

December 2023

A Challenging and Productive Year

Message from the General Manager on NDC's 2023 projects

The year 2023 has been challenging for the National Development Company (NDC) because of its streamlining and capacity-building initiatives.

We did these while being re-certified for our ISO QMS processes (Equity Investment, Project Financing, Asset Management, Fund Management, and Support Services) for the 13th year, and more than doubling our projects handled.

To do this, NDC added 3 new Groups (Business Development, Fund Management & Subsidiaries, and Corporate Communications) to the existing Groups (Corporate Services, Special Projects, and Asset Management), bringing the number of Assistant General Managers to 6.

We are transforming NDC into a niche investment platform that specializes in filling "gaps" that the Philippines urgently needs to be filled. We established the new NDC Investment Criteria:

- Pioneering
- Developmental
- Sustainable
- Inclusive
- Innovative

While these are the NDC Priority Sectors:

- Health
- Food Supply Chain
- Climate Change Mitigation
- Water
- Construction
- Education
- Connectivity
- Technology Innovation



The key investment projects that NDC jumpstarted in 2023 are:

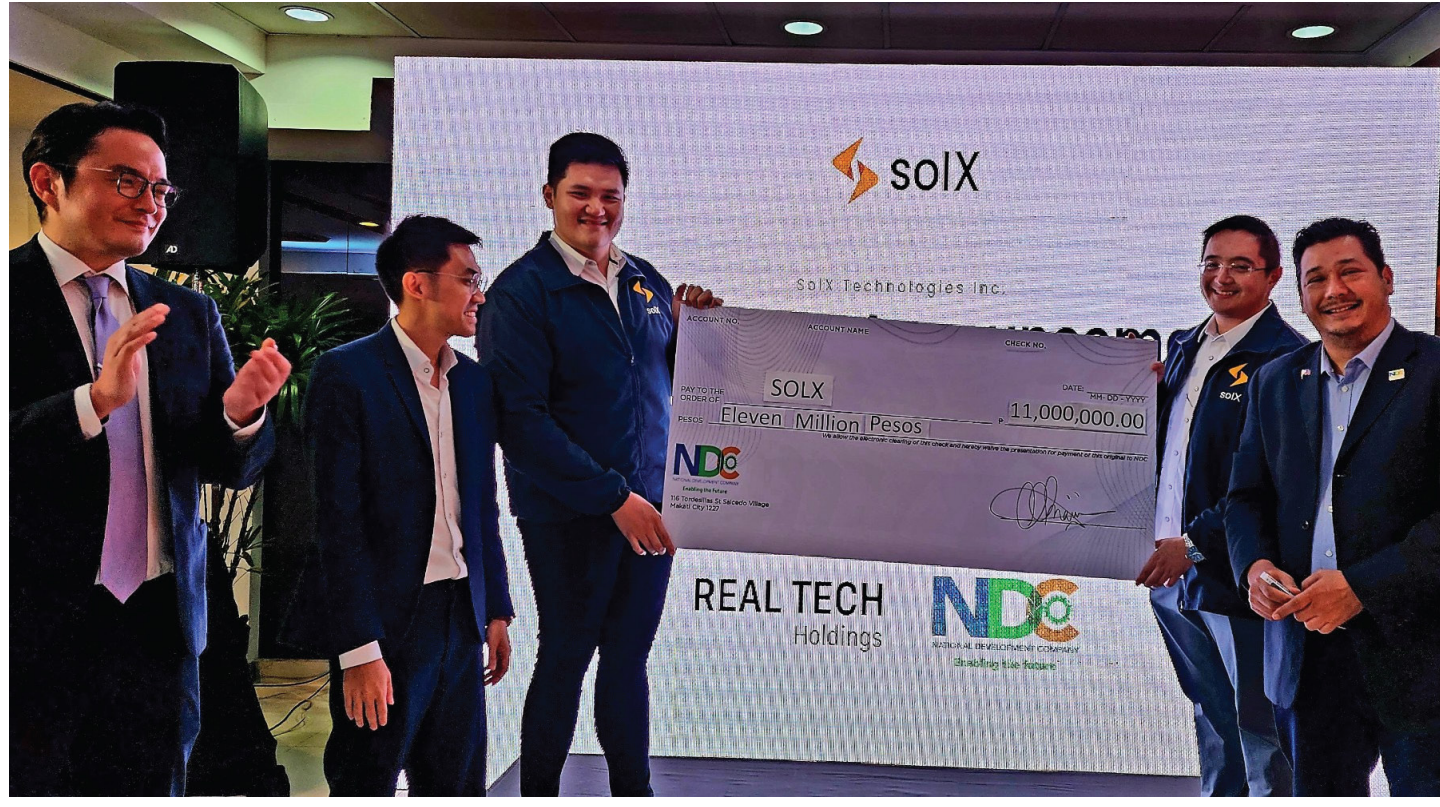


1. The Philippine Innovation Hub (iHub)

At the Ground floor of the NDC Building in Salcedo Village, Makati, it is the headquarters of the Startup Venture Fund (SVF), the Philippine E-Commerce Platform, and the upcoming Ph AI Research Center. It has already signed knowledge partnerships with 12 organizations in 2023, and also serves as a co-working space and event space for start-ups, partners, and stakeholders.

Liaising closely with the National Innovation Council, the iHub is NDC's tangible investment in the Philippine digital transformation agenda and will establish a registry of innovation projects for better synergies between the private and public sector. NDC aims to be the first Philippine government agency to be ISO-certified for Innovation Management.

The SVF's first investment is in SolX, a deeptech electricity utilization startup that was endorsed by the Philippines' Energy Regulatory Commission (ERC).



2. Vaccine Manufacturing Plant

A Filipino vaccine distribution company that has been supported by ADB and KKR, Glovax has been applying for government support since 2014. It has partnered with technology partner LG Lifesciences of Korea and Eubiotics to construct the Philippines' first vaccine manufacturing facility and laboratory in Taysan, Batangas.

This project is urgently needed for vaccine self-sufficiency, providing cheaper vaccines to the poor, and preparing for the next pandemic.



3. Kacific Broadband Satellite group

Kacific Broadband Satellite group is a Singapore-based company who has already invested more than USD35m in the Philippines, providing broadband satellite access to unserved and underserved areas through contracts with DICT and other agencies.

The Philippines is aiming to secure the connectivity demands of the country by investing in the Kacific group itself, thus gaining an advantage over countries competing for the same bandwidth over the next decade.

The NDC investment in the Kacific group will allow NDC to pre-purchase frequency blocks from Kacific at a lower price, which in turn will be sold at lower-than-market prices to Philippine buyers, especially the government, over the next 6 years.



4. Davao Thermo Biotech Corp.

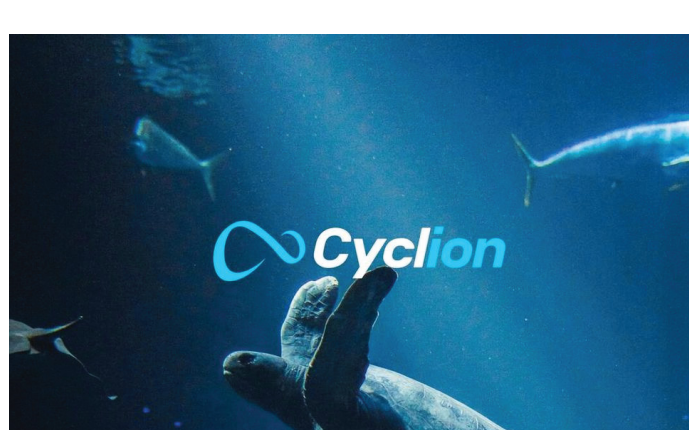
Davao Thermo Biotech Corp. is a pioneering composting facility started in Davao in 2015 by Dr. Bo Puentespina, from the family that owns Malagos farms, known worldwide for its cheese and chocolates. They partnered with Kyowa Kako, the number 1 composting technology company in Japan.

NDC's investment in DTBC is aimed at expanding the plant and creating a franchise model to replicate this in other parts of the country.



5. Cyclion

Cyclion is a pioneer waste-to-energy company from Australia that converts biowaste to green fuel. The novel system uses a mega-cyclone type of machine to process garbage without incineration. The later stage uses algae to convert carbon dioxide into oxygen and also produces clean water as a by-product. The fuel output can be calibrated to produce different types of fuel such as biodiesel and aviation fuel. It is a potential sustainable and environmentally-safe solution to 2 urgent problems: garbage and fuel.



These projects are navigated by NDC in coordination with the different agencies of the government and the private sector. NDC's unique charter allows it to act as a vehicle for investment in multiple sectors, with the advantage of entering into agency-to-agency agreements.

Looking ahead at 2024, the NDC will continue to identify gaps where it can make its modest contributions to national development.

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