interest rate hikes, and a decline in GDP growth in advanced nations. The International Monetary Fund (“IMF”) projects that Philippine GDP will grow between 2023 and 2028, with the growth estimate for 2028 at 6.4% as the nation resumes majority of its economic activities and approaches pre-pandemic levels.

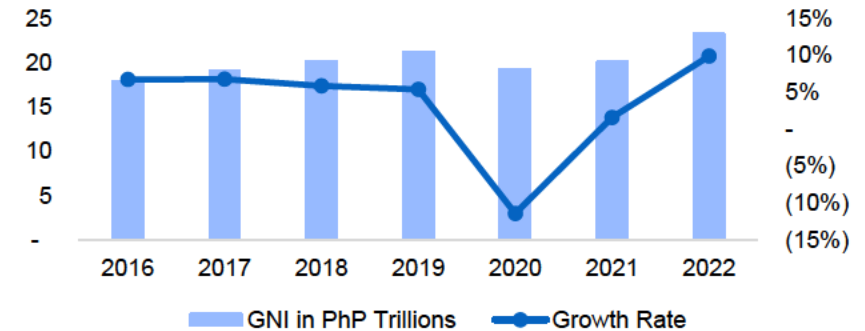
Gross Domestic Product (GDP)



Source: Bangko Sentral ng Pilipinas

Gross National Income (“GNI”) refers to the value produced by a country regardless if it is sourced domestically or internationally. GNI for 2022 reached ₱23.3 trillion, which is 16.0% higher than ₱20.1 trillion in 2020. This increase was due to higher net primary income and GDP increase for the year.

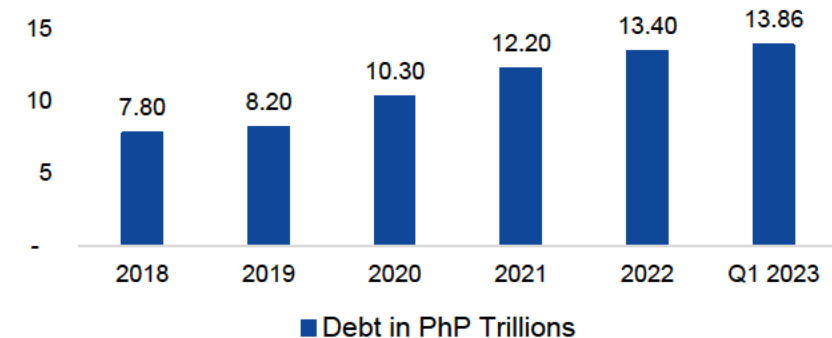
Gross National Income (GNI)



Source: Bangko Sentral ng Pilipinas

As a result of the pandemic's negative economic impact, the administration of former President Rodrigo Duterte borrowed money from various international financial institutions and foreign governments to shore up government finances for pandemic response activities. These accelerated the growth of national debt and continues to weigh on the debt-to-GDP ratio.

National Government Outstanding Debt

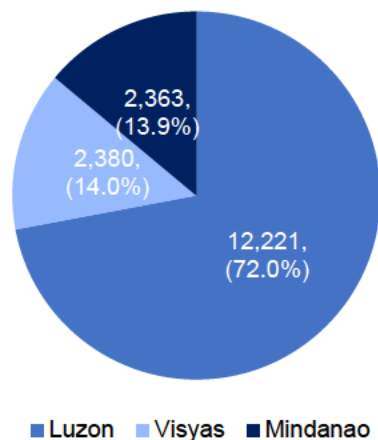


Source: Bureau of Treasury

POWER SECTOR IN THE PHILIPPINES

According to Independent Electricity Market Operator of the Philippines (“IEMOP”), the average demand in the Luzon and Visayas markets increased from 10,244 MW in March 2023 to 11,033 MW in April 2023. While this occurred, the average demand for Mindanao rose from 1,752 MW to 1,790 MW. The year-to-date top levels in all grids were reached as a result of an increase in demand.

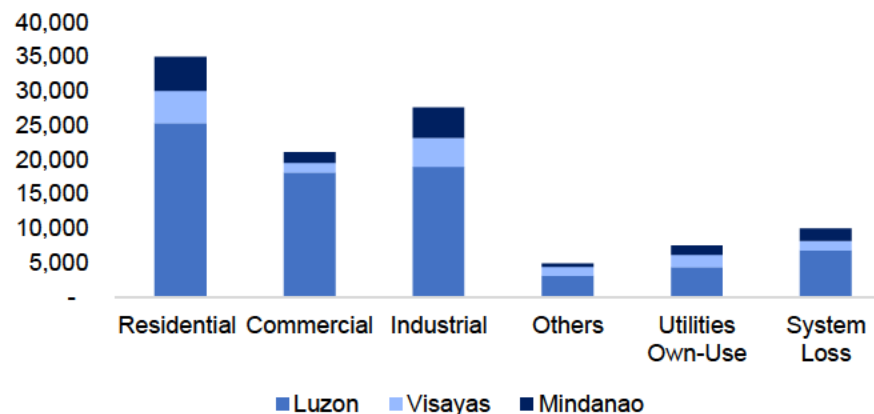
System Peak Demand in MW, 2021



Source: Department of Energy 2021 Annual Power Statistics

Based on the Department of Energy’s Annual Power Statistics released in June 2022, the Philippines’ Electricity Consumption data was reported at 106,115.000 GWh in 2021. This records a 4.3% increase from the previous 101,756.000 GWh in 2020. In relation to DOE’s Power Development Plan, the peak demand for the entire country is anticipated to approximately increase at 7% per year from 2020 to 2040. To meet this demand, the Philippines targets to increase installed capacity by around five times, from 22,317 MW in 2019 to 114,601 MW in 2040, coming from current, committed, and new construction capacities.

Electricity Consumption by Sector (in GWh), 2021



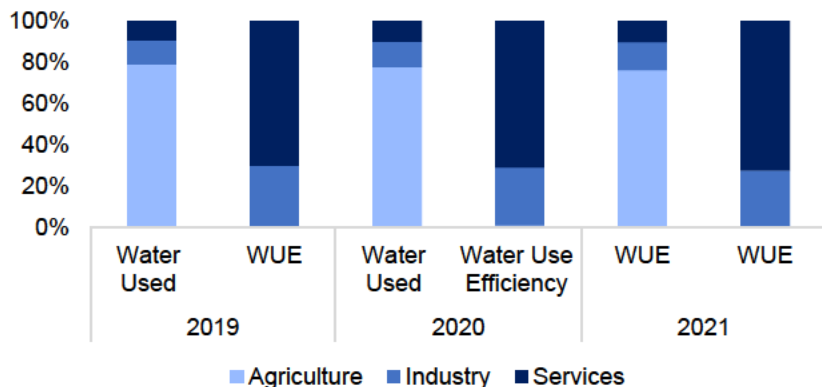
Source: Department of Energy 2021 Annual Power Statistics

While demand for electricity increased during the summer season of 2023, the IEMOP stated that the market remains stable given the ample supply across all grids. Despite an upward trend in demand, supply for Luzon and Visayas increased from 14,226 MW in March to 14,612 MW in April, as fewer generators had been scheduled for an outage. Mindanao, on the other hand, had abundant supply levels of about 3,018 MW in March and April. However, market pricing for Luzon and Visayas grew from ₱6.57 to ₱7.68 per kilowatt-hour during March to April 2023 billing periods. Mindanao’s market pricing, on the other hand, fell from ₱6.56/kWh in March to ₱5.36/kWh in April.

WATER INDUSTRY IN THE PHILIPPINES

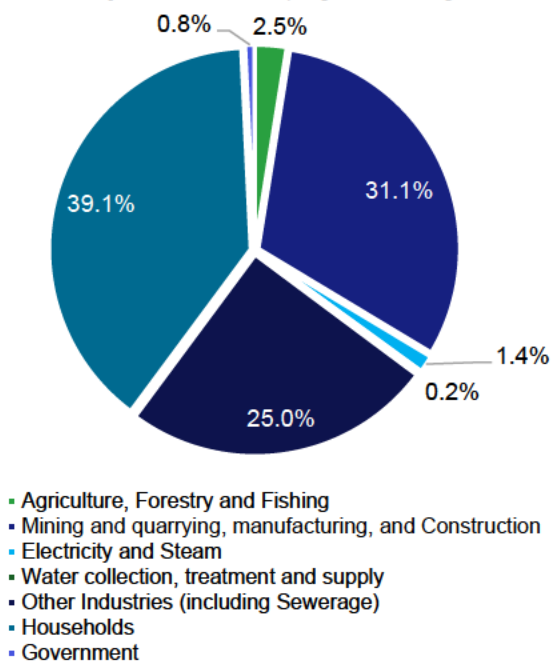
Based on the Philippine Statistics Authority’s data, the value added per unit of water used, or the country’s water use efficiency (“WUE”), improved from ₱199.25 per cubic meter in 2020 to ₱200.06 per cubic meter in 2021. Over the past ten years, the services sector constantly had the highest WUE, followed by the industrial and agricultural sectors. Over the same time period, the services sector contributed just 10.3% of the water utilized but more than 63.5% of the total gross value added.

Water Use Efficiency, 2019-2021



Note: Water Used (in million cubic meters), Water Use Efficiency (Php/m³)
 Source: Philippines Statistics Authority

PH Water Consumption in 2021, by Industry



Source: Philippines Statistics Authority

In 2021, households continuously accounted for the greatest portion of overall water expenditures. Water expenses in households rose to Php56.23 billion in 2021. Mining and quarrying, manufacturing, and construction industries, as well as the services sector, came in second and third, respectively, with revenues of Php44.72 billion and Php35.92 billion.

RAIL TRANSPORT IN THE PHILIPPINES

The Philippines Train System is divided into two types: light rail transit (“LRT”) and metro rail transit (“MRT”). These are being regulated by the Department of Transportation (“DOTr”), an agency of the government that ensures convenient and reliable transportation and implements protocols therein.

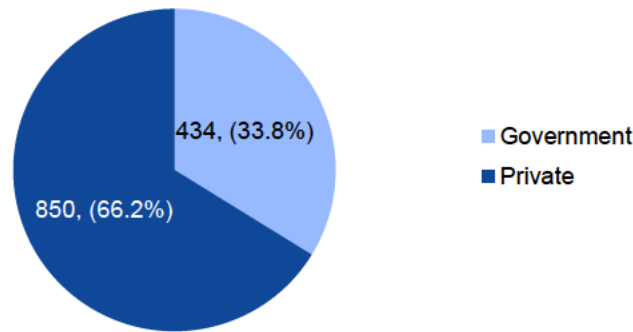
The Manila LRT System is an urban rail transit system that is jointly-operated by the Light Rail Transit Authority (“LRTA”), a government corporation attached to the DOTr and Light Rail Manila Corporation (“LRMC”). The LRT is a 37.24 kilometer-route that consists of 33 stations and two lines. Line 1 is aligned in a general north-to-south direction for over 19.65 kilometers with twenty (20) stations. Line 2 is aligned in a general east-to-west direction for over 17.60 kilometers with thirteen (13) stations. Meanwhile, MRT is a rapid transit system serving Metro Manila. It is a 16.90 kilometer-route with one (1) line and thirteen (13) stations. MRT Line 3, the first and only line operating in the Philippines, is jointly operated between Metro Rail Transit Corporation and the DOTr..

HEALTH SECTOR IN THE PHILIPPINES

The Philippine healthcare system is a combination of both public and private sectors. The government is primarily responsible for the provision of healthcare services to the population through the Department of Health (“DOH”) and various public hospitals and health centers. The Department of Health develops and approves state quality standards and clinical protocols and is responsible for the organization and implementation of the mandatory accreditation of health care facilities and the issuance of licenses. Local Government Units such as provincial governments are tasked with providing primary and secondary hospital care. City and municipal governments are tasked

with providing primary health care, promotive and preventive health programs and basic ambulatory clinical care. As of December 31, 2022, the Health Facilities and Services Regulatory Bureau (“HFSRB”) of the Department of Health reported a total of 1,284 DOH Licensed hospitals. Out of the total, 434 hospitals are owned by the government while 850 are private.

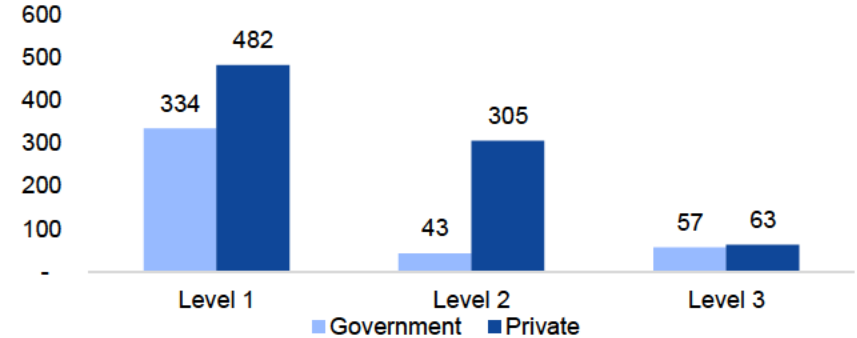
DOH Licensed Hospitals by Ownership, 2022



Source: DOH Health Facilities and Services Regulatory Bureau

The hospitals in the Philippines are categorized based on their classification. Level 1 hospital is the most basic in which there are no intensive care units (“ICU”) and mostly cater to patients who need minor care and supervision. A Level 2 hospital contains all the elements of Level 1 but with additional facilities like an ICU for critically ill patients and specialist doctors for gynecology and pediatric services. A Level 3 hospital is intended for specialty intervention like physical rehabilitation or dialysis treatment.

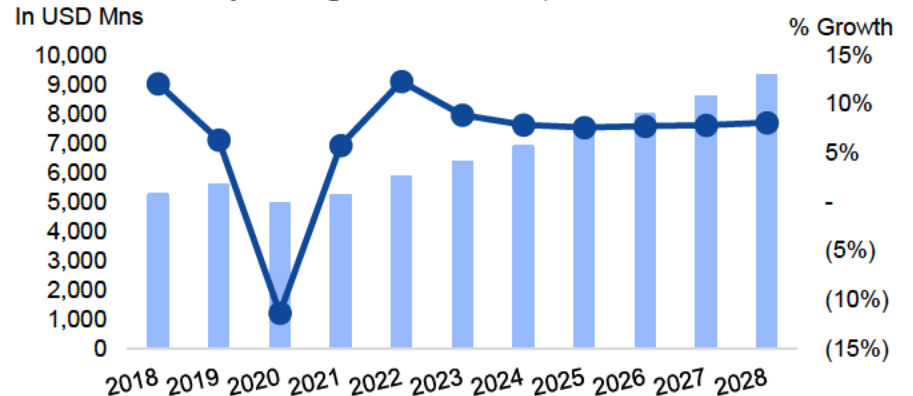
Total Number of Hospitals by Level, 2022



Source: DOH Health Facilities and Services Regulatory Bureau

Real total consumer spending on healthcare in the Philippines amounted to USD5.2B to USD5.8B in the past five years. Statista projected that it will grow to USD6.4B to USD9.3B from 2023 to 2028.

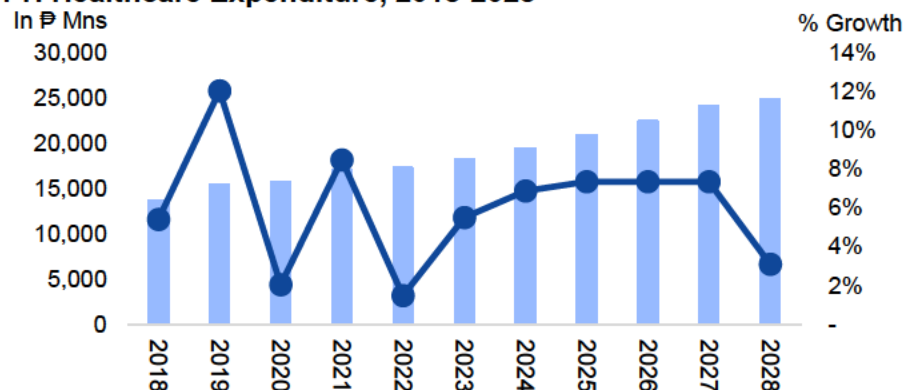
PH consumer spending on healthcare, 2018-2028



Source: Statista

According to PSA's Philippine National Health Accounts October 2022 report, government schemes and compulsory contributory health care financing schemes had the highest share in terms of health spending in 2021. Among health care providers, hospitals received bulk of the current health care expenditure amounting to ₱453.2 billion or 41.7% share, followed by retailers and other providers of medical goods at 26.2% and providers of health care system administration and financing at 14.8%.

PH Healthcare Expenditure, 2018-2028



Source: Statista

REAL ESTATE INDUSTRY IN THE PHILIPPINES

According to Santos Knight Frank’s Real Estate Outlook Report 2023, the Philippine real estate market is expected to have a sustained recovery in demand in 2023 across all important sectors, including retail, hotel, industrial, and office, with increased growth in the provinces.

In 2022, the Philippine GDP grew by 7.6%. According to Colliers, this growth, which is the nation’s fastest in more than 40 years, might be a "positive signal" for the real estate market. This is due to the market’s reflection of the nation’s economic output’s boom-bust cycle throughout the past decades. It is anticipated that this economic expansion would help the office and housing sectors.

From the Philippine Property 2023 Outlook, Colliers anticipates good net take-up in the office sector in 2023. It is anticipated that 338,600 square meters would be taken up, with support coming from traditional corporate occupiers (businesses in a range of industries, including legal, engineering and construction, government agencies, and flexible workspace providers) and IT-BPM organizations.

For the residential sector, Colliers anticipates that 5,600 new condominium units will be delivered by 2023, with around two-thirds of these being in the Bay Area. Condominium stock in Metro Manila’s key commercial areas is anticipated to expand from 142,200 units in 2021

to 166,400 units by the end of 2024, a 17% increase, with the Bay Area possibly overtaking Fort Bonifacio as the region’s largest condominium market.

In terms of the industrial sector, Colliers affirmed that increasing manufacturing competitiveness should attract more investments, which would be beneficial for industrial parks, particularly those in northern and central Luzon. In the Calamba-Laguna-Batangas (“CALABA”) corridor, about 112 hectares of industrial supply are anticipated to become available, and growing manufacturing and logistics companies are anticipated to promote industrial space absorption.

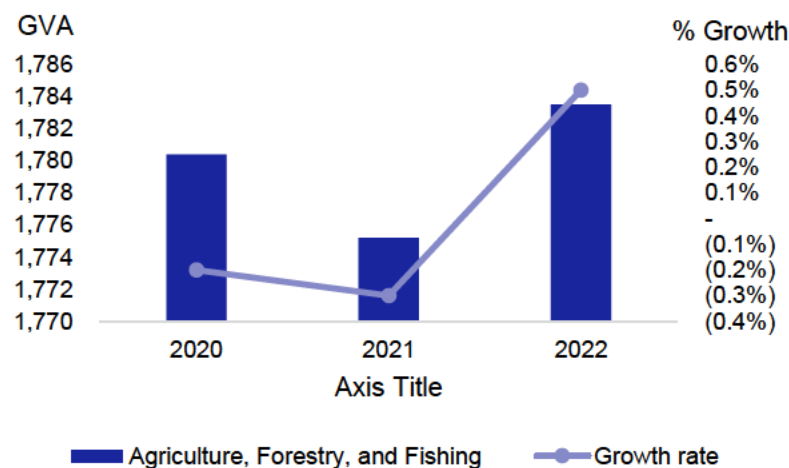
Real Estate	Rental Market	Vacancy	Supply
Office	5.00%	20.50%	603,900 sqm
Residential	2.00%	17.10%	5,600 units
Industrial	11.20%	6.00%	112 hectares

Source: Philippine Property Outlook by Colliers as of December 2022

AGRICULTURE SECTOR IN THE PHILIPPINES

Agriculture, forestry, and fisheries (“AFF”) grew at 2.2% in 1Q23, amounting to PhP444.2 billion, compared to the 0.2% increase in 1Q22.

Gross Value Added (in PhP mn)

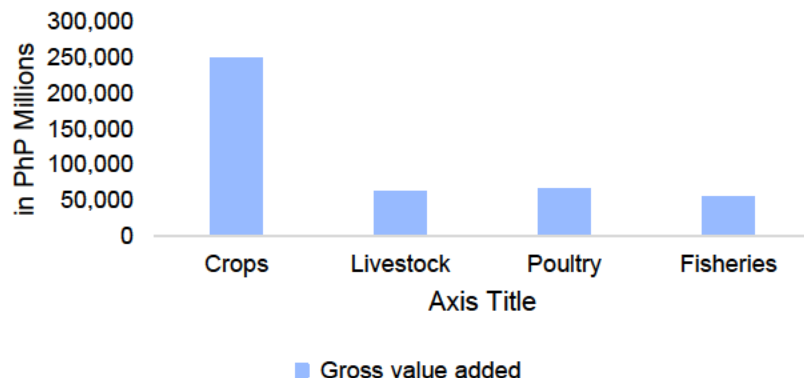


Source: Philippine Statistics Authority

The value of production in the agricultural and fishing industries at constant 2018 prices stood at ₱428.69 billion in 1Q23, representing a 2.1% annual growth. This was driven by the annual increase in the value of agriculture, livestock, poultry, and fisheries production. Crops grew by 1.0% amounting to ₱247.8 billion with palay, corn, coconut, and mango contributing high increments in the production. Livestock production also showed a 4.1% annual growth which contributed ₱61.6 billion of the overall agriculture and fisheries production. Meanwhile, poultry and fisheries recorded 3.2% and 0.3% annual increase, respectively.

According to the Department of Agriculture’s Undersecretary, Mercedita A. Sombilla, the country’s production is expected to expand up to 2.5% in 2023 driven by the crops, livestock, and poultry sectors. Further, the department intends to work on increasing the production of agricultural products and additional imports to ensure that supply would be available and keep prices stable.

Value of Production in Agriculture, 1Q23



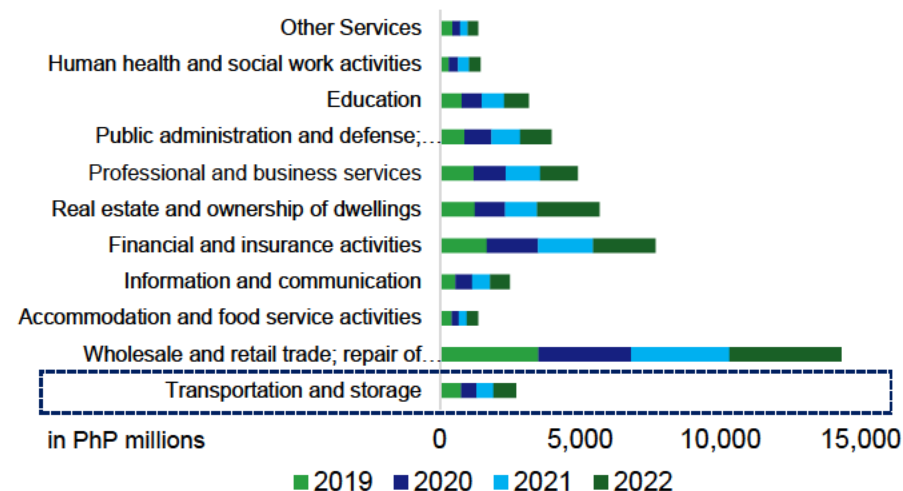
Source: Philippine Statistics Authority

LOGISTICS SECTOR IN THE PHILIPPINES

Despite the adverse impact of the mobility restrictions during the pandemic, the shipping and logistics industry gradually recovered in 2022 as manufacturing activities increased and major economies recovered. The GNI for transportation and storage sector amounted to

₱806.6 million in 2022, higher by 33.3% from ₱604.9 million in 2021, which accounts for 6.0% of the entire services industry.

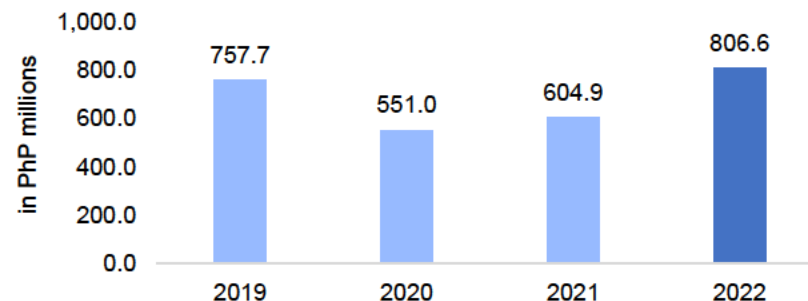
Gross Value Added of the Services Industry



Source: Philippine Statistics Authority (PSA)

Gross value added (“GVA”) is an economic productivity indicator that evaluates a company’s, or municipality’s contribution to an economy, producer, sector, or region. In 2022, the GVA generated from the services industry reached approximately ₱13.47 billion wherein the transportation and storage sector accounted for ₱806.6 million equivalent to 6.0% of the entire industry GVA.

GVA of Transportation and storage sector



Source: Philippine Statistics Authority (PSA)

3 | FINANCIAL AND OPERATING HIGHLIGHTS

3 | FINANCIAL AND OPERATING HIGHLIGHTS

The Audited Financial Statements of the Company for the years ended and periods as of December 31, 2020, 2021, and 2022 were audited by SGV & Company in accordance with Philippine Financial Reporting Standards (“PFRS”). UI did not independently verify the accuracy or completeness of the information contained in the Audited Financial Statements. Please see ANNEX I | SUMMARY OF AUDITED FINANCIAL STATEMENTS for the audited financial statements of the Company.

Statements of Comprehensive Income

₱ Millions	For the years ended December 31		
	2020	2021	2022
Operating Revenues	40,855	43,561	50,882
Cost of Sales and Services	(17,269)	(18,594)	(19,818)
Gross Profit	23,586	24,967	31,064
General and Administrative Expenses	(9,589)	(10,417)	(11,732)
Interest Expense	(10,010)	(9,230)	(10,306)
Share in Net Earnings of Equity Method Investees	7,337	10,302	14,210
Interest Income	1,229	745	1,134
Construction Revenue	33,988	27,014	35,441
Construction Costs	(33,988)	(27,014)	(35,441)
Provision for Decline in Value of Assets	(1,685)	(9,089)	(9,485)
Others	(323)	(92)	2,056
Income Before Tax	10,545	7,186	16,941
Provision for Income Tax	3,728	1,259	3,804
Net Income	6,817	5,927	13,137

Operating Revenues

MPIC’s operating revenues increased by 6.6% from ₱40.9 billion in 2020 to ₱43.6 billion in 2021 driven by stronger revenue contributions from the tollway, power, and hospital segments offsetting slow-moving results from the water and rail segments with the relaxation of COVID-19 travel and mobility restrictions. Subsequently, MPIC’s operating revenues increased by 16.8% to ₱50.9 billion in 2022 as higher revenue contributions from segments for tollways, water, power, and rail offset results from the hospital segment with the increase in economic activity and normalization of demand for healthcare services.

Tollway Segment Performance

Tollway segment revenues increased from ₱13.6 billion in 2020 to ₱17.5 billion in 2021 driven by higher MPTC toll fee revenues due to relaxed COVID-19 travel and mobility restrictions. As a result, net income for the tollway segment increased from ₱2.7 billion in 2020 to ₱3.9 billion in 2021 due to stable costs and expenses and lower tax rates arising from the signing of the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Law.

Tollway segment revenues increased from ₱17.5 billion in 2021 to ₱22.9 billion in 2022 as higher average daily vehicle entries and the relaxation of quarantine restrictions significantly increased MPTC

toll fee revenues. As a result, net income for the tollway segment increased from ₱4.1 billion in 2021 to ₱7.1 billion in 2022.

Water Segment Performance

Water segment revenues slightly decreased from ₱24.3 billion in 2020 to ₱23.6 billion in 2021 driven by minor declines in MWSI water service revenues from ₱18.6 billion to ₱17.8 billion and wastewater service revenues from ₱4.0 billion to ₱3.8 billion. During this period, water service rates per cubic meter for MWSI remained constant at ₱1.95 pursuant to the terms of the 5th Rate Rebasing exercise. Despite lower volume consumption during the year, net income for the segment remained at par with the previous year at ₱6.5 billion as industrial sector demand showed some recovery and the signing of the CREATE Law resulted in a lower income tax rate.

Water segment revenues increased from ₱22.0 billion in 2021 to ₱22.9 billion in 2022 due to higher commercial and industrial demand and the recognition of passed-on government tax with the effectivity of the MWSI franchise. Particularly, MWSI water service revenues increased from ₱17.8 billion in 2021 to ₱18.6 billion in 2022 while wastewater service revenues increased from ₱3.8 billion in 2021 to ₱4.0 billion in 2022. However, net income for the water segment declined from ₱6.5 billion in 2021 to ₱6.0 billion in 2022 as higher operating costs and higher taxes due to the shift in tax regime under MWSI's legislative franchise weighed down on segment results.

Rail Segment Performance

Rail segment revenues decreased from ₱1.3 billion in 2020 to ₱1.1 billion in 2021 due to a decline in LRMC farebox revenues from ₱1.3 billion to ₱1.1 billion as operating capacity remained restricted as a result of lower overall demand due to the continued implementation of physical distancing protocols. During this period, net losses for the segment slightly improved from ₱0.7 billion in 2020 to ₱0.6 billion in 2021.

Rail segment revenues increased from ₱1.1 billion in 2021 to ₱1.8 billion in 2022 as LRMC farebox revenues recovered from ₱1.1 billion in 2021 to ₱1.8 billion in 2022 with the further relaxation of physical distancing protocols and normalization of demand. However, net losses for the rail segment improved to ₱0.5 billion in 2022 despite a significant increase in revenues due to the start of amortization of concession assets and the recognition of interest costs on the existing rail system.

Power Segment Performance

Power segment revenues increased from ₱10.5 billion in 2020 to ₱11.2 billion in 2021 due to higher volume sold and increased contribution from the power segment's different business units and subsidiaries. Revenues of MER increased from ₱275.3 billion in 2020 to ₱318.5 billion in 2021. During this period, MER also incurred stable expenses and benefited from a lower income tax rate due to the CREATE Law. Despite this, net income for MER only increased from ₱21.7 billion in 2020 to ₱27.5 billion in 2021 due to a ₱2.7 billion reduction in the carrying value of MER's investment in PacificLight Power Pte. Ltd. ("PLP").

Power segment revenues increased from ₱11.2 billion in 2021 to ₱12.4 billion in 2022 driven by significantly increased commercial sales volume amid increased economic activity. Revenues of MER increased from ₱318.5 billion in 2021 to ₱426.5 billion in 2022. MER net income also improved from ₱24.6 billion in 2021 to ₱27.1 billion in 2022 due to a write-down of deferred tax assets.

Hospital Segment Performance

Hospital segment revenues increased from ₱14.8 billion in 2020 to ₱20.2 billion in 2021 as in-patient admissions increased for the year. Despite an increase in costs and expenses, net income for the hospital segment increased by 533.3% from ₱0.3 billion in 2020 to ₱1.9 billion in 2021.

Hospital segment revenues slightly declined from ₱20.2 billion in 2021 to ₱20.0 billion in 2022 as healthcare demand showed signs of normalization. Meanwhile, cost of sales only declined from ₱11.5 billion in 2021 to ₱11.2 billion in 2022 and general and administrative expenses increased from ₱6.5 billion in 2021 to ₱6.7 billion in 2022. As a result, hospital segment net income declined from ₱1.9 billion in 2021 to ₱1.6 billion in 2022.

Other Segment Performance

Revenue contributions from other segments decreased from ₱1.7 billion in 2020 to ₱1.3 billion in 2021 due to the winding down of MPIC's trucking business.

Revenue contributions from other segments increased from ₱1.3 billion to ₱1.7 billion due to larger contributions from MPIC's fuel storage business driven by economic normalization.

Cost of Sales and Services

MPIC's cost of sales and services increased by 7.7% from ₱17.3 billion in 2020 to ₱18.6 billion in 2021 driven by an increase in amortization of service concession assets due to increased capital expenditures, higher utilities, and higher supplies utilization of MWSI water treatment plants. Subsequently, cost of sales and services increased by 6.6% from ₱18.6 billion in 2021 to ₱19.8 billion in 2022 due to higher government revenue share via Philippine National Construction Corporation ("PNCC") and Bases Conversion and Development Authority ("BCDA") in NLEX and SCTEX revenues, increased expense on utilities and materials due to expanded operations, and consolidation of LandCo Pacific Corporation ("LPC").

General and Administrative Expenses

MPIC's general and administrative expenses from continuing operations increased by 8.6% from ₱9.6 billion in 2020 to ₱10.4 billion

in 2021 driven by increased economic activity and business operations due to less restrictive quarantine measures. General and administrative expenses subsequently increased by 12.6% from ₱10.4 billion in 2021 to ₱11.7 billion in 2022 driven in part by rising inflation and business taxes as well as the consolidation of LPC.

Interest Expense

MPIC's interest expense decreased by 7.8% from ₱10.0 billion in 2020 to ₱9.2 billion in 2021 due to various rate reduction initiatives across MPIC and its subsidiaries. Interest expense increased by 11.7% to ₱10.3 billion in 2022 as MPIC made additional loan drawdowns throughout the year.

Share in Net Earnings of Equity Method Investees

MPIC's share in net earnings of equity method investees increased by 40.4% from ₱7.3 billion in 2020 to ₱10.3 billion in 2021 due to higher contributions from MER despite the full impairment of its investment in PLP. Share in net earnings of equity method investees increased by 37.9% from ₱10.3 billion in 2021 to ₱14.2 billion in 2022 due to increased ownership in MER, higher contribution from the power generation business, opening of new toll roads in Indonesia, and strong performance from the new fuel storage business.

Interest Income

MPIC's interest income declined by 39.4% from ₱1.2 billion in 2020 to ₱0.7 billion in 2021 due to lower interest rates on cash deposits and placements for the year. Interest income increased by 52.2% from ₱0.7 billion in 2021 to ₱1.1 billion in 2022 due to interest accretion on lease receivables.

Provision for Decline in Value of Assets

MPIC's provisions for decline value of assets increased by 439.4% from ₱1.7 billion in 2020 to ₱9.1 billion in 2021 were mainly due to impairments in LRMC's service concession assets amounting to ₱6.0 billion, assets related to the winding down of the warehousing business amounting to ₱1.1 billion, and BOO Phu Ninh Water

Treatment Plant Joint Stock Company (“PNW”) and EcoSystem Technologies International, Inc.’s (“ESTII”) intangible assets amounting to ₱1.7 billion. Provisions for decline in value of assets slightly increased to ₱9.5 billion in 2022 driven by impairments in LRMC and PNW service concession assets amounting to ₱3.1 billion and ₱1.1 billion respectively, impairment of PCSPC and AF Payments, Inc. (“AFPI”) amounting to ₱4.5 billion and 0.2 billion respectively, and provisions for unrecoverable input tax, creditable withholding tax, and other assets.

Net Income

MPIC’s net income declined by 13.1% from ₱6.8 billion in 2020 to ₱5.9 billion in 2021 as an increase in provisions for declines in value of assets offset an increase in revenues. MPIC’s net income subsequently increased by 122.0% from ₱5.9 billion in 2021 to ₱13.1 billion in 2022 due to significant revenue growth and minimal increase in costs and expenses as economic activity increased.

Statements of Financial Position

₱ Millions	As of December 31		
	2020	2021	2022
Cash and cash equivalents	48,822	44,858	33,595
Short-term placements	1,852	4,712	8,827
Restricted cash	8,228	1,975	4,767
Receivables	8,007	8,272	9,195
Other current assets	75,969	12,595	12,540
Total Current Assets	142,878	72,412	68,924
Investments and advances	159,474	169,681	196,323
Service concession assets	275,864	300,063	331,693
Property, plant, and equipment	6,878	6,763	6,904
Goodwill	15,337	15,241	15,241
Intangible assets	705	337	377
Deferred tax assets	201	602	769
Other non-current assets	16,459	19,235	23,565
Total Non-Current Assets	474,918	511,922	574,872
Total Assets	617,796	584,334	643,796
Accounts payable and other current liabilities	35,172	36,704	44,784
Income tax payable	927	949	1,283
Due to related parties	2,481	101	83
Short-term and current portion of long-term debt	23,961	11,649	20,842
Current portion of:			
Provisions	6,708	7,951	8,337
Service concession fees payable	5,826	1,098	1,289
Liabilities under PFRS 5	40,519	0	0
Total Current Liabilities	115,594	58,452	76,618
Non-current portion of:			
Provisions	3,416	3,538	3,030
Provisions	23,608	30,198	28,453
Service concession fees payable	207,405	234,693	271,625
Deferred tax liabilities	11,161	9,882	9,898
Other long-term liabilities	12,265	10,706	9,131
Total Non-Current Liabilities	257,855	289,017	322,137
Total Liabilities	373,449	347,469	398,755
Capital stock	31,661	31,661	31,661
Additional paid-in capital	68,638	68,638	68,638
Treasury shares	(3,420)	(5,705)	(10,703)
Equity reserves	(943)	(1,352)	(1,377)

₱ Millions	As of December 31		
	2020	2021	2022
Retained earnings	91,898	98,475	105,692
Other comprehensive income reserve	(3,103)	1,587	6,177
Reserves under PFRS 5	129	0	0
Non-controlling interest	59,487	43,561	44,953
Total Equity	244,347	236,865	245,041
Total Liabilities and Equity	617,796	584,334	643,796

Current Assets

MPIC's current assets decreased by 49.3% from ₱142.9 billion in 2020 to ₱72.4 billion in 2021 mainly due to a reduction in assets under PFRS 5 from ₱76.0 billion to nil as the assets and liabilities of GBPS were deconsolidated (which were previously reclassified to "Assets under PFRS 5" and "Liabilities under PFRS 5") following the sale of GBPC to MGen. During this period, cash decreased by 8.1% from ₱48.8 billion in 2020 to ₱49.6 billion in 2021 due to lower short-term placements following the 1Q21 sales of Don Muang Tollway Public Ltd. ("DMT") and GBPC and improved operating results and lower income taxes paid by MPIC and its subsidiaries. In addition, receivables increased by 3.3% from ₱8.2 billion in 2020 to ₱8.3 billion in 2021 as advances to the DPWH increased in relation to MPTC's completion of remaining CALAX segments.

MPIC's current assets decreased by 4.8% from ₱72.4 billion in 2021 to ₱68.9 billion in 2022 mainly due to a 25.1% decrease in cash and cash equivalents from ₱44.9 billion in 2021 to ₱33.6 billion in 2022 due to the acquisition of additional shares in MER, share buybacks, loan and interest payments, and higher capital expenditures for MPTC and MWSI. Meanwhile receivables increased by 11.2% from ₱8.3 billion in 2021 to ₱9.2 billion in 2022 due to the consolidation of LCP's receivables and the recognition of lease receivables in Surallah Biogas Ventures Corporation ("SBVC").

Non-Current Assets

MPIC's non-current assets increased by 7.8% from ₱474.9 billion in 2020 to ₱511.9 billion in 2021 mainly driven by (a) higher investments and advances due to the acquisition of PCSPC and recognition of MPIC's share in investees' total comprehensive income and (b) higher service concession assets due to additional capital expenditures. During this period, other non-current assets also increased by 16.9% from ₱16.5 billion in 2020 to ₱19.2 billion in 2021 due to an increase in advances to contractors and consultants.

MPIC's non-current assets increased by 12.3% from ₱511.9 billion in 2021 to ₱574.9 billion in 2022 mainly due to (a) an increase in investments and advances from ₱169.7 billion to ₱196.3 billion as a result of the acquisition of an additional 2.0% stake in MER, the acquisition of Jasa Marga Jalanlayang Cikampek ("JJC") relating to MPIC's tollways segment, and higher equity in net earnings of associates and (b) an increase in service concession assets from ₱300.1 billion to ₱331.7 billion due to continued investments in service coverage areas.

Current Liabilities

MPIC's current liabilities decreased by 49.4% from ₱115.6 billion in 2020 to ₱58.5 billion in 2021 as the current portion of short-term and long-term debt declined from ₱24.0 billion to ₱11.6 billion and the current portion of service concession fees payable declined from ₱5.8 billion to ₱1.1 billion.

MPIC's current liabilities increased by 31.1% from ₱58.5 billion in 2021 to ₱76.6 billion in 2022 driven by (a) an increase in accounts payable and other current liabilities from ₱36.7 billion to ₱44.8 billion due to higher costs with increased economic activity, project costs, and LPC's operating accruals and (b) an increase in the current portion of short-term and long-term debt from ₱11.6 billion to ₱20.8 billion.

Non-Current Liabilities

MPIC's non-current liabilities increased by 12.1% from ₱257.9 billion in 2020 to ₱289.0 billion in 2021 mainly due to an increase in long-term debt from ₱207.4 billion to ₱234.7 billion as MPIC, MPTC, and LRMC availed of additional loans to finance new projects. The non-current portion of service concession fees payable also increased by 11.5% from ₱23.6 billion in 2020 to ₱30.2 billion in 2021 mainly due to additional concession fee drawdowns by MWSI for the Angat Water Transmission Improvement Project and applicable interest

accretion for the period. These changes offset a 12.7% decrease in other long-term liabilities from ₱12.3 billion in 2020 to ₱10.7 billion in 2021 due to the termination of leases in MMI consistent with the winding down of MPIC's warehousing business.

MPIC's non-current liabilities increased by 11.5% from ₱289.0 billion in 2021 to ₱322.1 billion in 2022 due to an increase in long-term debt from ₱234.7 billion to ₱271.6 billion despite a 13.2% decrease in the non-current portion of service concession fees payable from ₱30.2 billion in 2021 to ₱28.5 billion in 2022.

Equity

MPIC's total equity increased at a CAGR of 0.1% from ₱244.3 billion in 2020 to ₱245.0 billion in 2022 due to a decline in non-controlling interest from ₱59.5 billion to ₱45.0 billion with the deconsolidation of GBPC. This offset an increase in retained earnings as continued economic reopening bolstered the performance of the Company's key business segments.

Statements of Cash Flows

₱ Millions	For the years ending December 31		
	2020	2021	2022
Income before tax	14,963	12,720	16,941
Adjustments for:			
Provision for decline in value of assets	1,685	9,089	9,485
Interest expense	10,010	9,230	10,306
Amortization of service concession assets	5,261	5,930	4,602
Depreciation and amortization	5,185	1,341	1,138
Long-term incentive plan expense	539	314	261
Unrealized foreign exchange loss (gain)	(239)	1,005	587
Share in net earnings of equity method investees	(7,337)	(10,302)	(14,210)
Dividend income	(55)	(62)	(103)
Gain on acquisition of a subsidiary	0	0	(502)
Interest income	(1,229)	(745)	(1,134)
Gain on reversal of impairment	0	0	(2,287)
Gain on sale of investments	0	(5,648)	0
Others	(6)	(4)	49

P Millions	For the years ending December 31		
	2020	2021	2022
Operating income before working capital changes	28,777	22,868	25,133
Decrease (increase) in:			
Restricted cash	1,108	(123)	(2,528)
Receivables	(2,345)	(104)	(929)
Other current assets	(2,354)	(688)	(1,775)
Increase in accounts payable and other current assets	1,201	338	4,001
Net cash generated from operations	26,387	22,291	23,902
Income taxes paid	(5,906)	(3,128)	(3,988)
Interest received	1,246	370	638
Net cash from operating activities	21,727	19,533	20,552
Dividends received from:			
Equity method investees	8,545	6,713	8,624
Financial assets	55	74	103
Collection of or proceeds from sale/disposal of:			
Financial assets	9,338	0	0
Investment in equity accounted entities	0	7,166	129
Investment in a subsidiary (net of transaction costs)	4,006	10,456	4,324
Property, plant, and equipment	600	175	150
Acquisition of subsidiaries	(64)	0	470
Additions to:			
Service concession assets	(34,078)	(34,777)	(39,875)
Financial assets	(15,649)	0	0
Property, plant, and equipment	(2,842)	(2,371)	(1,587)
Investments in equity method investees	(60)	(8,076)	(23,346)
Decrease (increase) in:			
Short-term placements	(35)	1,997	(4,115)
Other non-current assets	(1,609)	397	(2,671)
Net cash used in investing activities	(31,793)	(18,246)	(57,794)
Receipt of or proceeds from:			
Short-term and long-term debt	50,535	40,072	73,025
Sale to non-controlling interest	4,651	0	0
Contribution from non-controlling stockholders	831	1,770	1,646
Payments of/for:			
Short-term and long-term debt	(39,725)	(25,686)	(27,419)
Interest and other financing charges	(8,745)	(8,472)	(8,788)

₱ Millions	For the years ending December 31		
	2020	2021	2022
Service concession fees payable	(5,801)	(1,070)	(861)
Due to related parties	(5,646)	(2,450)	0
Dividends paid to non-controlling stockholders	(3,175)	(2,292)	(2,760)
Dividends paid to owners of the parent company	(3,487)	(3,392)	(3,278)
Treasury shares	(3,420)	(2,285)	(4,998)
Lease liability	(496)	(494)	(272)
Debt issuance cost	(392)	(324)	(316)
Acquisition of non-controlling interests	(81)	0	0
Net cash from (used in) financing activities	(14,951)	(4,623)	25,979
Net Change in Cash and Cash Equivalents	(25,017)	(3,336)	(11,263)
Cash and Cash Equivalents, Beginning of Year	73,211	48,194	44,858
Cash and Cash Equivalents, End of Year	48,194	44,858	33,595

Cash Flows from Operating Activities

Net cash provided by operating activities decreased by 10.1% from ₱21.7 billion in 2020 to ₱19.5 billion in 2021 largely due to the deconsolidation of GBPC and lower interest income resulting from lower placement rates. In the subsequent year, net cash provided by operating activities improved by 5.2% to ₱20.6 billion due to strong performance from MPIC's key business segments due to economic reopening.

Cash Flows from Investing Activities

Net cash used in investing activities decreased by 42.6% from ₱31.8 billion in 2020 to ₱18.2 billion in 2021 due to the sale of DMT and

GBPC and the acquisition of PCSPC. Net cash used in investing activities then increased by 216.7% from ₱18.2 billion in 2021 to ₱57.8 billion in 2022 due to the acquisition of shares in MER and higher capital expenditures on tollway and water projects.

Cash Flows from Financing Activities

Net cash used in financing activities decreased by 69.1% from ₱15.0 billion in 2020 to ₱4.6 billion in 2021 due to higher loan repayments and concession fees paid alongside lower interest payments as a result of various rate reduction initiatives by MPIC. In the succeeding year, financing activities provided ₱26.0 billion in net cash due to higher loan availments.

4 | VALUATION

4 | VALUATION

For purposes of the valuation exercise, the Financial Advisor used the number of shares outstanding of MPIC to compute for the price per share. As of December 31, 2022, the total number of common stock outstanding for MPIC is 28,695,934,752 shares with a par value of ₱1.00 per share.

SUM-OF-THE-PARTS APPROACH

The Sum-of-the-Parts (“SOTP”) Approach estimates the net residual value of a holding company’s common equity as implied by the sum of the proportionate ownership stakes in the estimated equity values of the holding company’s subsidiaries. The sum is then divided by the number of outstanding common shares of the holding company to arrive at a per share value of the holding company. The equity values of the subsidiaries can be estimated using several methods. The Financial Advisor used two methods: (a) Sum-of-the-Parts Net Asset Value Approach and (b) Sum-of-the-Parts Discounted Cash Flows Approach. The calculations for each were based on the latest full-year audited financial statements provided by the Consortium to the Financial Advisor and public reports published by the Company.

NET ASSET VALUE APPROACH

The Asset-Based or Net Asset Value Approach estimates the equity value of a company or business based on its Net Asset Value, which is its assets minus its total liabilities, goodwill, and non-controlling interest. Despite the availability of 1Q23 Unaudited Financial Statements of MPIC, the Financial Advisor deemed the use of 2022 Audited Financial Statements appropriate as the more reliable basis to arrive at a fair value as unaudited figures are still subject to potential revisions during the remainder of the fiscal year 2023.

$$NAV = Total Assets - Total Liabilities - Goodwill - Non-controlling Interest - Intangible Assets$$

Sum-of-the-Parts (NAV) ₱Thousands	NAV (2022A)	MPIC Ownership Stake	MPIC Share in NAV
Water			
Maynilad Water Services, Inc.	62,937,445.00	5.2%	3,283,957.29
Maynilad Water Holdings Company, Inc. <i>Ownership Stake in MWSI</i>	58,748,729.65 93.3%	51.3%	30,123,376.74
MetroPac Water Investments Corporation	6,591,900.48	100.0%	6,591,898.51
Tollways			
Metro Pacific Tollways Corporation	65,894,000.00	99.9%	65,833,862.62
Power			
Manila Electric Company	124,109,000.00	10.5%	13,031,445.00
Beacon Electric Asset Holdings, Inc. <i>Ownership Stake in MER</i>	43,388,506.40 35.0%	100.0%	43,388,506.40
Healthcare			
Metro Pacific Hospital Holdings, Inc.	28,146,000.00	20.0%	5,629,200.00
Metro Pacific Health Tech Corporation	(124,065.46)	100.0%	(124,065.46)
MetroPac Apollo Holdings, Inc.	90,008.48	65.1%	58,595.52
Rail			

Sum-of-the-Parts (NAV) ₱Thousands	NAV (2022A)	MPIC Ownership Stake	MPIC Share in NAV
Metro Pacific Light Rail Corporation	9,504,057.85	65.1%	6,187,141.66
Total Capitalization			174,003,918.27

Holding Company Discount

A holding company discount (“HoldCo Discount”) of 19.0% to 32.0% was applied to the NAV value of the Company’s subsidiaries to arrive at its fair value. In determining the appropriate HoldCo Discount, the Financial Advisor computed for the end-year discount over the Company’s 5-year, 6-year, 8-year, and 10-year average P/E that MPIC was trading at vis-à-vis its expected Net Asset Value for the respective years. The application of the HoldCo Discount takes into account the Company’s trading history relative to its Net Asset Value given the complexity of holding companies and its subsidiaries, the lack of transparency on most of the holding company’s non-listed private subsidiaries, additional administrative costs the holding company incurs, and the perceived efficiency of a holding company’s utilization of its capital to generate returns. The Financial Advisor believes that the HoldCo Discount is appropriate given recent company-specific and macroeconomic events.

The following table shows the calculation for the holding company discounts:

HoldCo Discount	Particulars
Five (5) year 44%	This period included the years of the Covid-19 Pandemic and years of increased regulatory risks in 2019 relating to MWSI.
Six (6) year 35%	This period included the three (3) years prior to the 2020 Covid-19 Pandemic and the three (3) years since the beginning of the pandemic up to 2022.
Eight (8) year 32%	The period reflected an equal balance of the regulatory pressure experienced by MWSI in 2019 and the Covid-19 pandemic years (2020 to 2022) alongside four (4) years prior which showed more normal conditions.
Ten (10) year 19%	This period reflected a long-term view of the NAV discount over the last ten (10) years.

Using the SOTP NAV approach, MPIC’s NAV was calculated to be at ₱174.00 billion for 2022A. Upon application of the HoldCo Discount, the resulting indicative market capitalization of MPIC ranges from ₱118.32 billion to ₱140.94 billion which translates to a per share range ₱4.12 and ₱4.91.

Sum-of-the-Parts (NAV) ₱ Thousands	NAV (2022A)	Price Per Share
Valuation Range	174,003,918.27	6.06
19.0% Discount	140,943,173.80	4.91

Sum-of-the-Parts (NAV) ₱ Thousands	NAV (2022A)	Price Per Share
32.0% Discount	118,322,664.43	4.12

The Financial Advisor is of the opinion that the Sum-of-the-Parts Net Asset Value Approach is an applicable valuation method because the nature of business, operations, and revenue generation of MPIC's subsidiaries rely heavily on high-value tangible assets that are used. As such, the Financial Advisor believes that the Net Asset Value Approach reflects the value of the Company.

DISCOUNTED CASH FLOWS APPROACH

The Discounted Cash Flow ("DCF") Approach is a form of absolute valuation that places an intrinsic value on a company's shares based on future cash flows. The DCF Approach method determines the value of the Company and its Subsidiaries based on the present value of its future cash flows which are discounted by an appropriate discount rate.

Where applicable, the Financial Advisor projected the Free Cash Flows to Equity ("FCFE") of MPIC's subsidiaries by making assumptions based on public information disclosed by the Company and its subsidiaries through analyst briefings, public disclosures, news, and press releases. The present values of the projected FCFEs represent the estimated equity value of the specific business or subsidiary. MPIC's proportionate share in the estimated equity value of each subsidiary was derived using MPIC's ownership stake in each subsidiary. Using the SOTP DCF approach, the sum of MPIC's proportionate share in the estimated equity value of each subsidiary represents the implied DCF equity value of MPIC before applying any holding company discount. A holding company discount was then applied to the total DCF equity values to arrive at the final equity value of MPIC.

FREE CASH FLOWS TO EQUITY

The free cash flows to equity of the Company and its Subsidiaries provides the cash flow available to the holders of the Company and its Subsidiaries' equity after all the operating expenses, capital expenditures, working capital investments, and net borrowings have been made. For purposes of the valuation exercise, the Financial Advisor assumed appropriate growth rates, capital expenditures, and debt availments through publicly available information. In certain cases, an FCFE calculation was used to account for forecasted changes in capital structure. A company's net debt was then subtracted from the resulting FCFE valuation to arrive at an equity value.

DISCOUNT RATE, TERMINAL VALUE, AND PRESENT VALUE

In determining the discount rate to be applied in the DCF, the Financial Advisor used the Capital Asset Pricing Method ("CAPM") as summarized below.

$$COE = RFR + (\beta \times (ERP - RFR))$$

Where:

COE = Cost of Equity

RFR = Risk-free Rate

$B = \text{Beta-factor}$

$ERP = \text{Equity Risk Premium}$

Cost of Equity

Risk-free Rate	6.25%	BSP Overnight Reverse Repurchase Facility Rate
Beta	0.91	Beta-factor as of January 2023
Expected Market Returns	13.00% - 16.00%	Expected Market Returns
Equity Discount rate	12.39% - 15.12%	

A terminal value (“TV”), which estimates the value of MPIC beyond the forecasted period when future cash flows can be estimated, was computed by using the cash flow for year 6, the 15.12% discount rate, and a one (1) to two (2) percent perpetual growth rate such that:

$$TV = \frac{\text{final year cash flow} * (1 + \text{perpetual growth rate})}{\text{discount rate} - \text{perpetual growth rate}}$$

Holding Company Discount

A holding company discount was applied to the total DCF value of the Company’s subsidiaries to consider the complexity of holding companies and its subsidiaries, the lack of transparency on most of the holding company’s non-listed private subsidiaries, additional administrative costs the holding company incurs, and the perceived efficiency of a holding company’s utilization of its capital to generate returns. The Financial Advisor computed the 5-year, 6-year, 8-year, and 10-year averages of the discount that MPIC was trading at vis-à-vis its expected Net Asset Value. Given the five-year average of MPIC at 44.0% which considers outlier years from 2020 to 2022 due to the COVID-19 pandemic, the Financial Advisor deemed 42.0% as the appropriate discount reflective of the following factors: (1) the global macroeconomic improvements driven by economic reopening in 2022, (2) the clear trajectory away from special economic circumstances brought about by the COVID-19 pandemic, and (3) the resulting challenges to macroeconomic recovery driven by elevated inflation, elevated interest rates, and the effects of geopolitical tensions in Eastern Europe.

The following table shows the calculation for the holding company discounts:

HoldCo Discount		Particulars
Five (5) year	44%	This period included the years of the Covid-19 Pandemic and years of increased regulatory risks in 2019 relating to MWSI.
Six (6) year	35%	This period included the three (3) years prior to the 2020 Covid-19 Pandemic and the three (3) years since the beginning of the pandemic up to 2022.

Eight (8) year	32%	The period reflected an equal balance of the regulatory pressure experienced by MWSI in 2019 and the Covid-19 pandemic years (2020 to 2022) alongside four (4) years prior which showed more normal conditions.
Ten (10) year	19%	This period reflected a long-term view of the NAV discount over the last ten (10) years.

Maynilad Water Services, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	6,337,546.37	8,553,748.72	7,454,731.62	6,326,880.73	5,631,862.66
Capital Expenditures	10,706,606.96	9,902,346.07	9,591,859.54	9,487,720.57	9,482,557.49
Depreciation & Amortization	4,683,759.69	5,660,958.74	4,768,938.30	4,598,949.36	4,305,988.16
Net Debt Issuance	11,070,197.89	5,131,092.22	6,539,492.22	11,229,508.89	6,971,392.22
Change in Net Working Capital	(2,138,038.26)	(1,496,740.11)	(1,669,549.01)	(1,909,640.19)	(1,917,733.73)
Free Cash Flows to Equity	13,522,935.26	10,940,193.73	10,840,851.62	14,577,258.61	9,344,419.28

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	5,867,509.56	6,118,719.93	6,386,674.30	6,468,044.90	6,773,476.29
Capital Expenditures	9,482,557.49	9,482,557.49	9,482,557.49	9,482,557.49	9,482,557.49
Depreciation & Amortization	4,388,397.86	4,570,330.50	4,684,583.33	4,826,493.08	4,991,002.43
Net Debt Issuance	714,301.31	714,301.31	714,301.31	6,653,417.98	714,301.31
Change in Net Working Capital	(1,803,951.64)	(695,862.83)	(2,021,789.12)	(2,140,608.09)	(2,266,548.89)
Free Cash Flows to Equity	3,291,602.87	2,616,657.08	4,324,790.58	10,606,006.55	5,262,771.43

₱ Thousands	2033 Forecast	2034 Forecast	2035 Forecast	2036 Forecast	2037 Forecast
Net Income	7,089,527.71	7,425,483.05	7,782,810.70	8,163,109.23	8,568,120.78
Capital Expenditures	5,342,398.44	5,342,398.44	5,342,398.44	5,342,398.44	5,342,398.44
Depreciation & Amortization	5,144,376.46	5,313,333.56	5,493,679.86	5,681,568.23	5,882,712.96
Net Debt Issuance	714,301.31	714,301.31	714,301.31	714,301.31	714,301.31
Change in Net Working Capital	(2,330,516.05)	(2,469,650.75)	(2,617,009.63)	(2,773,071.84)	(2,938,343.59)
Free Cash Flows to Equity	9,936,323.09	10,580,370.23	11,265,403.06	11,989,652.18	12,761,080.21

MWSI's FCFEs are forecasted to range between ₱9.3 billion to ₱14.6 billion between 2023 and 2027 before declining to ₱3.3 billion in 2028 as debt availments decline due to lower capital expenditure requirements. MWSI's FCFEs are subsequently forecasted to increase at a CAGR of 16.2% from ₱3.3 billion in 2028 to ₱12.8 billion in 2037 driven by continued growth in net income and lower capital expenditures approaching the termination date of MWSI's current concession agreement.

The assumptions used to estimate MWSI's FCFE from 2023 to 2037 are further discussed in the next page.

- MWSI's net income is forecasted to decline from ₱6.3 billion in 2023 to ₱5.6 billion in 2027 driven by (a) a minor decline in revenues pursuant to the corresponding rate adjustment for the 6th Rate Rebasing Period from ₱3.29 per cubic meter in 2023 to ₱0.80 per cubic meter in 2027 and (b) steady capital expenditures relating to service improvements and equipment replacements. MWSI's net income is subsequently forecasted to grow at a CAGR of 4.3% from ₱5.9 billion in 2028 to ₱8.6 billion in 2037 due to a forecasted decline in service rates per cubic meter as inflationary pressures normalize.
- MWSI's capital expenditures are forecasted to gradually decline from ₱10.7 billion in 2023 to ₱9.5 billion in 2032 to support service improvements and equipment replacements. MWSI's capital expenditures are subsequently expected to normalize to ₱5.3 billion per annum from 2033 to 2037 approaching the 2037 termination date of MWSI's current concession agreement. MWSI's 2023 to 2037 capital expenditures were estimated based on (a) projected additions to service concession assets pursuant to the schedule of undiscounted estimated future concession fee payments disclosed in MWSI's 2022 audited financial statements and (b) forecasted additions to MWSI's property and equipment based on the average historical size of MWSI's property and equipment in relation to service concession assets.
- MWSI's net debt issuances are forecasted to remain above ₱5.0 billion to ₱7.0 billion per annum from 2023 to 2027 in line with higher capital expenditures during this period. MWSI's net debt issuances are subsequently forecasted to decline beginning 2028 due to lower capital expenditures.
- MWSI's net working capital is forecasted to decline from negative ₱20.2 billion in 2023 to negative ₱49.2 billion in 2037 driven by an increase in payables due to projected improvements in working capital management in line with momentum from the last three years.

MetroPac Water Investments Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(98,140.37)	(103,226.68)	(108,457.02)	(113,835.46)	(119,366.20)
Other Non-Cash Expenses	89,411.59	121,888.55	89,976.66	105,026.39	110,635.86
Capital Expenditures	(117.11)	(111.13)	(105.29)	(99.59)	(94.01)
Depreciation & Amortization	22,302.83	14,776.12	19,120.79	19,617.46	18,623.18
Change in Net Working Capital	(396,078.28)	(213,178.69)	(339,400.68)	(143,592.00)	(121,261.93)
Free Cash Flows to Equity	409,769.43	246,727.80	340,146.40	154,499.98	131,248.79

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	(125,053.54)	(130,901.93)	(136,915.92)	(143,100.20)	(149,459.59)
Other Non-Cash Expenses	106,443.31	112,364.68	114,949.98	116,428.10	119,975.92
Capital Expenditures	1,003.81	1,032.23	1,061.46	1,091.52	1,122.43
Depreciation & Amortization	20,011.29	20,319.86	20,559.35	21,249.05	21,682.97
Change in Net Working Capital	10,362.64	14,403.24	13,339.12	13,431.45	14,470.85

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Free Cash Flows to Equity	(9,965.40)	(13,652.85)	(15,807.16)	(19,946.02)	(23,393.97)

MWIC's FCFE are forecasted to decline from ₱409.8 million in 2023 to negative ₱23.4 million in 2032 as the Financial Advisor found no clear indication to expect a return to profitability during the forecast period while capital expenditures continue at a steady rate to maintain existing infrastructure and settle concession obligations payable.

The assumptions used to estimate MWIC's FCFE from 2023 to 2032 are further discussed below.

- MWIC's net loss is forecasted to grow from ₱98.1 million in 2023 to ₱149.5 million in 2032 as management fee revenues are only forecasted to grow at the 2020 to 2022 average growth rate of 2.8% while costs and expenses continue to expand based on their average historical proportion to revenues.
- MWIC's net working capital is forecasted to decline from ₱1.1 billion in 2023 to ₱340.8 million in 2032 due to continued net losses.

Metro Pacific Tollways Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	5,186,405.34	7,589,658.72	9,894,342.76	12,018,429.58	13,711,759.00
Capital Expenditures	30,405,780.00	25,912,481.40	27,028,711.37	30,272,156.73	28,254,012.95
Depreciation & Amortization	2,485,731.64	3,079,441.69	3,610,552.44	4,100,774.03	4,366,853.90
Net Debt Issuance	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Change in Net Working Capital	(1,374,551.87)	(2,692,681.86)	(2,351,843.76)	(1,858,828.51)	(1,174,343.44)
Free Cash Flows to Equity	(1,359,091.15)	7,449,300.87	8,828,027.59	7,705,875.40	10,998,943.39

MPTC's FCFE are forecasted to increase from negative ₱1.4 billion in 2023 to ₱11.0 billion in 2027 resulting from continued growth in net income in line with the completion of new projects.

The assumptions used to estimate MPTC's FCFE from 2023 to 2027 are further discussed below.

- Net income is forecasted to grow at a CAGR of 27.5% from ₱5.2 billion in 2023 to ₱13.7 billion in 2027 as toll fee revenues are projected to increase with the completion of projects such as the North Luzon Expressway ("NLEX") Connector, Subsection 4 of the Cavite-Laguna Expressway ("CALAX"), the 2nd section of the NLEX Connector, and new expressway projects in Indonesia.
- Capital expenditures are forecasted to remain stable at a range between ₱25.9 billion to ₱30.4 billion per annum from 2023 to 2027 as MPTC completes projects in its pipeline and maintains existing infrastructure.
- Net debt issuances were estimated to stand at approximately ₱20.0 billion to finance capital expenditures.

- Net working capital is projected to decrease from ₱3.2 billion in 2023 to negative ₱4.8 billion in 2027 as MPTC continues to fund the completion of its projects.

Manila Electric Company

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
After-Tax EBIT	27,916,343.84	27,784,719.95	30,420,164.99	34,822,581.68	32,331,254.95
Non-Cash Charges	23,989,189.24	25,941,204.07	27,877,109.86	29,801,737.75	31,572,935.49
Capital Expenditures	(48,935,677.13)	(58,560,444.98)	(58,077,173.80)	(57,738,836.47)	(53,135,932.32)
Change in Working Capital	(199,030.10)	5,911,122.61	(2,229,696.67)	3,620,740.99	5,177,938.79
Free Cash Flows to Firm	2,770,825.85	1,076,601.65	(2,009,595.62)	10,506,223.94	15,946,196.91

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
After-Tax EBIT	32,311,474.59	32,242,114.99	32,231,657.82	36,751,569.48	36,986,504.54
Non-Cash Charges	33,208,970.12	34,659,567.37	36,040,755.84	31,406,988.00	32,513,776.84
Capital Expenditures	(49,081,039.01)	(43,517,917.27)	(41,435,654.30)	(35,916,964.60)	(33,203,665.39)
Change in Working Capital	3,749,361.53	3,935,331.15	4,093,788.92	4,253,537.82	(334,163.41)
Free Cash Flows to Firm	20,188,767.23	27,319,096.23	30,930,548.29	36,495,130.69	35,962,452.58

MER's free cash flows to firm ("FCFF") are forecasted to decrease from ₱2.8 billion in 2023 to ₱1.1 billion and negative ₱2.0 billion in 2024 and 2025 respectively due to elevated capital expenditures, downgrade in tariffs with the implementation of the 5th Rate Reset, and normalization of WESM prices. MER's FCFFs are then forecasted to grow at a CAGR of 22.8% from ₱10.5 billion in 2026 to ₱36.0 billion in 2032 due to normalizing capital expenditures and stronger performance as macroeconomic conditions improve and the realization of investments made from 2023 to 2026.

The assumptions used to estimate MER's free cash flows to firm from 2023 to 2032 are further discussed below.

- After-tax EBIT is forecasted to increase from ₱27.9 billion in 2023 to ₱32.3 billion in 2027 based on a 3.0% average increase in MER's customer base for the period and the full operations of two additional powerplants by 2024. After-tax EBIT is then forecasted to grow by 3.4% from ₱32.3 billion in 2028 to ₱37.0 billion in 2032 due to (a) higher projected tariffs during the 6th Rate Reset relative to the 5th Rate Reset as the Philippines transitions to an upper-middle income economy and (b) higher contributions from MER's telco tower segment with the anticipated completion of a significant portion of MER's telco tower construction pipeline by 2027.
- Capital expenditures are forecasted to remain elevated between ₱48.9 billion to ₱58.6 billion from 2023 to 2027 as MER increases investments in its power generation and cell tower facilities before tapering down to a range of ₱49.1 billion to ₱32.5 billion from 2028 to 2032 as capital expenditures normalize.

- Net working capital is forecasted to decrease from negative ₱101.5 billion in 2023 to negative ₱129.7 billion in 2032 driven by higher loan availments to fund capital expenditures.

Metro Pacific Hospital Holdings, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	1,809,556.39	1,719,078.58	1,633,124.65	1,682,118.39	1,732,581.94
Capital Expenditures	(1,881,969.63)	(1,061,351.52)	(1,008,283.94)	574,721.85	591,963.50
Depreciation	615,478.08	584,704.17	555,468.96	572,133.03	589,297.02
Amortization	110,987.33	105,437.96	100,166.06	103,171.05	106,266.18
Other Non-Cash Expenses	470,504.42	446,979.20	424,630.24	437,369.15	450,490.22
Change in Net Working Capital	627,463.55	103,926.82	(110,247.57)	(62,545.72)	(64,422.09)
Free Cash Flows to Equity	(443,915.80)	796,963.17	966,093.06	2,557,320.88	2,634,040.51

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	1,784,559.40	1,838,096.18	1,893,239.06	1,950,036.23	2,008,537.32
Capital Expenditures	609,722.41	628,014.08	646,854.50	666,260.14	686,247.94
Depreciation	606,975.94	625,185.21	643,940.77	663,258.99	683,156.76
Amortization	109,454.16	112,737.79	116,119.92	119,603.52	123,191.62
Other Non-Cash Expenses	464,004.93	477,925.08	492,262.83	507,030.71	522,241.63
Change in Net Working Capital	(66,354.75)	(68,345.39)	(70,395.75)	(72,507.63)	(74,682.86)
Free Cash Flows to Equity	2,713,061.72	2,794,453.58	2,878,287.18	2,964,635.80	3,053,574.87

MPHHI's FCFEs are forecasted to increase from negative ₱443.9 million in 2023 to ₱3.1 billion in 2027 as a result of steadily improving net income and lower capital expenditures.

The assumptions used to estimate MPHHI's FCFE from 2023 to 2032 are further discussed below.

- Net income is forecasted to decline from ₱1.8 billion in 2023 to ₱1.7 billion in 2027 as revenues return to pre-pandemic levels. However, net income is projected to increase at a CAGR of 3.0% as revenues rise alongside a potential increase in healthcare spending in line with projected economic growth.
- Capital expenditures are forecasted to decline to negative ₱1.9 billion to ₱1.0 billion from 2023 to 2025 as MPHHI scales back expansions post-pandemic. However, capital expenditures are forecasted to increase from ₱574.7 million in 2026 to ₱686.2 million in 2032 in anticipation of a potential growth in demand for healthcare services.
- Net working capital is projected to decrease from negative ₱1.3 billion in 2023 to negative ₱1.8 billion in 2032 due to the allocation of cash towards additional capital expenditures needed to support growth in the hospital business.

Metro Pacific Health Tech Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(291,867.58)	(270,694.29)	(202,409.94)	(53,769.20)	82,406.14
Net Capital Expenditures	12,733.34	44,026.15	22,013.08	0	0
Change in Net Working Capital	(303,105.19)	(99,540.09)	(28,986.72)	(1,582.49)	39,291.30
Free Cash Flows to Equity	(1,495.73)	(215,180.35)	(195,436.29)	(52,186.71)	43,114.84

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	225,674.34	256,136.18	289,822.43	327,062.67	368,219.71
Net Capital Expenditures	0	0	0	0	0
Change in Net Working Capital	39,054.78	(1,509.70)	7,346.01	8,175.57	9,091.80
Free Cash Flows to Equity	186,619.56	257,645.87	282,476.42	318,887.10	359,127.91

MPHTC's FCFE are forecasted to increase from negative ₱1.5 million in 2023 to ₱359.1 million in 2032 as profitability improves for MPHTC.

The assumptions used to estimate MPHTC FCFE from 2023 to 2032 are further discussed below.

- Net income is forecasted to improve from a net loss of ₱291.9 million in 2023 to a net profit of ₱368.2 million in 2032 in light of potential synergies with MPHHI.
- Net capital expenditures are forecasted to range between ₱12.7 billion to ₱44.0 billion from 2023 to 2025 as MPHTC rolls out its platforms and services. Net capital expenditures are then expected to decrease to nil from 2026 onwards due to lower investment requirements.
- Net working capital is forecasted to range between negative ₱558.3 billion to ₱428.2 billion from 2023 to 2032 as MPHTC is expected to further expand its operations.

MetroPac Apollo Holdings, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04
Net Capital Expenditures	0	0	0	0	0
Net Debt Issuance	0	0	0	0	0
Change in Net Working Capital	0	0	0	0	0
Free Cash Flows to Equity	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04
Net Capital Expenditures	0	0	0	0	0
Net Debt Issuance	0	0	0	0	0
Change in Net Working Capital	0	0	0	0	0
Free Cash Flows to Equity	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04

MAHI FCFEs are forecasted to stay at ₱1.5 million from 2023 to 2032. This is due to MAHI's revenues being solely generated by dividends from preferred shareholdings in MPHHL.

Metro Pacific Light Rail Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(609.17)	(633.77)	(659.36)	(685.97)	(713.65)
Net Capital Expenditures	0	0	0	0	0
Net Debt Repayments	0	0	0	0	0
Change in Net Working Capital	1,293.94	(639.53)	(664.55)	(690.57)	(717.63)
Free Cash Flows to Equity	(1,903.11)	5.76	5.19	4.59	3.98

MPLRC FCFEs are forecasted to improve from negative ₱1.9 million in 2023 to ₱4.0 thousand in 2027 as net losses increase from ₱609.1 thousand in 2023 to ₱713.7 thousand in 2027. During this period, net working capital is forecasted to decline from ₱1.3 million in 2023 to negative ₱717.6 thousand in 2027. This forecast continued the trend of net losses in MPIC's rail business assuming no change in regulatory policies governing rates for the Philippine rail industry.

DCF VALUATION SUMMARY

The tables below show the equity valuation of each subsidiary valued using a DCF approach:

Maynilad Water Services, Inc. ₱ Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y15)	12,761,080.21	12,761,080.21
Estimated Growth Rate (Y15+1)	6.4%	6.4%
Terminal Value	96,184,417.82	103,514,150.56
Present Value of Terminal Value	11,633,262.77	12,519,775.46
Present Value of Free Cash Flows to Equity	57,174,314.55	57,174,314.55

Maynilad Water Holdings Company, Inc.	Valuation Range
---------------------------------------	-----------------

₱ Thousands	Low	High
Valuation Range - MWSI	68,807,577.32	69,694,090.01
Ownership Stake in MWSI	93.3%	93.3%
Valuation Range	64,228,183.36	65,055,695.41

MetroPac Water Investments Corporation		
₱ Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	(23,393.97)	(23,393.97)
Estimated Growth Rate (Y10+1)	14.8%	14.8%
Terminal Value	(190,164.14)	(204,655.60)
Present Value of Terminal Value	(46,507.88)	(50,052.01)
Present Value of Free Cash Flows to Equity	892,077.22	892,077.22

Metro Pacific Tollways Corporation		
₱ Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y5)	10,998,943.39	10,998,943.39
Estimated Growth Rate (Y5+1)	5.7%	5.7%
Terminal Value	82,350,095.70	88,625,584.04
Present Value of Terminal Value	40,725,183.27	43,828,645.51
Present Value of Free Cash Flows to Equity	20,052,784.00	20,052,784.00

Manila Electric Company		
₱ Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Present Value of Free Cash Flows to Firm	90,987,688.64	90,987,688.64
Terminal Value	238,093,378.67	280,260,158.58
Enterprise Value	329,081,067.31	371,247,847.22
Net Debt	48,001,000.00	48,001,000.00
Equity Value	281,080,067.31	323,246,847.22

Beacon Electric Asset Holdings, Inc.		
₱ Thousands	Low	High
Valuation Range – MER	281,080,067.31	323,246,847.22
Ownership Stake in MER	35.0%	35.0%
Valuation Range	98,265,591.53	113,007,097.79

Metro Pacific Hospital Holdings, Inc. P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	3,053,574.87	3,053,574.87
Estimated Growth Rate (Y10+1)	5.0%	5.0%
Terminal Value	22,703,158.90	24,433,252.93
Present Value of Terminal Value	5,552,443.74	5,975,567.67
Present Value of Free Cash Flows to Equity	8,330,144.38	8,330,144.38

Metro Pacific Health Tech Corporation P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	359,127.91	359,127.91
Estimated Growth Rate (Y10+1)	12.4%	12.4%
Terminal Value	791,202.38	859,926.60
Present Value of Terminal Value	439,344.17	477,505.82
Present Value of Free Cash Flows to Equity	331,338.76	331,338.76

MetroPac Apollo Holdings, Inc. P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	1,523.04	1,523.04
Estimated Growth Rate (Y10+1)	0.0%	0.0%
Terminal Value	10,784.46	11,606.29
Present Value of Terminal Value	2,637.52	2,838.52
Present Value of Free Cash Flows to Equity	7,608.21	7,608.21

Metro Pacific Light Rail Corporation P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y5)	3.98	3.98
Estimated Growth Rate (Y5+1)	(17.4%)	(13.4%)
Terminal Value	23.26	26.25
Present Value of Terminal Value	11.50	12.98
Present Value of Free Cash Flows to Equity	(1,640.79)	(1,640.79)

DCF SUMMARY

Sum-of-the-Parts (DCF) ₱ Thousands	Market Capitalization		MPIC Ownership Stake	Equity Value	
	Low	High		Low	High
Water					
Maynilad Water Services, Inc.	68,807,577.32	69,694,090.01	5.2%	3,590,249.73	3,636,506.30
Maynilad Water Holdings Company, Inc. <i>Ownership Stake in MWSI</i>	64,228,183.36 93.3%	65,055,695.41 93.3%	51.3%	32,932,963.42	33,357,269.74
MetroPac Water Investments Corporation	842,025.21	845,569.34	100.0%	842,024.96	845,569.09
Tollways					
Metro Pacific Tollways Corporation	60,777,967.27	63,881,429.51	99.9%	60,722,498.98	63,823,128.88
Power					
Manila Electric Company	281,080,067.31	323,246,847.22	10.5%	29,513,407.07	33,940,918.96
Beacon Electric Asset Holdings, Inc. <i>Ownership Stake in MER</i>	98,265,591.53 35.0%	113,007,097.79 35.0%	100.0%	98,265,591.53	113,007,097.79
Healthcare					
Metro Pacific Hospital Holdings, Inc.	13,882,588.13	14,305,712.05	20.0%	2,776,517.63	2,861,142.41
Metro Pacific Health Tech Corporation	770,682.93	808,844.58	100.0%	770,682.93	808,844.58
MetroPac Apollo Holdings, Inc.	10,245.73	10,446.73	65.1%	6,669.97	6,800.82
Rail					
Metro Pacific Light Rail Corporation	(1,629.29)	(1,627.81)	65.1%	(1,060.67)	(1,059.70)
Total Capitalization				229,419,545.55	252,286,218.85

Sum-of-the-Parts (DCF) ₱ Thousands	Market Capitalization		Price Per Share	
	Low	High	Low	High
Valuation Range	229,419,545.55	252,286,218.85	7.99	8.79
42.0% Discount	133,063,336.42	146,326,006.94	4.64	5.10

Based on the DCF approach, the Financial Advisor estimates that at a COE discount rate of 12.39% (MER) to 15.12% (other subsidiaries), and a holding company discount of 42.00%, the Company has an implied equity value range of ₱133.1 billion to ₱146.33 billion with an indicative price range of ₱4.64 to ₱5.10 per share.

The Financial Advisor is of the opinion that the DCF approach is an appropriate valuation methodology to arrive at an indicative valuation of the common shares for MPIC as the projections capture the expected growth of the Company's subsidiaries based on publicly available information. Further, the Financial Advisor believes that the publicly available information from analyst briefings, public disclosures, news reports, and other publicly sourced data to project the future performance of the Company's subsidiaries.

DIVIDEND DISCOUNT MODEL APPROACH

The Dividend Discount Model (“DDM”) approach is a type of discounted cash flow valuation that uses a company’s dividends for its cash flows instead of its free cash flows. In this method, the sum of the present values of all future dividend payments are used to estimate the intrinsic value of the company’s equity.

In determining MPIC’s common equity value, the Financial Advisor used the single-stage, constant growth DDM. This model assumes that the equity value of MPIC is equal to the expected dividend payment one year into the future divided by the Cost of Equity minus the expected terminal growth rate of the Company’s dividends:

$$V_0 = \frac{D_1}{COE - g}$$

Where V_0 is the value of MPIC’s common shares, D_1 is the expected dividend payment one year into the future, COE is the cost of equity derived using the CAPM method, and g is the terminal growth rate, or the rate at which MPIC’s dividends are expected to grow into the future.

To determine the terminal dividend growth rate, the Financial Advisor used the average growth rate of MPIC’s dividends for the three (3) years before the pandemic (2017-2019) equivalent to 8.9%. Dating as far back to 2010, the peso values of the annual dividends both in total peso values and on a per share basis show consistently increased payments. This shows MPIC’s willingness to not decrease dividend payments and in fact, continue dividend pay-outs even through adverse market and economic conditions like in 2020 and 2021. Based on this, the Financial Advisor determined that dividend payouts will not be reduced in the future because the underlying assets that have generated these dividends in the past will continue to be part of MPIC in the future. Thus, supporting the perspective of a constant dividend growth rate. As such, the Financial Advisor deemed it appropriate to apply a dividend growth rate range of 8.75% to 9.00%.

DDM (Single-Stage) ₱ Thousands	Market Capitalization	
	Low	High
(D ₀) Total Cash Dividend (Common): Latest	₱3,268,700	₱3,268,700
(g) Dividend Growth	8.75%	9.00%
(D ₁) Total Cash Dividend (Common): Next Period	₱3,554,711	₱ 3,562,883
(K _e) Cost of Equity	11.46%	11.46%
(g) Dividend Growth Rate	8.75%	9.00%
K _e - g	2.71%	2.46%
[D ₁ /(K _e -g)] Indicative Value	₱131,194,362	₱144,862,086
Shares Outstanding	28,695.93	28,695.93
Indicative Value Per Share	₱4.57	₱5.05

MPIC Historical Dividends (2017-2019) ₱ Millions	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Total Cash Dividend (Common)	₱2,710.40	₱3,229.40	₱3,482.20	₱3,483.40
Dividend Growth		19.1%	7.8%	(0.1)%

The cost of equity for the DDM was derived using the CAPM method:

Cost of Equity	
Risk-free Rate	6.25% BSP Overnight Reverse Repurchase Facility Rate
Beta	0.91 Beta-factor as of January 2023
Equity risk premium	5.75% Equity risk premium
Equity Discount Rate	11.46%

The terminal growth rate used in the single-stage DDM at the MPIC level is not necessarily the same as the FCFE terminal growth rate that is applied to the respective business operations at the subsidiary level.

Based on the DDM approach, the Financial Advisor estimates that at a COE of 11.46% and a terminal growth rate of 8.75% to 9.00%, the Company's implied equity value ranges have an **indicative price range of ₱4.57 to ₱5.05** per share.

COMPARABLE PUBLIC COMPANIES APPROACH

The Comparable Public Companies ("CPCM") approach is a form of relative valuation that estimates the value of a company based on valuation metrics or multiples of publicly listed companies in the same industry or business, or other similarities. The CPCM approach operates under the assumption that similar companies will have the same valuation multiples. Additional information regarding the comparable public companies used in this valuation exercise can be found in Annex IV of this Valuation Report.

Price-to-Earnings Multiple

The Price to Earnings (P/E) multiple measures the price that investors are willing to pay for each Peso of earnings after tax that a company generates. The P/E multiple is readily available oftentimes and frequently used when conducting valuation such as determining the value of stocks. This approach makes comparison with the value of other listed companies within the same or similar industry easier.

MPIC is a diversified conglomerate with business interests mainly in power, water, rail, tollways, and healthcare. As of June 20, 2023, there are no directly comparable holding companies in the PSE or within the ASEAN region that have subsidiaries and affiliates operating in a similar mix of industries or sectors. Therefore, the selection of comparable companies was determined with the following guidelines: (1) PSE Index Member Conglomerates, (2) Market Capitalization as of end-of-day June 20, 2023, and (3) Within the +/- ₱25.0 billion range of MPIC's market capitalization as of end-of-day June 20, 2023. With the guidelines, a subset of PSEi Member Conglomerates was selected as basis for comparison and defined as Mid-Cap PSEi Conglomerates. The following companies were selected: Alliance Global Group, Inc. ("AGI"), DMCI Holdings, Inc. ("DMC"), GT Capital Holdings, Inc. ("GTCAP"), and LT Group, Inc. ("LTG") (together, the "holding companies").

With the selection of Mid-Cap PSEi Conglomerates, it has been observed, based on its historical and forward-looking consensus¹ data, that the set of comparables currently trade at substantial discounts relative to their 10-year average P/Es. The Financial Advisor deemed the discrepancy as material and have concluded that the discounts are reflective of the present investing environment amid a challenging macroeconomic environment. It was deemed prudent that in determining the fair market value of MPIC, the weighted average discount of the comparable companies' 12-month forward P/E relative to their weighted 10-year average P/E is an applicable discount to MPIC's 10-year average P/E. In determining the 2023E net income of MPIC, the Financial Advisor obtained the consensus Net Income estimate, which was used to arrive at the equity value of MPIC.

Information regarding the companies used to arrive at the holding company discount for the P/E multiple can be found in Annex IV of this valuation report.

Comparable Companies P Thousands	P/E		Mkt Cap	Weight	Weighted Average P/E	
	Actual	10Y Avg			Actual	10Y Avg
Alliance Global Group, Inc. (AGI)	6.7x	9.5x	114,234,621.95	25.8%	1.7x	2.5x
DMCI Holdings, Inc. (DMC)	4.7x	6.1x	122,285,498.70	27.7%	1.3x	1.7x
GT Capital Holdings, Inc. (GTCAP)	5.0x	12.5x	104,413,028.35	23.6%	1.2x	3.0x
LT Group, Inc. (LTG)	4.0x	8.5x	101,179,986.11	22.9%	0.9x	1.9x
Total			442,113,135.12	100.0%	5.1x	9.0x

The weighted average of the holding companies' 1-year forward P/E and 10-year average P/E were computed. A P/E discount of 43.2% was derived by computing for the percentage difference between the weighted average 1-year forward P/E, and 10-year average P/E of the holding companies. The 43.2% discount was then applied to MPIC's 10-year average P/E which results to a 5.9x P/E multiplier. Fifteen percentage points (15%) were deducted from the discount to arrive at a high-case P/E discount of 28.2% which translated to a P/E multiple of 7.5x.

The resulting multiples were then applied to the applicable financial information of MPIC to arrive at the indicative equity value as follows:

CPCM - P/E P Millions (except for per share data)	Valuation Range	
	Low	High
P/E	5.9x	7.5x
Discount	43.15%	28.15%
MPIC Net Income (2023E)	16,247.60	16,247.60
MPIC P/E Valuation	96,591.71	122,078.67
Shares Outstanding	28,695.93	28,695.93
Price per Share	3.37	4.25

Based on the P/E-based approach, the indicative market capitalization of MPIC's common shares range from P96.59 billion to P122.08 billion which translates to a share price range of P3.37 to P4.25.

¹ Sourced from Bloomberg as of June 20, 2023

MARKET-BASED APPROACH

The Volume Weighted Average Price (“VWAP”) approach estimates the value of a listed company based on its historical trading volume and price. The market price of a listed company is considered as an indication of how investors perceive the value of a company based on prevailing market and economic conditions. In this valuation report, the Financial Advisor examined the value of MPIC’s shares traded on the Philippine Stock Exchange.

Prior to the Delisting and Tender Offer Announcement

Time Period	Date Range	Low	High	Average Volume	Market Capitalization	VWAP
30-Day VWAP	26-Apr-2023 to 27-Mar-2023	₱3.67	₱4.26	20,417,105.26	₱112,034,336,342.97	₱3.90
One-Year VWAP	26-Apr-2023 to 26-Apr-2022	₱3.29	₱4.55	26,753,161.66	₱109,162,935,749.71	₱3.80
Two-Year VWAP	26-Apr-2023 to 26-Apr-2021	₱3.29	₱4.55	22,236,467.27	₱109,707,901,445.71	₱3.82

- The 30-day VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.90** with an **equivalent market capitalization of ₱112.03 billion**. During this period, the stock price of MPIC reached a high of ₱4.26 per share and a low of ₱3.67 per share. In the same period, an average of 20.42 million shares per day were traded.
- The 1-year VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.80** with an **equivalent market capitalization of ₱109.16 billion**. During this period, the stock price of MPIC reached a high of ₱4.55 per share and a low of ₱3.29 per share. In the same period, an average of 26.75 million shares per day were traded.
- The 2-year VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.82** with an **equivalent market capitalization of ₱109.71 billion**. During this period, the stock price of MPIC reached a high of ₱4.55 per share and a low of ₱3.29 per share. In the same period, an average of 22.24 million shares per day were traded.

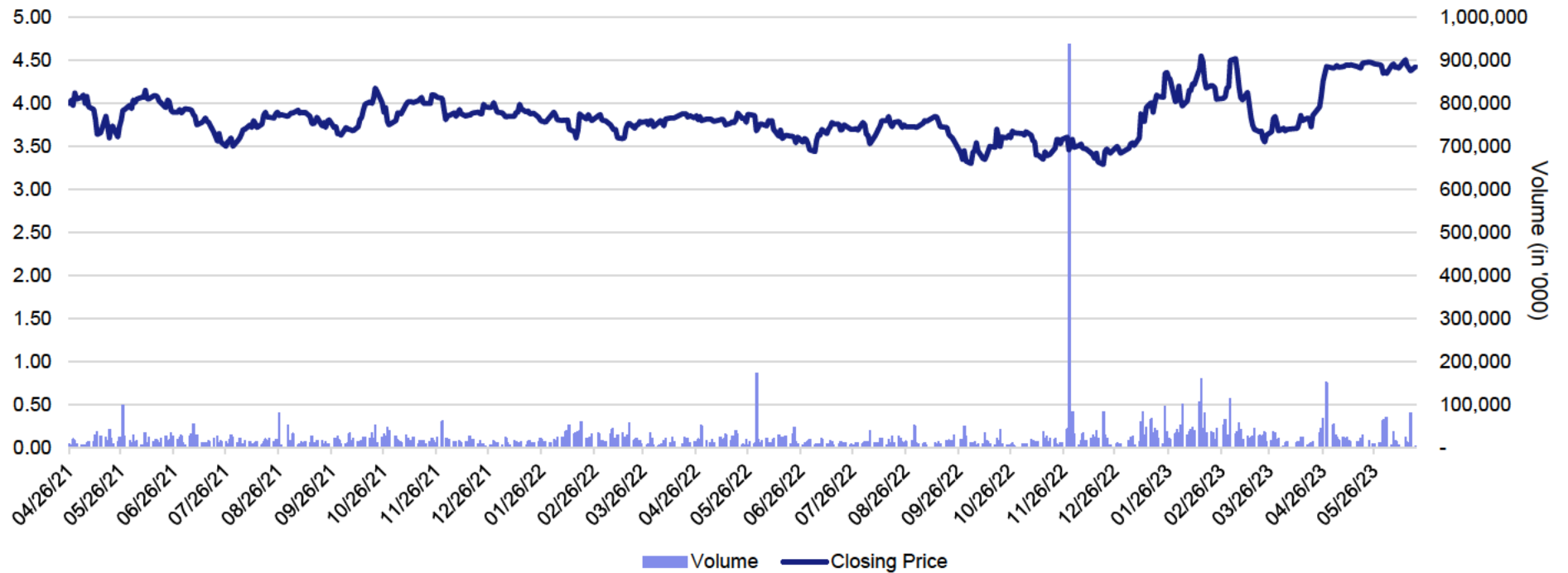
Year-to-date

For reference, the Financial Advisor also studied the VWAP of MPIC ending June 19, 2023. This period includes trading activity after the Transaction has been disclosed. The 30-day VWAP of MPIC ending June 19, 2023 is 12.98% higher than the 30-day VWAP of MPIC ending April 26, 2023. Since the announcement of the planned delisting and tender offer on April 27, 2023, MPIC has traded higher based on its 30-day, 1-year, and 2-year VWAP ending June 19, 2023 which is 13.0%, 2.18%, and 1.06% higher than the respective 30-day, 1-year, and 2-year VWAP ending April 26, 2023. Hence, a cut-off date for the VWAP of April 26, 2023 was considered.

Time Period	Date Range	Low	High	Average Volume	Market Capitalization	VWAP
30-Day VWAP	19-Jun-2023 to 19-May-2023	₱4.35	₱4.51	22,070,157.89	₱126,577,664,196.74	₱4.41
One-Year VWAP	19-Jun-2023 to 20-Jun-2022	₱3.29	₱4.55	27,497,271.02	₱111,542,057,710.85	₱3.89
Two-Year VWAP	19-Jun-2023 to 18-June-2021	₱3.29	₱4.55	22,837,606.50	₱110,865,751,721.71	₱3.86

SHARE PRICE AND TRADING VOLUMES

The chart below shows the historical movement of MPIC’s share price and trading volumes from April 26, 2021 to June 19, 2023.



The stock price of MPIC traded at an average price of ₱3.98 per share year-to-date before announcement of the planned delisting and tender offer. After the announcement, MPIC’s share price has traded at an average price per share of ₱4.43.

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RECOMMENDED VALUATION

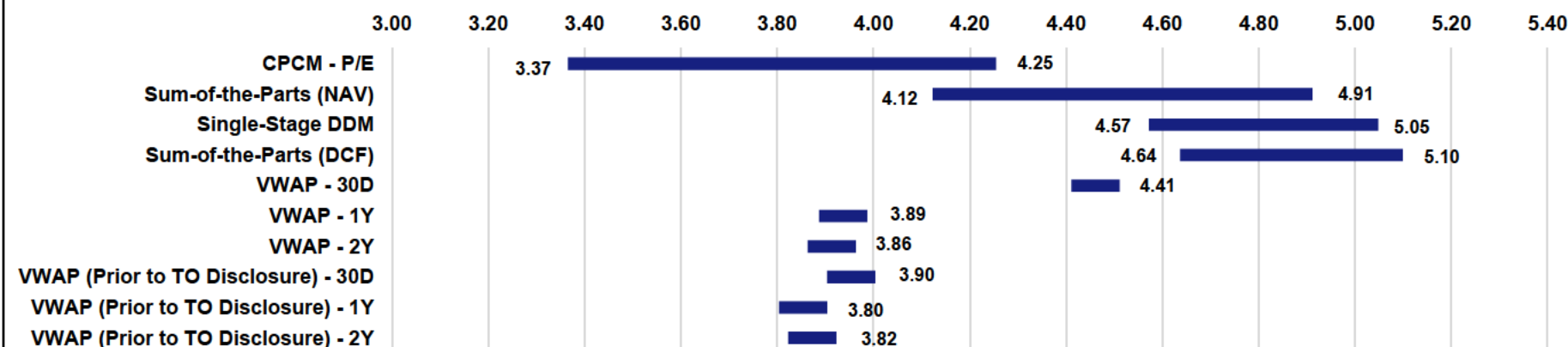
The objective of this Valuation Report and Fairness Opinion is to determine the fair value of MPIC's common shares for its potential delisting and the tender offer of the Consortium to the Company's minority shareholders. The Financial Advisor further considered the relevance of the various approaches used in this valuation exercise to the status and condition of the Company and its Subsidiaries as well as the share subject of the Transaction.

The table below summarizes the resulting market capitalizations derived from the different valuation methodologies employed, for the common shares of Metro Pacific Investments Corporation, subject of the Transaction.

MPIC Indicative Valuation

Valuation Approach ₱ Thousands	Market Capitalization		Price Per Share	
	Low	High	Low	High
CPCM - P/E	96,591,712.30	122,078,668.17	3.37	4.25
Sum-of-the-Parts (NAV)	118,322,664.43	140,943,173.80	4.12	4.91
Single-Stage DDM	131,194,362.43	144,862,085.79	4.57	5.05
Sum-of-the-Parts (DCF) - 42.0% Holding Company Discount	133,063,336.42	146,326,006.94	4.64	5.10
VWAP - 30D	126,577,664.20	126,577,664.20	4.41	4.41
VWAP - 1Y	111,542,057.71	111,542,057.71	3.89	3.89
VWAP - 2Y	110,865,751.72	110,865,751.72	3.86	3.86
VWAP (Prior to TO Disclosure) - 30D	112,034,336.34	112,034,336.34	3.90	3.90
VWAP (Prior to TO Disclosure) - 1Y	109,162,935.75	109,162,935.75	3.80	3.80
VWAP (Prior to TO Disclosure) - 2Y	109,707,901.45	109,707,901.45	3.82	3.82

Valuation Summary



The primary purpose of this valuation and fairness opinion is to determine the value range of MPIC in connection with its potential delisting and tender offer. Upon careful examination of the valuation exercise, the Financial Advisor is of the opinion that MPIC's common shares is fairly valued at a range between **₱96.59 billion to ₱146.33 billion** equivalent to a share price of **₱3.37 to ₱5.10**.

ANNEXES

ANNEX I | SUMMARY OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Audited Financial Statements of the Company and its Subsidiaries for the periods as of and for the years ending December 31, 2020, 2021, and 2022 were prepared and audited by SGV & Co. in accordance with Philippine Financial Reporting Standards (“PFRS”), and were also obtained from the Consortium’s disclosures to UI and public disclosures of MPIC to PSE. Unicapital, Inc. did not verify the accuracy or completeness of the information contained in the Financial Statements.

Statements of Comprehensive Income

Metro Pacific Investments Corporation P Millions	For the years ended December 31		
	2020	2021	2022
Operating Revenues	40,855	43,561	50,882
Cost of Sales and Services	(17,269)	(18,594)	(19,818)
Gross Profit	23,586	24,967	31,064
General and Administrative Expenses	(9,589)	(10,417)	(11,732)
Interest Expense	(10,010)	(9,230)	(10,306)
Share in Net Earnings of Equity Method Investees	7,337	10,302	14,210
Interest Income	1,229	745	1,134
Construction Revenue	33,988	27,014	35,441
Construction Costs	(33,988)	(27,014)	(35,441)
Provision for Decline in Value of Assets	(1,685)	(9,089)	(9,485)
Others	(323)	(92)	2,056
Income Before Tax	10,545	7,186	16,941
Provision for Income Tax	3,728	1,259	3,804
Net Income	6,817	5,927	13,137

Statements of Financial Position

Metro Pacific Investments Corporation P Millions	For the periods as of December 31		
	2020	2021	2022
Cash and cash equivalents	48,822	44,858	33,595
Short-term placements	1,852	4,712	8,827
Restricted cash	8,228	1,975	4,767
Receivables	8,007	8,272	9,195
Other current assets	75,969	12,595	12,540
Total Current Assets	142,878	72,412	68,924
Investments and advances	159,474	169,681	196,323
Service concession assets	275,864	300,063	331,693
Property, plant, and equipment	6,878	6,763	6,904
Goodwill	15,337	15,241	15,241
Intangible assets	705	337	377

Metro Pacific Investments Corporation	For the periods as of December 31		
₱ Millions	2020	2021	2022
Deferred tax assets	201	602	769
Other non-current assets	16,459	19,235	23,565
Total Non-Current Assets	474,918	511,922	574,872
Total Assets	617,796	584,334	643,796
Accounts payable and other current liabilities	35,172	36,704	44,784
Income tax payable	927	949	1,283
Due to related parties	2,481	101	83
Short-term and current portion of long-term debt	23,961	11,649	20,842
Current portion of:			
Provisions	6,708	7,951	8,337
Service concession fees payable	5,826	1,098	1,289
Liabilities under PFRS 5	40,519	0	0
Total Current Liabilities	115,594	58,452	76,618
Non-current portion of:			
Provisions	3,416	3,538	3,030
Provisions	23,608	30,198	28,453
Service concession fees payable	207,405	234,693	271,625
Deferred tax liabilities	11,161	9,882	9,898
Other long-term liabilities	12,265	10,706	9,131
Total Non-Current Liabilities	257,855	289,017	322,137
Total Liabilities	373,449	347,469	398,755
Capital stock	31,661	31,661	31,661
Additional paid-in capital	68,638	68,638	68,638
Treasury shares	(3,420)	(5,705)	(10,703)
Equity reserves	(943)	(1,352)	(1,377)
Retained earnings	91,898	98,475	105,692
Other comprehensive income reserve	(3,103)	1,587	6,177
Reserves under PFRS 5	129	0	0
Non-controlling interest	59,487	43,561	44,953
Total Equity	244,347	236,865	245,041
Total Liabilities and Equity	617,796	584,334	643,796

Statements of Cash Flows

Metro Pacific Investments Corporation	For the years ending December 31		
₱ Millions	2020	2021	2022
Income before tax	14,963	12,720	16,941
Adjustments for:			

Metro Pacific Investments Corporation ₱ Millions	For the years ending December 31		
	2020	2021	2022
Provision for decline in value of assets	1,685	9,089	9,485
Interest expense	10,010	9,230	10,306
Amortization of service concession assets	5,261	5,930	4,602
Depreciation and amortization	5,185	1,341	1,138
Long-term incentive plan expense	539	314	261
Unrealized foreign exchange loss (gain)	(239)	1,005	587
Share in net earnings of equity method investees	(7,337)	(10,302)	(14,210)
Dividend income	(55)	(62)	(103)
Gain on acquisition of a subsidiary	0	0	(502)
Interest income	(1,229)	(745)	(1,134)
Gain on reversal of impairment	0	0	(2,287)
Gain on sale of investments	0	(5,648)	0
Others	(6)	(4)	49
Operating income before working capital changes	28,777	22,868	25,133
Decrease (increase) in:			
Restricted cash	1,108	(123)	(2,528)
Receivables	(2,345)	(104)	(929)
Other current assets	(2,354)	(688)	(1,775)
Increase in accounts payable and other current assets	1,201	338	4,001
Net cash generated from operations	26,387	22,291	23,902
Income taxes paid	(5,906)	(3,128)	(3,988)
Interest received	1,246	370	638
Net cash from operating activities	21,727	19,533	20,552
Dividends received from:			
Equity method investees	8,545	6,713	8,624
Financial assets	55	74	103
Collection of or proceeds from sale/disposal of:			
Financial assets	9,338	0	0
Investment in equity accounted entities	0	7,166	129
Investment in a subsidiary (net of transaction costs)	4,006	10,456	4,324
Property, plant, and equipment	600	175	150
Acquisition of subsidiaries	(64)	0	470
Additions to:			
Service concession assets	(34,078)	(34,777)	(39,875)
Financial assets	(15,649)	0	0
Property, plant, and equipment	(2,842)	(2,371)	(1,587)

Metro Pacific Investments Corporation P Millions	For the years ending December 31		
	2020	2021	2022
Investments in equity method investees	(60)	(8,076)	(23,346)
Decrease (increase) in:			
Short-term placements	(35)	1,997	(4,115)
Other non-current assets	(1,609)	397	(2,671)
Net cash used in investing activities	(31,793)	(18,246)	(57,794)
Receipt of or proceeds from:			
Short-term and long-term debt	50,535	40,072	73,025
Sale to non-controlling interest	4,651	0	0
Contribution from non-controlling stockholders	831	1,770	1,646
Payments of/for:			
Short-term and long-term debt	(39,725)	(25,686)	(27,419)
Interest and other financing charges	(8,745)	(8,472)	(8,788)
Service concession fees payable	(5,801)	(1,070)	(861)
Due to related parties	(5,646)	(2,450)	0
Dividends paid to non-controlling stockholders	(3,175)	(2,292)	(2,760)
Dividends paid to owners of the parent company	(3,487)	(3,392)	(3,278)
Treasury shares	(3,420)	(2,285)	(4,998)
Lease liability	(496)	(494)	(272)
Debt issuance cost	(392)	(324)	(316)
Acquisition of non-controlling interests	(81)	0	0
Net cash from (used in) financing activities	(14,951)	(4,623)	25,979
Net Change in Cash and Cash Equivalents	(25,017)	(3,336)	(11,263)
Cash and Cash Equivalents, Beginning of Year	73,211	48,194	44,858
Cash and Cash Equivalents, End of Year	48,194	44,858	33,595

ANNEX II | MANDATE



5 June 2023

R-L 3248

METRO PACIFIC HOLDINGS, INC.
10th Floor Net One Center
26th Street Corner 3rd Avenue
Fort Bonifacio, Taguig City, Philippines

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION
36th Floor, GT Tower International,
6813 Ayala Avenue,
Bel-Air, Makati City

GT CAPITAL HOLDINGS, INC.
43rd Floor, GT Tower International,
Ayala Avenue corner H.V. Dela Costa Street,
Makati City 1227

MIG HOLDINGS INCORPORATED
4th floor, SyCipLaw Center,
105 Paseo De Roxas Legaspi Village,
San Lorenzo, Makati City

Together the "Consortium" or the "Clients".

ATTN: **Mr. Stanley H. Yang**
Representative of the Consortium

RE: **Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report**

Ladies and Gentlemen:

We are pleased to present to the Consortium a proposal whereby Unicapital, Inc. ("UI") shall act as Financial Advisor ("FA") for the issuance of an independent Fairness Opinion and Valuation Report ("FOVR") for the common shares of Metro Pacific Investment Corporation. ("MPIC" or the "Company"). The FOVR will be used to support the tender offer of the Clients for the potential voluntary delisting of MPIC (the "Transaction").

I. Our Preliminary Views on the Subject

We understand that MPIC intends to voluntarily delist from the PSE, and one of the requirements of the voluntary delisting rules is a fairness opinion and valuation report, stating the fair value or range of fair values of the listed security, based upon certain procedures followed and assumptions made.

We also understand that under the Amended Voluntary Delisting Rules of the Philippine Stock Exchange ("PSE"), the voluntary delisting must be approved by: (a) at least two-thirds (2/3) of the entire membership of the board of directors, including the majority, but not less

+63 2 8892 0991

+63 2 8818 2127

www.unicapital-inc.com

3rd floor, Majalco Building, Benavidez cor. Trasierra Streets, Legaspi Village, Makati City, Philippines 1229

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report

June 5, 2023

Page 2 of 10

than two, of all of its independent directors; and (b) stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company and with the number of votes cast against the delisting proposal not more than ten percent (10%) of the total outstanding and listed shares of the listed company.

We further understand that the fairness opinion and valuation report will also be used to support the tender offer of the Clients.

We believe that UI, given our extensive track record of success, is suitably positioned to provide financial advisory services to the Clients.

II. Our Proposal

In pursuit of the Clients' objectives, we are prepared to act as the Clients' FA, in accordance with the following general terms of reference, to wit:

A. Work Program

Based on our understanding of the Clients' requirements, we envisage a work program that would require an exclusive mandate for a period of **up to three (3) weeks** to finalise a FOVR, which may be extended upon mutual agreement depending on the timeliness of the submission of information by the Clients. Upon your approval, we are prepared to mobilize our team that would render the advisory work in accordance with a work program that would involve essentially the tasks enumerated in Annex A. The preparation of the FOVR will be done in accordance with the rules and guidelines of the Philippine Stock Exchange ("PSE") and the Philippine Securities and Exchange Commission ("SEC") on the issuance of fairness opinions.

The final Report shall be submitted to the Clients for use by their respective Boards and advisors, as well as for sharing with MPIC's Board of Directors and its public shareholders Board of Directors, relevant senior management, and shareholders of the Clients (the "Authorized Recipients"). UI understands that the FOVR may be submitted to the Philippine Securities and Exchange Commission (the "SEC"), and the Philippine Stock Exchange ("PSE") and the investors of MPIC.

UI shall obtain clearance from PSE, and if required by the regulators, from SEC, regarding its independence to act as FA of producing the FOVR for the Clients, in parallel to drafting the FOVR, on a best-effort basis. UI shall respond to the queries that may be raised by the SEC and/ or the PSE on matters contained in the FOVR. UI shall also offer assistance in good faith to the Clients when the latter receive questions from MPIC Board regarding the FOVR prepared by UI. Any questions raised by the stakeholders other than the SEC, PSE, Consortium or MPIC Board shall not be addressed directly by UI but may be coursed through the Consortium.

The Clients shall provide UI with sufficient material information and documents relating to the Clients and the Target Company subject of the Transaction which are necessary to prepare the FOVR. Such information and documents shall include but not be limited to: (i) detailed corporate information, (ii) discussion on business and operations to the extent

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 3 of 10

which does not contradict publicly available information, (iii) relevant equity research reports, and (iv) historical financial statements with management discussion.

B. Fee Structure

For and in consideration of the services herein contemplated, we propose a compensation package as follows:

1. **Financial Advisory Fees** – For and in consideration of the advisory work as outlined in the attached Annex A, UI shall be entitled to a Financial Advisory Fee (FA Fee) of **Philippine Pesos Four Million (PhP4,000,000)** which shall be payable in cash and exclusive of taxes and out-of-pocket expenses as follows:

Upon signing this Mandate Proposal	50% of the total
Upon delivery of the Final Report	50% of the total
Total FA Fee	PhP4,000,000

We understand that each of the Clients shall be jointly and severally liable for its specific share in our professional fees as provided in the table below. Furthermore, we will bill each of the Clients separately based on the specific share indicated below:

Clients	Professional fee per client
Metro Pacific Holdings, Inc.	PhP410,800
MIT-Pacific Infrastructure Holdings Corporation	PhP2,183,600
GT Capital Holdings, Inc.	PhP319,200
MIG Holdings Incorporated	PhP1,086,400
Total FA Fee	PhP4,000,000

If for any reason other than UI's inability to satisfactorily perform under the terms of this Agreement, the Clients decide to terminate this Agreement or this engagement prior to the completion of any phases of the Financial Advisory Engagement as stated in the Work Program (Annex A), UI's engagement fee shall be based on actual manhours spent on the engagement and the actual expenses incurred prior to the termination date (with supporting documentation) and capped at Philippine Pesos Four Million (PhP4,000,000.00). For avoidance of doubt, failure to secure clearance from the SEC shall not be deemed as a breach of UI's obligation under this Agreement.

However, if the Clients inform UI within seven (7) calendar days of signing this Mandate that the Clients' valuation purpose will not push through and that, as a result, this engagement is being terminated, UI shall immediately stop work on the valuation report and UI's engagement fee shall be based on actual manhours spent on the engagement and the actual expenses incurred prior to the termination date (with supporting documentation).

2. **Out-of-Pocket Expenses** – All out-of-pocket expenses ("OPE") such as for communication, transportation, printing, photocopying, third-party consultants, and

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 4 of 10

similar expenses incurred over the course of completing the Transaction shall be for the account of the Clients. UI shall pre-clear with the Clients in advance for any appointments or disbursements where external consultants such as auditors and legal counsels are hired and where single OPE disbursements will amount to Philippine Pesos Five Thousand (PhP5,000.00) or more. The Clients are expected to not unreasonably withhold clearance on such appointments or disbursements.

3. **Taxes** – All Fees and any amount payable to UI shall be net of all taxes (including withholding taxes) and costs incidental to the transaction. Taxes and charges shall be for the account of the Clients.

III. Period of Engagement

Upon your acceptance of this mandate proposal, UI shall be mandated to act as exclusive FA to the Clients for a period of three (3) months commencing on the date of acceptance hereof, which may be extended (the extension of which will not be unreasonably denied) depending on the timeliness of (i) the Clients' submission of all information relevant to the Transaction. UI acknowledges that the Transaction is market sensitive and requires vetting by PSE and SEC as part of the standard process, and therefore, termination without reasonable basis by UI would be detrimental to the execution of the Transaction by Clients. This engagement shall be subject to termination by either party subject to a fourteen (14) days prior notification.

IV. Confidentiality

The Clients hereby acknowledge their obligation to supply to UI and review any and all information as necessary to maintain the accuracy and completeness of any written material and schedule that forms part of the valuation report.

In order to safeguard the business interests of the Clients and the Company, information regarding the Transaction and the Company shall be held in strictest confidentiality. It is understood that UI shall keep and maintain as confidential and privileged all information that it receives from the Clients.

V. Other Conditions

Our performance as FA, as herein contemplated, is dependent on the Clients' submission and disclosure of all material information necessary for us to complete a review of the Company's operations and financial condition and to provide opinions and recommendations on the valuation, pricing, and other relevant terms and conditions of the Transaction.

This agreement evidenced by your acceptance of this mandate proposal shall be exclusive to UI and the Clients and shall remain in force until the end of the engagement. In carrying out this assignment, the Clients shall indemnify and hold harmless UI, its officers, employees, agents, subsidiaries, affiliates, related parties, their respective officers, employees, and/or agents from any claim, loss, or damage relating to, arising out of, or in connection with this engagement, provided that the Clients shall not be liable in any such case to the extent of any such loss, claim, damage, or liability directly resulting from the gross negligence or willful act of UI and its officers, employees, and/or agents.

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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We hope that the foregoing proposal meets your requirement. Should you wish to clarify any of the aforementioned, we will be glad to meet you at your earliest convenience. However, should you already find the foregoing terms and conditions acceptable, please signify your acceptance by affixing your signature on the space provided herein, and returning to us the two (2) other sets of this proposal. Upon acceptance, this proposal will serve as our exclusive mandate to perform the services outlined in this letter.

We look forward to a mutually beneficial and harmonious relationship.

Very truly yours,

UNICAPITAL, INC.



Jaime J. Martinez
President and Chief Executive Officer



Francis J. Reyes II
Assistant Manager

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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CONFORME:

METRO PACIFIC HOLDINGS, INC.

By:



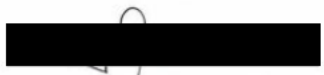
Stanley H. Yang
Authorized Signatory

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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CONFORME:

GT CAPITAL HOLDINGS, INC.

By:



Carmelo Maria Luza Bautista
President



Francisco H. Suarez, Jr.
Chief Financial Officer

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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CONFORME:

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION

By:



Yoshitoshi Iwami
Director

ANNEX A

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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CONFORME:

MIG HOLDINGS INCORPORATED

By:



Manuel V. Pangilinan
Chairman


**PROPOSED WORK PROGRAM
METRO PACIFIC INVESTMENTS CORPORATION**

Upon engagement as FA, it is envisaged that the work program shall be implemented as follows:

PHASE	SCOPE OF WORK
Phase I Due Diligence and Historical Financial Review	<p>UI shall:</p> <ul style="list-style-type: none"> Conduct a comprehensive review of the Company's (i) historical and current operations and financial condition, (ii) relevant and reputable market research of the Company. <p>Estimated Time to Complete: 7 days</p>
Phase II Financial Projections Review	<p>UI shall review the financial projections and assumptions, if any. The said financial projections will be the basis for establishing the valuation.</p> <p>Estimated Time to Complete: 7 days</p>
Phase III Preliminary Valuation	<p>UI shall seek to establish the most appropriate valuation metrics in order to establish proper benchmarks for arriving at a fair and sound valuation of the Target Company subject of the Transaction.</p> <p>Estimated Time to Complete: 3.5 days</p>
Phase IV Final Report Preparation	<p>UI shall supervise and guide management in the preparation of the FOVR. The preparation of the Report will be done in accordance with the rules and guidelines of the PSE and SEC on the issuance of fairness opinions.</p> <p>The Report shall include information such as the (i) background and operations, (ii) historical financials, and (iii) valuation of the Target Company subject of the Transaction and the basis of the valuation.</p> <p>Estimated Time to Complete: 3.5 days</p>

ANNEX III | PSE ACCREDITATION

CN - No. 2023-0030



MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

Listing
 Market Education
 Market Information
 Products and Services

Public Advisory
 Regulatory Updates
 TP Announcements
 Others **Accredited Firms**

TO : INVESTING PUBLIC AND ALL TRADING PARTICIPANTS

DATE : June 21, 2023

SUBJECT : Unicapital, Inc.
Accredited Firm for Issuing Fairness Opinions and Valuation Reports

Please be informed that the Exchange approved the application of **Unicapital, Inc. (the "Firm")** for the renewal of its accreditation as a fairness opinion and valuation report provider of listed companies and prospective initial listing applicants of the Exchange.

All fairness opinions and valuation reports submitted to the Exchange as part of a listing application or an application for voluntary delisting by a listed company should be prepared by an independent fairness opinion and valuation report provider duly accredited by the Exchange, in accordance with the Consolidated Listing and Disclosure Rules of the Exchange, Guidelines for Fairness Opinions and Valuation Reports, the Policy on Validity Period of Accreditation of Firms for Valuation or Appraisal Purposes, as amended, and the PSE Amended Voluntary Delisting Rules.

In view thereof, the renewal of the accreditation of the Firm shall be effective for a period of one (1) year from June 26, 2023, subject to the Firm's compliance with the reportorial requirements.

Further, for easy reference, the Exchange-accredited firms for purposes of issuing fairness opinions and valuation reports for listed companies and prospective listing applicants are as follows:

Accredited Firms	Validity of PSE Accreditation
Unicapital, Inc. ¹	June 26, 2023 to June 26, 2024
SB Capital Investment Corporation	June 21, 2022 to June 21, 2023
FTI Consulting Philippines, Inc.	November 7, 2022 to November 7, 2023
Isla Lipana & Co.	November 11, 2022 to November 11, 2023

Page 1 of 2

¹ As previously announced, the existing accreditation of Unicapital, Inc. is valid from June 26, 2018 to June 26, 2023.

CMDD

FD

IRD

MOD


TD

HRD / RISK / SU

CCD / FMO / AD


OGC

COO


E-mail Address: info@pse.com.ph

Accredited Firms	Validity of PSE Accreditation
CLSA Exchange Capital, Inc.	November 11, 2022 to November 11, 2023
BDO Capital & Investment Corporation	December 19, 2022 to December 19, 2023
Punongbayan & Araullo	February 1, 2023 to February 1, 2024
MIB Capital Corporation	February 3, 2023 to February 3, 2024
R.G. Manabat & Co.	February 14, 2023 to February 14, 2024
ING Bank N.V., Manila Branch	March 15, 2023 to March 15, 2024
BPI Capital Corporation	May 16, 2023 to May 16, 2024

For your information and guidance.


ROEL A. REFRAN
 Chief Operating Officer

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CCD / FMO / AD

OGC

COO


E-mail Address: info@pse.com.ph

ANNEX IV | COMPARABLE COMPANIES

Comparable Companies	Description
Alliance Global Group, Inc. (AGI)	AGI was incorporated on October 12, 1993 and listed its shares on the Philippine Stock Exchange on April 19, 1999. AGI began operations in 1994 as a glass-container manufacturer after it acquired a glass manufacturing plant in Canlubang, Laguna. In 1999, the Company obtained approval from the Securities and Exchange Commission to broaden its primary business into that of a holding company.
DMCI Holdings, Inc. (DMC)	DMC was incorporated on March 8, 1995 as a holding company to consolidate all construction business, construction component companies, and related interests of the Consunji family.
GT Capital Holdings, Inc. (GTCAP)	GTCAP was incorporated on July 26, 2007 as a holding company. GTCAP is the primary vehicle for the holding and management of the diversified business interests of the Ty family in the Philippines. The Company holds interests in banking; automotive assembly, importation, distribution, and financing; banking; property development; life and non-life insurance; infrastructure and utilities; and motorcycle financing.
LT Group, Inc. (LTG)	LTG, formerly Tanduary Holdings, Inc. (THI), was incorporated on May 25, 1937 under the name The Manila Wine Merchants, Inc. to engage in the trading business. The Securities and Exchange Commission (SEC) approved the change in corporate name to Asian Pacific Equity Corporation on September 22, 1995 and the change of its primary purpose to that of a holding company. On November 10, 1999, the corporate name was again changed to THI. On September 28, 2012, the SEC approved the change in the corporate name to the present one.

Comparable Companies ₱ Thousands	P/E		Mkt Cap	Weight	Weighted Average P/E	
	Actual	10Y Avg			Actual	10Y Avg
Alliance Global Group, Inc. (AGI)	6.7x	9.5x	114,234,621.95	25.8%	1.7x	2.5x
DMCI Holdings, Inc. (DMC)	4.7x	6.1x	122,285,498.70	27.7%	1.3x	1.7x
GT Capital Holdings, Inc. (GTCAP)	5.0x	12.5x	104,413,028.35	23.6%	1.2x	3.0x
LT Group, Inc. (LTG)	4.0x	8.5x	101,179,986.11	22.9%	0.9x	1.9x
Total			442,113,135.12	100.0%	5.1x	9.0x



3 / F Majalco Building, Benavidez corner Trasierra Streets, Legaspi Village, Makati City, Philippines 1229
Telephone: (+632) 88920991; Fax (+632) 88182127

From: [ICTD Submission](#)
To: [MPIC Compliance](#)
Subject: Re: Metro Pacific Investments Corporation_Form 17C_03 July 2023_Material Transaction
Date: Monday, July 3, 2023 10:49:03 PM

This is an External Email. Please be cautious in opening links even if it's from a trusted contact.

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation

3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Jul 3, 2023

2. SEC Identification Number

CS200604494

3. BIR Tax Identification No.

244-520-457-000

4. Exact name of issuer as specified in its charter

Metro Pacific Investments Corporation

5. Province, country or other jurisdiction of incorporation

Metro Manila, Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

9th Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Pasig City

Postal Code

1604

8. Issuer's telephone number, including area code

(632) 8888-0888

9. Former name or former address, if changed since last report

N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares of Stock	28,695,934,752

11. Indicate the item numbers reported herein

9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Metro Pacific Investments Corporation

MPI

PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting

References: SRC Rule 17 (SEC Form 17-C) and Sections 7 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Holding of a Special Stockholders' Meeting on August 8, 2023

Background/Description of the Disclosure

During the special meeting of the Board of Directors of MPIC ("MPIC Board") held on July 3, 2023, the MPIC Board unanimously approved a resolution authorizing the filing of an application for voluntary delisting of MPIC from the Main Board of the Philippine Stock Exchange ("PSE"), subject to compliance with the Amended Voluntary Delisting Rules of the PSE. During the same meeting, the MPIC Board also unanimously approved the holding of a special stockholders' meeting on August 8, 2023 to approve the voluntary delisting of MPIC from the PSE.

Pursuant to the Amended Voluntary Delisting Rules of the PSE, during the special stockholders' meeting, the proposal to delist the Company from the Main Board of the PSE must be approved by the stockholders owning at least two thirds (2/3) of the total outstanding and listed common shares of the Company and with the number of votes cast against the delisting proposal not exceeding ten percent (10%) of the total outstanding and listed common shares of the Company.

The Company received a copy of the Fairness Opinion and Valuation Report prepared by an Independent Financial Advisor and is attached hereto for the information of the Company's shareholders.

Type of Meeting

- Annual
 Special

Date of Approval by Board of Directors	Jul 3, 2023
Date of Stockholders' Meeting	Aug 8, 2023
Time	11:00 AM
Venue	Physically at Multipurpose Hall, Meralco Compound, Ortigas Avenue, Brgy. Ugong, Pasig City and Virtually through a link to be provided by the Office of the Corporate Secretary
Record Date	Jul 18, 2023
Agenda	I. Call to Order II. Approval of the Voluntary Delisting of the Company's Common Shares from the Philippine Stock Exchange III. Other Matters IV. Adjournment

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End Date	N/A

Other Relevant Information

Please see the Company's Disclosure of Material Transaction/Information dated July 3, 2023.

Filed on behalf by:

Name	RICARDO III PILARES
Designation	VP for Legal / Compliance Officer / Corporate Governance Officer / Corporate Secretary



METRO PACIFIC INVESTMENTS CORPORATION

July 03, 2023

PHILIPPINE STOCK EXCHANGE

PSE TOWER
28th Street corner 5th Avenue
BGC, Taguig City

SECURITIES & EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village
Barangay Bel-Air
Makati City, 1209

Attention: **MR. JOSE VALERIANO B. ZUÑO**
OIC – HEAD, Disclosure Department

DIR. VICENTE GRACIANO P. FELIZMENIO, JR.
Markets and Securities Regulation Department

RE: SEC FORM 17-C
METRO PACIFIC INVESTMENTS CORPORATION (“MPIC”)

Metro Pacific Investments Corporation (“MPIC”) submits the attached SEC Form 17-C disclosing the holding of a Special Stockholders’ Meeting on August 8, 2023.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to be "R. Pilares III".

RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

Item 9. Other Items

During the special meeting of the Board of Directors of MPIC (“MPIC Board”) held on July 3, 2023, the MPIC Board unanimously approved a resolution authorizing the filing of an application for voluntary delisting of MPIC from the Main Board of the Philippine Stock Exchange (“PSE”), subject to compliance with the Amended Voluntary Delisting Rules of the PSE. During the same meeting, the MPIC Board also unanimously approved the holding of a special stockholders’ meeting on August 8, 2023 to approve the voluntary delisting of MPIC from the PSE.

Pursuant to the Amended Voluntary Delisting Rules of the PSE, during the special stockholders’ meeting, the proposal to delist the Company from the Main Board of the PSE must be approved by the stockholders owning at least two thirds (2/3) of the total outstanding and listed common shares of the Company and with the number of votes cast against the delisting proposal not exceeding ten percent (10%) of the total outstanding and listed common shares of the Company.

The Company received a copy of the Fairness Opinion and Valuation Report prepared by an Independent Financial Advisor and is attached hereto for the information of the Company’s shareholders.

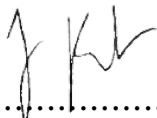
A copy of the Form 7-1 (Notice of Annual or Special Stockholders’ Meeting) will be filed to the Philippine Stock Exchange (PSE) is attached herewith as Annex “A”.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

METRO PACIFIC INVESTMENTS CORPORATION
MPIC or Issuer

July 03, 2023
Date



.....
RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Jul 3, 2023
2. SEC Identification Number
CS200604494
3. BIR Tax Identification No.
244-520-457-000
4. Exact name of issuer as specified in its charter
Metro Pacific Investments Corporation
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
9th Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Pasig City
Postal Code
1604
8. Issuer's telephone number, including area code
(632) 8888-0888
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares of Stock	28,695,934,752

11. Indicate the item numbers reported herein
9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Metro Pacific Investments Corporation

MPI

PSE Disclosure Form 7-1 - Notice of Annual or Special Stockholders' Meeting

References: SRC Rule 17 (SEC Form 17-C) and Sections 7 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Holding of a Special Stockholders' Meeting on August 8, 2023

Background/Description of the Disclosure

During the special meeting of the Board of Directors of MPIC ("MPIC Board") held on July 3, 2023, the MPIC Board unanimously approved a resolution authorizing the filing of an application for voluntary delisting of MPIC from the Main Board of the Philippine Stock Exchange ("PSE"), subject to compliance with the Amended Voluntary Delisting Rules of the PSE. During the same meeting, the MPIC Board also unanimously approved the holding of a special stockholders' meeting on August 8, 2023 to approve the voluntary delisting of MPIC from the PSE.

Pursuant to the Amended Voluntary Delisting Rules of the PSE, during the special stockholders' meeting, the proposal to delist the Company from the Main Board of the PSE must be approved by the stockholders owning at least two thirds (2/3) of the total outstanding and listed common shares of the Company and with the number of votes cast against the delisting proposal not exceeding ten percent (10%) of the total outstanding and listed common shares of the Company.

The Company received a copy of the Fairness Opinion and Valuation Report prepared by an Independent Financial Advisor and is attached hereto for the information of the Company's shareholders.

Type of Meeting

- Annual
- Special

Date of Approval by Board of Directors	Jul 3, 2023
Date of Stockholders' Meeting	Aug 8, 2023
Time	11:00 AM
Venue	Physically at Multipurpose Hall, Meralco Compound, Ortigas Avenue, Brgy. Ugong, Pasig City and Virtually through a link to be provided by the Office of the Corporate Secretary
Record Date	Jul 18, 2023
Agenda	I. Call to Order II. Approval of the Voluntary Delisting of the Company's Common Shares from the Philippine Stock Exchange III. Other Matters IV. Adjournment

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End Date	N/A

Other Relevant Information

Please see the Company's Disclosure of Material Transaction/Information dated July 3, 2023.



METRO PACIFIC

INVESTMENTS

METRO PACIFIC INVESTMENTS CORPORATION FAIRNESS OPINION AND VALUATION REPORT

26 June 2023

26 June 2023

The Board of Directors of:

METRO PACIFIC HOLDINGS, INC.

10th Floor Net One Center
26th Street Corner 3rd Avenue
Fort Bonifacio, Taguig City, Philippines

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION

36th Floor, GT Tower International,
6813 Ayala Avenue,
Bel-Air, Makati City

GT CAPITAL HOLDINGS, INC.

43rd Floor, GT Tower International,
Ayala Avenue corner H.V. Dela Costa Street,
Makati City 1227

MIG HOLDINGS INCORPORATED

4th floor, SyCipLaw Center,
105 Paseo De Roxas Legaspi Village,
San Lorenzo, Makati City

Together, the "Consortium"

Gentlemen:

Pursuant to our engagement, we are pleased to present to the Board of Directors of the Consortium the Final Valuation Report on the common shares of Metro Pacific Investments Corporation ("MPIC" or the "Company") in accordance with the valuation methodologies agreed upon.

The Transaction

Metro Pacific Investments Corporation (“MPIC” or the “Company”), incorporated on March 20, 2006, is a holding company with business interests in water, power, tollways, hospitals, logistics, and railways. MPIC is currently listed on the Main Board of the Philippine Stock Exchange (“PSE”) under the ticker symbol “MPI”.

On April 26, 2023, MPIC received a Notice of Intent to undertake a Tender Offer from a consortium comprising Metro Pacific Holdings, Inc. (“MPHI”), GT Capital Holdings, Inc. (“GTCHI”), Mit-Pacific Infrastructure Holdings Corporation (“MPIH”), and MIG Holdings, Inc. (“MIG”) (collectively referred to as the “Consortium”) which stated their intention to make a tender offer for all the outstanding common shares of MPIC (the “Tender Offer”) with the aim of taking MPIC private through a voluntary delisting process.

On June 1, 2023, MPIC deferred the shareholders’ vote to approve the voluntary delisting of the Company from the PSE until a Fairness Opinion and Valuation Report commissioned by the Consortium is finalized in support of the Tender Offer.

We understand that the Consortium seeks to arrive at a fair and equitable valuation of MPIC’s common shares in connection with its potential voluntary delisting, subsequent to the Tender Offer to minority shareholders (the “Transaction”).

Our Engagement

On June 5, 2023, Unicapital, Inc. (“UI”, “Financial Advisor”, or “FA”) was engaged by the Consortium to issue an independent Fairness Opinion and Valuation Report (“FOVR”) for the issued common shares of MPIC subject of the Transaction.

Prior to this engagement, UI has not acted as a financial advisor in relation to the Transaction, to MPIC, its Subsidiaries and any affiliates, or any of the parties involved in the Transaction.

For this engagement, UI will receive a fixed financial advisory fee, which is not dependent on the success of the Transaction, but upon delivery of the Fairness Opinion and Valuation Report.

Based on the terms of reference of the engagement, UI immediately conducted a review of MPIC and its Subsidiaries’ financial statements and other publicly accessible information on MPIC that were considered to be relevant for the analysis. For purposes of this valuation exercise, the valuation methodologies were applied to the consolidated financial performance of MPIC and its Subsidiaries, as reflected in the historical audited financial statements provided by the Consortium. Subsequently, a structured approach was applied using the following valuation methodologies, when applicable, namely:

- Net Asset Value Approach, which estimates the net residual value of the Company’s common shares by carefully arriving at the value of its assets, using the latest full-year audited financial statements provided by the Consortium to the Financial Advisor and public reports published by the Company, and subsequently deducting all its liabilities, goodwill, and non-controlling interest (the “Net Asset Value” or the “NAV”);
- Discounted Cash Flow Approach, which estimates the value of the Company and its subsidiaries through the present value of expected future cash flows based on projections that assume full commercial operations;
- Dividend Discount Model, which estimates the value of the Company through the present value of all future dividends that the Company is expected to payout;
- Price-to-Earnings-Based Approach, which seeks to benchmark the value of MPIC’s shares compared to its counterparts, using applicable metrics; and

- Volume-Weighted Average Price, which examines the value of the Company's shares based on historical trading volume and price within a specific time period.

Valuation Summary

MPIC's Indicative Market Capitalization and Price per Share

Indicative Valuation P Thousands	Market Capitalization	
	Low	High
CPCM – P/E	96,591,712.30	122,078,668.17
SOTP – NAV	118,322,664.43	140,943,173.80
Single-Stage DDM	131,194,362.43	144,862,085.79
SOTP – DCF	133,063,336.42	146,326,006.94
VWAP	109,162,935.75	126,577,664.20
Range	96,591,712.30	146,326,006.94

Indicative Valuation Price Per Share	Price Per Share	
	Low	High
CPCM – P/E	3.37	4.25
SOTP – NAV	4.12	4.91
Single-Stage DDM	4.57	5.05
SOTP – DCF	4.64	5.10
VWAP	3.80	4.41
Range	3.37	5.10

Note: The implied price per share is based on MPIC outstanding shares of 28,695,934,752 as of June 23, 2023.

Our Opinion

After careful examination of different valuation methodologies used to estimate the fair value of MPIC's equity, the results were summarized into a range of values.

Based on the analysis undertaken and on the summary of valuation considerations described in the Valuation Report, the Financial Advisor is of the opinion that MPIC's indicative valuation ranges between **₱96.59 billion to ₱146.33 billion** equivalent to a share price of **₱3.37 to ₱5.10**.

Scope and Limitations

We have not audited or otherwise reviewed the accuracy of the full-year audited financial statements provided by the Consortium or taken from publicly available sources. It was assumed that these financial statements are true and accurate and are reflective of MPIC's financial condition during the date of the financial statements.

The preparation of the Fairness Opinion and Valuation Report by UI is limited to the purpose of the Transaction.

Some of the information contained in this report may have been taken from third-party sources or publicly available information. We have not independently verified whether such facts or information are true and correct. Further, UI has had no communications with MPIC management regarding any forward-looking guidance or financial projections for the purpose of this Report.

No representation or warranty, expressed or implied, is made by UI, or its respective affiliates subsidiaries, principals, directors, shareholders, officers, employees, agents, advisors, or representatives, as to the accuracy or completeness of any information, whether written or oral, contained in this Fairness Opinion and Valuation Report. UI expressly disclaims any and all liability, which may be based on such information, errors therein or omissions therefrom.

Nothing contained within this Fairness Opinion and Valuation Report is or should be relied upon as a promise of representation as to the future performance of the Company.

The recommendations and valuations contained therein were prepared by the Financial Advisor based on information available at the time the Valuation Report was prepared, and there are no representations, warranties, or other assurances that any of the conditions set forth herein will be realized.

We have no obligation to update this report or our recommended valuation for information that comes to our attention after the date of this report. This Valuation Report is based on the prevailing market, corporate, and economic conditions at the time of writing.

We have also assumed that all governmental, regulatory and other consents and approvals necessary for the consummation of the Transaction and any of MPIC's business dealings will be obtained without any material adverse effect on MPIC.

This Fairness Opinion and Valuation Report does not constitute a selling document, a recommendation to purchase or sell the shares of any of the companies mentioned herein, and makes no reference to the likelihood or relative benefits of any alternative transaction.

The Fairness Opinion and Valuation Report does not render an opinion on the fairness of the compensation in the Transaction to any of the Consortium's or MPIC's directors, officers, or employees relative to the Consortium or MPIC's shareholders.

Information Sources

The following sources of information were used in the preparation of this report:

- Company disclosures relevant to the analysis and as published on PSE EDGE;
- Audited financial statements of the Company and its Subsidiaries for the years ended and as of December 31, 2018, 2019, 2020, 2021, and 2022, and their respective annual reports;
- Certain publicly available information of the Company's financial performance from its company website; and
- Certain publicly available financial and stock market information (FactSet Research Systems, Inc., PSE Edge, and Bloomberg) regarding selected listed companies in a similar line of business we believe to be comparable to MPIC.


For the purposes of our analysis, we have assumed that all financial and other information received from all sources listed above were accurate and complete and have relied on this information without accepting any responsibility for independent verification.

Very truly yours,

UNICAPITAL, INC.



Jaime J. Martirez
President
TIN 101-540-783



Francis J. Reyes II
Assistant Manager
TIN 501-205-543-000

ABOUT UNICAPITAL, INC.

Unicapital, Inc. (“UI”) is a full-service investment house that is duly licensed by the Securities and Exchange Commission (“SEC”) to provide the widest array of finance and investment-banking product lines. Incorporated in 1994, the firm has successfully established itself as an active player in the trading of fixed income and equity securities, the underwriting and distribution of commercial papers, bonds, preferred shares and equity issues for listing in the Philippine Stock Exchange (“PSE”), and the provision of financial advice to its corporate clients.

On June 21, 2023, the PSE issued memorandum CN-2023-0030 (see ANNEX III | PSE ACCREDITATION) confirming the re-accreditation of UI as an accredited firm for issuing Fairness Opinions and Valuation Reports for a period of one year valid until June 26, 2024.

The Fairness Opinion and Valuation Report was not approved by a committee created within UI but instead was subject to an internal process of review and preparation. The Fairness Opinion for the Assets was initially prepared by an analyst and a junior officer of the Corporate Finance Department assigned to the transaction. It was then reviewed and approved by the President of the firm before it was issued out to the Board of Directors of the Company.

Mr. Jaime J. Martirez, President and CEO. He is concurrently the President and CEO of Unicapital Finance and Investments, Inc. and Chairman of the Executive Committee of the Group. He holds other key positions in several private and publicly listed corporations that are engaged in the fields of energy, real estate, and water distribution. He is the Vice President and Director of MAJALCO, Inc. and Treasurer and Director of Des Eaux Utilities Co., Inc., a bulk water provider of several local water districts in Bulacan. He is likewise a Director and Vice President of MJ Realty; Treasurer of GJ Holdings; and President of Unoventure, Inc., an enterprise facilities provider located in the PEZA Industrial Parks, south of Metro Manila. He also sits as Director of Malayan Savings and Mortgage Bank and Acme Pawnshops, Inc. He sits as a Director of Basic Energy Corporation, a publicly listed company in the Philippine Stock Exchange engaged in oil and renewable energy exploration and sits as Chairman of the finance and investments committee of the company. He is also a Director of Unicapital Securities, Inc. Mr. Martirez is a member of the Makati Business Club, Charter member of the Rotary Club of Makati Ayala and a past director of the Philippine Finance Association. He has acquired and developed professional expertise in the field of Investment Banking for the last 43 years, since 1976.

Mr. Francis Reyes II, Assistant Manager. He is a member of UI’s Corporate Finance Department. He graduated from Ateneo de Manila University with a Bachelor of Arts Degree in Economics. He is also currently taking a master’s degree in business administration from the Ateneo Graduate School of Business. He has experience in a broad range of private & public equity transactions, financial advisory, and mergers and acquisitions.

While Mr. Martirez and Mr. Reyes have extensive experience in business and finance, their professions are not bound by any licensure requirements.

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1 | BUSINESS OVERVIEW

1 | ABOUT METRO PACIFIC INVESTMENTS CORPORATION

COMPANY OVERVIEW



Metro Pacific Investments Corporation (the “Parent Company” or “MPIC”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (“SEC”) on March 20, 2006 as an investment holding company. MPIC’s common shares of stock are listed and traded through the Philippine Stock Exchange (“PSE”) with the ticker “MPI”. MPIC is a leading infrastructure holding company in the Philippines that continues to develop a diverse set of assets through its investments in water, toll roads, power generation and distribution, light rail, health, fuel storage, real estate, food and agriculture business.

The Company operates through the following business segments:



- **Power** – This primarily pertains to the distribution, supply, and generation of electricity by Manila Electric Company (“MERALCO”). The investment in MERALCO is held both directly and indirectly through Beacon Electric Asset Holdings, Inc. (“Beacon Electric”). In addition, MPIC has investments in Global Business Power Corporation (“GBPC”) held through MERALCO PowerGen Corporation (“MGen”) following MGen’s acquisition of GBPC in 2020. The assets and liabilities of GBPC were deconsolidated in relation to the sale.



- **Toll** – This primarily pertains to the operations and maintenance of toll facilities by Metro Pacific Tollways Corporation (“MPTC”) and its subsidiaries NLEX Corporation (“NLEX Corp.”), Cavite Infrastructure Corporation (“CIC”), MPCALA Holdings (“MPCALA”), Cebu Cordova Link Expressway Corporation (“CCLEC”), and foreign investees, CII Bridges and Roads Investment Joint Stock Company (“CII B&R”), and PT Nusantara Infrastructure Tbk (“PT Nusantara”).



- **Water** – This primarily pertains to provision of water and sewerage services by Maynilad Water Holding Company, Inc. (“MWHCI”) and its subsidiaries Maynilad Water Services, Inc. (“Maynilad”) and Philippine Hydro, Inc. (“PHI”), and other water-related services by MetroPac Water Investments Corporation (“MPW”) and its foreign investees, B.O.O. Phu Ninh Water Treatment Plant Joint Stock Company (“PNW”), and Tuan Loc Water Resources Investment Joint Stock Company (“TLW”).



- **Rail** – This primarily pertains to the operations of Metro Pacific Light Rail Corporation (“MPLRC”) and its subsidiary, Light Rail Manila Corporation (“LRMC”), the concessionaire for the operations and maintenance of the Light Rail Transit – Line 1 (“LRT-1”) and construction of the LRT-1 south extension (both known as the “LRT 1 Project”).
- **Others** – This pertains to the holding companies and operations of subsidiaries and other investees involved in health, fuel storage, real estate, biogas, food and agriculture.

POWER OPERATIONS

The investment in MERALCO is held directly by MPIC at 12.5% as of December 31, 2022 and held indirectly through Beacon Electric at an effective interest of 35.0% as of December 31, 2022.

MERALCO is the Philippines' largest electric power distribution company, with franchise area covering 9,685 square kilometers ("km"). It provides power to more than 7.6 million customers in 38 cities and 7 municipalities. Electricity distribution within the MERALCO franchise area accounts for over 50% of the power requirements of the country.

**TOLL OPERATIONS**

Metro Pacific Tollways Corporation is the largest toll developer and operator in the Philippines in terms of vehicle traffic volume, revenue levels, asset base, and combined length of expressways in kilometers. MPTC handles 700,000 vehicles per day on the average during the pandemic and close to a million vehicles per day pre-pandemic.



MPTC operates through Metro Pacific Tollways Data Services, Inc., Metro Pacific Tollways North Corporation, Metro Strategic Infra Holdings, Inc., Metro Pacific Tollways South Corporation, Metro Pacific Tollways Vizmin Corporation, CII Bridges and Roads Investment Joint Stock Company, Easy Trip Services Corporation, MPT Asia Corporation, PT Nusantara, Metro Pacific Tollways Asia Corporation PTE. LTD., Dibztech, Inc., CAVITEX, and NLEX Corporation. Information on key subsidiaries of MPTC are listed below.

- NLEX Corporation is a premiere company engaged in the development, design, construction, finance, operation and management of toll road projects. It is the builder-concessionaire and operator of two major expressways that link Metro Manila to North and Central Luzon: NLEX and SCTEX. The NLEX Corporation also holds the concession for the NLEX Connector, an 8-kilometer all-elevated highway to be built along the PNR right of way, extending the NLEX southward from the end of NLEX Harbor Link Segment 10 in C3/5th Avenue, Caloocan City to PUP Sta. Mesa, Manila.
 - NLEX is a modern toll expressway that was commissioned by the Government to replace the ageing North Luzon Diversion Road and to facilitate the development of the Subic and CSEZ. It serves as a gateway to travelers going to Central and Northern Luzon from the National Capital Region and vice versa.
 - SCTEX is a 94-km, four-lane expressway north of Manila, connecting the Subic Bay Freeport Zone in Zambales with the NLEX near the CSEZ in Angeles City and extending to the Central Techno Park in Tarlac City and is the longest toll expressway in the Philippines
- CAVITEX is a fourteen (14)-km expressway from Roxas Boulevard to Cavite;
- PT Nusantara, through its subsidiaries, holds investments in the following: (1) Toll road operators – PT Bintaro Serpong Damai ("BSD"), PT Jalan Tol Seksi Empat ("JTSE"), PT Metro Makassar Network ("MMN"), PT Jakarta Lingkar Baratsatu ("JLB") and JJC; (2) Water and waste management service providers – PT Sarana Catur Tirta Kelola ("SCTK") and PT Dain Celicani Cemerlang ("DCC"); (3) Power supply providers – PT Rezeki Perkasa Sejahtera Lestari ("RPSL") and PT Inpola Meka Energi ("IME");

WATER OPERATIONS

MWHCI, a joint venture between MPIC, DMCI Holdings, Inc. (“DMCI”), and Marubeni Corporation, holds controlling shares in Maynilad, which, in turn holds the exclusive concession granted by the Metropolitan Waterworks and Sewerage Systems (“MWSS”), on behalf of the Government, to provide water and sewerage services in the West Zone of the Greater Metro Manila.



Maynilad’s subsidiaries are PHI and Amayi Water Solutions, Inc. (“Amayi”). PHI owns and operates three plants that supply treated bulk water to the Legaspi City Water District in Albay, Norzagaray Water District, Santa Maria Water District, Bocaue Water District in Bulacan and in Bambang, Nueva Vizcaya. Amayi was organized to engage in the distribution of water outside the West Zone of the Greater Metro Manila.



MPW, a wholly-owned subsidiary of MPIC, is pursuing water infrastructure projects and other water-related investments across the Philippines. As at December 31, 2022, MPW’s subsidiaries hold the following concession rights:

- Through 95% in Cagayan De Oro Bulk Water Inc. (“COBI”) via its wholly owned subsidiary, MetroPac Cagayan De Oro Holdings, Inc. (“MCOH”). COBI, a joint venture between MCOH and Cagayan de Oro Water District (“COWD”), holds a 30-year bulk water supply agreement to supply up to 100 million liters per day (“MLD”) of treated water to COWD (“CDO Project”).
- Through 80% in Metro Iloilo Bulk Water Supply Corporation (“MIBWSC”). MIBWSC, a joint venture between MPW and Metro Iloilo Water District (“MIWD”), holds a 25-year bulk water supply project to supply MIWD up to 170 MLD (“Metro Iloilo Bulk Project”). On July 5, 2016, MIBWSC officially took over water production operations from MIWD.
- Through 80% in Metro Pacific Iloilo Water Inc. (“MPIWI”). MPIWI, a joint venture between MPW and MIWD, holds a 25-year concession to rehabilitate, operate, maintain and expand MIWD’s existing water distribution system and provide sanitation services to MIWD’s service area (“Metro Iloilo Distribution Project”).
- Through 80% in Metro Pacific Dumaguete Water Services Inc. (“MDW”). MDW, a joint venture between MPW and Dumaguete City Water District’s (“DCWD”) holds a 25-year concession to rehabilitate, operate, maintain and expand DCWD’s existing water distribution system and develop wastewater facilities to serve DCWD’s service area (“Metro Dumaguete Distribution Project”).

MPW also has an effective interest in the following:

- Effective interest of 27% in Laguna Water District Aquatech Resources Corp. (“LARC”) through its direct ownership of 30% in EquiPacific HoldCo Inc. (“EquiPacific”). LARC, a joint venture between EquiPacific and Laguna Water District (“LWD”), implements the joint venture project for the financing, rehabilitation, improvement, expansion, operation and maintenance of the water supply and distribution system within LWD’s franchise area in Los Baños, Bay, Calauan and Victoria of the Province of Laguna.
- Effective interest of 49% in TLW through its wholly owned subsidiary, Metro Pacific TL Water International Limited. TLW is one of the largest water companies in Vietnam, with 310 MLD of installed capacity. TLW’s main project assets are the: (1) Song Lam Raw Water Plant, (2) Ho Cau Moi Water Treatment Plant, and (3) Nhon Trach 6A Sewage Treatment Plant.
- 65% ownership in EcoSystem Technologies International, Inc. (“ESTII”). ESTII is engaged in the business of designing, supplying, constructing, installing, and operating and maintaining wastewater and sewage treatment plant facilities.

RAIL OPERATIONS

MPIC operates its rail business through its subsidiary, Metro Pacific Light Rail Corporation (“MPLRC”). MPLRC’s activity is the holding of shares of both Light Rail Manila Holdings Inc. (“LRMH”) and LRMCo. LRMCo holds the exclusive concession granted by the Department of Transportation (“DOTr”) and Light Rail Transportation Authority (“LRTA”), on behalf of the Government to operate and maintain the existing LRT-1, and to extend the south line Baclaran to Niog, Cavite. LRMH holds shares in LRMCo.



**LIGHT RAIL
MANILA
CORPORATION**

main
from

FUEL STORAGE

Philippine Coastal Storage and Pipeline Corporation (“PCSPC”) operates the petroleum storage and pipeline facilities of the former US military bases, namely Subic Bay Naval Base and Clark Air Force Base. MPIC indirectly owns 50% of PCSPC through a partnership with Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as trustee-manager of Keppel Infrastructure Trust (“KIT”)). PCSPC is the largest independent petroleum product import terminal in the Philippines with a storage capacity of approximately 6.0 million barrels. The 150-hectare facility comprises of 87 storage tanks, two piers and a pipeline infrastructure connecting the entire facility.



**PHILIPPINE COASTAL
STORAGE & PIPELINE
CORPORATION**

HEALTH

MPIC has created the Philippines’ first nationwide chain of leading private hospitals to deliver comprehensive in-patient and out-patient hospital services, including medical and surgical services, diagnostic, therapeutic intensive care, research and training facilities in strategic locations in the country. MPH has the largest network of premier private hospitals in the Philippines with over 3,800 beds, around 9,500 accredited doctors, and more than 13,000 staff as of December 2022.



MPIC’s digital arm mWell PH provides affordable and accessible health and wellness services anytime and anywhere through its fully integrated digital platform. mWell PH initially launched in July 2021 and reached over 1.4 million users at the end of 2022. mWell is available globally and offers telemedicine, wellness score developed by scientists, and provides a portable mobile digital clinic to remote communities in the country.

**REAL ESTATE**

The MPIC Group also has real estate investments through Landco Pacific Corporation (“Landco”), which develops leisure communities, resort-inspired condominiums and luxury home communities, and Metro Vantage Properties, Inc. (“MVPI”), which develops, designs and markets real estate properties. In 2021, Landco’s sales were at an all-time high since 2016, with 85% of sales from beachtown projects (Playa Laiya, Club Laiya, Playa Calatagan, Calatagan South Beach, Playa Azalea and Costa Azalea).



AGRIBUSINESS

Metro Pacific Agro Ventures Inc. (“MPAV”), the wholly owned agriculture unit of MPIC, is engaged in the following agriculture business:



1. The Vegetable Greenhouse Project, a 22-hectare property, housing a complex of modern greenhouses in San Rafael, Bulacan;
2. An agreement to acquire 34.76% ownership in Axelum Resources Corporation (“ARC”) for ₱5.3 billion. ARC is a leading manufacturer and exporter globally of high-quality coconut products, and one of the major suppliers of Vita Coco, the global market leader in coconut water; and
3. Future expansion of a dairy farm facility in Bay, Laguna, where it plans to annually produce at least 6 million liters of milk.

SHAREHOLDERS AND SENIOR MANAGEMENT

Stockholders of MPIC as of December 31, 2022 are as follows:

Shareholders	Type	Shares	Ownership %
Metro Pacific Holdings, Inc.	Common	13,222,948,174	41.89%
PCD Nominee Corp. (Filipino)	Common	7,510,450,510	23.79%
GT Capital Holdings, Inc.	Common	4,900,000,000	15.52%
PCD Nominee Corp. (Non-Filipino)	Common	3,534,908,319	11.20%
Metro Pacific Investment Corp.	Common	2,250,768,000	7.13%
Sergio Ong or Shirley Oland	Common	55,000,000	0.17%
La Filipina Uy Gongco Corporation	Common	41,450,000	0.13%
Albert F. Del Rosario and/or Margaret Gretchen V. Del Rosario	Common	12,774,224	0.04%
Manuel Velez Pangilinan	Common	9,500,001	0.03%
Others	Common	31,539,524	0.10%

The Board of Directors and Executive Officers of MPIC as of December 31, 2022 are as follows:

Name	Designation
Manuel V. Pangilinan	President and Chairman
Jose Ma. K. Lim	Director
June Cheryl A. Cabal-Revilla	EVP, CFO, CSO, and CRO
Pedro E. Roxas	Independent Director
Augusto P. Palisoc, Jr.	Director
Albert F. Del Rosario	Director
Alfred V. Ty	Vice Chairman
Artemio V. Panganiban	Independent Director

Name	Designation
Ramoncito S. Fernandez	Director
Oscar J. Hilado	Independent Director
Francisco C. Sebastian	Director
Ray C. Espinosa	Director
Christopher H. Young	Director
Rodrigo E. Franco	Director
Roberto C. Yap, S.J.	Independent Director
Ricardo M. Pilares III	Corporate Secretary, CGO, VP-Legal, and Compliance Officer
Cristina S. Palma Gil-Fernandez	Assistant Corporate Secretary
Stanley H. Yang	Senior Adviser
Melody M. Del Rosario	VP-PR and Corp. Communications
Loudette Anne M. Zoilo	VP-Human Resources
Michael T. Toledo	Head of Government Relations and Public Affairs
Marisa V. Conde	VP - Technical Finance / DPO
Maricris A. Ysmael	VP - Investor Relations
Nancy Kathleen S. Roxas	VP - Treasury
Ryan Jerome T. Chua	VP - Business Development
Kristine P. Fragante	AVP - Reporting and Financial Planning
Francis Alvin V. Asilo	AVP - Legal
Ma. Clarice U. Marucut	AVP - Business Development
Ma. Joanna Carmela P. Sanalila	Internal Audit Head
Christopher Andrew B. Pangilinan	VP - Enterprise Resilience

2 | INDUSTRY OVERVIEW

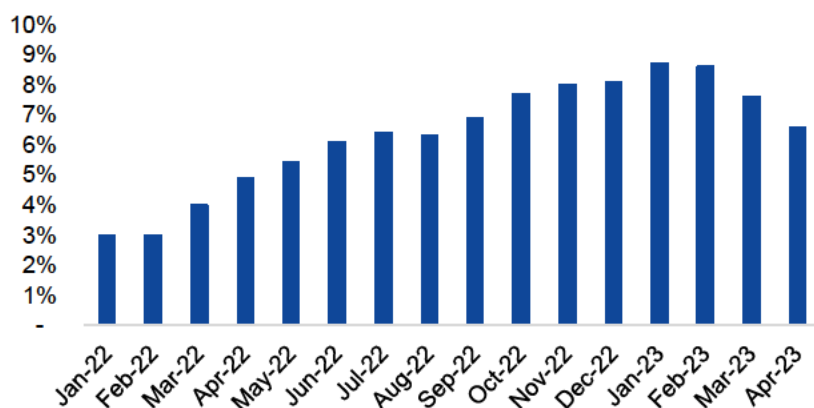
2 | INDUSTRY OVERVIEW

THE PHILIPPINE ECONOMY

The Philippines' economy is among the economies of Asia and the Pacific that are gradually recovering from the adverse impacts that the coronavirus disease ("COVID-19") pandemic brought globally. A stronger-than-expected domestic demand driven by rising employment and a recovery in tourism after the country lifted COVID-19 mobility restrictions are expected to support the Philippine economy's faster-than-expected growth, according to Asian Development Bank's ("ADB") Outlook report as of December 2022.

As of April 2023, the Philippines' headline inflation rate slowed down to 6.6% from the 7.6% in the previous month, resulting in an average inflation rate of 7.4% based from the Philippine Statistics Authority ("PSA") data. According to Finance Secretary Benjamin Diokno, the country is on track in terms of managing inflation to within its 2% to 4% target by 2024. The downtrend in inflation is mainly due to the lower contribution of food and non-alcoholic beverages, transport, housing, water, electricity, gas and other fuels to the overall inflation. The continuous decline in inflation from the recent months showed moderation of food inflation, particularly price declines in some vegetables and sugar as supply improved.

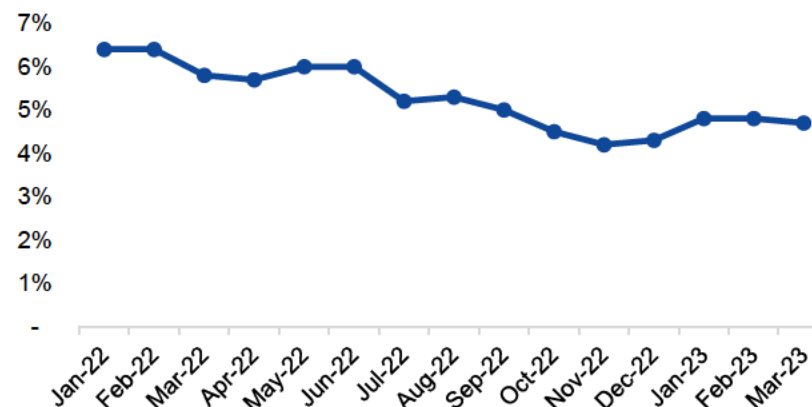
Headline Inflation Rate



Source: Philippine Statistics Authority

In line with the country's overall recovery from the pandemic and transition to full reopening of the economy, the unemployment rate significantly dropped to 6.6% in December 2021 compared to the 10.3% of 2020. In March 2023, the unemployment rate decreased further to 4.70%. Majority of the increase in employment came from the services sector, specifically in wholesale and retail trade. The National Economic and Development Authority ("NEDA") is expecting more job opportunities and a higher employment rate as the country moves toward full pandemic recovery. Out of the overall improvement in employment, the services sector accounted for the largest share with 59% employment, followed by agriculture sector and industry sector with 23.5% and 17.5%, respectively."

Unemployment Rate

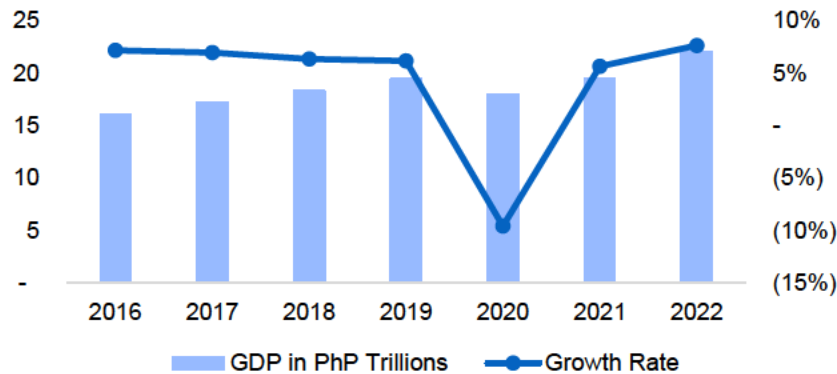


Source: Philippine Statistics Authority

Gross Domestic Product ("GDP") refers to the total market value produced by a country, which includes all final goods and services for a specific time frame. In 2022, the Philippines registered a nominal GDP of PhP22.0 trillion, which is a 7.6% year-on-year growth. In a September 2022 report, the ADB projects the Philippines' GDP growth

to decelerate to 6.0% in 2023, compared to the prior projection of 6.5%. Even though the Philippine economy has exhibited signs of recovery, there are downside risks to growth in 2023, which include inflation stickiness, interest rate hikes, and a decline in GDP growth in advanced nations. The International Monetary Fund (“IMF”) projects that Philippine GDP will grow between 2023 and 2028, with the growth estimate for 2028 at 6.4% as the nation resumes majority of its economic activities and approaches pre-pandemic levels.

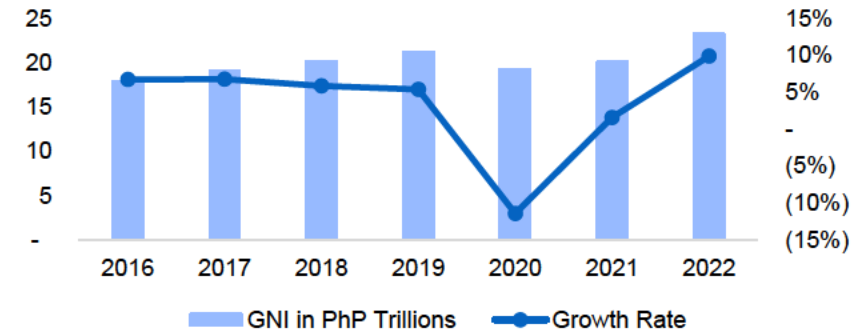
Gross Domestic Product (GDP)



Source: Bangko Sentral ng Pilipinas

Gross National Income (“GNI”) refers to the value produced by a country regardless if it is sourced domestically or internationally. GNI for 2022 reached ₱23.3 trillion, which is 16.0% higher than ₱20.1 trillion in 2020. This increase was due to higher net primary income and GDP increase for the year.

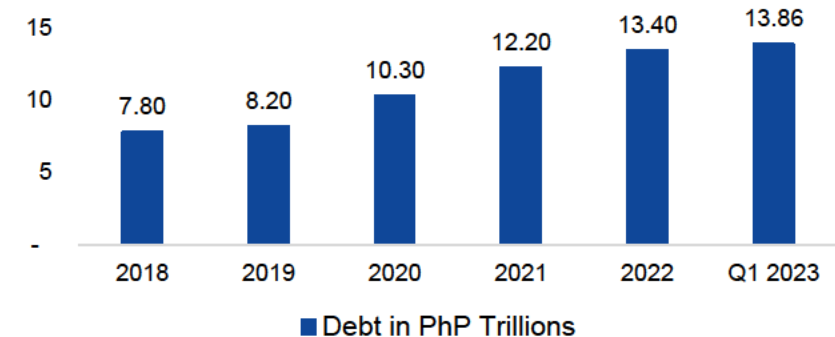
Gross National Income (GNI)



Source: Bangko Sentral ng Pilipinas

As a result of the pandemic's negative economic impact, the administration of former President Rodrigo Duterte borrowed money from various international financial institutions and foreign governments to shore up government finances for pandemic response activities. These accelerated the growth of national debt and continues to weigh on the debt-to-GDP ratio.

National Government Outstanding Debt

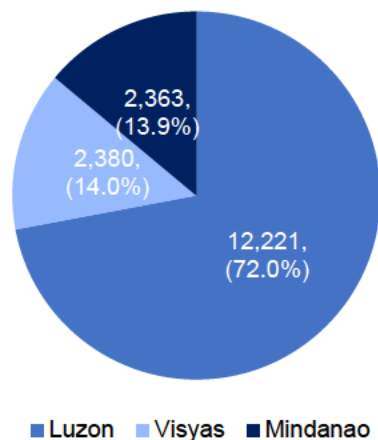


Source: Bureau of Treasury

POWER SECTOR IN THE PHILIPPINES

According to Independent Electricity Market Operator of the Philippines (“IEMOP”), the average demand in the Luzon and Visayas markets increased from 10,244 MW in March 2023 to 11,033 MW in April 2023. While this occurred, the average demand for Mindanao rose from 1,752 MW to 1,790 MW. The year-to-date top levels in all grids were reached as a result of an increase in demand.

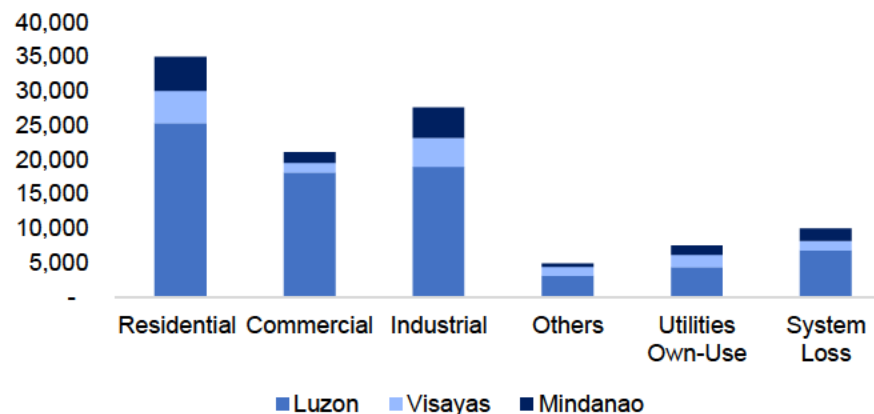
System Peak Demand in MW, 2021



Source: Department of Energy 2021 Annual Power Statistics

Based on the Department of Energy’s Annual Power Statistics released in June 2022, the Philippines’ Electricity Consumption data was reported at 106,115.000 GWh in 2021. This records a 4.3% increase from the previous 101,756.000 GWh in 2020. In relation to DOE’s Power Development Plan, the peak demand for the entire country is anticipated to approximately increase at 7% per year from 2020 to 2040. To meet this demand, the Philippines targets to increase installed capacity by around five times, from 22,317 MW in 2019 to 114,601 MW in 2040, coming from current, committed, and new construction capacities.

Electricity Consumption by Sector (in GWh), 2021



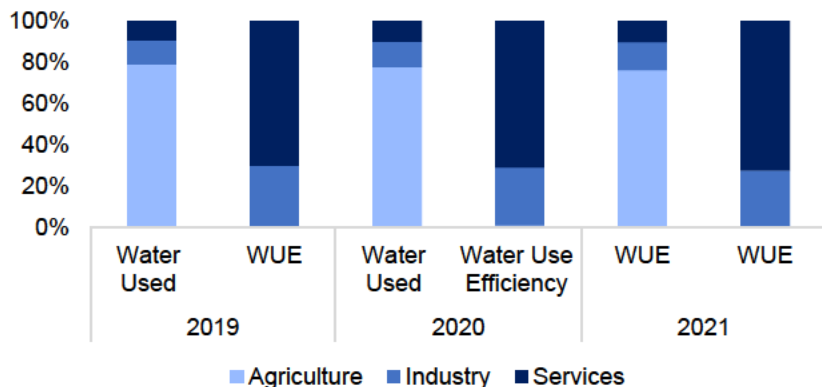
Source: Department of Energy 2021 Annual Power Statistics

While demand for electricity increased during the summer season of 2023, the IEMOP stated that the market remains stable given the ample supply across all grids. Despite an upward trend in demand, supply for Luzon and Visayas increased from 14,226 MW in March to 14,612 MW in April, as fewer generators had been scheduled for an outage. Mindanao, on the other hand, had abundant supply levels of about 3,018 MW in March and April. However, market pricing for Luzon and Visayas grew from ₱6.57 to ₱7.68 per kilowatt-hour during March to April 2023 billing periods. Mindanao’s market pricing, on the other hand, fell from ₱6.56/kWh in March to ₱5.36/kWh in April.

WATER INDUSTRY IN THE PHILIPPINES

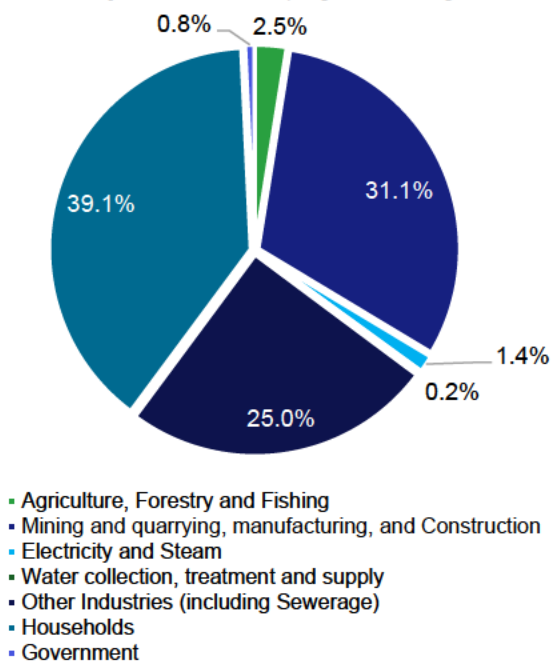
Based on the Philippine Statistics Authority’s data, the value added per unit of water used, or the country’s water use efficiency (“WUE”), improved from ₱199.25 per cubic meter in 2020 to ₱200.06 per cubic meter in 2021. Over the past ten years, the services sector constantly had the highest WUE, followed by the industrial and agricultural sectors. Over the same time period, the services sector contributed just 10.3% of the water utilized but more than 63.5% of the total gross value added.

Water Use Efficiency, 2019-2021



Note: Water Used (in million cubic meters), Water Use Efficiency (Php/m³)
 Source: Philippines Statistics Authority

PH Water Consumption in 2021, by Industry



Source: Philippines Statistics Authority

In 2021, households continuously accounted for the greatest portion of overall water expenditures. Water expenses in households rose to Php56.23 billion in 2021. Mining and quarrying, manufacturing, and construction industries, as well as the services sector, came in second and third, respectively, with revenues of Php44.72 billion and Php35.92 billion.

RAIL TRANSPORT IN THE PHILIPPINES

The Philippines Train System is divided into two types: light rail transit (“LRT”) and metro rail transit (“MRT”). These are being regulated by the Department of Transportation (“DOTr”), an agency of the government that ensures convenient and reliable transportation and implements protocols therein.

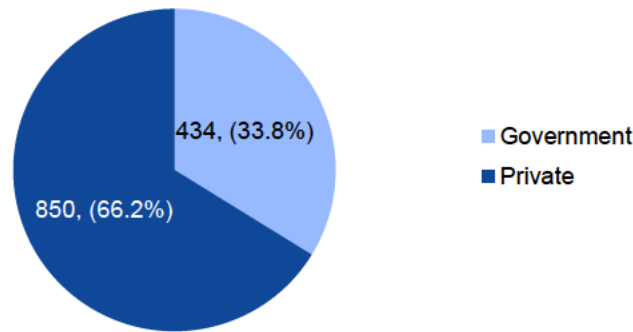
The Manila LRT System is an urban rail transit system that is jointly-operated by the Light Rail Transit Authority (“LRTA”), a government corporation attached to the DOTr and Light Rail Manila Corporation (“LRMC”). The LRT is a 37.24 kilometer-route that consists of 33 stations and two lines. Line 1 is aligned in a general north-to-south direction for over 19.65 kilometers with twenty (20) stations. Line 2 is aligned in a general east-to-west direction for over 17.60 kilometers with thirteen (13) stations. Meanwhile, MRT is a rapid transit system serving Metro Manila. It is a 16.90 kilometer-route with one (1) line and thirteen (13) stations. MRT Line 3, the first and only line operating in the Philippines, is jointly operated between Metro Rail Transit Corporation and the DOTr..

HEALTH SECTOR IN THE PHILIPPINES

The Philippine healthcare system is a combination of both public and private sectors. The government is primarily responsible for the provision of healthcare services to the population through the Department of Health (“DOH”) and various public hospitals and health centers. The Department of Health develops and approves state quality standards and clinical protocols and is responsible for the organization and implementation of the mandatory accreditation of health care facilities and the issuance of licenses. Local Government Units such as provincial governments are tasked with providing primary and secondary hospital care. City and municipal governments are tasked

with providing primary health care, promotive and preventive health programs and basic ambulatory clinical care. As of December 31, 2022, the Health Facilities and Services Regulatory Bureau (“HFSRB”) of the Department of Health reported a total of 1,284 DOH Licensed hospitals. Out of the total, 434 hospitals are owned by the government while 850 are private.

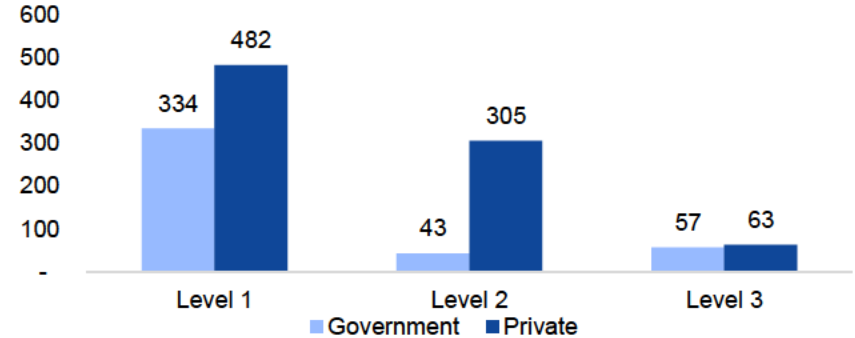
DOH Licensed Hospitals by Ownership, 2022



Source: DOH Health Facilities and Services Regulatory Bureau

The hospitals in the Philippines are categorized based on their classification. Level 1 hospital is the most basic in which there are no intensive care units (“ICU”) and mostly cater to patients who need minor care and supervision. A Level 2 hospital contains all the elements of Level 1 but with additional facilities like an ICU for critically ill patients and specialist doctors for gynecology and pediatric services. A Level 3 hospital is intended for specialty intervention like physical rehabilitation or dialysis treatment.

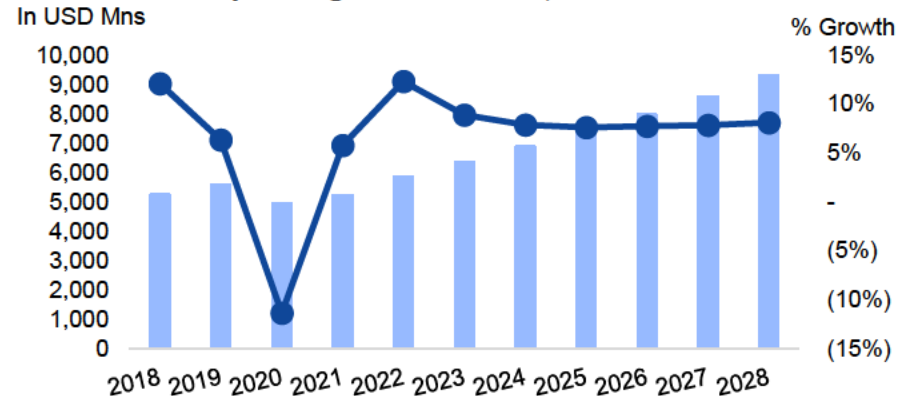
Total Number of Hospitals by Level, 2022



Source: DOH Health Facilities and Services Regulatory Bureau

Real total consumer spending on healthcare in the Philippines amounted to USD5.2B to USD5.8B in the past five years. Statista projected that it will grow to USD6.4B to USD9.3B from 2023 to 2028.

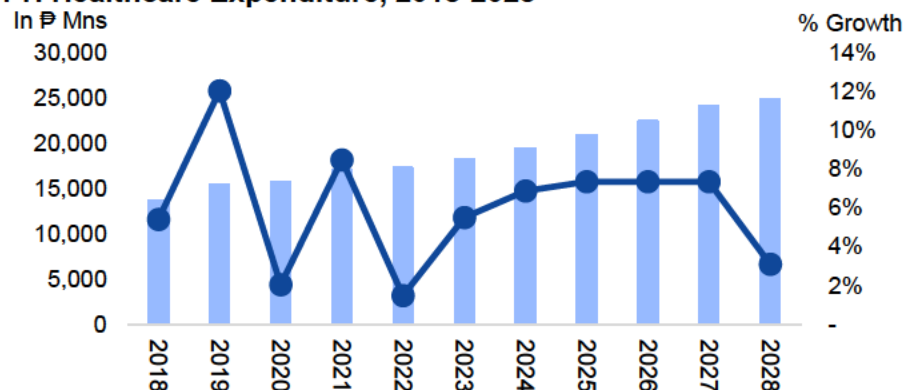
PH consumer spending on healthcare, 2018-2028



Source: Statista

According to PSA's Philippine National Health Accounts October 2022 report, government schemes and compulsory contributory health care financing schemes had the highest share in terms of health spending in 2021. Among health care providers, hospitals received bulk of the current health care expenditure amounting to ₱453.2 billion or 41.7% share, followed by retailers and other providers of medical goods at 26.2% and providers of health care system administration and financing at 14.8%.

PH Healthcare Expenditure, 2018-2028



Source: Statista

REAL ESTATE INDUSTRY IN THE PHILIPPINES

According to Santos Knight Frank’s Real Estate Outlook Report 2023, the Philippine real estate market is expected to have a sustained recovery in demand in 2023 across all important sectors, including retail, hotel, industrial, and office, with increased growth in the provinces.

In 2022, the Philippine GDP grew by 7.6%. According to Colliers, this growth, which is the nation's fastest in more than 40 years, might be a "positive signal" for the real estate market. This is due to the market's reflection of the nation's economic output's boom-bust cycle throughout the past decades. It is anticipated that this economic expansion would help the office and housing sectors.

From the Philippine Property 2023 Outlook, Colliers anticipates good net take-up in the office sector in 2023. It is anticipated that 338,600 square meters would be taken up, with support coming from traditional corporate occupiers (businesses in a range of industries, including legal, engineering and construction, government agencies, and flexible workspace providers) and IT-BPM organizations.

For the residential sector, Colliers anticipates that 5,600 new condominium units will be delivered by 2023, with around two-thirds of these being in the Bay Area. Condominium stock in Metro Manila's key commercial areas is anticipated to expand from 142,200 units in 2021

to 166,400 units by the end of 2024, a 17% increase, with the Bay Area possibly overtaking Fort Bonifacio as the region's largest condominium market.

In terms of the industrial sector, Colliers affirmed that increasing manufacturing competitiveness should attract more investments, which would be beneficial for industrial parks, particularly those in northern and central Luzon. In the Calamba-Laguna-Batangas (“CALABA”) corridor, about 112 hectares of industrial supply are anticipated to become available, and growing manufacturing and logistics companies are anticipated to promote industrial space absorption.

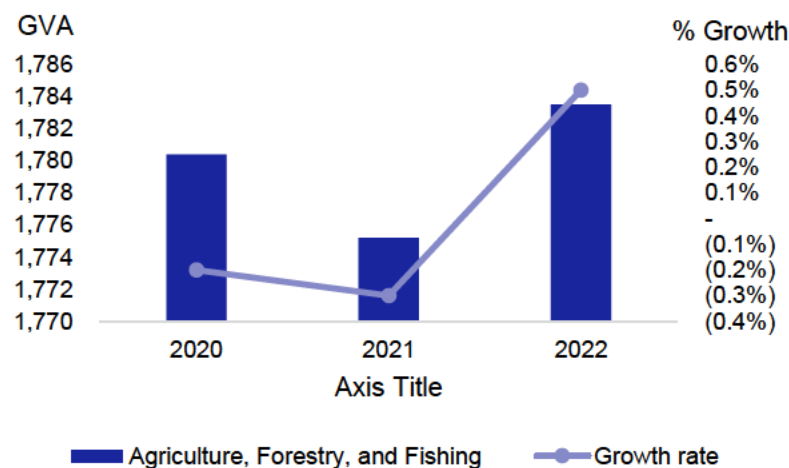
Real Estate	Rental Market	Vacancy	Supply
Office	5.00%	20.50%	603,900 sqm
Residential	2.00%	17.10%	5,600 units
Industrial	11.20%	6.00%	112 hectares

Source: Philippine Property Outlook by Colliers as of December 2022

AGRICULTURE SECTOR IN THE PHILIPPINES

Agriculture, forestry, and fisheries (“AFF”) grew at 2.2% in 1Q23, amounting to PhP444.2 billion, compared to the 0.2% increase in 1Q22.

Gross Value Added (in PhP mn)

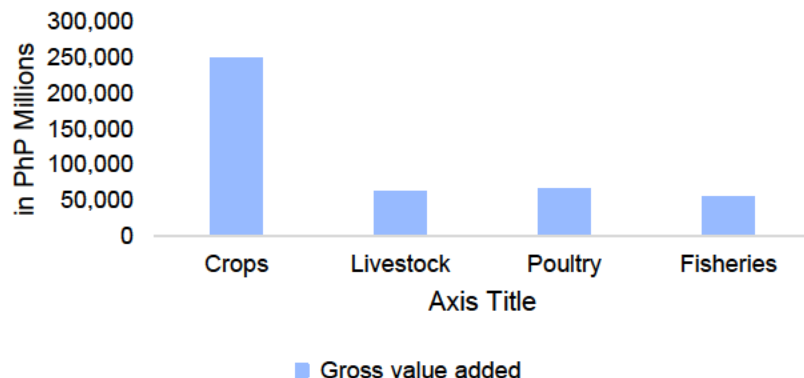


Source: Philippine Statistics Authority

The value of production in the agricultural and fishing industries at constant 2018 prices stood at ₱428.69 billion in 1Q23, representing a 2.1% annual growth. This was driven by the annual increase in the value of agriculture, livestock, poultry, and fisheries production. Crops grew by 1.0% amounting to ₱247.8 billion with palay, corn, coconut, and mango contributing high increments in the production. Livestock production also showed a 4.1% annual growth which contributed ₱61.6 billion of the overall agriculture and fisheries production. Meanwhile, poultry and fisheries recorded 3.2% and 0.3% annual increase, respectively.

According to the Department of Agriculture’s Undersecretary, Mercedita A. Sombilla, the country’s production is expected to expand up to 2.5% in 2023 driven by the crops, livestock, and poultry sectors. Further, the department intends to work on increasing the production of agricultural products and additional imports to ensure that supply would be available and keep prices stable.

Value of Production in Agriculture, 1Q23



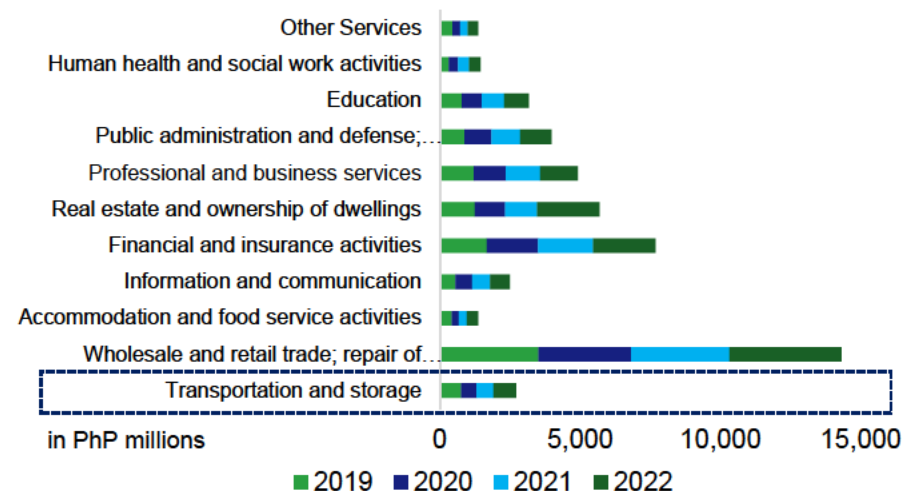
Source: Philippine Statistics Authority

LOGISTICS SECTOR IN THE PHILIPPINES

Despite the adverse impact of the mobility restrictions during the pandemic, the shipping and logistics industry gradually recovered in 2022 as manufacturing activities increased and major economies recovered. The GNI for transportation and storage sector amounted to

₱806.6 million in 2022, higher by 33.3% from ₱604.9 million in 2021, which accounts for 6.0% of the entire services industry.

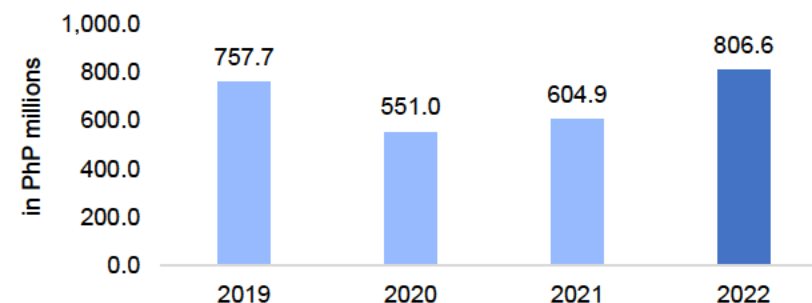
Gross Value Added of the Services Industry



Source: Philippine Statistics Authority (PSA)

Gross value added (“GVA”) is an economic productivity indicator that evaluates a company’s, or municipality’s contribution to an economy, producer, sector, or region. In 2022, the GVA generated from the services industry reached approximately ₱13.47 billion wherein the transportation and storage sector accounted for ₱806.6 million equivalent to 6.0% of the entire industry GVA.

GVA of Transportation and storage sector



Source: Philippine Statistics Authority (PSA)

3 | FINANCIAL AND OPERATING HIGHLIGHTS

3 | FINANCIAL AND OPERATING HIGHLIGHTS

The Audited Financial Statements of the Company for the years ended and periods as of December 31, 2020, 2021, and 2022 were audited by SGV & Company in accordance with Philippine Financial Reporting Standards (“PFRS”). UI did not independently verify the accuracy or completeness of the information contained in the Audited Financial Statements. Please see ANNEX I | SUMMARY OF AUDITED FINANCIAL STATEMENTS for the audited financial statements of the Company.

Statements of Comprehensive Income

₱ Millions	For the years ended December 31		
	2020	2021	2022
Operating Revenues	40,855	43,561	50,882
Cost of Sales and Services	(17,269)	(18,594)	(19,818)
Gross Profit	23,586	24,967	31,064
General and Administrative Expenses	(9,589)	(10,417)	(11,732)
Interest Expense	(10,010)	(9,230)	(10,306)
Share in Net Earnings of Equity Method Investees	7,337	10,302	14,210
Interest Income	1,229	745	1,134
Construction Revenue	33,988	27,014	35,441
Construction Costs	(33,988)	(27,014)	(35,441)
Provision for Decline in Value of Assets	(1,685)	(9,089)	(9,485)
Others	(323)	(92)	2,056
Income Before Tax	10,545	7,186	16,941
Provision for Income Tax	3,728	1,259	3,804
Net Income	6,817	5,927	13,137

Operating Revenues

MPIC’s operating revenues increased by 6.6% from ₱40.9 billion in 2020 to ₱43.6 billion in 2021 driven by stronger revenue contributions from the tollway, power, and hospital segments offsetting slow-moving results from the water and rail segments with the relaxation of COVID-19 travel and mobility restrictions. Subsequently, MPIC’s operating revenues increased by 16.8% to ₱50.9 billion in 2022 as higher revenue contributions from segments for tollways, water, power, and rail offset results from the hospital segment with the increase in economic activity and normalization of demand for healthcare services.

Tollway Segment Performance

Tollway segment revenues increased from ₱13.6 billion in 2020 to ₱17.5 billion in 2021 driven by higher MPTC toll fee revenues due to relaxed COVID-19 travel and mobility restrictions. As a result, net income for the tollway segment increased from ₱2.7 billion in 2020 to ₱3.9 billion in 2021 due to stable costs and expenses and lower tax rates arising from the signing of the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Law.

Tollway segment revenues increased from ₱17.5 billion in 2021 to ₱22.9 billion in 2022 as higher average daily vehicle entries and the relaxation of quarantine restrictions significantly increased MPTC

toll fee revenues. As a result, net income for the tollway segment increased from ₱4.1 billion in 2021 to ₱7.1 billion in 2022.

Water Segment Performance

Water segment revenues slightly decreased from ₱24.3 billion in 2020 to ₱23.6 billion in 2021 driven by minor declines in MWSI water service revenues from ₱18.6 billion to ₱17.8 billion and wastewater service revenues from ₱4.0 billion to ₱3.8 billion. During this period, water service rates per cubic meter for MWSI remained constant at ₱1.95 pursuant to the terms of the 5th Rate Rebasing exercise. Despite lower volume consumption during the year, net income for the segment remained at par with the previous year at ₱6.5 billion as industrial sector demand showed some recovery and the signing of the CREATE Law resulted in a lower income tax rate.

Water segment revenues increased from ₱22.0 billion in 2021 to ₱22.9 billion in 2022 due to higher commercial and industrial demand and the recognition of passed-on government tax with the effectivity of the MWSI franchise. Particularly, MWSI water service revenues increased from ₱17.8 billion in 2021 to ₱18.6 billion in 2022 while wastewater service revenues increased from ₱3.8 billion in 2021 to ₱4.0 billion in 2022. However, net income for the water segment declined from ₱6.5 billion in 2021 to ₱6.0 billion in 2022 as higher operating costs and higher taxes due to the shift in tax regime under MWSI's legislative franchise weighed down on segment results.

Rail Segment Performance

Rail segment revenues decreased from ₱1.3 billion in 2020 to ₱1.1 billion in 2021 due to a decline in LRMC farebox revenues from ₱1.3 billion to ₱1.1 billion as operating capacity remained restricted as a result of lower overall demand due to the continued implementation of physical distancing protocols. During this period, net losses for the segment slightly improved from ₱0.7 billion in 2020 to ₱0.6 billion in 2021.

Rail segment revenues increased from ₱1.1 billion in 2021 to ₱1.8 billion in 2022 as LRMC farebox revenues recovered from ₱1.1 billion in 2021 to ₱1.8 billion in 2022 with the further relaxation of physical distancing protocols and normalization of demand. However, net losses for the rail segment improved to ₱0.5 billion in 2022 despite a significant increase in revenues due to the start of amortization of concession assets and the recognition of interest costs on the existing rail system.

Power Segment Performance

Power segment revenues increased from ₱10.5 billion in 2020 to ₱11.2 billion in 2021 due to higher volume sold and increased contribution from the power segment's different business units and subsidiaries. Revenues of MER increased from ₱275.3 billion in 2020 to ₱318.5 billion in 2021. During this period, MER also incurred stable expenses and benefited from a lower income tax rate due to the CREATE Law. Despite this, net income for MER only increased from ₱21.7 billion in 2020 to ₱27.5 billion in 2021 due to a ₱2.7 billion reduction in the carrying value of MER's investment in PacificLight Power Pte. Ltd. ("PLP").

Power segment revenues increased from ₱11.2 billion in 2021 to ₱12.4 billion in 2022 driven by significantly increased commercial sales volume amid increased economic activity. Revenues of MER increased from ₱318.5 billion in 2021 to ₱426.5 billion in 2022. MER net income also improved from ₱24.6 billion in 2021 to ₱27.1 billion in 2022 due to a write-down of deferred tax assets.

Hospital Segment Performance

Hospital segment revenues increased from ₱14.8 billion in 2020 to ₱20.2 billion in 2021 as in-patient admissions increased for the year. Despite an increase in costs and expenses, net income for the hospital segment increased by 533.3% from ₱0.3 billion in 2020 to ₱1.9 billion in 2021.

Hospital segment revenues slightly declined from ₱20.2 billion in 2021 to ₱20.0 billion in 2022 as healthcare demand showed signs of normalization. Meanwhile, cost of sales only declined from ₱11.5 billion in 2021 to ₱11.2 billion in 2022 and general and administrative expenses increased from ₱6.5 billion in 2021 to ₱6.7 billion in 2022. As a result, hospital segment net income declined from ₱1.9 billion in 2021 to ₱1.6 billion in 2022.

Other Segment Performance

Revenue contributions from other segments decreased from ₱1.7 billion in 2020 to ₱1.3 billion in 2021 due to the winding down of MPIC's trucking business.

Revenue contributions from other segments increased from ₱1.3 billion to ₱1.7 billion due to larger contributions from MPIC's fuel storage business driven by economic normalization.

Cost of Sales and Services

MPIC's cost of sales and services increased by 7.7% from ₱17.3 billion in 2020 to ₱18.6 billion in 2021 driven by an increase in amortization of service concession assets due to increased capital expenditures, higher utilities, and higher supplies utilization of MWSI water treatment plants. Subsequently, cost of sales and services increased by 6.6% from ₱18.6 billion in 2021 to ₱19.8 billion in 2022 due to higher government revenue share via Philippine National Construction Corporation ("PNCC") and Bases Conversion and Development Authority ("BCDA") in NLEX and SCTEX revenues, increased expense on utilities and materials due to expanded operations, and consolidation of LandCo Pacific Corporation ("LPC").

General and Administrative Expenses

MPIC's general and administrative expenses from continuing operations increased by 8.6% from ₱9.6 billion in 2020 to ₱10.4 billion

in 2021 driven by increased economic activity and business operations due to less restrictive quarantine measures. General and administrative expenses subsequently increased by 12.6% from ₱10.4 billion in 2021 to ₱11.7 billion in 2022 driven in part by rising inflation and business taxes as well as the consolidation of LPC.

Interest Expense

MPIC's interest expense decreased by 7.8% from ₱10.0 billion in 2020 to ₱9.2 billion in 2021 due to various rate reduction initiatives across MPIC and its subsidiaries. Interest expense increased by 11.7% to ₱10.3 billion in 2022 as MPIC made additional loan drawdowns throughout the year.

Share in Net Earnings of Equity Method Investees

MPIC's share in net earnings of equity method investees increased by 40.4% from ₱7.3 billion in 2020 to ₱10.3 billion in 2021 due to higher contributions from MER despite the full impairment of its investment in PLP. Share in net earnings of equity method investees increased by 37.9% from ₱10.3 billion in 2021 to ₱14.2 billion in 2022 due to increased ownership in MER, higher contribution from the power generation business, opening of new toll roads in Indonesia, and strong performance from the new fuel storage business.

Interest Income

MPIC's interest income declined by 39.4% from ₱1.2 billion in 2020 to ₱0.7 billion in 2021 due to lower interest rates on cash deposits and placements for the year. Interest income increased by 52.2% from ₱0.7 billion in 2021 to ₱1.1 billion in 2022 due to interest accretion on lease receivables.

Provision for Decline in Value of Assets

MPIC's provisions for decline value of assets increased by 439.4% from ₱1.7 billion in 2020 to ₱9.1 billion in 2021 were mainly due to impairments in LRMC's service concession assets amounting to ₱6.0 billion, assets related to the winding down of the warehousing business amounting to ₱1.1 billion, and BOO Phu Ninh Water

Treatment Plant Joint Stock Company (“PNW”) and EcoSystem Technologies International, Inc.’s (“ESTII”) intangible assets amounting to ₱1.7 billion. Provisions for decline in value of assets slightly increased to ₱9.5 billion in 2022 driven by impairments in LRMC and PNW service concession assets amounting to ₱3.1 billion and ₱1.1 billion respectively, impairment of PCSPC and AF Payments, Inc. (“AFPI”) amounting to ₱4.5 billion and 0.2 billion respectively, and provisions for unrecoverable input tax, creditable withholding tax, and other assets.

Net Income

MPIC’s net income declined by 13.1% from ₱6.8 billion in 2020 to ₱5.9 billion in 2021 as an increase in provisions for declines in value of assets offset an increase in revenues. MPIC’s net income subsequently increased by 122.0% from ₱5.9 billion in 2021 to ₱13.1 billion in 2022 due to significant revenue growth and minimal increase in costs and expenses as economic activity increased.

Statements of Financial Position

₱ Millions	As of December 31		
	2020	2021	2022
Cash and cash equivalents	48,822	44,858	33,595
Short-term placements	1,852	4,712	8,827
Restricted cash	8,228	1,975	4,767
Receivables	8,007	8,272	9,195
Other current assets	75,969	12,595	12,540
Total Current Assets	142,878	72,412	68,924
Investments and advances	159,474	169,681	196,323
Service concession assets	275,864	300,063	331,693
Property, plant, and equipment	6,878	6,763	6,904
Goodwill	15,337	15,241	15,241
Intangible assets	705	337	377
Deferred tax assets	201	602	769
Other non-current assets	16,459	19,235	23,565
Total Non-Current Assets	474,918	511,922	574,872
Total Assets	617,796	584,334	643,796
Accounts payable and other current liabilities	35,172	36,704	44,784
Income tax payable	927	949	1,283
Due to related parties	2,481	101	83
Short-term and current portion of long-term debt	23,961	11,649	20,842
Current portion of:			
Provisions	6,708	7,951	8,337
Service concession fees payable	5,826	1,098	1,289
Liabilities under PFRS 5	40,519	0	0
Total Current Liabilities	115,594	58,452	76,618
Non-current portion of:			
Provisions	3,416	3,538	3,030
Provisions	23,608	30,198	28,453
Service concession fees payable	207,405	234,693	271,625
Deferred tax liabilities	11,161	9,882	9,898
Other long-term liabilities	12,265	10,706	9,131
Total Non-Current Liabilities	257,855	289,017	322,137
Total Liabilities	373,449	347,469	398,755
Capital stock	31,661	31,661	31,661
Additional paid-in capital	68,638	68,638	68,638
Treasury shares	(3,420)	(5,705)	(10,703)
Equity reserves	(943)	(1,352)	(1,377)

₱ Millions	As of December 31		
	2020	2021	2022
Retained earnings	91,898	98,475	105,692
Other comprehensive income reserve	(3,103)	1,587	6,177
Reserves under PFRS 5	129	0	0
Non-controlling interest	59,487	43,561	44,953
Total Equity	244,347	236,865	245,041
Total Liabilities and Equity	617,796	584,334	643,796

Current Assets

MPIC's current assets decreased by 49.3% from ₱142.9 billion in 2020 to ₱72.4 billion in 2021 mainly due to a reduction in assets under PFRS 5 from ₱76.0 billion to nil as the assets and liabilities of GBPS were deconsolidated (which were previously reclassified to "Assets under PFRS 5" and "Liabilities under PFRS 5") following the sale of GBPC to MGen. During this period, cash decreased by 8.1% from ₱48.8 billion in 2020 to ₱49.6 billion in 2021 due to lower short-term placements following the 1Q21 sales of Don Muang Tollway Public Ltd. ("DMT") and GBPC and improved operating results and lower income taxes paid by MPIC and its subsidiaries. In addition, receivables increased by 3.3% from ₱8.2 billion in 2020 to ₱8.3 billion in 2021 as advances to the DPWH increased in relation to MPTC's completion of remaining CALAX segments.

MPIC's current assets decreased by 4.8% from ₱72.4 billion in 2021 to ₱68.9 billion in 2022 mainly due to a 25.1% decrease in cash and cash equivalents from ₱44.9 billion in 2021 to ₱33.6 billion in 2022 due to the acquisition of additional shares in MER, share buybacks, loan and interest payments, and higher capital expenditures for MPTC and MWSI. Meanwhile receivables increased by 11.2% from ₱8.3 billion in 2021 to ₱9.2 billion in 2022 due to the consolidation of LCP's receivables and the recognition of lease receivables in Surallah Biogas Ventures Corporation ("SBVC").

Non-Current Assets

MPIC's non-current assets increased by 7.8% from ₱474.9 billion in 2020 to ₱511.9 billion in 2021 mainly driven by (a) higher investments and advances due to the acquisition of PCSPC and recognition of MPIC's share in investees' total comprehensive income and (b) higher service concession assets due to additional capital expenditures. During this period, other non-current assets also increased by 16.9% from ₱16.5 billion in 2020 to ₱19.2 billion in 2021 due to an increase in advances to contractors and consultants.

MPIC's non-current assets increased by 12.3% from ₱511.9 billion in 2021 to ₱574.9 billion in 2022 mainly due to (a) an increase in investments and advances from ₱169.7 billion to ₱196.3 billion as a result of the acquisition of an additional 2.0% stake in MER, the acquisition of Jasa Marga Jalanlayang Cikampek ("JJC") relating to MPIC's tollways segment, and higher equity in net earnings of associates and (b) an increase in service concession assets from ₱300.1 billion to ₱331.7 billion due to continued investments in service coverage areas.

Current Liabilities

MPIC's current liabilities decreased by 49.4% from ₱115.6 billion in 2020 to ₱58.5 billion in 2021 as the current portion of short-term and long-term debt declined from ₱24.0 billion to ₱11.6 billion and the current portion of service concession fees payable declined from ₱5.8 billion to ₱1.1 billion.

MPIC's current liabilities increased by 31.1% from ₱58.5 billion in 2021 to ₱76.6 billion in 2022 driven by (a) an increase in accounts payable and other current liabilities from ₱36.7 billion to ₱44.8 billion due to higher costs with increased economic activity, project costs, and LPC's operating accruals and (b) an increase in the current portion of short-term and long-term debt from ₱11.6 billion to ₱20.8 billion.

Non-Current Liabilities

MPIC's non-current liabilities increased by 12.1% from ₱257.9 billion in 2020 to ₱289.0 billion in 2021 mainly due to an increase in long-term debt from ₱207.4 billion to ₱234.7 billion as MPIC, MPTC, and LRMC availed of additional loans to finance new projects. The non-current portion of service concession fees payable also increased by 11.5% from ₱23.6 billion in 2020 to ₱30.2 billion in 2021 mainly due to additional concession fee drawdowns by MWSI for the Angat Water Transmission Improvement Project and applicable interest

accretion for the period. These changes offset a 12.7% decrease in other long-term liabilities from ₱12.3 billion in 2020 to ₱10.7 billion in 2021 due to the termination of leases in MMI consistent with the winding down of MPIC's warehousing business.

MPIC's non-current liabilities increased by 11.5% from ₱289.0 billion in 2021 to ₱322.1 billion in 2022 due to an increase in long-term debt from ₱234.7 billion to ₱271.6 billion despite a 13.2% decrease in the non-current portion of service concession fees payable from ₱30.2 billion in 2021 to ₱28.5 billion in 2022.

Equity

MPIC's total equity increased at a CAGR of 0.1% from ₱244.3 billion in 2020 to ₱245.0 billion in 2022 due to a decline in non-controlling interest from ₱59.5 billion to ₱45.0 billion with the deconsolidation of GBPC. This offset an increase in retained earnings as continued economic reopening bolstered the performance of the Company's key business segments.

Statements of Cash Flows

₱ Millions	For the years ending December 31		
	2020	2021	2022
Income before tax	14,963	12,720	16,941
Adjustments for:			
Provision for decline in value of assets	1,685	9,089	9,485
Interest expense	10,010	9,230	10,306
Amortization of service concession assets	5,261	5,930	4,602
Depreciation and amortization	5,185	1,341	1,138
Long-term incentive plan expense	539	314	261
Unrealized foreign exchange loss (gain)	(239)	1,005	587
Share in net earnings of equity method investees	(7,337)	(10,302)	(14,210)
Dividend income	(55)	(62)	(103)
Gain on acquisition of a subsidiary	0	0	(502)
Interest income	(1,229)	(745)	(1,134)
Gain on reversal of impairment	0	0	(2,287)
Gain on sale of investments	0	(5,648)	0
Others	(6)	(4)	49

P Millions	For the years ending December 31		
	2020	2021	2022
Operating income before working capital changes	28,777	22,868	25,133
Decrease (increase) in:			
Restricted cash	1,108	(123)	(2,528)
Receivables	(2,345)	(104)	(929)
Other current assets	(2,354)	(688)	(1,775)
Increase in accounts payable and other current assets	1,201	338	4,001
Net cash generated from operations	26,387	22,291	23,902
Income taxes paid	(5,906)	(3,128)	(3,988)
Interest received	1,246	370	638
Net cash from operating activities	21,727	19,533	20,552
Dividends received from:			
Equity method investees	8,545	6,713	8,624
Financial assets	55	74	103
Collection of or proceeds from sale/disposal of:			
Financial assets	9,338	0	0
Investment in equity accounted entities	0	7,166	129
Investment in a subsidiary (net of transaction costs)	4,006	10,456	4,324
Property, plant, and equipment	600	175	150
Acquisition of subsidiaries	(64)	0	470
Additions to:			
Service concession assets	(34,078)	(34,777)	(39,875)
Financial assets	(15,649)	0	0
Property, plant, and equipment	(2,842)	(2,371)	(1,587)
Investments in equity method investees	(60)	(8,076)	(23,346)
Decrease (increase) in:			
Short-term placements	(35)	1,997	(4,115)
Other non-current assets	(1,609)	397	(2,671)
Net cash used in investing activities	(31,793)	(18,246)	(57,794)
Receipt of or proceeds from:			
Short-term and long-term debt	50,535	40,072	73,025
Sale to non-controlling interest	4,651	0	0
Contribution from non-controlling stockholders	831	1,770	1,646
Payments of/for:			
Short-term and long-term debt	(39,725)	(25,686)	(27,419)
Interest and other financing charges	(8,745)	(8,472)	(8,788)

₱ Millions	For the years ending December 31		
	2020	2021	2022
Service concession fees payable	(5,801)	(1,070)	(861)
Due to related parties	(5,646)	(2,450)	0
Dividends paid to non-controlling stockholders	(3,175)	(2,292)	(2,760)
Dividends paid to owners of the parent company	(3,487)	(3,392)	(3,278)
Treasury shares	(3,420)	(2,285)	(4,998)
Lease liability	(496)	(494)	(272)
Debt issuance cost	(392)	(324)	(316)
Acquisition of non-controlling interests	(81)	0	0
Net cash from (used in) financing activities	(14,951)	(4,623)	25,979
Net Change in Cash and Cash Equivalents	(25,017)	(3,336)	(11,263)
Cash and Cash Equivalents, Beginning of Year	73,211	48,194	44,858
Cash and Cash Equivalents, End of Year	48,194	44,858	33,595

Cash Flows from Operating Activities

Net cash provided by operating activities decreased by 10.1% from ₱21.7 billion in 2020 to ₱19.5 billion in 2021 largely due to the deconsolidation of GBPC and lower interest income resulting from lower placement rates. In the subsequent year, net cash provided by operating activities improved by 5.2% to ₱20.6 billion due to strong performance from MPIC's key business segments due to economic reopening.

Cash Flows from Investing Activities

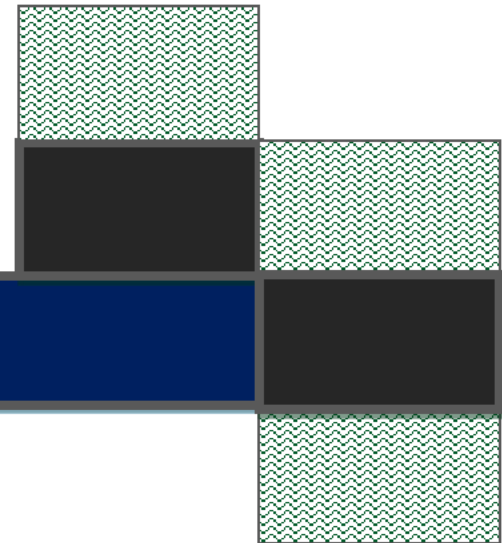
Net cash used in investing activities decreased by 42.6% from ₱31.8 billion in 2020 to ₱18.2 billion in 2021 due to the sale of DMT and

GBPC and the acquisition of PCSPC. Net cash used in investing activities then increased by 216.7% from ₱18.2 billion in 2021 to ₱57.8 billion in 2022 due to the acquisition of shares in MER and higher capital expenditures on tollway and water projects.

Cash Flows from Financing Activities

Net cash used in financing activities decreased by 69.1% from ₱15.0 billion in 2020 to ₱4.6 billion in 2021 due to higher loan repayments and concession fees paid alongside lower interest payments as a result of various rate reduction initiatives by MPIC. In the succeeding year, financing activities provided ₱26.0 billion in net cash due to higher loan availments.

4 | VALUATION



4 | VALUATION

For purposes of the valuation exercise, the Financial Advisor used the number of shares outstanding of MPIC to compute for the price per share. As of December 31, 2022, the total number of common stock outstanding for MPIC is 28,695,934,752 shares with a par value of ₱1.00 per share.

SUM-OF-THE-PARTS APPROACH

The Sum-of-the-Parts (“SOTP”) Approach estimates the net residual value of a holding company’s common equity as implied by the sum of the proportionate ownership stakes in the estimated equity values of the holding company’s subsidiaries. The sum is then divided by the number of outstanding common shares of the holding company to arrive at a per share value of the holding company. The equity values of the subsidiaries can be estimated using several methods. The Financial Advisor used two methods: (a) Sum-of-the-Parts Net Asset Value Approach and (b) Sum-of-the-Parts Discounted Cash Flows Approach. The calculations for each were based on the latest full-year audited financial statements provided by the Consortium to the Financial Advisor and public reports published by the Company.

NET ASSET VALUE APPROACH

The Asset-Based or Net Asset Value Approach estimates the equity value of a company or business based on its Net Asset Value, which is its assets minus its total liabilities, goodwill, and non-controlling interest. Despite the availability of 1Q23 Unaudited Financial Statements of MPIC, the Financial Advisor deemed the use of 2022 Audited Financial Statements appropriate as the more reliable basis to arrive at a fair value as unaudited figures are still subject to potential revisions during the remainder of the fiscal year 2023.

$$NAV = Total Assets - Total Liabilities - Goodwill - Non-controlling Interest - Intangible Assets$$

Sum-of-the-Parts (NAV) ₱Thousands	NAV (2022A)	MPIC Ownership Stake	MPIC Share in NAV
Water			
Maynilad Water Services, Inc.	62,937,445.00	5.2%	3,283,957.29
Maynilad Water Holdings Company, Inc. <i>Ownership Stake in MWSI</i>	58,748,729.65 93.3%	51.3%	30,123,376.74
MetroPac Water Investments Corporation	6,591,900.48	100.0%	6,591,898.51
Tollways			
Metro Pacific Tollways Corporation	65,894,000.00	99.9%	65,833,862.62
Power			
Manila Electric Company	124,109,000.00	10.5%	13,031,445.00
Beacon Electric Asset Holdings, Inc. <i>Ownership Stake in MER</i>	43,388,506.40 35.0%	100.0%	43,388,506.40
Healthcare			
Metro Pacific Hospital Holdings, Inc.	28,146,000.00	20.0%	5,629,200.00
Metro Pacific Health Tech Corporation	(124,065.46)	100.0%	(124,065.46)
MetroPac Apollo Holdings, Inc.	90,008.48	65.1%	58,595.52
Rail			

Sum-of-the-Parts (NAV) ₱Thousands	NAV (2022A)	MPIC Ownership Stake	MPIC Share in NAV
Metro Pacific Light Rail Corporation	9,504,057.85	65.1%	6,187,141.66
Total Capitalization			174,003,918.27

Holding Company Discount

A holding company discount (“HoldCo Discount”) of 19.0% to 32.0% was applied to the NAV value of the Company’s subsidiaries to arrive at its fair value. In determining the appropriate HoldCo Discount, the Financial Advisor computed for the end-year discount over the Company’s 5-year, 6-year, 8-year, and 10-year average P/E that MPIC was trading at vis-à-vis its expected Net Asset Value for the respective years. The application of the HoldCo Discount takes into account the Company’s trading history relative to its Net Asset Value given the complexity of holding companies and its subsidiaries, the lack of transparency on most of the holding company’s non-listed private subsidiaries, additional administrative costs the holding company incurs, and the perceived efficiency of a holding company’s utilization of its capital to generate returns. The Financial Advisor believes that the HoldCo Discount is appropriate given recent company-specific and macroeconomic events.

The following table shows the calculation for the holding company discounts:

HoldCo Discount	Particulars
Five (5) year 44%	This period included the years of the Covid-19 Pandemic and years of increased regulatory risks in 2019 relating to MWSI.
Six (6) year 35%	This period included the three (3) years prior to the 2020 Covid-19 Pandemic and the three (3) years since the beginning of the pandemic up to 2022.
Eight (8) year 32%	The period reflected an equal balance of the regulatory pressure experienced by MWSI in 2019 and the Covid-19 pandemic years (2020 to 2022) alongside four (4) years prior which showed more normal conditions.
Ten (10) year 19%	This period reflected a long-term view of the NAV discount over the last ten (10) years.

Using the SOTP NAV approach, MPIC’s NAV was calculated to be at ₱174.00 billion for 2022A. Upon application of the HoldCo Discount, the resulting indicative market capitalization of MPIC ranges from ₱118.32 billion to ₱140.94 billion which translates to a per share range ₱4.12 and ₱4.91.

Sum-of-the-Parts (NAV) ₱ Thousands	NAV (2022A)	Price Per Share
Valuation Range	174,003,918.27	6.06
19.0% Discount	140,943,173.80	4.91

Sum-of-the-Parts (NAV) ₱ Thousands	NAV (2022A)	Price Per Share
32.0% Discount	118,322,664.43	4.12

The Financial Advisor is of the opinion that the Sum-of-the-Parts Net Asset Value Approach is an applicable valuation method because the nature of business, operations, and revenue generation of MPIC's subsidiaries rely heavily on high-value tangible assets that are used. As such, the Financial Advisor believes that the Net Asset Value Approach reflects the value of the Company.

DISCOUNTED CASH FLOWS APPROACH

The Discounted Cash Flow ("DCF") Approach is a form of absolute valuation that places an intrinsic value on a company's shares based on future cash flows. The DCF Approach method determines the value of the Company and its Subsidiaries based on the present value of its future cash flows which are discounted by an appropriate discount rate.

Where applicable, the Financial Advisor projected the Free Cash Flows to Equity ("FCFE") of MPIC's subsidiaries by making assumptions based on public information disclosed by the Company and its subsidiaries through analyst briefings, public disclosures, news, and press releases. The present values of the projected FCFEs represent the estimated equity value of the specific business or subsidiary. MPIC's proportionate share in the estimated equity value of each subsidiary was derived using MPIC's ownership stake in each subsidiary. Using the SOTP DCF approach, the sum of MPIC's proportionate share in the estimated equity value of each subsidiary represents the implied DCF equity value of MPIC before applying any holding company discount. A holding company discount was then applied to the total DCF equity values to arrive at the final equity value of MPIC.

FREE CASH FLOWS TO EQUITY

The free cash flows to equity of the Company and its Subsidiaries provides the cash flow available to the holders of the Company and its Subsidiaries' equity after all the operating expenses, capital expenditures, working capital investments, and net borrowings have been made. For purposes of the valuation exercise, the Financial Advisor assumed appropriate growth rates, capital expenditures, and debt availments through publicly available information. In certain cases, an FCFE calculation was used to account for forecasted changes in capital structure. A company's net debt was then subtracted from the resulting FCFE valuation to arrive at an equity value.

DISCOUNT RATE, TERMINAL VALUE, AND PRESENT VALUE

In determining the discount rate to be applied in the DCF, the Financial Advisor used the Capital Asset Pricing Method ("CAPM") as summarized below.

$$COE = RFR + (\beta \times (ERP - RFR))$$

Where:

COE = Cost of Equity

RFR = Risk-free Rate

$B = \text{Beta-factor}$

$ERP = \text{Equity Risk Premium}$

Cost of Equity

Risk-free Rate	6.25%	BSP Overnight Reverse Repurchase Facility Rate
Beta	0.91	Beta-factor as of January 2023
Expected Market Returns	13.00% - 16.00%	Expected Market Returns
Equity Discount rate	12.39% - 15.12%	

A terminal value (“TV”), which estimates the value of MPIC beyond the forecasted period when future cash flows can be estimated, was computed by using the cash flow for year 6, the 15.12% discount rate, and a one (1) to two (2) percent perpetual growth rate such that:

$$TV = \frac{\text{final year cash flow} * (1 + \text{perpetual growth rate})}{\text{discount rate} - \text{perpetual growth rate}}$$

Holding Company Discount

A holding company discount was applied to the total DCF value of the Company’s subsidiaries to consider the complexity of holding companies and its subsidiaries, the lack of transparency on most of the holding company’s non-listed private subsidiaries, additional administrative costs the holding company incurs, and the perceived efficiency of a holding company’s utilization of its capital to generate returns. The Financial Advisor computed the 5-year, 6-year, 8-year, and 10-year averages of the discount that MPIC was trading at vis-à-vis its expected Net Asset Value. Given the five-year average of MPIC at 44.0% which considers outlier years from 2020 to 2022 due to the COVID-19 pandemic, the Financial Advisor deemed 42.0% as the appropriate discount reflective of the following factors: (1) the global macroeconomic improvements driven by economic reopening in 2022, (2) the clear trajectory away from special economic circumstances brought about by the COVID-19 pandemic, and (3) the resulting challenges to macroeconomic recovery driven by elevated inflation, elevated interest rates, and the effects of geopolitical tensions in Eastern Europe.

The following table shows the calculation for the holding company discounts:

HoldCo Discount		Particulars
Five (5) year	44%	This period included the years of the Covid-19 Pandemic and years of increased regulatory risks in 2019 relating to MWSI.
Six (6) year	35%	This period included the three (3) years prior to the 2020 Covid-19 Pandemic and the three (3) years since the beginning of the pandemic up to 2022.

Eight (8) year	32%	The period reflected an equal balance of the regulatory pressure experienced by MWSI in 2019 and the Covid-19 pandemic years (2020 to 2022) alongside four (4) years prior which showed more normal conditions.
Ten (10) year	19%	This period reflected a long-term view of the NAV discount over the last ten (10) years.

Maynilad Water Services, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	6,337,546.37	8,553,748.72	7,454,731.62	6,326,880.73	5,631,862.66
Capital Expenditures	10,706,606.96	9,902,346.07	9,591,859.54	9,487,720.57	9,482,557.49
Depreciation & Amortization	4,683,759.69	5,660,958.74	4,768,938.30	4,598,949.36	4,305,988.16
Net Debt Issuance	11,070,197.89	5,131,092.22	6,539,492.22	11,229,508.89	6,971,392.22
Change in Net Working Capital	(2,138,038.26)	(1,496,740.11)	(1,669,549.01)	(1,909,640.19)	(1,917,733.73)
Free Cash Flows to Equity	13,522,935.26	10,940,193.73	10,840,851.62	14,577,258.61	9,344,419.28

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	5,867,509.56	6,118,719.93	6,386,674.30	6,468,044.90	6,773,476.29
Capital Expenditures	9,482,557.49	9,482,557.49	9,482,557.49	9,482,557.49	9,482,557.49
Depreciation & Amortization	4,388,397.86	4,570,330.50	4,684,583.33	4,826,493.08	4,991,002.43
Net Debt Issuance	714,301.31	714,301.31	714,301.31	6,653,417.98	714,301.31
Change in Net Working Capital	(1,803,951.64)	(695,862.83)	(2,021,789.12)	(2,140,608.09)	(2,266,548.89)
Free Cash Flows to Equity	3,291,602.87	2,616,657.08	4,324,790.58	10,606,006.55	5,262,771.43

₱ Thousands	2033 Forecast	2034 Forecast	2035 Forecast	2036 Forecast	2037 Forecast
Net Income	7,089,527.71	7,425,483.05	7,782,810.70	8,163,109.23	8,568,120.78
Capital Expenditures	5,342,398.44	5,342,398.44	5,342,398.44	5,342,398.44	5,342,398.44
Depreciation & Amortization	5,144,376.46	5,313,333.56	5,493,679.86	5,681,568.23	5,882,712.96
Net Debt Issuance	714,301.31	714,301.31	714,301.31	714,301.31	714,301.31
Change in Net Working Capital	(2,330,516.05)	(2,469,650.75)	(2,617,009.63)	(2,773,071.84)	(2,938,343.59)
Free Cash Flows to Equity	9,936,323.09	10,580,370.23	11,265,403.06	11,989,652.18	12,761,080.21

MWSI's FCFEs are forecasted to range between ₱9.3 billion to ₱14.6 billion between 2023 and 2027 before declining to ₱3.3 billion in 2028 as debt availments decline due to lower capital expenditure requirements. MWSI's FCFEs are subsequently forecasted to increase at a CAGR of 16.2% from ₱3.3 billion in 2028 to ₱12.8 billion in 2037 driven by continued growth in net income and lower capital expenditures approaching the termination date of MWSI's current concession agreement.

The assumptions used to estimate MWSI's FCFE from 2023 to 2037 are further discussed in the next page.

- MWSI's net income is forecasted to decline from ₱6.3 billion in 2023 to ₱5.6 billion in 2027 driven by (a) a minor decline in revenues pursuant to the corresponding rate adjustment for the 6th Rate Rebasing Period from ₱3.29 per cubic meter in 2023 to ₱0.80 per cubic meter in 2027 and (b) steady capital expenditures relating to service improvements and equipment replacements. MWSI's net income is subsequently forecasted to grow at a CAGR of 4.3% from ₱5.9 billion in 2028 to ₱8.6 billion in 2037 due to a forecasted decline in service rates per cubic meter as inflationary pressures normalize.
- MWSI's capital expenditures are forecasted to gradually decline from ₱10.7 billion in 2023 to ₱9.5 billion in 2032 to support service improvements and equipment replacements. MWSI's capital expenditures are subsequently expected to normalize to ₱5.3 billion per annum from 2033 to 2037 approaching the 2037 termination date of MWSI's current concession agreement. MWSI's 2023 to 2037 capital expenditures were estimated based on (a) projected additions to service concession assets pursuant to the schedule of undiscounted estimated future concession fee payments disclosed in MWSI's 2022 audited financial statements and (b) forecasted additions to MWSI's property and equipment based on the average historical size of MWSI's property and equipment in relation to service concession assets.
- MWSI's net debt issuances are forecasted to remain above ₱5.0 billion to ₱7.0 billion per annum from 2023 to 2027 in line with higher capital expenditures during this period. MWSI's net debt issuances are subsequently forecasted to decline beginning 2028 due to lower capital expenditures.
- MWSI's net working capital is forecasted to decline from negative ₱20.2 billion in 2023 to negative ₱49.2 billion in 2037 driven by an increase in payables due to projected improvements in working capital management in line with momentum from the last three years.

MetroPac Water Investments Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(98,140.37)	(103,226.68)	(108,457.02)	(113,835.46)	(119,366.20)
Other Non-Cash Expenses	89,411.59	121,888.55	89,976.66	105,026.39	110,635.86
Capital Expenditures	(117.11)	(111.13)	(105.29)	(99.59)	(94.01)
Depreciation & Amortization	22,302.83	14,776.12	19,120.79	19,617.46	18,623.18
Change in Net Working Capital	(396,078.28)	(213,178.69)	(339,400.68)	(143,592.00)	(121,261.93)
Free Cash Flows to Equity	409,769.43	246,727.80	340,146.40	154,499.98	131,248.79

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	(125,053.54)	(130,901.93)	(136,915.92)	(143,100.20)	(149,459.59)
Other Non-Cash Expenses	106,443.31	112,364.68	114,949.98	116,428.10	119,975.92
Capital Expenditures	1,003.81	1,032.23	1,061.46	1,091.52	1,122.43
Depreciation & Amortization	20,011.29	20,319.86	20,559.35	21,249.05	21,682.97
Change in Net Working Capital	10,362.64	14,403.24	13,339.12	13,431.45	14,470.85

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Free Cash Flows to Equity	(9,965.40)	(13,652.85)	(15,807.16)	(19,946.02)	(23,393.97)

MWIC's FCFE are forecasted to decline from ₱409.8 million in 2023 to negative ₱23.4 million in 2032 as the Financial Advisor found no clear indication to expect a return to profitability during the forecast period while capital expenditures continue at a steady rate to maintain existing infrastructure and settle concession obligations payable.

The assumptions used to estimate MWIC's FCFE from 2023 to 2032 are further discussed below.

- MWIC's net loss is forecasted to grow from ₱98.1 million in 2023 to ₱149.5 million in 2032 as management fee revenues are only forecasted to grow at the 2020 to 2022 average growth rate of 2.8% while costs and expenses continue to expand based on their average historical proportion to revenues.
- MWIC's net working capital is forecasted to decline from ₱1.1 billion in 2023 to ₱340.8 million in 2032 due to continued net losses.

Metro Pacific Tollways Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	5,186,405.34	7,589,658.72	9,894,342.76	12,018,429.58	13,711,759.00
Capital Expenditures	30,405,780.00	25,912,481.40	27,028,711.37	30,272,156.73	28,254,012.95
Depreciation & Amortization	2,485,731.64	3,079,441.69	3,610,552.44	4,100,774.03	4,366,853.90
Net Debt Issuance	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Change in Net Working Capital	(1,374,551.87)	(2,692,681.86)	(2,351,843.76)	(1,858,828.51)	(1,174,343.44)
Free Cash Flows to Equity	(1,359,091.15)	7,449,300.87	8,828,027.59	7,705,875.40	10,998,943.39

MPTC's FCFE are forecasted to increase from negative ₱1.4 billion in 2023 to ₱11.0 billion in 2027 resulting from continued growth in net income in line with the completion of new projects.

The assumptions used to estimate MPTC's FCFE from 2023 to 2027 are further discussed below.

- Net income is forecasted to grow at a CAGR of 27.5% from ₱5.2 billion in 2023 to ₱13.7 billion in 2027 as toll fee revenues are projected to increase with the completion of projects such as the North Luzon Expressway ("NLEX") Connector, Subsection 4 of the Cavite-Laguna Expressway ("CALAX"), the 2nd section of the NLEX Connector, and new expressway projects in Indonesia.
- Capital expenditures are forecasted to remain stable at a range between ₱25.9 billion to ₱30.4 billion per annum from 2023 to 2027 as MPTC completes projects in its pipeline and maintains existing infrastructure.
- Net debt issuances were estimated to stand at approximately ₱20.0 billion to finance capital expenditures.

- Net working capital is projected to decrease from ₱3.2 billion in 2023 to negative ₱4.8 billion in 2027 as MPTC continues to fund the completion of its projects.

Manila Electric Company

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
After-Tax EBIT	27,916,343.84	27,784,719.95	30,420,164.99	34,822,581.68	32,331,254.95
Non-Cash Charges	23,989,189.24	25,941,204.07	27,877,109.86	29,801,737.75	31,572,935.49
Capital Expenditures	(48,935,677.13)	(58,560,444.98)	(58,077,173.80)	(57,738,836.47)	(53,135,932.32)
Change in Working Capital	(199,030.10)	5,911,122.61	(2,229,696.67)	3,620,740.99	5,177,938.79
Free Cash Flows to Firm	2,770,825.85	1,076,601.65	(2,009,595.62)	10,506,223.94	15,946,196.91

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
After-Tax EBIT	32,311,474.59	32,242,114.99	32,231,657.82	36,751,569.48	36,986,504.54
Non-Cash Charges	33,208,970.12	34,659,567.37	36,040,755.84	31,406,988.00	32,513,776.84
Capital Expenditures	(49,081,039.01)	(43,517,917.27)	(41,435,654.30)	(35,916,964.60)	(33,203,665.39)
Change in Working Capital	3,749,361.53	3,935,331.15	4,093,788.92	4,253,537.82	(334,163.41)
Free Cash Flows to Firm	20,188,767.23	27,319,096.23	30,930,548.29	36,495,130.69	35,962,452.58

MER's free cash flows to firm ("FCFF") are forecasted to decrease from ₱2.8 billion in 2023 to ₱1.1 billion and negative ₱2.0 billion in 2024 and 2025 respectively due to elevated capital expenditures, downgrade in tariffs with the implementation of the 5th Rate Reset, and normalization of WESM prices. MER's FCFFs are then forecasted to grow at a CAGR of 22.8% from ₱10.5 billion in 2026 to ₱36.0 billion in 2032 due to normalizing capital expenditures and stronger performance as macroeconomic conditions improve and the realization of investments made from 2023 to 2026.

The assumptions used to estimate MER's free cash flows to firm from 2023 to 2032 are further discussed below.

- After-tax EBIT is forecasted to increase from ₱27.9 billion in 2023 to ₱32.3 billion in 2027 based on a 3.0% average increase in MER's customer base for the period and the full operations of two additional powerplants by 2024. After-tax EBIT is then forecasted to grow by 3.4% from ₱32.3 billion in 2028 to ₱37.0 billion in 2032 due to (a) higher projected tariffs during the 6th Rate Reset relative to the 5th Rate Reset as the Philippines transitions to an upper-middle income economy and (b) higher contributions from MER's telco tower segment with the anticipated completion of a significant portion of MER's telco tower construction pipeline by 2027.
- Capital expenditures are forecasted to remain elevated between ₱48.9 billion to ₱58.6 billion from 2023 to 2027 as MER increases investments in its power generation and cell tower facilities before tapering down to a range of ₱49.1 billion to ₱32.5 billion from 2028 to 2032 as capital expenditures normalize.

- Net working capital is forecasted to decrease from negative ₱101.5 billion in 2023 to negative ₱129.7 billion in 2032 driven by higher loan availments to fund capital expenditures.

Metro Pacific Hospital Holdings, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	1,809,556.39	1,719,078.58	1,633,124.65	1,682,118.39	1,732,581.94
Capital Expenditures	(1,881,969.63)	(1,061,351.52)	(1,008,283.94)	574,721.85	591,963.50
Depreciation	615,478.08	584,704.17	555,468.96	572,133.03	589,297.02
Amortization	110,987.33	105,437.96	100,166.06	103,171.05	106,266.18
Other Non-Cash Expenses	470,504.42	446,979.20	424,630.24	437,369.15	450,490.22
Change in Net Working Capital	627,463.55	103,926.82	(110,247.57)	(62,545.72)	(64,422.09)
Free Cash Flows to Equity	(443,915.80)	796,963.17	966,093.06	2,557,320.88	2,634,040.51

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	1,784,559.40	1,838,096.18	1,893,239.06	1,950,036.23	2,008,537.32
Capital Expenditures	609,722.41	628,014.08	646,854.50	666,260.14	686,247.94
Depreciation	606,975.94	625,185.21	643,940.77	663,258.99	683,156.76
Amortization	109,454.16	112,737.79	116,119.92	119,603.52	123,191.62
Other Non-Cash Expenses	464,004.93	477,925.08	492,262.83	507,030.71	522,241.63
Change in Net Working Capital	(66,354.75)	(68,345.39)	(70,395.75)	(72,507.63)	(74,682.86)
Free Cash Flows to Equity	2,713,061.72	2,794,453.58	2,878,287.18	2,964,635.80	3,053,574.87

MPHHI's FCFEs are forecasted to increase from negative ₱443.9 million in 2023 to ₱3.1 billion in 2027 as a result of steadily improving net income and lower capital expenditures.

The assumptions used to estimate MPHHI's FCFE from 2023 to 2032 are further discussed below.

- Net income is forecasted to decline from ₱1.8 billion in 2023 to ₱1.7 billion in 2027 as revenues return to pre-pandemic levels. However, net income is projected to increase at a CAGR of 3.0% as revenues rise alongside a potential increase in healthcare spending in line with projected economic growth.
- Capital expenditures are forecasted to decline to negative ₱1.9 billion to ₱1.0 billion from 2023 to 2025 as MPHHI scales back expansions post-pandemic. However, capital expenditures are forecasted to increase from ₱574.7 million in 2026 to ₱686.2 million in 2032 in anticipation of a potential growth in demand for healthcare services.
- Net working capital is projected to decrease from negative ₱1.3 billion in 2023 to negative ₱1.8 billion in 2032 due to the allocation of cash towards additional capital expenditures needed to support growth in the hospital business.

Metro Pacific Health Tech Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(291,867.58)	(270,694.29)	(202,409.94)	(53,769.20)	82,406.14
Net Capital Expenditures	12,733.34	44,026.15	22,013.08	0	0
Change in Net Working Capital	(303,105.19)	(99,540.09)	(28,986.72)	(1,582.49)	39,291.30
Free Cash Flows to Equity	(1,495.73)	(215,180.35)	(195,436.29)	(52,186.71)	43,114.84

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	225,674.34	256,136.18	289,822.43	327,062.67	368,219.71
Net Capital Expenditures	0	0	0	0	0
Change in Net Working Capital	39,054.78	(1,509.70)	7,346.01	8,175.57	9,091.80
Free Cash Flows to Equity	186,619.56	257,645.87	282,476.42	318,887.10	359,127.91

MPHTC's FCFE are forecasted to increase from negative ₱1.5 million in 2023 to ₱359.1 million in 2032 as profitability improves for MPHTC.

The assumptions used to estimate MPHTC FCFE from 2023 to 2032 are further discussed below.

- Net income is forecasted to improve from a net loss of ₱291.9 million in 2023 to a net profit of ₱368.2 million in 2032 in light of potential synergies with MPHHI.
- Net capital expenditures are forecasted to range between ₱12.7 billion to ₱44.0 billion from 2023 to 2025 as MPHTC rolls out its platforms and services. Net capital expenditures are then expected to decrease to nil from 2026 onwards due to lower investment requirements.
- Net working capital is forecasted to range between negative ₱558.3 billion to ₱428.2 billion from 2023 to 2032 as MPHTC is expected to further expand its operations.

MetroPac Apollo Holdings, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04
Net Capital Expenditures	0	0	0	0	0
Net Debt Issuance	0	0	0	0	0
Change in Net Working Capital	0	0	0	0	0
Free Cash Flows to Equity	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04
Net Capital Expenditures	0	0	0	0	0
Net Debt Issuance	0	0	0	0	0
Change in Net Working Capital	0	0	0	0	0
Free Cash Flows to Equity	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04

MAHI FCFEs are forecasted to stay at ₱1.5 million from 2023 to 2032. This is due to MAHI's revenues being solely generated by dividends from preferred shareholdings in MPHHL.

Metro Pacific Light Rail Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(609.17)	(633.77)	(659.36)	(685.97)	(713.65)
Net Capital Expenditures	0	0	0	0	0
Net Debt Repayments	0	0	0	0	0
Change in Net Working Capital	1,293.94	(639.53)	(664.55)	(690.57)	(717.63)
Free Cash Flows to Equity	(1,903.11)	5.76	5.19	4.59	3.98

MPLRC FCFEs are forecasted to improve from negative ₱1.9 million in 2023 to ₱4.0 thousand in 2027 as net losses increase from ₱609.1 thousand in 2023 to ₱713.7 thousand in 2027. During this period, net working capital is forecasted to decline from ₱1.3 million in 2023 to negative ₱717.6 thousand in 2027. This forecast continued the trend of net losses in MPIC's rail business assuming no change in regulatory policies governing rates for the Philippine rail industry.

DCF VALUATION SUMMARY

The tables below show the equity valuation of each subsidiary valued using a DCF approach:

Maynilad Water Services, Inc. ₱ Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y15)	12,761,080.21	12,761,080.21
Estimated Growth Rate (Y15+1)	6.4%	6.4%
Terminal Value	96,184,417.82	103,514,150.56
Present Value of Terminal Value	11,633,262.77	12,519,775.46
Present Value of Free Cash Flows to Equity	57,174,314.55	57,174,314.55

Maynilad Water Holdings Company, Inc.	Valuation Range
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P Thousands	Low	High
Valuation Range - MWSI	68,807,577.32	69,694,090.01
Ownership Stake in MWSI	93.3%	93.3%
Valuation Range	64,228,183.36	65,055,695.41

MetroPac Water Investments Corporation		
P Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	(23,393.97)	(23,393.97)
Estimated Growth Rate (Y10+1)	14.8%	14.8%
Terminal Value	(190,164.14)	(204,655.60)
Present Value of Terminal Value	(46,507.88)	(50,052.01)
Present Value of Free Cash Flows to Equity	892,077.22	892,077.22

Metro Pacific Tollways Corporation		
P Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y5)	10,998,943.39	10,998,943.39
Estimated Growth Rate (Y5+1)	5.7%	5.7%
Terminal Value	82,350,095.70	88,625,584.04
Present Value of Terminal Value	40,725,183.27	43,828,645.51
Present Value of Free Cash Flows to Equity	20,052,784.00	20,052,784.00

Manila Electric Company		
P Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Present Value of Free Cash Flows to Firm	90,987,688.64	90,987,688.64
Terminal Value	238,093,378.67	280,260,158.58
Enterprise Value	329,081,067.31	371,247,847.22
Net Debt	48,001,000.00	48,001,000.00
Equity Value	281,080,067.31	323,246,847.22

Beacon Electric Asset Holdings, Inc.		
P Thousands	Low	High
Valuation Range – MER	281,080,067.31	323,246,847.22
Ownership Stake in MER	35.0%	35.0%
Valuation Range	98,265,591.53	113,007,097.79

Metro Pacific Hospital Holdings, Inc. P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	3,053,574.87	3,053,574.87
Estimated Growth Rate (Y10+1)	5.0%	5.0%
Terminal Value	22,703,158.90	24,433,252.93
Present Value of Terminal Value	5,552,443.74	5,975,567.67
Present Value of Free Cash Flows to Equity	8,330,144.38	8,330,144.38

Metro Pacific Health Tech Corporation P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	359,127.91	359,127.91
Estimated Growth Rate (Y10+1)	12.4%	12.4%
Terminal Value	791,202.38	859,926.60
Present Value of Terminal Value	439,344.17	477,505.82
Present Value of Free Cash Flows to Equity	331,338.76	331,338.76

MetroPac Apollo Holdings, Inc. P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	1,523.04	1,523.04
Estimated Growth Rate (Y10+1)	0.0%	0.0%
Terminal Value	10,784.46	11,606.29
Present Value of Terminal Value	2,637.52	2,838.52
Present Value of Free Cash Flows to Equity	7,608.21	7,608.21

Metro Pacific Light Rail Corporation P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y5)	3.98	3.98
Estimated Growth Rate (Y5+1)	(17.4%)	(13.4%)
Terminal Value	23.26	26.25
Present Value of Terminal Value	11.50	12.98
Present Value of Free Cash Flows to Equity	(1,640.79)	(1,640.79)

DCF SUMMARY

Sum-of-the-Parts (DCF) ₱ Thousands	Market Capitalization		MPIC Ownership Stake	Equity Value	
	Low	High		Low	High
Water					
Maynilad Water Services, Inc.	68,807,577.32	69,694,090.01	5.2%	3,590,249.73	3,636,506.30
Maynilad Water Holdings Company, Inc. <i>Ownership Stake in MWSI</i>	64,228,183.36 93.3%	65,055,695.41 93.3%	51.3%	32,932,963.42	33,357,269.74
MetroPac Water Investments Corporation	842,025.21	845,569.34	100.0%	842,024.96	845,569.09
Tollways					
Metro Pacific Tollways Corporation	60,777,967.27	63,881,429.51	99.9%	60,722,498.98	63,823,128.88
Power					
Manila Electric Company	281,080,067.31	323,246,847.22	10.5%	29,513,407.07	33,940,918.96
Beacon Electric Asset Holdings, Inc. <i>Ownership Stake in MER</i>	98,265,591.53 35.0%	113,007,097.79 35.0%	100.0%	98,265,591.53	113,007,097.79
Healthcare					
Metro Pacific Hospital Holdings, Inc.	13,882,588.13	14,305,712.05	20.0%	2,776,517.63	2,861,142.41
Metro Pacific Health Tech Corporation	770,682.93	808,844.58	100.0%	770,682.93	808,844.58
MetroPac Apollo Holdings, Inc.	10,245.73	10,446.73	65.1%	6,669.97	6,800.82
Rail					
Metro Pacific Light Rail Corporation	(1,629.29)	(1,627.81)	65.1%	(1,060.67)	(1,059.70)
Total Capitalization				229,419,545.55	252,286,218.85

Sum-of-the-Parts (DCF) ₱ Thousands	Market Capitalization		Price Per Share	
	Low	High	Low	High
Valuation Range	229,419,545.55	252,286,218.85	7.99	8.79
42.0% Discount	133,063,336.42	146,326,006.94	4.64	5.10

Based on the DCF approach, the Financial Advisor estimates that at a COE discount rate of 12.39% (MER) to 15.12% (other subsidiaries), and a holding company discount of 42.00%, the Company has an implied equity value range of ₱133.1 billion to ₱146.33 billion with an indicative price range of ₱4.64 to ₱5.10 per share.

The Financial Advisor is of the opinion that the DCF approach is an appropriate valuation methodology to arrive at an indicative valuation of the common shares for MPIC as the projections capture the expected growth of the Company's subsidiaries based on publicly available information. Further, the Financial Advisor believes that the publicly available information from analyst briefings, public disclosures, news reports, and other publicly sourced data to project the future performance of the Company's subsidiaries.

DIVIDEND DISCOUNT MODEL APPROACH

The Dividend Discount Model (“DDM”) approach is a type of discounted cash flow valuation that uses a company’s dividends for its cash flows instead of its free cash flows. In this method, the sum of the present values of all future dividend payments are used to estimate the intrinsic value of the company’s equity.

In determining MPIC’s common equity value, the Financial Advisor used the single-stage, constant growth DDM. This model assumes that the equity value of MPIC is equal to the expected dividend payment one year into the future divided by the Cost of Equity minus the expected terminal growth rate of the Company’s dividends:

$$V_0 = \frac{D_1}{COE - g}$$

Where V_0 is the value of MPIC’s common shares, D_1 is the expected dividend payment one year into the future, COE is the cost of equity derived using the CAPM method, and g is the terminal growth rate, or the rate at which MPIC’s dividends are expected to grow into the future.

To determine the terminal dividend growth rate, the Financial Advisor used the average growth rate of MPIC’s dividends for the three (3) years before the pandemic (2017-2019) equivalent to 8.9%. Dating as far back to 2010, the peso values of the annual dividends both in total peso values and on a per share basis show consistently increased payments. This shows MPIC’s willingness to not decrease dividend payments and in fact, continue dividend pay-outs even through adverse market and economic conditions like in 2020 and 2021. Based on this, the Financial Advisor determined that dividend payouts will not be reduced in the future because the underlying assets that have generated these dividends in the past will continue to be part of MPIC in the future. Thus, supporting the perspective of a constant dividend growth rate. As such, the Financial Advisor deemed it appropriate to apply a dividend growth rate range of 8.75% to 9.00%.

DDM (Single-Stage) ₱ Thousands	Market Capitalization	
	Low	High
(D ₀) Total Cash Dividend (Common): Latest	₱3,268,700	₱3,268,700
(g) Dividend Growth	8.75%	9.00%
(D ₁) Total Cash Dividend (Common): Next Period	₱3,554,711	₱ 3,562,883
(K _e) Cost of Equity	11.46%	11.46%
(g) Dividend Growth Rate	8.75%	9.00%
K _e - g	2.71%	2.46%
[D ₁ /(K _e -g)] Indicative Value	₱131,194,362	₱144,862,086
Shares Outstanding	28,695.93	28,695.93
Indicative Value Per Share	₱4.57	₱5.05

MPIC Historical Dividends (2017-2019) ₱ Millions	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Total Cash Dividend (Common)	₱2,710.40	₱3,229.40	₱3,482.20	₱3,483.40
Dividend Growth		19.1%	7.8%	(0.1)%

The cost of equity for the DDM was derived using the CAPM method:

Cost of Equity	
Risk-free Rate	6.25% BSP Overnight Reverse Repurchase Facility Rate
Beta	0.91 Beta-factor as of January 2023
Equity risk premium	5.75% Equity risk premium
Equity Discount Rate	11.46%

The terminal growth rate used in the single-stage DDM at the MPIC level is not necessarily the same as the FCFE terminal growth rate that is applied to the respective business operations at the subsidiary level.

Based on the DDM approach, the Financial Advisor estimates that at a COE of 11.46% and a terminal growth rate of 8.75% to 9.00%, the Company's implied equity value ranges have an **indicative price range of ₱4.57 to ₱5.05** per share.

COMPARABLE PUBLIC COMPANIES APPROACH

The Comparable Public Companies ("CPCM") approach is a form of relative valuation that estimates the value of a company based on valuation metrics or multiples of publicly listed companies in the same industry or business, or other similarities. The CPCM approach operates under the assumption that similar companies will have the same valuation multiples. Additional information regarding the comparable public companies used in this valuation exercise can be found in Annex IV of this Valuation Report.

Price-to-Earnings Multiple

The Price to Earnings (P/E) multiple measures the price that investors are willing to pay for each Peso of earnings after tax that a company generates. The P/E multiple is readily available oftentimes and frequently used when conducting valuation such as determining the value of stocks. This approach makes comparison with the value of other listed companies within the same or similar industry easier.

MPIC is a diversified conglomerate with business interests mainly in power, water, rail, tollways, and healthcare. As of June 20, 2023, there are no directly comparable holding companies in the PSE or within the ASEAN region that have subsidiaries and affiliates operating in a similar mix of industries or sectors. Therefore, the selection of comparable companies was determined with the following guidelines: (1) PSE Index Member Conglomerates, (2) Market Capitalization as of end-of-day June 20, 2023, and (3) Within the +/- ₱25.0 billion range of MPIC's market capitalization as of end-of-day June 20, 2023. With the guidelines, a subset of PSEi Member Conglomerates was selected as basis for comparison and defined as Mid-Cap PSEi Conglomerates. The following companies were selected: Alliance Global Group, Inc. ("AGI"), DMCI Holdings, Inc. ("DMC"), GT Capital Holdings, Inc. ("GTCAP"), and LT Group, Inc. ("LTG") (together, the "holding companies").

With the selection of Mid-Cap PSEi Conglomerates, it has been observed, based on its historical and forward-looking consensus¹ data, that the set of comparables currently trade at substantial discounts relative to their 10-year average P/Es. The Financial Advisor deemed the discrepancy as material and have concluded that the discounts are reflective of the present investing environment amid a challenging macroeconomic environment. It was deemed prudent that in determining the fair market value of MPIC, the weighted average discount of the comparable companies' 12-month forward P/E relative to their weighted 10-year average P/E is an applicable discount to MPIC's 10-year average P/E. In determining the 2023E net income of MPIC, the Financial Advisor obtained the consensus Net Income estimate, which was used to arrive at the equity value of MPIC.

Information regarding the companies used to arrive at the holding company discount for the P/E multiple can be found in Annex IV of this valuation report.

Comparable Companies P Thousands	P/E		Mkt Cap	Weight	Weighted Average P/E	
	Actual	10Y Avg			Actual	10Y Avg
Alliance Global Group, Inc. (AGI)	6.7x	9.5x	114,234,621.95	25.8%	1.7x	2.5x
DMCI Holdings, Inc. (DMC)	4.7x	6.1x	122,285,498.70	27.7%	1.3x	1.7x
GT Capital Holdings, Inc. (GTCAP)	5.0x	12.5x	104,413,028.35	23.6%	1.2x	3.0x
LT Group, Inc. (LTG)	4.0x	8.5x	101,179,986.11	22.9%	0.9x	1.9x
Total			442,113,135.12	100.0%	5.1x	9.0x

The weighted average of the holding companies' 1-year forward P/E and 10-year average P/E were computed. A P/E discount of 43.2% was derived by computing for the percentage difference between the weighted average 1-year forward P/E, and 10-year average P/E of the holding companies. The 43.2% discount was then applied to MPIC's 10-year average P/E which results to a 5.9x P/E multiplier. Fifteen percentage points (15%) were deducted from the discount to arrive at a high-case P/E discount of 28.2% which translated to a P/E multiple of 7.5x.

The resulting multiples were then applied to the applicable financial information of MPIC to arrive at the indicative equity value as follows:

CPCM - P/E P Millions (except for per share data)	Valuation Range	
	Low	High
P/E	5.9x	7.5x
Discount	43.15%	28.15%
MPIC Net Income (2023E)	16,247.60	16,247.60
MPIC P/E Valuation	96,591.71	122,078.67
Shares Outstanding	28,695.93	28,695.93
Price per Share	3.37	4.25

Based on the P/E-based approach, the indicative market capitalization of MPIC's common shares range from P96.59 billion to P122.08 billion which translates to a share price range of P3.37 to P4.25.

¹ Sourced from Bloomberg as of June 20, 2023

MARKET-BASED APPROACH

The Volume Weighted Average Price (“VWAP”) approach estimates the value of a listed company based on its historical trading volume and price. The market price of a listed company is considered as an indication of how investors perceive the value of a company based on prevailing market and economic conditions. In this valuation report, the Financial Advisor examined the value of MPIC’s shares traded on the Philippine Stock Exchange.

Prior to the Delisting and Tender Offer Announcement

Time Period	Date Range	Low	High	Average Volume	Market Capitalization	VWAP
30-Day VWAP	26-Apr-2023 to 27-Mar-2023	₱3.67	₱4.26	20,417,105.26	₱112,034,336,342.97	₱3.90
One-Year VWAP	26-Apr-2023 to 26-Apr-2022	₱3.29	₱4.55	26,753,161.66	₱109,162,935,749.71	₱3.80
Two-Year VWAP	26-Apr-2023 to 26-Apr-2021	₱3.29	₱4.55	22,236,467.27	₱109,707,901,445.71	₱3.82

- The 30-day VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.90** with an **equivalent market capitalization of ₱112.03 billion**. During this period, the stock price of MPIC reached a high of ₱4.26 per share and a low of ₱3.67 per share. In the same period, an average of 20.42 million shares per day were traded.
- The 1-year VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.80** with an **equivalent market capitalization of ₱109.16 billion**. During this period, the stock price of MPIC reached a high of ₱4.55 per share and a low of ₱3.29 per share. In the same period, an average of 26.75 million shares per day were traded.
- The 2-year VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.82** with an **equivalent market capitalization of ₱109.71 billion**. During this period, the stock price of MPIC reached a high of ₱4.55 per share and a low of ₱3.29 per share. In the same period, an average of 22.24 million shares per day were traded.

Year-to-date

For reference, the Financial Advisor also studied the VWAP of MPIC ending June 19, 2023. This period includes trading activity after the Transaction has been disclosed. The 30-day VWAP of MPIC ending June 19, 2023 is 12.98% higher than the 30-day VWAP of MPIC ending April 26, 2023. Since the announcement of the planned delisting and tender offer on April 27, 2023, MPIC has traded higher based on its 30-day, 1-year, and 2-year VWAP ending June 19, 2023 which is 13.0%, 2.18%, and 1.06% higher than the respective 30-day, 1-year, and 2-year VWAP ending April 26, 2023. Hence, a cut-off date for the VWAP of April 26, 2023 was considered.

Time Period	Date Range	Low	High	Average Volume	Market Capitalization	VWAP
30-Day VWAP	19-Jun-2023 to 19-May-2023	₱4.35	₱4.51	22,070,157.89	₱126,577,664,196.74	₱4.41
One-Year VWAP	19-Jun-2023 to 20-Jun-2022	₱3.29	₱4.55	27,497,271.02	₱111,542,057,710.85	₱3.89
Two-Year VWAP	19-Jun-2023 to 18-June-2021	₱3.29	₱4.55	22,837,606.50	₱110,865,751,721.71	₱3.86

SHARE PRICE AND TRADING VOLUMES

The chart below shows the historical movement of MPIC’s share price and trading volumes from April 26, 2021 to June 19, 2023.



The stock price of MPIC traded at an average price of ₱3.98 per share year-to-date before announcement of the planned delisting and tender offer. After the announcement, MPIC’s share price has traded at an average price per share of ₱4.43.

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RECOMMENDED VALUATION

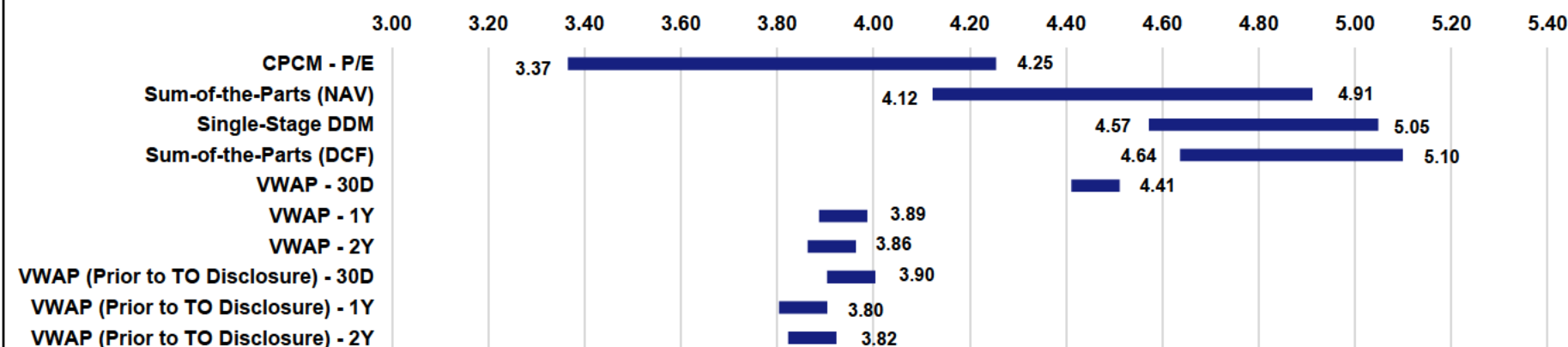
The objective of this Valuation Report and Fairness Opinion is to determine the fair value of MPIC's common shares for its potential delisting and the tender offer of the Consortium to the Company's minority shareholders. The Financial Advisor further considered the relevance of the various approaches used in this valuation exercise to the status and condition of the Company and its Subsidiaries as well as the share subject of the Transaction.

The table below summarizes the resulting market capitalizations derived from the different valuation methodologies employed, for the common shares of Metro Pacific Investments Corporation, subject of the Transaction.

MPIC Indicative Valuation

Valuation Approach ₱ Thousands	Market Capitalization		Price Per Share	
	Low	High	Low	High
CPCM - P/E	96,591,712.30	122,078,668.17	3.37	4.25
Sum-of-the-Parts (NAV)	118,322,664.43	140,943,173.80	4.12	4.91
Single-Stage DDM	131,194,362.43	144,862,085.79	4.57	5.05
Sum-of-the-Parts (DCF) - 42.0% Holding Company Discount	133,063,336.42	146,326,006.94	4.64	5.10
VWAP - 30D	126,577,664.20	126,577,664.20	4.41	4.41
VWAP - 1Y	111,542,057.71	111,542,057.71	3.89	3.89
VWAP - 2Y	110,865,751.72	110,865,751.72	3.86	3.86
VWAP (Prior to TO Disclosure) - 30D	112,034,336.34	112,034,336.34	3.90	3.90
VWAP (Prior to TO Disclosure) - 1Y	109,162,935.75	109,162,935.75	3.80	3.80
VWAP (Prior to TO Disclosure) - 2Y	109,707,901.45	109,707,901.45	3.82	3.82

Valuation Summary



The primary purpose of this valuation and fairness opinion is to determine the value range of MPIC in connection with its potential delisting and tender offer. Upon careful examination of the valuation exercise, the Financial Advisor is of the opinion that MPIC's common shares is fairly valued at a range between **₱96.59 billion to ₱146.33 billion** equivalent to a share price of **₱3.37 to ₱5.10**.

ANNEXES

ANNEX I | SUMMARY OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Audited Financial Statements of the Company and its Subsidiaries for the periods as of and for the years ending December 31, 2020, 2021, and 2022 were prepared and audited by SGV & Co. in accordance with Philippine Financial Reporting Standards (“PFRS”), and were also obtained from the Consortium’s disclosures to UI and public disclosures of MPIC to PSE. Unicapital, Inc. did not verify the accuracy or completeness of the information contained in the Financial Statements.

Statements of Comprehensive Income

Metro Pacific Investments Corporation ₱ Millions	For the years ended December 31		
	2020	2021	2022
Operating Revenues	40,855	43,561	50,882
Cost of Sales and Services	(17,269)	(18,594)	(19,818)
Gross Profit	23,586	24,967	31,064
General and Administrative Expenses	(9,589)	(10,417)	(11,732)
Interest Expense	(10,010)	(9,230)	(10,306)
Share in Net Earnings of Equity Method Investees	7,337	10,302	14,210
Interest Income	1,229	745	1,134
Construction Revenue	33,988	27,014	35,441
Construction Costs	(33,988)	(27,014)	(35,441)
Provision for Decline in Value of Assets	(1,685)	(9,089)	(9,485)
Others	(323)	(92)	2,056
Income Before Tax	10,545	7,186	16,941
Provision for Income Tax	3,728	1,259	3,804
Net Income	6,817	5,927	13,137

Statements of Financial Position

Metro Pacific Investments Corporation ₱ Millions	For the periods as of December 31		
	2020	2021	2022
Cash and cash equivalents	48,822	44,858	33,595
Short-term placements	1,852	4,712	8,827
Restricted cash	8,228	1,975	4,767
Receivables	8,007	8,272	9,195
Other current assets	75,969	12,595	12,540
Total Current Assets	142,878	72,412	68,924
Investments and advances	159,474	169,681	196,323
Service concession assets	275,864	300,063	331,693
Property, plant, and equipment	6,878	6,763	6,904
Goodwill	15,337	15,241	15,241
Intangible assets	705	337	377

Metro Pacific Investments Corporation	For the periods as of December 31		
₱ Millions	2020	2021	2022
Deferred tax assets	201	602	769
Other non-current assets	16,459	19,235	23,565
Total Non-Current Assets	474,918	511,922	574,872
Total Assets	617,796	584,334	643,796
Accounts payable and other current liabilities	35,172	36,704	44,784
Income tax payable	927	949	1,283
Due to related parties	2,481	101	83
Short-term and current portion of long-term debt	23,961	11,649	20,842
Current portion of:			
Provisions	6,708	7,951	8,337
Service concession fees payable	5,826	1,098	1,289
Liabilities under PFRS 5	40,519	0	0
Total Current Liabilities	115,594	58,452	76,618
Non-current portion of:			
Provisions	3,416	3,538	3,030
Provisions	23,608	30,198	28,453
Service concession fees payable	207,405	234,693	271,625
Deferred tax liabilities	11,161	9,882	9,898
Other long-term liabilities	12,265	10,706	9,131
Total Non-Current Liabilities	257,855	289,017	322,137
Total Liabilities	373,449	347,469	398,755
Capital stock	31,661	31,661	31,661
Additional paid-in capital	68,638	68,638	68,638
Treasury shares	(3,420)	(5,705)	(10,703)
Equity reserves	(943)	(1,352)	(1,377)
Retained earnings	91,898	98,475	105,692
Other comprehensive income reserve	(3,103)	1,587	6,177
Reserves under PFRS 5	129	0	0
Non-controlling interest	59,487	43,561	44,953
Total Equity	244,347	236,865	245,041
Total Liabilities and Equity	617,796	584,334	643,796

Statements of Cash Flows

Metro Pacific Investments Corporation	For the years ending December 31		
₱ Millions	2020	2021	2022
Income before tax	14,963	12,720	16,941
Adjustments for:			

Metro Pacific Investments Corporation P Millions	For the years ending December 31		
	2020	2021	2022
Provision for decline in value of assets	1,685	9,089	9,485
Interest expense	10,010	9,230	10,306
Amortization of service concession assets	5,261	5,930	4,602
Depreciation and amortization	5,185	1,341	1,138
Long-term incentive plan expense	539	314	261
Unrealized foreign exchange loss (gain)	(239)	1,005	587
Share in net earnings of equity method investees	(7,337)	(10,302)	(14,210)
Dividend income	(55)	(62)	(103)
Gain on acquisition of a subsidiary	0	0	(502)
Interest income	(1,229)	(745)	(1,134)
Gain on reversal of impairment	0	0	(2,287)
Gain on sale of investments	0	(5,648)	0
Others	(6)	(4)	49
Operating income before working capital changes	28,777	22,868	25,133
Decrease (increase) in:			
Restricted cash	1,108	(123)	(2,528)
Receivables	(2,345)	(104)	(929)
Other current assets	(2,354)	(688)	(1,775)
Increase in accounts payable and other current assets	1,201	338	4,001
Net cash generated from operations	26,387	22,291	23,902
Income taxes paid	(5,906)	(3,128)	(3,988)
Interest received	1,246	370	638
Net cash from operating activities	21,727	19,533	20,552
Dividends received from:			
Equity method investees	8,545	6,713	8,624
Financial assets	55	74	103
Collection of or proceeds from sale/disposal of:			
Financial assets	9,338	0	0
Investment in equity accounted entities	0	7,166	129
Investment in a subsidiary (net of transaction costs)	4,006	10,456	4,324
Property, plant, and equipment	600	175	150
Acquisition of subsidiaries	(64)	0	470
Additions to:			
Service concession assets	(34,078)	(34,777)	(39,875)
Financial assets	(15,649)	0	0
Property, plant, and equipment	(2,842)	(2,371)	(1,587)

Metro Pacific Investments Corporation P Millions	For the years ending December 31		
	2020	2021	2022
Investments in equity method investees	(60)	(8,076)	(23,346)
Decrease (increase) in:			
Short-term placements	(35)	1,997	(4,115)
Other non-current assets	(1,609)	397	(2,671)
Net cash used in investing activities	(31,793)	(18,246)	(57,794)
Receipt of or proceeds from:			
Short-term and long-term debt	50,535	40,072	73,025
Sale to non-controlling interest	4,651	0	0
Contribution from non-controlling stockholders	831	1,770	1,646
Payments of/for:			
Short-term and long-term debt	(39,725)	(25,686)	(27,419)
Interest and other financing charges	(8,745)	(8,472)	(8,788)
Service concession fees payable	(5,801)	(1,070)	(861)
Due to related parties	(5,646)	(2,450)	0
Dividends paid to non-controlling stockholders	(3,175)	(2,292)	(2,760)
Dividends paid to owners of the parent company	(3,487)	(3,392)	(3,278)
Treasury shares	(3,420)	(2,285)	(4,998)
Lease liability	(496)	(494)	(272)
Debt issuance cost	(392)	(324)	(316)
Acquisition of non-controlling interests	(81)	0	0
Net cash from (used in) financing activities	(14,951)	(4,623)	25,979
Net Change in Cash and Cash Equivalents	(25,017)	(3,336)	(11,263)
Cash and Cash Equivalents, Beginning of Year	73,211	48,194	44,858
Cash and Cash Equivalents, End of Year	48,194	44,858	33,595

ANNEX II | MANDATE



5 June 2023

R-L 3248

METRO PACIFIC HOLDINGS, INC.
10th Floor Net One Center
26th Street Corner 3rd Avenue
Fort Bonifacio, Taguig City, Philippines

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION
36th Floor, GT Tower International,
6813 Ayala Avenue,
Bel-Air, Makati City

GT CAPITAL HOLDINGS, INC.
43rd Floor, GT Tower International,
Ayala Avenue corner H.V. Dela Costa Street,
Makati City 1227

MIG HOLDINGS INCORPORATED
4th floor, SyCipLaw Center,
105 Paseo De Roxas Legaspi Village,
San Lorenzo, Makati City

Together the "Consortium" or the "Clients".

ATTN: **Mr. Stanley H. Yang**
Representative of the Consortium

RE: **Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report**

Ladies and Gentlemen:

We are pleased to present to the Consortium a proposal whereby Unicapital, Inc. ("UI") shall act as Financial Advisor ("FA") for the issuance of an independent Fairness Opinion and Valuation Report ("FOVR") for the common shares of Metro Pacific Investment Corporation. ("MPIC" or the "Company"). The FOVR will be used to support the tender offer of the Clients for the potential voluntary delisting of MPIC (the "Transaction").

I. Our Preliminary Views on the Subject

We understand that MPIC intends to voluntarily delist from the PSE, and one of the requirements of the voluntary delisting rules is a fairness opinion and valuation report, stating the fair value or range of fair values of the listed security, based upon certain procedures followed and assumptions made.

We also understand that under the Amended Voluntary Delisting Rules of the Philippine Stock Exchange ("PSE"), the voluntary delisting must be approved by: (a) at least two-thirds (2/3) of the entire membership of the board of directors, including the majority, but not less

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Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report

June 5, 2023

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than two, of all of its independent directors; and (b) stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company and with the number of votes cast against the delisting proposal not more than ten percent (10%) of the total outstanding and listed shares of the listed company.

We further understand that the fairness opinion and valuation report will also be used to support the tender offer of the Clients.

We believe that UI, given our extensive track record of success, is suitably positioned to provide financial advisory services to the Clients.

II. Our Proposal

In pursuit of the Clients' objectives, we are prepared to act as the Clients' FA, in accordance with the following general terms of reference, to wit:

A. Work Program

Based on our understanding of the Clients' requirements, we envisage a work program that would require an exclusive mandate for a period of **up to three (3) weeks** to finalise a FOVR, which may be extended upon mutual agreement depending on the timeliness of the submission of information by the Clients. Upon your approval, we are prepared to mobilize our team that would render the advisory work in accordance with a work program that would involve essentially the tasks enumerated in Annex A. The preparation of the FOVR will be done in accordance with the rules and guidelines of the Philippine Stock Exchange ("PSE") and the Philippine Securities and Exchange Commission ("SEC") on the issuance of fairness opinions.

The final Report shall be submitted to the Clients for use by their respective Boards and advisors, as well as for sharing with MPIC's Board of Directors and its public shareholders Board of Directors, relevant senior management, and shareholders of the Clients (the "Authorized Recipients"). UI understands that the FOVR may be submitted to the Philippine Securities and Exchange Commission (the "SEC"), and the Philippine Stock Exchange ("PSE") and the investors of MPIC.

UI shall obtain clearance from PSE, and if required by the regulators, from SEC, regarding its independence to act as FA of producing the FOVR for the Clients, in parallel to drafting the FOVR, on a best-effort basis. UI shall respond to the queries that may be raised by the SEC and/ or the PSE on matters contained in the FOVR. UI shall also offer assistance in good faith to the Clients when the latter receive questions from MPIC Board regarding the FOVR prepared by UI. Any questions raised by the stakeholders other than the SEC, PSE, Consortium or MPIC Board shall not be addressed directly by UI but may be coursed through the Consortium.

The Clients shall provide UI with sufficient material information and documents relating to the Clients and the Target Company subject of the Transaction which are necessary to prepare the FOVR. Such information and documents shall include but not be limited to: (i) detailed corporate information, (ii) discussion on business and operations to the extent

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which does not contradict publicly available information, (iii) relevant equity research reports, and (iv) historical financial statements with management discussion.

B. Fee Structure

For and in consideration of the services herein contemplated, we propose a compensation package as follows:

1. **Financial Advisory Fees** – For and in consideration of the advisory work as outlined in the attached Annex A, UI shall be entitled to a Financial Advisory Fee (FA Fee) of **Philippine Pesos Four Million (PhP4,000,000)** which shall be payable in cash and exclusive of taxes and out-of-pocket expenses as follows:

Upon signing this Mandate Proposal	50% of the total
Upon delivery of the Final Report	50% of the total
Total FA Fee	PhP4,000,000

We understand that each of the Clients shall be jointly and severally liable for its specific share in our professional fees as provided in the table below. Furthermore, we will bill each of the Clients separately based on the specific share indicated below:

Clients	Professional fee per client
Metro Pacific Holdings, Inc.	PhP410,800
MIT-Pacific Infrastructure Holdings Corporation	PhP2,183,600
GT Capital Holdings, Inc.	PhP319,200
MIG Holdings Incorporated	PhP1,086,400
Total FA Fee	PhP4,000,000

If for any reason other than UI's inability to satisfactorily perform under the terms of this Agreement, the Clients decide to terminate this Agreement or this engagement prior to the completion of any phases of the Financial Advisory Engagement as stated in the Work Program (Annex A), UI's engagement fee shall be based on actual manhours spent on the engagement and the actual expenses incurred prior to the termination date (with supporting documentation) and capped at Philippine Pesos Four Million (PhP4,000,000.00). For avoidance of doubt, failure to secure clearance from the SEC shall not be deemed as a breach of UI's obligation under this Agreement.

However, if the Clients inform UI within seven (7) calendar days of signing this Mandate that the Clients' valuation purpose will not push through and that, as a result, this engagement is being terminated, UI shall immediately stop work on the valuation report and UI's engagement fee shall be based on actual manhours spent on the engagement and the actual expenses incurred prior to the termination date (with supporting documentation).

2. **Out-of-Pocket Expenses** – All out-of-pocket expenses ("OPE") such as for communication, transportation, printing, photocopying, third-party consultants, and

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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similar expenses incurred over the course of completing the Transaction shall be for the account of the Clients. UI shall pre-clear with the Clients in advance for any appointments or disbursements where external consultants such as auditors and legal counsels are hired and where single OPE disbursements will amount to Philippine Pesos Five Thousand (PhP5,000.00) or more. The Clients are expected to not unreasonably withhold clearance on such appointments or disbursements.

3. **Taxes** – All Fees and any amount payable to UI shall be net of all taxes (including withholding taxes) and costs incidental to the transaction. Taxes and charges shall be for the account of the Clients.

III. Period of Engagement

Upon your acceptance of this mandate proposal, UI shall be mandated to act as exclusive FA to the Clients for a period of three (3) months commencing on the date of acceptance hereof, which may be extended (the extension of which will not be unreasonably denied) depending on the timeliness of (i) the Clients' submission of all information relevant to the Transaction. UI acknowledges that the Transaction is market sensitive and requires vetting by PSE and SEC as part of the standard process, and therefore, termination without reasonable basis by UI would be detrimental to the execution of the Transaction by Clients. This engagement shall be subject to termination by either party subject to a fourteen (14) days prior notification.

IV. Confidentiality

The Clients hereby acknowledge their obligation to supply to UI and review any and all information as necessary to maintain the accuracy and completeness of any written material and schedule that forms part of the valuation report.

In order to safeguard the business interests of the Clients and the Company, information regarding the Transaction and the Company shall be held in strictest confidentiality. It is understood that UI shall keep and maintain as confidential and privileged all information that it receives from the Clients.

V. Other Conditions

Our performance as FA, as herein contemplated, is dependent on the Clients' submission and disclosure of all material information necessary for us to complete a review of the Company's operations and financial condition and to provide opinions and recommendations on the valuation, pricing, and other relevant terms and conditions of the Transaction.

This agreement evidenced by your acceptance of this mandate proposal shall be exclusive to UI and the Clients and shall remain in force until the end of the engagement. In carrying out this assignment, the Clients shall indemnify and hold harmless UI, its officers, employees, agents, subsidiaries, affiliates, related parties, their respective officers, employees, and/or agents from any claim, loss, or damage relating to, arising out of, or in connection with this engagement, provided that the Clients shall not be liable in any such case to the extent of any such loss, claim, damage, or liability directly resulting from the gross negligence or willful act of UI and its officers, employees, and/or agents.

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 5 of 10

We hope that the foregoing proposal meets your requirement. Should you wish to clarify any of the aforementioned, we will be glad to meet you at your earliest convenience. However, should you already find the foregoing terms and conditions acceptable, please signify your acceptance by affixing your signature on the space provided herein, and returning to us the two (2) other sets of this proposal. Upon acceptance, this proposal will serve as our exclusive mandate to perform the services outlined in this letter.

We look forward to a mutually beneficial and harmonious relationship.

Very truly yours,

UNICAPITAL, INC.



Jaime J. Martinez
President and Chief Executive Officer



Francis J. Reyes II
Assistant Manager

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 6 of 10

CONFORME:

METRO PACIFIC HOLDINGS, INC.

By:



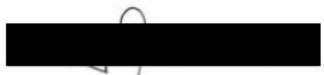
Stanley H. Yang
Authorized Signatory

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 7 of 10

CONFORME:

GT CAPITAL HOLDINGS, INC.

By:



Carmelo Maria Luza Bautista
President



Francisco H. Suarez, Jr.
Chief Financial Officer

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 8 of 10

CONFORME:

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION

By:



Yoshitoshi Iwami
Director

ANNEX A

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 9 of 10

CONFORME:

MIG HOLDINGS INCORPORATED

By:



Manuel V. Pangilinan
Chairman


**PROPOSED WORK PROGRAM
METRO PACIFIC INVESTMENTS CORPORATION**

Upon engagement as FA, it is envisaged that the work program shall be implemented as follows:

PHASE	SCOPE OF WORK
Phase I Due Diligence and Historical Financial Review	<p>UI shall:</p> <ul style="list-style-type: none"> Conduct a comprehensive review of the Company's (i) historical and current operations and financial condition, (ii) relevant and reputable market research of the Company. <p>Estimated Time to Complete: 7 days</p>
Phase II Financial Projections Review	<p>UI shall review the financial projections and assumptions, if any. The said financial projections will be the basis for establishing the valuation.</p> <p>Estimated Time to Complete: 7 days</p>
Phase III Preliminary Valuation	<p>UI shall seek to establish the most appropriate valuation metrics in order to establish proper benchmarks for arriving at a fair and sound valuation of the Target Company subject of the Transaction.</p> <p>Estimated Time to Complete: 3.5 days</p>
Phase IV Final Report Preparation	<p>UI shall supervise and guide management in the preparation of the FOVR. The preparation of the Report will be done in accordance with the rules and guidelines of the PSE and SEC on the issuance of fairness opinions.</p> <p>The Report shall include information such as the (i) background and operations, (ii) historical financials, and (iii) valuation of the Target Company subject of the Transaction and the basis of the valuation.</p> <p>Estimated Time to Complete: 3.5 days</p>

ANNEX III | PSE ACCREDITATION

CN - No. 2023-0030



MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

Listing
 Market Education
 Market Information
 Products and Services

Public Advisory
 Regulatory Updates
 TP Announcements
 Others **Accredited Firms**

TO : INVESTING PUBLIC AND ALL TRADING PARTICIPANTS

DATE : June 21, 2023

SUBJECT : Unicapital, Inc.
Accredited Firm for Issuing Fairness Opinions and Valuation Reports

Please be informed that the Exchange approved the application of **Unicapital, Inc. (the "Firm")** for the renewal of its accreditation as a fairness opinion and valuation report provider of listed companies and prospective initial listing applicants of the Exchange.

All fairness opinions and valuation reports submitted to the Exchange as part of a listing application or an application for voluntary delisting by a listed company should be prepared by an independent fairness opinion and valuation report provider duly accredited by the Exchange, in accordance with the Consolidated Listing and Disclosure Rules of the Exchange, Guidelines for Fairness Opinions and Valuation Reports, the Policy on Validity Period of Accreditation of Firms for Valuation or Appraisal Purposes, as amended, and the PSE Amended Voluntary Delisting Rules.

In view thereof, the renewal of the accreditation of the Firm shall be effective for a period of one (1) year from June 26, 2023, subject to the Firm's compliance with the reportorial requirements.



Further, for easy reference, the Exchange-accredited firms for purposes of issuing fairness opinions and valuation reports for listed companies and prospective listing applicants are as follows:

Accredited Firms	Validity of PSE Accreditation
Unicapital, Inc. ¹	June 26, 2023 to June 26, 2024
SB Capital Investment Corporation	June 21, 2022 to June 21, 2023
FTI Consulting Philippines, Inc.	November 7, 2022 to November 7, 2023
Isla Lipana & Co.	November 11, 2022 to November 11, 2023

Page 1 of 2

¹ As previously announced, the existing accreditation of Unicapital, Inc. is valid from June 26, 2018 to June 26, 2023.


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Tel. No. (632) 8876-4888 E-mail Address: info@pse.com.ph

Accredited Firms	Validity of PSE Accreditation
CLSA Exchange Capital, Inc.	November 11, 2022 to November 11, 2023
BDO Capital & Investment Corporation	December 19, 2022 to December 19, 2023
Punongbayan & Araullo	February 1, 2023 to February 1, 2024
MIB Capital Corporation	February 3, 2023 to February 3, 2024
R.G. Manabat & Co.	February 14, 2023 to February 14, 2024
ING Bank N.V., Manila Branch	March 15, 2023 to March 15, 2024
BPI Capital Corporation	May 16, 2023 to May 16, 2024


For your information and guidance.



ROEL A. REFRAN
Chief Operating Officer

Page 2 of 2

CMDD
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HRD / RISK / SU
CCD / FMO / AD
OGC
COO



Tel. No. (632) 8876-4888 E-mail Address: info@pse.com.ph

ANNEX IV | COMPARABLE COMPANIES

Comparable Companies	Description
Alliance Global Group, Inc. (AGI)	AGI was incorporated on October 12, 1993 and listed its shares on the Philippine Stock Exchange on April 19, 1999. AGI began operations in 1994 as a glass-container manufacturer after it acquired a glass manufacturing plant in Canlubang, Laguna. In 1999, the Company obtained approval from the Securities and Exchange Commission to broaden its primary business into that of a holding company.
DMCI Holdings, Inc. (DMC)	DMC was incorporated on March 8, 1995 as a holding company to consolidate all construction business, construction component companies, and related interests of the Consunji family.
GT Capital Holdings, Inc. (GTCAP)	GTCAP was incorporated on July 26, 2007 as a holding company. GTCAP is the primary vehicle for the holding and management of the diversified business interests of the Ty family in the Philippines. The Company holds interests in banking; automotive assembly, importation, distribution, and financing; banking; property development; life and non-life insurance; infrastructure and utilities; and motorcycle financing.
LT Group, Inc. (LTG)	LTG, formerly Tanduary Holdings, Inc. (THI), was incorporated on May 25, 1937 under the name The Manila Wine Merchants, Inc. to engage in the trading business. The Securities and Exchange Commission (SEC) approved the change in corporate name to Asian Pacific Equity Corporation on September 22, 1995 and the change of its primary purpose to that of a holding company. On November 10, 1999, the corporate name was again changed to THI. On September 28, 2012, the SEC approved the change in the corporate name to the present one.

Comparable Companies ₱ Thousands	P/E		Mkt Cap	Weight	Weighted Average P/E	
	Actual	10Y Avg			Actual	10Y Avg
Alliance Global Group, Inc. (AGI)	6.7x	9.5x	114,234,621.95	25.8%	1.7x	2.5x
DMCI Holdings, Inc. (DMC)	4.7x	6.1x	122,285,498.70	27.7%	1.3x	1.7x
GT Capital Holdings, Inc. (GTCAP)	5.0x	12.5x	104,413,028.35	23.6%	1.2x	3.0x
LT Group, Inc. (LTG)	4.0x	8.5x	101,179,986.11	22.9%	0.9x	1.9x
Total			442,113,135.12	100.0%	5.1x	9.0x



3 / F Majalco Building, Benavidez corner Trasierra Streets, Legaspi Village, Makati City, Philippines 1229
Telephone: (+632) 88920991; Fax (+632) 88182127

From: [ICTD Submission](#)
To: [MPIC Compliance](#)
Subject: Re: Metro Pacific Investments Corporation_Form 17C_03 July 2023_Special Stockholders' Meeting
Date: Monday, July 3, 2023 10:50:13 PM

This is an External Email. Please be cautious in opening links even if it's from a trusted contact.

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation

3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.



METRO PACIFIC

INVESTMENTS

METRO PACIFIC INVESTMENTS CORPORATION

FAIRNESS OPINION AND VALUATION REPORT

26 June 2023

26 June 2023

The Board of Directors of:

METRO PACIFIC HOLDINGS, INC.

10th Floor Net One Center
26th Street Corner 3rd Avenue
Fort Bonifacio, Taguig City, Philippines

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION

36th Floor, GT Tower International,
6813 Ayala Avenue,
Bel-Air, Makati City

GT CAPITAL HOLDINGS, INC.

43rd Floor, GT Tower International,
Ayala Avenue corner H.V. Dela Costa Street,
Makati City 1227

MIG HOLDINGS INCORPORATED

4th floor, SyCipLaw Center,
105 Paseo De Roxas Legaspi Village,
San Lorenzo, Makati City

Together, the "Consortium"

Gentlemen:

Pursuant to our engagement, we are pleased to present to the Board of Directors of the Consortium the Final Valuation Report on the common shares of Metro Pacific Investments Corporation ("MPIC" or the "Company") in accordance with the valuation methodologies agreed upon.

The Transaction

Metro Pacific Investments Corporation (“MPIC” or the “Company”), incorporated on March 20, 2006, is a holding company with business interests in water, power, tollways, hospitals, logistics, and railways. MPIC is currently listed on the Main Board of the Philippine Stock Exchange (“PSE”) under the ticker symbol “MPI”.

On April 26, 2023, MPIC received a Notice of Intent to undertake a Tender Offer from a consortium comprising Metro Pacific Holdings, Inc. (“MPHI”), GT Capital Holdings, Inc. (“GTCHI”), Mit-Pacific Infrastructure Holdings Corporation (“MPIH”), and MIG Holdings, Inc. (“MIG”) (collectively referred to as the “Consortium”) which stated their intention to make a tender offer for all the outstanding common shares of MPIC (the “Tender Offer”) with the aim of taking MPIC private through a voluntary delisting process.

On June 1, 2023, MPIC deferred the shareholders’ vote to approve the voluntary delisting of the Company from the PSE until a Fairness Opinion and Valuation Report commissioned by the Consortium is finalized in support of the Tender Offer.

We understand that the Consortium seeks to arrive at a fair and equitable valuation of MPIC’s common shares in connection with its potential voluntary delisting, subsequent to the Tender Offer to minority shareholders (the “Transaction”).

Our Engagement

On June 5, 2023, Unicapital, Inc. (“UI”, “Financial Advisor”, or “FA”) was engaged by the Consortium to issue an independent Fairness Opinion and Valuation Report (“FOVR”) for the issued common shares of MPIC subject of the Transaction.

Prior to this engagement, UI has not acted as a financial advisor in relation to the Transaction, to MPIC, its Subsidiaries and any affiliates, or any of the parties involved in the Transaction.

For this engagement, UI will receive a fixed financial advisory fee, which is not dependent on the success of the Transaction, but upon delivery of the Fairness Opinion and Valuation Report.

Based on the terms of reference of the engagement, UI immediately conducted a review of MPIC and its Subsidiaries’ financial statements and other publicly accessible information on MPIC that were considered to be relevant for the analysis. For purposes of this valuation exercise, the valuation methodologies were applied to the consolidated financial performance of MPIC and its Subsidiaries, as reflected in the historical audited financial statements provided by the Consortium. Subsequently, a structured approach was applied using the following valuation methodologies, when applicable, namely:

- Net Asset Value Approach, which estimates the net residual value of the Company’s common shares by carefully arriving at the value of its assets, using the latest full-year audited financial statements provided by the Consortium to the Financial Advisor and public reports published by the Company, and subsequently deducting all its liabilities, goodwill, and non-controlling interest (the “Net Asset Value” or the “NAV”);
- Discounted Cash Flow Approach, which estimates the value of the Company and its subsidiaries through the present value of expected future cash flows based on projections that assume full commercial operations;
- Dividend Discount Model, which estimates the value of the Company through the present value of all future dividends that the Company is expected to payout;
- Price-to-Earnings-Based Approach, which seeks to benchmark the value of MPIC’s shares compared to its counterparts, using applicable metrics; and

- Volume-Weighted Average Price, which examines the value of the Company's shares based on historical trading volume and price within a specific time period.

Valuation Summary

MPIC's Indicative Market Capitalization and Price per Share

Indicative Valuation P Thousands	Market Capitalization	
	Low	High
CPCM – P/E	96,591,712.30	122,078,668.17
SOTP – NAV	118,322,664.43	140,943,173.80
Single-Stage DDM	131,194,362.43	144,862,085.79
SOTP – DCF	133,063,336.42	146,326,006.94
VWAP	109,162,935.75	126,577,664.20
Range	96,591,712.30	146,326,006.94

Indicative Valuation Price Per Share	Price Per Share	
	Low	High
CPCM – P/E	3.37	4.25
SOTP – NAV	4.12	4.91
Single-Stage DDM	4.57	5.05
SOTP – DCF	4.64	5.10
VWAP	3.80	4.41
Range	3.37	5.10

Note: The implied price per share is based on MPIC outstanding shares of 28,695,934,752 as of June 23, 2023.

Our Opinion

After careful examination of different valuation methodologies used to estimate the fair value of MPIC's equity, the results were summarized into a range of values.

Based on the analysis undertaken and on the summary of valuation considerations described in the Valuation Report, the Financial Advisor is of the opinion that MPIC's indicative valuation ranges between **₱96.59 billion to ₱146.33 billion** equivalent to a share price of **₱3.37 to ₱5.10**.

Scope and Limitations

We have not audited or otherwise reviewed the accuracy of the full-year audited financial statements provided by the Consortium or taken from publicly available sources. It was assumed that these financial statements are true and accurate and are reflective of MPIC's financial condition during the date of the financial statements.

The preparation of the Fairness Opinion and Valuation Report by UI is limited to the purpose of the Transaction.

Some of the information contained in this report may have been taken from third-party sources or publicly available information. We have not independently verified whether such facts or information are true and correct. Further, UI has had no communications with MPIC management regarding any forward-looking guidance or financial projections for the purpose of this Report.

No representation or warranty, expressed or implied, is made by UI, or its respective affiliates subsidiaries, principals, directors, shareholders, officers, employees, agents, advisors, or representatives, as to the accuracy or completeness of any information, whether written or oral, contained in this Fairness Opinion and Valuation Report. UI expressly disclaims any and all liability, which may be based on such information, errors therein or omissions therefrom.

Nothing contained within this Fairness Opinion and Valuation Report is or should be relied upon as a promise of representation as to the future performance of the Company.

The recommendations and valuations contained therein were prepared by the Financial Advisor based on information available at the time the Valuation Report was prepared, and there are no representations, warranties, or other assurances that any of the conditions set forth herein will be realized.

We have no obligation to update this report or our recommended valuation for information that comes to our attention after the date of this report. This Valuation Report is based on the prevailing market, corporate, and economic conditions at the time of writing.

We have also assumed that all governmental, regulatory and other consents and approvals necessary for the consummation of the Transaction and any of MPIC's business dealings will be obtained without any material adverse effect on MPIC.

This Fairness Opinion and Valuation Report does not constitute a selling document, a recommendation to purchase or sell the shares of any of the companies mentioned herein, and makes no reference to the likelihood or relative benefits of any alternative transaction.

The Fairness Opinion and Valuation Report does not render an opinion on the fairness of the compensation in the Transaction to any of the Consortium's or MPIC's directors, officers, or employees relative to the Consortium or MPIC's shareholders.

Information Sources

The following sources of information were used in the preparation of this report:

- Company disclosures relevant to the analysis and as published on PSE EDGE;
- Audited financial statements of the Company and its Subsidiaries for the years ended and as of December 31, 2018, 2019, 2020, 2021, and 2022, and their respective annual reports;
- Certain publicly available information of the Company's financial performance from its company website; and
- Certain publicly available financial and stock market information (FactSet Research Systems, Inc., PSE Edge, and Bloomberg) regarding selected listed companies in a similar line of business we believe to be comparable to MPIC.


For the purposes of our analysis, we have assumed that all financial and other information received from all sources listed above were accurate and complete and have relied on this information without accepting any responsibility for independent verification.

Very truly yours,

UNICAPITAL, INC.



Jaime J. Martirez
President
TIN 101-540-783



Francis J. Reyes II
Assistant Manager
TIN 501-205-543-000

ABOUT UNICAPITAL, INC.

Unicapital, Inc. (“UI”) is a full-service investment house that is duly licensed by the Securities and Exchange Commission (“SEC”) to provide the widest array of finance and investment-banking product lines. Incorporated in 1994, the firm has successfully established itself as an active player in the trading of fixed income and equity securities, the underwriting and distribution of commercial papers, bonds, preferred shares and equity issues for listing in the Philippine Stock Exchange (“PSE”), and the provision of financial advice to its corporate clients.

On June 21, 2023, the PSE issued memorandum CN-2023-0030 (see ANNEX III | PSE ACCREDITATION) confirming the re-accreditation of UI as an accredited firm for issuing Fairness Opinions and Valuation Reports for a period of one year valid until June 26, 2024.

The Fairness Opinion and Valuation Report was not approved by a committee created within UI but instead was subject to an internal process of review and preparation. The Fairness Opinion for the Assets was initially prepared by an analyst and a junior officer of the Corporate Finance Department assigned to the transaction. It was then reviewed and approved by the President of the firm before it was issued out to the Board of Directors of the Company.

Mr. Jaime J. Martirez, President and CEO. He is concurrently the President and CEO of Unicapital Finance and Investments, Inc. and Chairman of the Executive Committee of the Group. He holds other key positions in several private and publicly listed corporations that are engaged in the fields of energy, real estate, and water distribution. He is the Vice President and Director of MAJALCO, Inc. and Treasurer and Director of Des Eaux Utilities Co., Inc., a bulk water provider of several local water districts in Bulacan. He is likewise a Director and Vice President of MJ Realty; Treasurer of GJ Holdings; and President of Unoventure, Inc., an enterprise facilities provider located in the PEZA Industrial Parks, south of Metro Manila. He also sits as Director of Malayan Savings and Mortgage Bank and Acme Pawnshops, Inc. He sits as a Director of Basic Energy Corporation, a publicly listed company in the Philippine Stock Exchange engaged in oil and renewable energy exploration and sits as Chairman of the finance and investments committee of the company. He is also a Director of Unicapital Securities, Inc. Mr. Martirez is a member of the Makati Business Club, Charter member of the Rotary Club of Makati Ayala and a past director of the Philippine Finance Association. He has acquired and developed professional expertise in the field of Investment Banking for the last 43 years, since 1976.

Mr. Francis Reyes II, Assistant Manager. He is a member of UI’s Corporate Finance Department. He graduated from Ateneo de Manila University with a Bachelor of Arts Degree in Economics. He is also currently taking a master’s degree in business administration from the Ateneo Graduate School of Business. He has experience in a broad range of private & public equity transactions, financial advisory, and mergers and acquisitions.

While Mr. Martirez and Mr. Reyes have extensive experience in business and finance, their professions are not bound by any licensure requirements.

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1 | BUSINESS OVERVIEW

1 | ABOUT METRO PACIFIC INVESTMENTS CORPORATION

COMPANY OVERVIEW



Metro Pacific Investments Corporation (the “Parent Company” or “MPIC”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (“SEC”) on March 20, 2006 as an investment holding company. MPIC’s common shares of stock are listed and traded through the Philippine Stock Exchange (“PSE”) with the ticker “MPI”. MPIC is a leading infrastructure holding company in the Philippines that continues to develop a diverse set of assets through its investments in water, toll roads, power generation and distribution, light rail, health, fuel storage, real estate, food and agriculture business.

The Company operates through the following business segments:



- **Power** – This primarily pertains to the distribution, supply, and generation of electricity by Manila Electric Company (“MERALCO”). The investment in MERALCO is held both directly and indirectly through Beacon Electric Asset Holdings, Inc. (“Beacon Electric”). In addition, MPIC has investments in Global Business Power Corporation (“GBPC”) held through MERALCO PowerGen Corporation (“MGen”) following MGen’s acquisition of GBPC in 2020. The assets and liabilities of GBPC were deconsolidated in relation to the sale.



- **Toll** – This primarily pertains to the operations and maintenance of toll facilities by Metro Pacific Tollways Corporation (“MPTC”) and its subsidiaries NLEX Corporation (“NLEX Corp.”), Cavite Infrastructure Corporation (“CIC”), MPCALA Holdings (“MPCALA”), Cebu Cordova Link Expressway Corporation (“CCLEC”), and foreign investees, CII Bridges and Roads Investment Joint Stock Company (“CII B&R”), and PT Nusantara Infrastructure Tbk (“PT Nusantara”).



- **Water** – This primarily pertains to provision of water and sewerage services by Maynilad Water Holding Company, Inc. (“MWHCI”) and its subsidiaries Maynilad Water Services, Inc. (“Maynilad”) and Philippine Hydro, Inc. (“PHI”), and other water-related services by MetroPac Water Investments Corporation (“MPW”) and its foreign investees, B.O.O. Phu Ninh Water Treatment Plant Joint Stock Company (“PNW”), and Tuan Loc Water Resources Investment Joint Stock Company (“TLW”).



- **Rail** – This primarily pertains to the operations of Metro Pacific Light Rail Corporation (“MPLRC”) and its subsidiary, Light Rail Manila Corporation (“LRMC”), the concessionaire for the operations and maintenance of the Light Rail Transit – Line 1 (“LRT-1”) and construction of the LRT-1 south extension (both known as the “LRT 1 Project”).
- **Others** – This pertains to the holding companies and operations of subsidiaries and other investees involved in health, fuel storage, real estate, biogas, food and agriculture.

POWER OPERATIONS

The investment in MERALCO is held directly by MPIC at 12.5% as of December 31, 2022 and held indirectly through Beacon Electric at an effective interest of 35.0% as of December 31, 2022.

MERALCO is the Philippines' largest electric power distribution company, with franchise area covering 9,685 square kilometers ("km"). It provides power to more than 7.6 million customers in 38 cities and 7 municipalities. Electricity distribution within the MERALCO franchise area accounts for over 50% of the power requirements of the country.

**TOLL OPERATIONS**

Metro Pacific Tollways Corporation is the largest toll developer and operator in the Philippines in terms of vehicle traffic volume, revenue levels, asset base, and combined length of expressways in kilometers. MPTC handles 700,000 vehicles per day on the average during the pandemic and close to a million vehicles per day pre-pandemic.



MPTC operates through Metro Pacific Tollways Data Services, Inc., Metro Pacific Tollways North Corporation, Metro Strategic Infra Holdings, Inc., Metro Pacific Tollways South Corporation, Metro Pacific Tollways Vizmin Corporation, CII Bridges and Roads Investment Joint Stock Company, Easy Trip Services Corporation, MPT Asia Corporation, PT Nusantara, Metro Pacific Tollways Asia Corporation PTE. LTD., Dibztech, Inc., CAVITEX, and NLEX Corporation. Information on key subsidiaries of MPTC are listed below.

- NLEX Corporation is a premiere company engaged in the development, design, construction, finance, operation and management of toll road projects. It is the builder-concessionaire and operator of two major expressways that link Metro Manila to North and Central Luzon: NLEX and SCTEX. The NLEX Corporation also holds the concession for the NLEX Connector, an 8-kilometer all-elevated highway to be built along the PNR right of way, extending the NLEX southward from the end of NLEX Harbor Link Segment 10 in C3/5th Avenue, Caloocan City to PUP Sta. Mesa, Manila.
 - NLEX is a modern toll expressway that was commissioned by the Government to replace the ageing North Luzon Diversion Road and to facilitate the development of the Subic and CSEZ. It serves as a gateway to travelers going to Central and Northern Luzon from the National Capital Region and vice versa.
 - SCTEX is a 94-km, four-lane expressway north of Manila, connecting the Subic Bay Freeport Zone in Zambales with the NLEX near the CSEZ in Angeles City and extending to the Central Techno Park in Tarlac City and is the longest toll expressway in the Philippines
- CAVITEX is a fourteen (14)-km expressway from Roxas Boulevard to Cavite;
- PT Nusantara, through its subsidiaries, holds investments in the following: (1) Toll road operators – PT Bintaro Serpong Damai ("BSD"), PT Jalan Tol Seksi Empat ("JTSE"), PT Metro Makassar Network ("MMN"), PT Jakarta Lingkar Baratsatu ("JLB") and JJC; (2) Water and waste management service providers – PT Sarana Catur Tirta Kelola ("SCTK") and PT Dain Celicani Cemerlang ("DCC"); (3) Power supply providers – PT Rezeki Perkasa Sejahtera Lestari ("RPSL") and PT Inpola Meka Energi ("IME");

WATER OPERATIONS

MWHCI, a joint venture between MPIC, DMCI Holdings, Inc. (“DMCI”), and Marubeni Corporation, holds controlling shares in Maynilad, which, in turn holds the exclusive concession granted by the Metropolitan Waterworks and Sewerage Systems (“MWSS”), on behalf of the Government, to provide water and sewerage services in the West Zone of the Greater Metro Manila.



Maynilad’s subsidiaries are PHI and Amayi Water Solutions, Inc. (“Amayi”). PHI owns and operates three plants that supply treated bulk water to the Legaspi City Water District in Albay, Norzagaray Water District, Santa Maria Water District, Bocaue Water District in Bulacan and in Bambang, Nueva Vizcaya. Amayi was organized to engage in the distribution of water outside the West Zone of the Greater Metro Manila.



MPW, a wholly-owned subsidiary of MPIC, is pursuing water infrastructure projects and other water-related investments across the Philippines. As at December 31, 2022, MPW’s subsidiaries hold the following concession rights:

- Through 95% in Cagayan De Oro Bulk Water Inc. (“COBI”) via its wholly owned subsidiary, MetroPac Cagayan De Oro Holdings, Inc. (“MCOH”). COBI, a joint venture between MCOH and Cagayan de Oro Water District (“COWD”), holds a 30-year bulk water supply agreement to supply up to 100 million liters per day (“MLD”) of treated water to COWD (“CDO Project”).
- Through 80% in Metro Iloilo Bulk Water Supply Corporation (“MIBWSC”). MIBWSC, a joint venture between MPW and Metro Iloilo Water District (“MIWD”), holds a 25-year bulk water supply project to supply MIWD up to 170 MLD (“Metro Iloilo Bulk Project”). On July 5, 2016, MIBWSC officially took over water production operations from MIWD.
- Through 80% in Metro Pacific Iloilo Water Inc. (“MPIWI”). MPIWI, a joint venture between MPW and MIWD, holds a 25-year concession to rehabilitate, operate, maintain and expand MIWD’s existing water distribution system and provide sanitation services to MIWD’s service area (“Metro Iloilo Distribution Project”).
- Through 80% in Metro Pacific Dumaguete Water Services Inc. (“MDW”). MDW, a joint venture between MPW and Dumaguete City Water District’s (“DCWD”) holds a 25-year concession to rehabilitate, operate, maintain and expand DCWD’s existing water distribution system and develop wastewater facilities to serve DCWD’s service area (“Metro Dumaguete Distribution Project”).

MPW also has an effective interest in the following:

- Effective interest of 27% in Laguna Water District Aquatech Resources Corp. (“LARC”) through its direct ownership of 30% in EquiPacific HoldCo Inc. (“EquiPacific”). LARC, a joint venture between EquiPacific and Laguna Water District (“LWD”), implements the joint venture project for the financing, rehabilitation, improvement, expansion, operation and maintenance of the water supply and distribution system within LWD’s franchise area in Los Baños, Bay, Calauan and Victoria of the Province of Laguna.
- Effective interest of 49% in TLW through its wholly owned subsidiary, Metro Pacific TL Water International Limited. TLW is one of the largest water companies in Vietnam, with 310 MLD of installed capacity. TLW’s main project assets are the: (1) Song Lam Raw Water Plant, (2) Ho Cau Moi Water Treatment Plant, and (3) Nhon Trach 6A Sewage Treatment Plant.
- 65% ownership in EcoSystem Technologies International, Inc. (“ESTII”). ESTII is engaged in the business of designing, supplying, constructing, installing, and operating and maintaining wastewater and sewage treatment plant facilities.

RAIL OPERATIONS

MPIC operates its rail business through its subsidiary, Metro Pacific Light Rail Corporation (“MPLRC”). MPLRC’s activity is the holding of shares of both Light Rail Manila Holdings Inc. (“LRMH”) and LRMC. LRMC holds the exclusive concession granted by the Department of Transportation (“DOTr”) and Light Rail Transportation Authority (“LRTA”), on behalf of the Government to operate and maintain the existing LRT-1, and to extend the south line Baclaran to Niog, Cavite. LRMH holds shares in LRMC.



**LIGHT RAIL
MANILA
CORPORATION**

main
from

FUEL STORAGE

Philippine Coastal Storage and Pipeline Corporation (“PCSPC”) operates the petroleum storage and pipeline facilities of the former US military bases, namely Subic Bay Naval Base and Clark Air Force Base. MPIC indirectly owns 50% of PCSPC through a partnership with Keppel Infrastructure Fund Management Pte. Ltd. (in its capacity as trustee-manager of Keppel Infrastructure Trust (“KIT”)). PCSPC is the largest independent petroleum product import terminal in the Philippines with a storage capacity of approximately 6.0 million barrels. The 150-hectare facility comprises of 87 storage tanks, two piers and a pipeline infrastructure connecting the entire facility.



**PHILIPPINE COASTAL
STORAGE & PIPELINE
CORPORATION**

HEALTH

MPIC has created the Philippines’ first nationwide chain of leading private hospitals to deliver comprehensive in-patient and out-patient hospital services, including medical and surgical services, diagnostic, therapeutic intensive care, research and training facilities in strategic locations in the country. MPH has the largest network of premier private hospitals in the Philippines with over 3,800 beds, around 9,500 accredited doctors, and more than 13,000 staff as of December 2022.



MPIC’s digital arm mWell PH provides affordable and accessible health and wellness services anytime and anywhere through its fully integrated digital platform. mWell PH initially launched in July 2021 and reached over 1.4 million users at the end of 2022. mWell is available globally and offers telemedicine, wellness score developed by scientists, and provides a portable mobile digital clinic to remote communities in the country.

**REAL ESTATE**

The MPIC Group also has real estate investments through Landco Pacific Corporation (“Landco”), which develops leisure communities, resort-inspired condominiums and luxury home communities, and Metro Vantage Properties, Inc. (“MVPI”), which develops, designs and markets real estate properties. In 2021, Landco’s sales were at an all-time high since 2016, with 85% of sales from beachtown projects (Playa Laiya, Club Laiya, Playa Calatagan, Calatagan South Beach, Playa Azalea and Costa Azalea).



AGRIBUSINESS

Metro Pacific Agro Ventures Inc. (“MPAV”), the wholly owned agriculture unit of MPIC, is engaged in the following agriculture business:



1. The Vegetable Greenhouse Project, a 22-hectare property, housing a complex of modern greenhouses in San Rafael, Bulacan;
2. An agreement to acquire 34.76% ownership in Axelum Resources Corporation (“ARC”) for ₱5.3 billion. ARC is a leading manufacturer and exporter globally of high-quality coconut products, and one of the major suppliers of Vita Coco, the global market leader in coconut water; and
3. Future expansion of a dairy farm facility in Bay, Laguna, where it plans to annually produce at least 6 million liters of milk.

SHAREHOLDERS AND SENIOR MANAGEMENT

Stockholders of MPIC as of December 31, 2022 are as follows:

Shareholders	Type	Shares	Ownership %
Metro Pacific Holdings, Inc.	Common	13,222,948,174	41.89%
PCD Nominee Corp. (Filipino)	Common	7,510,450,510	23.79%
GT Capital Holdings, Inc.	Common	4,900,000,000	15.52%
PCD Nominee Corp. (Non-Filipino)	Common	3,534,908,319	11.20%
Metro Pacific Investment Corp.	Common	2,250,768,000	7.13%
Sergio Ong or Shirley Oland	Common	55,000,000	0.17%
La Filipina Uy Gongco Corporation	Common	41,450,000	0.13%
Albert F. Del Rosario and/or Margaret Gretchen V. Del Rosario	Common	12,774,224	0.04%
Manuel Velez Pangilinan	Common	9,500,001	0.03%
Others	Common	31,539,524	0.10%

The Board of Directors and Executive Officers of MPIC as of December 31, 2022 are as follows:

Name	Designation
Manuel V. Pangilinan	President and Chairman
Jose Ma. K. Lim	Director
June Cheryl A. Cabal-Revilla	EVP, CFO, CSO, and CRO
Pedro E. Roxas	Independent Director
Augusto P. Palisoc, Jr.	Director
Albert F. Del Rosario	Director
Alfred V. Ty	Vice Chairman
Artemio V. Panganiban	Independent Director

Name	Designation
Ramoncito S. Fernandez	Director
Oscar J. Hilado	Independent Director
Francisco C. Sebastian	Director
Ray C. Espinosa	Director
Christopher H. Young	Director
Rodrigo E. Franco	Director
Roberto C. Yap, S.J.	Independent Director
Ricardo M. Pilares III	Corporate Secretary, CGO, VP-Legal, and Compliance Officer
Cristina S. Palma Gil-Fernandez	Assistant Corporate Secretary
Stanley H. Yang	Senior Adviser
Melody M. Del Rosario	VP-PR and Corp. Communications
Loudette Anne M. Zoilo	VP-Human Resources
Michael T. Toledo	Head of Government Relations and Public Affairs
Marisa V. Conde	VP - Technical Finance / DPO
Maricris A. Ysmael	VP - Investor Relations
Nancy Kathleen S. Roxas	VP - Treasury
Ryan Jerome T. Chua	VP - Business Development
Kristine P. Fragante	AVP - Reporting and Financial Planning
Francis Alvin V. Asilo	AVP - Legal
Ma. Clarice U. Marucut	AVP - Business Development
Ma. Joanna Carmela P. Sanalila	Internal Audit Head
Christopher Andrew B. Pangilinan	VP - Enterprise Resilience

2 | INDUSTRY OVERVIEW

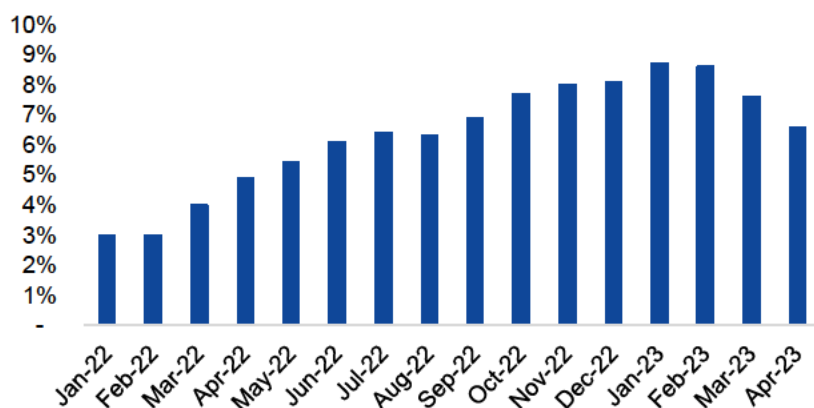
2 | INDUSTRY OVERVIEW

THE PHILIPPINE ECONOMY

The Philippines' economy is among the economies of Asia and the Pacific that are gradually recovering from the adverse impacts that the coronavirus disease ("COVID-19") pandemic brought globally. A stronger-than-expected domestic demand driven by rising employment and a recovery in tourism after the country lifted COVID-19 mobility restrictions are expected to support the Philippine economy's faster-than-expected growth, according to Asian Development Bank's ("ADB") Outlook report as of December 2022.

As of April 2023, the Philippines' headline inflation rate slowed down to 6.6% from the 7.6% in the previous month, resulting in an average inflation rate of 7.4% based from the Philippine Statistics Authority ("PSA") data. According to Finance Secretary Benjamin Diokno, the country is on track in terms of managing inflation to within its 2% to 4% target by 2024. The downtrend in inflation is mainly due to the lower contribution of food and non-alcoholic beverages, transport, housing, water, electricity, gas and other fuels to the overall inflation. The continuous decline in inflation from the recent months showed moderation of food inflation, particularly price declines in some vegetables and sugar as supply improved.

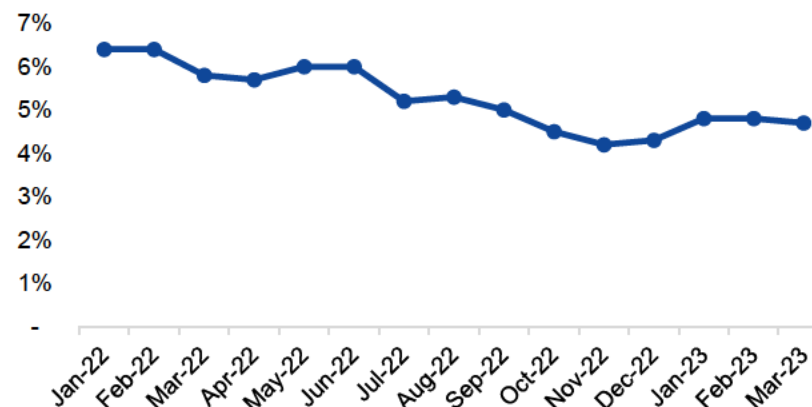
Headline Inflation Rate



Source: Philippine Statistics Authority

In line with the country's overall recovery from the pandemic and transition to full reopening of the economy, the unemployment rate significantly dropped to 6.6% in December 2021 compared to the 10.3% of 2020. In March 2023, the unemployment rate decreased further to 4.70%. Majority of the increase in employment came from the services sector, specifically in wholesale and retail trade. The National Economic and Development Authority ("NEDA") is expecting more job opportunities and a higher employment rate as the country moves toward full pandemic recovery. Out of the overall improvement in employment, the services sector accounted for the largest share with 59% employment, followed by agriculture sector and industry sector with 23.5% and 17.5%, respectively."

Unemployment Rate

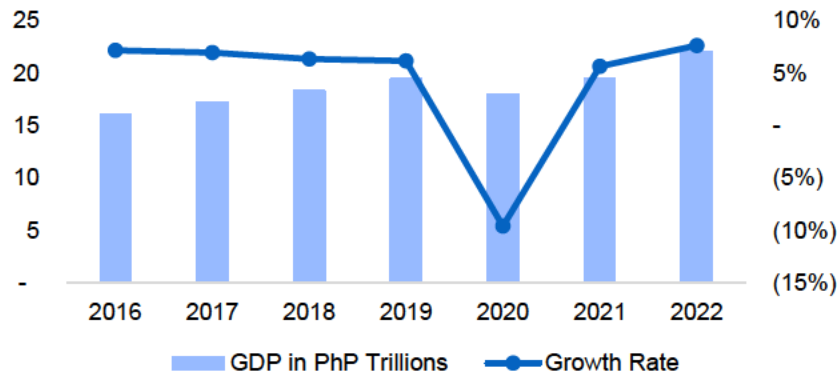


Source: Philippine Statistics Authority

Gross Domestic Product ("GDP") refers to the total market value produced by a country, which includes all final goods and services for a specific time frame. In 2022, the Philippines registered a nominal GDP of PhP22.0 trillion, which is a 7.6% year-on-year growth. In a September 2022 report, the ADB projects the Philippines' GDP growth

to decelerate to 6.0% in 2023, compared to the prior projection of 6.5%. Even though the Philippine economy has exhibited signs of recovery, there are downside risks to growth in 2023, which include inflation stickiness, interest rate hikes, and a decline in GDP growth in advanced nations. The International Monetary Fund (“IMF”) projects that Philippine GDP will grow between 2023 and 2028, with the growth estimate for 2028 at 6.4% as the nation resumes majority of its economic activities and approaches pre-pandemic levels.

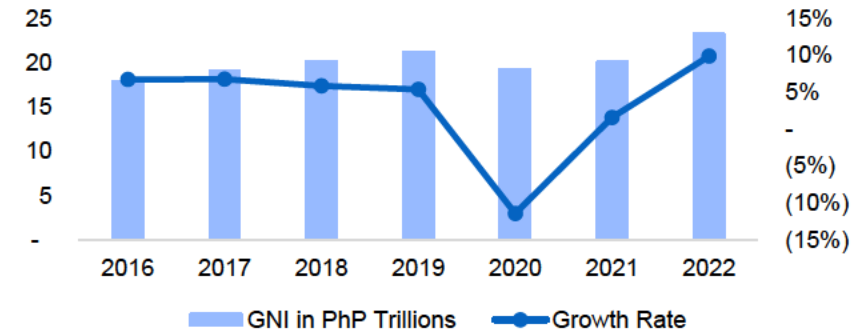
Gross Domestic Product (GDP)



Source: Bangko Sentral ng Pilipinas

Gross National Income (“GNI”) refers to the value produced by a country regardless if it is sourced domestically or internationally. GNI for 2022 reached ₱23.3 trillion, which is 16.0% higher than ₱20.1 trillion in 2020. This increase was due to higher net primary income and GDP increase for the year.

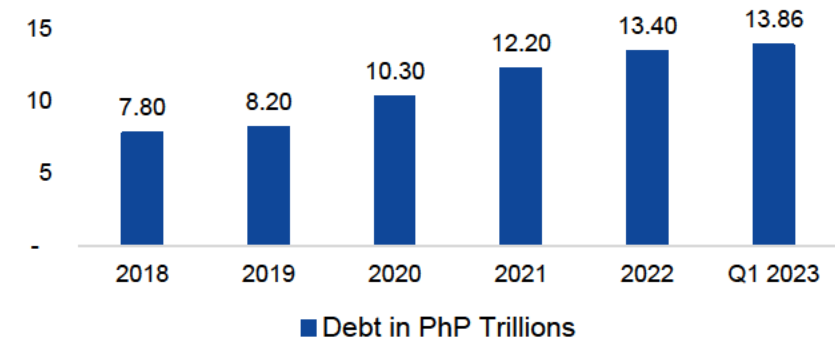
Gross National Income (GNI)



Source: Bangko Sentral ng Pilipinas

As a result of the pandemic's negative economic impact, the administration of former President Rodrigo Duterte borrowed money from various international financial institutions and foreign governments to shore up government finances for pandemic response activities. These accelerated the growth of national debt and continues to weigh on the debt-to-GDP ratio.

National Government Outstanding Debt

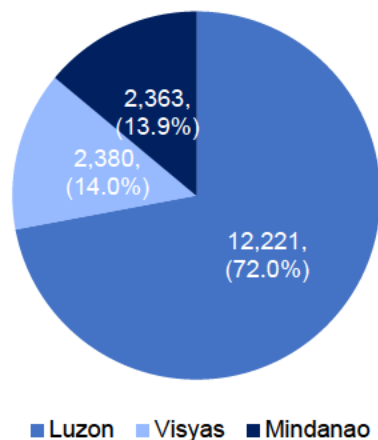


Source: Bureau of Treasury

POWER SECTOR IN THE PHILIPPINES

According to Independent Electricity Market Operator of the Philippines (“IEMOP”), the average demand in the Luzon and Visayas markets increased from 10,244 MW in March 2023 to 11,033 MW in April 2023. While this occurred, the average demand for Mindanao rose from 1,752 MW to 1,790 MW. The year-to-date top levels in all grids were reached as a result of an increase in demand.

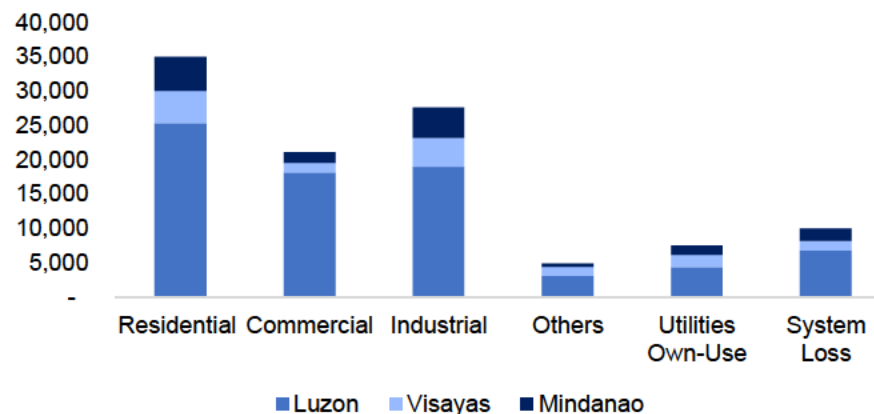
System Peak Demand in MW, 2021



Source: Department of Energy 2021 Annual Power Statistics

Based on the Department of Energy’s Annual Power Statistics released in June 2022, the Philippines’ Electricity Consumption data was reported at 106,115.000 GWh in 2021. This records a 4.3% increase from the previous 101,756.000 GWh in 2020. In relation to DOE’s Power Development Plan, the peak demand for the entire country is anticipated to approximately increase at 7% per year from 2020 to 2040. To meet this demand, the Philippines targets to increase installed capacity by around five times, from 22,317 MW in 2019 to 114,601 MW in 2040, coming from current, committed, and new construction capacities.

Electricity Consumption by Sector (in GWh), 2021



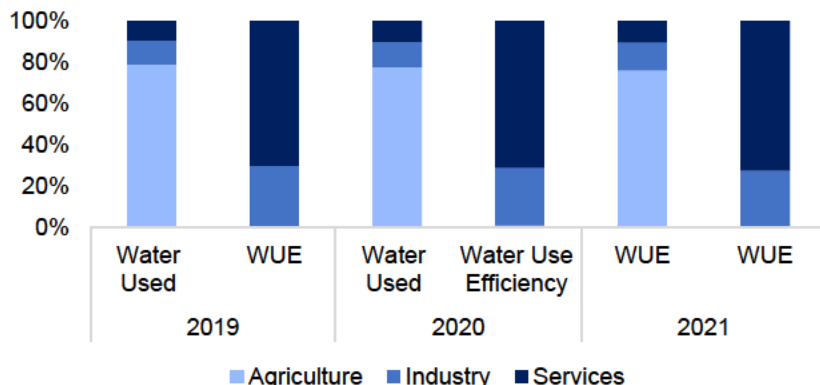
Source: Department of Energy 2021 Annual Power Statistics

While demand for electricity increased during the summer season of 2023, the IEMOP stated that the market remains stable given the ample supply across all grids. Despite an upward trend in demand, supply for Luzon and Visayas increased from 14,226 MW in March to 14,612 MW in April, as fewer generators had been scheduled for an outage. Mindanao, on the other hand, had abundant supply levels of about 3,018 MW in March and April. However, market pricing for Luzon and Visayas grew from ₱6.57 to ₱7.68 per kilowatt-hour during March to April 2023 billing periods. Mindanao’s market pricing, on the other hand, fell from ₱6.56/kWh in March to ₱5.36/kWh in April.

WATER INDUSTRY IN THE PHILIPPINES

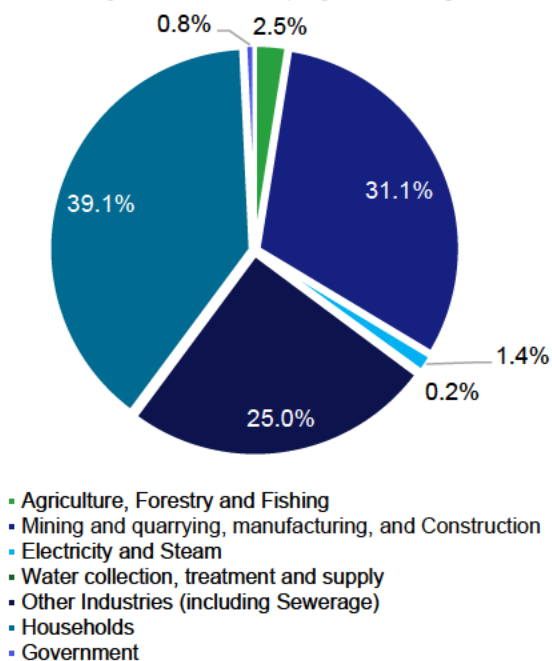
Based on the Philippine Statistics Authority’s data, the value added per unit of water used, or the country’s water use efficiency (“WUE”), improved from ₱199.25 per cubic meter in 2020 to ₱200.06 per cubic meter in 2021. Over the past ten years, the services sector constantly had the highest WUE, followed by the industrial and agricultural sectors. Over the same time period, the services sector contributed just 10.3% of the water utilized but more than 63.5% of the total gross value added.

Water Use Efficiency, 2019-2021



Note: Water Used (in million cubic meters), Water Use Efficiency (Php/m³)
 Source: Philippines Statistics Authority

PH Water Consumption in 2021, by Industry



Source: Philippines Statistics Authority

In 2021, households continuously accounted for the greatest portion of overall water expenditures. Water expenses in households rose to Php56.23 billion in 2021. Mining and quarrying, manufacturing, and construction industries, as well as the services sector, came in second and third, respectively, with revenues of Php44.72 billion and Php35.92 billion.

RAIL TRANSPORT IN THE PHILIPPINES

The Philippines Train System is divided into two types: light rail transit (“LRT”) and metro rail transit (“MRT”). These are being regulated by the Department of Transportation (“DOTr”), an agency of the government that ensures convenient and reliable transportation and implements protocols therein.

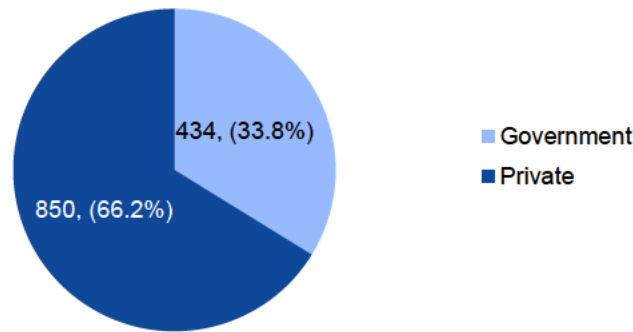
The Manila LRT System is an urban rail transit system that is jointly-operated by the Light Rail Transit Authority (“LRTA”), a government corporation attached to the DOTr and Light Rail Manila Corporation (“LRMC”). The LRT is a 37.24 kilometer-route that consists of 33 stations and two lines. Line 1 is aligned in a general north-to-south direction for over 19.65 kilometers with twenty (20) stations. Line 2 is aligned in a general east-to-west direction for over 17.60 kilometers with thirteen (13) stations. Meanwhile, MRT is a rapid transit system serving Metro Manila. It is a 16.90 kilometer-route with one (1) line and thirteen (13) stations. MRT Line 3, the first and only line operating in the Philippines, is jointly operated between Metro Rail Transit Corporation and the DOTr..

HEALTH SECTOR IN THE PHILIPPINES

The Philippine healthcare system is a combination of both public and private sectors. The government is primarily responsible for the provision of healthcare services to the population through the Department of Health (“DOH”) and various public hospitals and health centers. The Department of Health develops and approves state quality standards and clinical protocols and is responsible for the organization and implementation of the mandatory accreditation of health care facilities and the issuance of licenses. Local Government Units such as provincial governments are tasked with providing primary and secondary hospital care. City and municipal governments are tasked

with providing primary health care, promotive and preventive health programs and basic ambulatory clinical care. As of December 31, 2022, the Health Facilities and Services Regulatory Bureau (“HFSRB”) of the Department of Health reported a total of 1,284 DOH Licensed hospitals. Out of the total, 434 hospitals are owned by the government while 850 are private.

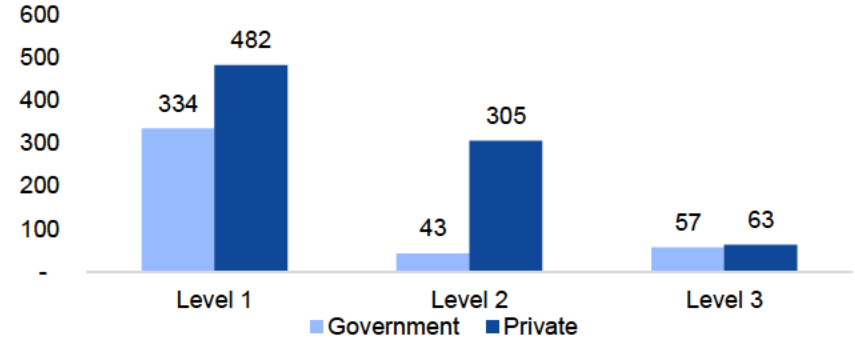
DOH Licensed Hospitals by Ownership, 2022



Source: DOH Health Facilities and Services Regulatory Bureau

The hospitals in the Philippines are categorized based on their classification. Level 1 hospital is the most basic in which there are no intensive care units (“ICU”) and mostly cater to patients who need minor care and supervision. A Level 2 hospital contains all the elements of Level 1 but with additional facilities like an ICU for critically ill patients and specialist doctors for gynecology and pediatric services. A Level 3 hospital is intended for specialty intervention like physical rehabilitation or dialysis treatment.

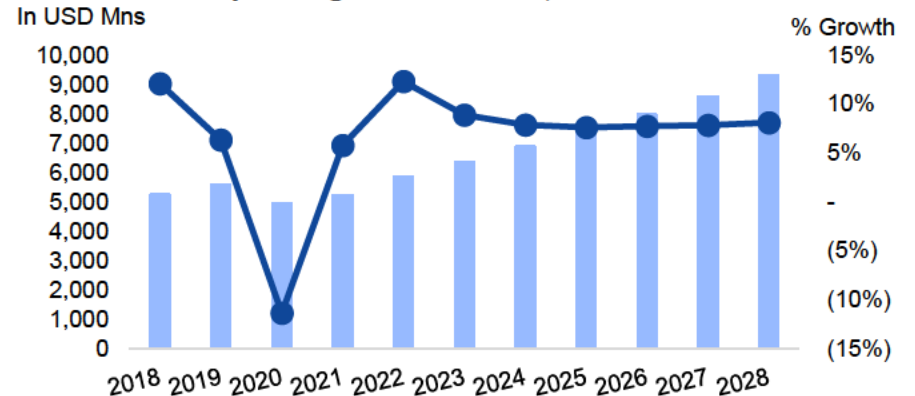
Total Number of Hospitals by Level, 2022



Source: DOH Health Facilities and Services Regulatory Bureau

Real total consumer spending on healthcare in the Philippines amounted to USD5.2B to USD5.8B in the past five years. Statista projected that it will grow to USD6.4B to USD9.3B from 2023 to 2028.

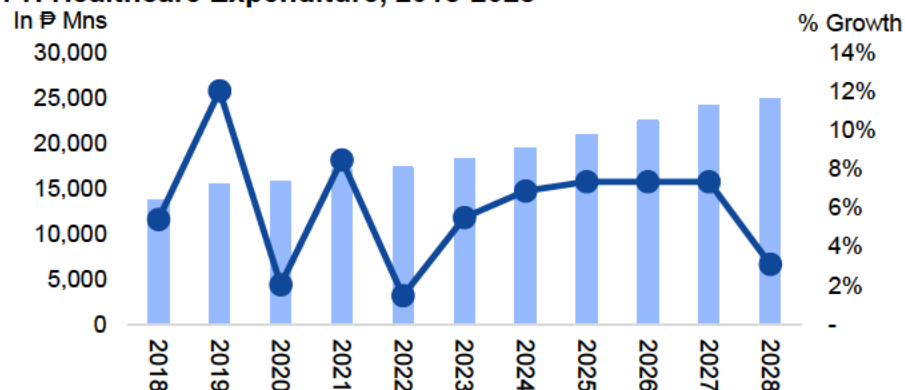
PH consumer spending on healthcare, 2018-2028



Source: Statista

According to PSA's Philippine National Health Accounts October 2022 report, government schemes and compulsory contributory health care financing schemes had the highest share in terms of health spending in 2021. Among health care providers, hospitals received bulk of the current health care expenditure amounting to ₱453.2 billion or 41.7% share, followed by retailers and other providers of medical goods at 26.2% and providers of health care system administration and financing at 14.8%.

PH Healthcare Expenditure, 2018-2028



Source: Statista

REAL ESTATE INDUSTRY IN THE PHILIPPINES

According to Santos Knight Frank’s Real Estate Outlook Report 2023, the Philippine real estate market is expected to have a sustained recovery in demand in 2023 across all important sectors, including retail, hotel, industrial, and office, with increased growth in the provinces.

In 2022, the Philippine GDP grew by 7.6%. According to Colliers, this growth, which is the nation's fastest in more than 40 years, might be a "positive signal" for the real estate market. This is due to the market's reflection of the nation's economic output's boom-bust cycle throughout the past decades. It is anticipated that this economic expansion would help the office and housing sectors.

From the Philippine Property 2023 Outlook, Colliers anticipates good net take-up in the office sector in 2023. It is anticipated that 338,600 square meters would be taken up, with support coming from traditional corporate occupiers (businesses in a range of industries, including legal, engineering and construction, government agencies, and flexible workspace providers) and IT-BPM organizations.

For the residential sector, Colliers anticipates that 5,600 new condominium units will be delivered by 2023, with around two-thirds of these being in the Bay Area. Condominium stock in Metro Manila's key commercial areas is anticipated to expand from 142,200 units in 2021

to 166,400 units by the end of 2024, a 17% increase, with the Bay Area possibly overtaking Fort Bonifacio as the region's largest condominium market.

In terms of the industrial sector, Colliers affirmed that increasing manufacturing competitiveness should attract more investments, which would be beneficial for industrial parks, particularly those in northern and central Luzon. In the Calamba-Laguna-Batangas (“CALABA”) corridor, about 112 hectares of industrial supply are anticipated to become available, and growing manufacturing and logistics companies are anticipated to promote industrial space absorption.

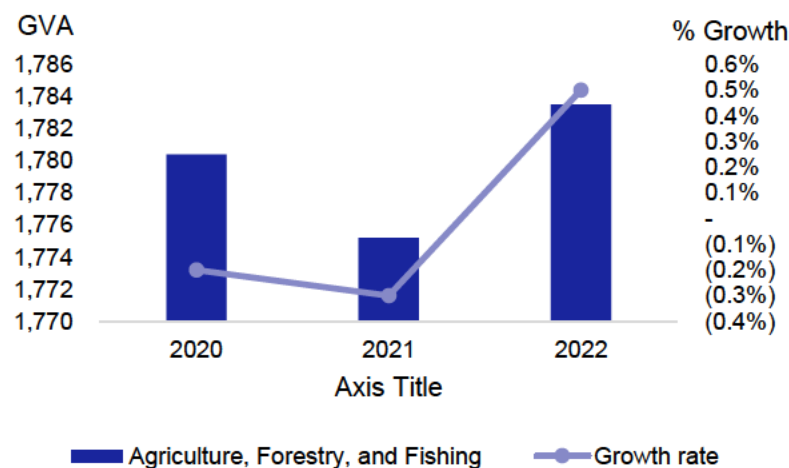
Real Estate	Rental Market	Vacancy	Supply
Office	5.00%	20.50%	603,900 sqm
Residential	2.00%	17.10%	5,600 units
Industrial	11.20%	6.00%	112 hectares

Source: Philippine Property Outlook by Colliers as of December 2022

AGRICULTURE SECTOR IN THE PHILIPPINES

Agriculture, forestry, and fisheries (“AFF”) grew at 2.2% in 1Q23, amounting to PhP444.2 billion, compared to the 0.2% increase in 1Q22.

Gross Value Added (in PhP mn)

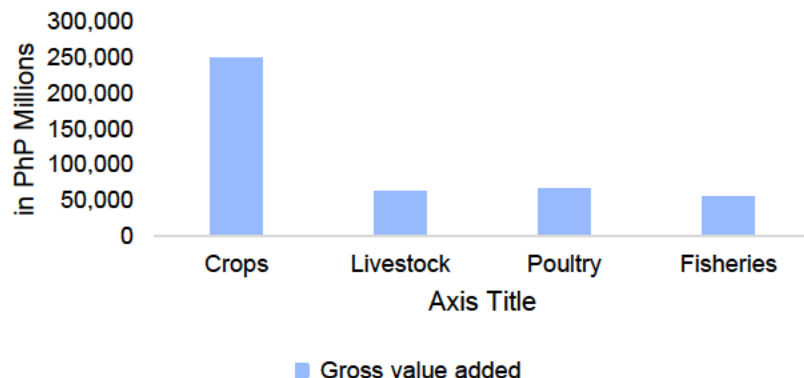


Source: Philippine Statistics Authority

The value of production in the agricultural and fishing industries at constant 2018 prices stood at ₱428.69 billion in 1Q23, representing a 2.1% annual growth. This was driven by the annual increase in the value of agriculture, livestock, poultry, and fisheries production. Crops grew by 1.0% amounting to ₱247.8 billion with palay, corn, coconut, and mango contributing high increments in the production. Livestock production also showed a 4.1% annual growth which contributed ₱61.6 billion of the overall agriculture and fisheries production. Meanwhile, poultry and fisheries recorded 3.2% and 0.3% annual increase, respectively.

According to the Department of Agriculture’s Undersecretary, Mercedita A. Sombilla, the country’s production is expected to expand up to 2.5% in 2023 driven by the crops, livestock, and poultry sectors. Further, the department intends to work on increasing the production of agricultural products and additional imports to ensure that supply would be available and keep prices stable.

Value of Production in Agriculture, 1Q23



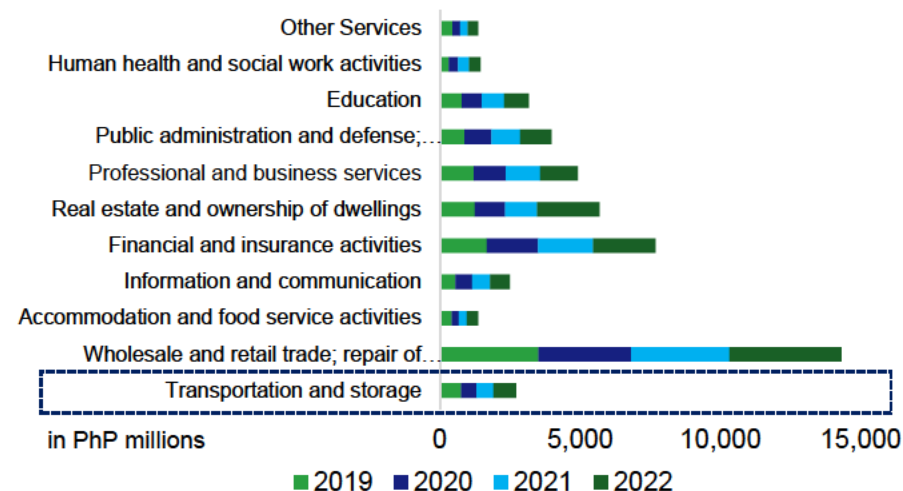
Source: Philippine Statistics Authority

LOGISTICS SECTOR IN THE PHILIPPINES

Despite the adverse impact of the mobility restrictions during the pandemic, the shipping and logistics industry gradually recovered in 2022 as manufacturing activities increased and major economies recovered. The GNI for transportation and storage sector amounted to

₱806.6 million in 2022, higher by 33.3% from ₱604.9 million in 2021, which accounts for 6.0% of the entire services industry.

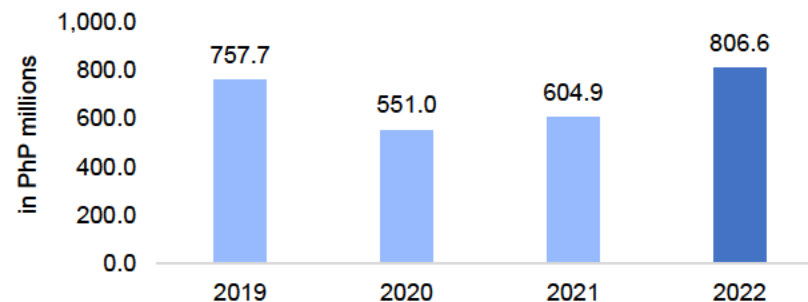
Gross Value Added of the Services Industry



Source: Philippine Statistics Authority (PSA)

Gross value added (“GVA”) is an economic productivity indicator that evaluates a company’s, or municipality’s contribution to an economy, producer, sector, or region. In 2022, the GVA generated from the services industry reached approximately ₱13.47 billion wherein the transportation and storage sector accounted for ₱806.6 million equivalent to 6.0% of the entire industry GVA.

GVA of Transportation and storage sector



Source: Philippine Statistics Authority (PSA)

3 | FINANCIAL AND OPERATING HIGHLIGHTS

3 | FINANCIAL AND OPERATING HIGHLIGHTS

The Audited Financial Statements of the Company for the years ended and periods as of December 31, 2020, 2021, and 2022 were audited by SGV & Company in accordance with Philippine Financial Reporting Standards (“PFRS”). UI did not independently verify the accuracy or completeness of the information contained in the Audited Financial Statements. Please see ANNEX I | SUMMARY OF AUDITED FINANCIAL STATEMENTS for the audited financial statements of the Company.

Statements of Comprehensive Income

₱ Millions	For the years ended December 31		
	2020	2021	2022
Operating Revenues	40,855	43,561	50,882
Cost of Sales and Services	(17,269)	(18,594)	(19,818)
Gross Profit	23,586	24,967	31,064
General and Administrative Expenses	(9,589)	(10,417)	(11,732)
Interest Expense	(10,010)	(9,230)	(10,306)
Share in Net Earnings of Equity Method Investees	7,337	10,302	14,210
Interest Income	1,229	745	1,134
Construction Revenue	33,988	27,014	35,441
Construction Costs	(33,988)	(27,014)	(35,441)
Provision for Decline in Value of Assets	(1,685)	(9,089)	(9,485)
Others	(323)	(92)	2,056
Income Before Tax	10,545	7,186	16,941
Provision for Income Tax	3,728	1,259	3,804
Net Income	6,817	5,927	13,137

Operating Revenues

MPIC’s operating revenues increased by 6.6% from ₱40.9 billion in 2020 to ₱43.6 billion in 2021 driven by stronger revenue contributions from the tollway, power, and hospital segments offsetting slow-moving results from the water and rail segments with the relaxation of COVID-19 travel and mobility restrictions. Subsequently, MPIC’s operating revenues increased by 16.8% to ₱50.9 billion in 2022 as higher revenue contributions from segments for tollways, water, power, and rail offset results from the hospital segment with the increase in economic activity and normalization of demand for healthcare services.

Tollway Segment Performance

Tollway segment revenues increased from ₱13.6 billion in 2020 to ₱17.5 billion in 2021 driven by higher MPTC toll fee revenues due to relaxed COVID-19 travel and mobility restrictions. As a result, net income for the tollway segment increased from ₱2.7 billion in 2020 to ₱3.9 billion in 2021 due to stable costs and expenses and lower tax rates arising from the signing of the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Law.

Tollway segment revenues increased from ₱17.5 billion in 2021 to ₱22.9 billion in 2022 as higher average daily vehicle entries and the relaxation of quarantine restrictions significantly increased MPTC

toll fee revenues. As a result, net income for the tollway segment increased from ₱4.1 billion in 2021 to ₱7.1 billion in 2022.

Water Segment Performance

Water segment revenues slightly decreased from ₱24.3 billion in 2020 to ₱23.6 billion in 2021 driven by minor declines in MWSI water service revenues from ₱18.6 billion to ₱17.8 billion and wastewater service revenues from ₱4.0 billion to ₱3.8 billion. During this period, water service rates per cubic meter for MWSI remained constant at ₱1.95 pursuant to the terms of the 5th Rate Rebasing exercise. Despite lower volume consumption during the year, net income for the segment remained at par with the previous year at ₱6.5 billion as industrial sector demand showed some recovery and the signing of the CREATE Law resulted in a lower income tax rate.

Water segment revenues increased from ₱22.0 billion in 2021 to ₱22.9 billion in 2022 due to higher commercial and industrial demand and the recognition of passed-on government tax with the effectivity of the MWSI franchise. Particularly, MWSI water service revenues increased from ₱17.8 billion in 2021 to ₱18.6 billion in 2022 while wastewater service revenues increased from ₱3.8 billion in 2021 to ₱4.0 billion in 2022. However, net income for the water segment declined from ₱6.5 billion in 2021 to ₱6.0 billion in 2022 as higher operating costs and higher taxes due to the shift in tax regime under MWSI's legislative franchise weighed down on segment results.

Rail Segment Performance

Rail segment revenues decreased from ₱1.3 billion in 2020 to ₱1.1 billion in 2021 due to a decline in LRMC farebox revenues from ₱1.3 billion to ₱1.1 billion as operating capacity remained restricted as a result of lower overall demand due to the continued implementation of physical distancing protocols. During this period, net losses for the segment slightly improved from ₱0.7 billion in 2020 to ₱0.6 billion in 2021.

Rail segment revenues increased from ₱1.1 billion in 2021 to ₱1.8 billion in 2022 as LRMC farebox revenues recovered from ₱1.1 billion in 2021 to ₱1.8 billion in 2022 with the further relaxation of physical distancing protocols and normalization of demand. However, net losses for the rail segment improved to ₱0.5 billion in 2022 despite a significant increase in revenues due to the start of amortization of concession assets and the recognition of interest costs on the existing rail system.

Power Segment Performance

Power segment revenues increased from ₱10.5 billion in 2020 to ₱11.2 billion in 2021 due to higher volume sold and increased contribution from the power segment's different business units and subsidiaries. Revenues of MER increased from ₱275.3 billion in 2020 to ₱318.5 billion in 2021. During this period, MER also incurred stable expenses and benefited from a lower income tax rate due to the CREATE Law. Despite this, net income for MER only increased from ₱21.7 billion in 2020 to ₱27.5 billion in 2021 due to a ₱2.7 billion reduction in the carrying value of MER's investment in PacificLight Power Pte. Ltd. ("PLP").

Power segment revenues increased from ₱11.2 billion in 2021 to ₱12.4 billion in 2022 driven by significantly increased commercial sales volume amid increased economic activity. Revenues of MER increased from ₱318.5 billion in 2021 to ₱426.5 billion in 2022. MER net income also improved from ₱24.6 billion in 2021 to ₱27.1 billion in 2022 due to a write-down of deferred tax assets.

Hospital Segment Performance

Hospital segment revenues increased from ₱14.8 billion in 2020 to ₱20.2 billion in 2021 as in-patient admissions increased for the year. Despite an increase in costs and expenses, net income for the hospital segment increased by 533.3% from ₱0.3 billion in 2020 to ₱1.9 billion in 2021.

Hospital segment revenues slightly declined from ₱20.2 billion in 2021 to ₱20.0 billion in 2022 as healthcare demand showed signs of normalization. Meanwhile, cost of sales only declined from ₱11.5 billion in 2021 to ₱11.2 billion in 2022 and general and administrative expenses increased from ₱6.5 billion in 2021 to ₱6.7 billion in 2022. As a result, hospital segment net income declined from ₱1.9 billion in 2021 to ₱1.6 billion in 2022.

Other Segment Performance

Revenue contributions from other segments decreased from ₱1.7 billion in 2020 to ₱1.3 billion in 2021 due to the winding down of MPIC's trucking business.

Revenue contributions from other segments increased from ₱1.3 billion to ₱1.7 billion due to larger contributions from MPIC's fuel storage business driven by economic normalization.

Cost of Sales and Services

MPIC's cost of sales and services increased by 7.7% from ₱17.3 billion in 2020 to ₱18.6 billion in 2021 driven by an increase in amortization of service concession assets due to increased capital expenditures, higher utilities, and higher supplies utilization of MWSI water treatment plants. Subsequently, cost of sales and services increased by 6.6% from ₱18.6 billion in 2021 to ₱19.8 billion in 2022 due to higher government revenue share via Philippine National Construction Corporation ("PNCC") and Bases Conversion and Development Authority ("BCDA") in NLEX and SCTEX revenues, increased expense on utilities and materials due to expanded operations, and consolidation of LandCo Pacific Corporation ("LPC").

General and Administrative Expenses

MPIC's general and administrative expenses from continuing operations increased by 8.6% from ₱9.6 billion in 2020 to ₱10.4 billion

in 2021 driven by increased economic activity and business operations due to less restrictive quarantine measures. General and administrative expenses subsequently increased by 12.6% from ₱10.4 billion in 2021 to ₱11.7 billion in 2022 driven in part by rising inflation and business taxes as well as the consolidation of LPC.

Interest Expense

MPIC's interest expense decreased by 7.8% from ₱10.0 billion in 2020 to ₱9.2 billion in 2021 due to various rate reduction initiatives across MPIC and its subsidiaries. Interest expense increased by 11.7% to ₱10.3 billion in 2022 as MPIC made additional loan drawdowns throughout the year.

Share in Net Earnings of Equity Method Investees

MPIC's share in net earnings of equity method investees increased by 40.4% from ₱7.3 billion in 2020 to ₱10.3 billion in 2021 due to higher contributions from MER despite the full impairment of its investment in PLP. Share in net earnings of equity method investees increased by 37.9% from ₱10.3 billion in 2021 to ₱14.2 billion in 2022 due to increased ownership in MER, higher contribution from the power generation business, opening of new toll roads in Indonesia, and strong performance from the new fuel storage business.

Interest Income

MPIC's interest income declined by 39.4% from ₱1.2 billion in 2020 to ₱0.7 billion in 2021 due to lower interest rates on cash deposits and placements for the year. Interest income increased by 52.2% from ₱0.7 billion in 2021 to ₱1.1 billion in 2022 due to interest accretion on lease receivables.

Provision for Decline in Value of Assets

MPIC's provisions for decline value of assets increased by 439.4% from ₱1.7 billion in 2020 to ₱9.1 billion in 2021 were mainly due to impairments in LRMC's service concession assets amounting to ₱6.0 billion, assets related to the winding down of the warehousing business amounting to ₱1.1 billion, and BOO Phu Ninh Water

Treatment Plant Joint Stock Company (“PNW”) and EcoSystem Technologies International, Inc.’s (“ESTII”) intangible assets amounting to ₱1.7 billion. Provisions for decline in value of assets slightly increased to ₱9.5 billion in 2022 driven by impairments in LRMC and PNW service concession assets amounting to ₱3.1 billion and ₱1.1 billion respectively, impairment of PCSPC and AF Payments, Inc. (“AFPI”) amounting to ₱4.5 billion and 0.2 billion respectively, and provisions for unrecoverable input tax, creditable withholding tax, and other assets.

Net Income

MPIC’s net income declined by 13.1% from ₱6.8 billion in 2020 to ₱5.9 billion in 2021 as an increase in provisions for declines in value of assets offset an increase in revenues. MPIC’s net income subsequently increased by 122.0% from ₱5.9 billion in 2021 to ₱13.1 billion in 2022 due to significant revenue growth and minimal increase in costs and expenses as economic activity increased.

Statements of Financial Position

₱ Millions	As of December 31		
	2020	2021	2022
Cash and cash equivalents	48,822	44,858	33,595
Short-term placements	1,852	4,712	8,827
Restricted cash	8,228	1,975	4,767
Receivables	8,007	8,272	9,195
Other current assets	75,969	12,595	12,540
Total Current Assets	142,878	72,412	68,924
Investments and advances	159,474	169,681	196,323
Service concession assets	275,864	300,063	331,693
Property, plant, and equipment	6,878	6,763	6,904
Goodwill	15,337	15,241	15,241
Intangible assets	705	337	377
Deferred tax assets	201	602	769
Other non-current assets	16,459	19,235	23,565
Total Non-Current Assets	474,918	511,922	574,872
Total Assets	617,796	584,334	643,796
Accounts payable and other current liabilities	35,172	36,704	44,784
Income tax payable	927	949	1,283
Due to related parties	2,481	101	83
Short-term and current portion of long-term debt	23,961	11,649	20,842
Current portion of:			
Provisions	6,708	7,951	8,337
Service concession fees payable	5,826	1,098	1,289
Liabilities under PFRS 5	40,519	0	0
Total Current Liabilities	115,594	58,452	76,618
Non-current portion of:			
Provisions	3,416	3,538	3,030
Provisions	23,608	30,198	28,453
Service concession fees payable	207,405	234,693	271,625
Deferred tax liabilities	11,161	9,882	9,898
Other long-term liabilities	12,265	10,706	9,131
Total Non-Current Liabilities	257,855	289,017	322,137
Total Liabilities	373,449	347,469	398,755
Capital stock	31,661	31,661	31,661
Additional paid-in capital	68,638	68,638	68,638
Treasury shares	(3,420)	(5,705)	(10,703)
Equity reserves	(943)	(1,352)	(1,377)

₱ Millions	As of December 31		
	2020	2021	2022
Retained earnings	91,898	98,475	105,692
Other comprehensive income reserve	(3,103)	1,587	6,177
Reserves under PFRS 5	129	0	0
Non-controlling interest	59,487	43,561	44,953
Total Equity	244,347	236,865	245,041
Total Liabilities and Equity	617,796	584,334	643,796

Current Assets

MPIC's current assets decreased by 49.3% from ₱142.9 billion in 2020 to ₱72.4 billion in 2021 mainly due to a reduction in assets under PFRS 5 from ₱76.0 billion to nil as the assets and liabilities of GBPS were deconsolidated (which were previously reclassified to "Assets under PFRS 5" and "Liabilities under PFRS 5") following the sale of GBPC to MGen. During this period, cash decreased by 8.1% from ₱48.8 billion in 2020 to ₱49.6 billion in 2021 due to lower short-term placements following the 1Q21 sales of Don Muang Tollway Public Ltd. ("DMT") and GBPC and improved operating results and lower income taxes paid by MPIC and its subsidiaries. In addition, receivables increased by 3.3% from ₱8.2 billion in 2020 to ₱8.3 billion in 2021 as advances to the DPWH increased in relation to MPTC's completion of remaining CALAX segments.

MPIC's current assets decreased by 4.8% from ₱72.4 billion in 2021 to ₱68.9 billion in 2022 mainly due to a 25.1% decrease in cash and cash equivalents from ₱44.9 billion in 2021 to ₱33.6 billion in 2022 due to the acquisition of additional shares in MER, share buybacks, loan and interest payments, and higher capital expenditures for MPTC and MWSI. Meanwhile receivables increased by 11.2% from ₱8.3 billion in 2021 to ₱9.2 billion in 2022 due to the consolidation of LCP's receivables and the recognition of lease receivables in Surallah Biogas Ventures Corporation ("SBVC").

Non-Current Assets

MPIC's non-current assets increased by 7.8% from ₱474.9 billion in 2020 to ₱511.9 billion in 2021 mainly driven by (a) higher investments and advances due to the acquisition of PCSPC and recognition of MPIC's share in investees' total comprehensive income and (b) higher service concession assets due to additional capital expenditures. During this period, other non-current assets also increased by 16.9% from ₱16.5 billion in 2020 to ₱19.2 billion in 2021 due to an increase in advances to contractors and consultants.

MPIC's non-current assets increased by 12.3% from ₱511.9 billion in 2021 to ₱574.9 billion in 2022 mainly due to (a) an increase in investments and advances from ₱169.7 billion to ₱196.3 billion as a result of the acquisition of an additional 2.0% stake in MER, the acquisition of Jasa Marga Jalanlayang Cikampek ("JJC") relating to MPIC's tollways segment, and higher equity in net earnings of associates and (b) an increase in service concession assets from ₱300.1 billion to ₱331.7 billion due to continued investments in service coverage areas.

Current Liabilities

MPIC's current liabilities decreased by 49.4% from ₱115.6 billion in 2020 to ₱58.5 billion in 2021 as the current portion of short-term and long-term debt declined from ₱24.0 billion to ₱11.6 billion and the current portion of service concession fees payable declined from ₱5.8 billion to ₱1.1 billion.

MPIC's current liabilities increased by 31.1% from ₱58.5 billion in 2021 to ₱76.6 billion in 2022 driven by (a) an increase in accounts payable and other current liabilities from ₱36.7 billion to ₱44.8 billion due to higher costs with increased economic activity, project costs, and LPC's operating accruals and (b) an increase in the current portion of short-term and long-term debt from ₱11.6 billion to ₱20.8 billion.

Non-Current Liabilities

MPIC's non-current liabilities increased by 12.1% from ₱257.9 billion in 2020 to ₱289.0 billion in 2021 mainly due to an increase in long-term debt from ₱207.4 billion to ₱234.7 billion as MPIC, MPTC, and LRMC availed of additional loans to finance new projects. The non-current portion of service concession fees payable also increased by 11.5% from ₱23.6 billion in 2020 to ₱30.2 billion in 2021 mainly due to additional concession fee drawdowns by MWSI for the Angat Water Transmission Improvement Project and applicable interest

accretion for the period. These changes offset a 12.7% decrease in other long-term liabilities from ₱12.3 billion in 2020 to ₱10.7 billion in 2021 due to the termination of leases in MMI consistent with the winding down of MPIC's warehousing business.

MPIC's non-current liabilities increased by 11.5% from ₱289.0 billion in 2021 to ₱322.1 billion in 2022 due to an increase in long-term debt from ₱234.7 billion to ₱271.6 billion despite a 13.2% decrease in the non-current portion of service concession fees payable from ₱30.2 billion in 2021 to ₱28.5 billion in 2022.

Equity

MPIC's total equity increased at a CAGR of 0.1% from ₱244.3 billion in 2020 to ₱245.0 billion in 2022 due to a decline in non-controlling interest from ₱59.5 billion to ₱45.0 billion with the deconsolidation of GBPC. This offset an increase in retained earnings as continued economic reopening bolstered the performance of the Company's key business segments.

Statements of Cash Flows

₱ Millions	For the years ending December 31		
	2020	2021	2022
Income before tax	14,963	12,720	16,941
Adjustments for:			
Provision for decline in value of assets	1,685	9,089	9,485
Interest expense	10,010	9,230	10,306
Amortization of service concession assets	5,261	5,930	4,602
Depreciation and amortization	5,185	1,341	1,138
Long-term incentive plan expense	539	314	261
Unrealized foreign exchange loss (gain)	(239)	1,005	587
Share in net earnings of equity method investees	(7,337)	(10,302)	(14,210)
Dividend income	(55)	(62)	(103)
Gain on acquisition of a subsidiary	0	0	(502)
Interest income	(1,229)	(745)	(1,134)
Gain on reversal of impairment	0	0	(2,287)
Gain on sale of investments	0	(5,648)	0
Others	(6)	(4)	49

P Millions	For the years ending December 31		
	2020	2021	2022
Operating income before working capital changes	28,777	22,868	25,133
Decrease (increase) in:			
Restricted cash	1,108	(123)	(2,528)
Receivables	(2,345)	(104)	(929)
Other current assets	(2,354)	(688)	(1,775)
Increase in accounts payable and other current assets	1,201	338	4,001
Net cash generated from operations	26,387	22,291	23,902
Income taxes paid	(5,906)	(3,128)	(3,988)
Interest received	1,246	370	638
Net cash from operating activities	21,727	19,533	20,552
Dividends received from:			
Equity method investees	8,545	6,713	8,624
Financial assets	55	74	103
Collection of or proceeds from sale/disposal of:			
Financial assets	9,338	0	0
Investment in equity accounted entities	0	7,166	129
Investment in a subsidiary (net of transaction costs)	4,006	10,456	4,324
Property, plant, and equipment	600	175	150
Acquisition of subsidiaries	(64)	0	470
Additions to:			
Service concession assets	(34,078)	(34,777)	(39,875)
Financial assets	(15,649)	0	0
Property, plant, and equipment	(2,842)	(2,371)	(1,587)
Investments in equity method investees	(60)	(8,076)	(23,346)
Decrease (increase) in:			
Short-term placements	(35)	1,997	(4,115)
Other non-current assets	(1,609)	397	(2,671)
Net cash used in investing activities	(31,793)	(18,246)	(57,794)
Receipt of or proceeds from:			
Short-term and long-term debt	50,535	40,072	73,025
Sale to non-controlling interest	4,651	0	0
Contribution from non-controlling stockholders	831	1,770	1,646
Payments of/for:			
Short-term and long-term debt	(39,725)	(25,686)	(27,419)
Interest and other financing charges	(8,745)	(8,472)	(8,788)

₱ Millions	For the years ending December 31		
	2020	2021	2022
Service concession fees payable	(5,801)	(1,070)	(861)
Due to related parties	(5,646)	(2,450)	0
Dividends paid to non-controlling stockholders	(3,175)	(2,292)	(2,760)
Dividends paid to owners of the parent company	(3,487)	(3,392)	(3,278)
Treasury shares	(3,420)	(2,285)	(4,998)
Lease liability	(496)	(494)	(272)
Debt issuance cost	(392)	(324)	(316)
Acquisition of non-controlling interests	(81)	0	0
Net cash from (used in) financing activities	(14,951)	(4,623)	25,979
Net Change in Cash and Cash Equivalents	(25,017)	(3,336)	(11,263)
Cash and Cash Equivalents, Beginning of Year	73,211	48,194	44,858
Cash and Cash Equivalents, End of Year	48,194	44,858	33,595

Cash Flows from Operating Activities

Net cash provided by operating activities decreased by 10.1% from ₱21.7 billion in 2020 to ₱19.5 billion in 2021 largely due to the deconsolidation of GBPC and lower interest income resulting from lower placement rates. In the subsequent year, net cash provided by operating activities improved by 5.2% to ₱20.6 billion due to strong performance from MPIC's key business segments due to economic reopening.

Cash Flows from Investing Activities

Net cash used in investing activities decreased by 42.6% from ₱31.8 billion in 2020 to ₱18.2 billion in 2021 due to the sale of DMT and

GBPC and the acquisition of PCSPC. Net cash used in investing activities then increased by 216.7% from ₱18.2 billion in 2021 to ₱57.8 billion in 2022 due to the acquisition of shares in MER and higher capital expenditures on tollway and water projects.

Cash Flows from Financing Activities

Net cash used in financing activities decreased by 69.1% from ₱15.0 billion in 2020 to ₱4.6 billion in 2021 due to higher loan repayments and concession fees paid alongside lower interest payments as a result of various rate reduction initiatives by MPIC. In the succeeding year, financing activities provided ₱26.0 billion in net cash due to higher loan availments.

4 | VALUATION

4 | VALUATION

For purposes of the valuation exercise, the Financial Advisor used the number of shares outstanding of MPIC to compute for the price per share. As of December 31, 2022, the total number of common stock outstanding for MPIC is 28,695,934,752 shares with a par value of ₱1.00 per share.

SUM-OF-THE-PARTS APPROACH

The Sum-of-the-Parts (“SOTP”) Approach estimates the net residual value of a holding company’s common equity as implied by the sum of the proportionate ownership stakes in the estimated equity values of the holding company’s subsidiaries. The sum is then divided by the number of outstanding common shares of the holding company to arrive at a per share value of the holding company. The equity values of the subsidiaries can be estimated using several methods. The Financial Advisor used two methods: (a) Sum-of-the-Parts Net Asset Value Approach and (b) Sum-of-the-Parts Discounted Cash Flows Approach. The calculations for each were based on the latest full-year audited financial statements provided by the Consortium to the Financial Advisor and public reports published by the Company.

NET ASSET VALUE APPROACH

The Asset-Based or Net Asset Value Approach estimates the equity value of a company or business based on its Net Asset Value, which is its assets minus its total liabilities, goodwill, and non-controlling interest. Despite the availability of 1Q23 Unaudited Financial Statements of MPIC, the Financial Advisor deemed the use of 2022 Audited Financial Statements appropriate as the more reliable basis to arrive at a fair value as unaudited figures are still subject to potential revisions during the remainder of the fiscal year 2023.

$$NAV = Total Assets - Total Liabilities - Goodwill - Non-controlling Interest - Intangible Assets$$

Sum-of-the-Parts (NAV) ₱Thousands	NAV (2022A)	MPIC Ownership Stake	MPIC Share in NAV
Water			
Maynilad Water Services, Inc.	62,937,445.00	5.2%	3,283,957.29
Maynilad Water Holdings Company, Inc. <i>Ownership Stake in MWSI</i>	58,748,729.65 93.3%	51.3%	30,123,376.74
MetroPac Water Investments Corporation	6,591,900.48	100.0%	6,591,898.51
Tollways			
Metro Pacific Tollways Corporation	65,894,000.00	99.9%	65,833,862.62
Power			
Manila Electric Company	124,109,000.00	10.5%	13,031,445.00
Beacon Electric Asset Holdings, Inc. <i>Ownership Stake in MER</i>	43,388,506.40 35.0%	100.0%	43,388,506.40
Healthcare			
Metro Pacific Hospital Holdings, Inc.	28,146,000.00	20.0%	5,629,200.00
Metro Pacific Health Tech Corporation	(124,065.46)	100.0%	(124,065.46)
MetroPac Apollo Holdings, Inc.	90,008.48	65.1%	58,595.52
Rail			

Sum-of-the-Parts (NAV) ₱Thousands	NAV (2022A)	MPIC Ownership Stake	MPIC Share in NAV
Metro Pacific Light Rail Corporation	9,504,057.85	65.1%	6,187,141.66
Total Capitalization			174,003,918.27

Holding Company Discount

A holding company discount (“HoldCo Discount”) of 19.0% to 32.0% was applied to the NAV value of the Company’s subsidiaries to arrive at its fair value. In determining the appropriate HoldCo Discount, the Financial Advisor computed for the end-year discount over the Company’s 5-year, 6-year, 8-year, and 10-year average P/E that MPIC was trading at vis-à-vis its expected Net Asset Value for the respective years. The application of the HoldCo Discount takes into account the Company’s trading history relative to its Net Asset Value given the complexity of holding companies and its subsidiaries, the lack of transparency on most of the holding company’s non-listed private subsidiaries, additional administrative costs the holding company incurs, and the perceived efficiency of a holding company’s utilization of its capital to generate returns. The Financial Advisor believes that the HoldCo Discount is appropriate given recent company-specific and macroeconomic events.

The following table shows the calculation for the holding company discounts:

HoldCo Discount	Particulars
Five (5) year 44%	This period included the years of the Covid-19 Pandemic and years of increased regulatory risks in 2019 relating to MWSI.
Six (6) year 35%	This period included the three (3) years prior to the 2020 Covid-19 Pandemic and the three (3) years since the beginning of the pandemic up to 2022.
Eight (8) year 32%	The period reflected an equal balance of the regulatory pressure experienced by MWSI in 2019 and the Covid-19 pandemic years (2020 to 2022) alongside four (4) years prior which showed more normal conditions.
Ten (10) year 19%	This period reflected a long-term view of the NAV discount over the last ten (10) years.

Using the SOTP NAV approach, MPIC’s NAV was calculated to be at ₱174.00 billion for 2022A. Upon application of the HoldCo Discount, the resulting indicative market capitalization of MPIC ranges from ₱118.32 billion to ₱140.94 billion which translates to a per share range ₱4.12 and ₱4.91.

Sum-of-the-Parts (NAV) ₱ Thousands	NAV (2022A)	Price Per Share
Valuation Range	174,003,918.27	6.06
19.0% Discount	140,943,173.80	4.91

Sum-of-the-Parts (NAV) ₱ Thousands	NAV (2022A)	Price Per Share
32.0% Discount	118,322,664.43	4.12

The Financial Advisor is of the opinion that the Sum-of-the-Parts Net Asset Value Approach is an applicable valuation method because the nature of business, operations, and revenue generation of MPIC's subsidiaries rely heavily on high-value tangible assets that are used. As such, the Financial Advisor believes that the Net Asset Value Approach reflects the value of the Company.

DISCOUNTED CASH FLOWS APPROACH

The Discounted Cash Flow ("DCF") Approach is a form of absolute valuation that places an intrinsic value on a company's shares based on future cash flows. The DCF Approach method determines the value of the Company and its Subsidiaries based on the present value of its future cash flows which are discounted by an appropriate discount rate.

Where applicable, the Financial Advisor projected the Free Cash Flows to Equity ("FCFE") of MPIC's subsidiaries by making assumptions based on public information disclosed by the Company and its subsidiaries through analyst briefings, public disclosures, news, and press releases. The present values of the projected FCFEs represent the estimated equity value of the specific business or subsidiary. MPIC's proportionate share in the estimated equity value of each subsidiary was derived using MPIC's ownership stake in each subsidiary. Using the SOTP DCF approach, the sum of MPIC's proportionate share in the estimated equity value of each subsidiary represents the implied DCF equity value of MPIC before applying any holding company discount. A holding company discount was then applied to the total DCF equity values to arrive at the final equity value of MPIC.

FREE CASH FLOWS TO EQUITY

The free cash flows to equity of the Company and its Subsidiaries provides the cash flow available to the holders of the Company and its Subsidiaries' equity after all the operating expenses, capital expenditures, working capital investments, and net borrowings have been made. For purposes of the valuation exercise, the Financial Advisor assumed appropriate growth rates, capital expenditures, and debt availments through publicly available information. In certain cases, an FCFE calculation was used to account for forecasted changes in capital structure. A company's net debt was then subtracted from the resulting FCFE valuation to arrive at an equity value.

DISCOUNT RATE, TERMINAL VALUE, AND PRESENT VALUE

In determining the discount rate to be applied in the DCF, the Financial Advisor used the Capital Asset Pricing Method ("CAPM") as summarized below.

$$COE = RFR + (\beta \times (ERP - RFR))$$

Where:

COE = Cost of Equity

RFR = Risk-free Rate

$B = \text{Beta-factor}$

$ERP = \text{Equity Risk Premium}$

Cost of Equity

Risk-free Rate	6.25%	BSP Overnight Reverse Repurchase Facility Rate
Beta	0.91	Beta-factor as of January 2023
Expected Market Returns	13.00% - 16.00%	Expected Market Returns
Equity Discount rate	12.39% - 15.12%	

A terminal value (“TV”), which estimates the value of MPIC beyond the forecasted period when future cash flows can be estimated, was computed by using the cash flow for year 6, the 15.12% discount rate, and a one (1) to two (2) percent perpetual growth rate such that:

$$TV = \frac{\text{final year cash flow} * (1 + \text{perpetual growth rate})}{\text{discount rate} - \text{perpetual growth rate}}$$

Holding Company Discount

A holding company discount was applied to the total DCF value of the Company’s subsidiaries to consider the complexity of holding companies and its subsidiaries, the lack of transparency on most of the holding company’s non-listed private subsidiaries, additional administrative costs the holding company incurs, and the perceived efficiency of a holding company’s utilization of its capital to generate returns. The Financial Advisor computed the 5-year, 6-year, 8-year, and 10-year averages of the discount that MPIC was trading at vis-à-vis its expected Net Asset Value. Given the five-year average of MPIC at 44.0% which considers outlier years from 2020 to 2022 due to the COVID-19 pandemic, the Financial Advisor deemed 42.0% as the appropriate discount reflective of the following factors: (1) the global macroeconomic improvements driven by economic reopening in 2022, (2) the clear trajectory away from special economic circumstances brought about by the COVID-19 pandemic, and (3) the resulting challenges to macroeconomic recovery driven by elevated inflation, elevated interest rates, and the effects of geopolitical tensions in Eastern Europe.

The following table shows the calculation for the holding company discounts:

HoldCo Discount		Particulars
Five (5) year	44%	This period included the years of the Covid-19 Pandemic and years of increased regulatory risks in 2019 relating to MWSI.
Six (6) year	35%	This period included the three (3) years prior to the 2020 Covid-19 Pandemic and the three (3) years since the beginning of the pandemic up to 2022.

Eight (8) year	32%	The period reflected an equal balance of the regulatory pressure experienced by MWSI in 2019 and the Covid-19 pandemic years (2020 to 2022) alongside four (4) years prior which showed more normal conditions.
Ten (10) year	19%	This period reflected a long-term view of the NAV discount over the last ten (10) years.

Maynilad Water Services, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	6,337,546.37	8,553,748.72	7,454,731.62	6,326,880.73	5,631,862.66
Capital Expenditures	10,706,606.96	9,902,346.07	9,591,859.54	9,487,720.57	9,482,557.49
Depreciation & Amortization	4,683,759.69	5,660,958.74	4,768,938.30	4,598,949.36	4,305,988.16
Net Debt Issuance	11,070,197.89	5,131,092.22	6,539,492.22	11,229,508.89	6,971,392.22
Change in Net Working Capital	(2,138,038.26)	(1,496,740.11)	(1,669,549.01)	(1,909,640.19)	(1,917,733.73)
Free Cash Flows to Equity	13,522,935.26	10,940,193.73	10,840,851.62	14,577,258.61	9,344,419.28

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	5,867,509.56	6,118,719.93	6,386,674.30	6,468,044.90	6,773,476.29
Capital Expenditures	9,482,557.49	9,482,557.49	9,482,557.49	9,482,557.49	9,482,557.49
Depreciation & Amortization	4,388,397.86	4,570,330.50	4,684,583.33	4,826,493.08	4,991,002.43
Net Debt Issuance	714,301.31	714,301.31	714,301.31	6,653,417.98	714,301.31
Change in Net Working Capital	(1,803,951.64)	(695,862.83)	(2,021,789.12)	(2,140,608.09)	(2,266,548.89)
Free Cash Flows to Equity	3,291,602.87	2,616,657.08	4,324,790.58	10,606,006.55	5,262,771.43

₱ Thousands	2033 Forecast	2034 Forecast	2035 Forecast	2036 Forecast	2037 Forecast
Net Income	7,089,527.71	7,425,483.05	7,782,810.70	8,163,109.23	8,568,120.78
Capital Expenditures	5,342,398.44	5,342,398.44	5,342,398.44	5,342,398.44	5,342,398.44
Depreciation & Amortization	5,144,376.46	5,313,333.56	5,493,679.86	5,681,568.23	5,882,712.96
Net Debt Issuance	714,301.31	714,301.31	714,301.31	714,301.31	714,301.31
Change in Net Working Capital	(2,330,516.05)	(2,469,650.75)	(2,617,009.63)	(2,773,071.84)	(2,938,343.59)
Free Cash Flows to Equity	9,936,323.09	10,580,370.23	11,265,403.06	11,989,652.18	12,761,080.21

MWSI's FCFEs are forecasted to range between ₱9.3 billion to ₱14.6 billion between 2023 and 2027 before declining to ₱3.3 billion in 2028 as debt avancements decline due to lower capital expenditure requirements. MWSI's FCFEs are subsequently forecasted to increase at a CAGR of 16.2% from ₱3.3 billion in 2028 to ₱12.8 billion in 2037 driven by continued growth in net income and lower capital expenditures approaching the termination date of MWSI's current concession agreement.

The assumptions used to estimate MWSI's FCFE from 2023 to 2037 are further discussed in the next page.

- MWSI's net income is forecasted to decline from ₱6.3 billion in 2023 to ₱5.6 billion in 2027 driven by (a) a minor decline in revenues pursuant to the corresponding rate adjustment for the 6th Rate Rebasing Period from ₱3.29 per cubic meter in 2023 to ₱0.80 per cubic meter in 2027 and (b) steady capital expenditures relating to service improvements and equipment replacements. MWSI's net income is subsequently forecasted to grow at a CAGR of 4.3% from ₱5.9 billion in 2028 to ₱8.6 billion in 2037 due to a forecasted decline in service rates per cubic meter as inflationary pressures normalize.
- MWSI's capital expenditures are forecasted to gradually decline from ₱10.7 billion in 2023 to ₱9.5 billion in 2032 to support service improvements and equipment replacements. MWSI's capital expenditures are subsequently expected to normalize to ₱5.3 billion per annum from 2033 to 2037 approaching the 2037 termination date of MWSI's current concession agreement. MWSI's 2023 to 2037 capital expenditures were estimated based on (a) projected additions to service concession assets pursuant to the schedule of undiscounted estimated future concession fee payments disclosed in MWSI's 2022 audited financial statements and (b) forecasted additions to MWSI's property and equipment based on the average historical size of MWSI's property and equipment in relation to service concession assets.
- MWSI's net debt issuances are forecasted to remain above ₱5.0 billion to ₱7.0 billion per annum from 2023 to 2027 in line with higher capital expenditures during this period. MWSI's net debt issuances are subsequently forecasted to decline beginning 2028 due to lower capital expenditures.
- MWSI's net working capital is forecasted to decline from negative ₱20.2 billion in 2023 to negative ₱49.2 billion in 2037 driven by an increase in payables due to projected improvements in working capital management in line with momentum from the last three years.

MetroPac Water Investments Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(98,140.37)	(103,226.68)	(108,457.02)	(113,835.46)	(119,366.20)
Other Non-Cash Expenses	89,411.59	121,888.55	89,976.66	105,026.39	110,635.86
Capital Expenditures	(117.11)	(111.13)	(105.29)	(99.59)	(94.01)
Depreciation & Amortization	22,302.83	14,776.12	19,120.79	19,617.46	18,623.18
Change in Net Working Capital	(396,078.28)	(213,178.69)	(339,400.68)	(143,592.00)	(121,261.93)
Free Cash Flows to Equity	409,769.43	246,727.80	340,146.40	154,499.98	131,248.79

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	(125,053.54)	(130,901.93)	(136,915.92)	(143,100.20)	(149,459.59)
Other Non-Cash Expenses	106,443.31	112,364.68	114,949.98	116,428.10	119,975.92
Capital Expenditures	1,003.81	1,032.23	1,061.46	1,091.52	1,122.43
Depreciation & Amortization	20,011.29	20,319.86	20,559.35	21,249.05	21,682.97
Change in Net Working Capital	10,362.64	14,403.24	13,339.12	13,431.45	14,470.85

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Free Cash Flows to Equity	(9,965.40)	(13,652.85)	(15,807.16)	(19,946.02)	(23,393.97)

MWIC's FCFE are forecasted to decline from ₱409.8 million in 2023 to negative ₱23.4 million in 2032 as the Financial Advisor found no clear indication to expect a return to profitability during the forecast period while capital expenditures continue at a steady rate to maintain existing infrastructure and settle concession obligations payable.

The assumptions used to estimate MWIC's FCFE from 2023 to 2032 are further discussed below.

- MWIC's net loss is forecasted to grow from ₱98.1 million in 2023 to ₱149.5 million in 2032 as management fee revenues are only forecasted to grow at the 2020 to 2022 average growth rate of 2.8% while costs and expenses continue to expand based on their average historical proportion to revenues.
- MWIC's net working capital is forecasted to decline from ₱1.1 billion in 2023 to ₱340.8 million in 2032 due to continued net losses.

Metro Pacific Tollways Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	5,186,405.34	7,589,658.72	9,894,342.76	12,018,429.58	13,711,759.00
Capital Expenditures	30,405,780.00	25,912,481.40	27,028,711.37	30,272,156.73	28,254,012.95
Depreciation & Amortization	2,485,731.64	3,079,441.69	3,610,552.44	4,100,774.03	4,366,853.90
Net Debt Issuance	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Change in Net Working Capital	(1,374,551.87)	(2,692,681.86)	(2,351,843.76)	(1,858,828.51)	(1,174,343.44)
Free Cash Flows to Equity	(1,359,091.15)	7,449,300.87	8,828,027.59	7,705,875.40	10,998,943.39

MPTC's FCFE are forecasted to increase from negative ₱1.4 billion in 2023 to ₱11.0 billion in 2027 resulting from continued growth in net income in line with the completion of new projects.

The assumptions used to estimate MPTC's FCFE from 2023 to 2027 are further discussed below.

- Net income is forecasted to grow at a CAGR of 27.5% from ₱5.2 billion in 2023 to ₱13.7 billion in 2027 as toll fee revenues are projected to increase with the completion of projects such as the North Luzon Expressway ("NLEX") Connector, Subsection 4 of the Cavite-Laguna Expressway ("CALAX"), the 2nd section of the NLEX Connector, and new expressway projects in Indonesia.
- Capital expenditures are forecasted to remain stable at a range between ₱25.9 billion to ₱30.4 billion per annum from 2023 to 2027 as MPTC completes projects in its pipeline and maintains existing infrastructure.
- Net debt issuances were estimated to stand at approximately ₱20.0 billion to finance capital expenditures.

- Net working capital is projected to decrease from ₱3.2 billion in 2023 to negative ₱4.8 billion in 2027 as MPTC continues to fund the completion of its projects.

Manila Electric Company

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
After-Tax EBIT	27,916,343.84	27,784,719.95	30,420,164.99	34,822,581.68	32,331,254.95
Non-Cash Charges	23,989,189.24	25,941,204.07	27,877,109.86	29,801,737.75	31,572,935.49
Capital Expenditures	(48,935,677.13)	(58,560,444.98)	(58,077,173.80)	(57,738,836.47)	(53,135,932.32)
Change in Working Capital	(199,030.10)	5,911,122.61	(2,229,696.67)	3,620,740.99	5,177,938.79
Free Cash Flows to Firm	2,770,825.85	1,076,601.65	(2,009,595.62)	10,506,223.94	15,946,196.91

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
After-Tax EBIT	32,311,474.59	32,242,114.99	32,231,657.82	36,751,569.48	36,986,504.54
Non-Cash Charges	33,208,970.12	34,659,567.37	36,040,755.84	31,406,988.00	32,513,776.84
Capital Expenditures	(49,081,039.01)	(43,517,917.27)	(41,435,654.30)	(35,916,964.60)	(33,203,665.39)
Change in Working Capital	3,749,361.53	3,935,331.15	4,093,788.92	4,253,537.82	(334,163.41)
Free Cash Flows to Firm	20,188,767.23	27,319,096.23	30,930,548.29	36,495,130.69	35,962,452.58

MER's free cash flows to firm ("FCFF") are forecasted to decrease from ₱2.8 billion in 2023 to ₱1.1 billion and negative ₱2.0 billion in 2024 and 2025 respectively due to elevated capital expenditures, downgrade in tariffs with the implementation of the 5th Rate Reset, and normalization of WESM prices. MER's FCFFs are then forecasted to grow at a CAGR of 22.8% from ₱10.5 billion in 2026 to ₱36.0 billion in 2032 due to normalizing capital expenditures and stronger performance as macroeconomic conditions improve and the realization of investments made from 2023 to 2026.

The assumptions used to estimate MER's free cash flows to firm from 2023 to 2032 are further discussed below.

- After-tax EBIT is forecasted to increase from ₱27.9 billion in 2023 to ₱32.3 billion in 2027 based on a 3.0% average increase in MER's customer base for the period and the full operations of two additional powerplants by 2024. After-tax EBIT is then forecasted to grow by 3.4% from ₱32.3 billion in 2028 to ₱37.0 billion in 2032 due to (a) higher projected tariffs during the 6th Rate Reset relative to the 5th Rate Reset as the Philippines transitions to an upper-middle income economy and (b) higher contributions from MER's telco tower segment with the anticipated completion of a significant portion of MER's telco tower construction pipeline by 2027.
- Capital expenditures are forecasted to remain elevated between ₱48.9 billion to ₱58.6 billion from 2023 to 2027 as MER increases investments in its power generation and cell tower facilities before tapering down to a range of ₱49.1 billion to ₱32.5 billion from 2028 to 2032 as capital expenditures normalize.

- Net working capital is forecasted to decrease from negative ₱101.5 billion in 2023 to negative ₱129.7 billion in 2032 driven by higher loan availments to fund capital expenditures.

Metro Pacific Hospital Holdings, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	1,809,556.39	1,719,078.58	1,633,124.65	1,682,118.39	1,732,581.94
Capital Expenditures	(1,881,969.63)	(1,061,351.52)	(1,008,283.94)	574,721.85	591,963.50
Depreciation	615,478.08	584,704.17	555,468.96	572,133.03	589,297.02
Amortization	110,987.33	105,437.96	100,166.06	103,171.05	106,266.18
Other Non-Cash Expenses	470,504.42	446,979.20	424,630.24	437,369.15	450,490.22
Change in Net Working Capital	627,463.55	103,926.82	(110,247.57)	(62,545.72)	(64,422.09)
Free Cash Flows to Equity	(443,915.80)	796,963.17	966,093.06	2,557,320.88	2,634,040.51

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	1,784,559.40	1,838,096.18	1,893,239.06	1,950,036.23	2,008,537.32
Capital Expenditures	609,722.41	628,014.08	646,854.50	666,260.14	686,247.94
Depreciation	606,975.94	625,185.21	643,940.77	663,258.99	683,156.76
Amortization	109,454.16	112,737.79	116,119.92	119,603.52	123,191.62
Other Non-Cash Expenses	464,004.93	477,925.08	492,262.83	507,030.71	522,241.63
Change in Net Working Capital	(66,354.75)	(68,345.39)	(70,395.75)	(72,507.63)	(74,682.86)
Free Cash Flows to Equity	2,713,061.72	2,794,453.58	2,878,287.18	2,964,635.80	3,053,574.87

MPHHI's FCFEs are forecasted to increase from negative ₱443.9 million in 2023 to ₱3.1 billion in 2027 as a result of steadily improving net income and lower capital expenditures.

The assumptions used to estimate MPHHI's FCFE from 2023 to 2032 are further discussed below.

- Net income is forecasted to decline from ₱1.8 billion in 2023 to ₱1.7 billion in 2027 as revenues return to pre-pandemic levels. However, net income is projected to increase at a CAGR of 3.0% as revenues rise alongside a potential increase in healthcare spending in line with projected economic growth.
- Capital expenditures are forecasted to decline to negative ₱1.9 billion to ₱1.0 billion from 2023 to 2025 as MPHHI scales back expansions post-pandemic. However, capital expenditures are forecasted to increase from ₱574.7 million in 2026 to ₱686.2 million in 2032 in anticipation of a potential growth in demand for healthcare services.
- Net working capital is projected to decrease from negative ₱1.3 billion in 2023 to negative ₱1.8 billion in 2032 due to the allocation of cash towards additional capital expenditures needed to support growth in the hospital business.

Metro Pacific Health Tech Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(291,867.58)	(270,694.29)	(202,409.94)	(53,769.20)	82,406.14
Net Capital Expenditures	12,733.34	44,026.15	22,013.08	0	0
Change in Net Working Capital	(303,105.19)	(99,540.09)	(28,986.72)	(1,582.49)	39,291.30
Free Cash Flows to Equity	(1,495.73)	(215,180.35)	(195,436.29)	(52,186.71)	43,114.84

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	225,674.34	256,136.18	289,822.43	327,062.67	368,219.71
Net Capital Expenditures	0	0	0	0	0
Change in Net Working Capital	39,054.78	(1,509.70)	7,346.01	8,175.57	9,091.80
Free Cash Flows to Equity	186,619.56	257,645.87	282,476.42	318,887.10	359,127.91

MPHTC's FCFE are forecasted to increase from negative ₱1.5 million in 2023 to ₱359.1 million in 2032 as profitability improves for MPHTC.

The assumptions used to estimate MPHTC FCFE from 2023 to 2032 are further discussed below.

- Net income is forecasted to improve from a net loss of ₱291.9 million in 2023 to a net profit of ₱368.2 million in 2032 in light of potential synergies with MPHHI.
- Net capital expenditures are forecasted to range between ₱12.7 billion to ₱44.0 billion from 2023 to 2025 as MPHTC rolls out its platforms and services. Net capital expenditures are then expected to decrease to nil from 2026 onwards due to lower investment requirements.
- Net working capital is forecasted to range between negative ₱558.3 billion to ₱428.2 billion from 2023 to 2032 as MPHTC is expected to further expand its operations.

MetroPac Apollo Holdings, Inc.

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04
Net Capital Expenditures	0	0	0	0	0
Net Debt Issuance	0	0	0	0	0
Change in Net Working Capital	0	0	0	0	0
Free Cash Flows to Equity	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04

₱ Thousands	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast
Net Income	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04
Net Capital Expenditures	0	0	0	0	0
Net Debt Issuance	0	0	0	0	0
Change in Net Working Capital	0	0	0	0	0
Free Cash Flows to Equity	1,523.04	1,523.04	1,523.04	1,523.04	1,523.04

MAHI FCFEs are forecasted to stay at ₱1.5 million from 2023 to 2032. This is due to MAHI's revenues being solely generated by dividends from preferred shareholdings in MPHHL.

Metro Pacific Light Rail Corporation

₱ Thousands	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Net Income	(609.17)	(633.77)	(659.36)	(685.97)	(713.65)
Net Capital Expenditures	0	0	0	0	0
Net Debt Repayments	0	0	0	0	0
Change in Net Working Capital	1,293.94	(639.53)	(664.55)	(690.57)	(717.63)
Free Cash Flows to Equity	(1,903.11)	5.76	5.19	4.59	3.98

MPLRC FCFEs are forecasted to improve from negative ₱1.9 million in 2023 to ₱4.0 thousand in 2027 as net losses increase from ₱609.1 thousand in 2023 to ₱713.7 thousand in 2027. During this period, net working capital is forecasted to decline from ₱1.3 million in 2023 to negative ₱717.6 thousand in 2027. This forecast continued the trend of net losses in MPIC's rail business assuming no change in regulatory policies governing rates for the Philippine rail industry.

DCF VALUATION SUMMARY

The tables below show the equity valuation of each subsidiary valued using a DCF approach:

Maynilad Water Services, Inc. ₱ Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y15)	12,761,080.21	12,761,080.21
Estimated Growth Rate (Y15+1)	6.4%	6.4%
Terminal Value	96,184,417.82	103,514,150.56
Present Value of Terminal Value	11,633,262.77	12,519,775.46
Present Value of Free Cash Flows to Equity	57,174,314.55	57,174,314.55

Maynilad Water Holdings Company, Inc.	Valuation Range
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₱ Thousands	Low	High
Valuation Range - MWSI	68,807,577.32	69,694,090.01
Ownership Stake in MWSI	93.3%	93.3%
Valuation Range	64,228,183.36	65,055,695.41

MetroPac Water Investments Corporation		
₱ Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	(23,393.97)	(23,393.97)
Estimated Growth Rate (Y10+1)	14.8%	14.8%
Terminal Value	(190,164.14)	(204,655.60)
Present Value of Terminal Value	(46,507.88)	(50,052.01)
Present Value of Free Cash Flows to Equity	892,077.22	892,077.22

Metro Pacific Tollways Corporation		
₱ Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y5)	10,998,943.39	10,998,943.39
Estimated Growth Rate (Y5+1)	5.7%	5.7%
Terminal Value	82,350,095.70	88,625,584.04
Present Value of Terminal Value	40,725,183.27	43,828,645.51
Present Value of Free Cash Flows to Equity	20,052,784.00	20,052,784.00

Manila Electric Company		
₱ Thousands	Low	High
Terminal Growth Rate	1.0%	2.0%
Present Value of Free Cash Flows to Firm	90,987,688.64	90,987,688.64
Terminal Value	238,093,378.67	280,260,158.58
Enterprise Value	329,081,067.31	371,247,847.22
Net Debt	48,001,000.00	48,001,000.00
Equity Value	281,080,067.31	323,246,847.22

Beacon Electric Asset Holdings, Inc.		
₱ Thousands	Low	High
Valuation Range – MER	281,080,067.31	323,246,847.22
Ownership Stake in MER	35.0%	35.0%
Valuation Range	98,265,591.53	113,007,097.79

Metro Pacific Hospital Holdings, Inc. P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	3,053,574.87	3,053,574.87
Estimated Growth Rate (Y10+1)	5.0%	5.0%
Terminal Value	22,703,158.90	24,433,252.93
Present Value of Terminal Value	5,552,443.74	5,975,567.67
Present Value of Free Cash Flows to Equity	8,330,144.38	8,330,144.38

Metro Pacific Health Tech Corporation P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	359,127.91	359,127.91
Estimated Growth Rate (Y10+1)	12.4%	12.4%
Terminal Value	791,202.38	859,926.60
Present Value of Terminal Value	439,344.17	477,505.82
Present Value of Free Cash Flows to Equity	331,338.76	331,338.76

MetroPac Apollo Holdings, Inc. P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y10)	1,523.04	1,523.04
Estimated Growth Rate (Y10+1)	0.0%	0.0%
Terminal Value	10,784.46	11,606.29
Present Value of Terminal Value	2,637.52	2,838.52
Present Value of Free Cash Flows to Equity	7,608.21	7,608.21

Metro Pacific Light Rail Corporation P Thousands	Valuation Range	
	Low	High
Terminal Growth Rate	1.0%	2.0%
Free Cash Flows to Equity (Y5)	3.98	3.98
Estimated Growth Rate (Y5+1)	(17.4%)	(13.4%)
Terminal Value	23.26	26.25
Present Value of Terminal Value	11.50	12.98
Present Value of Free Cash Flows to Equity	(1,640.79)	(1,640.79)

DCF SUMMARY

Sum-of-the-Parts (DCF) ₱ Thousands	Market Capitalization		MPIC Ownership Stake	Equity Value	
	Low	High		Low	High
Water					
Maynilad Water Services, Inc.	68,807,577.32	69,694,090.01	5.2%	3,590,249.73	3,636,506.30
Maynilad Water Holdings Company, Inc. <i>Ownership Stake in MWSI</i>	64,228,183.36 93.3%	65,055,695.41 93.3%	51.3%	32,932,963.42	33,357,269.74
MetroPac Water Investments Corporation	842,025.21	845,569.34	100.0%	842,024.96	845,569.09
Tollways					
Metro Pacific Tollways Corporation	60,777,967.27	63,881,429.51	99.9%	60,722,498.98	63,823,128.88
Power					
Manila Electric Company	281,080,067.31	323,246,847.22	10.5%	29,513,407.07	33,940,918.96
Beacon Electric Asset Holdings, Inc. <i>Ownership Stake in MER</i>	98,265,591.53 35.0%	113,007,097.79 35.0%	100.0%	98,265,591.53	113,007,097.79
Healthcare					
Metro Pacific Hospital Holdings, Inc.	13,882,588.13	14,305,712.05	20.0%	2,776,517.63	2,861,142.41
Metro Pacific Health Tech Corporation	770,682.93	808,844.58	100.0%	770,682.93	808,844.58
MetroPac Apollo Holdings, Inc.	10,245.73	10,446.73	65.1%	6,669.97	6,800.82
Rail					
Metro Pacific Light Rail Corporation	(1,629.29)	(1,627.81)	65.1%	(1,060.67)	(1,059.70)
Total Capitalization				229,419,545.55	252,286,218.85

Sum-of-the-Parts (DCF) ₱ Thousands	Market Capitalization		Price Per Share	
	Low	High	Low	High
Valuation Range	229,419,545.55	252,286,218.85	7.99	8.79
42.0% Discount	133,063,336.42	146,326,006.94	4.64	5.10

Based on the DCF approach, the Financial Advisor estimates that at a COE discount rate of 12.39% (MER) to 15.12% (other subsidiaries), and a holding company discount of 42.00%, the Company has an implied equity value range of ₱133.1 billion to ₱146.33 billion with an indicative price range of ₱4.64 to ₱5.10 per share.

The Financial Advisor is of the opinion that the DCF approach is an appropriate valuation methodology to arrive at an indicative valuation of the common shares for MPIC as the projections capture the expected growth of the Company's subsidiaries based on publicly available information. Further, the Financial Advisor believes that the publicly available information from analyst briefings, public disclosures, news reports, and other publicly sourced data to project the future performance of the Company's subsidiaries.

DIVIDEND DISCOUNT MODEL APPROACH

The Dividend Discount Model (“DDM”) approach is a type of discounted cash flow valuation that uses a company’s dividends for its cash flows instead of its free cash flows. In this method, the sum of the present values of all future dividend payments are used to estimate the intrinsic value of the company’s equity.

In determining MPIC’s common equity value, the Financial Advisor used the single-stage, constant growth DDM. This model assumes that the equity value of MPIC is equal to the expected dividend payment one year into the future divided by the Cost of Equity minus the expected terminal growth rate of the Company’s dividends:

$$V_0 = \frac{D_1}{COE - g}$$

Where V_0 is the value of MPIC’s common shares, D_1 is the expected dividend payment one year into the future, COE is the cost of equity derived using the CAPM method, and g is the terminal growth rate, or the rate at which MPIC’s dividends are expected to grow into the future.

To determine the terminal dividend growth rate, the Financial Advisor used the average growth rate of MPIC’s dividends for the three (3) years before the pandemic (2017-2019) equivalent to 8.9%. Dating as far back to 2010, the peso values of the annual dividends both in total peso values and on a per share basis show consistently increased payments. This shows MPIC’s willingness to not decrease dividend payments and in fact, continue dividend pay-outs even through adverse market and economic conditions like in 2020 and 2021. Based on this, the Financial Advisor determined that dividend payouts will not be reduced in the future because the underlying assets that have generated these dividends in the past will continue to be part of MPIC in the future. Thus, supporting the perspective of a constant dividend growth rate. As such, the Financial Advisor deemed it appropriate to apply a dividend growth rate range of 8.75% to 9.00%.

DDM (Single-Stage) ₱ Thousands	Market Capitalization	
	Low	High
(D ₀) Total Cash Dividend (Common): Latest	₱3,268,700	₱3,268,700
(g) Dividend Growth	8.75%	9.00%
(D ₁) Total Cash Dividend (Common): Next Period	₱3,554,711	₱ 3,562,883
(K _e) Cost of Equity	11.46%	11.46%
(g) Dividend Growth Rate	8.75%	9.00%
K _e - g	2.71%	2.46%
[D ₁ /(K _e -g)] Indicative Value	₱131,194,362	₱144,862,086
Shares Outstanding	28,695.93	28,695.93
Indicative Value Per Share	₱4.57	₱5.05

MPIC Historical Dividends (2017-2019) ₱ Millions	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Total Cash Dividend (Common)	₱2,710.40	₱3,229.40	₱3,482.20	₱3,483.40
Dividend Growth		19.1%	7.8%	(0.1)%

The cost of equity for the DDM was derived using the CAPM method:

Cost of Equity	
Risk-free Rate	6.25% BSP Overnight Reverse Repurchase Facility Rate
Beta	0.91 Beta-factor as of January 2023
Equity risk premium	5.75% Equity risk premium
Equity Discount Rate	11.46%

The terminal growth rate used in the single-stage DDM at the MPIC level is not necessarily the same as the FCFE terminal growth rate that is applied to the respective business operations at the subsidiary level.

Based on the DDM approach, the Financial Advisor estimates that at a COE of 11.46% and a terminal growth rate of 8.75% to 9.00%, the Company's implied equity value ranges have an **indicative price range of ₱4.57 to ₱5.05** per share.

COMPARABLE PUBLIC COMPANIES APPROACH

The Comparable Public Companies ("CPCM") approach is a form of relative valuation that estimates the value of a company based on valuation metrics or multiples of publicly listed companies in the same industry or business, or other similarities. The CPCM approach operates under the assumption that similar companies will have the same valuation multiples. Additional information regarding the comparable public companies used in this valuation exercise can be found in Annex IV of this Valuation Report.

Price-to-Earnings Multiple

The Price to Earnings (P/E) multiple measures the price that investors are willing to pay for each Peso of earnings after tax that a company generates. The P/E multiple is readily available oftentimes and frequently used when conducting valuation such as determining the value of stocks. This approach makes comparison with the value of other listed companies within the same or similar industry easier.

MPIC is a diversified conglomerate with business interests mainly in power, water, rail, tollways, and healthcare. As of June 20, 2023, there are no directly comparable holding companies in the PSE or within the ASEAN region that have subsidiaries and affiliates operating in a similar mix of industries or sectors. Therefore, the selection of comparable companies was determined with the following guidelines: (1) PSE Index Member Conglomerates, (2) Market Capitalization as of end-of-day June 20, 2023, and (3) Within the +/- ₱25.0 billion range of MPIC's market capitalization as of end-of-day June 20, 2023. With the guidelines, a subset of PSEi Member Conglomerates was selected as basis for comparison and defined as Mid-Cap PSEi Conglomerates. The following companies were selected: Alliance Global Group, Inc. ("AGI"), DMCI Holdings, Inc. ("DMC"), GT Capital Holdings, Inc. ("GTCAP"), and LT Group, Inc. ("LTG") (together, the "holding companies").

With the selection of Mid-Cap PSEi Conglomerates, it has been observed, based on its historical and forward-looking consensus¹ data, that the set of comparables currently trade at substantial discounts relative to their 10-year average P/Es. The Financial Advisor deemed the discrepancy as material and have concluded that the discounts are reflective of the present investing environment amid a challenging macroeconomic environment. It was deemed prudent that in determining the fair market value of MPIC, the weighted average discount of the comparable companies' 12-month forward P/E relative to their weighted 10-year average P/E is an applicable discount to MPIC's 10-year average P/E. In determining the 2023E net income of MPIC, the Financial Advisor obtained the consensus Net Income estimate, which was used to arrive at the equity value of MPIC.

Information regarding the companies used to arrive at the holding company discount for the P/E multiple can be found in Annex IV of this valuation report.

Comparable Companies P Thousands	P/E		Mkt Cap	Weight	Weighted Average P/E	
	Actual	10Y Avg			Actual	10Y Avg
Alliance Global Group, Inc. (AGI)	6.7x	9.5x	114,234,621.95	25.8%	1.7x	2.5x
DMCI Holdings, Inc. (DMC)	4.7x	6.1x	122,285,498.70	27.7%	1.3x	1.7x
GT Capital Holdings, Inc. (GTCAP)	5.0x	12.5x	104,413,028.35	23.6%	1.2x	3.0x
LT Group, Inc. (LTG)	4.0x	8.5x	101,179,986.11	22.9%	0.9x	1.9x
Total			442,113,135.12	100.0%	5.1x	9.0x

The weighted average of the holding companies' 1-year forward P/E and 10-year average P/E were computed. A P/E discount of 43.2% was derived by computing for the percentage difference between the weighted average 1-year forward P/E, and 10-year average P/E of the holding companies. The 43.2% discount was then applied to MPIC's 10-year average P/E which results to a 5.9x P/E multiplier. Fifteen percentage points (15%) were deducted from the discount to arrive at a high-case P/E discount of 28.2% which translated to a P/E multiple of 7.5x.

The resulting multiples were then applied to the applicable financial information of MPIC to arrive at the indicative equity value as follows:

CPCM - P/E P Millions (except for per share data)	Valuation Range	
	Low	High
P/E	5.9x	7.5x
Discount	43.15%	28.15%
MPIC Net Income (2023E)	16,247.60	16,247.60
MPIC P/E Valuation	96,591.71	122,078.67
Shares Outstanding	28,695.93	28,695.93
Price per Share	3.37	4.25

Based on the P/E-based approach, the indicative market capitalization of MPIC's common shares range from P96.59 billion to P122.08 billion which translates to a share price range of P3.37 to P4.25.

¹ Sourced from Bloomberg as of June 20, 2023

MARKET-BASED APPROACH

The Volume Weighted Average Price (“VWAP”) approach estimates the value of a listed company based on its historical trading volume and price. The market price of a listed company is considered as an indication of how investors perceive the value of a company based on prevailing market and economic conditions. In this valuation report, the Financial Advisor examined the value of MPIC’s shares traded on the Philippine Stock Exchange.

Prior to the Delisting and Tender Offer Announcement

Time Period	Date Range	Low	High	Average Volume	Market Capitalization	VWAP
30-Day VWAP	26-Apr-2023 to 27-Mar-2023	₱3.67	₱4.26	20,417,105.26	₱112,034,336,342.97	₱3.90
One-Year VWAP	26-Apr-2023 to 26-Apr-2022	₱3.29	₱4.55	26,753,161.66	₱109,162,935,749.71	₱3.80
Two-Year VWAP	26-Apr-2023 to 26-Apr-2021	₱3.29	₱4.55	22,236,467.27	₱109,707,901,445.71	₱3.82

- The 30-day VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.90** with an **equivalent market capitalization of ₱112.03 billion**. During this period, the stock price of MPIC reached a high of ₱4.26 per share and a low of ₱3.67 per share. In the same period, an average of 20.42 million shares per day were traded.
- The 1-year VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.80** with an **equivalent market capitalization of ₱109.16 billion**. During this period, the stock price of MPIC reached a high of ₱4.55 per share and a low of ₱3.29 per share. In the same period, an average of 26.75 million shares per day were traded.
- The 2-year VWAP of MPIC ending April 26, 2023 shows a **price per share of ₱3.82** with an **equivalent market capitalization of ₱109.71 billion**. During this period, the stock price of MPIC reached a high of ₱4.55 per share and a low of ₱3.29 per share. In the same period, an average of 22.24 million shares per day were traded.

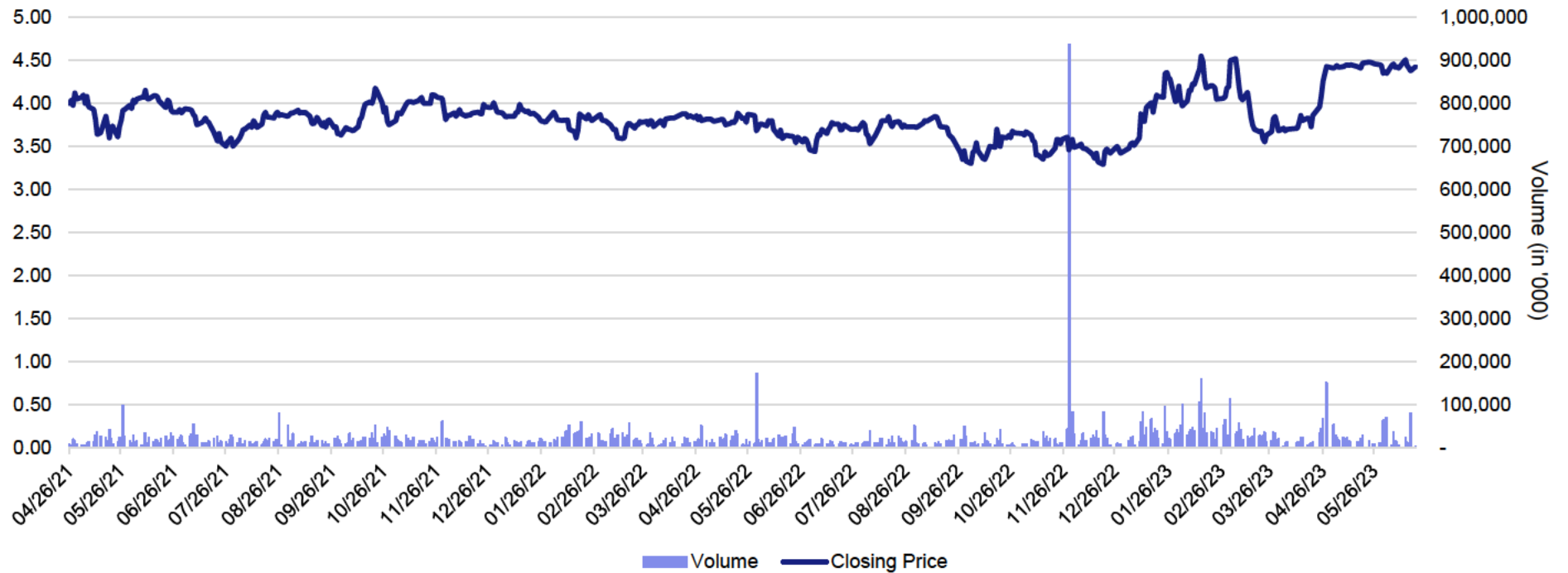
Year-to-date

For reference, the Financial Advisor also studied the VWAP of MPIC ending June 19, 2023. This period includes trading activity after the Transaction has been disclosed. The 30-day VWAP of MPIC ending June 19, 2023 is 12.98% higher than the 30-day VWAP of MPIC ending April 26, 2023. Since the announcement of the planned delisting and tender offer on April 27, 2023, MPIC has traded higher based on its 30-day, 1-year, and 2-year VWAP ending June 19, 2023 which is 13.0%, 2.18%, and 1.06% higher than the respective 30-day, 1-year, and 2-year VWAP ending April 26, 2023. Hence, a cut-off date for the VWAP of April 26, 2023 was considered.

Time Period	Date Range	Low	High	Average Volume	Market Capitalization	VWAP
30-Day VWAP	19-Jun-2023 to 19-May-2023	₱4.35	₱4.51	22,070,157.89	₱126,577,664,196.74	₱4.41
One-Year VWAP	19-Jun-2023 to 20-Jun-2022	₱3.29	₱4.55	27,497,271.02	₱111,542,057,710.85	₱3.89
Two-Year VWAP	19-Jun-2023 to 18-June-2021	₱3.29	₱4.55	22,837,606.50	₱110,865,751,721.71	₱3.86

SHARE PRICE AND TRADING VOLUMES

The chart below shows the historical movement of MPIC's share price and trading volumes from April 26, 2021 to June 19, 2023.



The stock price of MPIC traded at an average price of ₱3.98 per share year-to-date before announcement of the planned delisting and tender offer. After the announcement, MPIC's share price has traded at an average price per share of ₱4.43.

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RECOMMENDED VALUATION

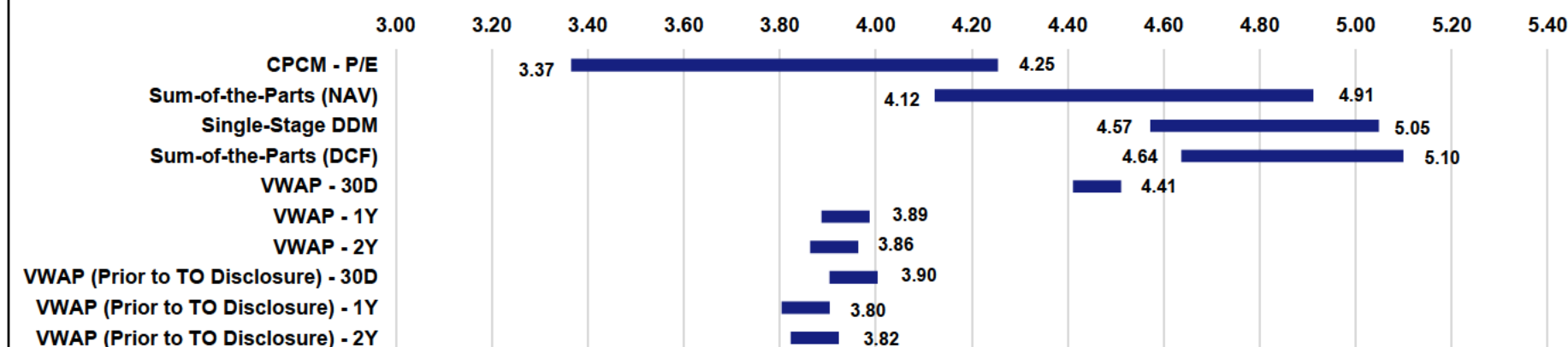
The objective of this Valuation Report and Fairness Opinion is to determine the fair value of MPIC's common shares for its potential delisting and the tender offer of the Consortium to the Company's minority shareholders. The Financial Advisor further considered the relevance of the various approaches used in this valuation exercise to the status and condition of the Company and its Subsidiaries as well as the share subject of the Transaction.

The table below summarizes the resulting market capitalizations derived from the different valuation methodologies employed, for the common shares of Metro Pacific Investments Corporation, subject of the Transaction.

MPIC Indicative Valuation

Valuation Approach ₱ Thousands	Market Capitalization		Price Per Share	
	Low	High	Low	High
CPCM - P/E	96,591,712.30	122,078,668.17	3.37	4.25
Sum-of-the-Parts (NAV)	118,322,664.43	140,943,173.80	4.12	4.91
Single-Stage DDM	131,194,362.43	144,862,085.79	4.57	5.05
Sum-of-the-Parts (DCF) - 42.0% Holding Company Discount	133,063,336.42	146,326,006.94	4.64	5.10
VWAP - 30D	126,577,664.20	126,577,664.20	4.41	4.41
VWAP - 1Y	111,542,057.71	111,542,057.71	3.89	3.89
VWAP - 2Y	110,865,751.72	110,865,751.72	3.86	3.86
VWAP (Prior to TO Disclosure) - 30D	112,034,336.34	112,034,336.34	3.90	3.90
VWAP (Prior to TO Disclosure) - 1Y	109,162,935.75	109,162,935.75	3.80	3.80
VWAP (Prior to TO Disclosure) - 2Y	109,707,901.45	109,707,901.45	3.82	3.82

Valuation Summary



The primary purpose of this valuation and fairness opinion is to determine the value range of MPIC in connection with its potential delisting and tender offer. Upon careful examination of the valuation exercise, the Financial Advisor is of the opinion that MPIC's common shares is fairly valued at a range between **₱96.59 billion to ₱146.33 billion** equivalent to a share price of **₱3.37 to ₱5.10**.

ANNEXES

ANNEX I | SUMMARY OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Audited Financial Statements of the Company and its Subsidiaries for the periods as of and for the years ending December 31, 2020, 2021, and 2022 were prepared and audited by SGV & Co. in accordance with Philippine Financial Reporting Standards (“PFRS”), and were also obtained from the Consortium’s disclosures to UI and public disclosures of MPIC to PSE. Unicapital, Inc. did not verify the accuracy or completeness of the information contained in the Financial Statements.

Statements of Comprehensive Income

Metro Pacific Investments Corporation ₱ Millions	For the years ended December 31		
	2020	2021	2022
Operating Revenues	40,855	43,561	50,882
Cost of Sales and Services	(17,269)	(18,594)	(19,818)
Gross Profit	23,586	24,967	31,064
General and Administrative Expenses	(9,589)	(10,417)	(11,732)
Interest Expense	(10,010)	(9,230)	(10,306)
Share in Net Earnings of Equity Method Investees	7,337	10,302	14,210
Interest Income	1,229	745	1,134
Construction Revenue	33,988	27,014	35,441
Construction Costs	(33,988)	(27,014)	(35,441)
Provision for Decline in Value of Assets	(1,685)	(9,089)	(9,485)
Others	(323)	(92)	2,056
Income Before Tax	10,545	7,186	16,941
Provision for Income Tax	3,728	1,259	3,804
Net Income	6,817	5,927	13,137

Statements of Financial Position

Metro Pacific Investments Corporation ₱ Millions	For the periods as of December 31		
	2020	2021	2022
Cash and cash equivalents	48,822	44,858	33,595
Short-term placements	1,852	4,712	8,827
Restricted cash	8,228	1,975	4,767
Receivables	8,007	8,272	9,195
Other current assets	75,969	12,595	12,540
Total Current Assets	142,878	72,412	68,924
Investments and advances	159,474	169,681	196,323
Service concession assets	275,864	300,063	331,693
Property, plant, and equipment	6,878	6,763	6,904
Goodwill	15,337	15,241	15,241
Intangible assets	705	337	377

Metro Pacific Investments Corporation	For the periods as of December 31		
₱ Millions	2020	2021	2022
Deferred tax assets	201	602	769
Other non-current assets	16,459	19,235	23,565
Total Non-Current Assets	474,918	511,922	574,872
Total Assets	617,796	584,334	643,796
Accounts payable and other current liabilities	35,172	36,704	44,784
Income tax payable	927	949	1,283
Due to related parties	2,481	101	83
Short-term and current portion of long-term debt	23,961	11,649	20,842
Current portion of:			
Provisions	6,708	7,951	8,337
Service concession fees payable	5,826	1,098	1,289
Liabilities under PFRS 5	40,519	0	0
Total Current Liabilities	115,594	58,452	76,618
Non-current portion of:			
Provisions	3,416	3,538	3,030
Provisions	23,608	30,198	28,453
Service concession fees payable	207,405	234,693	271,625
Deferred tax liabilities	11,161	9,882	9,898
Other long-term liabilities	12,265	10,706	9,131
Total Non-Current Liabilities	257,855	289,017	322,137
Total Liabilities	373,449	347,469	398,755
Capital stock	31,661	31,661	31,661
Additional paid-in capital	68,638	68,638	68,638
Treasury shares	(3,420)	(5,705)	(10,703)
Equity reserves	(943)	(1,352)	(1,377)
Retained earnings	91,898	98,475	105,692
Other comprehensive income reserve	(3,103)	1,587	6,177
Reserves under PFRS 5	129	0	0
Non-controlling interest	59,487	43,561	44,953
Total Equity	244,347	236,865	245,041
Total Liabilities and Equity	617,796	584,334	643,796

Statements of Cash Flows

Metro Pacific Investments Corporation	For the years ending December 31		
₱ Millions	2020	2021	2022
Income before tax	14,963	12,720	16,941
Adjustments for:			

Metro Pacific Investments Corporation P Millions	For the years ending December 31		
	2020	2021	2022
Provision for decline in value of assets	1,685	9,089	9,485
Interest expense	10,010	9,230	10,306
Amortization of service concession assets	5,261	5,930	4,602
Depreciation and amortization	5,185	1,341	1,138
Long-term incentive plan expense	539	314	261
Unrealized foreign exchange loss (gain)	(239)	1,005	587
Share in net earnings of equity method investees	(7,337)	(10,302)	(14,210)
Dividend income	(55)	(62)	(103)
Gain on acquisition of a subsidiary	0	0	(502)
Interest income	(1,229)	(745)	(1,134)
Gain on reversal of impairment	0	0	(2,287)
Gain on sale of investments	0	(5,648)	0
Others	(6)	(4)	49
Operating income before working capital changes	28,777	22,868	25,133
Decrease (increase) in:			
Restricted cash	1,108	(123)	(2,528)
Receivables	(2,345)	(104)	(929)
Other current assets	(2,354)	(688)	(1,775)
Increase in accounts payable and other current assets	1,201	338	4,001
Net cash generated from operations	26,387	22,291	23,902
Income taxes paid	(5,906)	(3,128)	(3,988)
Interest received	1,246	370	638
Net cash from operating activities	21,727	19,533	20,552
Dividends received from:			
Equity method investees	8,545	6,713	8,624
Financial assets	55	74	103
Collection of or proceeds from sale/disposal of:			
Financial assets	9,338	0	0
Investment in equity accounted entities	0	7,166	129
Investment in a subsidiary (net of transaction costs)	4,006	10,456	4,324
Property, plant, and equipment	600	175	150
Acquisition of subsidiaries	(64)	0	470
Additions to:			
Service concession assets	(34,078)	(34,777)	(39,875)
Financial assets	(15,649)	0	0
Property, plant, and equipment	(2,842)	(2,371)	(1,587)

Metro Pacific Investments Corporation P Millions	For the years ending December 31		
	2020	2021	2022
Investments in equity method investees	(60)	(8,076)	(23,346)
Decrease (increase) in:			
Short-term placements	(35)	1,997	(4,115)
Other non-current assets	(1,609)	397	(2,671)
Net cash used in investing activities	(31,793)	(18,246)	(57,794)
Receipt of or proceeds from:			
Short-term and long-term debt	50,535	40,072	73,025
Sale to non-controlling interest	4,651	0	0
Contribution from non-controlling stockholders	831	1,770	1,646
Payments of/for:			
Short-term and long-term debt	(39,725)	(25,686)	(27,419)
Interest and other financing charges	(8,745)	(8,472)	(8,788)
Service concession fees payable	(5,801)	(1,070)	(861)
Due to related parties	(5,646)	(2,450)	0
Dividends paid to non-controlling stockholders	(3,175)	(2,292)	(2,760)
Dividends paid to owners of the parent company	(3,487)	(3,392)	(3,278)
Treasury shares	(3,420)	(2,285)	(4,998)
Lease liability	(496)	(494)	(272)
Debt issuance cost	(392)	(324)	(316)
Acquisition of non-controlling interests	(81)	0	0
Net cash from (used in) financing activities	(14,951)	(4,623)	25,979
Net Change in Cash and Cash Equivalents	(25,017)	(3,336)	(11,263)
Cash and Cash Equivalents, Beginning of Year	73,211	48,194	44,858
Cash and Cash Equivalents, End of Year	48,194	44,858	33,595

ANNEX II | MANDATE



5 June 2023

R-L 3248

METRO PACIFIC HOLDINGS, INC.
10th Floor Net One Center
26th Street Corner 3rd Avenue
Fort Bonifacio, Taguig City, Philippines

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION
36th Floor, GT Tower International,
6813 Ayala Avenue,
Bel-Air, Makati City

GT CAPITAL HOLDINGS, INC.
43rd Floor, GT Tower International,
Ayala Avenue corner H.V. Dela Costa Street,
Makati City 1227

MIG HOLDINGS INCORPORATED
4th floor, SyCipLaw Center,
105 Paseo De Roxas Legaspi Village,
San Lorenzo, Makati City

Together the "Consortium" or the "Clients".

ATTN: **Mr. Stanley H. Yang**
Representative of the Consortium

RE: **Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report**

Ladies and Gentlemen:

We are pleased to present to the Consortium a proposal whereby Unicapital, Inc. ("UI") shall act as Financial Advisor ("FA") for the issuance of an independent Fairness Opinion and Valuation Report ("FOVR") for the common shares of Metro Pacific Investment Corporation. ("MPIC" or the "Company"). The FOVR will be used to support the tender offer of the Clients for the potential voluntary delisting of MPIC (the "Transaction").

I. Our Preliminary Views on the Subject

We understand that MPIC intends to voluntarily delist from the PSE, and one of the requirements of the voluntary delisting rules is a fairness opinion and valuation report, stating the fair value or range of fair values of the listed security, based upon certain procedures followed and assumptions made.

We also understand that under the Amended Voluntary Delisting Rules of the Philippine Stock Exchange ("PSE"), the voluntary delisting must be approved by: (a) at least two-thirds (2/3) of the entire membership of the board of directors, including the majority, but not less

+63 2 8892 0991

+63 2 8818 2127

www.unicapital-inc.com

3rd floor, Majalco Building, Benavidez cor. Trasierra Streets, Legaspi Village, Makati City, Philippines 1229

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report

June 5, 2023

Page 2 of 10

than two, of all of its independent directors; and (b) stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company and with the number of votes cast against the delisting proposal not more than ten percent (10%) of the total outstanding and listed shares of the listed company.

We further understand that the fairness opinion and valuation report will also be used to support the tender offer of the Clients.

We believe that UI, given our extensive track record of success, is suitably positioned to provide financial advisory services to the Clients.

II. Our Proposal

In pursuit of the Clients' objectives, we are prepared to act as the Clients' FA, in accordance with the following general terms of reference, to wit:

A. Work Program

Based on our understanding of the Clients' requirements, we envisage a work program that would require an exclusive mandate for a period of **up to three (3) weeks** to finalise a FOVR, which may be extended upon mutual agreement depending on the timeliness of the submission of information by the Clients. Upon your approval, we are prepared to mobilize our team that would render the advisory work in accordance with a work program that would involve essentially the tasks enumerated in Annex A. The preparation of the FOVR will be done in accordance with the rules and guidelines of the Philippine Stock Exchange ("PSE") and the Philippine Securities and Exchange Commission ("SEC") on the issuance of fairness opinions.

The final Report shall be submitted to the Clients for use by their respective Boards and advisors, as well as for sharing with MPIC's Board of Directors and its public shareholders Board of Directors, relevant senior management, and shareholders of the Clients (the "Authorized Recipients"). UI understands that the FOVR may be submitted to the Philippine Securities and Exchange Commission (the "SEC"), and the Philippine Stock Exchange ("PSE") and the investors of MPIC.

UI shall obtain clearance from PSE, and if required by the regulators, from SEC, regarding its independence to act as FA of producing the FOVR for the Clients, in parallel to drafting the FOVR, on a best-effort basis. UI shall respond to the queries that may be raised by the SEC and/ or the PSE on matters contained in the FOVR. UI shall also offer assistance in good faith to the Clients when the latter receive questions from MPIC Board regarding the FOVR prepared by UI. Any questions raised by the stakeholders other than the SEC, PSE, Consortium or MPIC Board shall not be addressed directly by UI but may be coursed through the Consortium.

The Clients shall provide UI with sufficient material information and documents relating to the Clients and the Target Company subject of the Transaction which are necessary to prepare the FOVR. Such information and documents shall include but not be limited to: (i) detailed corporate information, (ii) discussion on business and operations to the extent

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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which does not contradict publicly available information, (iii) relevant equity research reports, and (iv) historical financial statements with management discussion.

B. Fee Structure

For and in consideration of the services herein contemplated, we propose a compensation package as follows:

1. **Financial Advisory Fees** – For and in consideration of the advisory work as outlined in the attached Annex A, UI shall be entitled to a Financial Advisory Fee (FA Fee) of **Philippine Pesos Four Million (PhP4,000,000)** which shall be payable in cash and exclusive of taxes and out-of-pocket expenses as follows:

Upon signing this Mandate Proposal	50% of the total
Upon delivery of the Final Report	50% of the total
Total FA Fee	PhP4,000,000

We understand that each of the Clients shall be jointly and severally liable for its specific share in our professional fees as provided in the table below. Furthermore, we will bill each of the Clients separately based on the specific share indicated below:

Clients	Professional fee per client
Metro Pacific Holdings, Inc.	PhP410,800
MIT-Pacific Infrastructure Holdings Corporation	PhP2,183,600
GT Capital Holdings, Inc.	PhP319,200
MIG Holdings Incorporated	PhP1,086,400
Total FA Fee	PhP4,000,000

If for any reason other than UI's inability to satisfactorily perform under the terms of this Agreement, the Clients decide to terminate this Agreement or this engagement prior to the completion of any phases of the Financial Advisory Engagement as stated in the Work Program (Annex A), UI's engagement fee shall be based on actual manhours spent on the engagement and the actual expenses incurred prior to the termination date (with supporting documentation) and capped at Philippine Pesos Four Million (PhP4,000,000.00). For avoidance of doubt, failure to secure clearance from the SEC shall not be deemed as a breach of UI's obligation under this Agreement.

However, if the Clients inform UI within seven (7) calendar days of signing this Mandate that the Clients' valuation purpose will not push through and that, as a result, this engagement is being terminated, UI shall immediately stop work on the valuation report and UI's engagement fee shall be based on actual manhours spent on the engagement and the actual expenses incurred prior to the termination date (with supporting documentation).

2. **Out-of-Pocket Expenses** – All out-of-pocket expenses ("OPE") such as for communication, transportation, printing, photocopying, third-party consultants, and

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 4 of 10

similar expenses incurred over the course of completing the Transaction shall be for the account of the Clients. UI shall pre-clear with the Clients in advance for any appointments or disbursements where external consultants such as auditors and legal counsels are hired and where single OPE disbursements will amount to Philippine Pesos Five Thousand (PhP5,000.00) or more. The Clients are expected to not unreasonably withhold clearance on such appointments or disbursements.

3. **Taxes** – All Fees and any amount payable to UI shall be net of all taxes (including withholding taxes) and costs incidental to the transaction. Taxes and charges shall be for the account of the Clients.

III. Period of Engagement

Upon your acceptance of this mandate proposal, UI shall be mandated to act as exclusive FA to the Clients for a period of three (3) months commencing on the date of acceptance hereof, which may be extended (the extension of which will not be unreasonably denied) depending on the timeliness of (i) the Clients' submission of all information relevant to the Transaction. UI acknowledges that the Transaction is market sensitive and requires vetting by PSE and SEC as part of the standard process, and therefore, termination without reasonable basis by UI would be detrimental to the execution of the Transaction by Clients. This engagement shall be subject to termination by either party subject to a fourteen (14) days prior notification.

IV. Confidentiality

The Clients hereby acknowledge their obligation to supply to UI and review any and all information as necessary to maintain the accuracy and completeness of any written material and schedule that forms part of the valuation report.

In order to safeguard the business interests of the Clients and the Company, information regarding the Transaction and the Company shall be held in strictest confidentiality. It is understood that UI shall keep and maintain as confidential and privileged all information that it receives from the Clients.

V. Other Conditions

Our performance as FA, as herein contemplated, is dependent on the Clients' submission and disclosure of all material information necessary for us to complete a review of the Company's operations and financial condition and to provide opinions and recommendations on the valuation, pricing, and other relevant terms and conditions of the Transaction.

This agreement evidenced by your acceptance of this mandate proposal shall be exclusive to UI and the Clients and shall remain in force until the end of the engagement. In carrying out this assignment, the Clients shall indemnify and hold harmless UI, its officers, employees, agents, subsidiaries, affiliates, related parties, their respective officers, employees, and/or agents from any claim, loss, or damage relating to, arising out of, or in connection with this engagement, provided that the Clients shall not be liable in any such case to the extent of any such loss, claim, damage, or liability directly resulting from the gross negligence or willful act of UI and its officers, employees, and/or agents.

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 5 of 10

We hope that the foregoing proposal meets your requirement. Should you wish to clarify any of the aforementioned, we will be glad to meet you at your earliest convenience. However, should you already find the foregoing terms and conditions acceptable, please signify your acceptance by affixing your signature on the space provided herein, and returning to us the two (2) other sets of this proposal. Upon acceptance, this proposal will serve as our exclusive mandate to perform the services outlined in this letter.

We look forward to a mutually beneficial and harmonious relationship.

Very truly yours,

UNICAPITAL, INC.



Jaime J. Martinez
President and Chief Executive Officer



Francis J. Reyes II
Assistant Manager

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
Page 6 of 10

CONFORME:

METRO PACIFIC HOLDINGS, INC.

By:



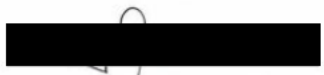
Stanley H. Yang
Authorized Signatory

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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CONFORME:

GT CAPITAL HOLDINGS, INC.

By:



Carmelo Maria Luza Bautista
President



Francisco H. Suarez, Jr.
Chief Financial Officer

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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CONFORME:

MIT-PACIFIC INFRASTRUCTURE HOLDINGS CORPORATION

By:



Yoshitoshi Iwami
Director

ANNEX A

Proposal to Act as Financial Advisor to Issue a Fairness Opinion and Valuation Report
June 5, 2023
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CONFORME:

MIG HOLDINGS INCORPORATED

By:



Manuel V. Pangilinan
Chairman


**PROPOSED WORK PROGRAM
METRO PACIFIC INVESTMENTS CORPORATION**

Upon engagement as FA, it is envisaged that the work program shall be implemented as follows:

PHASE	SCOPE OF WORK
Phase I Due Diligence and Historical Financial Review	<p>UI shall:</p> <ul style="list-style-type: none"> Conduct a comprehensive review of the Company's (i) historical and current operations and financial condition, (ii) relevant and reputable market research of the Company. <p>Estimated Time to Complete: 7 days</p>
Phase II Financial Projections Review	<p>UI shall review the financial projections and assumptions, if any. The said financial projections will be the basis for establishing the valuation.</p> <p>Estimated Time to Complete: 7 days</p>
Phase III Preliminary Valuation	<p>UI shall seek to establish the most appropriate valuation metrics in order to establish proper benchmarks for arriving at a fair and sound valuation of the Target Company subject of the Transaction.</p> <p>Estimated Time to Complete: 3.5 days</p>
Phase IV Final Report Preparation	<p>UI shall supervise and guide management in the preparation of the FOVR. The preparation of the Report will be done in accordance with the rules and guidelines of the PSE and SEC on the issuance of fairness opinions.</p> <p>The Report shall include information such as the (i) background and operations, (ii) historical financials, and (iii) valuation of the Target Company subject of the Transaction and the basis of the valuation.</p> <p>Estimated Time to Complete: 3.5 days</p>

ANNEX III | PSE ACCREDITATION

CN - No. 2023-0030



MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

Listing
 Market Education
 Market Information
 Products and Services

Public Advisory
 Regulatory Updates
 TP Announcements
 Others **Accredited Firms**

TO : INVESTING PUBLIC AND ALL TRADING PARTICIPANTS

DATE : June 21, 2023

SUBJECT : Unicapital, Inc.
Accredited Firm for Issuing Fairness Opinions and Valuation Reports

Please be informed that the Exchange approved the application of **Unicapital, Inc. (the "Firm")** for the renewal of its accreditation as a fairness opinion and valuation report provider of listed companies and prospective initial listing applicants of the Exchange.

All fairness opinions and valuation reports submitted to the Exchange as part of a listing application or an application for voluntary delisting by a listed company should be prepared by an independent fairness opinion and valuation report provider duly accredited by the Exchange, in accordance with the Consolidated Listing and Disclosure Rules of the Exchange, Guidelines for Fairness Opinions and Valuation Reports, the Policy on Validity Period of Accreditation of Firms for Valuation or Appraisal Purposes, as amended, and the PSE Amended Voluntary Delisting Rules.

In view thereof, the renewal of the accreditation of the Firm shall be effective for a period of one (1) year from June 26, 2023, subject to the Firm's compliance with the reportorial requirements.

Further, for easy reference, the Exchange-accredited firms for purposes of issuing fairness opinions and valuation reports for listed companies and prospective listing applicants are as follows:

Accredited Firms	Validity of PSE Accreditation
Unicapital, Inc. ¹	June 26, 2023 to June 26, 2024
SB Capital Investment Corporation	June 21, 2022 to June 21, 2023
FTI Consulting Philippines, Inc.	November 7, 2022 to November 7, 2023
Isla Lipana & Co.	November 11, 2022 to November 11, 2023

Page 1 of 2

¹ As previously announced, the existing accreditation of Unicapital, Inc. is valid from June 26, 2018 to June 26, 2023.

CMDD
Tel. No. (632) 8876-4888

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OGC
OGC

COO
COO

E-mail Address: info@pse.com.ph

Accredited Firms	Validity of PSE Accreditation
CLSA Exchange Capital, Inc.	November 11, 2022 to November 11, 2023
BDO Capital & Investment Corporation	December 19, 2022 to December 19, 2023
Punongbayan & Araullo	February 1, 2023 to February 1, 2024
MIB Capital Corporation	February 3, 2023 to February 3, 2024
R.G. Manabat & Co.	February 14, 2023 to February 14, 2024
ING Bank N.V., Manila Branch	March 15, 2023 to March 15, 2024
BPI Capital Corporation	May 16, 2023 to May 16, 2024

For your information and guidance.



ROEL A. REFRAN
Chief Operating Officer

Page 2 of 2

CMDD
Tel. No. (632) 8876-4888

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OGC

COO
COO

E-mail Address: info@pse.com.ph

ANNEX IV | COMPARABLE COMPANIES

Comparable Companies	Description
Alliance Global Group, Inc. (AGI)	AGI was incorporated on October 12, 1993 and listed its shares on the Philippine Stock Exchange on April 19, 1999. AGI began operations in 1994 as a glass-container manufacturer after it acquired a glass manufacturing plant in Canlubang, Laguna. In 1999, the Company obtained approval from the Securities and Exchange Commission to broaden its primary business into that of a holding company.
DMCI Holdings, Inc. (DMC)	DMC was incorporated on March 8, 1995 as a holding company to consolidate all construction business, construction component companies, and related interests of the Consunji family.
GT Capital Holdings, Inc. (GTCAP)	GTCAP was incorporated on July 26, 2007 as a holding company. GTCAP is the primary vehicle for the holding and management of the diversified business interests of the Ty family in the Philippines. The Company holds interests in banking; automotive assembly, importation, distribution, and financing; banking; property development; life and non-life insurance; infrastructure and utilities; and motorcycle financing.
LT Group, Inc. (LTG)	LTG, formerly Tanduary Holdings, Inc. (THI), was incorporated on May 25, 1937 under the name The Manila Wine Merchants, Inc. to engage in the trading business. The Securities and Exchange Commission (SEC) approved the change in corporate name to Asian Pacific Equity Corporation on September 22, 1995 and the change of its primary purpose to that of a holding company. On November 10, 1999, the corporate name was again changed to THI. On September 28, 2012, the SEC approved the change in the corporate name to the present one.

Comparable Companies ₱ Thousands	P/E		Mkt Cap	Weight	Weighted Average P/E	
	Actual	10Y Avg			Actual	10Y Avg
Alliance Global Group, Inc. (AGI)	6.7x	9.5x	114,234,621.95	25.8%	1.7x	2.5x
DMCI Holdings, Inc. (DMC)	4.7x	6.1x	122,285,498.70	27.7%	1.3x	1.7x
GT Capital Holdings, Inc. (GTCAP)	5.0x	12.5x	104,413,028.35	23.6%	1.2x	3.0x
LT Group, Inc. (LTG)	4.0x	8.5x	101,179,986.11	22.9%	0.9x	1.9x
Total			442,113,135.12	100.0%	5.1x	9.0x



3 / F Majalco Building, Benavidez corner Trasierra Streets, Legaspi Village, Makati City, Philippines 1229
Telephone: (+632) 88920991; Fax (+632) 88182127

Remarks

C05180-2023

- Please be advised that the proposed delisting of Metro Pacific Investments Corporation (“MPI”) from the Official Registry of the Exchange is subject to the Exchange’s applicable rule/s under the Consolidated Listing and Disclosure Rules, as well as other applicable laws, rules and regulations. The Exchange will inform the Trading Participants and the investing public of further developments on the matter.

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Metro Pacific Investments Corporation MPI

PSE Disclosure Form DLR-1 - Voluntary Delisting *References: Rules on Voluntary Delisting*

Subject of the Disclosure

Approval by the Board of Directors of Metro Pacific Investments Corporation (“MPIC”) of the filing of an application for Voluntary Delisting of its Common Shares from the Philippine Stock Exchange (“PSE”)

Background/Description of the Disclosure

Approval of the Filing of a Petition for Voluntary Delisting of the common shares of MPIC from the Main Board of the PSE

Stock Symbol(s) of Affected Securities

MPI

Date of Approval by Board of Directors

Jul 3, 2023

Reason/Purpose of the Voluntary Delisting

On July 3, 2023, Metro Pacific Investments Corporation (“MPIC”) received an updated Tender Offer Notice (“Updated Notice”) from a consortium consisting of Metro Pacific Holdings, Inc. (“MPHI”), GT Capital Holdings, Inc. (“GTCHI”), Mit-Pacific Infrastructure Holdings, Inc. (“MPIH”) and MIG Holdings Incorporated (“MIG”) (MPHI, GTCHI, MPIH and MIG shall collectively be referred to as the “Bidders”) which states that they intend to make a tender offer (“Tender Offer”) for common shares of MPIC with a view to taking MPIC private through a voluntary delisting process. The Tender Offer shall cover all outstanding common shares of MPIC, other than the common shares owned by the Bidders and the qualifying common shares of the directors of MPIC (the “Excluded Shares”, and the shares subject of the Tender Offer, the “Tender Offer Shares”). The Updated Notice states that it supersedes the initial Tender Offer Notice that MPIC received from the Bidders on April 26, 2023 (“Initial Notice”).

Under the Amended Voluntary Delisting Rules of the Philippine Stock Exchange (“PSE”), the voluntary delisting must be approved by: (a) at least two-thirds (2/3) of the entire membership of the board of directors, including the majority, but not less than two, of all of its independent directors; and (b) stockholders owning at least two-thirds (2/3) of the total outstanding and listed common shares of the listed company and with the number of votes cast against the delisting proposal not more than ten percent (10%) of the total outstanding and listed common shares of the listed company.

After receiving the Updated Notice, a special meeting of the Board of Directors of MPIC was convened on the same day (“MPIC Board”). The MPIC Board, including all four independent directors, unanimously approved a resolution authorizing the filing of an application for voluntary delisting with the PSE, subject to compliance with the Amended Voluntary Delisting Rules of the PSE. During the same meeting, the MPIC Board also unanimously approved to schedule the holding of a Special Stockholders’ Meeting (“SSM”) on August 8, 2023 with record date of July 18, 2023. The only agenda item to be submitted for the approval of the shareholders on the SSM is the approval of the voluntary delisting of MPIC from the PSE. Assuming the shareholders approve the resolution to delist MPIC from the PSE during the SSM, the Bidders will launch the Tender Offer immediately thereafter.

Upon the completion of the Tender Offer, and subject to obtaining the approval of the shareholders as described above, the minimum public ownership of MPIC is expected to fall below the prescribed minimum public float.

Person(s) Proposing the Delisting

Metro Pacific Investments Corporation and the Bidders

Proposed Date of Delisting

TBA

Other Relevant Information

This serves as an update to the Company’s disclosure filed on April 27, 2023.

Please see attached SEC Form 17-C dated July 03, 2023.

Filed on behalf by:

Name	RICARDO III PILARES
Designation	VP for Legal / Compliance Officer / Corporate Governance Officer / Corporate Secretary



METRO PACIFIC INVESTMENTS CORPORATION

July 03, 2023

PHILIPPINE STOCK EXCHANGE

PSE TOWER
28th Street corner 5th Avenue
BGC, Taguig City

SECURITIES & EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village
Barangay Bel-Air
Makati City, 1209

Attention: **MR. JOSE VALERIANO B. ZUÑO**
OIC – HEAD, Disclosure Department

DIR. VICENTE GRACIANO P. FELIZMENIO, JR.
Markets and Securities Regulation Department

RE: SEC FORM 17-C
METRO PACIFIC INVESTMENTS CORPORATION (“MPIC”)

Metro Pacific Investments Corporation (“MPIC”) submits the attached SEC Form 17-C disclosing the approval by the Board of Directors of Metro Pacific Investments Corporation (“MPIC”) of the filing of an application for Voluntary Delisting of its Common Shares from the Philippine Stock Exchange (“PSE”).

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Pilares III".

RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

Item 9. Other Items

On July 3, 2023, Metro Pacific Investments Corporation (“MPIC”) received an updated Tender Offer Notice (“Updated Notice”) from a consortium consisting of Metro Pacific Holdings, Inc. (“MPHI”), GT Capital Holdings, Inc. (“GTCHI”), Mit-Pacific Infrastructure Holdings, Inc. (“MPIH”) and MIG Holdings Incorporated (“MIG”) (MPHI, GTCHI, MPIH and MIG shall collectively be referred to as the “Bidders”) which states that they intend to make a tender offer (“Tender Offer”) for common shares of MPIC with a view to taking MPIC private through a voluntary delisting process. The Tender Offer shall cover all outstanding common shares of MPIC, other than the common shares owned by the Bidders and the qualifying common shares of the directors of MPIC (the “Excluded Shares”, and the shares subject of the Tender Offer, the “Tender Offer Shares”). The Updated Notice states that it supersedes the initial Tender Offer Notice that MPIC received from the Bidders on April 26, 2023 (“Initial Notice”).

Under the Amended Voluntary Delisting Rules of the Philippine Stock Exchange (“PSE”), the voluntary delisting must be approved by: (a) at least two-thirds (2/3) of the entire membership of the board of directors, including the majority, but not less than two, of all of its independent directors; and (b) stockholders owning at least two-thirds (2/3) of the total outstanding and listed common shares of the listed company and with the number of votes cast against the delisting proposal not more than ten percent (10%) of the total outstanding and listed common shares of the listed company.

After receiving the Updated Notice, a special meeting of the Board of Directors of MPIC was convened on the same day (“MPIC Board”). The MPIC Board, including all four independent directors, unanimously approved a resolution authorizing the filing of an application for voluntary delisting with the PSE, subject to compliance with the Amended Voluntary Delisting Rules of the PSE. During the same meeting, the MPIC Board also unanimously approved to schedule the holding of a Special Stockholders’ Meeting (“SSM”) on August 8, 2023 with record date of July 18, 2023. The only agenda item to be submitted for the approval of the shareholders on the SSM is the approval of the voluntary delisting of MPIC from the PSE. Assuming the shareholders approve the resolution to delist MPIC from the PSE during the SSM, the Bidders will launch the Tender Offer immediately thereafter.

Upon the completion of the Tender Offer, and subject to obtaining the approval of the shareholders as described above, the minimum public ownership of MPIC is expected to fall below the prescribed minimum public float.

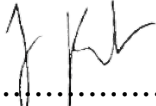
A copy of the Form DLR-1 (Voluntary Delisting) will be filed to the Philippine Stock Exchange (PSE) is attached herewith as Annex “A”.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

METRO PACIFIC INVESTMENTS CORPORATION
MPIC or Issuer

July 03, 2023
Date



.....
RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Metro Pacific Investments Corporation

MPI

PSE Disclosure Form DLR-1 - Voluntary Delisting

References: Rules on Voluntary Delisting

Subject of the Disclosure

Approval by the Board of Directors of Metro Pacific Investments Corporation ("MPIC") of the filing of an application for Voluntary Delisting of its Common Shares from the Philippine Stock Exchange ("PSE")

Background/Description of the Disclosure

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Stock Symbol(s) of Affected Securities	MPI
Date of Approval by Board of Directors	Jul 3, 2023

Reason/Purpose of the Voluntary Delisting

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Upon the completion of the Tender Offer, and subject to obtaining the approval of the shareholders as described above, the minimum public ownership of MPIC is expected to fall below the prescribed minimum public float.

Person(s) Proposing the Delisting

Metro Pacific Investments Corporation and the Bidders

Proposed Date of Delisting

TBA

Other Relevant Information

This serves as an update to the Company’s disclosure filed on April 27, 2023.

Please see attached SEC Form 17-C dated July 03, 2023.

From: [ICTD Submission](#)
To: [MPIC Compliance](#)
Subject: Re: Metro Pacific Investments Corporation_Form 17C_03 July 2023_Voluntary Delisting
Date: Monday, July 3, 2023 10:49:08 PM

This is an External Email. Please be cautious in opening links even if it's from a trusted contact.

Thank you for reaching out to ictdsubmission@sec.gov.ph!

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5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

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2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
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5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

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6. GFFS 12. SFFS 18. FS – Consolidated

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For your information and guidance.

Thank you.

Remarks**C05181-2023**

- The Exchange approves the request of Metro Pacific Investments Corporation (“MPI”) for a voluntary trading suspension of its shares from July 4, 2023 at 9:00 a.m. to July 5, 2023 at 9:00 a.m. in view of the materiality of MPI’s disclosures as described in Company Announcement Nos. C05178-2023, C05179-2023 and C05180-2023 all dated July 4, 2023.

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Metro Pacific Investments Corporation MPI

PSE Disclosure Form 4-34 - Voluntary Trading Suspension

Subject of the Disclosure

Request for Voluntary Trading Suspension

Background/Description of the Disclosure

Metro Pacific Investments Corporation (“MPIC”) is requesting for a voluntary trading suspension in connection with the receipt of an Updated Notice of Intent to undertake a Tender Offer (“Updated Tender Offer Notice”) and approval by the Board of Directors to file an application for voluntary delisting from the Philippine Stock Exchange in view of the Updated Tender Offer Notice it received from a consortium of bidders including Metro Pacific Holdings, Inc., GT Capital Holdings, Inc., Mit-Pacific Infrastructure Holdings, Inc. and MIG Holdings Incorporated.

Stock Symbol(s) of Affected Securities

MPI

Trading Suspension Details

Execution Date	Jul 4, 2023
Execution Time	9:00 a.m.
Lifting Date	Jul 5, 2023
Lifting Time	9:00 a.m.

Reason(s) for the request

The voluntary trading suspension is requested to: (1) allow the disclosure to be disseminated to the investing public (including shareholders in different time zones) who may learn about the disclosures at a later time; and (2) give the trading participants and the investing public time to study the Company’s recent disclosures before transacting the common shares of the Company.

Other Relevant Information

Please see attached SEC Form 17-C dated July 3, 2023 filed by MPIC.

Filed on behalf by:

Name	RICARDO III PILARES
Designation	VP for Legal / Compliance Officer / Corporate Governance Officer / Corporate Secretary



METRO PACIFIC INVESTMENTS CORPORATION

July 03, 2023

PHILIPPINE STOCK EXCHANGE

PSE TOWER
28th Street corner 5th Avenue
BGC, Taguig City

SECURITIES & EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village
Barangay Bel-Air
Makati City, 1209

Attention: **MR. JOSE VALERIANO B. ZUÑO**
OIC – HEAD, Disclosure Department

DIR. VICENTE GRACIANO P. FELIZMENIO, JR.
Markets and Securities Regulation Department

RE: SEC FORM 17-C
METRO PACIFIC INVESTMENTS CORPORATION (“MPIC”)

Metro Pacific Investments Corporation (“MPIC”) submits the attached SEC Form 17-C disclosing the request for Voluntary Trading Suspension with the Philippine Stock Exchange (“PSE”).

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Pilares III".

RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

Item 9. Other Items

Metro Pacific Investments Corporation (“MPIC”) is requesting for a voluntary trading suspension in connection with the receipt of an Updated Notice of Intent to undertake a Tender Offer (“Updated Tender Offer Notice”) and approval by the Board of Directors to file an application for voluntary delisting from the Philippine Stock Exchange in view of the Updated Tender Offer Notice it received from a consortium of bidders including Metro Pacific Holdings, Inc., GT Capital Holdings, Inc., Mit-Pacific Infrastructure Holdings, Inc. and MIG Holdings Incorporated.

The voluntary trading suspension is requested to: (1) allow the disclosure to be disseminated to the investing public (including shareholders in different time zones) who may learn about the disclosures at a later time; and (2) give the trading participants and the investing public time to study the Company’s recent disclosures before transacting the common shares of the Company.


A copy of the Form 4-34 (Voluntary Trading Suspension) will be filed to the Philippine Stock Exchange (PSE) is attached herewith as Annex “A”.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

METRO PACIFIC INVESTMENTS CORPORATION
MPIC or Issuer

July 03, 2023
Date


.....
RICARDO M. PILARES III
Vice President for Legal/Compliance Officer

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Metro Pacific Investments Corporation

MPI

PSE Disclosure Form 4-34 - Voluntary Trading Suspension

Subject of the Disclosure

Request for Voluntary Trading Suspension

Background/Description of the Disclosure

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Stock Symbol(s) of Affected Securities

MPI

Trading Suspension Details

Execution Date	Jul 4, 2023
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Lifting Date	Jul 5, 2023
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Other Relevant Information

Please see attached SEC Form 17-C dated July 3, 2023 filed by MPIC.

From: [ICTD Submission](#)
To: [MPIC Compliance](#)
Subject: Re: Metro Pacific Investments Corporation_Form 17C_03 July 2023_Voluntary Trading Suspension
Date: Monday, July 3, 2023 10:50:27 PM

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