

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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(Business address: No. Street City / Town / Province)

ATTY. ALAN T. ASCALON

Contact Person

(632) 7730-6300

Company's Telephone Number

1	2
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Month

3	1
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Day

1	7	-	A
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Form Type

0	4
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Month

2	3
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Day

Not Applicable

(Secondary License Type, if Applicable)

C	F	D
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Dept. Requiring this Doc.

-

Amended Articles
Number/Section

4,521

Total No. of
Stockholders

Total Amount of Borrowings

-

Domestic

-

Foreign

To be accomplished by SEC Personnel
concerned

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File Number

LCU

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Document ID

CASHIER

STAMPS

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CERTIFICATION

I, Kyla Kamille U. Samson, Controller, a duly authorized representative of **ACEN CORPORATION** (the Company) with SEC registration number 069-039274 and principal office at 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, do hereby certify and state that:

- 1) In compliance with Securities and Exchange Commission (SEC) Memorandum Circular No. 1, series of 2025, the Company is timely filing its 2024 SEC Form 17-A by sending the same (in portable document format through email to ictdsubmission@sec.gov.ph and by uploading the same through the PSE EDGE in accordance with the relevant PSE rules and procedures.
- 2) The information contained in the December 31, 2024 SEC Form 17-A dated March 28, 2025 is true and correct to the best of my knowledge.
- 3) I am executing this certification this March 28, 2025 to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.



Kyla Kamille U. Samson
Controller

SEC Number: 069-039274
File Number: _____

ACEN CORPORATION

(Company's Full Name)

**35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City**

(Company's Address)

(632) 7730-6300

(Telephone Number)

2024 December 31

(Fiscal Year ending) (month & day)

SEC FORM 17-A

(Form Type)

Amendment Designation (If Applicable)

2024 December 31

(Period Ended Date)

(Secondary License Type and File Number) /

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal period ended **December 31, 2024**
2. Commission identification number **069-039274**
3. BIR Tax Identification No. **000-506-020-000**
4. Exact name of issuer as specified in its charter **ACEN CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office **35th Floor, Ayala Triangle Gardens
Tower 2, Paseo de Roxas corner
Makati Avenue, Makati City
Postal Code: 1226**
8. Issuer's telephone number, including area code **(632) 7-730-6300**
9. Former name, former address and former fiscal year, if changed since last report **AC Energy Corporation**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA
- | | |
|--|--|
| Number of shares of common stock outstanding | |
| Common | : 39,677,394,773 shares |
| Series A Preferred Shares | : 8,341,500 shares |
| Series B Preferred Shares | : 16,658,500 shares |
| Amount of debt outstanding | : ₱10 billion – registered in the
Philippine SEC and listed in PDEX |

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

Stock Exchange

Classes of Securities Listed

Philippine Stock Exchange

Common shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form (As of December 31, 2024, Php38,736,604,460 equivalent to the total number of shares in the hands of the public based on the Company's Public Ownership Report, multiplied by the average price of the last trading day).

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.
Not applicable

Yes [] No []

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

2024 Consolidated Financial Statements of ACEN CORPORATION and Subsidiaries
2024 Opinion on and Individual Supplementary Schedules
2024 Financial Statements of ACEN CORPORATION (with BIR ITR Filing Reference)
2024 Consolidation Financial Statements of ACEN Renewables International Pte. Ltd. and Subsidiaries

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PART I BUSINESS AND GENERAL INFORMATION

Item 1. Business

BUSINESS AND GENERAL INFORMATION

ACEN CORPORATION (“ACEN” or the “Company”, formerly AC Energy Corporation) is a corporation duly organized and existing under Philippine law with Securities and Exchange Commission (“SEC”) Registration No. 069-39274 and listed with the Philippine Stock Exchange (“PSE”) with ticker symbol “ACEN” (formerly “ACEPH”).

As of 28 February 2025, AC Energy and Infrastructure Corporation (“AC Energy”, formerly AC Energy, Inc.) owns 58.23% of the outstanding capital stock of the Company.¹ AC Energy is a Philippine corporation wholly owned by Ayala Corporation. AC Energy, its subsidiaries, and affiliates (the “AC Energy Group”) manages a diversified portfolio of renewable and conventional power generation projects and engages primarily in power project development operations and in other businesses located in the Philippines, Australia, Vietnam, India, and Indonesia, as well as other countries.

The Company manages diversified portfolio power plants with renewable and conventional sources. As of 31 December 2024, the Company had an attributable capacity of 6,896 MW from owned projects in operation, under construction and committed² across the region, which includes strategic investments in renewable and conventional power generation projects.

The Company is not subject of any bankruptcy, receivership, or similar proceedings.

DESCRIPTION OF PRINCIPAL BUSINESSES

POWER BUSINESS

The principal product of power generation and supply is the electricity produced and delivered to the end-consumers. It involves the conversion of fuel or other forms of energy to electricity, or the purchase of electricity from power generation companies and the Philippine Wholesale Electricity Spot Market (“WESM”).

¹ On 10 May 2022, ACEIC sold 1,861,000,000 ACEN shares to ACEIC’s parent company, Ayala Corporation (“AC”), pursuant to a regular block sale. ACEIC retained beneficial ownership of the shares being a 100% subsidiary of AC. On 29 April 2022, AC then declared these 1,861,000,000 ACEN shares as property dividends to its shareholders as of 27 May 2022.

As of 29 February 2024, AC has distributed a total of 1,744,765,582 ACEN shares to its qualified shareholders pursuant to its Declaration of Property Dividends as disclosed under AC’s PSE Edge Disclosure Report No. C00247-2023 dated 10 January 2023.

As of 29 February 2024, ACEIC has a total of 23,061,956,078 ACEN shares, of which 116,234,418 are indirect shares, corresponding to 58.12% of the Company’s outstanding shares. The indirect shares are the remaining ACEN shares that were declared by AC as property dividends but have yet to be distributed to its stockholders as disclosed under AC’s PSE Edge Disclosure Report No. C00247-2023 dated 10 January 2023. Until such actual distribution, ACEIC retains beneficial ownership of the indirect shares, being a 100% subsidiary of AC.

² Projects which have received board approval but have not yet received Notices to Proceed (NTPs).

ACEN conducts its power generation and supply activities directly or through its subsidiaries, associates, and joint ventures. In 2024, attributable output reached 5,771 gigawatt-hours (GWh) from 4,656 GWh in 2023. This includes generation from international plants of 3,770 GWh, up from 3,328 GWh the previous year.

The following tables set forth selected data on the Company's power generation portfolio in operation and under construction as of 31 December 2024, totaling 5,667 MW. This includes owned assets only, and not leased units.

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
North Luzon Renewables	Renewable	Wind	Philippines	Operating	81	81%	66
Guimaras Wind	Renewable	Wind	Philippines	Operating	54	100%	54
Northwind Power	Renewable	Wind	Philippines	Operating	52	100%	52
Islasol	Renewable	Solar	Philippines	Operating	80	60%	48
Sacasol	Renewable	Solar	Philippines	Operating	45	100%	45
Montesol	Renewable	Solar	Philippines	Operating	18	100%	18
Alaminos Solar	Renewable	Solar	Philippines	Operating	120	100%	120
Palauig 1 Solar	Renewable	Solar	Philippines	Operating	63	100%	63
Arayat-Mexico Solar ¹	Renewable	Solar	Philippines	Operating	116	50%	58
ACEN RE Tech Hub	Renewable	Solar	Philippines	Operating	4	100%	4
Maibarara Geothermal	Renewable	Geothermal	Philippines	Operating	32	25%	8
Bulacan Power	Thermal	Diesel	Philippines	Operating	48	100%	48
CIP II	Thermal	Diesel	Philippines	Operating	20	100%	20
Alaminos Battery Storage	Renewable	Battery	Philippines	Operating	40	100%	40
Sitara Solar	Renewable	Solar	India	Operating	140	80%	112
Paryapt Solar	Renewable	Solar	India	Operating	70	80%	56
Salak & Darajat Geothermal ²	Renewable	Geothermal	Indonesia	Operating	663	15%	99
Ninh Thuan Solar	Renewable	Solar	Vietnam	Operating	405	74.5	302
Khanh Hoa & Dak Lak	Renewable	Solar	Vietnam	Operating	80	80%	64
SUPER (Solar NT) First Phase Closing ³	Renewable	Solar	Vietnam	Operating	287	49%	141

Mui Ne Wind	Renewable	Wind	Vietnam	Operating	84	50%	42
Quang Binh Wind	Renewable	Wind	Vietnam	Operating	252	80%	202
Ninh Thuan Wind (BIM Wind)	Renewable	Wind	Vietnam	Operating	88	82.15	72
Lac Hoa & Hoa Dong Wind	Renewable	Wind	Vietnam	Operating	60	80%	48
Masaya Solar	Renewable	Solar	India	Operating	420	80%	336
Capa Wind (Amihan)	Renewable	Wind	Philippines	Operating	70	81%	57
SanMar Solar 1 & 2	Renewable	Solar	Philippines	Operating	385	100%	385
Pangasinan Solar (Sinocalan)	Renewable	Solar	Philippines	Operating	60	100%	60
Cagayan North Solar (CleanTech/NAREDCO)	Renewable	Solar	Philippines	Operating	133	80%	106
NEFIN	Renewable	Rooftop Solar	Various ⁴	Operating	105	71%	74
Pagudpud Wind (Bayog/Balaoi)	Renewable	Wind	Philippines	Under Construction	160	100%	160
Palauig 2 Solar	Renewable	Solar	Philippines	Under Construction	300	100%	300
SanMar Solar 3	Renewable	Solar	Philippines	Under Construction	200	100%	200
New England Solar Farm (NESF) Phase 1	Renewable	Solar	Australia	Under Construction	522	100%	522
Stubbo Solar	Renewable	Solar	Australia	Under Construction	520	100%	520
Monsoon Wind	Renewable	Wind	Lao PDR	Under Construction	600	24%	146
Stockyard Wind	Renewable	Wind	United States	Under Construction	136	80%	109
Chestnut Flats Wind	Renewable	Wind	United States	Under Construction	38	80%	32
Maharashtra C&I Hybrid – Solar	Renewable	Solar	India	Under Construction	124	80%	99
Maharashtra C&I Hybrid – Wind	Renewable	Wind	India	Under Construction	29	80%	24

New England Bess (2hr) – Section 1	Renewable	Battery	Australia	Under Construction	50	100%	50
Quezon North 1 WPP	Renewable	Wind	Philippines	Under Construction	345	100%	345
Quezon North 2 WPP	Renewable	Wind	Philippines	Under Construction	208	100%	208
Salak Unit 7 Expansion	Renewable	Geothermal	Indonesia	Under Construction	40	15%	6
Solarscape Solar	Renewable	Solar	Malaysia	Under Construction	40	80%	32
Dayasinar Solar	Renewable	Solar	Malaysia	Under Construction	40	80%	32
Sonagazi Solar	Renewable	Solar	Bangladesh	Under Construction	68	80%	54
NEFIN	Renewable	Rooftop Solar	Various ⁴	Under Construction	34	80%	27
						Grand Total	5,667

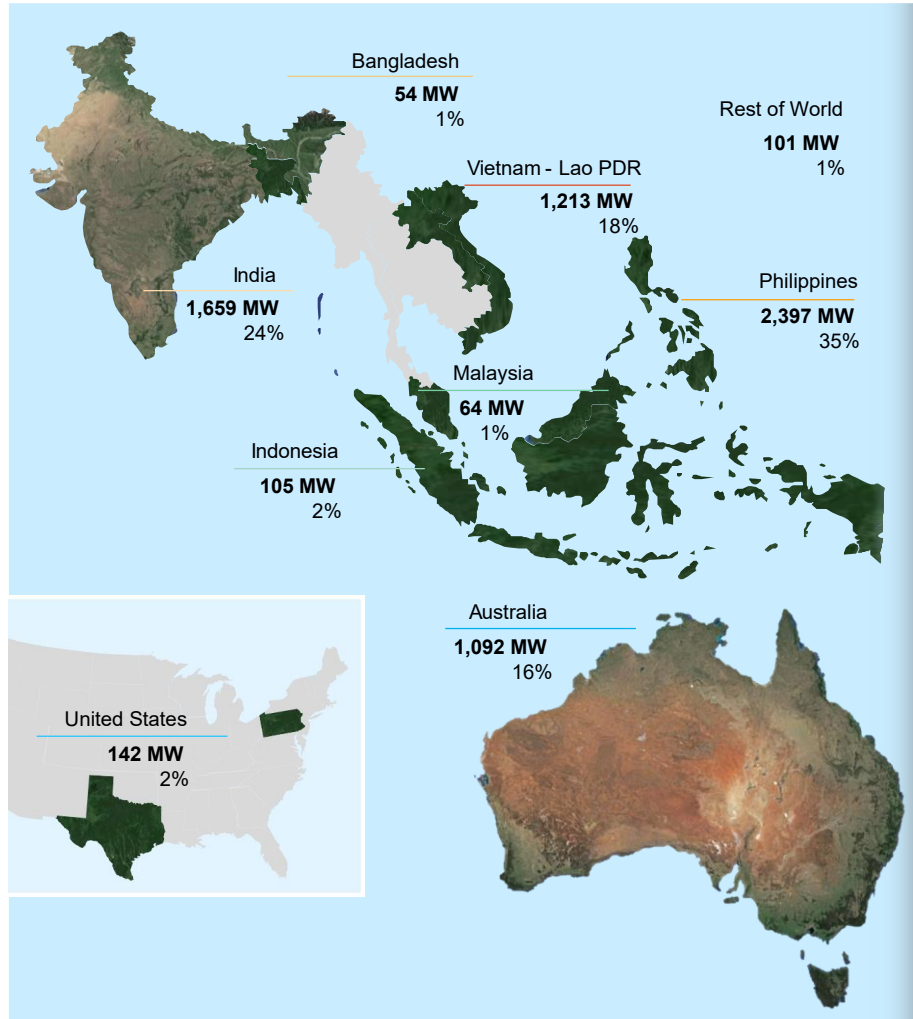
Notes:

1. Includes 44-MW expansion under construction.
2. Includes Salak Binary Plant under construction
3. Phases 2, 3, and 4 of the Solar NT acquisition are subject to completion of conditions precedent.
4. Comprises of Mainland China, Hong Kong, Malaysia, Thailand, Taiwan, and Singapore.

Renewable Energy Portfolio

As of 31 December 2024, the Company’s portfolio of projects under its renewable energy (“RE”) platform had a total net attributable capacity of approximately 6,828 MW renewable energy in operation and under construction. This includes owned assets only, and not leased units. ACEN’s RE platform is divided into 4,576 MW of solar energy (including rooftop solar), 2,001 MW of wind power, and 113 MW of geothermal resources. The platform also contains 138 MW of battery storage linked to solar farms.

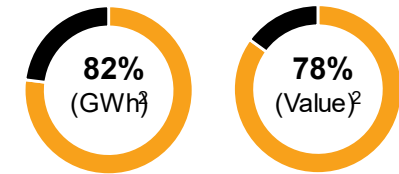
The charts below show the breakdown of the Company's power project portfolio per country, technology, and status (in terms of Net Attributable Capacity³ as of 31 December 2024):



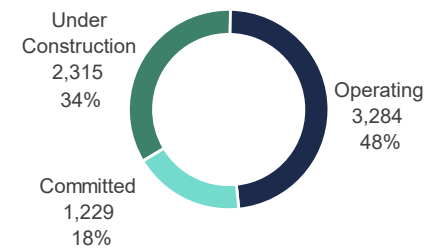
Generation Portfolio December 2024

Total Attributable
Renewables Capacity
6,828 MW

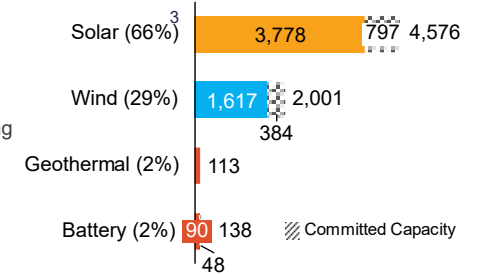
Contracted Output



Project Status



RE Technology



1. Attributable capacity is computed as gross capacity of owned, under construction, and committed assets multiplied by ACEN's effective economic ownership. Does not include leased units and 68 MW of diesel plants fully owned by ACEN.
2. Weighted based on GWh and revenues for operating plants.
3. Rooftop solar from the NEFIN joint venture is reflected in Solar capacity.



³ Refers to gross capacity of owned assets, multiplied by ACEN's effective economic ownership. Does not include leased units.

Renewable Energy Projects in Operation in the Philippines

Guimaras Wind

Background. Guimaras Wind Corporation (“GWC”) was incorporated and registered with the SEC on 2 September 1994 to engage in developing and utilizing renewable energy and pursuing clean and energy-efficient projects. GWC was awarded by the Department of Energy (“DOE”) Wind Energy Service Contract (“WESC”) No. 2009-10-009, pursuant to which it developed the 54 MW San Lorenzo Wind Farm in Guimaras, Iloilo.

On 20 May 2013, the DOE confirmed the Declaration of Commerciality of the Guimaras Wind 54MW San Lorenzo Wind Project (“SLWP”) in San Lorenzo, Guimaras under WESC No. 2009-10-009. The DOE confirmation affirms the conversion of said WESC from Pre-Development to Commercial Stage. On 7 October 2014, Guimaras Wind started delivering power to the grid from the commissioning operations of the first three units of wind turbine generators. On 16 February 2015, Guimaras Wind received from the DOE the confirmation of Commercial Operation starting 27 December 2014 for its 54 MW SLWP.

Power Offtaker / Energy Sales. Pursuant to Section 7 of Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (the “**RE Law**”) and Section 5 of the RE Law Implementing Rules and Regulations (“IRR”), the ERC adopted and promulgated the FIT Rules. Eligible plants are entitled to the appropriate FIT administered and paid by the National Transmission Corporation (“TransCo”). On 10 June 2015, the wind farm was issued a Certificate of Endorsement for FIT Eligibility by the DOE. On 1 December 2015, GWC received its Certificate of Compliance (“COC”)-FIT from the ERC which entitles the company to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning 27 December 2014, for a guaranteed period of 20 years until 26 December 2034. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project’s FIT Rate in 2020 was ₱8.59/kWh and remains unchanged in 2021.

Operations. Guimaras Wind started delivering power to the grid on 7 October 2014 during the commissioning operations of the first three units of wind turbine generators. The 54MW wind energy plant started Commercial Operations on 27 December 2014.

Maibarara Geothermal

Background. On 19 May 2010, the Company, PetroGreen Energy Corporation (“**PetroGreen**”), and PNOC Renewables Corporation (“**PNOC RC**”) signed a joint venture agreement, a wholly-owned subsidiary of publicly-listed PetroEnergy, to form Maibarara Geothermal Inc. (“MGI”). MGI, with the following shareholding interests: PetroGreen - 65%; the Company - 25%; and PNOC RC - 10%, would develop and operate the Maibarara Geothermal Power Project (“**Maibarara Thermal Project**”) pursuant to the geothermal renewable energy service contract awarded by the DOE to PetroEnergy, PetroGreen’s parent company, and subsequently assigned by PetroEnergy to MGI. On 27 August 2019, the Company and MGI executed an Amendment to the Unit 1 Electricity Supply Agreement (“**ESA**”) and Unit 2 ESA where the electricity fee rate structure was amended and the electricity supply period was amended until 25 June 2039.

Operations. Unit 1 and Unit 2 of Maibarara Project commenced commercial operation on 8 February 2014 and on 9 March 2018, respectively.

MonteSol

Background. In 2015, ACEIC entered into a subscription and shareholders' agreement with Visayas Renewables Corp. ("VRC") for the development, construction, and operation of the MonteSol Project, a solar power farm located in Bais City, Negros Oriental. This project is owned and operated by Monte Solar Energy Inc. ("MonteSol"). The first phase of the project was for an 18 MWdc solar power plant with a total project cost of ₱1.3 billion, which was completed in February 2016 and is currently dispatching its full capacity to partially meet the energy requirements of Dumaguete City and Cebu City. The Company believes that there is further potential for the expansion of the initial 18 MWdc solar power plant to up to 40 MWdc.

Power Offtaker / Energy Sales. On 26 May 2015 and 15 October 2015, the MonteSol Project secured the certificates of registration with the DOE and Board of Investments ("BOI"), respectively, as a renewable energy developer of solar energy resources. On 3 June 2016, the DOE certified the MonteSol Project as an eligible project under the feed-in tariff ("FIT") system. On 14 July 2016, the ERC issued a provisional authority to operate in favour of MonteSol and on 8 December 2016 qualified this to a provisional authority to operate as a renewable energy generation company, thereby entitling it to a FIT Rate of ₱8.69/kWh for a period of 20 years from 13 March 2016. On 6 February 2017, the company received final authority by way of its COC-FIT from the ERC and recognized revenues from energy sales using the FIT Rate.

Pursuant to Section 7 of the RE Law and Section 5 of the RE Law IRR, the ERC adopted and promulgated FIT rules. Eligible plants are entitled to the appropriate FIT Rate for its energy sales, which is administered and paid by the TransCo. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rate in 2020 was ₱10.12/kWh and remains unchanged in 2021.

Operations. The MonteSol Project started commercial operations in February 2016 initially at WESM prices until the receipt of the COC allowing the company to retroactively recognize revenue from generation starting from March 2016 at FIT Rate.

Northwind Power

Background. The wind farm currently has total of 26 wind turbines and is the first commercial wind farm ever established in Southeast Asia. Commercial operations started in June 2005 with 15 wind turbines (Phase 1) followed by an additional five turbines in August 2008 (Phase 2) and another six turbines in September 2014 (Phase 3), increasing the project's generation capacity to 51.9 MW.

Power Offtaker / Energy Sales. Northwind Power delivers all its generation to the national grid via its own 57-kilometre 69kV transmission line from its plant site in Bangui, Ilocos Norte to the substation of the NGCP in Laoag City, Ilocos Norte.

The tariff on the generation of Phases 1 and 2 is a FIT Rate of ₱5.76/kWh specific to the company, approved by the ERC in its decision dated 30 June 2014. The FIT Rate is valid for 20 years less the actual years of operation as provided for under the FIT Rules.

The tariff on the Phase 3 turbines is the national FIT Rate of ₱8.53/kWh and is valid for a period of 20 years. Annual adjustment to the FIT Rate is provided for under the FIT Rules. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rates in 2020 were ₱6.92/kWh and ₱9.90/kWh for Phases 1 and 2, respectively, and remain unchanged in 2021.

Operations. Phases 1 and 2 use Vestas turbines and have a total 33 MW of capacity and while Phase 3 uses Siemens turbines and have a total 18.9 MW of capacity.

North Luzon Renewables

Background. The North Luzon Renewables wind farm started commercial operations on 11 November 2014. The wind farm is comprised of 27 wind turbines with individual capacity of 3MW each. The power generated by the wind farm is supplied to the NGCP via its 62-kilometer, 115 kV transmission line from the project site to the NGCP substation in Laoag City, Ilocos Norte.

Power Offtaker / Energy Sales. On 11 December 2014, the DOE through the issuance of a certificate of endorsement certified the project as an eligible project under the feed-in-tariff (“FIT”) system. In April 2015, NLR received the FIT COC from the ERC entitling the wind farm to a FIT Rate of ₱8.53/kWh for a period of 20 years. The FIT Rate covers the period from 11 November 2014 to 10 November 2034. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project’s FIT Rate in 2020 is now ₱9.90/kWh.

IslaSol

Background. IslaSol owns a 32 MWdc solar farm in La Carlota City, Negros Occidental (“**IslaSol II**”) and a 48 MWdc solar farm in Manapla, Negros Occidental (“**IslaSol III**”). IslaSol II and IslaSol III began their commercial operations on 29 March 2016 and 8 March 2016, respectively, and are currently dispatching their full capacity to the grid. IslaSol II uses a mix of JA Solar and Astronergy 260W solar panels, while IslaSol III uses JA Solar panels ranging from 265W to 275W.

Power Offtaker / Energy Sales. IslaSol II is connected to the Bacolod-San Enrique 69 kV line, while IslaSol III is directly connected to NGCP’s Cadiz substation. On 13 January 2017, the ERC granted IslaSol II provisional authority to operate and issued its COC on 5 June 2017. For IslaSol III, the ERC granted a provisional authority to operate on 29 July 2016, which was extended on 23 January 2017. IslaSol III’s COC was eventually issued on 10 July 2017. The power plant supplies the ACEN wholesale and retail electricity supply (“RES”) business.

SacaSol

Background. Located in San Carlos City, Negros Occidental, SacaSol AB (a 22 MWdc solar farm) and SacaSol CD (a 23 MWdc solar farm) began operating commercially on 15 May 2014 and 6 September 2015, respectively, with both solar farms currently dispatching full capacity to the grid. The SacaSol solar farms use a combination of Astronergy 270W PV solar modules and JA Solar 245W PV Modules.

Power Offtaker / Energy Sales. SacaSol AB and SacaSol CD are connected to the San Carlos-Cadiz 69 kV line. SacaSol AB has been awarded a guaranteed FIT Rate of ₱9.68/per kWh, subject to adjustment as may be approved by the ERC, for 20 years. For SacaSol CD, the awarded guaranteed FIT Rate is ₱8.69/per kWh, also subject to adjustment as may be approved by the ERC, for 20 years. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project’s FIT Rates in 2020 were ₱11.28/kWh and ₱10.12/kWh for SacaSol AB and SacaSol CD, respectively, and remain unchanged in 2021.

Palauig 1 Solar

Palauig 1 Solar is a standalone solar farm that is capable of supplying daytime power to the Luzon grid throughout the year. It has a designed capacity of 63 MWdc that can power approximately 30,000 houses in the region and can reduce annual carbon emission by at least 50,000MT of CO₂ of greenhouse gases.

Background. In July 2020, the Company commenced construction of its 63 MWdc solar farm located in the Municipality of Palauig, Zambales, through its wholly-owned subsidiary Gigasol3, Inc. (“Gigasol3”). In April 2021, the Company energized its Palauig Solar project and successfully ended commissioning stage in May 2021. In July 2021 the Independent Electricity Market Operator of the Philippines (“IEMOP”) approved Gigasol Palauig Solar project commercial operations date.

Power Offtaker / Energy Sales. Palauig Solar is connected to the 69kV NGCP Botolan Substation via tap in connection to the 69jV NGCP Botolan-Candelaria Transmission Line. On June 2021, the ERC granted Palauig Solar provisional authority to operate. The power plant supplies the ACEN wholesale and RES business.

Alaminos Solar

Alaminos Solar is a greenfield solar farm that is capable of supplying daytime power to the local grid throughout the year. It is the second largest solar power plant in the Philippines and can generate enough power to supply clean energy to approximately 80,000 homes while avoiding 111,034.37 MT CO₂ of greenhouse gases. The Alaminos solar farm is notable for its pioneering Sustainability Hub where ACEN has started to integrate the circular approach.

Background. In January 2020, the Company commenced construction of its 120 MWdc solar power farm located in the Municipality of Alaminos, Laguna, through its wholly-owned subsidiary SolarAce1 Energy Corp. (“SolarAce1”). On June 2021, the Company energized Alaminos Solar and achieved full commercial operations on July 2021.

Power Offtaker / Energy Sales. Alaminos Solar is connected to NGCP’s 69kV Bay Substation through a 2.5km 69kV Transmission Line. Although the ERC granted Alaminos Solar provisional authority to operate, the plant is still awaiting COC. The power plant supplies the ACEN wholesale and RES business.

Alaminos Battery Energy Storage System Project

In October 2020, the Company commenced construction of the 2x20 MW Alaminos Battery Energy Storage System Project located in the Municipality of Alaminos, Laguna. The project was completed in the first quarter of 2022.

Bataan Solar (Bataan RE Tech Hub)

Bataan Solar Energy Inc. (“BSEI”) was incorporated and registered with the SEC on 27 July 2016 with the primary purpose to carry on the business of operating, managing, maintaining, and rehabilitating solar energy systems, including bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities. It is a wholly-owned subsidiary of Gigasol2, Inc.

Background. It is the holder of Solar Energy Service Contract No. 2017-06-410, pursuant to which it has the exclusive right to explore, develop, and utilize solar energy resources within a certain area in the Municipality of Mariveles in the Province of Bataan. The Company began the construction of the Bataan RE Tech Hub in September 2020. The renewable energy laboratory shall be used to study state-of-the-art PV modules and other emerging technologies that may be incorporated by the Company in its upcoming projects.

Power Offtaker / Energy Sales. The Bataan RE Tech Hub is a research facility using various technologies for PV, Inverter, and Energy Storage Systems.

Arayat-Mexico Solar Farm

On 26 April 2021, ACEN issued a notice to proceed for its 72 MWdc Arayat Solar project located in Arayat and Mexico, Pampanga. The project is under Greencore, a joint venture between ACEN and CSCE, and is targeted to be completed by 2022. CSCE (through its affiliates) is expected to provide the engineering, procurement and construction services for the Arayat-Mexico Solar project as well as project development and plant operations and maintenance. The project was expanded to 116MW through a 44-MW second phase, which was completed in March 2024.

Background. In April 2022, ACEN and Citicore Renewable Energy Corporation announced that they have fully energized the 72-megawatt (MW) first phase of the Arayat-Mexico solar farm in Pampanga in time for the demand surge that summer. Once fully operational, the solar farm will produce an estimated 105 gigawatt-hours of renewable energy per year, enough to power 45,000 households and avoid 72,000 metric tons of carbon dioxide emissions annually.

Capa Wind

Amihan Renewable Energy Corp. ("Capa Wind") is the fourth wind farm project of ACEN in Ilocos Norte. Capa Wind provided the lowest winning bid for wind supply at a flat rate of ₱3.8583/kWh for 20 years under the first round of GEAP. The 70 MW wind farm will generate and supply clean power to more than 60,000 homes per year, and provide over 300 local jobs during its construction stage.

On 29 July 2022, ACEN, through its subsidiary Capa Wind, signed an agreement with Siemens Gamesa Renewable Energy Technology (SGRE) for the supply and installation of fourteen units of wind turbines for the construction of the next wind project of ACEN in Caparispisan, Pagudpud, Ilocos Norte. Once completed, the wind project can produce over 220 GWh of renewable energy per year and eliminate over 130,000 tonnes of CO2 emissions annually.

The 70 MW Capa Wind project will help deliver ACEN's supply commitments secured under the first round of the Department of Energy's Green Energy Auction Program held in June this year. Capa Wind provided the lowest winning bid for wind renewable energy supply at a flat rate of ₱3.8583/kilowatt-hour for 20 years.

The estimated project cost is ₱6 billion, with a target completion by 2024. Capa Wind is a wholly owned subsidiary of North Luzon Renewables, which is a joint venture between ACEN and Diamond Generating Asia, Limited. Capa Wind is the second wind project of the joint venture company.

Pangasinan Solar

In January 2023, ACEN began the construction of the 60 MW Pangasinan Solar farm, ACEN's first development in Pangasinan, and the company's second solar farm to commence major construction works in 2023. The ₱2.8 billion project utilizes ground-mounted solar photovoltaic panels and will be directly connected to the grid through a 2-km transmission line to the NGCP 69kV San Manuel Substation.

Once operational, Pangasinan Solar is expected to generate 94 GWh of renewable energy per year, enough to power an estimated 55,000 homes and avoid approximately 58,369 metric tons of CO₂ emissions annually. The project also aims to boost Pangasinan's local economy with the creation of an estimated 1,000 jobs during the plant's construction phase.

In December 2022, ACEN announced its acquisition of Sinocalan Solar Power Corp. through the signing of a deed of absolute sale of shares with Sungrow Power Renewables Corp. and Havilah AAA Holdings Corp. This allowed ACEN to fast-track the development of Pangasinan Solar, with a potential expansion of up to 100 MW.

SanMar Solar

SanMar Solar, a 585 MWdc solar farm located in San Marcelino, Zambales, is one of the largest solar projects in the country as of 31 December 2023. The solar farm's three phases are capable of producing over 871 GWh of renewable energy per year and eliminating 287,796 tonnes of CO₂ emissions annually.

The solar farm sits on approximately 300 hectares of unutilized land covered by lahar, effectively converting the area into a sustainable energy source, and has an expansion potential of up to 700 MW. The project is expected to bring significant value to the local community, with up to 500 direct jobs during construction.

As of December 31, 2024, 385 MW of the plant's capacity was already operational, while the third, 200 MW phase remains under construction.

Cagayan North Solar

On 24 March 2022, ACEN, ACE Endeavor, Inc. ("Endeavor") and CleanTech Renewable Energy 4 Corp. ("CleanTech") announced that they formed a joint venture company, Natures Renewable Energy Development Corporation (NAREDCO) to develop, own and operate a 133 MW solar farm and transmission line project located in Lal-lo, Cagayan. The companies signed a shareholders' agreement for the strategic partnership, with ACEN and Endeavor to have a combined 60% ownership stake in NAREDCO, and CleanTech owning the remaining 40%.

NAREDCO constructed the solar farm and transmission line, which has a potential expansion of up to 200 MW. The solar farm is located on a 115-hectare flat land known for its high solar irradiance in Barangays Magapit and Sta. Maria, which connects to the 69kV NGCP Lal-lo (Magapit) substation via a 3-km transmission line.

The 133 MW solar farm is expected to produce 188 GWh of renewable energy annually, enough to power 75,000 households while avoiding approximately 112,405 MT of CO₂ emissions annually. It began generating power in January 2024.

Renewable Energy Projects in Operation in Australia

New England Solar

The first phase of New England Solar, located near Uralla in New South Wales, is ACEN's first project in Australia. The first phase of NESF, has a capacity of 521MWdc, with a 50 MW battery energy storage system, under construction and expected to be completed in 2026.

New England Solar is expected to be ultimately a combined 720 MW solar farm and 400 MWh battery energy storage development. Once fully constructed, the project will produce enough energy to power approximately 250,000 typical NSW households each year.

Renewable Energy Projects in Operation in Vietnam

Khanh Hoa Solar Plant and Dak Lak Solar Plant

Background. The Khanh Hoa Solar Plant has a capacity of 50MWp and is located in the Khanh Hoa province. The Dak Lak Solar Plant has a capacity of 30MWp and is located in the Dak Lak province. The projects reached commercial operations in the second quarter of 2019.

Power Offtaker / Energy Sales. The Khanh Hoa Solar Plant delivers its power through a 5.5km 110kV transmission line to a Vietnam Electricity ("EVN") substation. EVN is a state-owned corporation which ensures electricity supply for Vietnam. The Dak Lak Solar Plant delivers its power through a 110kV transmission line adjacent to an EVN substation.

The projects have a 20-year power purchase agreement ("PPA") with EVN with a FIT rate of U.S.\$0.0935/kWh.

Ninh Thuan Solar Farm

Background. In October 2017, the Company, through its subsidiary, entered into a partnership with the BIM Group for the development of an up to 330MWp of solar plants—the Ninh Thuan Solar Plants. Total capacity was divided among three sites—30MWp in site 1, 50MWp in site 2, and up to 250MWp in site 3. The project is the first project under the partnership with the BIM Group and is one of the largest solar farms in Vietnam. The Ninh Thuan Solar Plants commenced operations in the second quarter of 2019. In the second quarter of 2020, the Company commenced construction of a 75MWp expansion within the site area of the existing 330MWp Ninh Thuan Solar Plants, which reached commercial operations in the fourth quarter of 2020. The expansion was completed in 2021.

Power Offtaker / Energy Sales. All three sites have a 20-year PPA with EVN with a FIT rate of U.S.\$0.0935/kWh. The solar expansion has been awarded the second phase ground mounted solar projects FIT rate of U.S.\$0.0709/kWh 20-year PPA with EVN. The contracts are paid in Vietnamese Dong but amount received is indexed against the U.S. Dollar on a monthly basis, preserving the U.S. Dollar FIT rate under the PPA.

Mui Ne Wind Farm (Phase 1)

Background. Construction of the first phase of the Mui Ne Wind Farm (40MW) located in the Binh Thuan Province commenced in 2019. The project uses 10 4.2MW V150 wind turbines from Vestas.

Power Offtaker / Energy Sales. The project delivers its power through a combination of 6.5km transmission lines to the 110kV Mui Ne substation. The project is qualified for a 20-year PPA with EVN and FIT rate of U.S.\$0.085/kWh.

Mui Ne Wind Farm (Phase 2)

Background. In the second quarter of 2021, the Company awarded General Electric the turbine supply of the 40MW second phase of the Mui Ne Wind Farm located in Binh Thuan Province under its partnership with The Blue Circle. It began commercial operations in 2021.

Power Offtaker / Energy Sales. The project was completed in 2021 and qualified for the wind FIT rate of U.S.\$0.085/kWh PPA with EVN.

Ninh Thuan Wind Farm

Background. The Company commenced construction of an 88 MW wind farm located in Ninh Thuan Province, Vietnam under its partnership with the BIM Group (the “Ninh Thuan Wind Farm”) in 2020. It is expected to produce 327 GWh per year once fully operational, enough to power around 50,000 homes per year with renewable energy that can help avoid 298,551 tons of CO₂ annually.

Power Offtaker / Energy Sales. The project was completed in 2021 to qualify for the wind FIT rate of U.S.\$0.085/kWh PPA with EVN.

Quang Binh Wind Farm

Background. As part of the joint venture with AMI Renewables signed in December 2017, the joint venture, through its subsidiary, B&T WindFarm Joint Stock Company, owns the Quang Binh Wind Farm in Quang Binh Province. In July 2020, construction commenced on one of the largest onshore wind farms in Vietnam with an aggregate capacity of 210 MW. The Quang Binh Wind Farm has two phases consisting of 109.2 MW and 100.8 MW, with firm orders already having been issued to the wind turbine supplier for both phases. In the first quarter of 2021, the joint venture issued a notice to proceed for a 42 MW expansion of the Quang Binh Wind project. The project’s capacity is expanded to 252 MW. Quang Binh Wind was completed in 2021.

Power Offtaker / Energy Sales. The Quang Binh Wind Farm qualified for the wind FIT rate of U.S.\$0.085/kWh PPA with EVN.

Lac Hoa Wind & Hoa Dong Wind Farm

The Company and UPC formed a joint venture in the construction of two wind projects, the Lac Hoa and Hoa Dong Wind Farms, in the Soc Trang province of southern Vietnam, with an aggregate capacity of 60 MW. The projects utilize wind turbines from Vestas delivered in different power ratings with site-specific towers for both projects. To maximize energy yields on both sites, the turbines feature a record hub height of 162m. The project commenced construction in June 2020.

Project construction was impacted by the recent Vietnam COVID-19 lockdowns wherein stricter restrictions of travel and movement of both people and equipment were imposed, and completed construction in 2024

Power Offtaker / Energy Sales. The plants received a transitional tariff of 897 VND/kWh, 50% of maximum. A permanent tariff is now being negotiated with EVN and expected to be applied retroactive to COD date

First Phase Acquisition of SUPER Energy's Vietnam Solar Platform (Solar NT)

ACEN, through its subsidiary, ACEN Vietnam Investments Pte. Ltd., in June 2023, moved forward on signing the Shareholders' Agreement and other definitive agreements for the closing of the acquisition of Super Energy Corporation Public Company Limited's ("SUPER") solar power business in Vietnam. This strategic partnership follows the share purchase agreement signed by the two companies in 2022.

SUPER currently owns and operates 837 MW of solar projects in Vietnam through Solar NT; ACEN is to take up 49% ownership of Solar NT through a phased acquisition. The closing of the first phase of the transaction has just been completed, covering 287 MW of net dependable capacity. Meanwhile, the remaining phases are expected to be completed within the year, with a total consideration estimated at \$165 million.

Renewable Energy Projects in Operation in Indonesia

Salak-Darajat Geothermal Projects

Background. The assets include the Salak and Darajat geothermal fields in West Java, Indonesia with a combined capacity of 637MW of steam and power. The project has a combination of long term steam and power supply agreements with PLN.

In December 2024, construction began on Unit 7 of the Salak Geothermal Plant. This expansion will increase the plant's capacity by 40 MW, 6 MW of which attributable to ACEN. It is expected to generate an additional 320 GWh of power annually.

Power Offtaker / Energy Sales. The project has multiple agreements with PLN to purchase steam and energy with various tariff ranging from U.S.\$0.06-0.07 /kWh with various tenors until 2047.

Renewable Energy Projects in Operation in India

Sitara Solar

Background. In July 2020, the Company, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for the 140 MWdc Sitara Solar farm in Rajasthan, a desert state with the highest irradiation in India. The project utilizes Risen Energy monocrystalline panels and is expected to start power generation in the first half of 2021. In May 2021, despite the worsening pandemic situation in India, the 140 MWdc Sitara Solar project in Rajasthan started commercial operations.

Power Offtaker / Energy Sales. The project will supply energy to the Solar Energy Corporation of India. UPC-AC Energy Solar won the power supply agreement for Sitara Solar via a competitive bid at INR 2.48 per kWh, fixed over a 25-year period.

Paryapt Solar

Background. In October 2020, the Company, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for a 70 MWdc solar plant in Gujarat, one of the first states to develop solar generation capacity in India and with its own target to set up 8,000MW of solar power by 2022. The Paryapt Solar Farm uses Jinko monocrystalline solar panels. The project is expected to supply energy to Gujarat Urja Vikas Nigam Ltd. UPC-AC Energy Solar won the power supply agreement for the project via a competitive bid at INR 2.55 per kWh, fixed over a 25-year period.

Power Offtaker / Energy Sales. In April 2021, UPC-AC Energy Solar achieved a significant milestone with the start of commercial operations of its 70 MWdc Paryapt Solar project located in the State of Gujarat, India.

Masaya Solar

Background: On January 30, 2022, ACEN and UPC Solar Asia Pacific, commenced construction of their 300 MWac (420 MWdc) Masaya Solar farm. Through their joint venture company, UPC-AC Energy Solar, they have built a total of 630 MWdc across India.

The Masaya Solar project is located in the Khandwa District, State of Madhya Pradesh, and is set to produce 691 GWh of renewable energy per year while avoiding approximately 635,720 MT of CO₂ emissions annually. The project will also create approximately 500 jobs during its construction stage. Once completed, the Masaya Solar farm will be UPC-AC Energy Solar's third and largest solar project in India to date.

Power Offtaker / Energy Sales. The joint venture supplies electricity at INR 2.71 per kWh fixed over a 25-year period under a power supply agreement with the Solar Energy Corporation of India.

Renewable Energy Projects in Operation in the United States

Chestnut Flats Wind

Background: In January 2024, UPC Power Solutions, a joint venture between ACEN, PivotGen and UPC Solar & Wind Investments, completed the purchase agreement with EDF Renewables North America to acquire lessee interests in the 38 MW Chestnut Flats operating wind project located near Altoona, Pennsylvania, EDF Renewables will continue to provide asset management and operations and maintenance services.

Chestnut Flats, which has been operating since 2011 uses 19 Gamesa turbines, which are set to be repowered in 2025. Power Offtaker / Energy Sales: Chestnut Flats supplies electricity at 9 US cents per kWh to the Delmarva Power and Light Company.

Renewable Energy Projects Under Construction in the Philippines

Pagudpud Wind

Pagudpud Wind Power Corp. (“PWPC”) was incorporated and registered with the SEC on 9 December 2009 as a holding company for renewable energy and other corporations. PWPC is the parent company of Bayog Wind Power Corp. (“BWPC”), which is the project company for the Pagudpud Wind Project in Ilocos Norte.

On 18 May 2021, the Company commenced construction of the 160 MW GigaWind Pagudpud wind farm in Pagudpud, Ilocos Norte province, which is set to be the biggest wind farm in the Philippines to date. The ₱11.4 billion facility will be the Company’s third wind development in Ilocos Norte. The Company is developing the Ilocos Norte Wind Project in partnership with UPC Renewables. The Ilocos Norte Wind Project is targeted to commence commercial operations in 2024.

Pagudpud Wind secured a long-term offtake agreement through the Green Energy Auction Program (“GEAP”) of the DOE auctioned in June 2022.

Palauig 2 Solar

ACEN further boosted its renewable energy portfolio the Philippines, with the construction of the 300 MW Palauig 2 Solar farm located in Zambales, an area with one of the country’s highest irradiance zones and solar energy potential.

In proximity to ACEN’s operating 63 MW Palauig 1 Solar project, the cost of the new development, including the construction of the 1,200 MW transmission line, is estimated at ₱16 billion. 540 MWp high-efficiency solar panels will be supplied by module manufacturer, Seraphim.

ERS Energy Pte. Ltd. (ERS) and Global Electric Power Development Corporation (GEC) are signed on as the project’s Engineering Procurement and Construction (EPC) contractors, with ERS as the offshore supplier and GEC as the onshore construction contractor.

Palauig 2 Solar is expected to produce over 450 GWh of clean energy per year, and together with Palauig 1 Solar’s 90 GWh output, can sustainably power the equivalent of around 139,000 homes and avoid 350,000 tonnes of carbon emissions annually. ACEN has also created around 2,200 green energy jobs in Zambales since the start of the development of Palauig 1 Solar in 2020, helping stir the local economy and improve national prosperity as the country gears up for a post pandemic era.

Quezon North Wind

Quezon North is a multi-phase onshore wind project spanning the municipalities of Real and Mauban, in Quezon Province. When completed, it will be the largest wind project in the Philippines, with a capacity of up to 553 MW and over 1,700 GWh of annual renewable energy generation. The first 345 MW phase, which will be powered by 53 Envision wind turbines received approval to begin construction in October 2024, and is expected to be completed by Q4 2026.

Quezon North 1 is a GEAP project, and will have a 20-year contract with a tariff of ₱ 5.79/kWh.

The second phase of the project is expected to begin construction in the latter half of 2025, with operations targeted to commence by late 2027.

Renewable Energy Projects under Construction in Australia

Stubbo Solar

ACEN Australia awarded the Engineering, Procurement and Construction (EPC) contract for the construction of the 520 MWdc (400 MWac) Stubbo Solar project to PCL Construction (“PCL”). PCL is an experienced and diverse construction partner that delivers complete solar energy solutions in Australia, the United States and Canada.

The 520 MWdc (400 MWac) solar project is located within the Central-West Orana Renewable Energy Zone in the Mid-Western Regional Council region and will connect to the existing 330 kV network between Wollar and Wellington. The project will produce enough clean, renewable energy to power more than 185,000 average Australian homes. The project’s development approval also includes provisions for a 200 MWh battery energy storage system, allowing for the project to later be adapted to dispatch energy when it is most needed during peak hours and provide important grid stability services.

Stubbo Solar was granted development consent in 2021. Construction of the site access recently commenced, with construction of the main works by PCL also starting in 2023. The solar farm is estimated to have created up to 400 jobs during construction and up to 10 ongoing jobs, generating many contracting opportunities for local businesses. Wherever possible, workers and businesses from the local and regional area are prioritised for employment and contracting opportunities to help maximise the benefits for local communities. The project is expected to enter operations in 2025.

Renewable Energy Projects Under Construction in Vietnam & Lao PDR

Monsoon Wind

ACEN, through subsidiary ACEN Renewables International Pte. Ltd., signed the financing documents for the non-recourse project financing for the Monsoon Wind, the first wind power project in Lao PDR. Monsoon Wind will construct, own, and operate a 600 MW wind power plant and its 500 kV transmission line in the Sekong and Attapeu provinces located in southeastern provinces of the Lao PDR. Monsoon Wind is also the first cross-border wind project in Southeast Asia.

Under the 25-year power purchase agreement, the electricity generated will be sold to Vietnam Electricity (EVN) through the Project Company’s 500 kV transmission line.

The Monsoon Wind project is a partnership with ACEN, BCPG Public Company Limited, Impact Electrons Siam Limited, Mitsubishi Corporation and SMP Consultation and STP&I Public Company Limited. The project will be co-financed by the Asian Development Bank as lead arranger, Asia Infrastructure Investment Bank, Japan International Corporation Agency, the Export-Import Bank of Thailand, Hong Kong Mortgage Corporation Limited, Sumitomo Mitsui Banking Corporation, Kasikornbank, and Siam Commercial Bank.

Monsoon Wind is one of the key projects in the Vietnamese government’s electricity development plan. It is expected to alleviate the electricity supply-demand challenges in Vietnam, while the country pushes through with their decarbonization goal. The project aims to help strengthen the connectivity in the ASEAN region through the provision of cross-border electricity sales. The Lao government will benefit from the project through revenue from royalty fees and other sources based on the Concession Agreement. The project will also bring green energy jobs with the construction of the 600 MW wind power and during its operation. The project expects to achieve commercial operations before the end of 2025.

Renewable Energy Projects under Construction in India

Maharashtra C&I Hybrid Solar & Wind

The 153 MWdc (115 MWac) project, developed in partnership with US-based power company BrightNight, is ACEN's first hybrid wind-solar and round-the-clock asset that will deliver clean and dispatchable higher CUF power to commercial and industrial (C&I) customers in Narangwadi in the state of Maharashtra. Hybridization optimizes multiple renewable technologies mix to meet customers' load requirements.

The project has secured a 25-year 89 MW PPA for INR 3.62 per kWh with the Maharashtra State Electricity Distribution Company.

Renewable Energy Projects Under Construction in the United States of America

Stockyard Wind

In March 2023, ACEN, through its joint-venture company, UPC Power Solutions LLC, signed a Purchase and Sale Agreement with US-based GlidePath Power Solutions LLC ("GlidePath") for the acquisition of a portfolio of eight operating wind projects. Collectively known as Stockyard Wind, the assets have a total net dependable capacity of 136 MW, located in northern Texas, USA. The resulting strong-growth U.S. platform leverages the combined expertise of ACEN and its partners, Pivot Power Management and UPC Solar & Wind Investments. The wind assets are expected to generate approximately 360 GWh of wind energy per year, enough to power around 24,000 households and avoid ~127,000 metric tons of CO₂ emissions.

This milestone marks ACEN's anticipated entry into the fast-growing US renewables market as it expands its geographic footprint beyond the Asia Pacific region. Announced in April 2022, ACEN, through its subsidiary ACEN USA LLC, formed a strategic partnership with Pivot Power Management (PivotGen) and UPC Solar & Wind Investments LLC to pursue opportunities to acquire operating wind projects in the US, and explore strategies for extending their useful life through preventative maintenance and repowering.

Renewable Energy Projects Under Construction in Malaysia

Solarscape and Dayasinar Solar

In the first quarter of 2025, construction began on the Solarscape and Dayasinar solar plants, each with a capacity of 40 MW, in the state of Kedah, Malaysia. The projects are being developed with ib vogt, with ACEN holding 80% economic interest in both plants. Upon completion in 2026, the plants' output will be fully contracted to corporate offtakers through Malaysia's New Enhanced Dispatch Arrangement (NEDA) program, which allows generators to sell directly to customers above a certain demand threshold.

Renewable Energy Projects Under Construction in Bangladesh

Sonagazi Solar

Together with partner ib vogt, ACEN began development on the Sonagazi solar plant in Chittagong, Bangladesh, in early 2025. The plant will have 68 MW of capacity when completed in late 2025, with ACEN holding an 80% economic interest. The plant's offtaker will be the Bangladesh Power Development Board (BPDP), which oversees the country's power sector and is responsible for much of the generation and distribution of electricity in urban areas.

Conventional Energy Portfolio

As of 31 December 2024, the Company's thermal energy portfolio had a total Net Attributable Capacity of 68 MW from owned assets (equivalent to less than 1% of the Company's total portfolio as of 31 December 2024), all of which are operational. ***Thermal Plants in Operation***

CIPP

Background. CIPP was incorporated and registered with the SEC on 2 June 1998 primarily to construct, erect, assemble, commission, operate, maintain, and rehabilitate gas turbine and other power generating plants for the conversion of coal and other fuel into electricity, and transmit and distribute thereof to Carmelray Industrial Park II in Calamba, Laguna. The 21 MW diesel bunker C-fired power plant used to supply power to locators in the industrial park but in April 2009, CIPP sold its distribution assets resulting in the cessation of the company's operations and the separation of substantially all of its employees effective 31 January 2010. On 22 February 2010, the ACEN Board approved the acquisition of CIPP, and on December 2010, the transfer of the plant from Carmelray Industrial Park II to Brgy. Quirino, Bacnotan, La Union. The transfer was completed in December 2012 and resumed operations in January 2013.

Power Offtaker / Energy Sales. On 26 June 2013, CIPP entered into a Power Administration and Management Agreement ("PAMA") with ACEN valid for 10 years for ACEN to administer and manage the entire capacity and net output of One Subic Power Generation Corporation ("One Subic Power") in consideration of energy fees to be paid by ACEN to CIPP. Fixed capacity fees paid to CIPP are recorded as revenue from sale of electricity on the basis of the applicable terms of the PAMA. CIPP has an existing approved non-firm Ancillary Services Procurement Agreement ("ASPA") with NGCP and revenues from sale of electricity through said ancillary services is recognized monthly based on the capacity scheduled and/or dispatched.

Operations. In January 2013, CIPP resumed commercial operations in La Union. Under the terms of the PAMA, ACEN will administer and manage the entire generation output of CIPP Power Plant by selling or trading the entire capacity.

One Subic Power

Background. One Subic Power was incorporated and registered with the SEC on 4 August 2010 to engage in the business of owning, constructing, operating, developing, and maintaining all types of power generation plants. On 18 November 2010, ACEN and One Subic Power entered into a PAMA wherein ACEN administers and manages the entire generation output of the 116 MW diesel power plant in Subic, Olongapo City. The PAMA became effective on 17 February 2011 and shall be valid throughout the term of the lease agreement with Subic Bay Metropolitan Authority ("SBMA"). On 12 May 2014, the Company purchased from Udenna Energy Corporation the entire outstanding shares of stock of One Subic Power. On 19 June 2017, the SEC approved the amendment of One Subic Power's Articles of Incorporation for the change in the primary purpose to include exploration, discovery, development, processing, and disposal of any and all kind of petroleum products.

Power Offtaker / Energy Sales. One Subic Power has an existing PAMA with ACEN under which ACEN is given the right to administer and manage the net output of One Subic Power's Power Plant in consideration of energy fees to be paid by ACEN to One Subic Power. Capacity and energy recovery fees paid to One Subic Power are recorded as revenue from sale of electricity based on the PAMA. One Subic Power Plant has an existing approved non-firm ASPA with NGCP. The One Subic Diesel Power Plant provides dispatchable reserve services to NGCP, as they are fast start generators that are readily available for dispatch when called by NGCP to replenish the contingency reserve services whenever a generating unit trips or a single transmission interconnection loss occurs.

Operations. One Subic started commercial operations on 17 February 2011. Under the terms of the PAMA, ACEN will administer and manage the entire generation output of One Subic Power Plant by selling or trading the entire capacity. This is only a leased asset.

Bulacan Power

Background. BPGC (formerly PHINMA Power Generation Corporation) was incorporated and registered with the SEC on 18 March 1996 and is primarily engaged in power generation. In October 2006, Philippine Electricity Market Corporation ("PEMC") approved BPGC's application for registration as trading participant for both generation and customer categories in the WESM. Both ACEN and BPGC obtained membership in the WESM allowing both to participate in electricity trading managed by PEMC, including selling of excess generation to the WESM. On 26 December 2013, BPGC entered into a PAMA with ACEN valid for 10 years for the administration and management by ACEN of the entire capacity and net output of BPGC starting 2014 in consideration of energy fees to be paid by ACEN to BPGC.

Offtaker / Energy Sales. On 10 December 2012, the NGCP and BPGC executed an ASPA for the latter to provide dispatchable reserves ensuring reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five years upon the effectivity of the provisional approval or final approval issued by the ERC. By the ERC Order dated 25 February 2013, the ERC provisionally approved the application filed by NGCP and BPGC allowing BPGC to provide ancillary services to NGCP in January 2015.

Under the PAMA with ACEN dated 26 December 2013, ACEN has the sole and exclusive right to dispatch all of the capacity and the output of the BPGC's Power Plant, where any fees paid in connection with the capacity of BPGC's Power Plant, including ancillary services to NGCP, belong to ACEN as the sole administrator and manager. However, effective 26 March 2018, the amended PAMA allows BPGC to retain the ancillary fees and no longer paid to ACEN.

Operations. Under the terms of the PAMA, ACEN administers and manages the entire generation output of BPGC by selling or trading the entire capacity of its diesel power plant.

Other Businesses

Retail Electricity Supply Business

The Company began its active participation in the WESM when it obtained membership as a Wholesale Aggregator on 20 September 2007. The WESM serves as a platform where electricity generated by power producers are centrally coordinated and traded like any other commodity in a market of goods. On 19 November 2012, the Company secured its RES license from the ERC under RES License No. SL-2012-11-009 to supply electricity to the Contes1 Market. On 20 November 2019, the ERC issued to the Company RES License No. 11-2019-0057RS valid until 19 November 2022. On 18 November 2022, the Company was issued RES License No. 01-2023-0091RS valid from 20 November 2022 until 19 November 2027. As of the year ended 31 December 2023, the revenue sales from power supply contracts reached ₱25.0 billion and ₱11.2 billion, respectively, and contributed the bulk of total energy sold for each period.

As of 31 December 2023, the Company has an estimated 218 MW of retail customer contracts and 310 MW of wholesale customer contracts, which consist of a 200MW baseload and 110MW mid-merit capacity to MERALCO.

Bulk Water Supply Business

ACE Endeavor owns 100% ownership interests in bulk water supply companies SCC Bulk Water, HDP Bulk Water, LCC Bulk Water, and MCV Bulk Water. The companies entered into water supply contracts for the provision of water to the power generation plants of San Carlos Biopower Inc. (“SCBP”), San Carlos Bioenergy, Inc., South Negros Biopower, Inc., and North Negros Biopower, Inc., respectively, in Negros Occidental.

Land Lease and Development

The Company, through its subsidiaries, owns 100% ownership interests in Solienda Incorporated (“Solienda”) and San Julio Land Development Corporation (“SJLD”) and approximately 66% of Manapla Sun Power Development Corp. (“MSPDC”). These companies enter into various contracts with the Company’s projects to assist in the management and maintenance, among others, of select renewable projects.

Solienda

Solienda was incorporated and registered with the SEC on 29 November 2016 to deal and engage in land lease and real estate business. On 5 December 2016, San Julio Realty, Inc. assigned to Solienda the absolute and irrevocable title, rights and interest in the contract of lease, and the subsequent amendment agreements, with San Carlos Sun Power, Inc., SacaSol and SCBP.

San Julio Land

SJLD was incorporated on 20 June 2014 with a primary purpose to deal and engage in land and real estate business, to hold, own, develop, manage, administer, purchase, lease, encumber, construct, alter in whole or in part, or otherwise deal in and dispose of, for itself or for others, for profit, all kinds of real estate projects, including, but not limited to, residential, commercial, industrial, as well as utilities, with or for persons and entities an under such terms and conditions as may be permitted by law; to enter into joint ventures and other similar arrangements in the furtherance of such land and real estate business. SJLD has ownership interest in MSPDC.

Manapla Sun Power

MSPDC was incorporated and registered with the SEC on 16 December 2014 with a primary purpose to engage in the business or renewable energy such as, but not limited to biomass, mini-hydro or solar power and ancillary business, and to own, lease, operate, manage or develop public or private lands. In March 2017, ACEIC, acquired 66.2% of MSPDC. MSPDC is the landowner of and the lessor for IslaSol’s solar farm in Manapla, Negros Occidental.

SOURCES AND AVAILABILITY OF RAW MATERIALS

For its power business, 99% of the Company’s attributable capacity from owned assets is fueled by renewable energy sources, while less than 1% are thermal assets running on liquid fuel, as of 31 December 2024.

For thermal energy power plants, the Company has several term contracts for its annual fuel requirements. Liquid fuel requirements are mainly sourced from Shell, SL Harbor Bulk Terminal Corporation, Chevron, and Petron. As there are multiple suppliers of fuel, the Company believes that it is not dependent on a single supplier for such raw materials.

TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of business, the Company transacts with its related parties, such as its subsidiaries, and certain of its associates, joint ventures, and affiliates enter into transactions with each other. These transactions principally consist of advances, loans, reimbursement of expenses, management, marketing, and administrative service agreements. (See Note 22 to the Company’s audited consolidated financial statements as of and for the year ended 31 December 2024.)

INTELLECTUAL PROPERTY

The Company applies with the Intellectual Property Office (“IPO”) of the Philippines for the registration of various trademarks as part of its continuing efforts to protect and strengthen its brand. As of 28 February 2025, the following trademarks are registered in the name of the Company under the following terms:

Trademark	Date of Registration	Term
Gigawind (with logo)	10 March 2022	10 years (until 10 March 2032)
CampMak (tradename only)	10 March 2022	10 years (until 10 March 2032)
Energy Storage (with logo)	7 April 2022	10 years (until 7 April 2032)
Renewable Energy TechHub An AC Energy Research Center (with logo)	7 April 2022	10 years (until 7 April 2032)
Bulacan Thermal (with logo)	7 April 2022	10 years (until 7 April 2032)
La Union Thermal (with logo)	7 April 2022	10 years (until 7 April 2032)
Subic Thermal (with logo)	7 April 2022	10 years (until 7 April 2032)
Ingrid Power Pililla (with logo)	7 April 2022	10 years (until 7 April 2032)
ACEN (with logo)	23 April 2022	10 years (until 23 April 2032)
Gigasol (with logo)	23 April 2022	10 years (until 23 April 2032)

Giga Storage (tradename only)	10 June 2022	10 years (until 10 June 2032)
ENEX (tradename only)	25 August 2022	10 years (until 25 August 2032)
ACEN RES (tradename only)	31 July 2023	10 years (until 31 July 2033)
ACEN RES Recharge (tradename only)	25 August 2023	10 years (until 25 August 2033)
ACEN RES Renewable Energy Solutions (tradename only)	5 October 2023	10 years (until 5 October 2033)
ACEN RES Renewable Energy Solutions (with logo)	5 October 2023	10 years (until 5 October 2033)
SanMar Solar Renewable Energy from ACEN (with logo)	24 December 2023	10 years (until 24 December 2033)
Palauig 1 Solar Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
Palauig 2 Solar Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
Guimaras Wind Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
IslaSol Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
MonteSol Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
NorthWind Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
Pagudpud Wind Renewable Energy from ACEN	6 January 2024	10 years (until 6 January 2034)
North Luzon Renewables (with logo)	3 February 2024	10 years (until 3 February 2034)
ACEN RES Powered by Renewable Energy (tradename only)	23 March 2024	10 years (until 22 March 2034)
ACEN RES Powered by Renewable Energy (with logo)	23 March 2024	10 years (until 22 March 2034)
Alaminos Solar Renewable Energy from ACEN (with logo)	18 May 2024	10 years (until 17 May 2034)
Capa Wind Renewable Energy from ACEN (with logo)	18 May 2024	10 years (until 17 May 2034)
SaCaSol Renewable Energy from ACEN (with logo)	18 May 2024	10 years (until 17 May 2034)
ACEN Tech Hub Renewable Energy Research Center (with logo)	18 May 2024	10 years (until 17 May 2034)
Pangasinan Solar Renewable Energy from ACEN	8 June 2024	10 years (until 7 June 2034)
Gigasol (tradename only)	10 October 2024	10 years (until 10 October 2034)
Gigawind (tradename only)	10 October 2024	10 years (until 10 October 2034)
Alaminos Energy Storage Renewable Energy from ACEN (with logo)	17 October 2024	10 years (until 17 October 2034)
ACES (with logo; in full color and reverse color)	19 October 2024	10 years (until 19 October 2034)
Palauig Solar 1 Renewable Energy from ACEN	23 November 2024	10 years (until 23 November 2034)
Palauig Solar 2 Renewable Energy from ACEN (with logo)	23 November 2024	10 years (until 23 November 2034)
Palauig Solar Renewable Energy from ACEN (with logo)	23 November 2024	10 years (until 23 November 2034)

The Company maintains a record of all its trademark applications and ensures the timely execution and filing of the relevant Declaration of Actual Use within three (3) years from the date of filing of the application to avoid removal of its trademarks from the IPO's registry. The Company also files the 5th year DAU within one (1) year from the 5th anniversary of the date of registration. Finally, the Company files for renewal no later than six (6) months before expiration of the registration to safeguard its rights over the trademark/s.

The Company regularly monitors applications with the IPO to ensure that it can timely oppose trademarks that are confusingly or deceptively similar to its registered marks.

FUTURE PROJECTS

ACEN continues to scale up its RE platforms and existing partnerships with a strong pipeline of RE projects in the region, in various stages of development.

The development of these projects is intended to help the Company attain its objective of reaching 20,000 MW in attributable RE capacity by the year 2030. Several of these pipeline projects are being developed with strategic partners. The geographic split of ACEN's 20 GW attributable capacity is subject to market conditions in the intervening years, but ACEN will continue to pursue growth in four key markets: the Philippines, Australia, India, and Vietnam-Lao PDR, while keeping a strategic presence in its other markets to capitalize on opportunities for expansion as they arise.

In GW	Current
Philippines	2.4
Australia	1.1
Vietnam-Lao PDR	1.2
India	1.7
Indonesia and other markets ⁴	0.5
Total	4.6.8

DISTRIBUTION OF PRODUCT

For the power business, electricity sales have been sold at the ERC approved rates for electric cooperatives and distribution utilities (“DUs”) and at negotiated, market-determined prices for bilateral contracts. The WESM is another default market where electricity purchases are settled based on market or spot rates. Delivery of the product is coursed through transmission lines currently owned by NGCP and to a certain extent, the electric cooperatives and DUs in exchange for payment of distribution wheeling charges. However, any “delivery” to a customer is in reality electricity generated and delivered to the grid by the Company which is indistinguishable from the electricity generated by other generators.

Existing off-take agreements assure a certain level of demand from the Company's customers. In 2019, the Company was declared one of the best bids for MERALCO's 1,200MW baseload demand and 500MW mid-merit supply. The Company was awarded supply agreements for 200MW baseload and 110MW mid-merit MERALCO's demand for ten (10) and five (5) years, respectively. ACEN CORPORATION also has other large customers aside from MERALCO, and is thus not dependent on any single customer for the viability of the power business.

⁴ Includes United States of America, as well as markets covered by ACEN's joint venture with NEFIN Holding Limited.

As of 31 December 2024, the Company holds around 374 MW of retail/contestable customer contracts, 64 percent of which through the Green Energy Option Program and 36 percent through the Retail Competition and Open Access program.. Furthermore, the Company also has a wholesale contract with MERALCO for 200MW baseload capacity. In addition, the recent Supreme Court ruling, upholding the requirement of Power Supply Agreements submitted by MERALCO and other DUs with the ERC after 30 June 2015 to undergo a competitive selection process, provided an opportunity for the Company to enter into wholesale supply contracts with the distribution utility. The Company won the bid to supply MERALCO with a 200MW baseload demand from 26 December 2019 to 26 December 2029. Subsequently, the Company won the bid to supply 110MW mid-merit supply to MERALCO from 26 December 2019 to 26 December 2024, which was terminated on 2 November 2024. The Company received a copy of the provisional ERC approvals for the contracts on 31 January 2020 and the final approvals on 13 May 2020 for the baseload and on 1 June 2020 for the mid-merit. The Company's larger supply portfolio will help supply this demand, coupled with the new projects in the pipeline.

Internationally, the Company's operating portfolio provides power mainly to four markets as of 31 December 2024: Indonesia, India, Vietnam, and Australia. In Indonesia, the Company provides power to PLN, under a PPA. As for India, the Company provides power through PPAs to various DUs, which are linked to respective state and local governments. As of 31 December 2024, these are the Solar Energy Corporation of India ("SECI") and Gujarat Urja Vikas Nigam Ltd. ("GUVNL"). In Vietnam, ACEN's platform provides power under FIT contracts to state-owned power company EVN, which has total control of the national power transmission and distribution market. In Australia, as of 31 December 2024, ACEN's platform, which was still partially operating at the time, sold 40 percent of its offtake to the National Electricity Market ("NEM"), the country's spot market, with the remaining 60 percent contracted with various offtakers.

With the exception of Australia, revenues from foreign sources are not consolidated into the Company's total revenues because the international assets are not accounted for as subsidiaries; thus, the percentage of sales or revenues and net income contributed by foreign sales for each of the last three (3) financial years is not material.

COMPETITION

The Company believes that it will face competition in both the development of new power generation facilities, the acquisition of existing power plants, competition for financing for these activities, as well as in the electricity supply business. The performance of the Philippine economy and the potential for a shortfall in the Philippines' energy supply have attracted many potential competitors, including multinational development groups and equipment suppliers, to explore opportunities in the development of various electric power generation projects within the Philippines. Accordingly, competition for and from new power projects, and in retail electricity supply may increase in line with the long-term economic growth in the Philippines.

In Vietnam, EVN controls the generation, transmission, and distribution of energy but it also encourages independent power producers ("IPP") to supplement its own generation capacity. In the renewable energy space, local and international developers are actively competing to secure allocation for the FIT. The government's support and initiatives on renewable energy to grow its supply portfolio mix will continue to bring in more market players. See "*Risk Factors—Risks Relating to the Company and its Businesses—Risks and delays relating to the development of greenfield power projects could have a material adverse effect on the Company's operations and financial performance*".

Australia has a fully open energy market that is dominated by a few big generator-retailers ("gentailers"). Several international and smaller domestic players are also very active in the market.

In Indonesia, similar to Vietnam, the generation, transmission, and distribution is controlled by PLN, but the Indonesian government also encourages IPP. Indonesia is a highly competitive market with major domestic and international developers. Given the continuing growth of the Indonesian economy, the Company sees competition to continue to intensify moving forward.

In India, coal continues to fuel India's economy, accounting for more than 50% of the country's installed generation capacity. However, India has added to the current target of 175GW of renewable energy capacity by 2022 with a 450GW of renewable energy capacity target by 2030. This higher RE target and the decreasing cost of RE power prices discovered through competitive tenders will likely result to the displacement of coal-based power production in India.

RESEARCH AND DEVELOPMENT

The Company intends to utilize the 4-MWdc Bataan RE Laboratory under BSEI as its main hub for the research and development of innovative renewables solutions to energy-related challenges. ACEN believes that the adoption of emerging technologies will play a prominent role in the expansion of its business. At the Bataan RE Tech Lab, different energy and energy storage technologies will be tested for possible large-scale use in the Philippines.

For the year 2024, the Company spent close to ₱40 million, higher than the ₱30 million in the previous year, for automation initiatives and information technology infrastructure. This constitutes 0.11 percent of the Company's consolidated revenue. There is no readily available data for R&D costs for the years 2021 and 2020.

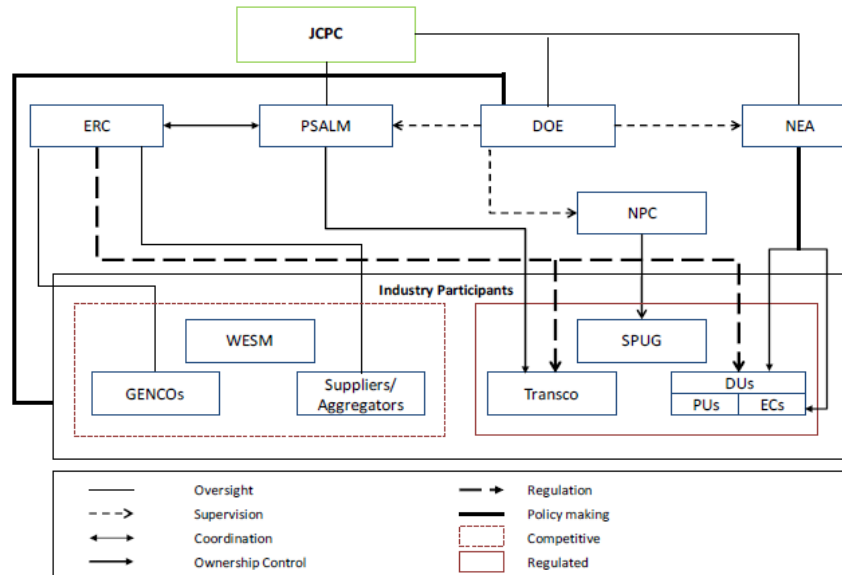
REGULATORY FRAMEWORK

The Company's power business is subject to the following laws, rules, and regulations:

Regulation of the Philippine Power Industry

Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act ("EPIRA") established a framework for the organization and operation of the electric power industry in connection with its restructuring, with the industry divided into four sectors: generation, transmission, distribution, and supply. The structural reforms resulted among others in the creation of two government-owned and controlled corporations ("GOCCs"), the PSALM and the TransCo.

The following diagram shows the current structure of the electric power industry under the EPIRA:



Note:
 DUs: distribution Utilities
 ECs: Electric Cooperatives
 GENCOs: Any entity authorized by the ERC to operate electricity generation facilities
 JCEC: Joint Congressional Energy Commission
 PUs: Production Utilities

Since the enactment of the EPIRA in 2001, the Philippine power industry has undergone and continues to undergo significant restructuring. Through the EPIRA, the Philippine government began to institute major reforms with the goal of fully privatizing all aspects of the power industry. The major aspects of the reforms include the (1) restructuring of the entire power industry to introduce competition in the generation sector, (2) change from government to private ownership, and (3) introduction of a stable regulatory framework for the electricity sector.

With a view to implementing the EPIRA's objectives, the DOE, in consultation with the relevant government agencies, electric power industry participants, non-government organizations and electricity consumers, promulgated the Implementing Rules and Regulations of the EPIRA (the "EPIRA IRR") on 27 February 2002.

The EPIRA IRR governs the relations among, and respective responsibilities of, the different electric power industry participants as well as the particular governmental authorities involved in implementing the structural reforms in the industry, namely the DOE, National Power Corporation ("NPC"), National Electrification Administration ("NEA"), ERC and PSALM.

Primary Regulatory Agencies

Energy Regulatory Commission

The ERC is the independent, quasi-judicial regulatory body created under the EPIRA that replaced the Energy Regulatory Board. The ERC plays a significant role in the restructured industry environment, consisting of, among others, promoting competition, encouraging market development, ensuring consumer choice, and penalizing abuse of market power by industry participants.

The ERC is an independent quasi-judicial regulatory body mandated to carry out (but not limited to) the following:

- promote competition and encourage market development;
- determine the pricing in the energy market;
- review and approve any plan for expansion or improvement of transmission facilities submitted by TransCo; and
- perform other regulatory functions as appropriate and necessary to ensure successful restructuring and modernization of the electric power industry.

Department of Energy

In accordance with its mandate to supervise the restructuring of the electric power industry, the DOE exercises, among others, the following functions:

- (a) preparation and annual updating of the Philippine Energy Plan and the Philippine Power Development Program, and thereafter integrate the latter into the former;
- (b) ensuring the reliability, quality and security of the supply of electric power;
- (c) exercise of supervision and control over all government activities pertaining to energy projects;
- (d) encouragement of private investment in the power industry sector and promotion of the development of indigenous and renewable energy sources for power generation;
- (e) facilitation of reforms in the structure and operation of DUs for greater efficiency and lower costs;
- (f) promotion of incentives to encourage industry participants, including new generating companies and end-users, to provide adequate and reliable electric supply;

- (g) education of the public (in coordination with NPC, ERC, NEA and the Philippine Information Agency) on the restructuring of the industry and the privatization of NPC assets;
- (h) establishment of the WESM in cooperation with electric power industry participants, and formulating rules governing its operations; and
- (i) formulation of policies for the planning and implementation of a comprehensive program for the efficient supply and economical use of energy consistent with the approved national economic plan and with the policies on environmental protection and conservation and maintenance of ecological balance, and provision of a mechanism for the integration, rationalization and coordination of the various energy programs of the government.

The DOE supervises the operation of the WESM of the PEMC. The Philippines fosters a liberal competitive environment for market players under each segment within the power structure.

Joint Congressional Energy Commission

The Joint Congressional Power Commission (“JCPC”) created pursuant to the EPIRA consists of 14 members with the Chairmen of the Committee on Energy of the Philippine Senate and House of Representatives and six additional members from each House to be designated by the Senate President and the Speaker of the House of Representatives, respectively. The JCPC has the authority to conduct hearings and receive testimony, reports, and technical advice; invite or summon any public official or private citizen to testify before it; and require any person to produce records or documents that JCPC may require. The JCPC will also now be assisted by a secretariat who may be seconded from the Senate and the House of Representatives and may retain consultants. The secretariat shall be headed by an executive director who has sufficient background and competence on the policies and issues relating to electricity industry reforms as provided in the EPIRA. On 12 April 2019, Republic Act No. 11285 or the Energy Efficiency and Conservation Act (“EEC”) was signed into law. Under this law, the Joint Congressional Power Commission was renamed to the Joint Congressional Energy Commission (“JCEC”). On 7 July 2021, Republic Act No. 11571 or the JCEC Enhancement Act was signed into making the JCEC as the permanent oversight body tasked of ensuring the full implementation of landmark energy laws.

Reorganisation of the Electric Power Industry

Of the many changes initiated by the EPIRA, of primary importance is the reorganization of the electric power industry by segregating the industry into four sectors: (1) the generation sector; (2) the transmission sector; (3) the distribution sector; and (4) the supply sector. The goal is for the generation and supply sectors to be fully competitive and open, while the transmission and distribution sectors will remain regulated. Prior to the EPIRA, the industry was regulated as a whole, with no clear distinctions between and among the various sectors and/or services.

The Generation Sector

The generation sector converts fuel and other forms of energy into electricity. This sector, by utility, consists of the following: (i) NPC-owned and -operated generation facilities; (ii) NPC-owned plants, which consist of plants operated by IPPs, as well as IPP-owned and -operated plants; and (iii) IPP-owned and -operated plants that supply electricity to customers other than NPC. Successes in the privatization process of NPC continue to build up momentum for the power industry reforms.

Historically, the generation sector has been dominated by NPC. To introduce and foster competition in the sector, and, more importantly, to lessen the debt of NPC, the EPIRA mandates the total privatization of the generation assets and IPP agreements of NPC, which exclude the assets devoted to missionary electrification through the NPC Small Power Utilities Group. NPC is directed to transfer ownership of all the assets for privatization to a separate entity, PSALM, which is specially tasked to manage the privatization. Beginning early 2004, PSALM has been conducting public bidding for the generation facilities owned by NPC.

The goal of the EPIRA is for the generation sector to be open and competitive, while the private sector is expected to take the lead in introducing additional generation capacity. Generation companies will compete either for contracts with various suppliers and private DUs, or through spot sale transactions in the WESM. Competition will be based largely on pricing, subject to availability of transmission lines to wheel electricity to the grid and/or buyers. Recovery by DUs of their purchased power cost is subject to review and regulation by the ERC to determine reasonableness of the cost that are passed on to consumers. With the implementation of RCOA, generation rates, except those intended for the “Captive Market” (*i.e.*, a market of electricity end-users who may not choose their supplier of electricity), ceased to be regulated to a certain extent.

Under the EPIRA, generation companies are allowed to sell electricity to DUs or to retail electricity suppliers through either bilateral contracts or the WESM as described below. With the implementation of RCOA on 26 December 2013, as supplemented by DOE Department Circular No. DC2015-06-0010, generation companies may likewise sell electricity to eligible end-users with an average monthly peak demand of 750KW and certified by the ERC to be such (“Contestable Market”). No generation company is allowed to own more than 30.0% of the installed generating capacity of the Luzon, Visayas or Mindanao grids and/or 25.0% of the national installed generating capacity. Also, no generation company associated with a distribution utility may supply more than 50.0% of the distribution utility’s total demand under bilateral contracts, without prejudice to the bilateral contracts entered into prior to the enactment of the EPIRA.

The EPIRA provides that power generation is not a public utility operation and thus, not required to secure national franchises and there are no restrictions on the ability of non-Filipinos to own and operate generation facilities. However, in order to operate, generation companies must obtain a COC from the ERC, as well as health, safety and environmental clearances from appropriate government agencies under existing laws. Upon implementation of RCOA, the prices charged by a generation company for the supply of electricity shall not be subject to regulation by the ERC except as otherwise provided under the EPIRA.

In 2016, the ERC issued the implementing rules governing the issuance and renewal of licenses to RESs and the rules governing contestability of qualified end-users (collectively, the “ERC RES Rules”). However, in February 2017, the Philippine Supreme Court, acting on the petition filed by certain entities, issued a temporary restraining order enjoining the DOE and the ERC from implementing the rules and regulations implementing the RCOA, including the ERC RES Rules. In response thereto, the DOE issued DOE Circular No. 2017-12-0013 allowing the voluntary participation in the retail market of Contestable Customers with average peak demand of 750 kW. Further, on 3 December 2020, the ERC issued Resolution No. 12, Series of 2020 prescribing the timeline for the implementation of the RCOA. In the said Resolution, the threshold level of 500kW-749kW qualified Contestable Customers with existing electronic meters capable of recording and reading interval of time, with a built-in communication port for remote and manual data retrieval, shall be allowed to switch to Competitive Retail Electricity Market or the Contestable Market starting 26 February 2021.

Section 47(j) of the EPIRA prohibits NPC from incurring any new obligations to purchase power through bilateral contracts with generation companies or other suppliers. Also, NPC is only allowed to generate and sell electricity from generating assets and IPP contracts that have not been disposed of by PSALM.

The ERC may impose fines and penalties for violations by generation companies of the EPIRA and the EPIRA IRR policies as well as the ERC’s rule and regulations on market power abuse, cross-ownership, and anti-competitive behaviour.

Requirement of Public Offering for Generation Companies

Under Section 43(t) of the EPIRA, the ERC was mandated to issue rules and guidelines under which, among others, generation companies which are not publicly listed shall offer and sell to the public a portion of not less than 15% of their common shares of stock.

ERC Resolution No. 9, Series of 2011, adopted the rules to implement Section 43(t) of the EPIRA. Under the resolution, generation companies, among others, which are not publicly listed are required to sell to the public a portion of not less than 15% of their common shares of stock. If the authorized capital stock of a generation company is fully subscribed, such company must increase its authorized capital stock by 15% or sell or cause the sale of 15% of its existing subscribed capital stock in order to comply with the public offering requirement under the EPIRA.

According to Resolution No. 9, which took effect on 29 June 2011, any offer of common shares of stock for sale to the public through any of the following modes may be deemed as a public offering for purposes of compliance with the public offering requirement under the EPIRA: (1) listing on the PSE; and (2) listing of the shares of stock in any accredited stock exchange or direct offer of the required portion of a company's capital stock to the public. For generation companies registered with the BOI under the Omnibus Investments Code, the public offering requirement may be complied with by a direct offer of the required portion of the registered enterprise's shares of stock to the public or through its employees through an employee stock option plan (or any plan analogous thereto), provided such offer is deemed feasible and desirable by the BOI.

However, the offer of common shares through an employee stock option plan is not considered a public offering since the offer is limited only to the employees of the generation companies or the DUs and not to the general public. The offer to employees may be considered public offering only when the generation company or distribution utility is a registered enterprise under the Omnibus Investment Code. Further, the public offering requirement does not apply to: (i) self-generation facilities, (ii) generation companies and DUs already listed on the PSE, (iii) generation companies and DUs whose holding companies are already listed on the PSE, (iv) generation companies and DUs which are organized as partnerships, and (v) electric cooperatives which have no common shares of stock.

On 4 June 2019, the ERC issued Resolution No. 4 amending Resolution No. 9, Series of 2011. The new resolution maintained the previous rule that companies already listed with the PSE are already deemed in compliance of the 15% public offering requirement. Under Resolution No. 4, Series of 2019, the following modes shall be deemed to be public offerings:

- Listing on the PSE;
- In accordance with the 2015 IRR of the Securities Regulation Code ("SRC");
- Publication in any printed material distributed in the Philippines;
- Public presentations;
- Advertisements or announcements on radio, television, electronic communications, information communication technology, or any other forms of communications; and
- Distribution of flyers, brochures, or any offering material in a public or commercial place, or through prospective purchasers through the portal system, information communication technology and other means of information distribution.
- Listing of any shares of stock in any accredited stock exchange or direct offer to the public or the employees of an entity registered with the BOI, when deemed feasible and desirable by the latter.

ERC Resolution No. 4, Series of 2019 also provides that generation companies under a Build-Operate-Transfer Scheme must comply with the 15% public offering requirement. Further, it requires that the sale of securities to the public must comply with the SRC and its IRR.

The public offering by existing companies shall be made within five years from the effectivity of ERC Resolution No. 9, Series of 2011, or until 29 June 2016. The five-year period was extended up to 29 June 2017 pursuant to ERC Resolution No. 18, Series of 2016. For new companies, however, the five-year period is counted from the issuance by the ERC of their respective COCs. The period for compliance has further been extended pursuant to ERC Resolution No. 10, Series of 2017 for another year, or until the resolution of the petition filed by the Private Electric Power Operators Association regarding the clarification on whether the registration of common shares at the SEC may be considered as a mode of public offering is resolved, whichever comes earlier. On 21 June 2018, the ERC issued Resolution No. 14, Series of 2018 which further extended the period for compliance until 29 December 2018.

The Transmission Sector

Pursuant to the EPIRA, NPC has transferred its transmission and sub-transmission assets to TransCo, which was created pursuant to the EPIRA to assume, among other functions, the operation of the electrical transmission systems throughout the Philippines. The principal function of TransCo is to ensure and maintain the reliability, adequacy, security, stability, and integrity of the nationwide electrical grid in accordance with the Philippine Grid Code (the “Grid Code”). TransCo is also mandated to provide Open Access to all industry participants. The EPIRA granted TransCo a monopoly over the high-voltage network and subjected it to performance-based regulations.

The transmission of electricity through the transmission grid is subject to transmission wheeling charges. Since the transmission of electric power is a regulated common carrier business, the transmission wheeling charges of TransCo are subject to regulation and approval by the ERC.

The EPIRA also requires the privatization of TransCo through an outright sale of, or the grant of a concession over, the transmission assets while the subtransmission assets of TransCo are to be offered for sale to qualified DUs. In December 2007, NGCP, comprising a consortium of Monte Oro Grid Resources, Calaca High Power Corporation and State Grid Corporation of China, won the concession contract to operate, maintain and expand the TransCo assets with a bid of U.S.\$3.95 billion. NGCP was officially granted the authority to manage and operate the country’s sole transmission system on 15 January 2009, pursuant to a legislative franchise granted by the Philippine Congress under Republic Act No. 9511. Ownership of all transmission assets, however, remained with TransCo.

The Grid Code establishes the basic rules, requirements, procedures and standards that govern the operation, maintenance and development of the Philippine grid, or the high-voltage backbone transmission system and its related facilities. The Grid Code identifies and provides for the responsibilities and obligations of three key independent functional groups, namely: (a) the grid owner, or TransCo; (b) the system operator, or NGCP as the current concessionaire of TransCo; and (c) the market operator, or PEMC. These functional groups, as well as all users of the grid, including generation companies and DUs, must comply with the provisions of the Grid Code as promulgated and enforced by the ERC.

In order to ensure the safe, reliable and efficient operation of the Philippine Grid, the Grid Code provides for, among others, the following regulations:

- performance standards for the transmission of electricity through the grid, as well as the operation and maintenance thereof, which standards shall apply to TransCo, NGCP, DUs and suppliers of electricity;
- technical and financial standards and criteria applicable to users of the grid, including generation companies and DUs connected or seeking to connect thereto; and
- other matters relating to the planning, management, operation, and maintenance of the grid.

The Distribution Sector

The distribution of electric power to end-users may be undertaken by private DUs, cooperatives, local government units presently undertaking this function, and other duly authorized entities, subject to regulation by the ERC. The distribution business is a regulated public utility business requiring a franchise from Congress, although franchises relating to electric cooperatives remained under the jurisdiction of the NEA until the end of 2006. All DUs are also required to obtain a Certificate of Public Convenience and Necessity from the ERC to operate as public utilities.

All DUs are also required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code (“Distribution Code”), the Distribution Services and Open Access Rules and the performance standards set out in the EPIRA IRR.

The distribution sector is and will continue to be regulated by the ERC, with distribution and wheeling charges, as well as connection fees from its consumers, subject to ERC approval. Likewise, the retail rate imposed by DUs for the supply of electricity to its captive consumers is subject to ERC approval. In addition, as a result of the Philippine government’s policy of promoting free competition and open access, DUs are required to provide universal and non-discriminatory access to their systems within their respective franchise areas following commencement of RCOA.

The Distribution Code establishes the basic rules and procedures that govern the operation, maintenance, development, connection, and use of the electric distribution systems in the Philippines.

The Distribution Code defines the technical aspects of the working relationship between the distributors and all the users of the distribution system, including DUs, embedded generators, and large customers. All such electric power industry participants in distribution system operations are required to comply with the provisions of the Distribution Code as promulgated and enforced by the ERC.

The Supply Sector

The supply of electricity refers to the sale of electricity directly to end-users. The supply function used to be undertaken solely by franchised DUs. However, with the implementation of RCOA, the supply function has become competitive. The business is not considered a public utility operation and suppliers are not required to obtain franchises. However, the supply of electricity to the “Contestable Market” (*i.e.*, a market of electricity end-users who have a choice on their supplier of electricity) is considered a business with a public interest dimension. As such, the EPIRA requires all suppliers of electricity to the Contestable Market to obtain a license from the ERC and they are subject to the rules and regulations of the ERC on the abuse of market power and other anti-competitive or discriminatory behaviour.

With the implementation of the RCOA, a RES is allowed to enter into retail electricity supply agreements with Contestable Customers. This set-up encourages competition at the retail level. It has been planned that the threshold for retail competition will gradually decrease over time; provided, that retail electricity suppliers are sufficiently creditworthy to be suitable offtakers for generation companies.

Competitive Market Devices

Wholesale Electricity Spot Market

The EPIRA mandates the establishment of the WESM, which is a pre-condition for the implementation of RCOA, within one year from its effectivity. The WESM provides a venue whereby generators may sell power, and at the same time suppliers and wholesale consumers can purchase electricity where no bilateral contract exists between the two. The establishment of the WESM facilitates a transparent and competitive electricity market for the country.

All generation companies, DUs, suppliers, bulk consumers/end-users, and other similar entities authorized by the ERC are eligible to become WESM members subject to compliance with membership requirements.

On 28 June 2002, the DOE, in cooperation with electric power industry participants, promulgated detailed rules for the WESM. These rules set the guidelines and standards for participation in the market, reflecting accepted economic principles and providing a level playing field for all electric power industry participants, and procedures for establishing the merit order dispatch for each time (hourly trading period). These rules also provide for a mechanism for setting electricity prices that are not covered by bilateral contracts between electricity buyers and sellers.

On 18 November 2003, upon the initiative of the DOE, the PEMC was incorporated as a non-stock, non-profit corporation with membership comprising an equitable representation of electricity industry participants and chaired by the DOE. The PEMC acts as the autonomous market group operator and the governing arm of the WESM. The PEMC was tasked to undertake the preparatory work for the establishment of the WESM, pursuant to Section 30 of the EPIRA and in accordance with the WESM Rules. Its primary purpose is to establish, maintain, operate, and govern an efficient, competitive, transparent, and reliable market for the wholesale purchase of electricity and ancillary services in the Philippines in accordance with relevant laws, rules and regulations.

The PEMC and the IEMOP, have executed the Operating Agreement to formalize the transfer of all functions, assets and liabilities associated with market operations from PEMC to the IEMOP effective on 26 September 2018. Republic Act No. 9136 requires PEMC to divest itself of this function in favour of a separate entity that is independent of the market participants. On 6 February 2018, the market participants and the DOE Secretary approved the transition plan calling for the formation of an independent market operator and the transfer of the market operation functions to it. IEMOP, a non-stock, non-profit corporation, led by a Board of Directors, all of whom are not affiliated and do not have any interest or connection to the WESM participants, was incorporated and organized to implement the transition plan. Starting on 26 September 2018, the IEMOP runs the electricity market and manages the registration of market participants, receive generation offers, come out with market prices and dispatches schedules of the generation plants, and handle billing, settlement, and collections, among other things. Under the policy and regulatory oversight of the DOE and the ERC, PEMC remains the governing body for WESM to monitor compliance of the market participants with the market rules.

Through the DOE Department Circular 2021-06-0015, the DOE declared the commercial operation of the Enhanced WESM Spot Market effective 26 June 2021 which shortened the dispatch, settlement, and trading interval at the WESM from the current one-hour interval to five-minute interval. As part of the pre-emptive mitigating measures to address price volatilities in the WESM, the ERC, through ERC Resolution 7, Series of 2021, adopted a shorter rolling average period of 72 hours from 120 hours, in relation to the application of the secondary price cap of ₱6,245/MWh, to be applied upon breaching of a ₱9,000/MWh rolling average price over a 72-hour period.

Retail Competition and Open Access

The EPIRA likewise provides for a system of RCOA on transmission and distribution wires, whereby TRANSCO/NGCP and DUs may not refuse the use of their wires by qualified persons, subject to the payment of distribution and wheeling charges. Conditions for the commencement of the open access system are as follows:

- Establishment of the WESM;
- approval of unbundled transmission and distribution wheeling charges;
- initial implementation of the cross-subsidy removal scheme;
- privatization of at least 70.0% of the total capacity of generating assets of NPC in Luzon and Visayas; and
- transfer of the management and control of at least 70.0% of the total energy output of power plants under contract with NPC to the IPPAs.

Prior to the implementation of the RCOA, the distribution utility exclusively procures energy on behalf of its customers, and delivers the energy through its distribution wires. With RCOA, competing RES will do the buying and selling of electricity, and have the distribution utility deliver the energy for them through the distribution utility's existing distribution wires. The Contestable Customers will have more choices in pricing and power supply contracting, thereby getting the best deal in terms of price and value for money.

On 6 June 2011, pursuant to Resolution No. 10, Series of 2011, the ERC declared 26 December 2011 as the "Open Access Date" to mark the commencement of the full operations of the competitive retail electricity market in Luzon and Visayas.

The implementation of retail competition and open access is mandated by the EPIRA, subject to the fulfilment of certain conditions including, but not limited to, the establishment of the WESM, the unbundling of transmission and distribution wheeling charges, and privatization of at least 70% of the total capacity of generating assets of NPC in Luzon and Visayas. 26 December 2011 was the commencement of the full operations of the competitive retail electricity in Luzon and Visayas. Initially, all electricity end-users with an average monthly peak demand of one MW for 12 months preceding 26 December 2011, as certified by the ERC to be contestable customers, shall have the right to choose their own electricity suppliers and are, thus, enjoined to exercise such right to their full benefit.

On 17 December 2012, the ERC promulgated the transitory rules for the implementation of RCOA.

With the purpose of ensuring quality, reliable and affordable electricity under a regime of free and fair competition, the DOE and the ERC issued the following circulars and resolutions to promote customer choice and foster competition in the electricity supply sector:

- **DOE Circular No. DC2015-06-0010** – Providing Policies to Facilitate the Full Implementation of Retail Competition and Open Access (RCOA) in the Philippine Electric Power Industry;
- **ERC Resolution No. 05, Series of 2016** – A Resolution Adopting the 2016 Rules Governing the Issuance of Licenses to Retail Electricity Suppliers (RES) and Prescribing the Requirements and Conditions Therefor;
- **ERC Resolution No. 10, Series of 2016** – A Resolution Adopting the Revised Rules for Contestability;

- **ERC Resolution No. 11, Series of 2016** – A Resolution Imposing Restrictions on the Operations of Distribution Utilities and Retail Electricity Suppliers in the Competitive Retail Electricity Market;
- **ERC Resolution No. 28, Series of 2016** – Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016 entitled Revised Rules for Contestability; and
- **ERC Resolution No. 1122, Series of 2020** – A Resolution Prescribing the Timeline for the Implementation of the Retail Competition and Open Access (RCOA).

The above resolutions/circulars required electricity end-users with an average monthly peak demand of at least 1MW to secure retail supply contracts with licensed retail electricity suppliers on or before 26 February 2017.

On 21 February 2017, the Supreme Court issued a temporary restraining order (“TRO”) against the enforcement of several orders and regulations promulgated by the ERC and the DOE in relation to RCOA, particularly those compelling Contestable Customers to enter into a retail supply contracts with any of the RES accredited by the DOE and the ERC by 26 February 2017. In response thereto, the DOE issued DOE Circular No. 2017-12-0013 allowing the voluntary participation in the retail market of Contestable Customers with average peak demand of 750 kW. Further, on 3 December 2020, the ERC issued Resolution No. 12, Series of 2020 Prescribing the Timeline for the Implementation of the RCOA. In the said Resolution, the threshold level of 500kW-749kW qualified Contestable Customers with existing electronic meters capable of recording and reading interval of time, with a built-in communication port for remote and manual data retrieval, shall be allowed to switch to Competitive Retail Electricity Market or the Contestable Market starting 26 February 2021.

As such, notwithstanding the TRO issued by the Supreme Court, electricity end-users with average peak demands of at least 500 kW may choose their retail electricity supplier on a voluntary basis.

Unbundling of Rates and Removal of Cross Subsidies

The EPIRA mandates that transmission and distribution wheeling charges be unbundled from retail rates and that rates reflect the respective costs of providing each service. The EPIRA also states that cross-subsidies shall be phased out within a period not exceeding three years from the establishment by the ERC of a universal charge, which shall be collected from all electricity end-users. However, the ERC may extend the period for the removal of the cross-subsidies for a maximum of one year if it determines that there will be a material adverse effect upon the public interest or an immediate, irreparable, and adverse financial effect on a distribution utility. The initial implementation of the cross-subsidy removal scheme was accomplished in 2001.

These arrangements are now in place, in satisfaction of the conditions for RCOA.

The EPIRA likewise provides for a socialized pricing mechanism such as the lifeline rate subsidy to be set by the ERC for marginalized or low-income captive electricity consumers who cannot afford to pay the full cost of electricity. These end-users are exempt from the cross-subsidy removal for a period of 10 years. In June 2011, R.A. No. 10150 extended for another 10 years the application of the lifeline rate subsidy. In May 2021, R.A. No. 11552 extended the implementation of the current level of consumption, subsidy, and rate to all marginalized end-users until such time that a new level shall be determined and approved by the ERC.

Implementation of the PBR

On 12 July 2016, the ERC issued the Rules for Setting Distribution Wheeling Rates that apply to privately owned DUs entering Performance Based Regulation (“PBR”) for the fourth entry points, which set out the manner in which the new PBR rate-setting mechanism for distribution-related charges will be implemented. PBR is intended to replace the return-on-rate-base regulation that has historically determined the distribution charges paid by the distribution companies’ customers. Under the PBR, the distribution-related charges that DUs can collect from customers over a four-year regulatory period will be set by reference to projected revenues which are reviewed and approved by the ERC and used by the ERC to determine a distribution utility’s efficiency factor. For each year during the regulatory period, a distribution utility’s distribution charge is adjusted upwards or downwards taking into consideration the utility’s efficiency factor set against changes in overall consumer prices in the Philippines. The ERC has also implemented a performance incentive scheme whereby annual rate adjustments under PBR will also take into consideration the ability of a distribution utility to meet or exceed service performance targets set by the ERC, such as the average duration of power outages, the average time to provide connections to customers and the average time to respond to customer calls, with utilities being rewarded or penalized depending on their ability to meet these performance targets.

Reduction of Taxes and Royalties on Indigenous Energy Resources

To equalize prices between imported and indigenous fuels, the EPIRA mandates the President of the Philippines to reduce the royalties, returns and taxes collected for the exploitation of all indigenous sources of energy, including but not limited to, natural gas and geothermal steam, so as to effect parity of tax treatment with the existing rates for imported coal, crude oil, bunker fuel and other imported fuels. Following the promulgation of the EPIRA IRR, President Arroyo enacted Executive Order No. 100 on 3 May 2002, to equalize the taxes among fuels used for power generation. This mechanism, however, is yet to be implemented.

Government Approval Process

As set forth in the EPIRA, power generation is not considered a public utility operation. Thus, an entity engaged or intending to engage in the generation of electricity is not required to secure a franchise. However, no person or entity may engage in the generation of electricity unless such person or entity has complied with the standards, requirements and other terms and conditions set by the ERC and has received a COC from the ERC to operate facilities used in the generation of electricity. A COC is valid for a period of five years from the date of issuance.

In addition to the COC requirement, a generation company must comply with technical, financial, and environmental standards. A generation company must ensure that all its facilities connected to the grid meet the technical design and operational criteria of the Grid Code and Distribution Code promulgated by the ERC. In this connection, the ERC has issued “Revised Guidelines for the Financial Standards of Generation Companies,” which sets the minimum financial capability standards for generation companies. Under the guidelines, a generation company is required to meet a minimum annual interest cover ratio or debt service coverage ratio of 1.25x throughout the period covered by its COC. For COC applications and renewals, the guidelines require the submission to the ERC of, among other things, comparative audited financial statements for the two most recent 12-months periods, if available, a schedule of liabilities, and a five-year financial plan. For the duration of the COC, the guidelines also require a generation company to submit audited financial statements and forecast financial statements to the ERC for the next two financial years, as well as other documents. The failure by a generation company to submit the requirements prescribed by the guidelines may be a ground for the imposition of fines and penalties.

The ERC also approves PSAs between DUs and power suppliers. Aside from the regulatory certificates from the SEC, BOI, DOE, and the like, the ERC also requires additional documentary support for PSA approval, such as but not limited to financial data such as debt-to-equity ratios, project costs, annual interests, weighted average cost of capital, bank loans, cash flow on the initial costs, operating & maintenance expenses, minimum energy offtake, fuel costs, technical and economic characteristics of the generating plant such as the kWh generation (basis of maintenance allowance), installed capacity, mode of operation, and dependable capacity, among others.

Upon the introduction of RCOA, the rates charged by a generation company will no longer be regulated by the ERC, except rates for Captive Markets (which are determined by the ERC). In addition, since the establishment of the WESM, generation companies are now required to comply with the membership criteria and appropriate dispatch scheduling as prescribed under the WESM Rules.

In the course of developing a power plant, other permits, approvals and consents must also be obtained from relevant national, provincial and local government authorities, relating to, among others, site acquisition, construction and operation, including environmental licenses and permits.

Retail rates charged by RES to Contestable Customers will not require ERC approval. Only the retail rates charged by DUs to their Captive Customers will be subject to the approval of the ERC.

The Energy Efficiency and Conservation Act

The EEC was enacted to establish a framework for introducing and institutionalizing policies on energy efficiency and conservation.

Under the EEC, energy efficiency projects shall be included in the annual investment priorities plan of the BOI and shall be entitled to incentives under Executive Order No. 226 or the “Omnibus Investments Code of 1987,” and other applicable laws for ten years from the effectivity of the EEC. After the lapse of ten years, the inclusion of energy sufficient projects in the annual investment priorities plan shall be reviewed and may be extended by the BOI. Energy efficient projects are exempt from the nationality requirements under Article 32(1) of the Omnibus Investments Code of 1987, unless the project involved exploration, development and utilization of natural resources which is reserved to Filipino citizens, or corporations or association at least 60% of whose capital is owned by Filipino citizens as per Section 2, Article XII of the 1987 Constitution. Further, establishments that will implement or are implementing energy efficient projects are entitled to provision of awards and recognitions, and technical assistance from government agencies in the development and promotion of energy efficient technologies.

The following acts are prohibited under the EEC:

- Failing to comply with energy labelling;
- Removing, defacing, or altering any energy label on the energy-consuming product before the product is sold to the first purchaser, or leased to the first lessee;
- Failing to provide accurate information or provision of false or misleading energy information as required to be submitted under the EECA;
- Selling, leasing, or importing energy-consuming products that do not comply with the minimum energy performance;
- Failing or wilfully refusing to appoint or designate a Certified Energy Conservation Officer or Certified Energy Manager;
- Wilfully refusing to submit to an on-site inspection by the DOE;
- Failing or wilfully refusing to submit any of the reports required;
- Failing to comply with issued orders of the DOE in the discharge of its enforcement powers; and
- Violating any provisions of the IRR, codes, and guidelines issued in accordance with the EECA.

The DOE is empowered to impose fines and penalties for the violation of the provisions of the EEC, DOE Department Circular No. DC2019-11-0014 (the “EEC IRR”), and other related issuances. The fines and penalties shall range from ₱10,000.00 to ₱1,000,000.00, without prejudice to criminal penalties and penalties under existing regulations. The responsible officers and employees of establishments who commit any of the prohibited acts listed above shall, upon conviction, suffer the penalty of imprisonment of one year to five years, or a fine ranging from a minimum of ₱100,000.00 to ₱100,000,000.00 or twice the amount of costs avoided for noncompliance, whichever is higher, or both, upon the discretion of the court. Any person who aids or abets the commission of the prohibited acts or causes such commission by another, shall be liable as a principal. In case of associations, partnerships, or corporations, the penalty shall be imposed on the partner, president, chief operating officer, chief executive officer, director, or officer responsible for the violation.

The Renewable Energy Act of 2008

The RE Law provides for the acceleration and development of renewable resources. It was signed into law on 16 December 2008 and became effective in January 2009.

Renewable energy developers of renewable energy facilities, including hybrid systems, in proportion to and to the extent of the renewable energy component, for both power and non-power applications as certified by the DOE are entitled to the following general incentives:

- Income tax holiday (“ITH”) for the first seven years of its commercial operations. Additional investments in the project are entitled to additional income tax exemption on the income attributable to the investment. For this purpose, the discovery and development of new renewable energy resource is treated as a new investment and is therefore entitled to a fresh package of incentives. The entitlement period for additional investments shall not be more than three times the period of the initial availment of the income tax holiday.
- Duty-free importation of renewable energy machinery, equipment and materials which are directly and actually needed and used exclusively in the RE facilities for transformation into energy and delivery of energy to the point of use and covered by shipping documents in the name of the duly registered operator to whom the shipment will be directly delivered by customs authorities, within the first 10 years upon the issuance of a certification of an RE developer. DOE endorsement must be obtained before the importation and before any sale, transfer or disposition of the imported capital equipment, machinery or spare parts is made. There are additional conditions for sale, transfer, disposition made within the 10-year period from date of importation.
- Special realty tax rates on equipment and machinery.
- The net operating loss carry-over of the RE developer during the first three years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as a deduction for the next seven consecutive taxable years following the year of such loss.
- RE developers shall enjoy a 10% corporate income tax rate after the expiration of its ITH.
- Accelerated depreciation if the RE project fails to receive an ITH before full operation.
- Zero-percent value added tax rate for sale of fuel or power generated from renewable sources.
 - Further, all RE developers are entitled to zero-rated value added tax on its purchases of local supply of goods, properties and services needed for the development, construction and installation of its plant facilities.
- Cash incentive for RE developers for missionary electrification.
- Tax exemption of carbon credits.
- Tax credit on domestic capital equipment and services.

The RE Law likewise provides incentives for manufacturers, fabricators and suppliers of locally-produced RE equipment and components duly recognized and accredited by the DOE and upon registration with the BOI.

Further, the RE Law provides a policy on FIT. The FIT scheme mandates electric power industry participants to source RE-derived electricity at a guaranteed fixed price (the “FIT Rate”). This scheme was primarily viewed as a way to entice the private sector players to hasten investment into the renewable power generation sector due to the urgent need of the Philippines to deploy additional capacity.

RE projects are governed by an RE Contract, a service agreement between the Philippine Government and an RE developer over an appropriate period of time as determined by the DOE in which the RE developer will have the exclusive right to explore, develop or utilize a particular RE area.

Feed-In Tariff

The ERC issued Resolution No. 16, Series of 2010 (“ERC Resolution No. 16-2010” or the “FIT Rules”), otherwise known as “Resolution Adopting the Feed-In Tariff Rules,” which establishes the FIT system and regulates the method of establishing and approving the FITs and the FIT Allowance (“FIT-All”).

The FIT Rules are specific for each emerging renewable energy technology and to be applied only to generation facilities which enter into commercial operation after effectivity of the FIT Rules or to such parts of such existing facilities which have been substantially modified or expanded as provided under the FIT Rules.

Under the FIT Rules, the FITs are specific for each eligible renewable energy plants (“Eligible RE Plants”), which are those power facilities with COCs issued to them that utilize emerging renewable energy resources or to such parts of such existing facilities that have been substantially modified or expanded, which enter into commercial operation after effectivity of the FIT Rules. These include facilities intended for their owners’ use, which are connected to the transmission or distribution networks and are able to deliver to such networks their generation or parts thereof but FIT shall only be paid for such amount of electricity actually exported to the distribution or transmission network and not utilized for their own use.

The renewable energy plants which have started commercial operations after the effectivity of the RE Law and are not bound under any contract to supply the energy they generate to any distribution utility or consumer, may avail of the FITs from time to time they are certified by the ERC as eligible through an amendment of the COC issued to them and for a period of 20 years less the number of years they have been in operation. RE Plants, which have been in operation prior to the effectivity of the RE Law may be granted lower FITs specific to them upon application and hearing, and after a showing that:

- Such FITs are indispensable for their continued operations;
- There is no legal impediment for them to be allowed such FITs, such as the existence of a power supply agreement/power purchase agreement with any DU or End-User; and,
- They have fulfilled such other requirements of the ERC.

FITs shall be established for each generation plant using: (i) wind energy resources; (ii) solar energy resources; (iii) ocean energy resources; (iv) run-of-river hydroelectric power resources; (v) biomass energy resources; and (vi) renewable energy components of technologies listed above of hybrid systems under the RE Law.

The FIT System applicable to renewable energy plants in on-grid areas are: (i) Technology-specific FITs; (ii) Fixed FITs but subject to adjustment to allow pass-through of local inflation and foreign exchange rate variations. FITs for peak and off-peak hours may be established for renewable energy technologies that can follow the dynamics of demand such biomass energy systems and hydropower, as may be recommended by NREB.

Eligible RE Plants shall be entitled to the applicable FITs to them for a period of 20 years. After this period, should these plants continue to operate, their tariffs will be based on prevailing market prices or whatever prices they should agree with an off-taker.

Electricity consumers who are supplied with electricity through the distribution of transmission network shall share in the cost of the FITs in part through a uniform charge (in ₱/kWh) referred to as the FIT-All and applied to all billed kWh. Under ERC Resolution No. 15, Series of 2012, as the FIT-All Fund Administrator, TransCo ensures that the FIT-All fund is sufficient to pay all renewable energy producers regularly.

Renewable Portfolio Standards

The RE Law also provides for the establishment of the Renewable Energy Market (“REM”), a venue where the Renewable Energy Certificates may be traded; and a facility to determine the compliance of Mandated Participants with their Renewable Portfolio Standards (“RPS”) obligations.

To mandate electric participants to source an agreed portion of their energy supply from eligible RE resources, DOE issued Department Circular Nos. DC2017-12-0015 and DC2018-08-0024 prescribing the rules and guidelines governing the establishment of the Renewable Portfolio Standards for On-Grid on 22 December 2017, and for Off-Grid Areas on 24 August 2018 (“RPS Rules”), respectively.

The RPS is a market-based policy that mandates power DUs, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supply from eligible renewable energy facilities. The RPS Rules established a minimum annual RPS requirement. This pertains to the RE share of electricity coming from RE resources in the energy mix based on an aspirational target of 35% in the generation mix expressed in MWh by 2030, subject to regular review and assessment by the DOE. The RPS Rules also established the minimum annual incremental RE percentage. This is initially set at 1% to be applied to the net electricity sales of the mandated participant for the previous year, and thereafter adjusted by the DOE as may be necessary.

Also, the DOE issued Department Circular No. DC2019-12-0016 or the REM Rules which established the guidelines, requirements and procedures for the operation and governance of the REM. The REM operations is supervised and monitored by the REM Governance Committee (“RGC”) under the oversight of PEMC Board. Currently, RGC is composed of one independent member to be elected from the independent members of the PEM Board, who shall be the Chairperson, one representative each from the RE Registrar, REM Generators/Retail Electricity Suppliers, Electric Cooperatives, and Private DUs to be appointed by the PEM Board.

Green Energy Auction Program

DOE Circular No. DC2020-07-0017, or the GEAP Guidelines, sets out the framework for the mechanism established by the DOE which provides mandated participants an additional avenue to meet their RPS requirements under DOE Department Circular No. 2017-12-0015, and to promote investment in RE resources to meet the nationally set RE targets.

The Green Energy Auction facilitates contracting of supply between qualified suppliers and qualified customers by consolidating the RPS requirements of the qualified customers and auctioning them off to the qualified suppliers under a competitive process. In August 2021, the DOE released a draft circular revising the original guidelines where the GEAP will adopt the framework for the Feed-in-Tariff system. Under this framework, the energy will be sold to the WESM, the bid price of the winning bidders will be their guaranteed payment, and any difference between the bid price and the spot price will be settled through the Feed-in-Tariff system.

The DOE originally planned to auction 2,000 MW of RE capacity in June 2021 but deferred the schedule to October 2021 due to the impact of the COVID-19 pandemic to the demand-supply scenario and in light of the proposed revisions to the GEAP Guidelines. In June 2022, the DOE awarded 19 contracts to various renewable energy developers, including BWPC and Amihan Renewable Energy Corp. after conducting the first round of the GEAP through an electronic bidding program on 17 June 2022. The DOE has announced that it will conduct the second round of the GEAP “by the second quarter of 2023.”

Green Energy Option Program

DOE Department Circular No. DC2018-07-0019, or the Green Energy Option Program (“GEOP”) Guidelines, provides for the mechanism where eligible end-users with average peak demand of 100 kW and above are given the option to choose RE resources as their source of energy. With GEOP, consumers can choose RE as its supply of energy at competitive costs; contribute to the growth of the RE industry in the country; contribute to a cleaner and sustainable environment; and support national and global decarbonization goals.

All entities engaged in the business of generating and/or supplying electricity from RE resources may become an RE supplier under GEOP after obtaining an operating permit from the DOE. This includes any RE facility, whether eligible for RPS compliance, as long as there is still available capacity or energy for supply under GEOP. Existing retail electricity suppliers may be automatically issued an operating permit as RE supplier under the GEOP, subject to the submission of certain documents. As of 31 May 2021, there are only 12 registered RE Suppliers under the GEOP.

The ERC has recently issued ERC Resolution No. 08, Series of 2021 or A Resolution Adopting the Rules for the Green Energy Option Program. ERC Resolution No. 08, Series of 2021 provides for, among others, the regulatory framework of the GEOP; guidelines for eligible end-users; procedures for customer switching; billing procedures and disconnection process; procedures to facilitate arrangements between the PEMC, IEMOP, RE Suppliers, DUs. It also provides for the technical and interconnection standards, and templated agreements for the seamless implementation of the GEOP.

Competitive Selection Process

DUs are now required to conduct a competitive selection process (“CSP”) in the procurement of their electricity requirements. Prior to 2018, DUs were allowed to procure their electricity requirements through direct negotiation with power suppliers or generation companies. On 1 February 2018, the DOE issued Department Circular No. DC2018-02-003 Adopting and Prescribing the Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreements for the Captive Market (the “CSP Circular”). The CSP Circular provides for a simplified and streamlined procurement process and was promulgated to, among others, ensure transparency in the procurement of the electricity requirements of the DUs, ensure wide dissemination of bid opportunities and participation of all power suppliers or generation companies, and guarantee the electricity demand of DUs are met at the least cost of electricity to consumers, among others.

Energy Virtual One Stop Shop Law

Republic Act No. 11234 or the Energy Virtual One Stop Shop (“EVOSS”) Law which became effective on 30 March 2019 established an online process of completing the requirements of energy related projects to ensure the timely completion of power generation, transmission and distribution projects by eliminating duplication in documentary submissions and processes through an online platform for government agencies to coordinate and share information. It provides for the paperless and electronic application and processing system which proponents can access all information necessary in the application of new projects, submit all requirements and monitor the approval.

The EVOSS Law provided specific timeframe within which the government agencies involved to issue the required permits and licenses upon receipt of the complete documents. The failure of a particular agency to act upon the application or release the permits and licences within the prescribed period shall deem the application approved and warrants corresponding penalty. It also created the EVOSS Steering Committee which had a limited life of two (2) years from the effectivity of the law or until 29 March 2021. Thus, to maintain the momentum and continuity of the initiatives of the law, Executive Order No. 143 was signed on 2 July 2021, which created the EVOSS Task Group, which has the same composition and has the same powers and functions as the EVOSS Steering Committee.

The Philippine Energy Research and Policy Institute Act

Republic Act No. 11572 created the Philippine Energy Research and Policy Institute tasked to enhance and promote the acquisition of knowledge in recent developments and scientific breakthroughs in the field of energy. It is an independent agency attached to the University of the Philippines.

The Institute will be headed by an executive director to be appointed by the UP President upon recommendation of the Executive Board. The Executive Board shall be composed of seven members comprised of the UP President as the ex-officio chairperson, and at least one representative from the fields of engineering, law, science, statistics, economics, social science, and public health, either from the academe or the private sector. Four members shall come from the academe, two members shall come from the private sector, while each representative shall come from different fields.

The Institute shall support the education and training for its officers and employees to include advanced degree studies, short-term programs, online courses, and participation in conferences. Research papers, data, and other resources shall be made available to the public through its website. However, proprietary or confidential data and other resources cannot be posted or disclosed unless prior consent of the source or owner of such data and resources has been obtained by the requesting party.

Petroleum

The Company’s petroleum business is subject to the following laws, rules, and regulations:

Section 2, Article XII of the 1987 Constitution

This constitutional provision reserves ownership to the State and declares non-alienable all lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources.

The State has full control of exploration, development, and utilization of natural resources but may enter into co-production, joint venture, or production-sharing agreements with Filipinos, or corporations or associations which are at least 60% owned by Filipinos, and only for a period of 25 years, renewable for another 25 years.

The President may enter into agreements with foreign-owned corporations involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils according to the general terms and conditions provided by law. The President shall notify the Congress of every contract entered into in accordance with this provision, within thirty days from its execution.

Presidential Decree (P.D.) No. 87, as amended, or The Oil Exploration and Development Act of 1972

P.D. 87, as amended, or “The Oil Exploration and Development Act of 1972” declares that the State should accelerate the discovery and production of indigenous petroleum through utilization of government and/or private resources, local and foreign, under arrangements calculated to yield maximum benefit to the Filipino people and revenues to the Philippine government, and to assure just returns to participating private enterprises, particularly those that will provide services, financing, and technology, and fully assume all exploration risks. The government may undertake petroleum exploration and production by itself or may indirectly undertake the same through Service Contracts. Under a service contract, service and technology are furnished by a contractor for which it would be entitled to a service fee of up to 40% of net production proceeds. Where the Government is unable to finance petroleum exploration or in order to induce the contractor to exert maximum efforts to discover and produce petroleum, the service contract would stipulate that, if the contractor furnishes service, technology and financing, the proceeds of the sale of the petroleum produced under the service contract would be the source of payment of the service fee and the operating expenses due the contractor. Operating expenses are deductible up to 70% of gross production proceeds. If, in any year, the operating expenses exceed 70% of gross proceeds from production, the unrecovered expenses may be recovered from the operations of succeeding years. Intangible exploration costs may be reimbursed in full, while tangible exploration costs (such as capital expenditures and other recoverable capital assets) are to be depreciated for a period of five or 10 years. Any interest or other consideration paid for any financing approved by the Government for petroleum development and production would be reimbursed to the extent of two-thirds of the amount, except interest on loans or indebtedness incurred to finance petroleum exploration.

Aside from reimbursement of its operating expenses, a contractor with at least 15% Filipino participation is allowed to recover a Filipino participation incentive allowance equivalent to a maximum of 7.5% of the gross proceeds from the crude oil produced in the contract area. Incentives to service contractors include (i) exemption from all taxes except income tax which is paid out of Government’s share, (ii) exemption from all taxes and duties on importation of machinery, equipment, spare parts, and materials for petroleum operations, (iii) repatriation of investments and profits, and (iv) free market determination of crude oil prices. Finally, a subcontractor is subject to special income tax rate of 8% of gross Philippine income while foreign employees of the service contractor and the subcontractor are subject to a special tax rate of 15% on their Philippine income.

A service contract has a maximum exploration period of 10 years and a maximum development and production period of 40 years. Signature bonus, discovery bonus, production bonus, development allowance and training allowance are payable to the Government. Other pertinent laws and issuances include P.D. 1857, a law amending certain sections of P.D. 87, as amended, offering improved fiscal and contractual terms to service contractors with special reference to deep water oil exploration; *DOE Circular No. 2009040004*, a circular that establishes the procedures for the Philippine Contracting Rounds; *DOE Circular No. 200305006*, a circular that provides the guidelines to the financial and technical capabilities of a viable petroleum exploration and production company; *Executive Order (EO) No. 66* issued in 2002 which designated the DOE as the lead government agency in developing the natural gas industry; and *DOE Circular 200208005*, a circular setting the interim rules and regulations governing the transmission, distribution and supply of natural gas.

Republic Act No. 8371 or The Indigenous Peoples' Rights Act of 1997

Republic Act No. 8371 or The Indigenous Peoples' Rights Act of 1997 ("IPRA") requires the free and prior informed consent ("FPIC") of indigenous peoples ("IP") who will be affected by resource exploration and extraction activities. Under the IPRA, IPs are granted certain preferential rights to their ancestral domains and all resources found therein. Ancestral domains are defined as areas generally belonging to IPs, subject to property rights within ancestral domains already existing or vested upon the effectivity of the IPRA, comprising lands, inland waters, coastal areas, and natural resources, held under a claim of ownership, occupied or possessed by IPs themselves or through their ancestors, communally or individually, since time immemorial, continuously to the present, except when interrupted by war, force majeure or displacement by force, deceit, stealth, or as a consequence of government projects or any voluntary dealings entered into by the Government and private persons, and which are necessary to ensure their economic, social and cultural welfare.

Under the IPRA, no concession, license, lease, or agreement shall be issued by any government agency without the certification precondition ("CP") from the National Commission on Indigenous People ("NCIP"). The CP states that the FPIC has been obtained from the concerned IPs. For areas not occupied by IPs, a certificate of non-overlap is issued instead by the NCIP. For areas occupied by IPs, the applicant and representatives from the NCIP will conduct consultations and consensus building to obtain the consent of IPs. The FPIC is manifested through a memorandum of agreement with IPs, traditionally represented by their elders. The CP is then issued by the NCIP stating that the FPIC has been obtained from the IPs concerned.

Environmental Matters

Philippine Clean Water Act

In 2004, Republic Act No. 9275, or the "Philippine Clean Water Act of 2004," was enacted to streamline processes and procedures in the prevention, control, and abatement of pollution in the country's water resources and provide for a comprehensive water pollution management program focused on pollution prevention. The law primarily applies to the abatement and control of water pollution from land-based sources. The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked by the Implementing Rules of the Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law. The Philippine Clean Water Act also authorizes the Department of Environment and Natural Resources ("DENR") to formulate water quality criteria and standards for oil and gas exploration which encounter re-injection constraints.

The Clean Water Act requires owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of time.

Philippine Clean Air Act

Republic Act 8749 or “The Philippine Clean Air Act of 1999” is a comprehensive air quality management program which aims to achieve and maintain healthy air for all Filipinos. Under this, the DENR is mandated to formulate a national program on how to prevent, manage, control, and reverse air pollution using regulatory and market-based instruments, and setup a mechanism for the proper identification and indemnification of victims of any damage or injury resulting from the adverse environmental impact of any project, activity or undertaking. To implement this law, the Government is promoting energy security through policies on energy independence, sustainability, and efficiency. These involve:

- increasing oil and gas exploration;
- strengthening of the PNOC to spearhead the development of indigenous energy resources and building global partnerships and collaborative undertakings;
- pursuing the development of renewable energy such as geothermal, wind, solar, hydropower, and biomass, and the vigorous utilization of the cleaner development mechanism and the emerging carbon market;
- expanding the use of natural gas; and
- adopting energy efficiency promotion strategies.

The Philippine Clean Air Act of 1999 requires enterprises that operate or utilize air pollution sources to obtain an Authority to Construct or a Permit to Operate from the DENR with respect to the construction or use of air pollutants. The issuance of said permits seek to ensure that regulations of the DENR with respect to air quality standards and the prevention of air pollution are achieved and complied with by such enterprises.

The Philippine Environmental Impact Statement System

Projects relating to resource exploration and extraction are required to comply with the Philippine Environmental Impact Statement System (“EIS System”). The EIS System was established by virtue of P.D. 1586 entitled “Establishing An Environmental Impact Statement System, Including Other Environmental Management Related Measures And For Other Purposes,” issued in 1978. The EIS System requires all government agencies, government owned or controlled corporations and private companies to prepare an Environmental Impact Assessment (“EIA”) for any project or activity that affects the quality of the environment. An EIA is a process that involves evaluating and predicting the likely impacts of a project (including cumulative impacts) on the environment and includes designing appropriate preventive, mitigating and enhancement measures to protect the environment and the community’s welfare. An entity that complies with the EIS System is issued an Environmental Compliance Certificate (“ECC”), which is a document certifying that, based on the representations of the project proponent, the proposed project or undertaking will not cause significant negative environmental impacts and that the project proponent has complied with all the requirements of the EIS System.

To strengthen the implementation of the EIS System, the Office of the President of the Philippines issued Administrative Order (“A.O.”) No. 42 in 2002, providing the streamlining of the ECC application processing and approval procedures. Pursuant to A.O. 42, the DENR promulgated DENR AO No. 2003-30, also known as the IRR for the Philippine EIS System, in 2003.

Under the IRR, only projects that pose potential significant impact to the environment would be required to secure ECCs. In determining the scope of the EIS System, two factors are considered, namely: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

Specifically, the criteria used to determine projects covered by the EIS System are as follows:

Characteristics of the project or undertaking

- size of the project;
- cumulative nature of impacts compared to other projects;
- use of natural resources;
- generation of wastes and environment related nuisance; and
- environment related hazards and risk of accidents.

Location of the project

- vulnerability of the project area to disturbances due to its ecological importance endangered or protected status;
- conformity of the proposed project to existing land use, based on approved zoning or on national laws and regulations; and
- relative abundance, quality and regenerative capacity of natural resources in the area, including the impact absorptive capacity of the environment.

Nature of the potential impact

- geographic extent of the impact and size of affected population;
- magnitude and complexity of the impact; and
- likelihood, duration, frequency, and reversibility of the impact.

The ECC of a project not implemented within five years from its date of issuance is deemed expired. The proponent must reapply for a new ECC if it intends to still pursue the project. The reckoning date of project implementation is the date of ground-breaking, as stated on the proponent's work plan submitted to the Environmental Management Bureau ("EMB").

Petroleum service contractors are mandated to comply with all environmental laws and rules and regulations in all phases of exploration and production operations. ECCs or certificates of no coverage, if applicable, are obtained from the EMB of the DENR, in coordination with the DOE.

The exploration, production and sale of oil are subject to extensive national and local laws and regulations. The Company and its Associates may incur substantial expenditures to comply with these laws and regulations, which may include permitting costs, adoption and implementation of antipollution equipment, methods and procedures, and payment of taxes and royalties.

Under these laws, the Company could be subject to claims for personal injury or property damages, including damages to natural resources, which may result from the Company's operations. Failure to comply with these laws may also result in the suspension or termination of the Company's operations and subject it to administrative, civil, and criminal penalties. Moreover, these laws could be modified or reinterpreted in ways that substantially increase the Company's costs of compliance. Any such liabilities, penalties, suspensions, terminations, or regulatory changes could have a material adverse effect on the Company's financial condition and results of operations.

Environmental Compliance

The Company's operations are subject to evolving and increasingly stringent safety, health and environmental laws and regulations. These laws and regulations address, among other things, air emissions, wastewater discharges, generation, handling, storage, transportation, treatment and disposal of oil products, workplace conditions and employee exposure to hazardous substances.

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an ECC prior to commencement. As a prerequisite for the issuance of an ECC, an environmentally critical project is required to submit an EIS while project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("IEE") to the DENR, through its regional offices or through the EMB.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by the EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and the ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration, and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property, and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund when an ECC is eventually issued. In any case, the establishment of an Environmental Monitoring Fund must not occur later than the initial construction phase of the project. The Environmental Monitoring Fund must be used to support the activities of a multi-partite monitoring team, which will be organized to monitor compliance with the ECC and applicable laws, rules, and regulations.

In order to address air pollution from mobile and stationary sources, equipment that emit or may emit air pollutants may only be operated upon obtaining a Permit to Operate from the DENR. An application for a Permit to Operate must be filed for each source emitting regulated air pollutants, but facilities having more than one source may group the sources under a single permit application.

Other Regulations on Water Pollution

Philippine maritime laws and regulations are enforced by two Philippine government agencies: the MARINA and the Philippine Coast Guard. Both are agencies under the Philippine Department of Transportation.

The MARINA is responsible for integrating the development, promotion, and regulation of the maritime industry in the Philippines. It exercises jurisdiction over the development, promotion, and regulation of all enterprises engaged in the business of designing, constructing, manufacturing, acquiring, operating, supplying, repairing, and/or maintaining vessels, or component parts thereof, of managing and/or operating shipping lines, shipyards, dry docks, marine railways, marine repair ships, shipping and freight forwarding agencies, and similar enterprises.

To address issues on marine pollution and oil spillage, the MARINA issued: (i) Circular No. 2007-01 which mandated the use of double-hull vessels including those below 500 tons deadweight tonnage by the end of 2008 for transporting Black Products; and (ii) Circular No. 2010-01 for transporting White Products in certain circumstances by 2011.

The Philippine Coast Guard, in a 2005 Memorandum Circular, provided implementing guidelines based on the International Convention for the Prevention of Pollution from Ships, MARPOL 73/78. The guidelines provide that oil companies in major ports or terminals/depots are required to inform the Philippine Coast Guard through its nearest station of all transfer operations of oil cargoes in their respective areas. Furthermore, oil companies and tanker owners are required to conduct regular team trainings on managing oil spill operations including the handling and operations of MARPOL combating equipment. A dedicated oil spill response team is required to be organized to react to land and ship-originated oil spills.

Oil companies, oil explorers, natural gas explorers, power plants/barges and tanker owners are also required to develop shipboard oil pollution emergency plans to be approved by the Philippine Coast Guard.

Moreover, both the Clean Water Act and the Philippine Coast Guard Guidelines provide that the spiller or the person who causes the pollution has the primary responsibility of conducting clean-up operations at its own expense.

The Toxic Substances and Hazardous and Nuclear Waste Control Act

Republic Act No. 6969 or “The Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990,” regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substance and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry into the Philippines or the keeping in storage of hazardous wastes which include by-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. The said law is implemented by the DENR.

Hazardous wastes are substances brought into the country without any safe commercial, industrial, agricultural, or economic usage. On the other hand, toxic wastes are substances that are poisonous and have carcinogenic, mutagenic, or teratogenic effects on human or other life forms.

Ecological Solid Waste Management Act

Republic Act No. 9003 or “The Ecological Solid Waste Management Act of 2000” provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centres and facilities. The same law mandates all, especially, the local government units, to adopt a systematic, comprehensive, and ecological solid waste management program which shall ensure protection of public health and environment, utilize environmentally sound methods, set targets and guidelines for solid waste avoidance and reduction, and ensure proper segregation, collection, transport, and storage of solid waste.

The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

Code on Sanitation of the Philippines

Presidential Decree No. 856 or the “Code on Sanitation of the Philippines” provides for sanitary and structural requirements for industrial establishments, among others, in connection with the promotion and preservation of the health of the people and raise the health standards of individuals and communities throughout the Philippines. It states that no person, firm, corporation, or entity shall operate any industrial establishment without first obtaining a sanitary permit. Industrial establishments shall be allowed to operate only in places or zones assigned for the kind of industry by existing zoning laws, ordinances, or policies. The local health authority shall determine the suitability of location where no zoning law, ordinance or policy exists.

Strategic Environmental Plan for Palawan Act

A significant number of the Company’s Petroleum Service Contracts is located in or in the surrounding areas of Palawan Province. While R.A. No. 7611 (Strategic Environmental Plan for Palawan Act) is a national law, it applies specifically to Palawan. R.A. No. 7611 has adopted Palawan’s Comprehensive Framework Plan as a guide for the local government and other government agencies concerned in provincial development.

The main strategy of the SEP is implemented out in the following manner:

- Forest conservation and protection through the imposition of a total commercial logging ban in all areas of maximum protection and in such other restricted use zones as the Palawan Council for Sustainable Development (PCSD) may provide
- Protection of watersheds
- Preservation of biological diversity
- Protection of tribal people and the preservation of their culture
- Maintenance of maximum sustainable yield
- Protection of rare and endangered species and their habitat
- Provision of areas for environmental and ecological research, education and training
- Provision of areas for tourism and recreation

The law implements the Environmentally Critical Areas Network, a graded system of protection and development control. This graded system covers tribal lands, forests, mines, agricultural areas, settlement areas, small islands, mangrove, coral reefs, seagrass beds and the surrounding sea. It divides Palawan into a terrestrial zone, coastal/marine zone, and tribal lands. The first two are classified further into: a core zone, an area of maximum protection which shall be free of human disruption, and a buffer zone which consists of a restricted use area, which serves as the protective barrier to the core zone; a controlled use area wherein limited extractive activities are allowed and the traditional use area where land use has already been stabilized. For marine zones, the multiple use zone is the development area and serves as the buffer zone to the core. Fishery, mariculture, recreation, rehabilitation of small islands and mangrove ecosystem, education and research are allowed in this area.

Central to the law is the creation of the Palawan Council for Sustainable Development, which serves as governance, implementation, and policy director of the SEP. It is composed of the Members of the House of the Representatives representing the province of Palawan, the Deputy Director General of the National Economic and Development Authority, the Undersecretary of Environment and Natural Resources, the Undersecretary for Special Concerns of the Department of Agriculture, the Governor of Palawan, the Mayor of Puerto Princesa City, the President of the Mayor’s League of Palawan, the President of the Provincial Chapter of the Liga ng mga Barangay, the Executive Director of the Palawan council for Sustainable Development Staff.

Philippine Natural Gas Industry Development Act

Republic Act No. 12120, the Philippine Natural Gas Industry Development Act, passed on January 8, 2025, promotes “natural gas as a safe, efficient, and cost-effective source of energy and an indispensable contributor to energy security”.

The Act provides a framework for the development of the Philippine Downstream Natural Gas Industry, and its transition from an emerging industry into a mature industry within a competitive natural gas market. It also defines the responsibilities of various government agencies and private entities in furtherance of this national goal.

Under this Act, power produced from indigenous natural gas shall have priority over other conventional energy sources. Such prioritization shall cover indigenous natural gas supply power supply contracting, including mechanisms for minimum supply requirements.

The Act also mandates the DOE to establish mechanisms for the optimal and full utilization of indigenous natural gas in the generation, transmission, distribution, and supply of power, subject to standards and limitations consistent with the state’s policy of ensuring energy security and consumer welfare. Pursuant thereto, the DOE shall formulate mechanisms that shall prescribe a mandated minimum percentage of the electricity demand of generation companies and/or distribution utilities to be sourced from indigenous natural gas. Such minimum percentage shall be reviewed and adjusted by the DOE as may be necessary.

The Implementing Rules and Regulations for his Act is due for promulgation by the DOE on or before Q3 2025.

ACEN is supportive of natural gas as a transition fuel in support of the energy transition and the stated goals of the Philippine government to have an energy mix with 35% RE by 2030, since it is cleaner than conventional fossil fuels.

Other Applicable Regulations

Foreign Investment Act

The FIA liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Eleventh Regular Foreign Investment Negative List (the “**Negative List**”) signed on 29 October 2018. This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, telecommunications, mining, and the operation of public utilities.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. Likewise, under the Philippine Constitution, only citizens of the Philippines or corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens may engage in activities relating to the exploration, development, and utilization of natural resources, which covers the utilization of natural resources for the operation of renewable energy power plants.

Data Privacy Act

Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012 or DPA, was signed into law on 15 August 2012, to govern the processing of all types of personal information (*i.e.*, personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System or ICT, which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes.

It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the DPA and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The DPA seeks to protect the confidentiality of “personal information,” which is defined as “any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.” The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on “personal information controllers” and “personal information processors.” It also provides for penal and monetary sanctions for violations of its provisions.

The Philippine Competition Act

Republic Act No. 10667 or the Philippine Competition Act (“PCA”) authorizes the Philippine Competition Commission or the PCC to review mergers and acquisitions to ensure compliance with the PCA. The PCA, its Implementing Rules and Regulations, as amended, and the Rules on Merger Procedure (collectively, the “Merger Rules”) provide for mandatory notification to the PCC of any merger or acquisition within 30 days of signing any definitive agreement relating to the transaction, where the transaction value (“Size of Transaction”) exceeds ₱2.5 billion; and where the size of the ultimate parent entity, including the entities directly or indirectly controlled by the ultimate parent entity of either party (“Size of Party”) exceeds ₱6.1 billion. Parties may not consummate a notifiable transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void and will subject the parties to a fine ranging from 1% to 5% of the value of the transaction. Anti-competitive agreements, as defined under the law, are subject to penalties that include: (a) a fine of not less than ₱50 million but not more than ₱250 million; and (b) imprisonment for two to seven years for directors and management personnel who knowingly and wilfully participate in such criminal offenses. Administrative fines of ₱100 million to ₱250 million may be imposed on entities that engage in anti-competitive agreements, abuse their dominant position, and conclude prohibited mergers and acquisitions. Treble damages may be imposed where the violation involves the trade or movement of basic necessities and prime commodities.

Effective 1 March 2024, mergers and acquisitions that breach a Size of Party of Php 7.8 billion and a Size of Transaction of Php 3.2 billion have to be notified to the PCC for mandatory merger review.

Local Government Code

The Local Government Code (“LGC”) establishes the system and powers of provincial, city, municipal, and *barangay* governments in the country. The LGC general welfare clause states that every local government unit (“LGU”) shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Revised Corporation Code of the Philippines

Republic Act No. 11232, or the Revised Corporation Code, was signed into law on 20 February 2019 and became effective on 8 March 2019. Among the salient features of the Revised Corporation Code are:

- Corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation;

- The Code allows the creation of a “One Person Corporation” (“OPC”), which is a corporation composed of a single stockholder, provided that, only natural person, trust, or an estate may form such. No minimum authorized capital stock is also required for an OPC, unless provided for under special laws;
- Material contracts between the Corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same;
- The right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws or by a majority of the board of directors. However, as to corporations vested with public interest, the right to vote through such modes, may be exercised notwithstanding the absence of a provision in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option; and,
- In case of transfer of shares of listed companies, the Commission may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Commission.

The Revised Corporation Code refers to the PCA in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the PCA thresholds.

Real Property Valuation and Assessment Reform Act (RPVARA)

Republic Act No. 12001, the RPVARA, passed on June 13, 2024, aims for the establishment and maintenance of Philippine Valuation Standards for to govern the valuation of real property in the country, whereby market value shall be adopted as the single real property valuation base for the assessment of real property-related taxes in the country, and the valuation of real property for transactions by all government agencies.

The Bureau of Local Government Finance (BLGF) of the Department of Finance shall be the primary agency to lead the implementation of this Act, and it shall be reorganized to include a Real Property Valuation Service. The BLGF shall work with its regional bureaus to ensure that all local government units (LGUs) throughout the country shall prepare Schedules of Market Values for the different classes of real property within their respective LGUs.

Overview of Regulatory Framework for Wind Farm Power Plant Projects in Indonesia

Regulation Background

The relevant laws and regulations for a wind farm power plant project (“WFPP”) in Indonesia include the following:

- Law No. 30 of 2009 on Electricity, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Electricity”);
- Law No. 32 of 2009 on Environmental Protection and Management, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Environment”);
- Law No. 25 of 2007 on Investment, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Investment”);

- Law No. 40 of 2007 on Limited Liability Company, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Company”);
- Law No. 41 of 1999 on the Forestry, as amended by Law No. 19 of 2004 and partly revoked by Law No. 18 of 2013 and, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Forestry”);
- Law No. 2 of 2017 on Construction Services, as recently amended by Law No. 11 of 2020 on Job Creation;
- Government Regulation No. 21 of 2021 on Implementation of Spatial Layout;
- Government Regulation No. 22 of 2021 on Implementation of Environmental Protection and Management;
- Government Regulation No. 23 of 2021 on Forestry Implementation (“Government Regulation 23”);
- Government Regulation No. 25 of 2021 on Implementation in Energy and Mineral Resources Field;
- Minister of Energy and Mineral Resources (“MEMR”) Regulation No. 39 of 2018 regarding Electronically Integrated Business Licensing Services in the Field of Electricity (“MEMR Regulation 39-2018”);
- Government Regulation No. 14 of 2012 on Power Supply Business Activities, as amended by Government Regulation No. 23 of 2014 (“Government Regulation 14”);
- MEMR Regulation No. 50 of 2017 regarding the Utilization of Renewable Energy Sources for Electricity Supply, as amended lastly by MEMR Regulation No. 4 of 2020 (“MEMR Regulation 50-2017”);
- MEMR Regulation No. 001 of 2006 on the Procedure of Purchase of Electricity and/or Lease of Network in Procurement of Electricity for Public Interest, as amended by MEMR regulation No. 004 of 2007 and partly revoked by MEMR Regulation No. 19 of 2017 and MEMR Regulation 50-2017;
- MEMR Regulation No. 27 of 2018 on Compensation for Land, Buildings and/or Plants Located under Electrical Transmission Network Free Spaces;
- Presidential Regulation No. 1044 of 2021 on Line of Business on Investment (“Investment List”);
- Head of National Land Agency (*Badan Pertanahan Nasional* – “BPN”) Regulation No. 17 of 2019 regarding Location Permits, as amended by Head of BPN Regulation No. 13 of 2020 (“Head of BPN Regulation 17-2019”);
- Minister of Environment and Forestry (“MOEF”) Regulation No. P.38/MENLHK/SETJEN/KUM.1/7/2019 on Types of Planned Businesses and/or Activities Subject to Mandatory Environmental Impact Assessment (“Regulation 38-2019”);
- MOEF Regulation No. P.26/MENLHK/SETJEN/KUM.1/7/2018 regarding the Guidelines on the Preparation and Assessment as well as Evaluation of Environmental Documents in the Implementation of Electronically Integrated Business Licensing Services; and
- MOEF Regulation No. P.27/MENLHK/SETJEN/KUM.1/7/2018 regarding the Guidelines on the Borrow and Use of Forestry Area, as amended by MOEF Regulation P.7/MENLHK/SETJEN/KUM.1/2/2019 (“MOEF Regulation 27-2018”).

This section sets out the overall regulatory framework and the main business licenses applicable to WFPPs in Indonesia. This section is not intended to set out a comprehensive review of all of the different regulations, regulatory requirements or licenses/permits applicable to Indonesian WFPPs. Additional regulatory requirements (as well as the obligation to obtain additional technical and/or operational licenses) may apply based on the specific activities, operating procedures and utilized equipment of a project company. For example, specific construction activities, manpower arrangements, use or development of ancillary facilities (such as roads and ports) and hazardous waste arrangements are subject to separate regulatory requirements outside the scope of this section.

General Corporate Documents and Licenses

Based on the Law on Company, among the general corporate documents applicable for a newly established company involved in a WFPP is the Deed of Establishment and any amendments thereto, together with the relevant approval and notification receipts from the Minister of Law and Human Rights.

With regard to general business licenses, the relevant mandatory licenses include the company's tax related licenses.

Company Registration

Foreign investment companies (Penanaman Modal Asing or the "PMA company/ies") are generally allowed to engage in the business of electricity supply for the public interest and electricity power generation under the Law on Electricity but subject to business activities closed to foreign ownership under the Investment List.

A Business Registration Number (Nomor Induk Berusaha - "NIB") is an identity number for Indonesian business entities issued by the Online Single Submission ("OSS") system following the registration of such business entity in the OSS system. An NIB also serves as a company's Company Registration Certificate (Tanda Daftar Perusahaan), Importer Identification Number (Angka Pengenal Importir) and customs access right (nomor induk kepabeanan). Business entities with an NIB are also automatically registered with the national healthcare and employment social security schemes (Badan Penyelenggara Jaminan Sosial). The requirement to obtain an NIB through the OSS system also applies to business entities which were established prior to the establishment of the OSS system in 2018. The registration of an Indonesian PMA company is generally evidenced by its NIB.

Under the Law on Investment, a PMA company engaged in a WFPP must have an NIB with a classification of "electricity generation." The "electricity generation" business classification for WFPPs, in turn, is separated into two different categories under the Investment List, as follows:

- electricity generation of less than 1MW (which is allocated to local cooperatives and local micro, small and medium-scale business only – where such business involves simple technology, having specific process/labour intensive/cultural heritage and/or having capital of no more than Rp 10 billion); and
- electricity generation of equal to or more than 1MW (which generally allows for foreign ownership up to 100%).

Operational Licenses

Under the Law on Electricity and its implementing regulations, a company engaged in the development of a WFPP must secure a Business License in the form of an Electricity Supply Business License (Izin Usaha Penyedia Tenaga Listrik or the "IUPTL"), which is its main business license.

IUPTL

As a requirement for the supply of electricity to PT PLN (Persero) ("PLN"), a project company is required to secure an IUPTL, as its Business License, issued by MEMR (or by its delegated authority). The IUPTL is granted for up to 30 (thirty) years and can be extended.

Pursuant to MEMR Regulation 39-2018, MEMR, in the framework of electronically integrated business licensing services, has delegated to the OSS system its authority to grant several licenses, including IUPTLs. Therefore, an application to obtain an IUPTL must be submitted through the OSS system and the IUPTL will be issued by the OSS system for and on behalf of MEMR.

In order for an IUPTL issued through the OSS system to become effective, certain administrative and technical requirements are required to be complied with by the project company. These include, among others, MEMR approval of the selling price of electricity, a copy of the relevant Power Purchase Agreement entered into with PLN and evidence of the financial capabilities of the project company.

Operational Feasibility Certificate

After the commissioning test of a WFPP, MEMR Regulation 39-2018 requires the power plant to undergo inspection and testing for the purpose of obtaining an Operational Feasibility Certificate (Sertifikat Laik Operasi) issued through the OSS system, which will certify the fitness of the electricity installation and formally recognize that the power plant is ready to commence operations.

Environmental and Forestry Licenses

Environmental Approval

An environmental approval is required to be secured with respect to the construction of a WFPP. In case of a WFPP with capacity of equal to or more than 50MW, Regulation 38-2019 categorizes the construction thereof as an activity that requires an Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan Hidup* or the “AMDAL”). However, if the capacity of the WFPP is less than 50 MW, then it would instead be required to have an Environmental Management Effort-Environmental Monitoring Effort (*Upaya Pengelolaan Lingkungan Hidup-Upaya Pemantauan Lingkungan Hidup*) document. The AMDAL is a document which consists of an Environmental Impact Assessment Report (*Analisa Dampak Lingkungan Hidup* or the “ANDAL”), an ANDAL Terms of Reference Form (*Formulir Kerangka Acuan Analisa Dampak Lingkungan Hidup* or the “KA-ANDAL”), an Environmental Management Plan (*Rencana Pemantauan Lingkungan* or the “RPL”) and an Environmental Monitoring Plan (*Rencana Pengelolaan Lingkungan* or the “RKL”).

The approval process of the AMDAL includes the project company’s preparation and submission of a KA-ANDAL to the AMDAL Valuation Committee for approval. The AMDAL documents must then be prepared and eventually submitted to the MOEF or Head of Regional Government (Governor or Regent/Mayor), as applicable. The Environmental Approval, in the form of Environmental Feasibility Approval, will state that the business activities are feasible for the environment, the obligations of the project company and the validity of the approval, among others.

Forestry Area Utilization Approval, if applicable

Under the Law on Forestry and Government Regulation 23, a Forestry Area Utilization Approval is mandatorily required to be obtained if a project company is to carry out electricity business in an area which has been categorized as “production forest” or “protection forest” (together, the “Forest Zones”). The Forestry Area Utilization Approval can be issued to a company conducting activity in a Forest Zone for the period equal to the validity period of the business License (*i.e.*, in this case, the IUPTL). The conditions attaching to a Forestry Area Utilization Approval, in the form of a Borrow and Use Permit can be extensive (including the obligation to comply with financial and land compensation requirements). In accordance with MOEF Regulation 27-2018, an application to obtain a Borrow and Use Permit must be submitted by the management of the relevant project company (which has obtained an NIB) to the MOEF through the OSS system.

Land Arrangements

Location Permit

Under Head of BPN Regulation 17-2019, a Location Permit is required to be secured by the project company in order to be allowed to acquire a certain land area and apply for the relevant land title in respect of such land in accordance with Regional Spatial Layout Plan. A Location Permit will typically be based on a commitment from its holder to obtain additional approvals. If the land acquisition process cannot be completed within the initial period provided in the Location Permit (of up to 3 years), the Location Permit can be extended for a one (1) year period, provided the holder of the Location Permit has acquired at least 50% of the total land area specified in the Location Permit at the time of extension.

A PMA company can only acquire land within the area indicated in the Location Permit issued in its favour. Based on Head of BPN Regulation 17-2019, Location Permits are applied for and issued through the OSS system. For purposes of a WFPP, it is necessary that the Location Permit specifically allows for electricity business activities, among others, to be carried out on that land. The Location Permit is different from and separate to the actual underlying land title.

Land rights applicable to a WFPP

While there are different kinds of registered land titles in Indonesia, the most relevant for an IUPTL holder is a ‘right to build’ (hak guna bangunan or the “HGB”). The HGB gives the holder the right to own and use land and to erect and/or possess buildings and installations on the land. HGB certificates are issued to evidence the ownership of this type of title. Usually, an HGB is for a period of up to 30 years and extendable for maximum periods of 20 years per extension.

Electricity Tariffs and Power Purchase Agreements with PLN

Pursuant to MEMR Regulation 50-2017, for Indonesian WFPPs, the relevant electricity sale pricing shall be determined as follows:

- up to 85% of the local grid average national PLN electricity supply cost (biaya pokok penyediaan pembangkitan - “BPP”), if the local grid BPP is higher than the national BPP; or
- based on mutual agreement between PLN and the independent power producer, if the local grid BPP is less than or equal to the national BPP.

The electricity price based on the above pricing mechanism must obtain an electricity price approval from MEMR which must be applied by PLN to the MEMR at the latest 5 business days as of the completion of the independent power producer procurement process. This process will be managed through the co-operation of PLN during the negotiation of the terms of the power purchase agreement.

Overview of Regulatory Framework for Renewable Solar/Wind Power Plant Projects in Vietnam

Relevant laws and regulations

General (applicable to all power projects)

- Investment Law No. 61/2020/QH14 passed by the National Assembly (“Investment Law”)
- Decree No. 31/2021/ND-CP dated 26 March 2021 as the implementing regulations of the Investment Law
- Electricity Law No. 28/2004/QH11 dated 3 December 2004 passed by the National Assembly (as amended by Law No. 24/2012/QH13 dated 20 November 2012) (“Electricity Law”)
- Decree No. 137/2013/ND-CP dated 21 October 2013 implementing the Electricity Law (as amended by Decree No. 08/2018/ND-CP)
- National Power Master Plan VII (amended) for the period 2011—2020 approved by the Prime Minister under Decision 428/QĐ-TTg dated 18 March 2016 (“Power Master Plan VII”). Power Master Plan VII aims to increase solar power capacity from the current almost zero to 850MW by 2020 and 12,000MW by 2030
- Land Law No. 45/2013/QH13 dated 29 November 2013 passed by the National Assembly (as amended by Law No. 35/2018/QH14) (“Land Law”)
- Decree No. 43/2014/ND-CP dated 15 May 2014 implementing the Land Law (as amended by Decree No. 01/2017/ND-CP and Decree No. 148/2020/ND-CP)
- Construction Law No. 50/2014/QH13 dated 18 June 2014 passed by the National Assembly (as amended by Law No. 35/2018/QH14 dated 20 November 2018 and by Law on Amendment to Construction Law No. 62/2020/QH14 dated 17 June 2020 as from 1 January 2021) (“Construction Law”)
- Decree No. 44/2015/ND-CP dated 6 May 2015 on detailed regulations on construction planning (as amended by Decree 72/2019/ND-CP)
- Consolidated Document No. 07/VBHN-BXD dated 22 November 2019 on detailed regulations on construction planning
- Decree No. 15/2021/ND-CP dated 3 March 2021 on management of construction investment projects (“Decree 15”)
- Consolidated Document No. 02/VBHN-BXD dated 20 July 2018 on management of construction investment projects
- Circular No. 06/2021/TT-BXD dated 30 June 2021 on classification of constructions and guidelines for application in management of construction investment (took effect on 15 August 2021)
- Grid-connected solar power projects
- Circular No. 18/2020/TT-BCT dated 17 July 2020 issued by the Ministry of Industry and Trade (“MOIT”) on project development and model power purchase agreements for solar power projects (“Circular 18”)

Grid-connected wind power projects

- Decision No. 37/2011/QĐ-TTg dated 29 June 2011 issued by the Prime Minister on mechanism to support in development of wind power projects in Vietnam (as amended by Decision No. 39/2018/QĐ-TTg)
- Consolidated Document No. 05/VBHN-BCT dated 1 August 2019 issued by the MOIT on mechanism to support in development of wind power projects in Vietnam
- Circular No. 02/2019/TT-BCT dated 15 January 2019 issued by the MOIT on wind power project development and model power purchase agreements for wind power projects

Environment; Firefighting and Fire Prevention

- Law on Environmental Protection No. 55/2014/QH13 dated 23 June 2014 passed by the National Assembly (to be replaced by Law on Environmental Protection No. 72/2020/QH14 dated 17 November 2020 as from 1 January 2022) (“Law on Environmental Protection”)
- Decree No. 18/2015/ND-CP dated 14 February 2015 on environmental protection planning, strategic environmental assessment, environmental impact assessment and environmental protection plans (as amended by Decree No. 40/2019/ND-CP dated 13 May 2019)
- Law on Firefighting and Fire Prevention No. 27/2001/QH10 dated 29 June 2001 passed by the National Assembly (as amended by Law No. 40/2013/QH13 dated 22 November 2013)
- Decree No. 136/2020/NP-CP dated 24 November 2020 providing guidelines for the amended Law on Firefighting and Fire Prevention No. 40/2013/QH13 (“Decree 136”)

Enterprise Registration Certificate

The enterprise registration certificate is a license issued by the provincial Planning and Investment Department certifying the incorporation of a project company. The enterprise registration certificate generally contains the following information:

- name and enterprise number of the project company
- address of the project company’s head office
- information of the legal representative of the project company
- information of the owner/members of the project company (applicable to a limited liability company only)
- charter capital of the project company

Inclusion in power master plan

A proposed solar/wind power project must be included in the provincial (general) power development master plan or the national (general) power development master plan, or the provincial solar/wind power development master plan or the national solar/wind power development master plan. To have a project included in such master plans, the project proponent must first conduct a preliminary feasibility study for the project, which should include, among others, the description of the project: proposed location, construction scale and area, construction items, relevant contents of industry master plan and local construction master plan, need for the project and its advantages and disadvantages, total investment capital, source of funds, capacity of project proponent to mobilize funds, project implementation schedule, analysis of economic, financial and social efficiency, plan for land using, land clearance and compensation, environmental impact assessment, fire fight and fire prevention plan and other requirements in respect of national defence and public security (if any) and plan for supports in construction of technical infrastructure (“Pre-FS”).

As a matter of procedure, the Pre-FS should then be submitted to and reviewed by the Energy General Department (for inclusion in the national solar/wind power development master plan) or submitted to relevant provincial Department of Planning and Investment and then forwarded to the Energy General Department for review (for inclusion in the provincial solar/wind power development master plan).

The Prime Minister has issued Decision 1264/QD-TTg on 1 October 2019 approving the mission of preparation of the national electricity development planning for the period 2021-2030 (“National Master Plan VIII”) in order to replace the National Master Plan VII. Pending the issuance of the National Master Plan VIII, currently, a proposed solar/wind power project, regardless its capacity, needs to be approved by the Prime Minister.

In-principle approval for investment

Upon inclusion in the relevant power master plan, the project proponent, in accordance with the Investment Law, must apply for in-principle approval for investment with:

- the National Assembly—in the case of (i) a project which seriously affects or may seriously affect the environment; (ii) a project involving the conversion of land use purpose for wet rice dual harvest cultivation in an area of 500 hectares or more; (iii) a project involving the relocation and resettlement of 20,000 people or more in mountainous areas or 50,000 people or more in other areas; or (iv) a project requiring the application of a special mechanism or policy which should be decided by the National Assembly;
- the Prime Minister—in case of a project involving the relocation and resettlement of 10,000 people or more in mountainous areas or 20,000 people or more in other areas; or
- the People’s Committee—in case of (i) a project to which the State allocates or leases land without auction, tendering or transfer; (ii) a project requiring the conversion of land use purpose; or (iii) a project of foreign investors and foreign-invested business entities executed on islands or in border or coastal communes, or in other areas affecting national defence and security.

The *in-principle approval for investment* is necessary for and will enable the project proponent to apply for an investment registration certificate

Investment Registration Certificate

Within five working days from the issuance date of the in-principle approval for investment, the provincial Department of Planning and Investment (“DPI”) will issue an investment registration certificate (“IRC”) to the project company in accordance with the Investment Law. The IRC is the official document recording the right of the project proponent to invest in and implement the solar/wind power project.

Under the Investment Law, generally, the term of an investment project is 50 years. The term of an investment project to be implemented in areas with specially difficult socio-economic conditions or an investment project with large investment capital but slow capital recovery may be longer but shall not exceed 70 years.

Land Clearance and Compensation Process; Land Lease

The project proponent may proceed with the land clearance and compensation process with respect to the project land upon receipt of the in-principle approval for investment.

Upon completion of the land clearance process, the project company may then proceed with the application for a land lease decision to be issued by the People’s Committee and for the People’s Committee to sign a land lease agreement.

1/500 Master Plan

The project proponent submits a proposed detailed (1/500) construction master plan of the solar/wind power plant for appraisal by the provincial People’s Committee. The approved 1/500 construction master plan is a basis for the project company to prepare the dossier and to obtain a construction permit.

Construction permit

After a land lease decision, land lease agreement and 1/500 construction master plan are secured, the project company may then apply for a construction permit from the provincial Department of Construction in accordance with the Construction Law. Upon issuance of the construction permit, the project company must then commence construction work within 12 months thereafter. The 12-month construction deadline can be extended twice for a period of additional 12 months each in accordance with the Construction Law.

Land use right certificate

The land use right certificate (“LURC”) is the prima facie evidence of title to land use rights. The LURC will be issued in favour of the project company by the provincial People’s Committee or its authorized land division after the land lease agreement is executed and rent obligations to the government are fulfilled. It has the same term as the land lease agreement.

Feasibility Study and Technical design approval

In terms of construction and pursuant to the Construction Law (including Decree 59 and Circular 3), another part of the process is the submission of a feasibility study (“FS”) for appraisal by: (i) the Department of Construction or the specialized construction management Department for a project with a capacity of up to 30MW; or (ii) the specialized construction management agency of the MOC or the specialized construction management Ministry for a project with a capacity of more than 30MW.

The FS should contain the basic design, among others. Upon approval of the basic design and the FS, the project company must then prepare a more detailed technical design, which will be evaluated and approved by: (i) the Department of Construction or the specialized construction management Department for a project with a capacity of up to 30MW; or (ii) the specialized construction management agency of the Ministry of Construction (“MOC”) or the specialized construction management Ministry for a project with a capacity of more than 30MW.

Electricity contracts and licenses

The following agreements/licenses must be secured by the project company for a solar/wind power project with various divisions of EVN:

- the Power Purchase Agreement (PPA);
- the Grid Connection Agreement;
- the SCADA/EMS (DMS) Agreement;
- the Load Dispatch Information System Agreement; the Protective Relay System Agreement;
- the Metering Agreement; and
- the Electricity Operation License.

The agreements are typically negotiated with the EVN or its relevant divisions during the FS process.

Environment impact assessment

The solar/wind power project company which uses land with a total area of 200 hectares or more must also prepare the Environmental Impact Assessment Report (“EIAR”) during the preparation of the basic design for the FS. The EIAR will then be submitted to and evaluated and approved by either the Ministry of Natural Resources and Environment (“MONRE”) or the provincial People’s Committee depending on the scale and sector of the project pursuant to the Law on Environmental Protection. The investor is required to re-prepare an EIAR in cases (i) the investment project does not commence operation within 24 months from the date on which the EIAR is approved; or (ii) the increase of the investment project’s scale and capacity or change in technology to increase negative impacts on the environment compared to the approved EIAR.

The solar/wind power project company which (i) uses land from 50 hectares to under 200 hectares; or (ii) during its operation, generates wastewater from 20 m³/day or more, or discharges solid waste from one ton/day, or waste gas from 5,000 m³/hour or more, must register the environmental protection plan with the local environmental authorities.

Fire Prevention and Firefighting design approval and implementation

Pursuant to Decree 136 and as part of the requirements for issuance of the construction permit, the project company must also submit its Fire Prevention and Firefighting (“FPFF”) design to the Police Department of Fire Prevention and Firefighting (“Fire Department”) for appraisal and approval.

As required by Decree 136, after completion of construction works, but before operations, the project company must also have the Fire Department certify that the construction works are built in accordance with the FPFF design approval.

Overview of Electricity Regulatory Framework for Wind Farm Project in Tasmania & Solar Farm Project in New South Wales, Australia

Electricity generation and connection approvals

A project company who wishes to supply electricity from a wind farm project in Tasmania or solar farm project in New South Wales (“NSW”) is required to register as a Market Participant with the Australian Energy Market Operator (“AEMO”) under the National Electricity Law (“NEL”). In addition, a generator must liaise with the relevant transmission or distribution network supplier to connect to the electricity transmission network under a process set out in the National Electricity Rules (“NER”), which is overseen by AEMO.

In Tasmania, a company must also secure a license from the Tasmanian Economic Regulator (“TER”).

Registration as a Participant with AEMO

Under the NEL, a person who will engage in the activity of owning, controlling, or operating a generating system connected to the interconnected transmission or distribution system in the National Electricity Market (“NEM”) is required to be a registered participant with AEMO, unless an exemption applies. The transmission and distribution systems in both Tasmania and NSW are part of the NEM.

To be a registered participant, such a person must register within a particular category with AEMO. In case of generation, such a person is required to register with AEMO in the “Generator” category before commencing operation of any generation facilities.

The process for registration and requirements for applicants is outlined in the NER. The applicant must, among other matters, satisfy AEMO that it is (and will continue to be) able to fulfil the financial obligations relating to market participants and has demonstrated an ability to comply with the NER.

License for generation of electricity in Tasmania

In addition, a person wishing to carry on operations in the electricity supply industry in Tasmania, including generating electricity from a wind farm project, is required to secure, a license in Tasmania as a generator under the Electricity Supply Industry Act 1995 (Tasmania). This license is in addition to registration as a Market Participant with AEMO.

The project company should file a license application with the TER, specifying the information required by TER in the applicable form. In addition, the application must, among other matters, identify the officers and major shareholders, if applicable, of the project company, contain the details of the proposed generating plant and details relating to the generator's connection to the relevant the transmission system or distribution network, and such any other relevant information requested by TER.

Connection to transmission network

The NER provides for the procedure for connection to a transmission network or a distribution network and access to the national grid. This procedure is overseen by AEMO.

To be able to connect, the project company is required to submit an application to connect and enter into a connection agreement with a network service provider prior to being connected to the network.

On receipt of a connection inquiry, a network service provider must, in accordance with the system strength impact assessment guidelines, undertake a system strength impact assessment of each proposed new connection of a generating system. The network service provider must then proceed to prepare an offer to connect and accept with a specific period, which should also contain the relevant terms and conditions for connection.

If the network service provider determines that an application will have an adverse system strength impact as part of its assessment, it can require as a condition of connection that the applicant participate in a system strength remediation scheme. This may include installation of plant or undertaking other works to augment the capacity of the transmission network.

Once it has received an offer to connect, the project company then has the opportunity negotiate and enter into a connection agreement with the relevant network service provider. The timing of the connection process is heavily dependent on the specific nature of the connection and features of the relevant parts of the transmission or distribution network. AEMO guidelines suggest that the entire process could a number of years, but could also be much shorter (for example, 10 months) in the case of less complicated connections.

Overview of Electricity Regulatory Framework for Solar Projects in Gujarat and Rajasthan, India

Central Regulatory Framework

The Electricity Act 2003, as amended from time to time (the “Electricity Act”), primarily governs the regulatory framework of the solar power sector in India. The Electricity Act is proposed to be amended *vide* the Electricity (Amendment) Bill, 2021, which is currently pending before the Parliament of India. The Electricity Act has created several independent regulatory agencies for the electricity sector, namely, the Central Electricity Regulatory Commission (“CERC”), the State Electricity Regulatory Commissions (“SERCs”), Appellate Tribunal for Electricity (“APTEL”), the Central Electricity Authority (“CEA”), regional and national load dispatch centres, regional power committees, central transmission utility (“CTU”) and the state transmission utilities (“STUs”). The electricity sector is also regulated through several laws and regulations framed by the CERC, SERC and orders issued by the CERC, SERCs, the APTEL, along with other policies adopted by the Government of India (“GoI”) and the relevant State Governments.

The CERC mainly regulates and determines tariff for generation and inter-state power supply or inter-state transmission and is also responsible for issuance of transmission licenses. CERC also adjudicates disputes involving generation companies, distribution licensees or inter-state transmission licensees. SERCs determine tariffs for generation, distribution and transmission of power within a state, regulate the power procurement process of distribution licensees, issue distribution and transmission licenses and regulate intra-state electricity transmission, along with adjudication of disputes involving generation companies, distribution licensees or intra-state transmission licensees.

The CEA acts as an advisory body to the GoI with regard to technical matters concerning generation, transmission and distribution, which also includes prescribing grid standards for operation and maintenance of transmission lines. APTEL, which has the appellate power under the Electricity Act, acts in a superintending role over regulators. The CTU is a government owned company which operates majority of the inter-state/inter-regional transmission networks in India. Likewise, STUs are government owned companies appointed at the state level and both, the CTU and the STUs provide connectivity to generators and ensure development of the transmission lines. Lastly, to ensure optimum scheduling and dispatch of electricity in terms of the relevant grid code, load dispatch centres are established under the Electricity Act at the national, regional and state levels.

The Electricity Act also mandated the GoI, in consultation with the State Governments and the CEA, to prepare a national electricity policy and a tariff policy. Accordingly, the GoI issued the national electricity policy in 2005 (“NEP”) and a tariff policy in 2006 which was replaced by the tariff policy of 2016 (“Tariff Policy”). The NEP aims at laying guidelines for accelerated development of the power sector, providing electricity to all areas and protecting interests of consumers, keeping in view the availability of energy resources, the technology available to exploit these resources, economics of generation using different resources and energy security issues. The Tariff Policy provides for guidelines for the development of the power sector, to attract investments in the power sector and to ensure reasonable charges for the consumers. The Tariff Policy also provides, among others, guidance to the regulatory bodies in framing the tariff regulations and encourages competitive procurement of power.

Forecasting and Scheduling

In March 2015, the CERC published its proposed ‘Framework for Forecasting, Scheduling and Imbalance Handling for Wind & Solar Generating Stations at Inter-State Level’ according to which renewable energy forecasting was required to be done by both, the renewable energy generator and the concerned load dispatch centre. Further, under the deviation settlement mechanism (“DSM”), load serving entities are charged with penalties for deviations from requested day-ahead schedules and generators are charged for deviations from committed day-ahead schedules.

Tariff Determination

The Electricity Act provides for the procedures for two types of tariff determination. The first is when tariff is determined by the CERC or the relevant SERC through negotiated power purchase agreements (“PPAs”) with the distribution licensees, which should be approved by the CERC or the relevant SERC, as the case may be. The second way to discover tariff is through a competitive bidding conducted in accordance with the competitive bidding guidelines issued by the GoI. The standard bidding guidelines were issued by the Ministry of Power under Section 63 of the Electricity Act in 2017 for tariff-based competitive bidding processes, for procurement of power from grid-connected solar PV projects and wind power projects.

Introduction of the Basic Customs Duty

The Ministry of New and Renewable Energy, GoI (“MNRE”) issued an office memorandum dated 9 March 2021 (“MNRE OM”), whereby the acceptance by the Ministry of Finance, GoI of the MNRE's proposal to impose basic customs duty (“BCD”) on solar cells and solar modules (without grandfathering of bid out projects) was notified. The MNRE OM states that with the objective of developing India's domestic solar manufacturing capacities and to reduce India's dependence on imports, a BCD of 40% will be leviable on imported solar modules and 25% on imported solar cells, with effect from 1 April 2022.

The MNRE OM also clarifies that imposition of the BCD will not be considered as a 'change in law' event for any bids, with bid submission dates falling subsequent to the date of the MNRE OM.

SC Order for Protection of the Great Indian Bustard

In *M.K. Ranjitsinh v. Union of India* (I.A. No. 85618 of 2020 in Writ Petition (Civil) No. 838 of 2019), the Supreme Court of India (“SC”) issued an order dated 19 April 2021, which contained directions to the Government of Rajasthan (“GoR”) and Government of Gujarat (“GoG”) to ensure protection of the priority and potential habitats of the Great Indian Bustard (“GIB”) (which is on the verge of extinction), as identified by the Wildlife Institute of India. The SC order noted the impact of overhead power transmission lines on the health and habitat of birds that die due to collision with power lines, particularly the GIB. Certain mitigation measures were issued as directions to the GoR and GoG by SC, which included the following:

- The GoR and GoG are required to take steps to install bird divertors on overhead power lines that currently exist in the priority and potential habitats of the GIB.
- Low voltage overhead power lines existing presently in the priority and potential habitats of GIB will be converted into underground power lines. All low voltage power lines to be laid in the priority and potential habitats of GIB, in all cases will be laid underground in the future.
- Laying of high voltage underground power lines would require expertise for feasibility assessment and therefore, a committee was constituted by the SC for such purpose. The committee may obtain technical reports from experts in the field of electricity supply or assistance of the GoI to arrive at a decision, if required. If the GoR and GoG face feasibility issues while laying underground power transmission lines, they should refer the matter to the committee with the relevant details.
- Where converting the overhead power lines into underground power lines is feasible, the GoR and GoG are required to complete such conversion within one year. Till such conversion is completed, the bird divertors should be hung from the existing power lines.

Regulatory Framework in Gujarat

The regulatory framework governing the solar energy sector in Gujarat comprises the Electricity Act and the rules thereunder, regulations framed by the Gujarat Electricity Regulatory Commission (“GERC”) under the Electricity Act, orders passed by the GERC and policies formulated by the GoG.

Pursuant to enactment of the Electricity Act, the erstwhile Gujarat State Electricity Board was unbundled and reorganized into the following separate generation, distribution and transmission companies:

- Generating company: Gujarat State Electricity Corporation Limited;
- Transmission company: Gujarat Energy Transmission Corporation Limited (“GETCO”); and
- Distribution companies (“Discoms”): (a) Dakshin Gujarat Vij Company Limited; (b) Madhya Gujarat Vij Company Limited; (c) Uttar Gujarat Vij Company Limited; and (d) Paschim Gujarat Vij Company Limited.

Further, Torrent Power Limited is a private distribution licensee in Gujarat which operates in Surat, Ahmedabad, Gandhinagar and Dahej.

GETCO is the designated STU and is responsible for developing and providing access to the transmission system within the state of Gujarat, whereas the Discoms are responsible for the distribution and retail supply of electricity to consumers in their respective distribution areas. The GoG has also established the Gujarat Energy Development Agency (“GEDA”) as the nodal agency to promote the development of renewable energy generation plants, including solar power plants.

The GoG has established a holding company, GUVNL, which is given the right to trade in electricity *i.e.*, purchase power from various sources for onward sale to the four Discoms. GUVNL executes the PPAs with power producers and subsequently sells such power purchased to the Discoms.

Gujarat Solar Policy

The GoG issued the Gujarat Solar Power Policy, 2015 (“Gujarat Policy 2015”), under which, GEDA is the nodal agency responsible for *inter alia*, facilitation of implementation of solar power projects in Gujarat.

The Gujarat Policy 2015 is superseded by the Gujarat Solar Policy 2021 dated 29 December 2020 (“Gujarat Policy 2021”). The solar power systems installed and commissioned during the operative period of the Gujarat Policy 2021, *i.e.* from the date of its notification, 29 December 2020 to 31 December 2025, are eligible for the benefits and incentives declared under the Gujarat Policy 2021, for a period of 25 years from their date of commissioning or for the lifespan of the solar power system, whichever is earlier, if registered with GEDA as per the Gujarat Policy 2021.

Deviation Settlement Mechanism

The GERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation Sources) Regulations, 2019 (“Gujarat F&S Regulations”) apply to every wind and solar power generator having a combined installed capacity of 1 MW and connected to the state grid, whether independently or through pooling substations and generating power for self-consumption or for sale within or outside the state. The GERC notified the Gujarat F&S Regulations with an objective to facilitate large scale grid integration of wind and/or solar power generating stations and grid security through forecasting, scheduling and commercial mechanism for deviation settlement of the generators.

Interconnectivity

In order to connect its solar project to the state grid, a solar power developer will be typically required to enter into a connection agreement with the STU, which sets out the terms relating to a connection and/or use of the intra-state transmission system. Any applicant seeking to establish a new connection to and/or use an existing transmission system is required to submit an application to the STU/Discom for connection to the state grid in accordance with the procedure set out in the GERC (Gujarat Electricity Grid Code) Regulations, 2013.

Regulatory Framework in Rajasthan

The regulatory framework governing the solar energy sector in Rajasthan comprises the Electricity Act, regulations framed by the Rajasthan Electricity Regulatory Commission (“RERC”) under the Electricity Act, orders passed by the RERC and policies formulated by the GoR.

Pursuant to enactment of the Electricity Act, the erstwhile Rajasthan State Electricity Board was reorganized and the following companies were formed:

- Generating company: Rajasthan Rajya Vidyut Utpadan Nigam Limited;
- Transmission company: Rajasthan Rajya Vidyut Prasaran Nigam Limited (“RRVPNL”); and
- Discoms: (a) Jaipur Vidyut Vitran Nigam Limited; (b) Jodhpur Vidyut Vitran Nigam Limited; and (c) Ajmer Vidyut Vitran Nigam Limited.

RRVPNL is the designated STU and is responsible for developing and providing access to the transmission system within the state of Rajasthan. The Discoms are responsible for the distribution and retail supply of electricity to consumers in their respective distribution areas. The GoR has also established the Rajasthan Renewable Energy Corporation Limited (“RRECL”) as the nodal agency to promote the development of renewable energy generation plants, including solar power plants and facilitate energy conservation in Rajasthan.

Rajasthan Solar Policy

The GoR issued the Rajasthan Solar Energy Policy, 2019 (“Rajasthan Solar Policy”), which is applicable to all grid connected solar power projects in Rajasthan, including grid connected solar rooftop projects and off-grid solar projects. Under the Rajasthan Solar Policy, RRECL is designated as the nodal agency, responsible for inter alia, facilitation of the implementation of solar power projects. All the projects installed in the state are required to be registered with RRECL under the Rajasthan Solar Policy. The Rajasthan Solar Policy also provides for various incentives/benefits for solar power projects.

Deviation Settlement Mechanism

The RERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation) Regulations, 2017 (“Rajasthan F&S Regulations”) apply to, inter alia, every solar power generator supplying power to Discoms in Rajasthan having individual or combined capacity of 5 MW, whether connected to the state grid independently or through pooling substations and/or solar park, or connected to the state grid through a pooling substation and/or solar park with a total capacity of 5 MW. For shortfall in generation and excess generation as against the schedule provided to the state load despatch centre, deviation charges as set out in the Rajasthan F&S Regulations are required to be paid.

Interconnectivity

In order to connect to the state grid, a solar power developer will be typically required to enter into connection agreements with the STU, which sets out the terms relating to a connection and/or use of the intra-state transmission system. Also, as per the RERC (Rajasthan Electricity Grid Code) Regulations 2008, in order to establish a new connection for the use of RRVPNL’s (*i.e.*, the STU's) transmission system, a generating company has to apply to RRVPNL in accordance with the procedure set out by RRVPNL.

Applicable Permits and Consents

Development of solar projects in Gujarat and Rajasthan requires permits and consents from relevant government authorities, either at the central or the state level, as set out below. Permits which are required to be obtained for carrying out the general business of a project company and which are not specific to the solar power projects; *i.e.*, tax related registrations, shops and establishment registration, employees’ state insurance, employees provident fund, corporate approvals, etc., have not been included in this section.

S.no.	Consents and approvals	Particulars
(A)	<u>Applicable permits for solar projects</u>	
1.	Registration of the solar power project	Solar power projects are required to be registered with the state nodal agencies, GEDA in Gujarat for availing incentives and RRECL in Rajasthan, as applicable.
	Approvals for overhead transmission lines	Prior to construction by a project company of overhead transmission lines (with voltage exceeding 11kv and outside the premises in its control), the approval from the CEA is required as per Section 68 of the Electricity Act.
	Clearance from the Power and Telecommunication Coordination Committee (“PTCC”)	A clearance from the PTCC is required to be obtained to ensure safety of the personnel and telecom equipment as per Section 160 of the Electricity Act and under Regulation 77 of the CEA (Measures relating to safety and electricity supply) Regulations, 2010 before energization of new power lines of 11 kv and above.
	Approval under Section 164 of the Electricity Act	Grant of authorization under Section 164 of the Electricity Act is required to be obtained from the CEA to exercise the powers of a telegraph authority under the Indian Telegraph Act, 1885, for setting up electrical lines for the purposes of transmission of electricity.

S.no.	Consents and approvals	Particulars
	No-objection certificate from the CGWA	If the project company needs to withdraw ground water for the solar project, then a no-objection certificate (“NOC”) should be obtained from the Central Ground Water Authority. The requirements for the NOC would depend on whether the project falls within a notified area or a non-notified area.
	Connection Agreement	The project company is also required to submit an application to the STU/Discom to connect to the state grid. Thereafter, a connection agreement is required to be executed between the generating project company and the relevant transmission licensee prior to the physical interconnection of the solar power project with the state grid.
	Approval of the design and specification of	The Electricity Act, among others, requires the CEIG to certify that any equipment and plant for generation, transmission, distribution or use of energy meets the required safety regulations. This approval is necessary to be obtained prior to the energization of the solar power project.
	Approval for synchronization	Prior to synchronization of the solar power project, the project company is required to secure the approval of the transmission company /the state load despatch centre and GEDA/SECI, as the case maybe, as per the requirements of the PPA.
	Commissioning Certificate	The project company is also required to obtain a commissioning certificate from GEDA or RRECL, as applicable, before it can deliver power. Generally, the commissioning certificate will allow to ascertain the specific date on which the respective units have been commissioned.
	Authorization under Hazardous & Other Wastes (Management and Trans-boundary Movement) Rules, 2016 (“Hazardous Waste Rules”).	The Ministry of Environment, Forest and Climate Change issued an office memorandum dated 7 July 2017, which provides that the disposal of PV cells attracts the provisions of the Hazardous Waste Rules. From a reading of the Hazardous Waste Rules, it seems that any entity, including a solar project engaging in disposal of the PV cells will be required to obtain an authorisation of the relevant state pollution control board prior to such disposal of PV cells.
<p>(B) <u>Additional Permits</u> Apart from the permits mentioned in (A) above, the following permits may also need to be obtained in respect of a solar power project, depending on other variable factors affecting the projects, such as the geographical location of the project, the number of workmen deployed or such other factually relevant circumstances affecting the project related activities.</p>		
2.	IEC Code	In the event that any of the equipment, including spares, for the projects is imported into India or to export any equipment out of India, the project company must obtain an import export code from the Ministry of Commerce and Industry, GoI, in accordance with the provisions of Foreign Trade (Development and Regulations) Act, 1992.
	Crossing approvals	If any transmission line forming part of the projects crosses over a village road, national highway, state road (including state highways), river or nallah, then a crossing approval / NOC of the relevant sanctioning authority (such as, Gram Panchayat, National Highway Authority of India, Ministry of Railways or the relevant State Authority) is required to be obtained.
	Approval for storing explosives	If the solar power producer stores or brings fuel oil, explosives and inflammable liquids, gases and chemicals at the project site, it must obtain a license under the Explosives Act, 1884, Explosives Rules, 2008, the Petroleum Act, 1934 and the Petroleum Rules, 2002.

S.no.	Consents and approvals	Particulars
	Height clearance from the Airports Authority of India (“AAI”)	A clearance is required from AAI if a power project is situated within 20 kilometres or less from an Aerodrome Reference Point (“ARP”) of a Visual Flight Rules (“VFR”) airport, and 56 kilometres or less from the ARP of an Instrument Flight Rules (“IFR”) airport.
	NOC from Ministry of Defence if the project is located near an International border or an air force base	The Aircraft Act, 1934 and the Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015 (“MoCA Rules”) provide that an NOC for height clearance is required to be obtained for constructing or erecting any structure within a radius of 20 kilometres from the ARP of the civil and defence aerodromes as listed out in the MoCA Rules. Further, the MoCA Rules provide that no structure higher than the height specified in Schedule II of the MoCA Rules is required to be constructed or erected within a radius of 20 km from the ARP.
	Approvals under Factories Act, 1948 (“Factories Act”) ⁽¹⁾ Registration under the Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) Registration under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (“BOCW Act”) and payment of cess under the Building and Other Construction Workers Welfare Cess Act, 1996 (“Cess Act”) Registration under the Inter-State Migrant Workmen (Regulation of Employment and Condition of Service) Act, 1979 (“Migrant Workers Act”)	If the project company employs 10 or more workers during the operations of the solar project, then it would qualify as a factory under the Factories Act, requiring it to secure the relevant approvals from the Chief Inspector of Factories of the relevant state, including approval of the site and building plan, license to operate factory and certificate of stability. A certificate of registration under the CLRA and the rules framed thereunder must be obtained from the Labour Department of the relevant state by the principal employer of every establishment, if 20 or more workmen were employed on any day of the preceding 12 months at the factory (which is employing contract labour). The registration requirement with the Labour Department of the relevant state under the BOCW Act may apply to the project company if it employs or had employed 10 or more building workers on any day of the preceding 12 months. Further, the entity to whom the BOCW Act applies is also required to remit ‘cess’ to authorities at the rate of 1 percent of the ‘cost of construction’. Registration under the Migrant Workers Act and the rules framed thereunder is required to be obtained by project company from the Labour Department of the relevant state if 5 or more inter-state migrant workmen are employed by it in Gujarat or Rajasthan, as the case may be, on any day of the preceding 12 months by the solar power producer or its contractor,
	Permission from the gram panchayat; <i>i.e.</i> the village council	Under Section 104 of the Gujarat Panchayats Act, 1993, no person can construct a building within the limits of the village without taking prior permission from the panchayat. While the Rajasthan Panchayati Raj Act, 1994 does not specifically provide for any approval required from the gram panchayat to construct a building on any land within the jurisdiction of the gram panchayat, there appears to be a requirement in practice to obtain permission from the relevant gram panchayat before undertaking any construction activities on land which falls within the jurisdiction of the gram panchayat.

Note:

(1) The Code on Social Security, 2020; Industrial Relations Code, 2020; and Occupational Safety, Health and Working Conditions Code, 2020, has been recently passed by the Indian Parliament, consolidating and amalgamating various employment laws in India. These codes are yet to come into force and when they do, certain employment

law requirements associated with engaging contract workers, inter-state migrant workers, building and other construction workers would vary in India. The notes here will therefore need to be revisited as and when the new codes come into force.

Real Estate Regulations

In India, the primary modes of transfer of immovable property are sale and lease and the central laws pertaining to which are provided for under the Transfer of Property Act, 1882 (“TPA”). The provisions of the TPA deal with lease of immovable property (including the rights and liabilities of lessor and lessee, form of lease, transfer of lease, determination of lease and so on), as well as sale of immovable property (including types of sale and rights and liabilities of buyer and seller).

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“LARR Act”) has been enacted by the GoI; and is the general unified legislation dealing primarily with: (i) the acquisition of land for public purposes by the Government or for/on behalf of private companies or public sector undertakings (for a public purpose); (ii) for providing fair compensation; and (iii) to make adequate provisions for rehabilitation and resettlement of the persons affected. The provisions of the LARR Act relating to land acquisition, compensation, rehabilitation and resettlement, may also be made applicable on sale and purchase of land acquired through private negotiations.

Forest Lands

Diversion and use of government owned land notified as forest land is regulated in terms of primarily the Forest Conservation Act, 1980 (“Forest Conservation Act”). Under the Forest Conservation Act, prior approval of the GoI is required before a state government can 'de-reserve' / use / assign forest land to a private person or corporation, for non-forest purposes. In addition, GoI has also promulgated the Forest (Conservation) Rules, 2003, wherein detailed guidelines have been prescribed for submission of proposals for diversion of forest land for non-forest purposes under the Forest Conservation Act.

Laws applicable to acquisition of land in Gujarat

Tenancy Laws

In Gujarat, acquisition of privately-owned agricultural land is governed by various tenancy laws, (applicable in distinct areas of the state), read along with the provisions Gujarat Land Revenue Code, 1879 (“Gujarat Land Revenue Code”). The aforesaid tenancy laws are set out hereunder:

- Gujarat Tenancy and Agricultural Lands (Vidharba Region and Kutch Area) Act, 1958, applicable to the Vidarbha and Kutch Regions;
- Saurashtra Gharked Tenancy Settlement and Agricultural Land Ordinance, 1949, applicable to the Saurashtra Region; and
- Gujarat Tenancy and Agricultural Lands Act, 1948, applicable to the remaining regions of Gujarat.

Conversion of agricultural land for non-agricultural purposes

As per the Gujarat Land Revenue Code, if an occupant of agricultural land wishes to use his land for non-agricultural purposes, then the District Collector’s prior approval must be obtained by such occupant. In the alternative, if the occupant of agricultural land wishes to use such land for a bona fide industrial purpose, it will be lawful for such occupant to use the land for such purpose, without the permission of the District Collector, subject to fulfilment of the conditions set out in the Gujarat Land Revenue Code.

Ceiling Restrictions

The Gujarat Agricultural Land Ceilings Act, 1960 (“Gujarat Ceiling Act”) comprises *inter alia* restrictions (in terms of quantum) applicable to the acquisition of agricultural land. Under the Gujarat Ceiling Act, a person (including a private company) is not permitted to hold agricultural land in excess of the ceiling limits, either as an owner or as a tenant; and in this regard, the ceiling limits are set for each category of agricultural land (for example, dry crop land, seasonally irrigated land, land irrigated by private source etc.) with an upper limit of 21.85 hectares. The Gujarat Ceiling Act also sets out provisions for exemption from ceiling restriction.

Government Land

Section 60 of the Gujarat Land Revenue Code read with Rule 42 of the Gujarat Land Revenue Rules, 1972 provides that unoccupied government land required for non-agricultural purposes may be allotted by the District Collector by auction or in its discretion under private arrangement (on a leasehold basis) upon payment of a price fixed by the District Collector.

Gujarat Solar Policy

The Gujarat Policy 2015 provides that the developer is responsible for obtaining the land for setting up the solar project. Similar provisions are present under the Gujarat Policy 2021 as well.

Gujarat Wasteland Allotment Policy for Renewable Parks

The Gujarat Wasteland Allotment Policy for Renewable Parks (comprised in the resolutions passed by the GoG dated 25 January 2019 and 29 July 2019, as amended on 14 September 2020), in addition to providing the procedure to be followed for the allotment of government wastelands to renewable energy park developers, provides that government wastelands (if allotted) shall be provided on a leasehold basis, for a tenure of 40 years (comprising 5 years for the development of the project and 35 years for the operations thereof). The policy also allows sub-leasing of such lands by the developer of the project to the eventual power producers, amongst other conditions relating to the use, allotment and transfer thereof.

Laws applicable to acquisition of land in Rajasthan

Rajasthan Tenancy Act and Rajasthan Revenue Act

The Rajasthan Tenancy Act, 1955 (“Rajasthan Tenancy Act”) was enacted with a view to regulate the tenancies of agricultural lands and to provide for certain measures of land reforms in relation to the same. Similarly, the Rajasthan Revenue Act, 1956 (“Rajasthan Revenue Act”) aims to consolidate and amend various laws in relation to land and the revenue payable in relation to the same.

Ceiling Limits

The Rajasthan Imposition of Ceiling on Agricultural Holding Act, 1973 (“Rajasthan Ceiling Act”) as amended *vide* the Rajasthan Imposition of Ceiling on Agricultural Holdings (Amendment) Act, 2020, (“Ceiling Amendment Act”), was enacted with a view to reduce the disparity in holding agricultural land and the concentration of such land with a few persons. In Rajasthan, the ceiling limit is prescribed basis the nature/class of agricultural land; *i.e.* fertile, semi-fertile, hilly, desert etc., and no person (including a company, whether incorporated or not) can acquire, through any mode of conveyance, agricultural land in excess of the applicable ceiling limit, except with the approval of the GoR.

Conversion of Agricultural Lands

Although prior permission from the GoR is mandatory as per the Rajasthan Revenue Act for the non-agricultural use of agricultural lands, the Rajasthan Land Revenue (Conversion of agricultural land for non-agricultural purposes in rural areas) Rules, 2007 (“Rajasthan Conversion Rules”) provide that for leasing agricultural land for solar power projects, conversion is not mandatory and an intimation to the relevant jurisdictional authority and the RRECL, 30 days before the commencement of non-agricultural use, will be sufficient.

Rajasthan Solar Policy

The Rajasthan Solar Policy comprises of provisions relating to allotment/procurement of government land as well as private land for establishing solar power projects/solar park.

Land Tax

It is relevant to highlight that recently, the Finance Department (Tax Division), GoR *vide* notification dated 30 March 2020 (“GoR Notification”) has notified the rates of land tax payable on a yearly basis on various categories of land, pursuant to the provisions of the Rajasthan Land Tax Act, 1985 and the Finance Act, 2020. The GoR Notification sets out that the rate for land tax payable for industrial lands is INR 2 per square meter for lands (in excess of 10,000 square meters). In view of this, the Finance Department (Tax Division) has issued notices to various solar power project developers operating in Rajasthan, demanding the land tax for certain periods, along with penalties and interest. From the information available in public domain, the issuance of notices and levy of land tax on renewable projects has been challenged by state and national renewable energy organisations.

Demand and Supply Targets for Energy Outlook 2020-2040 . . .⁵

	Scenario Assumptions	
	Reference Scenario (Business as Usual)	Clean Energy Scenario (Alternative Scenario)
Energy Demand	<ul style="list-style-type: none"> Supports an accelerated economic expansion post-COVID19 (i.e., High GDP scenario). Maintains current blending schedule for biofuels (2.0 percent biodiesel and 10.0 percent bioethanol) until 2040. 5.0 percent penetration rate of electric vehicles for road transport (motorcycles, cars, jeepneys) by 2040. Current efforts on energy efficiency and conservation (EEC) as a way of life continues until 2040. 	<ul style="list-style-type: none"> 10.0 percent penetration rate of electric vehicles for road transport (motorcycles, cars, jeepneys) by 2040. 1.5 percent increase in aggregate natural gas consumption from the Transport and Industry sectors between 2020 and 2040. 5.0 percent blending for biodiesel starting 2022. Up to 5.0 percent energy savings on oil products and electricity by 2040.
Energy Supply	<ul style="list-style-type: none"> Present development trends and strategies continue. Existing power plant as of December 2019 and committed power projects as of September 2020. 35.0 percent RE share in generation mix by 2040. 25.0 percent reserve margin. 70.0 percent load factor for the total Philippines. Indigenous production targets: Coal - 282 million metric tons (MMT) at 14.8 MMT/year; Oil - 64 million barrels (MMB) at 3.4 MMB/year; Natural Gas - 4 trillion standard cubic feet (SCF) at 4.8 billion SCF/year. LNG imports to come in starting 2022 at 349 billion SCF/year to augment supply from Malampaya gas field. 	<ul style="list-style-type: none"> Assumptions under the Reference, as well as the following: Up to 50.0 percent RE share in generation mix by 2040; and Achieve at least 12.0 percent reduction in the greenhouse gas (GHG) emission for the country's Nationally Determined Contribution (NDC).

Note: Reference date for energy and energy-related data, including macroeconomic indicators, used in the simulation for this Energy Outlook is 10 June 2021.

The Renewable Energy Act of 2008

On 16 December 2008, then President Gloria Macapagal-Arroyo signed into law Republic Act No. 9513, also known as the Renewable Energy Act of 2008 (the “RE Law”). The RE Law then took effect on 31 January 2009. It aims to accelerate the development and exploration of renewable energy resources in the country such as wind, hydro, and geothermal energy sources to achieve energy self-reliance and independence. It also aims to increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives.

⁵ Philippine Energy Plan 2020-2040 available on the DOE’s website https://www.doe.gov.ph/sites/default/files/pdf/pep/PEP%202022-2040%20Final%20eCopy_20220819.pdf last accessed on 8 March 2024.

With this Act, it is envisioned that the country will aggressively develop resources such as solar, biomass, geothermal, hydropower, wind, and ocean energy technologies. The said law is also expected to mitigate the global problem of climate change.

Specifically, the law provides prospective proponents in renewable energy with the following benefits and advantages:

1. Market

- a. Renewable portfolio market – all registered suppliers of electricity will have to source a certain percentage of their supply from eligible renewable energy sources
- b. Renewable energy market – refers to the market (to be incorporated in the WESM) where the trading of renewable energy certificates to an amount generated from renewable energy resources is made;
- c. Green option – provides end-users with the option to choose renewable energy resources as their sources of energy; also allows end-users to directly contract from renewable energy facilities their energy requirements distributed through their utilities; and
- d. Net metering for renewable energy – allows a user of renewable energy technology (e.g., solar) to sell back to a utility at the latter’s retail price any excess in generation from the house electricity consumption.

2. Pricing mechanism through a FIT system

- a. Allows a fixed price of electricity from renewable energy sources for twelve (12) years, to be determined by the ERC in consultation with the National Renewable Energy Board (“NREB”) within one (1) year upon the effectivity of the law and priority purchase, transmission, and payment from the national grid; and
- b. Mandated for electricity produced from wind, solar, ocean, run-of-river hydropower, and biomass.

3. Access to the grid through transmission and distribution system development

- a. Requires the Transmission Corporation and DUs to include required connection facilities for renewable energy-based projects in the Transmission and Distribution Plans subject to the approval of the DOE; and
- b. Connection facilities of renewable energy plants, including the extension of transmission and distribution lines, shall be subject only to ancillary services covering such connections.

The DOE is the lead government agency tasked to implement the provisions of the RE Law. The IRR of the RE Law were released in May 2009 and presented the guidelines on the implementation of the various fiscal and non-fiscal incentives provided by the law, which include the following:

Renewable Portfolio Standards (RPS)

On 22 December 2017, the DOE signed the landmark Department Circular No. 2017-12-0015 promulgating the “Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards RPS for On-Grid Areas” or the “RPS On-Grid Rules.”

The RPS On-Grid Rules mandates all electric power industry participants, including DUs for their captive customers, suppliers of electricity for Contestable Market, and generating companies to the extent of their actual supply to their directly connected customers, to source or produce a specified portion of their electricity requirements from eligible renewable energy resources including biomass, geothermal, solar, hydro, ocean, and wind. The RPS On-Grid Rules establishes a minimum annual RPS requirement and minimum annual incremental percentage of electricity sold by each mandated participant which shall, in no case, be less than one percent (1%) of such mandated participant’s annual energy demand over the next ten (10) years.

FIT System

On 27 July 2012, the ERC approved the initial FIT rates that shall apply to generation from Run-of-River Hydro, Biomass, Wind, and Solar. The said FIT rates are as follows: ₱5.90/kwh for Run-of-River Hydro, ₱6.63/kwh for Biomass, ₱8.53/kwh for Wind, and ₱9.68/kwh for Solar. The ERC, however, deferred fixing the FIT for Ocean Thermal Energy Conversion Resource for further study and data gathering. The decision came after a series of public hearings ending in March 2012, on the petition of the NREB for the setting of the FIT rates.

Under the RE Law, all qualified and registered generating plants with intermittent renewable energy resources shall enjoy the benefit of priority dispatch. Priority purchase, transmission, and payment for such electricity is also provided for by the RE Law. Furthermore, all renewable energy generators are ensured of payment for electricity generated via the FIT scheme for a period of twenty (20) years.

On 17 May 2013, Guimaras Wind received DOE's Declaration of Commerciality ("DOC") for the San Lorenzo Project (the "Project"). The DOC means that the Project will be eligible to avail of the FIT, but only upon successful completion and commissioning of the Project.

On 23 November 2015, the ERC issued a Decision in ERC Case No. 2015-002RM entitled "In the Matter of the Adoption of the Amendments to Resolution No. 10, Series of 2012, entitled "A Resolution Approving the Feed-in-Tariff (FIT) Rates" (FIT Rules), Particularly for WIND FIT Rates, as necessitated by the review and re-adjustment of the WIND FIT since the Installation Target for Wind Technology has already been achieved."

In the said Decision, the ERC approved a FIT2 in the amount of PhP 7.4000/kWh for Guimaras Wind, Petrowind Energy Inc., and Alternergy Wind One Corporation.

c. The NGCP and all DUs are mandated to include the required connection facilities for renewable energy-based electricity in their transmission and distribution development plans. They are also required to effect the connection of renewable energy-based power facilities with the grid, upon the approval of the DOE, at the start of their commercial operations. The ERC shall provide the mechanism for the recovery of the cost of these connection facilities.

d. The RE Law provides for the following fiscal incentives:

- Income tax holiday for a period of seven (7) years from the start of commercial operation;
- Exemption from duties on renewable energy machinery, equipment, and materials;
- Special realty tax rates on equipment and machinery;
- Net operating loss carry over ("NOLCO") of the renewable energy developer during the first three (3) years from start of commercial operation shall be carried over for the next seven (7) consecutive taxable years immediately following the year of such loss;
- Corporate tax rate of ten percent (10%);
- Accelerated depreciation;
- Zero percent (0%) value-added tax on energy sale;
- Tax exemption of carbon credits; and
- Tax credit on domestic capital equipment and services related to the installation of equipment and machinery.

National Renewable Energy Board (NREB) and the Renewable Energy Management Bureau (REMB)

For purposes of promoting the development of renewable energy resources, two new government bodies were created under the R.A 9513 or the RE Law – the NREB and the REMB.

NREB will serve as the recommending body on renewable energy policies and action plans for implementation by the DOE. As provided under Section 27 of the RE Law, the powers and functions of the NREB are as follows:

- Evaluate and recommend to the DOE the mandated RPS and minimum RE generation capacities in off-grid areas, as it deems appropriate;
- Recommend specific actions to facilitate the implementation of the National Renewable Energy Program (“NREP”) to be executed by the DOE and other appropriate agencies of government and to ensure that there will be no overlapping and redundant functions within the national government department and agencies concerned;
- Monitor and review the implementation of the NREP, including compliance with the RPS and minimum RE generation capacities in off-grid areas;
- Oversee and monitor the utilization of the Renewable Energy Trust Fund created pursuant to Section 28 of the Renewable Energy Law and administered by the DOE; and
- Perform such other functions, as may be necessary, to attain the objectives of the RE Law.

The NREB shall be composed of a Chairman and one (1) representative each from the DOE, Department of Trade and Industry, DENR, NPC, NGCP, PNOC, and PEMC shall be designated by their respective secretaries to the NREB on a permanent basis. The Board shall also have one (1) representative each from the following sectors: (1) renewable energy developers, (2) government financial institutions, (3) private DUs, (4) electric cooperatives, (5) electricity suppliers, and (6) non-government organizations (NGOs), duly endorsed by their respective industry associations and all to be appointed by the President of the Republic of the Philippines.

On the other hand, REMB was created for the purpose of implementing the provisions of the RE Law. The REMB shall replace the Energy Utilization Management Bureau under the DOE.

The powers and functions of the REMB are as follows:

- Implement policies, plans, and programs related to the accelerated development, transformation, utilization and commercialization of renewable energy resources and technologies;
- Develop and maintain a centralized, comprehensive, and unified data and information based on renewable energy resources to ensure the efficient evaluation, analysis, and dissemination of data and information on renewable energy resources, development, utilization, demand, and technology application;
- Promote the commercialization / application of renewable energy resources including new and emerging technologies for efficient and economical transformation, conversion, processing, marketing, and distribution to end users;
- Conduct technical research, socio-economic, and environment impact studies of renewable energy projects for the development of sustainable renewable energy systems;
- Supervise and monitor activities of government and private companies and entities on renewable energy resources development and utilization to ensure compliance with existing rules, regulations, guidelines, and standards;

- Provide information, consultation, and technical training and advisory services to developers, practitioners, and entities involved in renewable energy technology and develop renewable energy technology development strategies; and
- Perform other functions that may be necessary for the effective implementation of the RE Law and the accelerated development and utilization of renewable energy resources in the country.

Environmental Laws

The Company's power generation operations are subject to extensive, evolving, and increasingly stringent safety, health, and environmental laws and regulations. These laws and regulations, such as R.A. 8749 or the Clean Air Act and R.A. 9275 or the Philippine Clean Water Act, address, among other things, air emissions, wastewater discharges, the generation, handling, storage, transportation, treatment, and disposal of toxic or hazardous chemicals, materials and waste, workplace conditions, and employee exposure to hazardous substances. ACEN and its subsidiaries have incurred, and expect to continue to incur, operating costs to comply with such laws and regulations. The Company and its subsidiaries spend at least PhP 2.24 Million annually for emissions testing to comply with safety, health, and environmental laws and regulations.

Human Capital

As of 28 February 2025, ACEN has three hundred ten (333) employees. Of the total employees, one hundred eighty-three (194) are managers and officers, one hundred twenty-four (136) are supervisors, and three (3) are non-supervisory employees. The Company has the intention of hiring forty-five (68) additional employees for the ensuing months.

The Company has no Collective Bargaining Agreement with its employees. No employees went on strike within the past three (3) years nor are they planning to go on strike.

The relationship between management and employees has always been of coordination and collaboration. The Company believes that professionalism, open communication, and upright engagement between management and employees are the effective ways to resolve workplace concerns.

Aside from standard compensation packages and cash benefits, the Company offers a competitive employee benefit package that comprehensively supports employees' financial and personal well-being. Medical and wellness benefits include comprehensive health insurance, medical allowances, defined contribution retirement plan, entitlement to extended paid medical leave (cancer care leave), sponsorship for professional or organizational club memberships, and subsidy for activities that promote overall well-being. ACEN's reward system includes long term incentive plans, which are equity-based compensation program designed to incentivize management team managers in driving high-performance and achieve our targeted 3-year performance indicators on growth, total shareholder return, and ESG. Rewards under this plan are granted in the form of performance shares, which are awarded to executives and key employees in the year following the completion of the performance cycle.

RISK FACTORS RELATED TO THE BUSINESS

Risks Relating to the Company and its Businesses

Increased competition in the power industry, including competition resulting from legislative, regulatory and industry restructuring efforts could have a material adverse effect on the Company's operations and financial performance.

The Company's success depends on its ability to identify, invest in and develop new power projects, and the Company faces competition to acquire future rights to develop power projects and to generate and sell power. No assurance can be given that the Company will be able to acquire or invest in new power projects successfully.

In recent years, the Philippine government has sought to implement measures designed to establish a competitive power market. These measures include the planned privatization of at least 70% of the NPC-owned-and-controlled power generation facilities and the grant of a concession to operate transmission facilities. The move towards a more competitive environment could result in the emergence of new and numerous competitors. These competitors may have greater financial resources, and have more extensive experience than the Company, giving them the ability to respond to operational, technological, financial and other challenges more quickly than the Company. These competitors may therefore be more successful than the Company in acquiring existing power generation facilities or in obtaining financing for and the construction of new power generation facilities. The type of fuel that competitors use for their generation facilities may also allow them to produce electricity at a lower cost and to sell electricity at a lower price. The Company may therefore be unable to meet the competitive challenges it will face.

The impact of the ongoing restructuring of the Philippine power industry will change the competitive landscape of the industry and such changes are expected to affect the Company's financial position, results of operations and cash flows in various ways.

Any decision to develop and construct power projects in various jurisdictions, including, but not limited to, the Philippines, Indonesia, Vietnam, India and Australia, will be made after careful consideration of regulatory requirements, availability of fiscal incentives, market conditions (including the demand and supply conditions), land availability, and other considerations. For those jurisdictions that require participation through a competitive bidding process or through the submission of a formal proposal, in which the Company will need to compete for projects based on pricing, technical and engineering qualifications, the financial condition of the Company, availability of land, access to financings, track record and other specifications of the proposed project, the bidding or proposal submission process and selection process may be affected by a number of factors, including factors which may be beyond the Company's control, such as market conditions or government incentive programs. In such cases, the Company may not acquire the rights to develop new power projects in the event that the Company misjudges its competitiveness when submitting its bids or proposals or, where bidding includes price competition, if the Company's competitors have more competitive pricing. The ability of the Company's competitors to access resources that it does not have access to, including labour and capital, may prevent the Company from acquiring additional power projects in strategic locations or from increasing its generating capacity, and the Company may not be able to expand its business as a result.

The Company may not successfully implement its growth and other strategic objectives, and the impact of acquisitions and investments could be less favourable than anticipated.

As part of its business strategy, the Company continues to carry out acquisitions and investments of varying sizes, some of which are significant, as well as develop additional power projects. This strategy may require entering into strategic alliances and partnerships and will involve substantial investments. In addition, the Company may from time to time divest its interests in certain of its assets in order to realise value or to structure its portfolio to align with the Company's long-term objectives. The Company's success in implementing its strategic priorities will depend on, among other things, its ability to identify and assess potential partners, investments and acquisitions, successfully finance, close and integrate such investments and acquisitions, control costs, identify value realisation initiatives and potential purchasers, and maintain sufficient operational and financial controls.

The Company's strategic initiatives could place significant demands on the Company's management and other resources. The Company's future growth may be adversely affected if it is unable to make these investments, form these partnerships or engage in value realisation and portfolio restructuring initiatives, or if the Company's investments and partnerships prove unsuccessful. Further, the Company's strategic goals, including acquisitions and investments, involve numerous risks, including, without limitation, the following: (i) the assumptions used in the underlying business plans may not prove to be accurate, in particular with respect to synergies and expected demand; (ii) the Company may not integrate acquired businesses, technologies, products, personnel, and operations effectively; (iii) the Company may fail to retain key employees, customers and suppliers of the companies acquired; (iv) the Company may be required or wish to terminate pre-existing contractual relationships, which could be costly and/or on unfavourable terms; and (v) the Company may increase its indebtedness to finance these acquisitions. As a result, it is possible that the expected benefits of completed or future acquisitions, investments, or value realisation or portfolio restructuring initiatives may not materialise within the time periods or to the extent anticipated and may affect the Company's financial condition.

The Company may not be able to identify suitable acquisition, investment, value realisation and portfolio restructuring opportunities or make acquisitions, investments, value realisations or portfolio restructuring, on beneficial terms, or obtain financing necessary to complete and support such acquisitions and investments. Regulation of merger and acquisition activity by relevant authorities or other regulators may also limit the Company's ability to engage in future acquisitions or mergers. The impact on the Company of any future acquisitions or investments cannot be fully predicted and any of the risks outlined above, should they materialise, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The operations of the Company's power projects are subject to significant government regulation, including regulated tariffs such as FIT, and the Company's margins and results of operations could be adversely affected by changes in the law or regulatory schemes.

The Company's inability to predict, influence or respond appropriately to changes in law or regulatory schemes, including any inability or delay in obtaining expected or contracted increases in electricity tariff rates or tariff adjustments for increased expenses, or any inability or delay in obtaining or renewing permits for any facilities, could adversely impact the Company's results of operations and cash flow. Furthermore, changes in laws or regulations or changes in the application or interpretation of laws or regulations in jurisdictions where power projects are located, particularly utilities where electricity tariffs are subject to regulatory review or approval, could adversely affect the Company's business, including, but not limited to:

- adverse changes in tax law;
- changes in the timing of tariff increases or in the calculation of tariff incentives;
- change in existing subsidies and other changes in the regulatory determinations under the relevant concessions;

- other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business; or
- other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with the Company's existing financial and business planning.

Any of the above events may result in lower margins for the affected businesses, which could adversely affect the Company's results of operations.

For renewable energy assets, pricing is fixed by regulatory arrangements which operate instead of, or in addition to, contractual arrangements. To the extent that operating costs rise above the level approved in the tariff, the Company's businesses that are subject to regulated tariffs would bear the risk. During the life of a project, the relevant government authority may unilaterally impose additional restrictions on the project's tariff rates and related payments, subject to the regulatory frameworks applicable in each jurisdiction. For example, in April 2021, the ERC released a public advisory that there will be a moratorium on the imposition of interest on delayed FIT payments due to the COVID-19 pandemic. This moratorium will be imposed for six billing periods from the relevant billing period wherein the interest had first been incurred. While the moratorium is not expected to have a significant impact on ACEN cash flows, future tariffs or changes to existing tariffs and the collection of payments in the future may not permit the project to maintain current operating margins, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Failure to obtain financing on reasonable terms or at all could adversely impact the execution of the Company's expansion and growth plans.

The Company's expansion and growth plans are expected to require significant fund raising. As part of the Company's current strategy to reach 5,000 MW of renewable energy capacity by 2025, the Company estimates that it will require around U.S.\$2 billion. The Company's continued access to debt and equity financing as a source of funding for new projects, acquisitions and investments, and for refinancing maturing debt is subject to many factors, including: (i) laws, regulations, and internal bank policies limiting bank exposure (including single borrower limits) to a single borrower or related group of borrowers; (ii) the Company's compliance with existing debt covenants; (iii) the ability of the Company to service new debt; (iv) the macroeconomic fundamentals driving credit ratings of the Philippines and other jurisdictions; and (v) perceptions in the capital markets regarding the Company and the industries and regions in which it operates and other factors, some of which may be outside of its control, including general conditions in the debt and equity capital markets, political instability, an economic downturn, social unrest, changes in the regulatory environments where any power projects are located or the bankruptcy of an unrelated company operating in one or more of the same industries as the Company, any of which could increase borrowing costs or restrict the Company's ability to obtain debt or equity financing. There is no assurance that the Company will be able to arrange financing on acceptable terms, if at all. Any inability of the Company to obtain financing from banks and other financial institutions or from capital markets would adversely affect the Company's ability to execute its expansion and growth strategies.

The Company's international businesses and results of operations are subject to the macroeconomic, social and political developments and conditions of the countries where the Company's portfolio of projects are located.

The Company's portfolio of power projects in operation and under construction include those located in Australia, Indonesia, Vietnam, and India, with plans for further international expansion in other countries such as South Korea and Taiwan through its joint ventures. International operations and plans for further international expansion may be affected by the respective domestic economic and market conditions as well as social and political developments in these countries, government interference in the economy in certain countries, and changes in regulatory conditions. There is no guarantee that the Company's operations as well as expansion plans will be successful in those countries and the Company cannot provide assurance of effective mitigation to systemic risks in those countries. The Company's financial condition, prospects and results of operations could be adversely affected if it is not successful internationally or if these international markets are affected by changes in political, regulatory, economic and other factors, over which the Company has no control.

For example, in October 2019, the Group disclosed plans to form a joint venture with the Yoma Group, to invest in Yoma Micro Power and jointly explore developing renewable energy projects within Myanmar. Pursuant to this undertaking, AC Renewables International provided development loans to the Yoma Group amounting to U.S.\$24.0 million. Due to the current situation in the country, plans in Myanmar have currently been put on hold. The Group takes a long-term view on its investment in Myanmar and continues to monitor the situation closely.

Changes in tax policies, affecting tax exemptions and tax incentives could also adversely affect the Company's results of operations. Certain Associates of the Company are registered with the BOI and the Philippine Economic Zone Authority as new operators with pioneer status and non-pioneer status for greenfield projects and benefit from certain capital tax exemptions and tax incentives, deductions from taxable income subject to certain capital requirements and duty-free importation of capital equipment, spare parts and accessories.

If these tax exemptions or tax incentives expire, are revoked, or are repealed, the income from these sources will be subject to the corporate income tax rate, which is 25% of net taxable income. As a result, the Company's tax expense would increase, and its profitability would decrease. The expiration, non-renewal, revocation or repeal of these tax exemptions and tax incentives, and any associated impact on the Company, could have a material adverse effect on the Company's business, financial condition and results of operations.

Future pandemics, epidemics or outbreaks of diseases could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Company's business, financial condition and results of operations.

The Philippines remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of Overseas Filipino Workers ("OFWs") globally; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In response to the recent outbreak of COVID-19, the Philippines has imposed travel bans on several affected countries, which may have an adverse impact its suppliers' ability to deliver, which could delay the construction of the Company's projects.

Preventive and corrective quarantine measures may cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve. In particular, the various degrees of community quarantine imposed across the jurisdictions where the Company operates have affected and could adversely impact (a) the completion of the Company's projects as construction is not an activity given priority under the government guidelines, (b) demand for the Company's product, as industries, offices, and shopping malls account for bulk of energy consumption, (c) spot market prices as demand for electricity may be lower, and (d) ability to collect from its customers, which could negatively impact its cash flows. Another outbreak similar to COVID-19 and the measures to contain it may have an adverse effect on economic activity in the countries where the Company has investments and operations in, thus, could materially and adversely affect the Company's business, financial condition, and results of operations.

The Company's long-term success is dependent upon its ability to attract and retain key personnel and in sufficient numbers.

The Company depends on its senior executives and key management members to implement the Company's projects and business strategies. If any of these individuals resigns or discontinues his or her service, it is possible that a suitable replacement may not be found in a timely manner or at all. If this were to happen, there could be a material adverse effect on the Company's ability to successfully operate its power projects and implement its business strategies.

Power generation involves the use of highly complex machinery and processes, and the Company's success depends on the effective operation and maintenance of equipment for its power generation assets. Technical partners and third-party operators are responsible for the operation and maintenance of certain power projects. Although the Company is circumspect in its selection of technical partners and third-party operators, any failure on the part of such technical partners and third-party operators to properly operate and/or adequately maintain these power projects could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the Company's growth to date has placed, and the anticipated further expansion of the Company's operations will continue to place, a significant strain on the Company's management, systems, and resources. In addition to training, managing, and integrating the Company's workforce, the Company will need to continue to develop the Company's financial and management controls. The Company can provide no assurance that the Company will be able to efficiently or effectively manage the growth and integration of the Company's operations dispersed businesses and any failure to do so may materially and adversely affect the Company's business, financial condition, results of operations and prospects. In addition, if general economic and regulatory conditions or market and competitive conditions change, or if operations do not generate sufficient funds or other unexpected events occur, the Company may decide to delay, modify or forego some aspects of its growth strategies, and its future growth prospects could be adversely affected.

The Company's business depends on various governmental policy commitments to the promotion of renewable energy.

The countries in which the Company has investments have demonstrated a commitment to renewable energy. As a result, these countries have created favourable regulatory and tax regimes and financial incentives, as well as renewable portfolio standards that require distributors to source a certain percentage of their power requirements from renewable energy sources.

For the Philippines, it adopted a FIT programme in 2010 for eligible renewable power projects from wind, solar, hydro, biomass, and hybrid energy sources, among others. Eligible renewable power plants are granted a 20-year entitlement. Subsequent to the FIT programme in the Philippines, the DOE also issued the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards ("RPS") for On-Grid Areas and Off-Grid Areas in 2017 and 2018, respectively. The RPS is a market-based policy that mandates power DUs, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supply from eligible renewable energy facilities. The RPS Rules established a minimum annual RPS requirement. This pertains to the RE share of electricity coming from RE resources in the energy mix based on an aspirational target of 35% in the generation mix expressed in MWh by 2030, subject to regular review and assessment by the DOE. The RPS Rules also established the minimum annual incremental RE percentage, which was initially set at 1%, to be applied to the net electricity sales of the mandated participant for the previous year, and thereafter adjusted by the DOE as may be necessary. It has been since adjusted to 2.52% effective 2023.

In 2021, the DOE also established the Green Energy Auction Program (GEAP), which aims to facilitate investments in renewable energy in the country. Similar to the FIT programme, under the GEAP, eligible power plants who succeed in the auctions are granted 20-year renewable energy payment agreements.

For Vietnam, its FIT programme provides for a FIT rate of U.S.\$0.0935/kWh for 20 years for solar plants completed by June 2019, with the exception of solar power projects in located in Ninh Thuan province, which has extended this period to December 2019, and U.S.\$0.0850/kWh for wind projects completed by November 2021. In April 2020, the Vietnam government unveiled a second round of FIT rates as follows for project commissioned within 2020: U.S.\$0.0769/kWh for floating solar, U.S.\$0.0709/kWh for ground mounted solar, and U.S.\$0.0838/kWh for rooftop energy solar energy projects. Both FIT rates for solar and wind projects are expected to be set for 20 years once awarded.

Due to the impact of COVID-19 and related travel and movement restrictions in Vietnam, construction of certain renewable energy projects in the country, including the Company's projects, has been interrupted. As such, certain turbines/portions of the projects may not be completed by the November 2021 FIT deadline, and may not receive the FIT, which may impact future cash flows and the profitability of such projects.

Further, the FIT commitments are generally matters of domestic public policy and are subject to the execution of the relevant power purchase agreement. Should these commitments to renewable energy be reduced for any reason, it could affect the project company's ability to operate or renew the project company's permits and licenses and reduce the financial incentives available to the project companies, which could, in turn, have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may not be able to adequately influence the operations of its Associates and joint ventures and the failure of one or more of its strategic partnerships may negatively impact its business, financial condition, results of operations and prospects.

The Company derives a portion of its income from investments in Associates and joint ventures, in which it does not have majority voting control. These relationships involve certain risks including the possibility that these partners:

- may have economic interests or business goals that are not aligned with the Company's;
- may be unable or unwilling to fulfil their obligations under relevant agreements, including shareholder agreements under which the Company has certain voting rights in respect of key strategic, operating and financial matters;
- may take actions or omit to take any actions contrary to, or inconsistent with, the Company's policies or objectives or prevailing laws;
- may have disputes with the Company as to the scope of their responsibilities and obligations; and/or
- may have difficulties in respect of seeking funds for the development or construction of projects.

The success of these partnerships depends significantly on the satisfactory performance by the partners and the fulfilment of their obligations. If the Company or a strategic partner fails to perform its obligations satisfactorily, or at all, the partnership may be unable to perform adequately. As a result, cooperation among its partners or consensus with other shareholders in these entities is crucial to these businesses' sound operation and financial success. The Company's business, financial condition, results of operations and prospects may be materially adversely affected if disagreements develop between the Company and its strategic partners, and such disagreements are not resolved in a timely manner.

In addition, if any of the Company's strategic partners discontinues its arrangement with the Company, is unable to provide the expected resources or assistance, or competes with the Company on business opportunities, the Company may not be able to find a substitute for such strategic partner. Failure of one or more of the Company's strategic partners to perform their obligations may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Risks and delays relating to the development of greenfield power projects could have a material adverse effect on the Company's operations and financial performance.

The development of greenfield power projects involves substantial risks that could give rise to delays, cost overruns, unsatisfactory construction or development in the projects. Such risks include the inability to secure adequate financing, inability to negotiate acceptable offtake agreements, and unforeseen engineering and environmental problems, among others. Any such delays, cost overruns, unsatisfactory construction or development could have a material adverse effect on the business, financial condition, results of operation and future growth prospects of the Company.

For the Company's projects under development, the estimated time frame and budget for the completion of critical tasks may be materially different from the actual completion date and costs, which may delay the date of commercial operations of the projects or result in cost overruns. For example, due to the impact of COVID-19 and related travel and movement restrictions in Vietnam, construction of certain renewable energy projects in the country, including the Company's projects, has been interrupted. As such, certain turbines/portions of the projects may not be completed by the November 2021 FIT deadline, and may not receive the FIT, which may impact future cash flows and the profitability of such projects.

The Company is expanding its power generation operations and there are projects in its energy portfolio under construction. These projects involve environmental, engineering, construction and commission risks, which may result in cost overruns, delays or performance that is below expected levels of output or efficiency. In addition, projects under construction may be affected by the timing of the issuance of permits and licenses by government agencies, any litigation or disputes, inclement weather, natural disasters, accidents or unforeseen circumstances, manufacturing and delivery schedules for key equipment, defect in design or construction, and supply and cost of equipment and materials. Further, project delays or cancellations or adjustments to the scope of work may occur from time to time due to incidents of force majeure or legal impediments.

Depending on the severity and duration of the relevant events or circumstances, these risks may significantly delay the commencement of new projects, reduce the economic benefit from such projects, including higher capital expenditure requirements and loss of revenues, which in turn could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's expected Net Attributable Capacity from its pipeline to be undertaken together with various partners and through various subsidiaries, associates and joint ventures have not yet been determined. The target pipeline reflects its current strategy and may change as proposed projects are reviewed or contracts are entered into, and subject to various factors, including market conditions, the general state of the economy and investment environment where the projects will be located and the ability to obtain financing, among others.

Any restriction or prohibition on the Company's Associates' or joint ventures' ability to distribute dividends would have a negative effect on its financial condition and results of operations and its ability to fulfil its guarantee obligations under the Notes.

The Company is a holding company that conducts its operations through its Associates and joint ventures. As a holding company, the Company's income is derived primarily from dividends paid to the Company by its Associates and joint ventures.

The Company is reliant on these sources of funds with respect to its obligations and in order to finance its Associates. The ability of the Company's Associates and joint ventures to pay dividends to the Company (and their shareholders in general) is subject to applicable law and may be subject to restrictions contained in loans and/or debt instruments of such Associates and may also be subject to the deduction of taxes. Currently, the payment of dividends by a Philippine corporation to another Philippine corporation is not subject to tax. Under Philippine law, dividends may be declared by a corporation's board of directors, however, any stock dividend declaration requires the approval of shareholders holding at least two-thirds of such corporation's total outstanding capital stock. Additionally, SEC approval is required if the issuance of stock dividends requires an increase in such corporation's authorized capital stock.

In addition, certain Associates are subject to debt covenants for their respective existing debt. Failure to comply with these covenants may result in a potential event of default, which if not cured or waived, could result in an actual event of default and the debt becoming immediately due and payable. This could affect the relevant company's liquidity and ability to generally fund its day-to-day operations. In the event this occurs, it may be difficult to repay or refinance such debt on acceptable terms or at all. Furthermore, such restrictions could likewise impact the Company's ability to fulfil its guarantee obligations under the Notes.

Any restriction or prohibition on the ability of some or all of the Company's Associates and/or joint ventures to distribute dividends or make other distributions to the Company, either due to regulatory restrictions, debt covenants, operating or financial difficulties or other limitations, could have a negative effect on the Company's cash flow and therefore, its financial condition.

The administration and operation of power generation projects by project companies involve significant risks.

The administration and/or operation of power generation projects by project companies involve significant risks, including:

- breakdown or failure of power generation equipment, transmission lines, pipelines or other equipment or processes, leading to unplanned outages and operational issues;
- flaws in the equipment design or in power plant construction;
- issues with the quality or interruptions in the supply of key inputs, including fuel or water;
- material changes in legal, regulatory or licensing requirements;
- operator error;
- performance below expected levels of output or efficiency;
- actions affecting power generation assets owned or managed by the Company, its Associates, joint ventures or its contractual counterparties;
- pollution or environmental contamination affecting the operation of power generation assets;
- claims or issues in relation to potential environmental, ecological and social effects in relation to the sites of its power development projects;
- force majeure and catastrophic events including fires, explosions, earthquakes, volcanic eruptions, floods and terrorist acts that could cause forced outages, suspension of operations, loss of life, severe damage and plant destruction;
- planned and unplanned power outages due to maintenance, expansion and refurbishment;
- inability to obtain or the cancellation of required regulatory, permits and approvals; and
- opposition from local communities and special interest groups.
- There is no assurance that any event similar or dissimilar to those listed above will not occur or will not significantly increase costs or decrease or eliminate revenues derived by the Company, its joint ventures and affiliates from their power projects.

Climate change may adversely affect the Company's business and prospects.

Policy and regulatory changes, technological developments and market and economic responses relating to climate change may affect the Company's business and the markets in which it operates. The enactment of an international agreement on climate change or other comprehensive legislation focusing on greenhouse gas emissions could have the effect of restricting the use of coal. Other efforts to reduce greenhouse gas emissions and initiatives in various countries to use cleaner alternatives to coal such as natural gas may also affect the use of coal as an energy source. For example, in October 2020, the DOE declared a moratorium on endorsements for greenfield coal power plants as its most recent assessment revealed the need for the country to shift to a more flexible power supply mix.

In addition, technological developments may increase the competitiveness of alternative energy sources, such as renewable energy, which may decrease demand for coal generated power. Other efforts to reduce emissions of greenhouse gases and initiatives in various countries to encourage the use of natural gas or renewable energy may also discourage the use of coal as an energy source. Similarly, recent trends in investment mandates and strategies favouring renewable over conventional energy sources may make it more difficult for the Company to obtain financing or refinance existing financing in respect of its thermal coal projects. The physical effects of climate change, such as changes in rainfall, water shortages, rising sea levels, increased storm intensities and higher temperatures, may also disrupt the Company's operations. As a result of the above, the Company's business, financial condition, results of operations and prospects may be materially and adversely affected.

Environmental regulations may cause the relevant project companies to incur significant costs and liabilities.

The operations of the project companies are subject to environmental laws and regulations by central and local authorities in which the projects operate. These include laws and regulations pertaining to pollution, the protection of human health and the environment, air emissions, wastewater discharges, occupational safety and health, and the generation, handling, treatment, remediation, use, storage, release and exposure to hazardous substances and wastes. These requirements are complex, subject to frequent change and have tended to become more stringent over time. The project companies have incurred, and will continue to incur, costs and capital expenditures in complying with these laws and regulations and in obtaining and maintaining all necessary permits. While the project companies have procedures in place to allow it to comply with environmental laws and regulations, there can be no assurance that these will at all times be in compliance with all of their respective obligations in the future or that they will be able to obtain or renew all licenses, consents or other permits necessary to continue operations or that there will be no complaints filed or issues raised by environmental groups and local communities against the Company, its subsidiaries, or its affiliates for its operations. Any failure to comply with such laws and regulations or to address such complaints or issues could subject the relevant project company to significant fines, penalties and other liabilities, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, environmental laws and regulations, and their interpretations, are constantly evolving and it is impossible to predict accurately the effect that changes in these laws and regulations, or their interpretation, may have upon the Company's business, financial condition, results of operations or prospects. If environmental laws and regulations, or their interpretation, become more stringent, the costs of compliance could increase. If the Company cannot pass along future costs to customers, any increases could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's power project development operations and the operations of the power projects are subject to inherent operational risks and occupational hazards, which could cause an unexpected suspension of operations and/or incur substantial costs.

Due to the nature of the business of power project development and operations, the Company and its project companies engage or may engage in certain inherently hazardous activities, including operations at height, use of heavy machinery and working with flammable and explosive materials. These operations involve many risks and hazards, including the breakdown, failure or substandard performance of equipment, the improper installation or operation of equipment, labour disturbances, natural disasters, environmental hazards, and industrial accidents. These hazards can cause personal injury and loss of life, damage to or destruction of property and equipment, and environmental damage and pollution, any of which could result in suspension of the development or operations of any of the power projects or even imposition of civil or criminal penalties, which could in turn cause the Company or any of the project companies to incur substantial costs and damage its reputation and may have a material adverse effect on the Company's business, financial condition and results of operations.

Grid curtailments may limit the generation capacity of power projects.

From time to time, national grid operators curtail the energy generation for a number of reasons, including to match demand with supply and for technical maintenance reasons, including as a result of grid infrastructure that is not up to international standards. For example, in the first half of 2021, the Company experienced a 5.8% curtailment in respect of the power generation of its solar assets in Vietnam as a result of lower demand due to the COVID-19 pandemic and the Tet holidays in the country, and it is possible that the Company will be subject to further curtailments in the future as electricity generation and supply is adjusted in line with demand and other market factors. In such circumstances, a power project's access to the grid and thus its generation capacity can be reduced. Such reductions result in a corresponding decrease in revenue, which if prolonged or occur frequently could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company enters into transactions with related parties.

In the ordinary course of business, the Company transacts with its related parties, such as its associates and certain of its associates and joint ventures enter into transactions with each other. These transactions have principally consisted of advances, loans, bank deposits, reimbursement of expenses, purchase and sale of real estate and other properties and services, sale of electricity, construction contracts and development, management, marketing and administrative service agreements.

While the Company believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms, these transactions may involve conflicts of interest, which, although not contrary to law, may be detrimental to the Company.

The Company is exposed to credit and collection risks.

As in other businesses, the power business is exposed to credit and collection risks related to its customers. These include the TransCo, rated corporations as well as cooperatives that have varying credit ratings and private DUs. Further, the government may impose moratorium on collections. For example, the Bayanihan 2 Act imposed a minimum 30-day grace period for the payment of electricity and other utilities falling due within the period of ECQ or modified ECQ without penalty and further provides that such payments may be settled on a staggered basis in no fewer than three monthly instalments. In April 2021, the ERC released a public advisory that there will be a moratorium on the imposition of interest on delayed FIT payments due to the COVID-19 pandemic. This moratorium will be imposed for six billing periods from the relevant billing period wherein the interest had first been incurred. In addition, the power projects in Indonesia and in Vietnam are exposed to collection risks from the *Perusahaan Listrik Negara* ("PLN") as the sole electricity business authority in Indonesia and Vietnam Electricity ("EVN"), which has total control of the national power transmission and distribution market in Vietnam, respectively. The power projects in India, once operational, may also be exposed to collection risk from government related entities such as SECI and GUVNL, which are its off-takers. There can, however, be no assurance that all customers will pay the Company in a timely manner or at all. In such circumstances, the Company's working capital needs would increase, which could, in turn, divert resources away from the Company's other projects. If a large amount of its customers were unable or unwilling to pay the Company, its financial condition could be negatively affected.

Exchange rate and/or interest rate fluctuations may have a significant adverse impact on the Company's business, financial condition, results of operations and prospects.

The Company's functional currency is the Philippine Peso, and the Company has and may have assets, income streams and liabilities denominated in a number of currencies, including U.S. Dollars, Indonesian Rupiah, Vietnamese Dong, Indian Rupee, and Australian Dollars. Changes in foreign currency rates could have an adverse impact on the Company's business, financial condition, results of operations and prospects. Currency fluctuations affect the Company because of mismatches between the currencies in which operating costs are incurred and those in which revenues are received.

The insurance coverage of the power projects may not be adequate.

The power projects maintain levels of insurance, which the Company believes are typical with the respective business structures and in amounts that it believes to be commercially appropriate. However, a power project may become subject to liabilities against which it has not insured adequately or at all, or are unable to insure. In addition, insurance policies contain certain exclusions and limitations on coverage, which may result in claims not being honoured to the extent of losses or damages suffered. Further, such insurance policies may not continue to be available at economically acceptable premiums, or at all. The occurrence of a significant adverse event, the risks of which are not fully covered or honoured by such insurers, could have a material adverse effect on a power project's business, financial condition, results of operations and prospects. In addition, under some of the power project's debt agreements, the power project is required to name the lenders under such debt agreements as a beneficiary or a loss payee under some of its insurance policies, or assign the benefit of various insurance policies to the lenders. Therefore, even if insurance proceeds were to be payable under such policies, any such insurance proceeds will be paid directly to the relevant lenders instead of to the power project. If an insurable loss has a material effect on a power project's operations, the power project's lenders may not be required to pay any insurance proceeds or to compensate the power project for loss of profits or for liabilities resulting from business interruption, and this could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may be adversely affected by WESM price fluctuations.

Market prices for electric power fluctuate substantially. As electric power can only be stored on a very limited basis and generally must be produced concurrently with its use, frequent supply and demand imbalances result in power prices that are subject to significant volatility. Electricity prices may also fluctuate substantially due to other factors outside of the Company's control, including, but not limited to:

- changes in the generation capacity in the markets, including additional new supply of power from development or expansion of power plants, and decreased supply from closure of existing power plants;
- additional transmission capacity;
- electric supply disruptions, such as power plant outages and transmission disruptions;
- changes in power demand or in patterns of power usage, including the potential development of demand-side management tools and practices;
- the authority of the ERC to review and adjust the prices on the WESM;
- climate, weather conditions, natural disasters, wars, embargoes, terrorist attacks and other catastrophic events;
- availability of competitively priced alternative power sources; and
- changes in the power market and environmental regulations and legislation.

The foregoing factors may have a material adverse effect on the business, financial condition, and operations of the Company.

Increased volatility and uncertainty in fuel and commodity prices as a result of the war in Ukraine may affect supply and pricing of raw materials for production of thermal energy.

On 24 February 2022, the Russian Federation launched a “special military operation” to invade the country of Ukraine in Eastern Europe, resulting in the escalation of the Russo-Ukrainian War. Armed conflict between Russian and Ukrainian forces soon ensued, killing, and injuring several military and civilian personnel, and which continues to the date of this Information Statement.

To impose sanctions on Russia as a result of the invasion, the United States has banned the importation of Russian oil and gas, while the United Kingdom has committed to phase out the said petroleum products by the end of 2022. Both Russia and Ukraine are major exporters of raw materials for thermal energy production, namely coal, oil, and gas. As of end-2020 (latest available data), Russia is one of the world’s largest producers of oil and coal. . .⁶ In addition, Ukraine is an important transit country for supplies of oil and natural gas from Russia to countries throughout Europe, and prior to the war, also a major exporter of coal. . .⁷

With sanctions and conflict cutting thermal raw material supply in both countries, market expectations of oil and gas production from Russia, as well as coal production from Ukraine have similarly been reduced. Global market prices of petroleum and coal products in general subsequently began to rise, with Newcastle coal (ICE commodity symbol: NEWC) reaching US\$336.00 per metric ton. . .⁸ and Brent Crude Oil reaching US\$118.05 per barrel. . .⁹ As a result, since the Philippines remains mostly dependent on thermal energy, spot market prices remain elevated. Should the war in Ukraine continue, high power prices may adversely impact ACEN’s trading position, if it continues to be a net buyer on the WESM. However, with the completion of new projects in its aggressive RE expansion, the company believes that it may achieve a net seller position with an RE portfolio that may be able to take elevated power prices in the merchant market without the higher costs associated with raw materials for thermal resources.

Risks Relating to the Philippines

Any political instability in the Philippines may adversely affect the Company.

The Philippines has from time to time experienced political and military instability. The Philippine constitution provides that in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately-owned public utility or business. In the last few years, there has been political instability in the Philippines, including public and military protests. No assurance can be given that the political environment in the Philippines will stabilise or that periods of political instability will not occur in the future, particularly in connection with or resulting from the Philippine Presidential elections to be held in May 2022. There can be no assurance that the next administration will continue to implement the economic policies favoured by the current administration. Major deviations from the policies of the current administration or fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any political instability in the future may result in inconsistent or sudden changes in the economy, regulations and policies that affect the Company, which could have an adverse effect on its business, results of operations and financial condition.

⁶ BBC News. <<https://www.bbc.com/news/58888451>>

⁷ U.S. Energy Information Administration. <<https://www.eia.gov/international/analysis/country/UKR>>

⁸ As of 18 March 2022, end of trading, for March 2022 contracts.

⁹ As of 18 March 2022, end of trading, for front-month contracts.

Any decrease in the credit ratings of the Philippines may adversely affect the Company's business.

The Philippines is currently rated investment grade by major international credit rating agencies such as Moody's S&P and Fitch. While in recent months these rating agencies have assigned positive or stable outlooks to the Philippines' sovereign rating, no assurance can be given that these agencies will not in the future downgrade the credit ratings of the Government and, therefore, Philippine companies, including the Company. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Territorial disputes among the Philippines and its neighbouring nations may adversely affect the Philippine economy and the Company's business.

China and other Southeast Asian nations, such as Brunei, Malaysia, and Vietnam, have been engaged in competing and overlapping territorial disputes over islands in the West Philippine Sea (also known as the South China Sea). This has produced decades of tension and conflict among the neighbouring nations. The West Philippine Sea is believed to house unexploited oil and natural gas deposits, as well as providing home to some of the biggest coral reefs in the world. China, in recent years, has been vocal in claiming its rights to nearly the whole of the West Philippine Sea – as evidenced by its increased military presence in the area. This has raised conflict in the region among the claimant countries.

In 2013, the Philippines filed a case to legally challenge China's claims in the West Philippine Sea and to resolve the dispute under the United Nations Convention on the Law of the Sea. The case was filed on the Permanent Court of Arbitration, the international arbitration tribunal at The Hague, Netherlands. In July 2016, the tribunal ruled in favour of the Philippines and stated that China's claim was invalid. China rejected the ruling, claiming that it did not participate in the proceedings as the tribunal had no jurisdiction over the case. News reports have reported increased Chinese activity in the area, including the installation of missile systems and the deployment of bomber planes. Other claimants have challenged China's actions in the West Philippine Sea.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighbouring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and the Company's business and financial standing may be adversely affected, particularly as to the operations of ENEX's SC 55 block which is located near the West Philippine Sea.

Corporate governance and disclosure standards in the Philippines may differ from those in more developed countries.

Although a principal objective of Philippine securities laws is to promote full and fair disclosure of material corporate information, there may be less publicly available information about Philippine public companies, such as the Company, than is regularly made available by public companies in the U.S. and other countries. As a result, public shareholders of the Company may not have access to the same amount of information or have access to information in as timely of a manner as may be the case for companies listed in the U.S. and many other jurisdictions. Furthermore, although the Company and its Philippine subsidiaries comply with the requirements of the Philippine SEC with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions. For example, the Revised Corporation Code of the Philippines requires the Company to have independent Directors constituting at least 20.0% of its board of directors. The Company exceeds that requirement and currently has four (4) independent directors.

Furthermore, corporate governance standards may be different for public companies listed on the Philippine securities markets than for securities markets in developed countries. Rules and policies against self-dealing and regarding the preservation of interests of public shareholders of the Company may be less well-defined and enforced in the Philippines than elsewhere, putting public shareholders at a potential disadvantage. Because of this, the directors of Philippine companies may be more likely to have interests that conflict with the interests of shareholders generally, which may result in them taking actions that are contrary to the interests of public shareholders of the Company.

Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Company's businesses.

The Philippine economy has experienced volatility in the value of the Peso and also limitations to the availability of foreign exchange. The value of the Peso underwent significant fluctuations between July 1997 and December 2004 and the Peso declined from approximately ₱29.00 to U.S.\$1.00 in July 1997 to ₱56.18 to U.S.\$1.00 by December 2004, recovering to ₱43.89 at the end of December 2010.

The value of the Peso has generally depreciated since 2010, and its valuation may be adversely affected by certain events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in the U.S. and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines. Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Peso against the U.S. Dollar and other currencies. As of 31 December 2024, according to the BSP reference exchange rate bulletin, the Peso was at ₱58.0140 per U.S.\$1.00 and ₱55.5670 per U.S.\$1.00 at the end of 2024 and 2023, respectively.

Investors may face difficulties enforcing judgments against the Company.

The Company is organized under the laws of the Republic of the Philippines. A substantial portion of the Company's assets is located in the Philippines. It may be difficult for investors to effect service of process outside of the Philippines upon the Company. Moreover, it may be difficult for investors to enforce judgments against the Company outside of the Philippines in any actions pertaining to the Notes. In addition, most of the directors and officers of the Company are residents of the Philippines, and all or a substantial portion of the assets of such persons are or may be located in the Philippines. As a result, it may be difficult for investors to effect service of process upon such persons or enforce against such persons judgments obtained in courts or arbitral tribunals outside of the Philippines predicated upon the laws of jurisdictions other than in the Philippines.

The Philippines is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments but is a signatory to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Moreover, the Philippine enacted Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004, to facilitate the enforcement of arbitral awards in the Philippines. Judgments obtained against the Company in any foreign court may be recognized and enforced by the courts of the Philippines in an independent action brought in accordance with the relevant procedures set forth in the Rules of Court of the Philippines to enforce such judgment. The enforceability of foreign judgments in the Philippines is specifically provided for in the 1997 Rules of Civil Procedure. Section 48 of Rule 39 of the Rules of Civil Procedure provides that a judgment or final order of a tribunal of a foreign country having jurisdiction to give the judgment or final order is as follows: (a) in case of a judgment or final order upon specific property, is conclusive upon the title to that property; and (b) in case of a judgment or final order against a person, is presumptive evidence of a right between the parties and their successors in interest by a subsequent title. Further, Philippine courts have held that a foreign judgment is presumed to be valid and binding in the country from which it issues, until the contrary is shown, and the party contesting the foreign judgment has the burden of overcoming the presumption of its validity. However, such foreign judgment or final order may be rejected in the following instances: (i) such judgment was obtained by collusion or fraud, (ii) the foreign court rendering such judgment did not have jurisdiction, (iii) such order or judgment is contrary to good customs, public order, or public policy of the Philippines, (iv) the Company did not have notice of the proceedings before the foreign court, or (v) such judgment was based upon a clear mistake of law or fact.

Regulatory uncertainty may result in delays in implementation of government programs, or in changes in regulations

The Philippines is a unitary democratic republic, with a President as its head of state and government, elected to a non-renewable six-year term. General elections for the President, Vice President, are held every six years, while Congress and officials of local government units are elected to three-year terms. Presidential administrations and legislative sessions, as well as the officials and political parties holding these offices, vary from term to term, due to term limits prescribed by the 1987 Philippine Constitution and results of elections. As a result, the President and his administration may implement programs, endorse legislation, enforce executive orders, and/or execute other actions, that may result in delays of implementation of government programs, or may result in changes in regulations that benefit ACEN, its partners, and its affiliate businesses. In addition, the bicameral Philippine Congress, may also pass legislation that delays said implementation of government programs or change regulations that promote RE in the Philippines. Several government programs such as the Renewable Energy Law, the RCOA Program, and the Green Energy Option Program, benefit the Company through the expansion of its RE market.

Item 2. Properties

ACEN and its subsidiaries own the following fixed assets as of 31 December 2024:

Properties	Location	Amount (in thousand PhP)
Land and land improvements	Bacnotan, La Union/ Norzagaray, Bulacan/ San Lorenzo, Guimaras/ Manapla/ Bangui, Ilocos Norte/ Palauig, Zambales/ Negros Occidental/ Botolan, Zambales	1,428,389
Buildings and improvements	Makati City/ Guimaras/ Norzagaray, Bulacan/ Subic/ San Carlos, Negros Occidental	2,715,483
Machinery and equipment	Guimaras/ Norzagaray, Bulacan/ Bacnotan, La Union// San Carlos, Negros Occidental/ Ilocos Norte/ Lanao Del Norte/ Olongapo City/ Iloilo/ Bais City, Negros Oriental/ Alaminos, Laguna/ Palauig, Zambales/ Mariveles, Bataan	57,737,560
Transportation equipment	Makati City/ Guimaras/ Norzagaray, Bulacan/ Subic/ Bacnotan, La Union/ Pililia, Rizal/ San Carlos, Negros Occidental	307,401
Tools and other miscellaneous assets	Makati City/ Guimaras/ Bacnotan, La Union// San Carlos, Negros Occidental	8,709,009
Office furniture, equipment and others	Makati City/ Guimaras/ Bacnotan, La Union/ Norzagaray, Bulacan// San Carlos, Negros Occidental	437,333
Construction in progress	Alaminos, Laguna/ San Marcelino, Zambales/ Pagudpud, Ilocos Norte/ Lal- lo, Cagayan/ Uralla, New South Wales	60,735,973
Total		132,071,148
Less: Accumulated depreciation, amortization and impairment		10,218,688
Net		121,852,460

Source: Audited consolidated financial statements as of 31 December 2024

The Group invested significant capital expenditures related to the following consolidated projects amounting to ₱34,885.90 million and ₱28,034.53 million for the years ended December 31, 2024 and for the year ended December 31, 2023, respectively.

Development cost amounting to ₱5,305.76 million (US\$90.53 million) of New England Solar Farm 1 was reclassified as property, plant and equipment upon the project's commercial date of operations on May 1, 2024.

Project	Capacity (MW)	Location	% Completion	
			2024	2023
Pagudpud Wind	160	Ilocos Norte, Philippines	100%	98%*
San Marcelino Solar (Phase 1 and 2)	385	Zambales, Philippines	100%	98%*
San Marcelino Solar (Phase 3)	200	Zambales, Philippines	5%	<1%
Cagayan North Solar (Phase 1)	133	Lal-lo Cagayan, Philippines	100%*	98%*
Palauig 2 Solar	300	Zambales, Philippines	84%	31%
Pangasinan Solar	60	Pangasinan, Philippines	99.5%	60%
New England Solar Farm 1	521	Uralla, New South Wales, Australia	100%	98%*
New England BESS	200	Uralla, New South Wales, Australia Central Western	8%	--
Stubbo Solar	520	Tablelands, New South Wales, Australia	91%	23%

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC to AREIT shares in exchange for a 276-hectare parcel of land located in Zambales, Philippines. Total cost of the land disposed during the transaction amounted to ₱500.76 million.

Unpaid Property, Plant and Equipment

As at December 31, 2024 and 2023, unpaid property, plant and equipment acquisitions amounted to ₱1,006.93 million and ₱378.11 million, respectively.

Borrowing Cost Capitalized

Borrowing cost capitalized to property, plant, and equipment amounted to ₱2,634.81 million and ₱1,852.97 million for the years ended December 31, 2024 and 2023, respectively (see Note 19). The capitalization rate used to determine the borrowing cost eligible for capitalization is 6.28% and 5.38% in 2024 and 2023, respectively.

Mortgaged Property, Plant and Equipment

NorthWind's Land, Wind Turbine Generator, Building and Machinery with carrying value of ₱1,686.80 million and ₱1,853.11 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for a long-term loan.

Guimaras Wind's wind farm with carrying value of ₱3,274.29 million and ₱3,374.16 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for the long-term loan.

MONTESOL's solar power plant with a carrying value of ₱803.50 million and ₱849.97 million as at December 31, 2024 and 2023, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" account is mortgaged as security for the long-term loan.

SACASOL's solar power plant with a carrying value of ₱2,346.19 million and ₱2,494.44 million as at December 31, 2024 and 2023, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" account is mortgaged as security for the long-term loan.

Contractual Commitments

The Group has commitments for property, plant and equipment, which are contracted for but not provided for in the consolidated financial statements amounting to ₱76,755.59 million and ₱45,096.84 million as at December 31, 2024 and 2023, respectively.

Lease Commitments

Lease with Laguna Lake Development Authority (LLDA)

On August 8, 2023, the Group signed a Renewable Energy Contract Area Utilization (RECAU) agreement with Laguna Lake Development Authority (LLDA) to lease 800 hectares of Renewable Energy Areas (REAs) in Laguna, Philippines for a floating solar project with 800 MW capacity.

The term of the lease shall be 25 years commencing from the signing of the contract and may be renewed for a maximum of 25 years subject to terms and conditions as mutually agreed by the Lessor and the Group. Upon signing of the contract, the Group was required to pay an initial bid fee, to be settled based on the scheduled payment tranches until 2025. Upon payment of the initial bid fee, the Group was given the exclusive right to use the lake to build, construct projects for renewable energy within the area. Upon commercial operation, the Lessee is also required to pay an annual user's fixed fee until the expiration of the lease agreement, subject to compounded increase of 2% per year.

New England Solar Farm Stage 2

Between February and November 2023, the Group entered into several lease agreements totalling 2,331 acres of land located in Uralla, New South Wales as site for the construction and operation of the proposed 416MW solar power plant project.

The term of the leases is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 20 years. It is a requirement that the Group returns the leased area to the landholder in substantially the same condition it was in at the Commencement date.

Stubbo Solar

Between February and August 2023, the Group entered into several lease agreements totalling 4,077 acres of land located in Stubbo, New South Wales as the site for the construction and operation of the proposed 520MW solar power plant project.

The term of the lease is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to an annual adjustment of CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 20 years. It is a requirement that the Group returns the leased area to the landholder in substantially the same condition it was in at the Commencement date.

San Carlos Solar 1A and 1B

On March 7, 2014, the Group entered into a lease agreement with a third party for the lease of 35 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as site for the construction and operations of the Phase 1A and Phase 1B solar power plant projects. Upon execution of the agreement, the Group holds the land area delineated for Phase 1A for a period of 25 years. The area delineated for Phase 1B is held for the remaining term of the agreement upon the receipt of notice by the Group.

On June 18, 2020, the Group had its lease modified with the lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period, respectively. The lease modification did not result in a separate lease.

San Carlos 1C and 1D

On October 21, 2014, the Group entered into a lease agreement with a third party for the lease of 32.4214 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as the site for the construction and operations of Phases 1C and 1D solar power plant projects. Upon execution of the agreement, SACASOL holds the land area for a period of 25 years.

On June 18, 2020, the Group had its lease modified with lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period. The lease modification did not result in a separate lease.

La Carlota 2A and 2B

On June 5, 2014, the Group entered into a lease agreement for the lease of 24.4258 hectares of land located at La Carlota City, Negros Occidental as the site for the construction and operations of Phases 2A and 2B solar power plant projects of the Group. The Group holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the lessor by the lessee not earlier than one (1) year but not later than six (6) months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties three (3) months before the expiration of the original period of lease.

On May 6, 2015, the Group entered into another lease agreement for the lease of approximately 180,331.76 sq.m. of land located at La Carlota City, Negros Occidental. The Group holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the Lessor by the lessee not earlier than 1 year but not later than 6 months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties 3 months before the expiration of the original period of lease.

Alaminos Solar Plant

On September 30, 2019, the Group entered into a lease agreement with a related party Ayala Land, Inc., Crimson Field Enterprises Inc., and Red Creek Properties Inc., for 106.59 hectares of land located in Barangay San Andres, Alaminos, Laguna as the site for the construction and operation of a solar power facility.

The term of the lease is for a period of 21 years, with a fixed monthly rental payment of per square meter, exclusive of VAT. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and the rate of increase of real property tax where the property is located. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 21 years.

Bataan BESS

On April 22, 2020, the Group entered into a lease agreement with a third party for 13.95 hectares of land located in Batangas II, Mariveles, Bataan. The property is used to develop, operate and maintain a 5MW RE Laboratory facility. The term of the sublease is for a period of 25 years, with a fixed monthly rental payment per square meter, exclusive of VAT. The period of lease may be extended, under the same terms and conditions at the sole discretion of the Group for up to another 25 years.

Palauig 2 Solar

On September 26, 2024, the Group executed a lease contract over the property of the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and lessee under such terms and conditions as may acceptable to them. The initial rent is based on a fixed rate per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payment commencing from July 1, 2025 shall be done in advance on a quarterly basis. This lease is part of the sale and leaseback transaction of the Group and its affiliate, AREIT, Inc.

Item 3. Legal Proceedings

Involvement in certain legal proceedings

Except as disclosed herein or in the Information Statements of the Company's subsidiaries or affiliates which are themselves public companies or as has been otherwise publicly disclosed, there are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five years to which the Company or any of its subsidiaries or affiliates or its directors or executive officers is a party or of which any of its material properties is subject, in any court or administrative agency.

Item 4. Submission of Matters to a Vote of Security Holders

Matters Not Required to be Submitted

There are no other matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholders' Matters

Market Price

ACEN's common shares are listed with the Philippine Stock Exchange.

The following table shows the high and low prices (in PHP) of ACEN CORPORATION's shares in the Philippine Stock Exchange for the year 2024 and 2023:

	<u>2024</u>		<u>2023</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
1 st Quarter	4.38	3.77	7.49	5.90
2 nd Quarter	5.10	3.10	6.24	5.18
3 rd Quarter	5.90	4.58	5.50	4.70
4 th Quarter	5.39	3.47	5.38	4.15

Source: Philippine Stock Exchange

The market capitalization of the Company's common shares as of end-2024, based on the closing price of P4.00/share, was approximately ₱159 billion.

The price information of ACEN common shares, preferred A and preferred B shares as of the close of the latest practicable trading date, 5 March 2025 are ₱3.10, ₱1,014 and ₱1,075, respectively.

Dividends

The dividends declared and paid from 2023 to the present are as follows:

Date of Declaration	Dividend			Record Date
	Type	Rate (in PHP)	Amount (in thousands PHP) *	
7 August 2023	Cash	0.04 per common share	1,587,096	22 August 2023
3 November 2023	Cash	Php 17.835 per Series A Preferred Share	148,749	17 November 2023
3 November 2023	Cash	Php 20.00 per Series B Preferred Shares	333,170	17 November 2023
8 February 2024	Cash	Php 17.835 per Series A Preferred Share	140,542	23 February 2024
8 February 2024	Cash	Php 20.00 per Series B Preferred Shares	322,141	23 February 2024

Dividend policy

The payment by ACEN of dividends is subject to the availability of retained earnings following the SEC rule on calculation of available retained earnings for dividend declaration, loan covenants, and financial ratios.

ACEN declares cash or stock dividends to its common stockholders in amounts determined by the Board taking into consideration the results of the Company's operations, its cash position, investments and capital expenditure requirements, and unrestricted retained earnings. The Company also declares special cash dividends where appropriate.

On 18 August 2020, the Board of Directors of the Company approved a dividend policy of declaring and paying dividends on an annual basis using a payout ratio of 25% to 50% of the previous year's core net income, excluding significant non-recurring gains (including value realization proceeds) or losses. The said dividend policy was approved to be effective on 1 January 2021.

On 7 August 2023, the Company declared cash dividends of four centavos (Php0.04) per common share on the 39,677,394,773 outstanding common shares of the Company to the stockholders on record as of 22 August 2023.

On 3 November 2023, the Company declared the following dividends:

- a. dividends at the rate of $\frac{1}{4}$ of 7.1330% per annum equivalent to Php 17.835 per share on the Company's outstanding Series A Preferred Shares to the stockholders on record as of 17 November 2023, and
- b. dividends at the rate of $\frac{1}{4}$ of 8% per annum equivalent to Php 20.00 per share on the Company's outstanding Series B Preferred Shares to the stockholders on record as of 17 November 2023.

On 8 February 2024, the Company declared the following dividends:

- a. dividends at the rate of $\frac{1}{4}$ of 7.1330% per annum equivalent to Php 17.835 per share on the Company's outstanding Series A Preferred Shares to the stockholders on record as of 23 February 2024, and
- b. dividends at the rate of $\frac{1}{4}$ of 8% per annum equivalent to Php 20.00 per share on the Company's outstanding Series B Preferred Shares to the stockholders on record as of 23 February 2024.

Recent Issuances of Securities Constituting an Exempt Transaction

On 21 March 2022, the Company signed Subscription Agreements with the following entities for the following number of shares in the Company at a price of Php 11.32 per share in exchange for cash in the aggregate amount of Php 10.66 billion:

1. UPC Renewables Asia Pacific Holdings Pte Limited (“**UPCAPH**”) – 869,119,204
2. Anton Johannes Rohner - 61,630,796

The transaction was approved by the Board of Directors of the Company on 18 October 2021. The issuance and listing of the ACEN common shares were approved by the Company's stockholders on 15 December 2021.

Exempt from Registration. The requirement of registration under Subsection 8.1 of the SRC does not apply to the issuance of shares to UPACPH and Mr. Rohner as the sale was to fewer than twenty (20) persons in the Philippines during any twelve-month period (*Subsection 10.1 [k] of the SRC*).

On 18 October 2021, the Board of Directors of the Company approved the issuance of up to 390 million shares to the owners, affiliates, and/or partners of UPC Philippines (collectively, the “UPC PH Group”) at a price of Php 8.2889 per share, thus:

1. UPC Philippine Wind Partners Ltd. - 183,900,026
2. Alan Kerr - 4,318,008
3. PQN Holdings Ltd. - 8,473,688
4. Butterfly Securities Ltd. - 3,412,744
5. Brian E. Caffyn Revocable Trust - 85,407,247
6. Estanyol Holdings Ltd. - 61,622,826
7. Tenggay Holdings Ltd, - 42,861,294

The issuance and listing of the ACEN common shares were approved by the Company's stockholders on 15 December 2021.

On 8 March 2022, the Board of Directors approved a revised list of subscribers constituting the UPC PH Group, including a re-allocation of some of the shares for subscription, in exchange for cash in the aggregate amount of ~Php 3.23 billion, thus:

1. UPC Philippines Wind Partners Ltd. – 19,059,423
2. Wind City Inc. – 142,668,634
3. Estanyol Holdings Ltd. – 153,493,200
4. Tenggay Holdings Ltd. – 70,525,763
5. Alan Kerr - 4,248,813

The issuance and listing of the ACEN common shares, as revised, were approved by the Company's stockholders on 25 April 2022.

Exempt from Registration. The requirement of registration under Subsection 8.1 of the SRC does not apply to the issuance of shares to the UPCPH Group as the sale was to fewer than twenty (20) persons in the Philippines during any twelve-month period (*Subsection 10.1 [k] of the SRC*).

On 21 April 2022, the Company issued 8,188,097 common shares to various employees of the Company through the Employee Stock Ownership ("ESOWN") Plan at a price of Php 6.96 per share in exchange for cash. On 19 August 2022, the Company issued 32,622,666 common shares to various employees of the Company through the ESOWN Plan at a price of Php 6.50 per share in exchange for cash.

Exempt from Registration. On 4 March 2022, the SEC resolved that the requirement of registration under Subsection 8.1 of the SRC does not apply to the issuance of shares under the ESOWN plan by reason of the issuance being limited to the eligible employees of the Company and its participating subsidiaries and affiliates. (*Subsection 10.2 of the SRC*).

Stockholders

Common Shares

There are 4,533 registered holders of common shares as of 28 February 2025.

The following are the top 20 registered holders of common shares of the Company, the number of shares held, and the percentage of ownership as of 28 February 2025 based on the records of our stock transfer agent:

	Stockholder name	No. of common shares	Percentage of common shares
1.	AC Energy and Infrastructure Corporation	22,910,721,773	57.72%
2.	PCD Nominee Corporation (Non-Filipino)	9,727,106,967	24.51%
3.	PCD Nominee Corporation (Filipino)	6,446,489,081	16.24%
4.	UPC Renewables Asia Pacific Holdings PTE Limited	120,000,000	0.30%
5.	Ayala Corporation	100,603,569	0.25%
6.	AC Energy and Infrastructure Corporation	80,354,000	0.20%
7.	Ferdinand A. Dumlao	36,000,000	0.09%
8.	SM Investments Corporation	35,545,857	0.09%
9.	ESOWN Administrator 2022	32,622,666	0.08%
10.	Shoemart, Inc.	22,587,609	0.06%
11.	Henfels Investments Corporation	18,450,000	0.05%
12.	ACEN CORPORATION Treasury Shares	14,500,000	0.04%
13.	Ayala Corporation FAO Various Eligible Stockholders for Property Dividend	13,839,812	0.03%
14.	Social Security System	9,874,083	0.02%
15.	ESOWN Administrator 2021	8,188,097	0.02%
16.	Niels Jacobsen	5,593,546	0.01%
17.	Kia Borch Jacobsen	4,661,289	0.01%
18.	Kresten Borch Jacobsen	4,661,289	0.01%
19.	Sysmart Corporation	4,544,103	0.01%
20.	SM Investment Corporation	4,345,506	0.01%

A list of the Company's top 100 registered holders of common shares as of 31 December 2024 can be found through this link:
https://edge.pse.com.ph/openDiscViewer.do?edge_no=0df4ade603f8f042ec6e1601ccee8f59

Preferred Shares - Series A

There are two (2) registered holders of Preferred Shares - Series A as of 28 February 2025.

	Stockholder name	No. of Preferred Shares – Series A	Percentage of Preferred Shares – Series A
1.	PCD Nominee Corp – Filipino	8,269,970	99.14%
2.	PCD Nominee Corp – Non Filipino	71,530	0.86%

A list of the Company’s top 100 registered holders of Preferred Shares – Series A as of 31 December 2024 can be found through this link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=97c9068e5b0e3122ec6e1601ccee8f59

Preferred Shares - Series B

There are eight (8) registered holders of Preferred Shares – Series B as of 28 February 2025.

	Stockholder name	No. of Preferred Shares – Series B	Percentage of Preferred Shares – Series B
1.	PCD Nominee Corp – Filipino	11,507,470	69.08%
2.	Social Security System	3,500,000	21.01%
3.	Social Security System assigned to Mandatory Provident Fund	1,000,000	6.00%
4.	Social Security System assigned to Employees Compensation Fund	500,000	3.00%
5.	PCD Nominee Corporation – Non-Filipino	147,230	0.88%
6.	Beniya Antoinette Chua Catienza	3,000	00.02%
7.	Myra P. Villanueva	700	00.00%
8.	Jose Antonio Vilar	100	00.00%

A list of the Company’s top 100 registered holders of Preferred Shares – Series B as of 31 December 2024 can be found through this link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=e337d7a983a1e2d6ec6e1601ccee8f59

Item 6. Management's Discussion and Analysis or Plan of Operation

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

PLAN OF OPERATION

Financial Performance

The following discussion and analysis of financial position and results of operations of ACEN and its subsidiaries should be read in conjunction with the audited consolidated financial statements as at 31 December 2024 and 2023, and for the years ended 31 December 2024, 2023, and 2022. The audited consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards.

2024

Corporate Highlights:

- On January 3, 2024, transaction closing was achieved by ACEN Investments HK Limited, a subsidiary of ACRI, and Barito Renewables for the acquisition of three late-stage wind development assets with a combined potential capacity of 320 MW. The assets are located in South Sulawesi, Sukabumi and Lombok provinces. The transaction was originally disclosed on December 15, 2023.
- On January 23, 2024, ACEN, together with its joint venture partners PivotGen and UPC Solar & Wind Investments, completed a purchase agreement with EDF Renewables North America for the lessee interests in the 38 MW Chestnut Flats operating wind project near Altoona, Pennsylvania. The purchase was made via the joint venture entity UPC Power Solutions. EDF Renewables will continue to provide asset management, operations, and maintenance services. This represents ACEN's second project in North America, following the Stockyard Wind portfolio in 2023.
- In February 2024, ACEN Australia Pty Ltd. (ACEN Australia), a subsidiary of ACEN, announced that it secured a total of AUD 150 million in green term loans from Australia and New Zealand Banking Group (ANZ) and Westpac Banking Corporation, with each bank providing AUD 75 million. The green term loans represent ACEN's commitment to the Australian market, where 1 GW is already in operation and under construction, with an additional development pipeline of more than 8 GW in renewables.
- In March 2024, ACEN Australia signed a cooperation agreement with Marubeni Corporation for the joint development of a 200 MW/400 MWh (2-hour) Battery Energy Storage System (BESS) in New South Wales, Australia. The signing ceremony for the Agreement took place at the Philippine Business Forum held in Melbourne.
- In March 2024, ACEN announced its second partnership with BrightNight to advance the development, construction, and operation of the latter's renewable power portfolio in the Philippines. The partnership plans to develop and construct 1 GW of renewable energy projects in the Philippines with an estimated capital deployment of USD1.2 billion over the next five years. This is BrightNight and ACEN's second partnership and builds on the success of the one established in India in March 2023, which has already produced the 100 MW Maharashtra Hybrid Solar-Wind project.
- ACEN in March 2024 secured a "B" rating for its climate change disclosure through CDP, a global non-profit that runs the world's leading environmental disclosure platform. This rating puts ACEN two levels higher than last year's, underscoring ACEN's dedication to decarbonization and adherence to the highest environmental standards. Since beginning its disclosures with CDP in 2022, ACEN has actively participated in the Climate Change questionnaire, contributing to the world's most comprehensive inventory of self-reported environmental data. The company's ongoing efforts align with the increasing demand for environmental transparency from financial institutions, customers, and policymakers.

- On April 3, 2024, ACEN's wholly owned subsidiary, ACEN Renewables International Pte. Ltd. (ACRI), together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT UPC Sidrap Bayu Energi, held through UPC Sidrap HK Limited and UPC Renewables Asia III Limited, to PT Barito Wind Energy. PT UPC Sidrap Bayu Energi is the legal entity that owns the 75 MW Sidrap Wind farm in South Sulawesi, Indonesia. The transaction was first disclosed on December 7, 2023. ACEN's parent company AC Energy and Infrastructure Corporation, through ACRI, originally invested in the Sidrap Wind farm, Indonesia's first, in 2017.
- On April 15, 2024, ACRI signed a US\$150 million green term loan facility with Sumitomo Mitsui Banking Corporation, Singapore Branch (SMBC), for financing investments in renewable energy projects across the region. The green term loan has a tenure of five years and SMBC acts as both lender and green loan coordinator.
- On April 17, 2024, ACEN and the Rockefeller Foundation announced that the first Coal to Clean Credit Initiative (CCCI) pilot project under consideration in the Philippines could avoid up to 19 million tons of carbon dioxide (CO₂) emissions. An assessment by the Rocky Mountain Institute (RMI), a technical partner of the Rockefeller Foundation, explored the climate impact of leveraging carbon finance to close the South Luzon Thermal Energy Corporation (SLTEC) coal plant in 2030 – ten years ahead of its scheduled retirement – and replacing it with clean power and battery storage, while supporting the livelihoods of workers affected by the plant's early transition. ACEN executed the world's first market-based Energy Transition Mechanism (ETM) on SLTEC in 2022. Announced during Financing Asia's Transition Conference, RMI's analysis applied CCCI's draft methodology, currently under review by Verra, to assess SLTEC's eligibility for carbon financing. It found that the project meets the eligibility criteria of the draft methodology and that decommissioning by 2030 would not be possible without carbon finance. It found that a carbon credit-backed retirement as early as 2030 could yield positive financial, social, and climate outcomes when compared to a 2040 retirement.
- On July 17, 2024, wholly owned ACEN subsidiaries participated in Meralco's Competitive Selection Process (CSP) for 500 MW of renewable energy supply, winning two 10-year contracts inclusive of renewable energy certificates (RECs). Gigasol 3, Inc. (Gigasol 3) secured 10 MW starting February 2025 with a further 129 MW starting in February 2026, all at tariffs of P8.1819/kWh. Santa Cruz Solar Energy, Inc. (SCSEI) won a further 21 MW starting February 2026 at P8.1998/kWh. On December 3, 2024, the Energy Regulatory Commission granted provisional authority to Gigasol 3 to implement their power supply agreement at the applicable fixed rate of P5.1908/kWh without escalation or adjustment. However, no formal notice of the fixed rate of P5.1908/kWh was given to Gigasol 3.
- On August 16, 2024, ACEN, GenZero and Keppel Ltd. (Keppel) signed a Memorandum of Understanding (MOU) to jointly explore the origination and utilization of Transition Credits (TCs) to accelerate the retirement of the South Luzon Thermal Energy Corporation (SLTEC) coal-fired power plant (CFPP) in Batangas, the Philippines, and replace it with a clean energy dispatch facility. When completed, this project is expected to be one of the first converted CFPPs in the world to generate TCs. This pioneering initiative reflects the shared commitment of the partners to accelerate the orderly and just transition to clean energy in Southeast Asia. Under the MOU, the parties will jointly undertake a development study to explore utilizing TCs to facilitate the project's implementation and achievement of the early retirement goal. The origination and sale of TCs will help accelerate the decommissioning of the 246 MW SLTEC CFPP located in Calaca, Batangas by 10 years (i.e. 2030) and support just transition initiatives.
- On August 22, 2024, ACEN and PT Barito Renewables Energy Tbk ("Barito Renewables") announced a partnership designed to accelerate the development of wind renewable energy projects across Indonesia. This strategic partnership will be executed through ACEN's subsidiary, ACEN Indonesia Investment Holdings Pte. Ltd., and Barito Renewables' subsidiary, PT Barito Wind Energy. It builds on the 2024 acquisition of three strategically located late-stage wind development assets in South Sulawesi, Sukabumi, and Lombok, which collectively offer a potential capacity of 320 MW of wind energy, supplemented by cutting-edge battery energy storage solutions.
- On September 30, 2024, ACEN was honored with 4 Golden Arrows by the Institute of Corporate Directors at the 2024 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards. ACEN secured this highest award for the second consecutive year. The company was among 111 publicly listed companies that were recognized, and was one of 13 with four Golden Arrows.

- On October 7, 2024, the Company's Board approved investment into, and commencement of construction of, the first two phases of the Quezon North Wind power project, previously called the Isla Wind Power Project, through a wholly-owned subsidiary, Giga Ace 6, Inc. (Giga Ace 6). Quezon North Wind is expected to become the country's largest wind farm, with a combined capacity of the first two phases reaching up to 553 MW. The first phase, totaling 345 MW, is a GEAP-committed project.
- On December 16, 2024, ACEN was named a winner at the Philippine Department of Energy (DOE)'s Sustainability Energy Awards, via its 81 MW North Luzon Renewables (NLR) wind farm in Pagudpud, Ilocos Norte. The DOE's awards program aims to honor exceptional efforts in promoting renewable energy innovation, best practices, and impactful achievements. ACEN's project was recognized under the category of Renewable Energy Projects in On-Grid Areas for its outstanding role in fostering a secure, reliable, clean, and resilient energy sector. NLR generates approximately 205,000 MWh of clean energy annually, powering around 50,000 homes and avoiding 144,000 metric tons of carbon emissions each year. Beyond compliance, North Luzon Renewables wind project has demonstrated how renewable energy can create positive environmental and social impact for host communities.
- Throughout the fourth quarter of 2024, ACEN Renewable Energy Solutions (ACEN RES), the Philippine commercial and industrial (C&I)/retail arm of ACEN, signed several significant Philippine customers, transitioning them to 100% renewable energy usage. These include Cebu Pacific, the Philippines' leading airline, and Globe Telecom, the leading telecommunications company in the country, which shifted 20 of its facilities to ACEN RES. AC Health, Ayala's healthcare solutions arm, through its Healthway Medical Network, also transitioned six of its Qualimed Hospitals to renewable energy via ACEN RES.

Operating Highlights:

- ACEN as of December 31, 2024, has 6,828MW (megawatts) of attributable renewable capacity from projects that are operational, under construction, and committed in the Philippines and internationally. This puts the Group in a strong position to reach its 20GW (gigawatts) renewable target by 2030.
- The operating status split of the 6,828MW net attributable renewable capacity is:
 - 48% or 3,284MW operating
 - 34% or 2,315MW under construction; and
 - 18% or 1,299MW committed

Committed capacity refers to a project that has already been approved by the Board of Directors but has not received notice to proceed with construction.

- The geographical split of the 6,828MW net attributable renewable capacity is:
 - 35% or 2,397MW - Philippines
 - 16% or 1,092MW - Australia
 - 18% or 1,212MW - Vietnam – Lao PDR
 - 24% or 1,659W - India
 - 1.5% or 105MW - Indonesia
 - 2% or 142MW - United States of America
 - 3% or 220MW – Others, primarily rooftop solar from the NEFIN partnership across several countries in Southeast Asia
- The technology split of the 6,828MW net attributable renewable capacity is:
 - 67% or 4,576MW - Solar (with 797MW committed capacity)
 - 29% or 2,001MW - Wind (with 384MW committed capacity)
 - 2% or 138MW - Battery (with 48MW committed capacity)
 - 2% or 113MW – Geothermal

- The table below presents the selected data on the Group's renewable portfolio in operation and under construction as of December 31, 2024, totaling 5,599MW.

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
North Luzon Renewables	Renewable	Wind	Philippines	Operating	81	81%	66
Guimaras Wind	Renewable	Wind	Philippines	Operating	54	100%	54
Northwind Power	Renewable	Wind	Philippines	Operating	52	100%	52
Islasol	Renewable	Solar	Philippines	Operating	80	60%	48
Sacasol	Renewable	Solar	Philippines	Operating	45	100%	45
Montesol	Renewable	Solar	Philippines	Operating	18	100%	18
Alaminos Solar	Renewable	Solar	Philippines	Operating	120	100%	120
Palauig 1 Solar	Renewable	Solar	Philippines	Operating	63	100%	63
Arayat-Mexico Solar ¹	Renewable	Solar	Philippines	Operating	116	50%	58
ACEN RE Tech Hub	Renewable	Solar	Philippines	Operating	4	100%	4
Maibarara Geothermal	Renewable	Geothermal	Philippines	Operating	32	25%	8
Alaminos Battery Storage	Renewable	Battery	Philippines	Operating	40	100%	40
Sitara Solar	Renewable	Solar	India	Operating	140	80%	112
Paryapt Solar	Renewable	Solar	India	Operating	70	80%	56
Salak & Darajat Geothermal ²	Renewable	Geothermal	Indonesia	Operating	648	15%	97
Ninh Thuan Solar	Renewable	Solar	Vietnam	Operating	405	74.5%	302
Khanh Hoa & Dak Lak	Renewable	Solar	Vietnam	Operating	80	80%	64
SUPER (Solar NT) First Phase Closing ³	Renewable	Solar	Vietnam	Operating	287	49%	141
Mui Ne Wind	Renewable	Wind	Vietnam	Operating	84	50%	42
Quang Binh Wind	Renewable	Wind	Vietnam	Operating	252	80%	202
Ninh Thuan Wind (BIM Wind)	Renewable	Wind	Vietnam	Operating	88	82.15%	72
Lac Hoa & Hoa Dong Wind	Renewable	Wind	Vietnam	Operating	60	80%	48
Masaya Solar	Renewable	Solar	India	Operating	420	80%	336
NEFIN	Renewable	Rooftop Solar	Various ⁴	Operating	105	71%	74
Pagudpud Wind (Bayog/Balaoi)	Renewable	Wind	Philippines	Under construction	160	100%	160
Capa Wind (Amihan)	Renewable	Wind	Philippines	Operating	70	81%	57
Palauig 2 Solar	Renewable	Solar	Philippines	Under Construction	300	100%	300
SanMar Solar 1 & 2	Renewable	Solar	Philippines	Operating	385	100%	385
SanMar Solar 3	Renewable	Solar	Philippines	Under Construction	200	100%	200
Cagayan North Solar (CleanTech/NAREDC O)	Renewable	Solar	Philippines	Operating	133	80%	106
Pangasinan Solar (Sinocalan)	Renewable	Solar	Philippines	Operating	60	100%	60
New England Solar Farm (NESF) Phase 1	Renewable	Solar	Australia	Operating	522	100%	522
Stubbo Solar	Renewable	Solar	Australia	Under Construction	520	100%	520
Monsoon Wind	Renewable	Wind	Lao PDR	Under Construction	600	24%	146
Stockyard Wind	Renewable	Wind	United States	Under Construction	136	80%	109
Chestnut Flats Wind	Renewable	Wind	United States	Operating	38	85%	32
Maharashtra C&I Hybrid – Solar	Renewable	Solar	India	Under Construction	124	80%	99
Maharashtra C&I Hybrid – Wind	Renewable	Wind	India	Under Construction	29	80%	24
New England BESS (2hr) – Section 1	Renewable	Battery	Australia	Under Construction	50	100%	50
Quezon North 1 WPP	Renewable	Wind	Philippines	Under Construction	345	100%	345
Quezon North 2 WPP	Renewable	Wind	Philippines	Under Construction	208	100%	208

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
Salak Unit 7 Expansion	Renewable	Geothermal	Indonesia	Under Construction	40	15%	6
Salak Binary Plant	Renewable	Geothermal	Indonesia	Under Construction	15	15%	2
NEFIN	Renewable	Rooftop Solar	Various ⁴	Under Construction	34	80%	27
Sonagazi Solar	Renewable	Solar	Bangladesh	Under Construction	68	80%	55
Dayasinar Solar	Renewable	Solar	Malaysia	Under Construction	40	80%	32
Solarscape	Renewable	Solar	Malaysia	Under Construction	40	80%	32
					Subtotal		5,599
					Committed Capacity		1,229
					Grand Total		6,828
Notes:							
1. Includes 44-MW expansion under construction.							
2. Includes Salak Binary Plant under construction							
3. Phases 2, 3, and 4 of the Solar NT acquisition are subject to completion of conditions precedent.							
4. Comprises of Mainland China, Hong Kong, Malaysia, Thailand, Taiwan, and Singapore.							

For the years ended December 31, 2024 and 2023, the Group owns 68MW attributable capacity from diesel power plants in Bulacan and La Union, Philippines.

- Attributable generation output reached 5,772GWh (gigawatt hours) which is +24% higher year-over-year driven by production from newly operational plants.
 - The Philippines' attributable generation output reached 1,826GWh which is +59% higher year-over-year from the commissioning of San Marcelino Solar Phases 1 and 2 (345MW), Pagudpud Wind (160MW), Cagayan North Solar (106 MW attributable capacity at 80% ownership) and Arayat Mexico Solar (22MW attributable capacity at 50% ownership)
 - International attributable generation output is +13% higher year-over-year from the ramping-up of New England Solar Farm 1 (522MW) in Australia and Masaya Solar (336MW attributable capacity at 80% ownership) in India, in addition to new capacity from Solar NT (141MW attributable capacity at 49% ownership) in Vietnam.
- Attributable generation output reached 1,485GWh for the fourth quarter (three-month period ended December 31, 2024). This is +18% higher than the third quarter (three-month period ended September 30, 2024) with generation output of 1,256GWh and +11% higher than fourth quarter of the prior year (three-month period ended December 31, 2023) with generation output of 1,341GWh.
 - The Philippines' attributable generation output reached 445GWh, which is +32% higher than the third quarter mainly due to higher wind regime and seasonality. This is higher by +18% than the fourth quarter of the prior year due to the contributions of San Marcelino Solar Phases 1 and 2, which began testing and commissioning in December 2023, and Pagudpud Wind, which began testing and commissioning in March 2023. Overall growth in the fourth quarter of 2024 was tempered by wind turbines in Northern Luzon (i.e., Pagudpud Wind) being offline due to damage caused by a typhoon.
 - International attributable generation output reached 1,040GWh, which is +17% higher than third quarter mainly due to seasonality in Australia and higher wind regime in Vietnam. This is +7% higher than the fourth quarter of the prior year due to the contribution of New England Solar Farm 1 which reached full operating capacity in 2024 compared with the prior year when it was ramping up its capacity (commercial operations was reached on April 2024).

- Philippine spot market position:
 - The Philippine business contracts its capacity through the Feed-in-Tariff (FIT) program, Retail Electricity Supply (RES) with commercial and industrial customers and Power Purchase Agreement (PPA) with a limited number of industrial customers. Any supply that is not sold to the contracted customers are sold to the Wholesale Electricity Spot Market (WESM) and are referred to as uncontracted sales. The spot market position reflects the difference between the contracted and uncontracted volumes.
 - The Philippines achieved a 1,132GWh net seller position for the year ended December 31, 2024, with a total demand of 3,856GWh and total supply (both from third party and ACEN's generated supply) of 4,988GWh. In the prior year (December 31, 2023), the Philippines achieved a 617GWh net seller position, with a total demand of 3,814GWh and total supply of 4,431GWh. Increased generation in 2024 and the termination of the baseload and mid-merit contract with Meralco in November 2024 resulted in a higher net seller position year-over-year.
 - The Philippines achieved a 469GWh net seller position for the fourth quarter with total demand of 788GWh and total supply of 1,258GWh.
 - For the third quarter, the Philippines reached a 52GWh net seller position with a total demand of 1,024GWh and total supply of 1,078GWh. Scheduled preventive maintenance in the third quarter of 2024 of a third-party supplier (none in the fourth quarter 2024) resulted in a higher net seller position quarter-over-quarter. In addition, the termination of the contract with Meralco increased the output sold to the spot market.
 - For the fourth quarter of 2023, the Philippines reached a 205GWh net seller position with total customer demand of 983GWh and total supply of 1,189GWh. Similar with the year-over-year movement, the increase in the net seller position is due to increased generation and the termination of the Meralco contract.
- Overall, contracted capacity for the year ended December 31, 2024 is at 78% compared to the prior year which was at 91%. New capacity in the Philippines and Australia in 2024 resulted in increased capacity that is sold to the spot market (i.e., increased merchant capacity). New capacity in other markets is contracted. The movement of contracted capacity also reflects the result of the termination of the baseload and mid-merit Meralco contracts in November 2024.
- Construction updates as of December 31, 2024 are:

- Philippines

Project Name	Capacity	Location	Completion	Estimated Annual Output (in GWh)	Target Completion
Pagudpud Wind	160MW	Pagudpud, Ilocos Norte	99%	532	Mechanically Complete
Capa Wind	70MW	Pagudpud, Ilocos Norte	99%	220	Mechanically Complete
Pangasinan Solar	60MW	Sinocalan, San Manuel, Pangasinan	99.5%	84	Undergoing Testing and Commissioning
Palauig 2 Solar	300MW	Zambales	84%	453	Q1 2026
San Marcelino Solar Phase 3	200MW	San Marcelino, Zambales	5%	298	Q4 2026
Quezon North Wind	553MW	Real & Mauban, Quezon	4% ¹	1,730	Phase 1 Q4 2026 Phase 2 Q4 2027

¹ Phase 1 only

○ International

Project Name	Capacity	Location	Completion	Estimated Annual Output (in GWh)	Target Completion
Stubbo Solar	520MW	Australia	91%	1,075	H2 2025
New England Solar BESS	50MW	Australia	8%	--	H2 2026
Monsoon Wind	600MW	Sekong & Lao PDR	91%	~1,472	H2 2025
Maharashtra C&I Hybrid Solar-Wind	153MW	Maharashtra, India	30%	262	Q2 2025 (Phase 1) Q1 2026 (Phase 2)
Stockyard Wind	129MW	Texas, USA	73%	310	Q1 2025
Salak & Darajat Unit 7	40MW	Java, Indonesia	3%	320	Q1 2027
Solarsscape & Dayasinar	80MW	Kedah, Malaysia	3%	320	2026
Sonagazi Solar	68MW	Chittagong Bangladesh	7%	96	2026

Financial Highlights:

The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to ₱9,360.01 million for the year ended December 31, 2024 compared to the ₱7,396.14 million net income in the year ended December 31, 2023. Consolidated net income attributable to common shareholders of the Parent Company amounted to ₱7,432.33 million and ₱6,753.58 million for the years ended December 31, 2024 and 2023, respectively.

The significant uplift of +27% year-over-year in net income attributable to equity holders of the Parent Company is due to:

- Attributable generation output year-over-year growth of +24% with full or near-full operationalization of San Marcelino Solar Phases 1 and 2, Pagudpud Wind, Cagayan North Solar, Arayat-Mexico Solar, New England Solar Farm 1 and SUPER (Solar NT) (First Phase Closing). All are subsidiaries except for Arayat-Mexico Solar and SUPER (Solar NT) which are investments in joint ventures by the Group.
- The Philippine business continues to strengthen its net seller merchant position at 917GWh following the contribution of new merchant renewable capacity and termination of the baseload and mid-merit Meralco contract. The increase in merchant volume was tempered by the lower Wholesale Electricity Spot Market (WESM) price environment compared to the prior year. The Philippine business was further improved by revenues from the Reserve Market and Ancillary Services Procurement Agreement (ASPA) firm contracts.
- Several value realizations (i.e, various forms of divestments) occurred during the year:
 - A gain was recognized in the second quarter of 2024 amounting to US\$22.65 million (₱1,329.85 million) from the divestment from PT Sidrap Bayu Energi. This was an investment of the Group in Sidrap Wind, an Indonesian wind plant with an attributable capacity of 56MW. The last tranche of the gain in relation to this divestment was recognized in the fourth quarter of 2024 amounting to US\$6.60 million (₱385.48 million). Regulatory approval was needed prior to the recognition of this gain.
 - A gain was recognized in the third quarter of 2024 amounting to ₱1,035.33 million from the disposal of 2,759,135sqm land located in Zambales, Philippines in exchange for 199,109,438 primary common shares of AREIT.

The closing price of AREIT shares was ₱37.50 on the date of sale resulting to a selling price of ₱7,466.60 million. The cost of the land amounted to ₱500.76 million resulting in a gain from the transaction of ₱6,965.84 million which was recognized in the BHC's financial statements.

The Group recognized ₱1,035.33 million as "Gain on disposal of assets" in the consolidated statements of income for the year ended December 31, 2024. The Transaction is classified as a sale and leaseback transaction; the gain recognized from the sale and leaseback transaction represents only the amount relating to the rights in the underlying assets that were transferred to the buyer-lessor after considering the lease liabilities recognized from the leaseback.

- In addition to the gains from the divestment from Sidrap and the asset exchange with AREIT, the Group recognized non-recurring gains of US\$6.97 million (₱389.18 million) due to the early extinguishment of a convertible loan investment with The Blue Circle Ptd. Ltd (TBC). This effectively reduced the Group's capital deployed in the Dai Phong and Hong Phong 1 Wind projects in Vietnam.
- Overhead expenses (general and administrative expenses in the consolidated statement of income) grew year-over-year due to a ramp up in development as execution continues for long-term goals and start of operation of new capacities.

The tables below summarize the consolidated results of operations of the Group's revenues, costs and expenses for the years ended December 31, 2024 and 2023.

Revenues

<i>In thousand Pesos</i>	2024	2023	Increase (Decrease)	
			Amount	%
Revenue from sale of electricity	₱36,134,274	₱36,181,426	(₱47,152)	(0)
Dividend income	515,961	–	515,961	100
Rental income	69,597	68,857	740	1
Other revenue	580,570	248,850	331,720	133
	₱37,300,402	₱36,499,133	₱801,269	2

- An adjustment to the trading protocol in 2024 with a third-party supplier in the Philippines resulted in a decline of the **revenue from sale of electricity** year-over-year. Previously, trading protocol required the Group to acquire volume from a third-party supplier and the spot market, which resulted in electricity sales to the spot market and contracted customers, respectively. Following the change in protocol, the volume from the third-party supplier was nominated to the Group for sale to contracted customers. Revenue from electricity sales, if normalized (i.e., adjustment to trading protocol is also reflected in 2023), increased as a result of a larger retail electricity supply (RES) portfolio and a higher net generation driven by new capacity, mainly in the Philippines and Australia (where projects are consolidated). Revenue includes the sale of large-scale generation certificates (LGCs) in Australia.
 - The RES portfolio grew to 374MW, up +36% year-over-year with more commercial and industrial customers, as well as more contracts linked to DU rates
 - New volume in the Philippines of 917GWh; new volume in Australia of 784GWh
 - Low WESM environment tempered the growth of revenue in the Philippines
 - LGC sales of AU\$10.49 million (₱390.65 million)

Below is the analysis had the revenue from year ended December 31, 2023 been normalized to reflect the current trading protocol wherein the proforma revenue from the sale of electricity improves year-on-year.

	2023 (As reported)	2023 (Normalized) (referred to as "Proforma")	2024	% Change
Revenue from sale of electricity	36,181,426	30,805,453	36,134,274	+17%
Cost of purchased power	27,272,520	21,896,547	22,043,543	+1%
Gross margin	8,908,906	8,908,906	14,090,731	

- **Rental income** is mainly from land leases with third parties.
- **Dividend income** is from investments of the Group wherein it does not hold voting interest. This also includes a partial gain from the divestment in Sidrap Wind that was upstreamed to the Group through dividends declared by the intermediate holding company.
- **Other revenue** consists of management fees earned by ACEN from its joint ventures and bulk water sales.

Costs and Expenses

<i>In thousand Pesos</i>	2024	2023	Increase (Decrease)	
			Amount	%
Costs of sale of electricity				
Costs of purchased power	₱22,043,543	₱27,272,520	(₱5,228,977)	(19)
Depreciation and amortization	2,023,059	1,207,418	815,641	68
Fuel	1,018,764	1,522,458	(503,694)	(33)
Others	2,273,213	1,727,686	545,527	32
	27,358,579	31,730,082	(4,371,503)	(14)
General and administrative expenses				
Personnel costs, management and professional fees	3,133,250	2,606,677	526,573	20
Provision for impairment	1,135,006	2,996,657	(1,861,651)	(62)
Depreciation and amortization	569,218	366,052	203,166	56
Others	2,145,290	1,501,498	643,792	43
	₱6,982,764	₱7,470,884	(₱488,120)	(7)

- **Cost of sale of electricity** decreased mainly due to lower WESM purchases, attributed to a lower average WESM price due to lower commodity prices, security limits, and new power plants that went online.

Security limits refer to a plant operating in such a way that exempts it from the Must Offer Rule and Dispatch Conformance Standard (i.e., plant is able to offer power at ₱0/kWh). This is allowed for plants that are (i) undergoing testing and commissioning; (ii) performing fuel supply and pipeline testing; (iii) undergoing emission and other similar tests; and (iv) about to go into maintenance outage.

New plants, specifically Pagudpud Wind, are still under testing and commissioning and have not began depreciating as of December 2024. San Marcelino Solar Phases 1 and 2 and Cagayan North Solar reached commercial operations and started depreciating on September 2024 and October 2024, respectively. New England Solar 1 reached commercial operations in April 2024 and started depreciating in May 2024.

- **General and administrative expenses** include provisions for expected credit losses on investments in redeemable preferred shares and convertible loans and accrued receivables which are investments made by the Group in Vietnam Wind Energy Limited (Vietnam Wind) and UPC-AC Energy Solar Limited (UPC-ACE Solar). Vietnam Wind is a wind power plant in Vietnam with an attributable capacity of 48MW which is operating, but has not yet received a final tariff. UPC-ACE Solar is a platform of three operating solar projects in India. The overall increase in general and administrative expenses is mainly attributed to the ramping up of development, as execution continues for long-term goals, and the start of operations of new capacities.

Equity in Net Income of Associates and Joint Venture

<i>In thousand Pesos</i>	2024	2023	Increase (Decrease)	
			Amount	%
Netherlands	₱1,072,357	₱1,326,178	(₱253,821)	(19)
Philippines	1,014,046	1,013,116	930	0
Vietnam	43,976	211,123	(167,147)	(79)
USA	(619,747)	(284,431)	(335,316)	118
India	(180,058)	(227,977)	47,919	(21)
Indonesia	(30,919)	(1,272)	(29,647)	2,331
Others	(108,689)	(271,498)	162,809	(60)
	₱1,190,966	₱1,765,239	(₱574,273)	(33)

Equity in net income of associates and joint ventures decreased mainly due to:

- Philippines - normalized wind regime compared to the prior year and impact of seasonality in North Luzon Renewables Energy Corp., a wind farm in Ilocos Norte
- Vietnam - normalized wind regime compared to the prior year and the appreciation of USD versus VND which resulted in higher foreign exchange losses (project finance of selected Vietnam projects are in USD while the functional currency of these respective projects are in VND, such that the forex losses associated with the whole value of the project finance are booked through the income statements of the relevant projects, but will be serviced over time since the tariffs of these projects are USD linked).
- USA and Others - higher share in pre-operating losses as activities are ramping up for projects under construction or project refurbishment.
- India - the uplift from the increase in generation and completion of Masaya Solar were offset by a higher share in pre-operating losses as activities are ramping up for projects under construction and pre-development.
- Indonesia - reflects the impact of the partial divestment of Salak-Darajat in September 2023 and the impact of the full divestment in Sidrap Wind in April 2024.

Other Income (Charges)

<i>In thousand Pesos</i>	2024	2023	Increase (Decrease)	
			Amount	%
Interest and other financial income				
Cash in banks and short-term deposits	₱989,573	₱1,586,517	(₱596,944)	(38)
Accounts and notes receivable	2,428,544	2,346,536	82,008	3
Investments in redeemable preferred shares and convertible loans	2,916,233	3,137,338	(221,105)	(7)
	6,334,350	7,070,391	(736,041)	(10)
Interest and other finance charges	(3,292,071)	(1,930,265)	(1,361,806)	71
Other income - net				
Gain on disposal of assets	2,638,008	1,062,030	1,575,978	148
Remeasurement gain	–	3,433,328	(3,433,328)	(100)
Others	1,112,085	690,082	422,003	61
	3,750,093	5,185,440	(1,435,347)	(28)
	₱6,792,372	₱10,325,566	(₱3,533,194)	(34)

- **Interest and other finance income** from:
 - **Cash in banks and short-term deposits** decreased following the deployment of funds raised during financing activities in 2023. Funds were deployed to projects under construction.
 - **Accounts and notes receivable** increased mainly from the additional loan extended to the BIM Projects in Q2 2024.
 - **Investment in redeemable preferred shares and convertible loans** decreased following a change in the features of investments in India that requires declaration of dividends prior to recognition of income (previously, income was recognized without the need for a dividend declaration). The decrease was offset by the higher interest recognized on existing redeemable preferred shares that have a compounding feature wherein interest earned is added back to the principal resulting to a larger base earning interest.
- **Interest and other finance charges** increased following availments of long-term loans from local banks by ACEN Cayman of US\$180.00 million (₱10,123.20 million) and US\$140.00 million (₱7,873.60 million) at 5.3980% and 5.3060%, respectively, in January 2024. The proceeds of the long-term loans were used to redeem US\$352.00 million redeemable preferred shares in ACEN Cayman held by AC Energy Finance International Limited. The start of commercial operations of new capacities caused the interest and other finance charges associated with the debt used to fund the projects to become a current item incurred in the profit and loss, whereas previously these costs were capitalized. This resulted in higher interest and other finance charges year-over-year.
 - **Other income** increased mainly from the recognized gain amounting to ₱1,035.33 million from the sale and leaseback transaction with AREIT, US\$16.40 million (₱962.90 million) from the divestment of Sidrap Wind, and non-recurring gains of US\$6.97 million (₱389.18 million) from the early extinguishment of a convertible loan with The Blue Circle.

Provision for (benefit from) income tax

<i>In thousand Pesos</i>	2024	2023	Increase (Decrease)	
			Amount	%
Current	₱892,495	₱492,330	₱400,165	81
Deferred income tax	(62,575)	(210,032)	147,457	(70)
	₱829,920	₱282,298	₱547,622	194

- The increase in **provision for income tax - current** is due to higher taxable income for the period from the increase in business of the Group, specifically the testing and commissioning income of Philippine renewable plants which are not yet under income tax holiday.
 - **Deferred income tax benefit** is mainly driven by the Group's deferred tax asset from the net operating loss carry over (NOLCO), offset by deferred tax liability recognized from capitalized costs. Deferred tax assets recognize the benefit from NOLCO that can be deducted against future regular corporate income tax. This is only recognized to the extent that NOLCO can be applied against future taxable income.

The table below bridges consolidated statutory earnings before interest, taxes, depreciation, and amortization (EBITDA) to (i) attributable EBITDA and then (ii) core attributable EBITDA.

<i>In thousand Pesos</i>	Jul-Sep	Oct-Dec	Increase (Decrease)		For the year ended		Increase (Decrease)	
	2024	2024	Amount	%	2024	2023	Amount	%
Revenue	₱8,785,755	9,215,507	429,752	5%	37,300,402	36,499,133	801,269	2%
Cost and expenses	(8,693,098)	(9,471,784)	(778,686)	9%	(34,341,343)	(39,200,966)	4,859,623	(12%)
Depreciation expense	741,306	851,100	109,794	15%	2,592,277	1,573,470	1,018,807	65%
Provision for impairment	233,777	327,299	93,522	40%	1,135,006	2,996,657	(1,861,651)	(62%)
Equity in net income of associates and joint ventures	558,602	89,972	(468,630)	(84%)	1,190,966	1,765,239	(574,273)	(33%)
Interest income - investment in redeemable preferred shares and convertible loans	704,686	645,781	(58,905)	(8%)	2,916,233	3,137,338	(221,105)	(7%)
Value realization	1,146,954	312,005	(834,949)	(73%)	2,811,044	1,062,030	1,749,014	165%
Interest income - accounts and other receivables	567,199	736,423	169,224	30%	2,428,544	2,346,536	82,008	3%
Statutory EBITDA	4,045,181	2,706,303	(1,338,878)	(33%)	16,033,129	10,179,437	5,853,692	58%
Equity in net income of associates and joint ventures	(558,602)	(89,972)	468,630	(84%)	(1,190,966)	(1,765,239)	574,273	(33%)
Interest income - investment in redeemable preferred shares and convertible loans	(704,686)	(645,781)	58,905	(8%)	(2,916,233)	(3,137,338)	221,105	(7%)
Attributable EBITDA from joint ventures and associates	2,654,624	4,052,811	1,398,187	53%	12,586,392	13,026,350	(439,958)	(3%)
Attributable EBITDA	5,436,517	6,023,361	586,844	11%	24,512,322	18,303,210	6,209,112	34%
Value realization	(1,146,954)	(312,005)	834,949	(73%)	(2,811,044)	(1,062,030)	(1,749,014)	165%
Interest income - accounts and other receivables	(567,199)	(736,423)	(169,224)	30%	(2,428,544)	(2,346,536)	(82,008)	3%
Core Attributable EBITDA	₱3,722,364	4,974,933	1,252,569	34%	19,272,734	14,894,644	4,378,090	29%

Material changes in Consolidated Statements of Financial Position accounts

<i>In thousand pesos</i>	2024	2023	Increase (Decrease)	
			Amount	%
Current Assets				
Cash and cash equivalents	₱25,158,358	₱39,696,662	14,538,304)	(37)
Current portion of:				
Accounts and notes receivable - net	22,763,923	26,065,692	(3,301,769)	(13)
Input value added tax (VAT)	2,793,187	2,059,734	733,453	36
Creditable withholding taxes	360,841	102,984	257,857	250
Financial assets at fair value through profit or loss (FVTPL)	5,704,353	1,938,497	3,765,856	194
Fuel and spare parts	974,526	964,053	10,473	1
Other current assets	1,376,921	750,493	626,428	83
Total Current Assets	59,132,109	71,578,115	(12,446,006)	(17)
Noncurrent Assets				
Investments in:				
Associates and joint ventures	42,735,003	30,098,617	12,636,386	42
Redeemable preferred shares and convertible loans	17,828,524	21,633,799	(3,805,275)	(18)
Financial assets at FVTPL	921,787	1,932,975	(1,011,188)	(52)
Financial assets at fair value through other comprehensive income (FVOCI)	12,116,639	5,799,323	6,317,316	109
Plant, property and equipment	121,852,460	88,928,251	32,924,209	37
Right-of-use assets	8,454,956	8,213,704	241,252	3
Goodwill and other intangible assets	25,599,005	23,165,368	2,433,637	11
Net of current portion:				
Accounts and notes receivable	17,809,515	12,689,042	5,120,473	40
Input VAT	3,042,624	3,120,200	(77,576)	(2)
Creditable withholding tax	3,681,895	2,513,774	1,168,121	46
Deferred income tax assets – net	3,316,975	2,122,081	1,194,894	56
Other noncurrent assets	13,050,739	13,138,251	(87,512)	(1)
Total Noncurrent Assets	270,410,122	213,355,385	57,054,737	27
TOTAL ASSETS	₱329,542,231	₱284,933,500	₱44,608,731	16

- Decrease in **Cash and cash equivalents** is due to continued deployment of funds raised from financing activities and internally generated cash to projects under construction.
- Decrease in **Accounts and notes receivable** is mainly due to loan repayments coming from the maturity of the instruments with related parties.
- **Fuel and spare parts** increased as a result of purchases of bunker fuels.
- **Financial Assets at FVTPL** increased following an increase of placements for UITF investments through local banks. Funds available on hand from financing activities while not deployed are invested in UITFs.
- Increase in **current portion of input VAT** due to purchases for ongoing renewable projects.
- **Creditable withholding tax** increased with increase in revenues from January to December 2024.
- **Other current assets** increased primarily due to the increase in prepayments for operating expenses in the Philippines and Australia.

- **Investments in associates and joint ventures** increased mainly from additional investments in the following:

Investee Company	Project	Geography	Technology	Capacity	Amount in PHP (millions)	
					2024	2023
BIMEH	–	Vietnam	Wind	TBD	₱5,534.30	₱–
BrightNight	BN Maharashtra	India	Hybrid Solar-Wind	80	3,559.29	340.87
UPC Power	Stockyard & Chestnut Flats	USA	Wind	148	2,575.04	814.71
RWEI *	Real Wind	Philippines	Wind	TBD	568.72	–
PhilWind	Capa Wind 2	Philippines	Wind	70	504.46	–
NLR	Capa Wind 2	Philippines	Wind	70	495.40	–
Paivatar	–	Philippines	–	TBD	307.90	–
PT Lombok	Lombok	Indonesia	Wind	39	177.06	–
URH	–	Netherlands	–	TBD	151.02	–
PT Sukabumi	Sukabumi	Indonesia	Wind	74	88.46	–
Monsoon Wind	Monsoon	Vietnam	Wind	146	82.96	392.71
PT Sidrap 2	Sidrap 2	Indonesia	Wind	34	75.75	–
SUPER	Super	Singapore	Solar	141	–	2,820.85
Others					61.11	224.83
Total					₱14,181.47	₱4,593.97

*RWEI was subsequently acquired as a subsidiary during the year

- **Investments in redeemable preferred shares and convertible loans** are investments made in International projects (excluding Australia) in the form of redeemable preferred shares and convertible loans. The overall decrease is from the redemption made in the first half of 2024 following the divestment from Sidrap Wind and reclassification of investments in India. Previously, investments in India had a fixed coupon and redemption date (ie, maturity date). The revision to features of the instrument was driven by the change in the business model, which shifted focus from development / operating projects to managing purely operational projects. As a result of the revision to its features, there is no more fixed coupon, dividends need to be declared by the BOD, and there is no more fixed redemption date. Consequently, the investment in India was reclassified to financial assets at fair value through other comprehensive income (FVOCI).
- **Noncurrent financial assets at FVTPL** pertains to Compulsorily Convertible Debentures (CCDs) from Masaya Solar. Masaya Solar has constructed the 420MW solar farm in the Central Indian state of Madhya Pradesh. The decrease is mainly from the fair valuation of the instrument using a discount rate of 10.9%. For the year ended December 31, 2024, the fair value adjustment on financial assets at FVTPL amounted to ₱147.22 million).
- **Noncurrent financial assets at FVOCI** are largely investments in UPC ACE-Solar, BrightNight, PT Puri Prakarsa Batam and IBV ACEN Renewables Asia Pte and also include golf club shares and listed equity instruments. This also includes the AREIT common shares obtained from the sale and leaseback transaction with AREIT and reclassified redeemable preferred shares from investments in India (previously classified as investments in redeemable preferred shares and convertible loans). AREIT shares are listed equity instruments where the fair value is based on the closing price as of December 31, 2024 . Investments in UPC-ACE Solar's Redeemable Preference Share Class A and B are valued using a discount rate of 10.9%. For the year ended December 31, 2024, the unrealized fair value loss on equity instruments at FVOCI recognized in the statements of comprehensive income amounted to ₱2,806.29 million.

- **Plant, property and equipment's** increase is related to capital expenditures on the following projects:

Project	Capacity (MW)	Location	% Completion	
			2024	2023
Pagudpud Wind	160	Ilocos Norte, Philippines	100%	98%*
San Marcelino Solar (Phase 1 and 2)	385	Zambales, Philippines	100%	98%*
San Marcelino Solar (Phase 3)	200	Zambales, Philippines	5%	<1%
Cagayan North Solar (Phase 1)	133	Lal-lo Cagayan, Philippines	100%*	98%*
Palauig 2 Solar	300	Zambales, Philippines	84%	31%
Pangasinan Solar	60	Pangasinan, Philippines	99.5%	60%
New England Solar Farm 1	521	Uralla, New South Wales, Australia	100%	98%*
New England BESS	200	Uralla, New South Wales, Australia	8%	--
Stubbo Solar	520	Central Western Tablelands, New South Wales, Australia	91%	23%

*Projects that are currently under testing and commissioning as of December 31, 2024 and 2023.

- **Right-of-use assets** increased due to new lease contracts with AREIT for land in Palauig, Zambales where a 300MW solar project is currently being constructed.
- **Receivables -net** of current portion increased primarily due to the accretion of long-term interest receivables from international joint ventures and associates.
- **Goodwill & other intangible assets** increased due to the acquisition of a controlling interest in Real Wind Energy, Inc., which is a special purpose vehicle for a future wind power project in Quezon Province in the Philippines, and a gain on cumulative translation adjustments on ACEN Australia goodwill from the acquisition in 2022.
- Majority of the balance of **Deferred tax assets** came from the recognition of accrued expenses, net operating losses carry over (NOLCO), minimum corporate income tax (MCIT), and lease liabilities.
- **Input VAT non-current** increased following the ramp up of business that resulted in higher purchases of assets and services. This is offset by reclassification of input VAT to current following the assessment by management that this can be applied against output VAT due within the next 12 months. Output VAT is mainly from sale of electricity billed to third party customers.
- **Other non-current assets** increased mainly from development costs incurred for a wind power project in Real, Quezon in the Philippines.

<i>In thousand pesos</i>	2024	2023	Increase (Decrease)	
			Amount	%
Current Liabilities				
Accounts payable and other current liabilities	₱14,408,806	₱16,145,386	(₱1,736,580)	(11)
Short-term loans	5,600,000	1,500,000	4,100,000	273
Current portion of:				
Long-term loans	7,456,367	1,289,104	6,167,263	478
Lease liabilities	1,889,401	850,953	1,038,448	122
Income and withholding taxes payable	302,541	241,667	60,874	25
Due to stockholders	13,138	16,585	(3,447)	(21)
Total Current Liabilities	29,670,253	20,043,695	9,626,558	48
Noncurrent Liabilities				
Notes payable	33,056,481	32,003,794	1,052,687	3
Noncurrent portion of:				
Long-term loans	87,399,527	44,485,573	42,913,954	96
Lease liabilities	12,609,041	7,505,848	5,103,193	68
Pension and other employee benefits	329,025	368,827	(39,802)	(11)
Deferred tax income liabilities - net	1,454,664	805,902	648,762	81
Other noncurrent liabilities	7,580,040	6,344,004	1,236,036	19
	142,428,778	91,513,948	50,914,830	56
	172,099,031	111,557,643	60,541,388	54
Equity				
Common shares	39,691,895	39,691,895	–	–
Redeemable preferred shares	25,000	25,000	–	–
Additional paid-in capital	132,295,689	132,295,689	–	–
Other equity reserves	(59,450,345)	(59,450,345)	–	–
Unrealized fair value loss on equity instruments at FVOCI	(3,074,292)	(268,000)	(2,806,292)	1,047
Unrealized fair value (loss) gain on derivative instruments designated as hedges – net of tax	(592,720)	588,519	(1,181,239)	(201)
Remeasurement loss on defined benefit plans – net of tax	(64,414)	(32,821)	(31,593)	96
Accumulated share in other comprehensive loss of associates and joint ventures	(167,097)	(85,483)	(81,614)	95
Cumulative translation adjustments	8,590,223	5,864,713	2,725,510	46
Retained earnings	30,320,264	24,871,807	5,448,457	22
Treasury shares	(28,657)	(28,657)	–	–
Total equity attributable to equity holders of the Parent Company	147,545,546	143,472,317	4,073,229	3
Non-controlling interests	9,897,654	29,903,540	(20,005,886)	(67)
Total Equity	157,443,200	173,375,857	(15,932,657)	(9)
		₱		
TOTAL LIABILITIES AND EQUITY	₱329,542,231	284,933,500	₱44,608,731	16

- **Accounts payable and other current liabilities** decreased from the settlement of payables
- **Short-term loans** are outstanding loans from local banks. These were availed to bridge working capital requirements of the Parent Company.
- **Current portion of long-term loans** movement is mainly due to the payment timing schedule.
- **Current portion of lease liabilities** movement is mainly due to the payment timing schedule of leased assets.
- The increase in **income and withholding taxes payable** was mainly due to withholding taxes payable from various purchases in the Philippines.
- **Notes payable** pertains to the ₱10,000.00 million 5-year Green Bonds by ACEN and the US\$400.0 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds (the Bonds) issued and listed in SGX-ST.

- **Long-term loans - net of current portion** increased due to the new loan availed by ACE Cayman of US\$320.00 million and borrowings made by ACEN International to fund India projects. The US\$320.00 million loan was used to pay the US\$352.00 million green bonds that were infused by the Group through subscription to redeemable preferred shares issued by ACEN Cayman to AC Energy Finance Limited (ACEFIL). The difference between the redeemable preferred shares and loan proceeds was funded by cash on hand of the Group.
- **Lease Liabilities - net of current portion** increased mainly due to the sale and leaseback transaction with AREIT last September 26, 2024.
- Majority of the balance of **deferred income tax liabilities** came from the recognition of unrealized foreign exchange gains and right-of-use assets of the Group as at year end.
- **Other non-current liabilities** include contract liabilities and asset retirement obligations related to operating renewable power plant projects.
- The increase in **unrealized FV loss on equity instruments at FVOCI** is from the revaluation on the investments made in India wherein a higher discount rate was used for revaluation following reassessment made on the risk surrounding the projects.
- **Unrealized fair value gain (loss) on derivative instruments** designated as hedges increased due to the movement of the derivative related to Long Term Energy Service Agreements in Australia.
- **Remeasurement loss on defined benefit plan** increased mainly from current service costs.
- The increase in **accumulated share in other comprehensive income of associates and joint ventures** significantly came from other comprehensive income share in cumulative transaction adjustments of associates and joint ventures.
- **Retained earnings** increased from the resulting net income earned for the period amounting to ₱9,360.01 million, net of any dividends declared from common and redeemable preferred shareholders, amounting to ₱3,911.55 million attributable to the Parent Company.
- **Treasury shares** had no movement during the period.
- **Non-controlling interests** decreased following the redemption by ACEN Cayman of US\$352.00 million worth of redeemable preferred shares held by ACEFIL on January 23, 2024.

Key Performance Indicators

The key performance indicators of ACEN and its majority owned subsidiaries, as consolidated, are the following:

Key Performance Indicator	Formula	31-Dec-24	31-Dec-23	Increase (Decrease)	
				Amount	%
<i>Liquidity Ratios</i>					
Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.99	3.57	(1.58)	(44%)
Acid test ratio	$\frac{\text{Cash + Short-term investments} + \text{Accounts receivables} + \text{Other liquid assets}}{\text{Current liabilities}}$	1.81	3.38	(1.57)	(46%)
<i>Solvency Ratios</i>					
Debt/Equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	1.09	0.64	0.45	70%
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.09	1.64	0.45	27%
Interest Coverage Ratio	$\frac{\text{Statutory Earnings before interest \& tax (EBIT)}^{(1)}}{\text{Interest expense}^{(2)}}$	2.27	2.37	(0.10)	(4%)
Net bank Debt to Equity ratio	$\frac{\text{Short \& long-term loans} - \text{Cash \& Cash Equivalents}}{\text{Total Equity}}$	0.69	0.23	0.46	200%
<i>Profitability Ratios</i>					
Return on Equity	$\frac{\text{Net income after tax attributable to equity holders of the Parent Company}}{\text{Average total stockholders' equity attributable to equity holders of the Parent Company}}$	6.82%	6.05%	0.77%	13%
Return on Common Equity	$\frac{\text{Net income after tax attributable to equity holders of the Parent Company (Common)}}{\text{Average Common equity attributable to equity holders of the Parent Company (Common)}}$	6.16%	5.71%	0.45%	8%
Return on assets	$\frac{\text{Net income after taxes}}{\text{Average total assets}}$	3.29%	3.52%	(0.23%)	(7%)
Asset Turnover	$\frac{\text{Revenues}}{\text{Average total assets}}$	12.14%	14.10%	(1.96%)	(14%)

(1) Statutory EBIT is Statutory EBITDA less depreciation and amortization expense

(2) Cash interest expense is gross of capitalized borrowing cost of ₱2,634.81 million and ₱1,852.97 million for the years ended December 31, 2024 and 2023, respectively.

Current ratio & Acid test ratio

Current ratio & acid test ratio increased due to higher liquid assets, such as cash and cash equivalents at period end, alongside the decrease in current liabilities, primarily from the repayment of short-term loans.

Debt/Equity ratio & Asset-to-equity ratio

D/E ratio slightly increased with additional short-term and long-term loan availments, which were cushioned by the increase in net income for the period. Asset-to-equity ratio also went up as the increase in total assets slightly outpaced the increase in equity.

Interest coverage ratio

Higher interest expense following additional loan availments to fund the ramp up of renewable projects yielded a lower interest coverage ratio for the current period. Increase in statutory earnings before interest and tax from contribution of new capacity was tempered by higher overhead costs that reflects the ramp up of the organization following business growth.

Net bank debt to equity ratio

Net D/E ratio increased from year-end 2023 due to additional availments of short-term and long-term loans.

Asset turnover

Continued ramp up of capacity with sizeable renewable projects under construction results to higher increase in average total assets compared to renewable projects that are selling power (i.e., movement in average total assets is faster than movement in revenue from new capacity in 2024). This resulted in lower asset turnover year-on-year.

Material events and uncertainties

- There were no events that triggered direct or contingent financial obligations that were material to the Group. There were no contingent assets or contingent liabilities since the last annual financial reporting.
- There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Parent Company with unconsolidated entities or other persons created during the financial reporting period.
- There were no material events that had occurred subsequent to the financial reporting close except for the events after the reporting period disclosed in Note 30 of the unaudited Interim Condensed Consolidated Financial Statements.
- ACEN has material commitments to invest in capital expenditure projects mainly in the following:
 - 288MWdc solar project in Buguey and Lal-lo, Cagayan and the proposed 300MWdc expansion of Gigasol Palauig solar project in Zambales;
 - 120MWdc solar power project in Alaminos, Laguna through Solarace1;
 - 150MW diesel plant in Pililla, Rizal through Ingrid, a joint venture of ACEN, ACEN Global Development Group, Inc. (Formerly: ACE Endeavor, Inc.) and APHPC;
 - 60MWdc solar power project in Palauig, Zambales through Gigasol3;
 - 50MWac (72MWdc) solar power project in Arayat and Mexico, Pampanga through Greencore 3, a joint venture of ACEN, ACEN Global Development Group, Inc. (Formerly: ACE Endeavor, Inc.) and Citicore;
 - 500MWdc solar power project in San Marcelino, Zambales through Santa Cruz Solar;
 - 2x20 MW Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4, Inc. (Giga Ace 4);
 - 160MW wind farm in Balaoi, Pagudpud, Ilocos Norte through BWPC, in partnership with UPC Renewables;
 - Investment into 4MW renewable energy laboratory in Bataan through BSEI;
 - 521MWdc New England Solar Farm (NESF) and adjacent 50MW battery energy storage system located near Uralla in New South Wales through UPC-ACE Australia, a joint venture of ACEN and UPC Renewables Australia;
 - Various Vietnam wind farms:
 - 252MW wind farm in Quang Binh through AMI Renewables Energy Joint Stock Company

- 88MW wind farm in Ninh Thuan through BIM Energy Joint Stock Co. (“BIME”)
 - 40MW second phase of the Mui Ne Wind Farm in Binh Thuan through the partnership with the Blue Circle.
 - 60MW Lac Hoa & Hoa Dong wind farm in Soc Trang through a joint venture with UPC
- Funding of up to U.S.\$100 million for new technology investments in the Philippines. Refer to Notes to Consolidated Financial Statements for details.
- Any known trends, events, or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations
 - The results of operations of ACEN and its subsidiaries depend to a significant extent, on the performance of the Philippine economy.
 - The current highly competitive environment and operation of priority-dispatch variable renewable energy resulted in lower demand for electricity and have driven market prices of electricity downward.
 - Movements in the WESM prices could have a significant favorable or unfavorable impact on the Group’s financial results.
- Any known trends or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the registrant’s liquidity increasing or decreasing in any material way
 - The Group is developing a line-up of renewable energy projects as part of its growth aspiration. The capital expenditures shall be funded by a combination of equity and debt.
- There were no significant elements of income or loss that did not arise from continuing operations that had a material effect on the financial condition or results of operations.
- There were no operations subject to seasonality and cyclicalities except for the operation of wind farms. The wind regime is high during the northeast monsoon (“amihan”) season in the first and fourth quarter when wind turbines generate more power to be supplied to the grid. The generation drops in the second and third quarter due to low wind regime brought about by the southwest monsoon (“habagat”).

2023

Corporate Highlights:

- On 1 February 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH’s remaining 4,766 ordinary shares in UPC-ACE Australia, which completes the second and final tranche of ACRI’s acquisition of ACEN Australia. The acquisition transformed the previously UPC Renewables Australia Pty. Ltd. joint venture into ACEN Australia Pty. Ltd., the Group’s first wholly owned development and operating platform outside of the Philippines.
- In March 2023, ACEN signed a partnership with BrightNight, a US-based renewable power company, to develop, construct, and operate at least 1.2 GW of large-scale hybrid wind-solar and round-the-clock renewable power projects in India.
- That same month, ACEN, through joint venture company UPC Power, signed a Purchase and Sale Agreement with GlidePath for the acquisition of a portfolio of eight operating wind projects totaling 136 MW in northern Texas, USA, subject to regulatory approvals. This milestone marks ACEN’s anticipated entry into the fast-growing American renewables market as it expands its geographic footprint beyond the Asia Pacific region. On 1 June 2023, regulatory approval from the U.S. FERC was received.
- ACEN recently announced the completion of a robust Net Zero roadmap that includes near-term emission reduction targets aligned with the GHG Protocol and the latest climate-science and long-term targets that are consistent with the deep decarbonization of the power sector. This makes ACEN the first energy company in Southeast Asia to take this critical step towards achieving Net Zero, providing an accountable and transparent framework for monitoring progress.
- In September 2023, ACEN issued ₱25,000.00 million in perpetual preferred shares, which were listed on the Philippine Stock Exchange (PSE) in A and B series. This was the largest preferred share offering in the country since 2016. Series B was also the first-ever Philippine peso-denominated fixed-for-life equity instrument listed on the PSE.

Operating Highlights:

- As of 31 December 2023, ACEN now carries over 4,772 MW (megawatts) in attributable capacity, 99% of which is from renewables. Of this, 37% is now fully operational, 28% is already partially operating and 35% remains under construction. During the year, several new solar and wind farms were added to the company's growing portfolio. These include the 60 MW Pangasinan Solar and 300 MW Palauig 2 Solar in the Philippines in January, the 136 MW Stockyard Wind in Texas in the United States in March, the 600 MW Monsoon Wind in Sekong and Attapeu, Lao PDR in April, and the first phase of ACEN's acquisition of SUPER Energy's Solar NT platform in Vietnam in June.
- Several plants also commenced or ramped up operations. As a result, total attributable renewables output across ACEN's facilities worldwide rose 32% to 4,474 GWh, driven by production from new partially operational plants as well as stronger wind resources in some markets.
- Philippine renewables generation stood at 1,137 GWh for 2023, up 34% year over year. Stronger wind resources at ACEN's wind farms, as well as the start of commissioning for the 160 MW Pagudpud Wind, the first and second phases of SanMar Solar totaling 385 MW, and the 44 MW second phase of Arayat-Mexico Solar, drove the increased energy output in the company's home market.

Outside the Philippines, ACEN delivered 3,328 GWh in attributable generation, 31% higher year over year.

Alongside the ongoing partial commissioning for the 420 MW Masaya Solar in India and near-full capacity and operational completion for the 521 MW New England Solar, the stronger wind regime across ACEN's wind farms in Vietnam and Indonesia, as well as high geothermal reliability, drove stronger output in the international business.

Financial Highlights:

- The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to **₱7,396.14 million** for year ended 31 December 2023 compared to **₱13,055.12 million** net income in the same period last year.

The tables below summarize the consolidated results of operations of the Group's revenues, costs and expenses for the years ended 31 December 2023 and 2022.

Revenues

<i>In thousand Pesos</i>	2023	2022	Increase (Decrease)	
			Amount	%
Revenue from sale of electricity	36,181,426	34,995,488	1,185,938	3
Rental income	68,857	68,469	388	1
Dividend income	–	3,635	(3,635)	(100)
Other revenue	248,850	170,959	77,891	46

- **Revenue from sale of electricity** increased as a result of higher net generation due to better wind resources, as well as the start of commissioning of new power plants in the Philippines and in Australia. Last year included the impact of curtailment in the Visayas plants and payment of customer buy-out fee.
- **Rental income** increased mainly coming from escalation of lease rate.
- **Dividend Income** in 2022 came from UPC Sidrap, which is recognized as a financial asset at FVOCI.
- **Other revenue** consists of management fees earned by ACEN from its joint ventures and bulk water sales.

Costs and Expenses

<i>In thousand Pesos</i>	2023	2022	Increase (Decrease)	
			Amount	%
Costs of sale of electricity	31,730,082	34,183,239	(2,453,157)	(7)
General and administrative expenses	7,470,884	3,901,817	3,569,067	91

- **Cost of sale of electricity** movement was caused by lower coal prices and spot market prices for Wholesale Electricity Spot Market purchases.
- **General and administrative expenses** includes provision for impairment of loans from development loans (UPC Solar) (P1,140.27 million), provision for impairment of investments at amortized cost from redeemable preferred shares (UPC-ACE Solar) (P878.43 million) and convertible loans (Vietnam Wind) (P982.54 million) made in 2023. This also reflects increase in manpower to complement renewable scape up and impact of ACEN Australia consolidation starting November 2022.

Other Income and Expenses

<i>In thousand Pesos</i>	2023	2022	Increase (Decrease)	
			Amount	%
Interest and other finance charges	(1,930,265)	(2,357,531)	427,266	(18)
Equity in net income of associates and joint ventures	1,765,239	937,834	827,405	88
Other income - net	12,255,831	18,201,992	(5,946,161)	(33)

- **Interest and other finance charges** went down from last year due to continued capitalization of financing cost to projects under construction in the Philippines for the year ended 31 December 2023 and impact of deconsolidation of South Luzon Thermal Energy Corporation (SLTEC) in November 2022. This is partially offset by full year impact of availments of long-term and short-term loans and notes payable in 2022. This also reflects the higher interest rate environment.
- **Equity in net income of associates and joint ventures** increased largely coming from the wind plants in northern Luzon and in Vietnam due to stronger wind regime, as well as improved geothermal availability in Indonesia. Last year includes share in development losses incurred by ACEN Australia prior to consolidation in November 2022.
- **Other income** mainly comprised of interest and other financial income from banks and short-term deposits, investments in redeemable preferred shares, debt replacements, and development loans which increased by Php 1,431.21 million, year on year. This also includes gain on disposal of investment of ACEHI Netherlands (Php 1,062.03 million), gain on remeasurement of ACEHI Netherlands' retained interest which directly owns the previous Associate, Salak and Darajat (Php 3,433.33 million), gain from partial settlement of development loan (Php 515.00 million) and gain on sale of financial assets at FVTPL (Php 49.93 million). This is partly offset by net fair value losses on investments in FVTPL (Php 262.38 million). Last year included significant one-off gain from remeasurement of previously held interest (Php 10,921.03 million; \$189.67 million) upon ACRI's acquisition of control in UPC-ACE Australia.

Provision for (benefit from) income tax

<i>In thousand Pesos</i>	2023	2022	Increase (Decrease)	
			Amount	%
Current	492,330	415,325	77,005	19
Deferred income tax	(210,032)	(1,077,423)	(867,391)	(81)

- The increase in **provision for income tax - current** due to higher taxable income for the year.
- **Deferred income tax expense** decreased mainly driven by utilization of deferred tax asset on NOLCO against taxable income.

The table below bridges the consolidated statements of income to core operating earnings for the year ended 31 December 2023.

<i>In thousand pesos</i>	Statutory	Income from Operations	Overhead and Development Expense	Financing Cost	NetCore Operating Earnings	Value Realization	Others	Total
REVENUES								
Revenue from sale of electricity	₱36,181,426	₱36,181,426	₱-	₱-	₱36,181,426	₱-	₱-	₱36,181,426
Rental income	68,857	68,857	-	-	68,857	-	-	68,857
Dividend income	-	-	-	-	-	-	-	-
Other revenues	248,850	248,850	-	-	248,850	-	-	248,850
	36,499,133	36,499,133	-	-	36,499,133	-	-	36,499,133
COSTS AND EXPENSES								
Costs of sale of electricity	31,730,082	31,730,082	-	-	31,730,082	-	-	31,730,082
General and administrative expenses	7,470,884	2,276,237	3,179,495	-	5,455,732	-	2,015,152	7,470,884
	39,200,966	34,006,319	3,179,495	-	37,185,814	-	2,015,152	39,200,966
INTEREST AND OTHER FINANCE CHARGES	(1,930,265)	(794,265)	-	(1,136,000)	(1,930,265)	-	-	(1,930,265)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	1,765,239	2,193,464	-	-	2,193,464	-	(428,225)	1,765,239
OTHER INCOME - NET	12,255,831	4,298,292	-	3,012,927	7,311,219	1,062,030	3,882,582	12,255,831
INCOME BEFORE INCOME TAX	9,388,972	8,190,305	(3,179,495)	1,876,927	6,887,737	1,062,030	1,439,205	9,388,972
PROVISION FOR (BENEFIT FROM) INCOME TAX								
Current	492,330	481,308	-	-	481,308	-	11,022	492,330
Deferred	(210,032)	(210,032)	-	-	(210,032)	-	-	(210,032)
	282,298	271,276	-	-	271,276	-	11,022	282,298
NET INCOME	₱9,106,674	₱7,919,029	(₱3,179,495)	₱1,876,927	₱6,616,461	₱1,062,030	₱1,428,183	₱9,106,674
Net Income Attributable To:								
Equity holders of the Parent Company	₱7,396,140	₱8,090,495	(₱3,179,495)	(₱5,073)	₱4,905,927	₱1,062,030	₱1,428,183	₱7,396,140
Non-controlling interests	1,710,534	(171,466)	-	1,882,000	1,710,534	-	-	1,710,534
	₱9,106,674	₱7,919,029	(₱3,179,495)	₱1,876,927	₱6,661,461	₱1,062,030	₱1,428,183	₱9,106,674

- **Income from operations** represents income from the Group’s retail electricity supply, trading, generation, and ancillary business. Income from operations is mainly from operating renewable power plants in the Philippines, Australia, Vietnam, Indonesia, India, and rest of world. Income from Vietnam, Indonesia and rest of world are presented under equity in net income of associates and joint ventures and interest income on other financial assets at amortized cost which is under other income-net. Interest income on other financial assets at amortized cost are coupons from redeemable preferred share investments of the Group in operating renewable power plants.
- **Overhead and development expenses**
 - **General and administrative expenses** of ₱3,179.50 million represents ACEN, ACRI, and ACEN Australia corporate general and administrative expenses.
- **Net financing cost**
 - **Interest and other finance charges** of ₱1,136.00 million is the sum of financing charges from short-term and long-term loans and notes payable of ACEN, ACRI, and ACEN Australia.
 - **Other income – net** of ₱3,012.93 million are interest income from debt replacement, development loans, and placements of ACEN, ACRI, and ACEN Australia. Debt replacement facilities are provided to related parties to fund investment requirements for renewable power plants while under construction and undergoing implementation or release of project financing from financial institutions. Development loan facilities are provided to related parties and third parties to fund the development of renewable power plant projects.
 - **Non-controlling interest** of ₱1,882.00 million are net income attributable to ACEN Cayman Limited, Inc. These are paid as dividends to the shareholder of redeemable preferred shares in ACEN Cayman, AC Energy Finance International (a wholly owned subsidiary of AC Energy and Infrastructure Corporation). This is treated as a financing cost borne by ACEN.
- **Core operating earnings** is income from operations less the overhead and development expenses and net financing cost.
- **Value realization** of ₱1,062.03 million is the cash gain on change due to loss of control of subsidiary, ACEHI Netherlands B.V. (“ACEHI Netherlands”) following the 24.24% interest sale to a third party. ACEHI Netherlands is a Dutch holding company that has a 19.80% ownership interest in the Salak and Darajat geothermal power plants in Indonesia. The sale transaction resulted in the Group’s loss of control over ACEHI Netherlands and partial sell down in Salak and Darajat investment.
- **Others** are the following:
 - **Provision for impairment of financial assets at amortized cost and provision for expected credit losses** of ₱2,015.15 million were provided to investments made in UPC-ACE Solar in the form of redeemable preferred shares (presented under other financial assets at amortized cost) and development loan for its principal and interest (presented under receivables). UPC-ACE Solar holds the Group’s existing investments in India that are either operating or near completion (Sitara 140MWdc, Paryapt 70MWdc, and Masaya Solar 420 MWdc). Provision for impairment was provided after comparing the updated economics of the underlying projects to their original investment case. The instruments are not expected to be fully serviced due to project delays, cost overrun, and foreign exchange depreciation, among others.
 - **Equity in net income of associates and joint ventures** for projects not yet operational of ₱428.23 million losses. These are the Group’s investments in USA, India, and Lao-PDR.
 - The Group remeasured its 75.76% retained interest in ACEHI Netherlands using the fair market value of the sale transaction with SEOG and resulted in a **gain on remeasurement of retained interest** of ₱3,433.33 million.
 - **Other non-operational items** of ₱449.21 million (under other income) and overall income tax effect of ₱ 0.11 million. Other income is mainly interest income from investment in redeemable preferred shares of projects not yet operational (USA, India, and Lao-PDR) which is presented as interest income on other financial assets at amortized cost.

The table below bridges consolidated income before income tax to (i) the statutory earnings before interest, taxes, depreciation, and amortization (EBITDA) and then to (ii) attributable EBITDA.

Statutory EBITDA is income before income tax plus (1) depreciation and amortization, (2) provision for impairment of assets and (3) interest and other finance charges less (1) interest and other financial income from cash in banks and short-term deposits and (2) gain on remeasurement of retained interest, which is a non-cash gain.

Attributable EBITDA is the sum of (1) statutory EBITDA, and (2) nonconsolidated operating projects' EBITDA multiplied by ACEN's economic interest less (1) equity in net income of associates and joint ventures, and (2) less interest and other financial income from other financial assets at amortized cost (this is presented under other income – net in the consolidated statements of income). This is not equivalent to the statutory EBITDA of the Group.

Core attributable EBITDA is attributable EBITDA less any one-off income (e.g., gain on change due to loss of control of subsidiary from partial divestment in Salak and Darajat investment which is the cash gain from said partial divestment).

<i>In thousand pesos</i>	December 31, 2023
Income before income tax	₱9,388,972
Depreciation and amortization	1,573,470
Provision for impairment of financial assets at amortized cost and expected credit losses	2,996,657
Interest and other finance charges (excluding lease obligations, amortization of debt issue cost, and other finance charges)	1,471,779
Interest and other financial income – cash in banks and short-term deposits	(1,586,517)
Gain on remeasurement of retained interest	(3,433,328)
Others	129,830
Statutory EBITDA	10,540,863
Nonconsolidated operating projects' EBITDA	13,026,350
Equity in net income of associates and joint ventures	(1,765,239)
Interest and other financial income – other financial assets at amortized cost	(2,995,968)
Attributable EBITDA	18,806,006
Gain on change due to loss of control of subsidiary	(1,062,030)
Core Attributable EBITDA	₱17,743,976

Material changes in Consolidated Statements of Financial Position accounts

<i>In thousand pesos</i>	December	December 31,	Increase (Decrease)	
	31, 2023	2022	Amount	%
Current Assets				
Cash and cash equivalents	39,696,662	34,630,011	5,066,651	15
Accounts and notes receivable - net	26,065,692	30,503,231	(4,437,539)	(15)
Fuel and spare parts	964,053	806,986	157,067	19
Financial assets at fair value through profit or loss (FVTPL)	1,938,497	42,863	1,895,634	4,423
Current portion of:				
Input value added tax (VAT)	2,059,734	2,132,179	(72,445)	(3)
Creditable withholding taxes	102,984	940,403	(837,419)	(89)
Other current assets	750,493	966,907	(216,414)	(22)
Noncurrent Assets				
Investments in:				
Associates and joint ventures	30,098,617	24,766,433	5,332,184	22
Other financial assets at amortized cost	21,633,799	21,260,907	372,892	2
Financial assets at FVTPL	1,932,975	1,260,023	672,952	53
Financial assets at fair value through other comprehensive income (FVOCI)	5,799,323	366,844	5,432,479	1,481
Plant, property and equipment	88,928,251	58,398,228	30,530,023	52
Right-of-use assets	8,213,704	3,726,647	4,487,057	120
Accounts and notes receivable - net of current portion	12,689,042	16,387,729	(3,698,687)	(23)
Goodwill and other intangible assets	23,165,368	23,268,743	(103,375)	(1)
Net of current portion:				
Input VAT	3,120,200	2,336,747	783,453	34
Creditable withholding tax	2,513,774	752,317	1,761,457	234
Deferred income tax assets – net	2,122,081	1,730,194	391,887	23
Other noncurrent assets	13,138,251	8,495,171	4,643,080	55

- Increase in **Cash and cash equivalents** is attributed to cash generated from operations and availments of short-term and long-term debts and issuance of redeemable preferred shares in September 2023 which covered for the investing activities for the year.
- Decrease in **Accounts and notes receivable** is mainly due to collections and loan repayments coming from BIM Wind, Asian Wind Power 1 and 2 and UPC Renewables Asia Pacific Holdings Ltd. (UPCAPH) following maturity of these instruments.
- **Fuel and spare parts** went up as a result of purchases in bunker fuels.
- **Financial assets at fair value through profit or loss** went up with acquisition of Masaya Solar CCDs, listed Philippine equity shares and placements for UITF investments through local bank.
- Decrease in **current portion of input VAT** is for offset to output VAT and portions is reclassified to non-current following assessment on future utilization.
- **Creditable withholding tax** movement is mainly due to reclasses to non-current following assessment on future utilization of tax credits.
- **Other current assets** decreased primarily due to less hedge transactions outstanding as at the end of the year following their maturities during the year.
- **Investments in associates and joint ventures** increased mainly due to investments in SUPER, BrightNight, Monsoon, and UPC Power Solutions LLC with a total subscription of ₱4,369.14 million. Accumulated equity in net earnings increased by ₱827.41 million for the year largely coming from the wind plants in northern Luzon and in Vietnam due to stronger wind regime, as well as improved geothermal availability in Indonesia. Investments balance was reduced by dividends received from Salak-Darajat, BIMRE, and PhilWind and NLR (₱1,362.46 million) and currency translation losses (₱290.76 million) with the decline of Philippine peso vs US dollar for the year.

- **Investments in other financial assets at amortized cost** include redeemable preferred shares and convertible loans. During the year, significant movements are due to new investments made in Impact Wind, NEFIN Solar, Beacon Capital Holdings Limited and UPCAPH amounting to ₱3,900.35 million and loan extensions of ₱1,807.64 million, these are offset by loan repayments of ₱2,341.77 million and impairment provisions of ₱1,860.97 million.
- **Current and Noncurrent financial assets at FVTPL** pertains to Compulsorily Convertible Debentures (CCDs) from Masaya Solar. Masaya Solar is currently constructing the 420MW solar farm in the Central Indian state of Madhya Pradesh.
- **Noncurrent financial assets at FVOCI** are largely the investment in shares and also include golf club shares and listed equity instruments. The increase is attributable to investments in equity instruments of UPC Solar (₱1,943.92 million), BrightNight (₱2,847.00 million), Puri Prakarsa Batam (₱341.47 million) and reclassification (₱353.34 million) of UPC Solar instrument from financial asset at amortized cost to FVOCI.
- **Plant, property and equipment's** increase came from multiple ongoing construction projects such as Pagudpud Wind, San Marcelino Solar (Phase 1, 2, and 3) Cagayan North Solar, Palauig 2 Solar, Pangasinan Solar, New England Solar Farm 1, and Stubbo Solar. The Group also capitalized borrowing cost to these renewable projects under construction.
- **Right-of-use asset's** increased due to new lease contracts in 2023, Development entities' leases of multiple blocks with Laguna Lake Development Authority where floating solar farms will be constructed.
- **Receivables - net of current portion** decreased primarily due to loan repayment and reclassification to current portion following maturity dates of the instruments.
- **Goodwill & other intangible assets** decreased following translation loss on the goodwill from ACEN Australia but is offset by the additional goodwill from acquisitions of Sinocalan, YMP Telecom and YMP Industrial.
- The majority of the balance of **Deferred tax asset** are from NOLCO of the Group.
- **Input VAT non-current** increased due to purchases for ongoing renewable projects.
- **Other non-current assets** include various advances to contractors for the ongoing project under construction and development. The increase is mainly attributable to capitalization of developmental costs to appropriate property, plant and equipment account upon operation and derivatives coming from the 20-year Long Term Energy Service Agreement (LTESA) for ACEN Australia's 720 MW (936 MWdc) New England Solar project and 400 MW (520 MWdc) Stubbo Solar project secured through the New South Wales.

<i>In thousand pesos</i>	December 31, 2023	December 31, 2022	Increase (Decrease)	
			Amount	%
Current Liabilities				
Accounts payable and other current liabilities	16,145,386	13,322,569	2,822,817	21
Short-term loans	1,500,000	2,900,000	(1,400,000)	(48)
Current portion of:				
Long-term loans	1,289,104	719,385	569,719	79
Lease liabilities	850,953	258,562	592,391	229
Income and withholding taxes payable	241,667	479,435	(237,768)	(50)
Due to stockholders	16,585	16,585	–	–
Noncurrent Liabilities				
Notes payable	32,003,794	32,093,314	(89,520)	(1)
Long-term loans - net of current portion	44,485,573	28,051,903	16,433,670	59
Lease liabilities - net of current portion	7,505,848	4,206,459	3,299,389	78
Pension and other employee benefits	368,827	76,997	291,830	379
Deferred tax income liabilities - net	805,902	226,268	579,634	256
Other noncurrent liabilities	6,344,004	827,643	5,516,361	667
Equity				
Common shares	39,691,895	39,691,895	–	–
Redeemable preferred shares	25,000	–	25,000	–
Additional paid-in capital	132,295,689	107,492,243	24,803,446	23
Other equity reserves	(59,450,345)	(56,585,740)	(2,864,605)	5
Unrealized fair value loss on equity instruments at FVOCI	(268,000)	(114,566)	(153,434)	134
Unrealized fair value gain on derivative instruments designated as hedges – net of tax	588,519	326,676	261,843	80
Remeasurement loss on defined benefit plans – net of tax	(32,821)	(43,910)	11,089	(25)
Accumulated share in other comprehensive loss of associates and joint ventures	(85,483)	(5,794)	(79,689)	1,375
Cumulative translation adjustments	5,864,713	7,449,690	(1,584,977)	(21)
Retained earnings	24,871,807	19,551,839	5,319,968	27
Treasury shares	(28,657)	(28,657)	–	–
Non-controlling interests	29,903,540	31,859,767	(1,956,227)	(6)

- **Accounts payable and other current liabilities** increased due to increased power purchases.
- **Short-term loans** are outstanding loans from local banks (Php 1,500.00 million).
- **Current portion of long-term loans** driven mainly by maturing amortization.
- **Current portion of lease liabilities** driven mainly by lease payment due in 2024.
- Decrease in **income and withholding taxes payable** was mainly due to settlement of income tax with the internal revenue regulator.
- **Notes payable** pertains to the ₱10,000.00 million 5-year Green Bonds by ACEN and the US\$400.00 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds (the Bonds) issued and listed in SGX-ST
- **Long-term loans - net of current portion** increased due to the new loan availed to support ongoing construction Philippine and International projects. The increase was partially offset by reclassification to current portion following amortization schedule.
- **Lease liabilities-net of current portion** increased mainly due to new leases related to the construction of floating solar projects along with interest expense recognized during the year.
- Majority of the balance of **deferred income tax liabilities** came from recognition on capitalized borrowing costs, unrealized foreign exchange gain and right-of-use assets of the Group as at year ended.
- **Other non-current liabilities** include contract liabilities and asset retirement obligations related to solar operations.

- Increase in **Additional Paid-in capital** is related to the 25,000,000 redeemable preferred shares issuance issue price of ₱1,000.00 per share with par value of ₱1.00 per share. This is equivalent to ₱24,975.00 million increase is offset by issue cost of ₱171.55 million.
- The decrease in **unrealized FV loss on equity instruments at FVOCI** came from mark-to-market loss for UPC Sidrap and UPC AC Energy Solar for the current period.
- **Unrealized fair value gain on derivative instruments designated as hedges** increased significantly due to hedge coming from the 20-year Long Term Energy Service Agreement (LTESA) for ACEN Australia.
- **Remeasurement loss on defined benefit plan** decreased parallel to various actuarial losses and gains on return on plan assets.
- The increase in **accumulated share in other comprehensive loss of associates and joint ventures** came from share in currency translation adjustment, interest rate swap hedges and remeasurements on pension of associates and joint ventures.
- **Retained earnings** increased from resulting net income earned for the year and dividend declarations.
- **Treasury shares** had no movement during the year.
- **Non-controlling interests** are mainly comprised of redeemable preferred shares (RPS) of ACE Cayman held by AC Energy Finance International Limited, 20% NCI in Robbins Island and a 4% NCI in Valley of the Winds. In 2023, the Group acquired the remaining NCI in UPC-ACE Australia. Non-controlling interests' aggregate share in net income amounted to Php 1,696.55 million, which was offset by dividends totaling Php 1,882.83 million.

Key Performance Indicators

The key performance indicators of ACEN and its majority owned subsidiaries, as consolidated, are the following:

Key Performance Indicator	Formula	31-Dec-23 (Audited)	31-Dec-22 (Audited)	Increase (Decrease)	
				Amount	%
<i>Liquidity Ratios</i>					
Current Ratio	Current assets	3.57	3.96	(0.39)	(10%)
	Current liabilities				
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets	3.38	3.68	(0.30)	(8%)
	Current liabilities				
<i>Solvency Ratios</i>					
Debt/Equity ratio	Total liabilities	0.64	0.56	0.08	15%
	Total equity				
Asset-to-equity ratio	Total assets	1.64	1.56	0.08	5%
	Total equity				
Interest Coverage Ratio	Statutory Earnings before interest & tax (EBIT)	2.37	2.14	0.23	11%
	Interest expense				
Net bank Debt to Equity ratio	Short & long-term loans - Cash & Cash Equivalents	0.23	0.19	0.04	21%
	Total Equity				

<i>Profitability Ratios</i>					
Return on Equity	Net income after tax attributable to equity holders of the Parent Company	6.05%	12.69%	(6.64%)	(52%)
	Average stockholders' equity				
Return on Common Equity	Net income after tax attributable to equity holders of the Parent Company (Common)	5.71%	12.69%	(6.64%)	(55%)
	Average Common equity attributable to equity holders of the Parent Company (Common)				
Return on assets	Net income after taxes	3.52%	7.23%	(3.71%)	(51%)
	Average total assets				
Asset Turnover	Revenues	14.10%	17.45%	(3.35%)	(19.19%)
	Average total assets)

(3) Statutory EBIT is Statutory EBITDA less depreciation and amortization expense

(4) Cash interest expense is gross of capitalized borrowing cost of ₱1,852.97 million and ₱747.78 million for the years ended 31 December 2023 and 2022, respectively.

Current ratio & Acid test ratio

Current ratio & acid test ratio decreased due to increase in nearly maturing obligations.

Debt/Equity ratio & Asset-to-equity ratio

D/E ratio slightly increased with additional short-term and long-term loan availments, which were cushioned by the increase net income for the year. Asset-to-equity ratio also went up as the increase in total assets slightly outpaced the increase in equity.

Interest coverage ratio

Interest coverage improved based on higher EBIT relative to cash interest expense.

Net bank debt to equity ratio

Increased from last year due to more cash liquidity to cover for short-term and long-term loan obligations.

Return on Equity

Decreased from last year following lower net income after tax attributable to owners of the parent company. 2022 net income after tax higher mainly due to the gain on remeasurement of previously held interest of ₱10,921.03 million from ACEN AU acquisition. Average total stockholders' equity attributable to equity holders of the Parent Company in 2023 includes impact of the issuance of ACEN preferred shares of ₱25,000.00 million in September 2023.

Return on Common Equity

Decreased from last year following lower net income after tax attributable to owners of the parent company. 2022 net income after tax higher mainly due to the gain on remeasurement of previously held interest of ₱10,921.03 million from ACEN AU acquisition. This also reflects impact of the paid and cumulative dividends to ACEN preferred shareholders from September to December 2023.

Return on Asset

Decreased from last year following lower net income after tax attributable to owners of the parent company. 2022 net income after tax higher mainly due to the gain on remeasurement of previously held interest of ₱10,921.03 million from ACEN AU acquisition.

Material events and uncertainties

- There were no events that triggered direct or contingent financial obligation that was material to the Group. There were no contingent assets or contingent liabilities since the last annual financial reporting.
- There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Parent Company with unconsolidated entities or other persons created during the financial reporting period.
- There were no material events that had occurred subsequent to the financial reporting close except for the events after the reporting period disclosed in Note 30 of the Audited Consolidated Financial Statements.
- ACEN has material commitments to invest in capital expenditure projects mainly in the following:
 - 160MW Pagudpd Wind
 - 385MW San Marcelino Solar (Phase 1 and 2)
 - 200MW San Marcelino Solar (Phase 3)
 - 133MW Cagayan North Solar (Phase 1)
 - 300MW Palauig 2 Solar
 - 60MW Pangasinan Solar
 - 521MW New England Solar Farm 1
 - 520MW Stubbo Solar
- Any known trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations
 - The results of operations of ACEN and its subsidiaries depend to a significant extent, on the performance of the Philippine economy and the various markets where it operates.
 - The performance of the renewable energy plants depends on solar and wind resources, which are not within the control of ACEN. Plant availability can also impact ACEN's generation capacity.
 - The current highly competitive environment, operation of priority-dispatch variable renewable energy, and tight power supply in the Philippines have driven market prices of electricity upward.
 - Movements in the WESM prices could have a significant favorable or unfavorable impact on the Group's financial results.
 - Delays in the construction of new operating capacity may also impact ACEN's revenues/income.
 - Commodity prices, interest rates, and other macroeconomic factors may also impact the business.
- Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way - The Group is developing a line-up of renewable energy projects as part of its growth aspiration. The capital expenditures shall be funded by a combination of debt and equity.
- There were no significant elements of income or loss that did not arise from continuing operations that had material effect on the financial condition or results of operations.
- There were no operations subject to seasonality and cyclicity except for the operation of wind farms. The wind regime is high during the northeast monsoon ("amihan") season in the first and fourth quarter when wind turbines generate more power to be supplied to the grid. The generation drops in the second and third quarter due to low wind regime brought about by the southwest monsoon ("habagat").

Item 7. Financial Statements

The consolidated financial statements and schedules as listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17 A.

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Independent public accountants

- a. The external auditor of the Company is the accounting firm of SyCip, Gorres, Velayo & Company (SGV & Co.). The Board, upon the recommendation of the Company's Audit Committee (with Mr. Garry K. Lester as Chairperson and Ms. Nicole Goh Phaik Khim and Ms. Melinda L. Ocampo as members), approved the election of SGV & Co. as the Company's external auditor for 2025 based on its performance and qualifications, and fixed its remuneration amounting to Php 2,902,500.00, exclusive of value-added tax and out-of-pocket expenses.

The election of SGV & Co., and the fixing of its remuneration will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

- b. Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to questions.

Pursuant to the General Requirements of Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged SGV & Co. as external auditor, with Veronica R. Pore as the Partner-in-Charge for the year 2025.

c. **Changes in and disagreements with accountants on accounting and financial disclosure**

The Company has engaged the services of SGV & Co. during the two most recent fiscal years. There were no disagreements with SGV & Co. on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

d. **Audit and Non-audit Services (NAS) Fees**

During its annual meeting on 24 April 2024, the stockholders re-appointed SyCip, Gorres, Velayo and Co. (SGV & Co.) as the external auditor of the Company for the calendar year 2024. Fees approved in connection with the audit services rendered by SGV & Co. for the Company, pursuant to the regulatory and statutory requirements, for the years ended 31 December 2024 and 2023 amounted to ₱2,700,000.00 and ₱2,500,000.00, respectively, exclusive of value-added tax (VAT) and out-of-pocket (OPE) expenses.

In addition to performing the audit of the Company's 2024 financial statements, SGV & Co. was also engaged to provide non-audit services in accordance with the established procurement policies.

Pursuant to the requirements of SEC 18-2024 for supplemental disclosure in the audited financial statements, the new circular mandates the reporting of fees related to both audit and non-audit services fees rendered by SGV & Co. and its network firms to the Company and subsidiaries. Further, audit-related fees are now reclassified under "NAS – Other assurance services" from "Audit and audit-related".

The consolidated audit and non-audit services rendered by SGV & Co. and network firms are outlined below, with comparative figures for 2024 and 2023:

	2024	2023
	<i>(amounts exclusive of VAT and OPE)</i>	
Total Audit Fees*	Php11.85 million	Php10.41 million
Non-audit services fees:**		
Other assurance services	Php5.509 million	Php7.50 million
Tax services	1.75 million	0.25 million
All other services	1.07 million	0.11 million
Total Non-audit Services Fees	Php8.32 million	Php7.86 million
TOTAL	Php 20.17 million	Php 18.27 million

*Agreed audit fees

**Billed fees for the years ended December 2024 and 2023

Audit fees. Include ACEN CORPORATION's and its subsidiaries' agreed fees for the audit of the annual financial statements, on which the external auditor /audit firm expresses an opinion for the years ended 2024 and 2023.

Non-audit fees. Include assurance services that are directly related to the review of quarterly financial statements and integrated reports, review of consolidated comparative financial statements for the issuance of preferred shares, tax compliance advisory services, transfer pricing documentation and study, and other tax activities. This also includes all other services relating to hedge accounting and derivate instruments, annual stockholders' meeting validation, agreed-upon procedures on the increase in authorized capital stocks, training, and other services.

The Audit Committee has reviewed the nature of non-audit services rendered by SGV & Co., including the corresponding fees, and concluded that these are not in conflict with the audit functions of the external auditors.

The Audit Committee has an existing policy to review and approve the audit and non-audit services rendered by the Company's external auditor. Said policy does not allow the Company and its subsidiaries to engage the external auditors for non-audit services expressly prohibited by the SEC. This is to ensure that the external auditor maintains the highest level of independence from the Company, both in fact and appearance.

PART III CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Article IV, Section 5, of the Company's By-laws provides:

Meetings - (a) The Board of Directors shall designate the days that it shall hold regular meetings, which shall be at least six (6) times a year, at such time and place as the Board of Directors may prescribe (b) The Board of Directors shall meet as soon as practicable after the annual meeting of stockholders for the purposes of organization, election of officers and the transaction of other business.

The Board held seven (7) board meetings for the year 2024. The attendance of the directors at the meetings of the Board held in 2024 is as follows:

Directors	No. of Meetings Attended/Held	Percent Present
Cezar P. Consing	7/7	100%
Gerardo C. Ablaza, Jr.	6/6 ¹⁰	100%
John Eric T. Francia	7/7	100%
Jaime Alfonso Antonio E. Zobel de Ayala	7/7	100%
Jaime Z. Urquijo	6/6 ³	100%
Nicole Goh Phaik Khim	7/7	100%
Dean L. Travers	7/7	100%
Jesse O. Ang	7/7	100%
Maria Lourdes Heras - de Leon	7/7	100%
Garry K. Lester	7/7	100%
Melinda L. Ocampo	7/7	100%

All the directors were also present during the annual stockholders' meeting on 24 April 2024. The non-executive directors held a separate meeting on 10 July 2024.

The Board has established committees to assist in exercising its authority in monitoring the performance of the business of the Company. The committees, as mentioned below, provide organized and focused means for the Board to achieve specific goals and address issues, including those related to corporate governance.

¹⁰ Messrs. Ablaza and Urquijo were elected to the Board of Directors on 24 April 2024.

As of 28 February 2025, the board committees and their members are as follows:

	Executive Committee	Personnel and Compensation Committee	Corporate Governance and Nomination Committee	Audit Committee	Board Risk Management and Related Party Transactions Committee	Sustainability Committee
Cezar P. Consing*	C	M				
Gerardo C. Ablaza, Jr.*	M					
John Eric T. Francia	M					
Jaime Alfonso Antonio E. Zobel de Ayala*						
Jaime Z. Urquijo*	M					C
Nicole Goh Phaik Khim*				M	M	
Dean L. Travers*						
Jesse O. Ang***	M	C	C			
Maria Lourdes Heras - de Leon**		M				M
Garry K. Lester**			M	C	M	
Melinda L. Ocampo**			M	M	C	M

C - Chairman

**Non-executive Director*

M - Member

***Non-executive and Independent Director*

****Lead Independent Director*

The attendance of the directors at the committee meetings held in 2024 is as follows:

	Executive Committee Meetings Attended /Held	Personnel and Compensation Committee Meetings Attended /Held	Corporate Governance and Nomination Committee Meetings Attended /Held	Audit Committee Meetings Attended /Held	Board Risk Management and Related Party Transactions Committee Meetings Attended /Held	Sustainability Committee Meetings Attended /Held
Cezar P. Consing	7/7	1/1				
Gerardo C. Ablaza, Jr.	5/5 ¹¹					
John Eric T. Francia	7/7					
Jaime Alfonso Antonio E. Zobel de Ayala	2/2 ¹²					
Jaime Z. Urquijo	5/5 ⁴					2/2
Nicole Goh Phaik Khim				7/7	2/2	
Dean L. Travers						
Jesse O. Ang	7/7	1/1	4/4			
Maria Lourdes Heras - de Leon		1/1				2/2

¹¹ Messrs. Ablaza and Urquijo were appointed members of the Executive Committee on 24 April 2024.

¹² Mr. Jaime Alfonso Antonio E. Zobel de Ayala's term as member of the Executive Committee ended on 24 April 2024.

Garry K. Lester			4/4	7/7	2/2	
Melinda L. Ocampo			4/4	7/7	2/2	2/2

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairman, and the directors. The assessment criteria or metrics include board composition; board roles, functions and processes; information management; representation of shareholders; management of the Company's performance; senior executives' talent management and succession planning; dynamics and relationships; and corporate governance practices. The aggregated results are presented to the Board during the meeting immediately following the end of the assessment process. The performance assessment of the Board and the directors is conducted by an independent third-party consultant every three years. In 2024, Aon Singapore Pte. Ltd. conducted the Board evaluation covering the year 2023. The third-party evaluation was conducted through (1) an evaluation questionnaire answered by each director; and (2) interviews with the President & CEO, lead independent director and Corporate Secretary.

a. Information required of directors and executive officers

i. Directors and executive officers

The following persons have been nominated to the Board for election at the annual stockholders' meeting and have accepted their respective nominations:

Nominees	Citizenship	Age	Date of First Election to the Board	Number of Listed Companies Where the Nominee Serves as a Director
Cezar P. Consing	Filipino	65	19 April 2021	5
Gerardo C. Ablaza, Jr.	Filipino	71	17 September 2019	5
John Eric T. Francia	Filipino	53	17 September 2019	2
Jaime Alfonso Antonio E. Zobel de Ayala	Filipino	34	24 April 2023	3
Jaime Z. Urquijo	Filipino	36	24 April 2024	3
Nicole Goh Phaik Khim	Malaysian	40	19 April 2021	1
Dean L. Travers	Australian	55	25 April 2022	1
Jesse O. Ang	Filipino	65	24 April 2023	1
Maria Lourdes Heras - de Leon	Filipino	70	24 April 2023	1
Christopher Paul Beshouri	American	62	-	0
David John Nicol	Australian	65	-	0

In addition, Mr. Lester and Ms. Ocampo are incumbent directors (not nominated for re-election in the annual stockholders' meeting for 2025):

Incumbent Directors	Citizenship	Age	Date of First Election to the Board	Number of Listed Companies Where the Nominee Serves as a Director
Garry K. Lester	Australian	60*	24 April 2023	1
Melinda L. Ocampo	Filipino	68	17 September 2019	2

* As of 24 March 2025

Except for Ms. Nicole Goh Phaik Khim and Mr. Dean L. Travers, who were nominated by Arran Investment Pte Ltd., Mr. Cezar P. Consing, Mr. Gerardo C. Ablaza, Jr., Mr. John Eric T. Francia, Mr. Jaime Alfonso Antonio E. Zobel de Ayala, and Mr. Jaime Z. Urquijo were formally nominated as regular directors to the Corporate Governance and Nomination Committee of the Board by ACEIC. Ms. Maria Lourdes Heras-de Leon, Mr. Jesse O. Ang, Mr. Christopher Paul Beshouri, and Mr. David John Nicol are all being nominated as independent directors in accordance with Securities Regulation Code ("SRC") Rule 38 (Requirements on Nomination and Election of Independent Directors). The Corporate Governance and Nomination Committee evaluated the qualifications of all the nominees and prepared the final list of nominees in accordance with the By-Laws and the Charter of the Board of the Company.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

The Board of ACEN is responsible for the overall management and direction of the Company. The Board meets quarterly, or as often as required, to review and monitor the Company's financial position and operations and decide on such other matters as may be required by law to be decided by the Board. The Company's directors are elected at the annual stockholders' meeting to hold office for one year until their respective successors have been elected and qualified. Mr. Cezar P. Consing, Chairman of the Board of the Company, owns 0.00% of the Company's outstanding capital stock. No director holds more than two percent (2%) of the Company's outstanding capital stock.

A summary of the qualifications of the incumbent directors, who are also nominees for directors for election at the stockholders' meeting, and of the incumbent officers is set forth in **Annex "B"**. The certifications on the qualifications of the nominees for independent directors are attached herewith as **Annex "B-1"**, **"B-2"**, **"B-3"** and **"B-4"**.

The officers of the Company are elected annually by the Board during its organizational meeting, usually held immediately after its annual meeting.

DIRECTORS AND KEY OFFICERS

The write-ups below include positions held as of 31 December 2024 and in the past five years, and personal data as of 31 December 2024, of directors and executive officers, unless otherwise stated.

Board of Directors

Cezar P. Consing	Chairman, Executive Committee Member
Gerardo C. Ablaza, Jr.	Vice-Chairman, Executive Committee Member
John Eric T. Francia	President and CEO, Executive Committee Member
Jaime Alfonso Antonio E. Zobel de Ayala	
Jaime Z. Urquijo	Executive Committee Member
Nicole Goh Phaik Khim	
Dean L. Travers	
Jesse O. Ang	Lead Independent Director, Executive Committee Member
Maria Lourdes Heras-de Leon	Independent Director
Garry K. Lester	Independent Director
Melinda L. Ocampo	Independent Director

*Cezar P. Consing,
Chairman, Non-Executive Director*

Committee memberships:

- *Executive Committee (Vice-Chairman)*
- *Member, Personnel and Compensation Committee*

Mr. Consing, Filipino, 65, has been a director of the Company since 19 April 2021 and Vice-Chairman of the Board since 28 September 2022. He holds the following positions in publicly listed companies: President & CEO of Ayala Corporation, and the Vice Chairman of the Bank of the Philippine Islands, Ayala Land, Inc., and Globe Telecom, Inc. He has been a member of the Ayala Group Management Committee since April 2013. In addition, he holds various positions in the Ayala Group's unlisted companies, including Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp., and AC Mobility Holdings Incorporated. He is also the Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc., and serves as a Director of Asiacom Philippines, Inc. and ACEN International, Inc. He is the Chairman of the Philippine Dealing System and the College of St. Benilde. He is a member of the Trilateral Commission and serves on the boards of trustees for the Philippine-American Educational (Fulbright) Foundation, the Philippines-Japan Economic Cooperation Committee, and the Manila Golf Club Foundation. Mr. Consing was President & CEO of Bank of the Philippine Islands from 2013-2021. He was a Partner & Co-Head for Asia of the Rohatyn Group from 2004 to 2013. He was an investment banker with J.P. Morgan & Co. from 1985-2004. For seven years, Mr. Consing was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for Bank of the Philippine Islands from 1981 to 1985. Mr. Consing has previously served as Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He has previously served as an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad and First Gen Corporation. He served as a board director of the Asian Youth Orchestra, the US-Philippines Society, La Salle Greenhills, Endeavor Philippines, and International Care Ministries.

Mr. Consing received an A.B. Economics degree (Accelerated Program), Magna Cum Laude, and the gold medal for Economics, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

Gerardo C. Ablaza, Jr.
Vice-Chairman, Non-Executive Director

Committee memberships:

- **Executive Committee (Vice-Chairman)**

Mr. Ablaza, Filipino, 71, has been a director of the Company since 24 April 2024. He holds the following positions in publicly listed companies: Chairman of ENEX Energy Corp., and director of Advanced Info Services, PLC (Thailand), iPeople, Inc., and Roxas and Company Inc. He is also a director in other Philippine corporations operating in the fields of retail banking, property development, education, infrastructure, and health. He is also a member of the Board of Trustees in a number of non-profit foundations engaged in social initiatives, namely Ayala Foundation, BPI Foundation, and Gawad Kalinga Foundation. He previously served as director of the Company from 1 July 2019 until 18 March 2021.

Gerry retired from full-time executive work in 2017, after performing various corporate executive roles over a period of 43 years. His experience spanned a variety of industries: FMCG, agribusiness, retail banking, telecommunication and water distribution. He served as President and CEO of Manila Water Company (PLC) from June 2010 to April 2017. Prior to this, Gerry was the Chief Operating Officer of Globe Telecom, Inc. in 1997, and its President and CEO from 1998 to April 2009.

He graduated as Summa Cum Laude and obtained his degree in Liberal Arts (Honors Accelerated Program), Major in Mathematics from the De La Salle University.

John Eric T. Francia
Executive Director, President and Chief Executive Officer

Committee memberships:

- **Executive Committee**

Mr. Francia, Filipino, 53, was elected as director and President and Chief Executive Officer of the Company on 9 May 2019, effective 15 May 2019. He is concurrently the President and Chief Executive Officer of ACEIC. He is also a Senior Managing Director and member of the Management Committee of AC. He is the Vice Chairman of publicly listed company, ENEX Energy Corp. (PSE: ENEX) (“ENEX”).

Under his leadership, Ayala established its energy platform from a standing start in 2011, to become one of the largest renewable energy platforms in the region, with 4,800 MW of attributable renewables capacity across Asia Pacific. Mr. Francia also led pioneering initiatives in early coal retirement, including the successful completion of the world’s first market-based Energy Transition Mechanism. He is also a director of various Ayala Group companies including AC Infrastructure, AC Health, AC Logistics, Air 21 Holdings, Inc., AC Ventures, Philwater Holdings, Inc., Michigan Holdings, Inc. Ayala Aviation, Purefoods International Limited, AC Mobility Holdings Incorporated, Liveit Investments Limited, AI North America, Inc., and PFIL North America, Inc.

He earned a Master’s Degree in Management Studies at the University of Cambridge in the United Kingdom, graduating with First Class Honors. He received his undergraduate degree in Humanities and Political Economy from the University of Asia & the Pacific, graduating magna cum laude.

Jaime Alfonso Antonio E. Zobel de Ayala
Non-Executive Director

Mr. Zobel de Ayala, Filipino, 34, has been a director of the Company since 28 September 2022. He also serves as director in publicly listed companies AyalaLand Logistics Holdings Corp. and Globe Telecom, Inc. He is the Chief Executive Officer of ACMobility, a platform for mobility solutions including automotive distribution, dealership, aftersales services, and electric vehicle infrastructure. He is also a director of AC Industrials, Isuzu Philippines, and BPI Capital Corporation, among others. He has been appointed as a member of the Inter-Agency Investment Promotion Coordination Committee (IIPCC), as the sole private sector representative of the National Capital Region of the Republic of the Philippines. Prior to his role in ACMobility, he was the Co-Head of the Strategic Development Group and Head of Business Development and Digital Ventures of Ayala Corporation.

He graduated from Harvard University, Cambridge, Massachusetts, USA, with Primary Concentration in Government in 2013 and his Masters of Business Administration from Columbia Business School in New York 2019.

Jaime Z. Urquijo
Non-Executive Director

Committee memberships

- ***Sustainability Committee (Chairman)***
- ***Executive Committee***

Mr. Urquijo, Filipino, 36, has been a director of the Company since 24 April 2024. He holds the following positions in publicly listed companies: Chief Sustainability and Risk Officer (CSRO) of Ayala Corporation, and director of Integrated Micro-electronics, Inc. and Bank of the Philippine Islands. He also serves as director of BPI/MS Insurance, AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., and Chairman of Klima 1.5 Corp. He is Vice Chairman of the Board of Trustees and Chairman of the Executive Committee of Ayala Foundation, a member of the Board of Trustees and Chief Executive Officer of WeAreAyala Business Club, Inc., and an Independent Advisor to the Board of Directors of Ayala Land Inc. He is also part of the board of WWF Philippines, the European Chamber of Commerce of the Philippines (ECCP), Makati Central Estate Association, Inc. (MACEA), and the Hero Foundation.

Jaime was previously Vice President for Business Development of the Company, during which he led initiatives to expand the group's portfolio of assets in the Philippines, Vietnam, Myanmar, and Indonesia. Prior to this, Jaime served as the Head of Business Development for AF Payments, Inc., which created the Beep Card payment system, the country's first interoperable public transport payment card. Prior to joining the Ayala Group, Jaime was an associate at JP Morgan in New York. Jaime received his Bachelor of Arts degree in Political Science from the University of Notre Dame in the US and his Master's in Business Administration from INSEAD in France.

Nicole Goh Phaik Khim
Non-Executive Director

Committee memberships:

- ***Audit Committee***
- ***Board Risk Management and Related Party Transactions Committee***

Ms. Goh, Malaysian, 40, director of the Company since 18 March 2021, is Head, Asia China at GIC Infrastructure. She has coverage responsibility for the Asia-Pacific region with prior experience investing in the US and Europe. GIC was established in 1981 as a private company, wholly-owned by the Government of Singapore, to manage the foreign reserves of Singapore. It is one of the world's largest global investors, with well over US\$100 billion of assets in more than 40 countries worldwide.

Ms. Goh has been a member of GIC's infrastructure practice since 2008. She has an MSc in Management Science & Engineering from Stanford University and a BSc in Mathematics with Statistics for Finance from Imperial College London.

Dean L. Travers
Non-Executive Director

Mr. Travers, Australian, 55, director of the Company since 25 April 2022, has occupied senior executive roles in the energy sector for more than 25 years and is experienced in multi-disciplinary projects covering global markets, mergers and acquisitions, deal structuring and project development. He has been active in Europe, North America, Asia and Australia leading teams developing conventional and renewable energy projects for ENGIE, a global electricity utility and energy service company. Prior to leaving ENGIE in 2019, he occupied positions of Senior Vice President Business Development, Indonesia, and General Manager, ENGIE Renewables Australia, which was responsible for the development of 2GW of wind and solar projects. Dean is currently active in the clean energy and climate tech sectors in Australia and Southeast Asia. He is a member of the board of Australian Renewable Energy Agency (ARENA) and a partner with NEXCatalyst, a climate tech impact fund focused on Indonesia, Vietnam and the Philippines.

Mr. Travers is a member of the Australian Institute of Corporate Directors (GAICD), and holds a doctorate (PhD) in Electrical Engineering, a Bachelor of Engineering (BE) and a Bachelor of Science (BSc) from the University of NSW.

Jesse O. Ang
Non-Executive and Independent Director

Committee Memberships:

- ***Personnel and Compensation Committee (Chairman)***
- ***Corporate Governance and Nomination Committee (Chairman)***
- ***Executive Committee***

Mr. Ang, Filipino, 65, has been an independent director of the Company since 24 April 2023. He is currently an independent director of Integrated Micro-Electronics, Inc. (a publicly listed company), BPI Capital Corporation, BPI Wealth Corporation (formerly, BPI Asset Management and Trust Company), BPI AIA Life Assurance Corporation, BPI/MS Insurance Corporation and BPI Wealth Hong Kong (formerly, BPI International Finance Limited) (based in Hong Kong). He was formerly an independent director of BPI Securities Corporation (August 2022 - February 2023); part of the Philippine office of the International Finance Corporation (2000-2018) of which he was Head (Resident Representative) from 2007-2015; CFO of the Philippine International Air Terminals Company (1998-2000); Director for Global Structured Finance, New York City branch of Australia New Zealand Bank (1994-1998); Vice President for Trade and Commodity Finance, New York City branch of Generale Bank (1988-1994); Assistant Vice President in the Asia Division, Irving Trust Company in New York City (1985-1988); Budget Analyst for the Philippine National Oil Company (1982-1983); and Lecturer at the Department of Industrial Engineering of the University of the Philippines - Diliman (1981-1982). Mr. Ang received his BS Industrial Engineering degree from the University of the Philippines in 1981 and his Master of Business Administration from the Wharton School, University of Pennsylvania in 1985.

Maria Lourdes Heras-de Leon,
Non-Executive and Independent Director

Committee Memberships:

- ***Personnel and Compensation Committee***
- ***Sustainability Committee***

Ms. Heras de-Leon, Filipino, 70, has been an independent director of the Company since 24 April 2023. She previously served as Managing Director and Member of the Management Committee of AC (2011-2015) and President of Ayala Foundation, Inc. (2011-2015). She was also Vice President for Policy, Government, and Public Affairs of Chevron Geothermal Philippines Holdings (1997-2011), where she led corporate affairs for Chevron's geothermal and natural gas interests and activities in the Philippines. Ms. Heras-de Leon has held various leadership positions in Greater Houston Partnership and First City National Bank of Texas. She was a former trustee of Assumption Antipolo, Museo de La Salle, Word Wildlife Fund-Philippines, and Asia Society Philippines. She also served on the Advisory Board of Texas Children's Hospital and Asia Society Texas. Ms. Heras-de Leon holds a Bachelor of Arts degree in Asian Studies from the University of British Columbia and a Master of Business Administration from the Thunderbird School of Global Management.

Garry K. Lester
Non-Executive and Independent Director

Committee Memberships:

- **Audit Committee (Chairman)**
- **Board Risk Management and Related Party Transactions Committee**
- **Corporate Governance and Nomination Committee**

Mr. Lester FCA, Australian, 59, has served as independent director and chairman of the audit committee of the Company since 24 April 2023 for an agreed two-year term. He was formerly managing director with leading independent investment banking firm Evercore Inc. and held senior executive positions with J.P. Morgan & Co, The Rohatyn Group and KPMG, where he advised on important cross border M&A deals across a broad spectrum of industries including power generation and renewable technologies.

Mr. Lester previously served as non-executive director on various boards of banking, financial and investment companies during his career and has been licensed by relevant Securities, Futures and Investment Ordinances as a professional corporate adviser and investment manager in multiple jurisdictions including: U.S., Australia, Hong Kong and Singapore.

Mr. Lester holds a Bachelor of Commerce Degree with First Class Honours (1988) and a Master of Financial Management Degree (1990), both from the University of Queensland and is a Chartered Accountant Fellow with Chartered Accountants Australia and New Zealand.

Melinda L. Ocampo
Non-Executive Director and Independent Director

Committee Memberships:

- **Board Risk Management and Related Party Transactions Committee (Chairperson)**
- **Audit Committee**
- **Corporate Governance and Nomination Committee**
- **Sustainability Committee**

Ms. Ocampo, Filipino, 68, has been an independent director of the Company since 17 September 2019. She is also an independent director of publicly listed company ENEX Energy Corp. since 25 April 2022. She currently serves as consultant to the Ricardo Energy and Environment Consulting Firm, a United Kingdom-based company, for a project entitled, “*The Philippines Grid Diagnostic and Roadmap for Smart Grid Development.*” Said project is under the funding support of the United Nations Office for Project Services, with the main task of establishing and developing governance issues to implement the project. Ms. Ocampo served as President of the Philippine Electricity Market Corporation (“PEMC”), a nonstock, non-profit private organization that governs the country’s wholesale electricity spot market, from 27 March 2009 until 31 July 2017. Her experience includes developing energy policies and programs as Undersecretary of the Department of Energy from May 2005 to December 2007. She was also involved in electric utility system regulation, planning and technical feasibility of electric power generation, transmission and distribution systems including granting of electric franchises to both electric cooperatives and private distribution utilities. She has extensive knowledge of energy regulation including petroleum and electricity pricing and competition rules and has provided consulting services to legislators on electricity pricing, particularly on the power purchased adjustments. She was also a consultant in the World Bank’s project on Electric Cooperatives system loss reduction program and to the USAID under the Asia Foundation in its project to introduce the open access and competition in the coverage of Philippine Economic Zone (PEZA). She was a board member (February 1996 to June 1998) and Chairman (August 1998 to August 2001) of the Energy Regulatory Board (now Energy Regulatory Commission). She served as a division chief (October 1979 to November 1988) and a director (December 1988 to February 1996) of the National Electrification Administration. In 1977, she obtained her Bachelor of Science degree in Commerce, Major in Accounting, from the Republic Central Colleges, in Angeles City, Pampanga. She received her MBA from the University of the Philippines, Diliman, Quezon City. She is a certified public accountant.

Nominees to the Board of Directors for election at the stockholders' meeting

All of the above, except for Mr. Lester and Ms. Ocampo (not nominated for re-election in the annual stockholders' meeting for 2025), are being nominated for re-election at the stockholders' meeting.

Mssrs. Christopher Paul Beshouri and David John Nicol are also being nominated to the Board of Directors.

Mr. Christopher Paul Beshouri, American, 62, previously served as Chief Strategy Officer and Executive Director at Aboitiz Equity Ventures and Aboitiz Power from 2018 to 2024.

He also served as President & Chief Executive Officer – Philippines at McKinsey & Co. (Philippines) from 1997 to 2013, Group President & Chief Operating Officer at Vical Development Corp. from 2013 to 2018, Director at GT Capital Holdings, Inc. from 2013 to 2017, and Director at the United States Treasury from 1989 to 1997.

Mr. Beshouri also worked as a Financial Auditor at Catholic Relief Services, Inc. in 1988.

Mr. Beshouri obtained his undergraduate degree (dual major) in Economics and Public Policy Studies from Michigan State University, and his Masters of Public Affairs from Princeton University.

Mr. David John Nicol, Australian, 65, was previously the Chief Strategy Officer of Monde Nissin Corp. (Manila), where he currently serves as an advisor.

He was also Chief Financial Officer, Executive Director, and Executive Vice President at Metro Pacific Investments Corporation (Manila) from 2010 to 2020, and Chief Executive Officer (after being Chief Financial Officer) at Berli Jucker PCL (Bangkok) from 1994 to 2002.

Mr. Nicol is a UK Chartered Accountant and practiced in audit and business advisory at PriceWaterhouse Coopers from 1981 to 1991 in London, New York, and Hong Kong.

Mr. Nicol received his Bachelor of Science degree in Operational Research (Management Sciences) from Lancaster University.

The certifications on the qualifications of the nominees for independent directors are attached, followed by the certification that no directors or officers are connected with any government agencies or its instrumentalities.

ACEN Group Management Committee Members / Senior Leadership Team

John Eric T. Francia ¹³	President and Chief Executive Officer
John Philip S. Orbeta	Group Chief Administrative Officer, Group Chief Human Resources Officer, and Group Chief Risk Officer
Maria Franchette M. Acosta	Corporate Secretary
Dodjie D. Lagazo	Group General Counsel, Group Compliance Officer, and Assistant Corporate Secretary
Raissa C. Villanueva	Assistant Corporate Secretary
Alan T. Ascalon	Data Protection Officer
Ma. Cecilia T. Cruzabra	Group Treasurer
Jose Maria Eduardo P. Zabaleta	Group Chief Operating Officer and Group Chief Development Officer
Patrice R. Clausse	Group Chief Investment Officer
Jonathan Paul Back	Group Chief Financial Officer and Group Chief Strategy Officer
Kyla Kamilie U. Samson	Controller
Mae Christine L. Go	Group Chief Audit Executive

¹³ Member, Board of Directors

John Philip S. Orbeta, Filipino, 63, Group Chief Administrative Officer and Group Chief Human Resources Officer since 25 August 2021 and Group Chief Risk Officer since 18 October 2021. He served as Managing Director and member of the AC Management Committee since May 2005 and the Ayala Group Management Committee since April 2009. He was AC's Chief Human Resources Officer (CHRO) and Group Head for Corporate Resources, covering Strategic Human Resources, Information & Communications Technology, Knowledge Management, and Corporate Support Services from January 2008 until September 2021. He is also a Director of ACEN Global Development Group, Inc. (formerly, ACE Endeavor, Inc.) and ACEN Shared Services, Inc. (formerly, ACE Shared Services, Inc.). Mr. Orbeta is also the Chairman of Ayala Multipurpose Cooperative. He sits on the Board of HCX Technology Partners. He also serves as Trustee of Ayala Young Leaders Alumni Association, Inc., World Archery Philippines, La Salle University Ozamis, and National Mission Council of De La Salle Philippines, Inc. He served as President and CEO of Automobile Central Enterprise, Inc. (ACEI), Iconic Dealership, Inc. (IDI), Honda Cars Makati, Inc. (HCMI), and Isuzu Automotive Dealership, Inc. (IADI) from Jan 2013 until December 2016. He was the Chairman and President of HCX Technology Partners, Inc. from September 2016 until November 2021 and President of Ayala Retirement Fund Holdings, Inc. (July 2021 – February 2022). He was Chairman of Ayala Group HR Council (October 2005 – September 2021), Ayala Aviation Corporation (August 2010 – October 2021), Ayala Group Corporate Security Council (January 2011 – October 2021), Ayala Business Clubs (January 2008 – November 2021), and Vice-Chairman of Ayala Group Club, Inc. (February 2015 – November 2021). He was a Director of Honda Cars Cebu, Inc. (August 2016 – August 2017), Isuzu Cebu, Inc. (August 2016 – August 2017), BPI Family Savings Bank, Inc. (May 2013 – June 2020), Ayala Foundation, Inc. (March 2013 – December 2021), Ayala Healthcare Holdings, Inc. (Y2016-February 2022), Healthway Medical, Inc. (Y2020 – February 2022), and the Generika Group of Companies (August 2018 – December 2021). Mr. Orbeta served as a Director and Chairman of the Audit Committee of the ALFM group of funds from April 2012 to December 2021 which included the ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Money Market Fund, Inc., Philippine Stock Index Fund, Corp. as well as the ALFM Global Multi-Asset Income Fund, Inc. (April 2018 – December 2021), ALFM Retail Corporate Fixed Income Fund, Inc. (June 2019 – December 2021), ALFM Fixed Income Feeder Fund, Inc. (August 2019 – December 2021). Mr. Orbeta was also a Trustee of De La Salle University Dasmarias Cavite and the De La Salle Health Sciences Institute, from December 2013 to September 2019, and the Weather Philippines Foundation, Inc. (October 2015 – June 2020). He was also a Board of Governors of the Management Association of the Philippines from Jan 2019 until December 2020.

Prior to joining AC, he was the Vice President and Global Practice Director of the Human Capital Consulting Group at Watson Wyatt Worldwide (now Willis Towers Watson), overseeing the firm's practices in executive compensation, strategic rewards, data services, and organization effectiveness around the world. He was also a member of Watson Wyatt's Board of Directors. He graduated with a degree in A.B. Economics from the Ateneo de Manila University in 1982 and has taken advanced management programs at the Harvard Business School, IMD and INSEAD.

Maria Franchette M. Acosta, Filipino, 52, Corporate Secretary of the Company since 11 March 2024. She is also the Corporate Secretary, Corporate Governance Group Head and Chief Legal Officer of Ayala Corporation. She is also the Corporate Secretary of publicly listed companies Integrated Micro-electronics, Inc., Ayala Land, Inc., AREIT, Inc., and Globe Telecom, Inc. She has been a practicing lawyer for 24 years, with 18 years in the Villaraza & Anganco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department.

Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is consistently recognized among Asia Business Law Journal's top 100 lawyers in the Philippines. Ms. Acosta graduated from New York University with a Master of Laws in 2003 and ranked 3rd in the Philippine Bar Examination. She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

Dodjie D. Lagazo, Filipino, 45, Assistant Corporate Secretary of the Company since 20 April 2020 and Group General Counsel since 23 April 2023 and Group Compliance Officer since 1 January 2024. He is also an Executive Director of the Company. He previously served as Director and member of AG Counselors Corporation's Management Committee from January 2014 to July 2017. He is also the Assistant Corporate Secretary of ACEIC and the Corporate Secretary of ENEX, a publicly listed company, and other various AC Energy subsidiaries and affiliates. Mr. Lagazo received his undergraduate degree in Political Science from the University of the Philippines, Diliman, graduating *magna cum laude*. He then completed his Bachelor of Laws degree in the College of Law of the University of the Philippines, Diliman.

Raissa C. Villanueva, Filipino, 39, Assistant Corporate Secretary of the Company since 23 April 2024. She is Assistant Vice President for Legal, Governance, and Compliance of ACEN and heads its Governance unit. She is also the Corporate Secretary and Assistant Corporate Secretary of various ACEN subsidiaries. She was a Senior Counsel at Ayala Group Legal. Prior to joining the Ayala Group, she was Primary Counsel at Energy Development Corporation. Before this, she practiced law as legislative officer at the Office of Senator Pia Cayetano and as associate in Leynes Lozada Marquez Offices. She received her undergraduate degree in Business Administration from the University of the Philippines, Diliman, graduating cum laude. She then completed her Juris Doctor in the College of Law of the University of the Philippines, Diliman.

Alan T. Ascalon, Filipino, 50, Data Protection Officer of the Company since 20 April 2020, and Vice President for Legal, Governance and Compliance. He is also Assistant Corporate Secretary of ENEX, a publicly listed company. He was the Assistant Legal Counsel of PHINMA, Inc. from 2005 to 2008. Prior to joining the Company, he worked as Senior Associate at SGV & Co Tax Division from 2002 to 2005, junior associate at Ponce Enrile Cayetano and Manalastas Law Offices from 2001-2002, and as law clerk with the Supreme Court from 2000 to 2001. He graduated from the University of the Philippines with a Bachelor of Arts degree in Journalism in 1996 and a Bachelor of Laws degree in 2000. He completed the Management Development Program of the Asian Institute of Management.

Ma. Cecilia T. Cruzabra, Filipino, 59, Group Treasurer of the Company since 23 April 2023. She is also the Treasurer and Chief Finance Officer of ACEIC, and ACEN International, Inc. Prior to joining the Company, she was the CFO of MWCI from 2018 to September 2021, and was the treasurer of AC from 2014 to 2018.

Cecile has over 37 years of career experience in research, treasury and finance, having worked at Makati Business Club, Sun Hung Kai Securities, Metro Pacific Corporation, Steniel Manufacturing Corporation, Globe Telecom, Inc., Altimax Broadcasting Co. Inc. and Bethlehem Holdings, Inc. She also previously taught finance at the De La Salle Graduate School of Business and the Asian Institute of Management and also taught Economics at the Ateneo de Manila University.

Cecile completed her master's degree in Business Administration from the Asian Institute of Management. She graduated with a degree in B.A. in Economics (Honors Program) from the Ateneo de Manila University.

Jose Maria Eduardo P. Zabaleta, Filipino, 51, Group Chief Operating Officer of the Company since 1 January 2024 and Group Chief Development Officer since 20 April 2020. He is also the President of ACEN Global Development Group, Inc., and member of the ACEN Executive Management Committee.

Prior to joining ACEN, he was co-founder and Chief Executive Officer of Bronzeoak Philippines, a pioneer and leader in clean technology energy development in the Philippines. Bronzeoak's energy businesses were integrated into AC Energy in early 2017. He has a BS Management Honors degree from Ateneo de Manila University, and a Masters in Business Administration from the Fuqua School of Business, Duke University, USA.

Patrice R. Clause, Luxembourgeoise, 45, is the Group Chief Investment Officer of the Company since 1 January 2024 and is concurrently the President and Chief Executive Officer of ACEN International, Inc. He joined AC in May 2010 as an advisor to the Strategy and Business Development team and became a founding member of the AC Energy management in 2011 where he led the business development and operations teams. Currently, he is heading ACEN's International business, with focus on Southeast Asia and Australia.

Patrice is a member of the Board of Directors/Management & Advisory Committee of AC Energy International Projects. Prior to joining Ayala, he was a management consultant with McKinsey & Company in London as well as with Marakon Associates (part of Charles River Associates).

Patrice also holds a Master of Business Administration degree from Harvard Business School where he graduated with high distinction as Baker Scholar. He also received his Master's and Bachelor's degrees in Manufacturing Engineering from Cambridge University (UK).

Jonathan Paul Back, British, 58, Group Chief Financial Officer of the Company since 1 January 2024 and Group Chief Strategy Officer since 18 January 2023. He is also a director of ACEN Global Development Group, Inc. and ACEN Technical Services, Inc. He is a lawyer and banker with over 25 years of experience in the legal, investment banking, and private investment sectors with significant experience in equity capital markets, corporate finance, and in advising on large infrastructure, power, and telecom projects.

Mr. Back was previously a director and the Executive Chairman of BPI International Finance Ltd., the Hong Kong banking subsidiary of BPI and concurrently, co-head of Wealth Management and head of international businesses of BPI. He was also a director of Schools Relief Initiative Ltd., a Hong Kong based charity supporting education in Southern Sri Lanka. Previously, Mr. Back served as an Executive Director in Goldman Sachs, Hong Kong (Corporate Finance and Equity Capital Markets) and Managing Director and Head of Asian Equity Capital Markets in JP Morgan, Hong Kong.

Mr. Back holds a Bachelor of Civil Laws degree from the University of Oxford, where he graduated with First Class Honours. He also received first class honours in the solicitors final exam.

Kyla Kamille U. Samson, Filipino, 36, Group Controller since 9 November 2022. She worked in SyCip Gorres Velayo & Co. from July 2010 to June 2021, where she rose to the position of Assurance Senior Director in October 2019. She graduated in 2009 from De La Salle University – Manila with a degree in Bachelor of Science in Accountancy.

Mae Christine L. Go, Filipino, 43, Group Chief Audit Executive since 16 November 2023. She has been with the Ayala Group since January 2013 and is currently a Senior Manager in the Internal Audit Department of AC. She served as Group Head of the Internal Audit Department of Liveit Investments Limited Philippine ROHQ, an Ayala subsidiary, from January 2013 to August 2015. She also worked under the Finance Group and Facilities Management Group of Ayala Property Management Corporation from July 2005 to May 2008.

Prior to joining the Ayala Group, Ms. Go was a Group Internal Audit Manager of Shang Properties, Inc. from July 2008 to January 2013, and was an Accountant of Philam Properties Corporation from May 2002 to July 2005.

Ms. Go obtained her degree of Bachelor of Science in Accountancy from the De La Salle University. She is also a Certified Internal Auditor of the Institute of Internal Auditors.

ii. Significant employees

The Company considers all its employees to be significant partners and contributors to the business. Notwithstanding the foregoing, other than the directors and executive officers of the Company, no other employee has significant influence on ACEN's major and/or strategic planning and decision-making.

iii. Family relationships

Mr. Jaime Alfonso Antonio E. Zobel de Ayala and Mr. Jaime Z. Urquijo are cousins. Other than the aforementioned, there are no known family relationships between the current members of the Board and key officers.

iv. Trainings and Continuing Education Programs for the Directors and Key Officers

The Company recognizes the value of providing relevant training to its directors and key officers. It has set aside an annual budget to allow them to attend continuing professional development programs, applicable courses, conferences, and seminars. In 2024, the directors and key officers of the Company attended an in-person seminar on Corporate Governance for at least four (4) hours, as follows:

Topic: Building Businesses that Enable People to Thrive
Date: 5 November 2024
Venue: Fairmont, Makati and *via* remote communication
Time: 1:00 p.m. to 6:00 p.m.

Attendees:

1. Mr. Cezar P. Consing
2. Mr. Gerardo C. Ablaza, Jr.
3. Mr. John Eric T. Francia
4. Mr. Garry K. Lester
5. Ms. Melinda L. Ocampo
6. Ms. Nicole Goh Phaik Khim
7. Mr. Jaime Alfonso Antonio E. Zobel de Ayala
8. Mr. Jaime Z. Urquijo
9. Ms. Maria Franchette M. Acosta
10. Mr. Dodjie D. Lagazo
11. Ms. Raissa C. Villanueva
12. Mr. John Philip S. Orbeta
13. Mr. Jonathan P. Back
14. Ms. Ma. Cecilia T. Cruzabra
15. Ms. Kyla Kamille U. Samson
16. Ms. Mae Christine L. Go
17. Mr. Alan T. Ascalon

Topic: Masterclass The Fourth Series: Session 5 – Who is Responsible for Your Corporate Culture

Date: 29 November 2024

Venue: Zoom meetings

Time: 4:00 p.m. to 6:00 p.m.

Attendee:

18. Ms. Ma. Lourdes Heras-de Leon

The aforementioned seminars were administered by or in partnership with the Institute of Corporate Directors, an SEC-accredited training provider.

b. Resignation of directors

No director has resigned from or has declined to stand for re-election to the Board since the date of the annual meeting of stockholders in 2024 due to any disagreement with the Company relative to its operations, policies and practices.

Item 10. Executive Compensation

a. Executive compensation

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
(1) John Eric T. Francia (CEO) (2) John Philip S. Orbeta (Group Chief Human Resources Officer, Group Chief Risk Officer, Group Chief Administrative Officer) (3) Jose Maria Eduardo P. Zabaleta (Group Chief Development Officer and Group Chief Operating Officer) (4) Patrice R. Clausee (Group Chief Investment Officer) (5) Jonathan Back Group Chief Finance Officer	2024			
CEO and Most Highly Compensated Executive Officers	Actual 2023	Php102,500,000	Php52,762,212	Php4,827,783
	Actual 2024	Php114,500,000	Php61,400,000	Php7,790,828
	Projected 2025	Php120,500,000.00	Php61,600,000	Php7,954,555
All other officers as a group unnamed	Actual 2023	Php79,234,000	Php35,507,380	Php6,407,102
	Actual 2024	Php30,459,000	Php11,800,000	Php4,105,192
	Projected 2025	Php32,415,620	Php15,212,379	Php4,362,714

***All Other Officers includes the CEO & Most Highly Compensated Officers

The total annual compensation consists of basic pay and other taxable income (guaranteed bonus and performance-based bonus).

The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

b. Compensation of Directors

Article IV, Section 4, of the Company's By-laws provides:

“Section 14 - Directors shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for their services. In no case shall the total yearly compensation of Directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year.

The Personnel and Compensation Committee of the Board of Directors shall have the responsibility of recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay Directors for work required in a company of the Corporation's size and scope. No Director shall be involved in deciding his own remuneration during his incumbent term.”

i. **Standard arrangement**

On 8 March 2022, the Board, upon the recommendation of its Personnel and Compensation Committee in order to make the level of remuneration more commensurate with their responsibilities, approved a resolution fixing the current remuneration of non-executive directors, as follows:

Fee Structure	Retainer Fee	For Board	For Committees
Non-Executive and Independent Directors	P1,000,000.00 per annum	P200,000.00 per meeting attended	P100,000.00 per meeting attended
Chairman of the Board	P2,000,000.00 per annum		
Chairman of the Audit Committee	Php1,500,000.00 per annum		

Directors who hold executive or management positions do not receive directors' fees. The compensation of executive directors is included in the compensation table in Item 6 (a) above.

ii. **Other arrangements**

Aside from the compensation received as herein stated, the Company has no other arrangement with regard to the remuneration of its existing non-executive and independent directors for services provided as a director.

The Company's Personnel and Compensation Committee is chaired by Mr. Jesse O. Ang, with Mr. Cezar P. Consing and Ms. Ma. Lourdes Heras-de Leon as members. Majority of the members of the Personnel and Compensation Committee are independent directors.

In accordance with the requirement of Sections 29 and 49 of the Revised Corporation Code relating to an annual report of the total compensation of each director, below is a table showing the gross compensation received by the non-executive and independent directors in 2024. Executive Directors do not receive compensation as directors.

	Retainer Fee	Board Meetings	Committee Meetings	Total
Cezar P. Consing	2,000,000.00	1,600,000.00	900,000.00	4,500,000.00
Gerardo C. Ablaza, Jr.	1,000,000.00	1,200,000.00	400,000.00	2,600,000.00
Jaime Alfonso Antonio E. Zobel de Ayala	1,000,000.00	1,600,000.00	300,000.00	2,900,000.00
Jaime Z. Urquijo	1,000,000.00	1,200,000.00	600,000.00	2,800,000.00
Nicole Goh Phaik Khim	1,000,000.00	1,600,000.00	1,000,000.00	3,600,000.00
Dean L. Travers	1,000,000.00	1,600,000.00	N/A	2,600,000.00
Jesse O. Ang	1,000,000.00	1,600,000.00	1,200,000.00	3,800,000.00
Maria Lourdes Heras - de Leon	1,000,000.00	1,600,000.00	300,000.00	2,900,000.00
Garry K. Lester	1,500,000.00	1,800,000.00	1,500,000.00	4,800,000.00
Melinda L. Ocampo	1,000,000.00	1,600,000.00	1,600,000.00	4,200,000.00

c. **Employment contracts and termination of employment and change-in-control arrangements**

The above-named executive officers are covered by letters of appointment stating their respective job functions, among others.

d. **Warrants and options outstanding**

At the Annual Stockholders' Meeting held on 19 April 2021, stockholders approved the allocation of 960 million common shares to the Employee Stock Ownership Plan (the "Plan") out of the unsubscribed portion of ACEN's capital stock, to be available to qualified employees upon achievement of the Group's goals and the determination of any variable compensation of the grantee. The foregoing Plan replaces the Company's Stock Grants and Stock Options Plan, which does not have any remaining life.

Under the Plan, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the Plan's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under the Plan are exercisable in three (3) annual tranches. Any availment is payable within a maximum period of ten (10) years. On 4 March 2022, the SEC confirmed that the Plan is an exempt transaction under Section 10.2 of the Securities Regulation Code.

There were no grants and availments during 2020.

In 2021, a total of 8,188,097 shares at a subscription price of Php 6.96 per share were granted under the Plan, of which 8,188,097 shares were issued in 2022, resulting to an adjustment of 900 shares in the grants.

On 19 August 2022, a total of 32,622,666 shares at a subscription price of Php 6.50 per share were granted under the Plan.

There were no grants and availments during 2023 and 2024.

Total expense arising from the equity-settled share-based payment transaction (included under General and administrative expenses) amounted to nil, Php 31.16 million and Php 3.55 million in 2023, 2022 and 2021, respectively.

There are no proposed adjustments or amendments to the Plan.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners and management

(i) Security ownership of certain record and beneficial owners (of more than 5%) as of 28 February 2025

Title of class of voting shares	Name and address of record owner and relationship with Issuer	Name of beneficial owner and relationship with record owner	Citizenship	No. of shares held	Percent of outstanding voting shares
Common	AC Energy and Infrastructure Corporation (“ACEIC”) 35 th Floor, Ayala Triangle Gardens Tower 2, Paseo De Roxas corner Makati City Stockholder and Parent Company	ACEIC is fully owned by Ayala Corporation. Its beneficial owners are the following, being members of the Board of Directors of ACEIC: Jaime Augusto Zobel de Ayala, Cezar P. Consing, Gerardo C. Ablaza, Jr., John Eric T. Francia, and Alberto M. de Larrazabal. all with addresses at 35 th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City ACEIC has appointed Jaime Augusto Zobel de Ayala, or in his absence, Cezar P. Consing, as proxy to vote on ACEIC’s behalf.	Filipino	22,991,075,773 (direct) 114,530,918 (indirect)	58.23%
Common	Arran Investment Pte Ltd Singapore	Investor of the Company. Arran’s shares are lodged under PCD Nominee Corp. Arran is a Singaporean company that is ultimately controlled by the Government of Singapore that provides investment services.	Singaporean	6,689,521,680 (indirect)	16.86%
Common	PCD Nominee Corporation 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	PCD is a private institution which holds shares on behalf of various trading participants.	Filipino Various Accounts	6,446,489,081	16.24%

Common	PCD Nominee Corporation 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	PCD is a private institution which holds shares on behalf of various trading participants.	Non-Filipino Various Accounts	9,727,106,967 ¹⁴	24.51%
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(ii) **Security ownership of directors and management as of 28 February 2025**

None of the directors and officers individually owns five (5) per cent or more of the outstanding capital stock of ACEN. The table below shows the securities owned by the directors and officers of the Company as of 28 February 2025:

A. Directors:

Title of Class of Outstanding Shares	Name of Beneficial Owner	Citizenship	Amount of Beneficial Ownership	Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	Cezar P. Consing	Filipino	1 551,842	Direct Indirect	0%
Common	Gerardo C. Ablaza, Jr.	Filipino	0 3,878,513	Direct Indirect	0.01%
Common	John Eric T. Francia	Filipino	0 113,867,902	Direct Indirect	0.29%
Common	Jaime Alfonso Antonio E. Zobel de Ayala	Filipino	1 110,910	Direct Indirect	0%
Common	Jaime Z. Urquijo	Filipino	0 173,198	Direct Indirect	0%
Common	Nicole Goh Phaik Khim	Malaysian	0 1	Direct Indirect	0%
Common	Dean L. Travers	Australian	0 1	Direct Indirect	0%
Common Preferred Shares Series A	Jesse O. Ang	Filipino	1 0 1,000	Direct Indirect Indirect	0%
Common	Maria Lourdes Heras-de Leon	Filipino	1 0	Direct Indirect	0%
Common	Garry K. Lester	Australian	1	Direct Indirect	0%
Common	Melinda L. Ocampo	Filipino	1 24,000	Direct Indirect	0%

¹⁴ Arran's 6,689,521,680 indirect shares are lodged with the PCD (Non-Filipino).

B. Officers

Title of Class of Outstanding Shares	Name of Beneficial Owner	Citizenship	Amount of Beneficial Ownership	Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	John Eric T. Francia <i>President and CEO</i>	Filipino	0 113,867,902	Direct Indirect	0.29%
Common	John Philip S. Orbeta <i>Group Chief Administrative Officer, Group Chief Human Resources Officer, and Group Chief Risk Officer</i>	Filipino	1 14,057,427	Direct Indirect	0.04%
Preferred Shares Series B			10,000	Indirect	
Common	Jonathan P. Back <i>Group Chief Finance Officer and Group Chief Strategy Officer</i>	British	0 0	Direct Indirect	0%
Common	Patrice R. Clausse <i>Group Chief Investment Officer</i>	Luxembourgeoise	0 33,840,298	Direct Indirect	0.09%
Common	Jose Maria Eduardo P. Zabaleta <i>Group Chief Operating Officer & Group Chief Development Officer</i>	Filipino	0 5,175,177	Direct Indirect	0.01%
Common	Ma. Cecilia T. Cruzabra <i>Group Treasurer</i>	Filipino	141,474 280,000	Direct Indirect	0%
Common	Ma. Franchette M. Acosta <i>Corporate Secretary</i>	Filipino	0 0	Direct Indirect	0%
Common	Dodjie D. Lagazo <i>Group General Counsel, Group Compliance Officer, and Assistant Corporate Secretary</i>	Filipino	0 8,880,948	Direct Indirect	0.02%
Common	Raissa C. Villanueva <i>Assistant Corporate Secretary</i>	Filipino	0 387,397	Direct Indirect	0%
Common	Alan T. Ascalon <i>Data Privacy Officer</i>	Filipino	560,173 1,096,979	Direct Indirect	0%
Common	Kyla Kamille U. Samson <i>Group Controller</i>	Filipino	0 199,800	Direct Indirect	0%
Common	Mae Christine L. Go <i>Group Chief Audit Executive</i>	Filipino	0 2,799	Direct Indirect	0%

C. CEO and Four Most Highly Compensated

Title of Class of Outstanding Shares	Name of Beneficial Owner	Citizenship	Amount of Beneficial Ownership	Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	John Eric T. Francia	Filipino	0	Direct	0.29%
	<i>President and CEO</i>		113,867,902	Indirect	
Common	John Philip S. Orbeta	Filipino	1	Direct	0.04%
	<i>Group Chief Administrative Officer, Group Chief Human Resources Officer, and Group Chief Risk Officer</i>		14,057,427	Indirect	
Common	Patrice R. Clause	Luxembourgeoise	0	Direct	0.09%
	<i>Group Chief Investment Officer</i>		33,840,298	Indirect	
Common	Jose Maria Eduardo P. Zabaleta	Filipino	0	Direct	0.01%
	<i>Group Chief Operating Officer & Group Chief Development Officer</i>		5,175,177	Indirect	
Common	Jonathan P. Back <i>Group Chief Finance Officer and Group Chief Strategy Officer</i>	British	0	Direct	0%
			0	Indirect	

No director or member of the Company's management owns five percent (5%) or more of the Company's outstanding capital stock.

(iii) **Voting trust holders of 5% or more**

The Company knows of no person holding more than five percent (5%) of common shares under a voting trust or similar agreement.

(iv) **Changes in control**

No change of control in the Company has occurred.

Item 12. Certain Relationships and Related Transactions

a. Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Board Risk Management and Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the Committee approved threshold value – of ₱50.0 million or five (5) percent of the total assets, whichever is lower.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

To date, there have been no complaints received by the Company regarding related-party transactions. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2024.

For further information on the Group's related party transactions, see Note 22 to ACEN's 2024 Audited Consolidated Financial Statements included in this Report. Except for those discussed in the said 2024 Audited Consolidated Financial Statements, no other transaction, other than as appropriately disclosed by the Parent Company, was undertaken by the Group involving any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Parent Company's outstanding shares (direct or indirect) or any member of his immediate family. The Parent Company's employees are required to promptly disclose any business and family-related transactions with the Parent Company to ensure that potential conflicts of interest are reviewed and disclosed as appropriate.

b. Ownership structure and parent company

The parent company of ACEN is ACEIC. As of 28 February 2025, AEIC owns 58.23% of the outstanding voting shares of the Company.

PART IV. CORPORATE GOVERNANCE AND SUSTAINABILITY

For the full details and discussion, please refer to the Definitive Information Sheet and Annual Corporate Governance Report posted in the Company's Official Website www.acenrenewables.com.

COMPLIANCE PROGRAM

Item 13 A. Corporate Governance

Corporate Governance

The Board of Directors, officers and employees of the Company commit themselves to the principles and best practices embodied in its Corporate Governance Manual (the "CG Manual"). The Company believes that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore exert every effort to ensure adherence thereto within the organization.

The CG Manual establishes corporate governance practices that are founded on internationally recognized rigorous standards, systems and processes designed to ensure the Company's progress and stability, that an effective system of check and balance is in place and that a high standard of accountability and transparency to all stakeholders is enforced.

The Company's CG Manual conforms to the SEC's requirements for manuals on corporate governance. It defines primarily the roles and responsibilities of the Board and Management. More importantly, it includes a statement of their respective liabilities in the event of non-compliance with or violation of any of the provisions of the Revised Manual. It also establishes, among others, policies on (a) independent directors, (b) Board committees, (c) conflicts of interest, (d) internal and external audit procedures and practices, including risk management, (e) whistleblowing, (f) stockholders' rights and interests and (g) management's responsibility to communicate and inform stakeholders on matters related to the Company's affairs. The principles embodied in the CG Manual lay the foundation for the appropriate supervision and proper management of the Company to safeguard shareholders and other stakeholders' interests and to ensure the Company's long-term growth and sustainability. In line with this, ACEN endeavors to fully comply with the CG Manual, through among others, the following:

- i. The Company annually assesses its compliance with the SEC Code of Corporate Governance for Publicly Listed Companies (the "Code") and its CG Manual through the Integrated Annual Corporate Governance Report submitted to the SEC.
- ii. The Board conducts and accomplishes an annual Board Performance Self-Assessment exercise to measure or determine the level of compliance of the Board of Directors and top-level management with the CG Manual. The Group Compliance Officer reports the results to the Corporate Governance Nomination Committee and Board, as far as practicable, in the next meetings after the assessment. Every three years, the board assessment is conducted by an independent third party. In 2024, the Company's Board and Board Committee evaluation for year 2023 was facilitated by Aon Singapore Pte. Ltd (Aon) and covered the Board's performance across several criteria, including board composition, board roles, functions and processes, information management, representation of shareholders and ESG factors, managing company's performance, senior executive's talent management and corporate governance practices related to strategy, policy, risk and accountability. The evaluation was conducted through a questionnaire answered by each director, and interviews with the President & CEO and each director. AON recommended three (3) areas for the Board to focus on, namely: (a) Human Capital Management, (b) Director Development and Management, and (c) Board and Management Relationship.
- iii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance.
- iv. The Company strives to fully adhere to the leading practices and principles of good corporate governance contained in the CG Manual.
- v. The Company periodically reviews and updates its By-Laws, Board Charter and CG Manual as further steps to ensure adherence to prevailing principles and practices of good corporate governance.
- vi. The Board ensures the presence and adequacy of internal control mechanisms for good governance in accordance with the CG Manual. The minimum internal control mechanisms for the Board's oversight responsibility include, but are not limited to:
 - (1) Ensuring the presence of organizational and procedural controls, supported by an effective management information system and risk management reporting system;
 - (2) Reviewing conflict-of-interest situations and providing appropriate remedial measures for the same;
 - (3) Appointing a CEO with the appropriate ability, integrity and experience to fill the role, as well as defining the CEO's duties and responsibilities;
 - (4) Reviewing proposed senior management appointments;

- (5) Ensuring the selection, appointment and retention of qualified and competent management; reviewing the Company's personnel and human resources policies, compensation plan and the management succession plan;
 - (6) Institutionalizing the internal audit function; and
 - (7) Ensuring the presence of, and regularly reviewing, the performance and quality of external audit.
- viii. The Company adopts necessary policies to promote stronger corporate governance practices. In line with the increasing stakeholder focus on diversity in the boardroom, the Company remains committed to having qualified directors with a diverse mix of expertise, experience, skills. With respect to gender, there are three (3) female directors currently serving on the Board, occupying 27% of the total Board seats. Further, to ensure the protection of shareholder interests and the integrity of its related party transactions, the Company regularly reviews and updates its Related Party Transactions Policy in compliance with SEC Memorandum Circular No. 10, Series of 2019.

Compliance Officer

The Board designates a Compliance Officer who reports to the Chairman of the Board. As required of publicly-listed companies, the appointment of Compliance Officer is properly disclosed to the SEC. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

The Company's Group Compliance Officer's duties include ensuring proper on boarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others), monitor, review, evaluate and ensure compliance by the Company, its officers and directors with the relevant laws, with the Code, rules and regulations and all governance issuances of regulatory agencies, appear before the SEC upon summon on matters in relation to compliance with the Code, ensure the integrity and accuracy of all documentary submissions to regulators, determine violation/s of the Code and recommend to the Board the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation, identify possible areas of compliance issues and work towards the resolution of the same, develop and establish, subject to approval of the Board, a monitoring and evaluation system to determine compliance with the Manual, which system shall provide for a procedure that fulfils the requirements of due process, ensure the attendance of board members and key officers to relevant trainings and perform such other duties and responsibilities as may be provided by the SEC.

Integrated Annual Corporate Governance Report (I-ACGR)

SEC MC No. 15, Series of 2017 was released in December 2017 which mandates all publicly-listed companies to submit an Integrated Annual Corporate Governance Report ("I-ACGR") on or before May 30 of the following year for every year that the company remains listed in the PSE, covering all relevant information for the preceding year.

The I-ACGR supersedes the ACGR last submitted for the year 2017 to the SEC and the Compliance Report on Corporate Governance last submitted for the year 2017 to the PSE. For the fiscal year 2022, the Company submitted its I-ACGR on 31 May 2023. For the fiscal year 2023, the Company submitted its I-ACGR on 29 May 2024.

As of 31 December 2024, the Company has substantially complied with the principles and best practices contained in the Manual. There were no sanctions imposed on any director, officer or employee for non-compliance of the Manual. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance. On 7 March 2023, the Board approved revisions to the Manual given newly created roles, and the expansion of existing roles, within the Company, with a view of further strengthening the senior management team of the Company. The Manual was further revised on 15 December 2023 to align the titles and functions of the key officers of the Company with certain organizational changes.

Integrated Report

The Company adheres to the International Integrated Reporting Framework set by the International Integrated Reporting Council as a means to present its business model, risk and opportunities, strategy, performance, and outlook. A copy of the Company's 2023 Integrated Report may be accessed *via* https://www.acenrenewables.com/wp-content/uploads/2024/04/ACEN-Integrated-Report-2023-_vF-0824.pdf.

A copy of the Company's Integrated Report for the year 2024 will be provided to stockholders of record *via* <https://www.acenrenewables.com/disclosures/2024-ir/>.

Item 13.B Sustainability Report

INTEGRATING SUSTAINABILITY

ACEN has deepened its commitment to sustainable development and continues to find areas where we can contribute and help solve global issues. We go beyond metrics and regulatory compliance – we aim to deliver value that would benefit society and would impact our employees, customers, suppliers, partners and shareholders meaningfully.

Embedding sustainability across our strategy has established a strong foundation to the entire organization, influencing our thinking and decision-making.

We've made important progress over the last year through our Environmental, Social, and Governance (ESG) initiatives. To make our sustainability efforts more strategic and focused, and drive the sustainability performance of our organization, we have identified key ESG issues that are material to ACEN and to what matters to our stakeholders. We have established a baseline of our ESG data, including climate that helped us develop our metrics and targets in assessing risks and opportunities.

Our ESG roadmap sets out clear targets to achieve our Net Zero greenhouse gas emissions by 2050 and sustainable development ambitions. These targets are aligned with the UN Sustainable Development Goals (SDGs). The roadmap uses metrics to track our progress toward achieving our goals.

ENVIRONMENTAL: NET ZERO BY 2050

As ACEN aspires to be a Net Zero company by 2050, we recognize our role to help conserve the environment and prevent the continued decline in biodiversity and risk to the natural resources which we all depend on.

Our commitment to the environment is built on three focus areas: Climate Change, Biodiversity, and Resource Efficiency. Through these three focus areas, we aim to manage our key environmental impacts, help address the urgent issue of climate change and use resources responsibly.

Our Net Zero roadmap completion

In December 2022, we announced the completion of a robust Net Zero roadmap that includes near-term emission reduction targets aligned with the GHG Protocol and the latest climate-science and long-term targets that are consistent with the deep decarbonization of the power sector. ACEN is the first energy company in Southeast Asia to take this critical step towards achieving Net Zero, providing an accountable and transparent framework for monitoring progress.

ACEN recognises that to reach the Net Zero outcome for the power sector, it will need to rely on both emissions reduction and neutralization of residual emissions.

As part of its transition plan, ACEN aims to deliver reduction-led decarbonization by 2040, with an interim target for 2030, and a Net Zero status (including neutralization) by 2050. This 2050 goal is in line with the broader Ayala group net zero target, while ACEN will continue to explore opportunities to further accelerate these targets in the future.

In 2024, ACEN's generation portfolio has grown to 6.8 GW of attributable renewable energy capacity spanning operational, under-construction, and committed projects across the Philippines, Australia, Vietnam, India, Indonesia, Lao PDR, the USA, Malaysia, and Bangladesh.

Energy Transition Mechanism

Accelerating further our Net Zero aims, in November 2022, we completed the full divestment of the South Luzon Thermal Energy Corporation coal plant using the Energy Transition Mechanism (ETM) framework, the first market-based implementation in the world. This landmark transaction will enable the early retirement of the 246 MW SLTEC coal plant in Batangas, Philippines. Under the structure, the coal plant will be retired by 2040 and transitioned to a clean technology, thereby reducing its operating life of up to 50 years by half. This will help avoid or reduce up to 50 million metric tons of carbon emissions. The transaction generated ₱7.2 billion in proceeds for ACEN, which will be reinvested into renewable energy projects.

Aligning with TCFD

Since 2021, ACEN has been a supporter of the Task Force for Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board to develop voluntary, consistent, climate-related financial disclosures to improve transparency on climate risks and opportunities. These disclosures revolve around four thematic areas: governance, strategy, risk management, and metrics and targets.

We recognize that in order to effectively address the impact of climate change, it is imperative that we gain a better understanding of our exposure and the financial implications of climate-related risks and opportunities to our business. This would allow us to better integrate climate-related factors into our risk management, strategic planning, capital allocation, and overall decision-making processes.

Biodiversity

Biodiversity is important to us. We all depend on our natural resources, and the continued decline and degradation of our environment has been alarming.

While we scale up our renewables development to help other industry sectors catch up with the energy transition, we are mindful of our own environmental impact. Guided by our Environmental, Social & Governance Policy and Management System, we assess future projects by identifying their direct impact on biodiversity.

We reference best-practice mitigation hierarchy guidelines to shape the biodiversity plans we develop in our sites. Furthermore, mitigation measures will be designed to achieve no net loss, including identifying and protection of set-asides, and/or restoring habitat during and/or after operations. We develop a biodiversity plan, not only to mitigate potentially significant impacts, but most importantly, to enhance biodiversity that will also create a meaningful impact to our host communities.

SOCIAL: INVESTING IN PEOPLE

We invest in our people and communities. We recognize that access to energy is essential and our aim is to build and provide more clean energy for the society and for economic growth. We also rely significantly on our ability to effectively and efficiently engage with them as we work towards our sustainable goals. We create meaningful ways to ensure a functional and productive society as we commit to drive positive change for people and the planet.

Human capital: Our people and culture

At ACEN, we prioritize our goal to attract, retain and grow the best talent in each aspect of our business, as the quest for a Net Zero world is a tall order indeed. ACEN 2030 is an aggressive goal and we believe that we have the right elements to succeed. We have a strong balance sheet, robust pipeline, strong partnerships and most importantly, a highly energized organization.

We put our people first – we provide a safe, supportive and inclusive environment for our people, a workplace where they can feel a complete sense of ownership and belongingness, and where their opinions matter. We believe in fostering an inclusive culture where everyone feels they are heard, treated fairly and with respect. We create programs and benefits that support the development of the entire organization, ensure a safe work environment and a diverse culture for our employees.

Social investments

As ACEN continues to scale up its renewables expansion across the region, we also commit to invest in the socio-economic progress of the communities where we operate. We collaborate with local governments, state agencies and conservation groups in establishing programs that can be a force for good through livelihood creation, large-scale infrastructure development, improved community health and safety awareness and disaster response, and innovative waste management approach – with the objective to create tangible, long-term value for our communities.

GOVERNANCE: INTEGRATING SUSTAINABILITY

To complement good ESG metrics, transparency is important to help our investors make decisions, and assess both risks and opportunities. We have been aligning our disclosures and policies with the different ESG frameworks and data providers.

We have established our baseline data and set our directions across our organization, our aim is to deliver our strategy and report on our progress.

Our environmental and social initiatives are embedded across our organization to drive forward initiatives that are important to us and our aspiration to be a Net Zero GHG emissions company by 2050. In parallel, our Corporate Governance System provides a clear organizational structure guided by an active Board of Directors, visionary management, strong core values and adequate policies and controls to ensure the integration of sustainability across the organization.

The Board approved the creation of a Sustainability Committee, which is responsible for the oversight of sustainability issues and climate-related risks and opportunities. The Sustainability Committee regularly reviews our sustainability strategy, culture and values, and performance. Dedicating a committee to sustainability reinforces the commitment of the Board towards climate governance and oversight over the business as we move towards a low carbon portfolio.

At the executive level, the ESG Committee advises on ESG-related matters in policymaking as well as monitors our performance on key ESG and climate-related metrics. Furthermore, the Risk and Health & Safety Committee provides an oversight function towards operational safety and sustainability-related risks. We also facilitated capacity building and awareness campaigns on ESG for our senior leaders to further embed sustainability into decision-making.

At the corporate level, the Sustainability team performs sustainability and climate oversight functions. This is headed by the Senior Vice President and Head of Corporate Communications and Sustainability who has oversight in terms of managing sustainability initiatives and the company's climate-related risks and opportunities, as well as climate-related disclosures.

At the project level, project development leads proactively work to mitigate the physical effects of climate change in the planning and design of new projects. The Sustainability team works closely with the project development teams to assess and manage environmental and social risks and issues. For operating plants, plant managers, HSSE leads, sustainability officers, pollution control officers work closely with the Sustainability team to address any environmental and social issues.

ACEN's aspiration to be a leading renewable energy provider is driven by its goal to create value that would benefit society, as well as its employees and shareholders. Sustainability is at the core of our business, and it is integrated into the way we do things.

More information on the Company's sustainability efforts can be viewed at <https://www.acenrenewables.com/sustainability/esg/>.

A copy of the Company's 2023 Integrated Report may be accessed via https://www.acenrenewables.com/wp-content/uploads/2024/04/ACEN-Integrated-Report-2023-_vF-0824.pdf.

A copy of the Company's Integrated Report for the year 2024 will be provided to stockholders of record via <https://www.acenrenewables.com/disclosures/2024-ir/>.

PART V. EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C (Current Report)

- (a) **Exhibits** - See accompanying Index to Financial Statements and Supplementary Schedules
- (b) **Reports on SEC Form 17-C**

Aside from compliance with periodic reporting requirements, Ayala promptly discloses major and market sensitive information such as dividend declarations, joint ventures and acquisitions, the sale and disposition of significant assets, and other information that may affect the decision of the investing public.

The Company submitted SEC form 17-C and Press Statements to PSE, SEC on the following matters in 2024:

ACEN CORPORATION (the "Company")

1ST QUARTER

1. January 3, 2024 – ACEN and Barito enter new partnership in Indonesia wind projects
2. January 10, 2024 – Changes in percentage ownership of AC Energy and Infrastructure Corporation as of January 9, 2024
3. January 10, 2024 – List of Top 100 Stockholders as of December 31, 2023 (Common Shares)
4. January 10, 2024 – List of Top 100 Stockholders as of December 31, 2023 (ACENA Preferred Shares)
5. January 10, 2024 – List of Top 100 Stockholders as of December 31, 2023 (ACENB Preferred Shares)
6. January 15, 2024 – Disbursements of the proceeds generated from the Company's Preferred Shares Offering
7. January 15, 2024 – Issuance of Corporate Guarantee in support of ACEN Cayman
8. January 15, 2024 – Public Ownership Report as of December 31, 2023
9. January 15, 2024 – Amended Public Ownership Report as of December 31, 2023
10. January 16, 2024 – Acquisition of 128,568 common shares of Delfin Lazaro
11. January 16, 2024 – Acquisition of 887,384 common shares of Jose Rene Gregory D. Almendras
12. January 16, 2024 – Acquisition of 614,179 common shares of Solomon M. Hermosura
13. January 16, 2024 – Acquisition of 551,815 common shares of Cezar P. Consing
14. January 16, 2024 – Acquisition of 406,185 common shares of John Eric T. Francia
15. January 16, 2024 – Acquisition of 2,799 common shares of Mae Christine L. Go
16. January 16, 2024 – Acquisition of 141,474 common shares of Ma. Cecilia T. Cruzabra
17. January 16, 2024 – Acquisition of 96,824 common shares of Patrice R. Clausse
18. January 16, 2024 – Acquisition of 677,089 common shares of John Philip S. Orbeta
19. January 16, 2024 – Acquisition of 3,871 common shares of Jaime Alfonso Antonio E. Zobel de Ayala
20. January 17, 2024 – Disbursements of the proceeds generated from the Company's Preferred Shares Offering
21. January 24, 2024 – Press release: UPC Power Solutions Completes Purchase of 38 MW Wind Project from EDF Renewables North America
22. February 8, 2024 – Changes in percentage ownership of AC Energy and Infrastructure Corporation as of February 8, 2024
23. February 8, 2024 – Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA)
24. February 8, 2024 – Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENB)
25. February 15, 2024 – Notice of Analysts' and Investors' Briefing on March 12, 2024
26. February 23, 2024 – Advances to ACEN CORPORATION from subsidiaries, Giga Ace 2, Inc. and Giga Ace 3, Inc.
27. February 26, 2024 – Resignation of Mr. Solomon M. Hermosura as the Corporate Secretary, effective February 26, 2024
28. February 27, 2024 – Issuance of Corporate Guarantee in Support of the Company's Australia Projects
29. February 27, 2024 – Submission of the latest 2023 General Information Sheet

30. February 28, 2024 – Press release: ACEN secures AU\$ 150M green term loan from ANZ and Westpac to fund renewables expansion in Australia
31. March 5, 2024 – Press release: ACEN Australia partners with Marubeni Asian Power Singapore to develop a 200 MW battery energy storage system in Australia
32. March 7, 2024 – Changes in percentage ownership of AC Energy and Infrastructure Corporation as of February 8, 2024. Amended SEC Form 23-B reflecting the correct number of shares disposed after reconciliation.
33. March 8, 2024 – Signing of Shareholders’ and Investment Agreement with BrightNight APAC B.V for renewable energy projects in the Philippines
34. March 11, 2024 – Press release: ACEN and BrightNight to develop 1 GW of renewables in the Philippines
35. March 12, 2024 – Matters approved at the regular board meeting held on March 11, 2024
 - a. Amendment of the Articles of Incorporation to remove “distribution” from the primary purpose
 - b. Schedule, mode of conduct, and agenda of the 2024 annual stockholders’ meeting (“ASM”)
 - c. Election of Corporate Secretary
 - d. Designation of proxy for ENEX Energy Corp.’s (“ENEX”) 2024 ASM
 - e. The Company’s procurement policy
 - f. Procurement of additional working capital lines
 - g. Updated use of proceeds of preferred shares issuance
 - h. 2023 key result areas performance of ACEN
 - i. Assignment of advances from subsidiaries to ACEN, conversion of ACEN group advances to ENEX into equity, and subscription by ACEN to additional equity in ENEX
 - j. The Company’s 2023 parent and consolidated audited financial statements
 - k. Issuance of letters of support to various ACEN subsidiaries
36. March 12, 2024 – Notice of Conduct of the Annual Stockholders’ Meeting
37. March 12, 2024 – Notice of Annual Stockholders’ Meeting
38. March 12, 2024 – Update on the Company’s Preferred Shares Offering and Issuance
39. March 12, 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
40. March 12, 2024 – Amendment to Articles of Incorporation
41. March 12, 2024 – Appointment of Ms. Franchette M. Acosta as Corporate Secretary effective 11 March 2024
42. March 12, 2024 – Press release: ACEN records P7.4 billion net income in 2023
43. March 12, 2024 – Press release: ACEN Australia and SmartestEnergy sign PPA for clean electricity generated from New England Solar
44. March 12, 2024 – Update on the Company’s Preferred Shares Offering and Issuance
45. March 12, 2024 – Amended Press release: ACEN records P7.4 billion net income in 2023
46. March 13, 2024 – Amended Notice of Annual Stockholders’ Meeting
47. March 14, 2024 – Submission of SEC Form 23-A of Maria Franchette M. Acosta as newly elected Corporate Secretary of the Company at the regular meeting of the Board of Directors held on 11 March 2024
48. March 14, 2024 – Press release: ACEN upgraded to “B” rating by CDP, reaffirms commitment to environmental transparency
49. March 20, 2024 – Amended Disposition of land by Buendia Christiana Holdings Corp. (“BCHC”), a wholly owned subsidiary of ACEN CORPORATION (“ACEN”), in exchange for shares of AREIT, Inc. (“AREIT”) via property-for-share swap.
50. March 21, 2024 – Amended 2023 General Information Sheet reporting the appointment of an officer effective March 11, 2024
51. March 22, 2024 – ACEN’s acquisition of shares in Real Wind Energy, Inc.
52. March 26, 2022 – Loan Agreement with Gigasol1, Inc.
53. March 26, 2024 – Subscription by ACEN to shares in North Luzon Renewable Energy Corp.
54. March 26, 2024 – Subscription by ACEN to shares in Philippine Wind Holdings Corp.
55. March 27, 2024 – The Company’s Definitive Information Statement will be uploaded at <https://acenrenewables.com/disclosures/2024-dis/>

2ND QUARTER

1. April 2, 2024 – Change in the number of shares owned by AC Energy and Infrastructure Corporation to the Company as of March 31, 2024
2. April 3, 2024 – Sale of shares indirectly owned by ACEN Renewables International Pte. Ltd. in PT UPC Sidrap Bayu Energi
3. April 8, 2024- Annual Certification of the Department of Energy

4. April 12, 2024 – Public Ownership Report for the period ending March 31, 2024
5. April 12, 2024 – List of Top 100 Stockholders (preferred A shares) for the period ended March 31, 2024
6. April 12, 2024 – List of Top 100 Stockholders (preferred B shares) for the period ended March 31, 2024
7. April 12, 2024 – Annual Report for the fiscal year ended December 31, 2023
8. April 12, 2024 – List of Top 100 Stockholders (common shares) for the period ended March 31, 2024
9. April 15, 2024 – Amended Annual Report for the fiscal year ended December 31, 2023
10. April 15, 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
11. April 16, 2024 – Press release: ACEN secures US\$150M green term loan facility from SMBC
12. April 17, 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
13. April 17, 2024 – Press release: ACEN and Rockefeller Foundation pilot could avoid up to 19 million tons of CO₂ via Carbon Financing
14. April 24, 2024 – Results of 2024 Annual Stockholders’ Meeting
15. April 24, 2024 – Results of 2024 Organizational Meeting of the Board of Directors
16. April 25, 2024 – Amendment to Articles of Incorporation of the Second Article to remove “distribution” from the Primary Purpose
17. April 25, 2024 – Clarification of the news article in BusinessWorld (Online Edition) on April 25, 2024 entitled, “Output of new RE projects to hit nearly 1.6GW–ACEN”
18. April 26, 2024 – Notice of Analysts’ and Investors’ Briefing on 8 May 2024
19. April 26, 2024 – Submission of SEC form 23-A of Raissa C. Villanueva as newly appointed Assistant Corporate Secretary 2
20. April 26, 2024 – Submission of SEC form 23-A of Jaime Z. Urquijo as newly elected director
21. April 26, 2024 – Submission of SEC form 23-A of Gerardo C. Ablaza, Jr. as newly elected director
22. May 2, 2024 – Subscription of 30,000,000 non-voting Preferred Shares by ACEN to shares in ENEX Energy Corp.
23. May 7, 2024 - Participation of our Directors and Officers in Corporate Governance Training period December 31, 2023
24. May 7, 2024 - Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA)
25. May 7, 2024 - Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENB)
26. May 7, 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
27. May 7, 2024 – Change in the number of shares owned by AC Energy and Infrastructure Corporation to the Company as of April 30, 2024
28. May 8, 2024 – Quarterly report for the period ending March 31, 2024
29. May 8, 2024 – Press release: ACEN net income grows 34 percent to Php2.7 billion in the first quarter of 2024
30. May 13, 2024 – Approval of Acquisition of Hackberry Wind Project
31. May 20, 2024 – Advances to ACEN CORPORATION from Giga Ace 3, Inc.
32. May 20, 2024 – Issuance of Corporate Guarantee in Support of San Carlos Solar Energy, Inc.
33. May 23, 2024 – Amendment of Facility Agreement
34. May 23, 2024 – Amendment to Articles of Incorporation of the Second Article to remove “distribution” from the Primary Purpose as approved by the Securities and Exchange Commission on May 22, 2024
35. May 24, 2024 – Advances to ACEN CORPORATION from San Carlos Solar Energy, Inc.
36. May 27, 2024 – Filing of 2024 General Information Sheet
37. May 29, 2024 – Submission of Integrated Annual Corporate Governance Report for the fiscal year ended December 31, 2023
38. June 3, 2024 – Change in the number of shares owned by AC Energy and Infrastructure Corporation to the Company as of May 31, 2024
39. June 6, 2024 – Subscription of ACEN to (a) 26,093,464 Common A Shares; (b) 234,889,072 Redeemable Preferred A Shares (“RPS A”); and (c) 60,897,168 Redeemable Preferred C Shares (“RPS C”) of additional shares in Giga Ace 8, Inc.
40. June 7, 2024 – Clarification of the news article in Bilyonaryo.com on April 25, 2024 entitled, “Ayala’s ACEN races to quadruple capacity by 2030 with \$6 billion fundraising drive”
41. June 25, 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
42. June 27, 2024 – Matters approved at the special board meeting held on June 26, 2024:
 - a. The declaration of cash dividends of Five Centavos (Php0.05) per common share on the Company’s 39,677,394,773 outstanding common shares, to be paid on or before 25 July 2024 to stockholders of record as of 11 July 2024
 - b. Increase of existing omnibus credit lines for working capital and general corporate requirements
 - c. Extension of maturity of the loan facility for the Arayat-Mexico Solar Project

- d. 2024 key result areas
- 43. June 27, 2024 – Declaration and Payment of Cash Dividends on Outstanding Common Shares
- 44. June 28, 2024 – Executive Committee approval of ACEN’s Business Separation and Unbundling Plan for 2023

3rd QUARTER

1. 3 Jun 2024 – Change in the number of shares owned by AC Energy and Infrastructure Corporation to the Company as of 31 May 2024
2. 6 Jun 2024 – Subscription by the Company of additional shares in Giga Ace 8, Inc.
3. 7 Jun 2024 – Clarification of the news article in Bilyonaryo.com on April 25, 2024 entitled, “Ayala’s ACEN races to quadruple capacity by 2030 with \$6 billion fundraising drive”
4. 25 Jun 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
5. 27 Jun 2024 – Matters approved at the special board meeting held on 26 June 2024:
 - a. The declaration of cash dividends of Five Centavos (Php0.05) per common share on the Company’s 39,677,394,773 outstanding common shares, to be paid on or before 25 July 2024 to stockholders of record as of 11 July 2024
 - b. Increase of existing omnibus credit lines for working capital and general corporate requirements
 - c. Extension of maturity of the loan facility for the Arayat-Mexico Solar Project
 - d. 2024 key result areas
6. 27 Jun 2024 – Declaration and Payment of Cash Dividends on Outstanding Common Shares
7. 28 Jun 2024 – Executive Committee approval of ACEN’s Business Separation and Unbundling Plan for 2023
8. 2 Jul 2024 – Assignment of advances from subsidiary to ACEN, conversion of ACEN group advances to ENEX into equity, and subscription by ACEN to additional equity in ENEX
9. 2 Jul 2024 – Subscription by ACEN to 177,544,011 non-voting Preferred Shares at par value of Php1.00 per non-voting Preferred Share of ENEX shares in ENEX Energy Corp.
10. 5 Jul 2024 – ACEN secures USD150M five-year syndicated green term loan from international banks
11. 11 Jul 2024 – List of Top 100 Stockholders (Common Shares) for period ended 30 Jun 2024
12. 11 Jul 2024 – List of Top 100 Stockholders (Preferred Shares ACEN A) for period ended 30 Jun 2024
13. 11 Jul 2024 – List of Top 100 Stockholders (Preferred Shares ACEN B) for period ended 30 Jun 2024
14. 12 Jul 2024 – Subscription by the Company to additional Four Hundred Sixty-Seven Million Seven Hundred Fifty Thousand (467,750,000) Redeemable Preferred Shares in Belenos Energy Corporation (“Belenos”)
15. 12 Jul 2024 – Public Ownership Report for period ended 30 Jun 2024
16. 15 Jul 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
17. 17 Jul 2024 – Notice of Analysts’ and Investors’ Briefing on 8 August 2024
18. 25 Jul 2024 – Loan Agreement with Santa Cruz Solar Energy Inc. for a Php1,920,000,000.00
19. 1 Aug 2024 – Loan Agreement with Real Wind Energy, Inc. for a Php70,000,000.00 loan facility
20. 1 Aug 2024 – Subscription by ACEN to 2,137,834 Redeemable Preferred Shares B shares in Gigasol1, Inc.
21. 1 Aug 2024 – The Company’s acquisition of shares in Real Wind Energy, Inc.
22. 5 Aug 2024 – Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA)
23. 5 Aug 2024 – Declaration of Cash Dividends on Outstanding Series B Preferred Shares (ACENB)
24. 6 Aug 2024 – Amended Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA)
25. 6 Aug 2024 – Amended Declaration of Cash Dividends on Outstanding Series B Preferred Shares (ACENB)
26. 8 Aug 2024 – Press release: ACEN net income grows 49 percent to Php6.3 billion in the first half of 2024
27. 8 Aug 2024 – Quarterly report for period ended 30 Jun 2024
28. 9 Aug 2024 – Subscription by the Company to additional shares in Belenos Energy Corporation
29. 12 Aug 2024 – Amended press release: ACEN net income grows 49 percent to Php6.3 billion in the first half of 2024
30. 16 Aug 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
31. 19 Aug 2024 – Press release: ACEN, GenZero and Keppel join hands to catalyse retirement of coal-fired plants in Southeast Asia
32. 27 Aug 2024 – ACEN and Barito Renewables Announce Strategic Partnership to Transform Indonesia’s Wind Energy Landscape
33. 18 Sep 2024 – Press release: AC Health and ACEN RES partner to transition medical facilities to renewable energy
34. 23 Sep 2024 – Change in the number of shares owned by AC Energy and Infrastructure Corporation to the Company as of 31 May 2024

35. 26 Sep 2024 – Press release: ACEN joins Climate Week NYC to highlight crucial role of transition credits in early coal retirement
36. 27 Sep 2024 – Amended Disposition of land by Buendia Christiana Holdings Corp. ("BCHC"), a wholly owned subsidiary of ACEN CORPORATION ("ACEN"), in exchange for shares of AREIT, Inc. ("AREIT") via property-for-share swap.
37. 30 Sep 2024 – Press release: ACEN earns another 4 Golden Arrows for exemplary corporate governance

4th QUARTER

1. 2 Oct 2024 – Subscription by ACEN to 50,000,000 redeemable preferred shares in Belenos Energy Corporation
2. 4 Oct 2024 – Appointment of Board Member, Jaime Alfonso Zobel de Ayala, as NCR Private Sector Representative to DTI committee
3. 8 Oct 2024 – Matter approved at the regular board meeting held on 7 October 2024:
 - a. Investment into the Quezon North Wind Power Project (formerly called Isla Wind Power Project) Phase 1 & 2, including supporting infrastructure and transmission/connection assets, through ACEN's wholly-owned subsidiary, Giga Ace 6, Inc., as the project company.
4. 10 Oct 2024 – List of top 100 stockholders (Common Shares) for period ended 30 September 2024
5. 10 Oct 2024 – List of top 100 stockholders (Preferred Shares ACEN A) for period ended 30 September 2024
6. 10 Oct 2024 – List of top 100 stockholders (Preferred Shares ACEN B) for period ended 30 September 2024
7. 15 Oct 2024 – Public Ownership Report for period ended 30 September 2024
8. 21 Oct 2024 – Press release: Globe partners with ACEN RES for renewable energy supply
9. 24 Oct 2024 – Notice of 9M 2024 Analysts' and Investors' Briefing on 7 November 2024
10. 24 Oct 2024 – Update on the Joint Venture of ib vogt (Singapore) Pte. Ltd. and ACEN Renewables International Pte. Ltd.
11. 5 Nov 2024 – Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA)
12. 5 Nov 2024 – Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENB)
13. 7 Nov 2024 – Press release: ACEN grows net income 24 percent to P8.14 billion in 9M 2024
14. 7 Nov 2024 – Quarterly report for period ended 30 September 2024
15. 18 Nov 2024 – Change in the number of shares owned by AC Energy and Infrastructure Corporation to the Company as of 15 November 2024
16. 26 Nov 2024 – Matters approved at the regular board meeting held on 25 November 2024:
 - a. The schedule of the 2025 dividends declaration and payment dates for the Company's Preferred Shares;
 - b. Increase of existing omnibus credit lines for working capital and general corporate requirements; and
 - c. The Company's 2025 Business Plan and Budget.
17. 27 Nov 2024 – Acquisition of a 49% stake in BIM Energy Holding Corporation ("BIMEH")
18. 28 Nov 2024 – Subscription by ACEN to 1,200,000 common shares in Paddak Energy Corporation
19. 2 Dec 2024 – ACEN's Clarification of News Report dated 02 December 2024
20. 6 Dec 2024 – Press release: Cebu Pacific transitions key facilities to 100% renewable energy from ACEN RES
21. 12 Dec 2024 – Update on the Joint Venture of ib vogt (Singapore) Pte. Ltd. and ACEN Renewables International Pte Ltd.
22. 16 Dec 2024 – Subscription by ACEN to 1,175,000 common shares and 10,575,000 preferred shares in Paddak Energy Corporation
23. 16 Dec 2024 – Press release: ACEN wins at the inaugural DOE Sustainable Energy Awards
24. 20 Dec 2024 – ACEN's Reply to PSE Request for Confirmation/Clarification to News Article dated 20 December 2024
25. 23 Dec 2024 – Clarification of the news article in BusinessWorld (Online Edition) on 23 December 2024 entitled, "ACEN sets P70-B capex for 2025"
26. 27 Dec 2024 – Executive Committee approval of extension of maturity of loan to Greencore Power Solutions 3

Structured Reports submitted to SEC and PSE

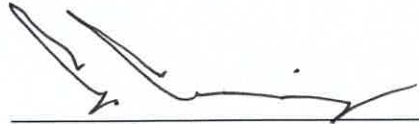
1. Top 100 Stockholders Report
2. Public Ownership Reports
3. Statement of Changes in Beneficial Ownership of Securities of directors, officers, and 10% owners
4. Initial Statement of Beneficial Ownership of Securities of directors, officers, and 10% owners
5. Quarterly Financial Reports
6. Annual Report

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on MAR 28 2025.

ACEN CORPORATION

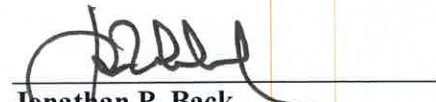
By:



Cezar P. Consing
Chairman of the Board



John Eric T. Francia
President and Chief Executive Officer



Jonathan P. Back
Group Chief Finance Officer and
Group Chief Strategy Officer



Maria Franchette M. Acosta
Corporate Secretary



Kyla Kamille U. Samson
Controller

SUBSCRIBED AND SWORN to before me this MAR 28 2025 at Makati City, affiants exhibiting to me his/their respective passports/driver's license, to wit:

Name	Passport No.	Date of Issue	Place of Issue
Cezar P. Consing	P6868155A	17 Apr 2018	DFA NCR South
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Jonathan P. Back	GBR 142881794	02 Nov 2023	United Kingdom
Maria Franchette M. Acosta	P2265706C	4 Nov 2022	DFA Manila
Kyla Kamille U. Samson	P4126250B	6 Jan 2020	DFA Manila

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Book No. 1
Series of 2025




JORDAN MAE T. CHUA
Notary Public for Makati City

Appointment No. M-046 valid until 31 December 2026
Attorney's Roll No. 63561; 8 May 2014
PTR No. MKT 10466046/ 02 January 2025/Makati City
IBP Lifetime No. 012851/2 April 2015/Quezon City
MCLE Compliance No. VIII-0013795 valid until 14 April 2028
35/F Ayala Triangle Gardens Tower 2
Makati Avenue corner Paseo de Roxas, Makati City
Tel No. 77306300

Notarial DST pursuant to Sec. 61
of the TRAIN Act (amending
Sec. 188 of the NIRC)
affixed on Notary Public's copy.

**Report of the Audit Committee to the Board of Directors
For the Year Ended 31 December 2024**

The Board-approved Audit Committee (“the Committee”) Charter defines the duties and responsibilities of the Committee. In accordance with the Charter, the Committee assists the Board of Directors in fulfilling its oversight responsibilities to the shareholders with respect to the:

- Integrity of the Company’s financial statements and the financial reporting process;
- Appointment, remuneration, qualification, independence and performance of the external auditors and the integrity of the audit process as a whole;
- Effectiveness of the system of internal control;
- Performance and leadership of the internal audit function; and
- Company’s compliance with applicable legal and regulatory requirements.

In compliance with the Audit Committee Charter, we confirm that:

- All the Audit Committee members are non-executive directors with the necessary qualifications, skills, and knowledge to perform their duties. Majority of the members including the Chairman of the Committee are independent directors;
- We had four (4) regular meetings, three (3) special meetings, and two (2) executive sessions with the external auditors, the internal auditors, and management;
- We recommended for approval of the Board and endorsement to the shareholders the reappointment of SGV & Co. as the Company’s 2024 external auditors and the related audit fee;
- We reviewed and approved the quarterly unaudited and the annual audited parent and consolidated financial statements of ACEN CORPORATION (ACEN) and Subsidiaries, including the Management’s Discussion and Analysis of Financial Condition and Results of Operations and the significant impact of new accounting standards, with management, internal auditors and SGV & Co. These activities were performed in the following context:
 - Management has the primary responsibility for the financial statements and the financial reporting process; and
 - SGV & Co. is responsible for expressing an opinion on the conformity of ACEN’s audited parent and consolidated financial statements with the Philippine Financial Reporting Standards.
- We approved the overall scope and the respective audit plans of the Company’s internal auditors and SGV & Co. We reviewed the adequacy of resources, the competencies of staff and the effectiveness of the auditors to execute the audit plans ensuring that resources are reasonably allocated to the areas of highest risks. We also discussed the results of their audits, their assessment of the Company’s internal controls, and the overall quality of the financial reporting process including their management letter of comments;
- We reviewed the reports and updates of the internal and external auditors ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues. Based on the assurance provided by the internal audit department as well as SGV & Co. as a result of their audit activities, the Committee assessed that the Company’s system of internal controls, risk management, compliance, and governance processes are adequate;

- We approved the 2024 pre-concurrence process and the list of non-audit services which the external auditors may be engaged to ensure independence risk is manageable;
- We reviewed and approved all audit, audit-related and non-audit services provided by SGV & Co. to ACEN and the related fees. We also assessed the compatibility of the non-audit services with the auditors' independence to ensure that such services will not impair their independence;
- We reviewed and approved the changes in the Audit Committee and Internal Audit Charters to ensure that these are updated and aligned with regulatory requirements and the Global Internal Audit Standards effective January 9, 2025;
- We evaluated the performance of the Chief Audit Executive and the effectiveness of the internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing; and
- We conducted an annual assessment of our performance, in accordance with Securities and Exchange Commission guidelines, and confirmed that the Committee had satisfactorily performed its responsibilities based on the requirements of its Charter.

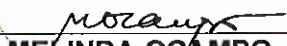
Based on the reviews and discussions undertaken, and subject to the limitations on our roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Annual Report for the year ended December 31, 2024 for filing with the Securities and Exchange Commission and the Philippine Stock Exchange. We are also recommending the reappointment of SGV & Co. as ACEN CORPORATION's external auditors and the related audit fee for 2024 based on their performance and qualifications.

06 March 2025

Signed by:



GARRY LESTER
Chairperson



MELINDA OCAMPO
Member



NICOLE GOH PHAIK KHIM
Member

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Exhibit A : 2024 Consolidated Financial Statements of Registrant

- I. Statement of Management's Responsibility for Financial Statements
- II. ACEN CORPORATION and Subsidiaries Consolidated Financial Statements
as of December 31, 2024 and 2023 and Years Ended December 31, 2024, 2023 and 2022
and Independent Auditor's Report

Exhibit B : Supplementary Schedules

- I. Independent Auditor's Opinion on Supplementary Schedules
- II. Supplementary Schedules Details
 - A. Financial Assets
 - B. Amounts Receivable from Directors, Officers, Employees, Related Parties and
Principal Stockholders (Other than Related Parties)
 - C. Accounts Receivable and Payable from Related Parties which are eliminated
during the consolidation of financial statements
 - D. Long-Term Debt
 - E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock
 - H. Reconciliation of Retained Earnings Available for Dividend Declaration
 - I. Map of Relationships of the Companies within the Group
 - J. Financial Soundness Indicators
 - K. Schedule of Listed Companies with a recent Offering of Securities to the Public
 - L. Schedule of External Auditor Fee-related Information

Exhibit C : 2024 Parent Company Financial Statements (with BIR ITR Filing Reference)

Exhibit D : 2024 Consolidated Financial Statements of a Material Subsidiary

Exhibit A : 2024 Consolidated Financial Statements of Registrant

ACEN CORPORATION AND SUBSIDIARIES
Financial Highlights
(in thousand pesos except ratios)

	2024	2023	2022
Current Assets	59,132,109	71,578,115	70,022,580
Total Assets	329,542,231	284,933,500	232,772,563
Current Liabilities	29,670,253	20,043,695	17,696,536
Total Liabilities	172,099,031	111,557,643	83,179,120
Total Equity	157,443,200	173,375,857	149,593,443
Paid-in Capital	172,012,584	172,012,584	147,184,138
Total Revenues	37,300,402	36,499,133	35,238,551
Net Income	10,112,477	9,106,674	14,597,888
Earnings Per Share	0.19	0.17	0.33
Current Ratio	1.99:1	3.57:1	3.96:1
Acid Test Ratio	1.81:1	3.38:1	3.68:1
Debt/Equity Ratio	1.09:1	0.64:1	0.56:1
Asset-to-Equity Ratio	2.09:1	1.64:1	1.56:1
Interest Rate Coverage Ratio	2.27:1	2.37:1	2.14:1
Net Bank Debt to Equity Ratio	0.69:1	0.23:1	0.19:1
Return on Equity	6.82%	6.05%	12.69%
Return on Common Equity	6.16%	5.71%	12.69%
Return on Assets	3.29%	3.52%	7.23%
Asset Turnover	12.14%	14.10%	17.45%

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

A	C	E	N		C	O	R	P	O	R	A	T	I	O	N		A	N	D							
S	U	B	S	I	D	I	A	R	I	E	S															

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

3	5	T	H		F	L	O	O	R	,		A	Y	A	L	A		T	R	I	A	N	G	L	E			
G	A	R	D	E	N	S		T	O	W	E	R		2	,		P	A	S	E	O		D	E				
R	O	X	A	S		C	O	R	N	E	R		M	A	K	A	T	I		A	V	E	N	U	E	,		
M	A	K	A	T	I		C	I	T	Y		1	2	2	6													

<p style="text-align: center;">Form Type</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr><td>A</td><td>A</td><td>F</td><td>S</td></tr> </table>	A	A	F	S	<p style="text-align: center;">Department requiring the report</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr><td>S</td><td>E</td><td>C</td><td></td></tr> </table>	S	E	C		<p style="text-align: center;">Secondary License Type, If Applicable</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr><td>N</td><td>/</td><td>A</td><td></td></tr> </table>	N	/	A	
A	A	F	S											
S	E	C												
N	/	A												

COMPANY INFORMATION

<p style="text-align: center; font-size: small;">Company's Email Address</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>corpsec.aceph@acenergy.com.ph</td></tr> </table>	corpsec.aceph@acenergy.com.ph	<p style="text-align: center; font-size: small;">Company's Telephone Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(632) 7730-6300</td></tr> </table>	(632) 7730-6300	<p style="text-align: center; font-size: small;">Mobile Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td> </td></tr> </table>	
corpsec.aceph@acenergy.com.ph					
(632) 7730-6300					
<p style="text-align: center; font-size: small;">No. of Stockholders</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">4,521</td></tr> </table>	4,521	<p style="text-align: center; font-size: small;">Annual Meeting (Month / Day)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">03/31</td></tr> </table>	03/31	<p style="text-align: center; font-size: small;">Fiscal Year (Month / Day)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">12/31</td></tr> </table>	12/31
4,521					
03/31					
12/31					

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

<p style="text-align: center; font-size: small;">Name of Contact Person</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Alan T. Ascalon</td></tr> </table>	Alan T. Ascalon	<p style="text-align: center; font-size: small;">Email Address</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>alan.ascalon@acenrenewables.com</td></tr> </table>	alan.ascalon@acenrenewables.com	<p style="text-align: center; font-size: small;">Telephone Number/s</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(632) 7730-6300</td></tr> </table>	(632) 7730-6300	<p style="text-align: center; font-size: small;">Mobile Number</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">-</td></tr> </table>	-
Alan T. Ascalon							
alan.ascalon@acenrenewables.com							
(632) 7730-6300							
-							

CONTACT PERSON'S ADDRESS

<p>35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, 1226</p>
--

NOTE 1 In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**


The management of **ACEN CORPORATION and Subsidiaries**, (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.


The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


CEZAR P. CONSING
 Chairman of the Board


JOHN ERIC T. FRANCIA
 President and Chief Executive Officer


JONATHAN P. BACK
 Group Chief Finance Officer
 and Group Chief Strategy Officer

Signed this 10th day of March 2025

SUBSCRIBED AND SWORN to before me this MAR 10 2025 at Makati City, affiants exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Issue	Place of Issue
Cezar P. Consing	P6868155A	17 Apr 2018	DFA NCR South
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Jonathan P. Back	GBR 142881794	02 Nov 2023	United Kingdom

Doc. No. 284
 Page No. 88
 Book No. 14
 Series of 2025




KATRINA ISABEL L. LOPEZ
 Notary Public for Makati City
 Appointment No. M-499 (2024-2025)
 Attorneys Roll No. 74992
 PTR No. 10466047; 1-02-2025; Makati City
 IBP No. 491234; 1-01-2025; Quezon City
 MCLE Compliance No. VII-0019587; valid until 1-14-2028
 35th Floor Ayala Triangle Gardens Tower 2
 Pasayon de Roxas cor. Makati Ave.
 Makati City, Philippines 1226

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Notary Public's copy.

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of ACEN CORPORATION and its Subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit

procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill arising from Acquisition of UPC-AC Energy Australia HK Ltd.

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2024, the Group has goodwill amounting to ₱21,498.03 million arising from its acquisition of UPC-AC Energy Australia HK Ltd. (UPC-ACE Australia), which is considered significant to the consolidated financial statements.

The impairment testing of goodwill is a key audit matter because it requires management to make significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the estimated future cash flows of the related cash-generating units, forecasted revenue growth rate, earnings before interest, taxes, depreciation and amortization (EBITDA) margins and the discount rate used in calculating the present value of future cash flows.

The Group's disclosures are included in Note 10 to the consolidated financial statements.

Audit Response

We sent instructions to the statutory auditors of ACRI to perform an audit on the relevant financial information of ACRI for the purpose of the Group's consolidated financial statements. These audit instructions cover their scope of work, risk assessment procedures, audit strategy and reporting responsibilities. We discussed with ACRI statutory auditors about their key audit areas, planning and execution of audit procedures, significant areas of estimation and judgment, and results of their work for the year ended December 31, 2024.

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We reviewed the working papers of the statutory auditor of ACRI, specifically, we reviewed the procedures performed in evaluating the methodology and assumptions used by management. These assumptions include revenue growth rates, EBITDA margins and discount rate. We compared the key assumptions used, such as forecasted revenue growth rates and gross margin, prices in the energy spot market against the historical performance of the cash generating unit and industry outlook and other relevant external data. We also performed stress testing on key assumptions, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill. We involved our internal specialist in evaluating the parameters used in the determination of the discount rate against market data.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in the determination of the recoverable amounts of goodwill.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

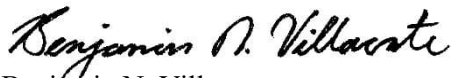
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Benjamin N. Villacorte.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

		December 31	
	Notes	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 25	₱25,158,358	₱39,696,662
Current portion of:			
Accounts and notes receivable	5	22,763,923	26,065,692
Input value added tax (VAT)		2,793,187	2,059,734
Creditable withholding taxes		360,841	102,984
Financial assets at fair value through profit or loss (FVTPL)	26	5,704,353	1,938,497
Fuel and spare parts - at cost		974,526	964,053
Other current assets	11	1,376,921	750,493
Total Current Assets		59,132,109	71,578,115
Noncurrent Assets			
Investment in:			
Associates and joint ventures	6	42,735,003	30,098,617
Redeemable preferred shares and convertible loans	7	17,828,524	21,633,799
Financial assets at FVTPL	26	921,787	1,932,975
Financial assets at fair value through other comprehensive income (FVOCI)	26	12,116,639	5,799,323
Property, plant and equipment	8	121,852,460	88,928,251
Right-of-use assets	9	8,454,956	8,213,704
Goodwill and other intangible assets	10	25,599,005	23,165,368
Net of current portion:			
Accounts and notes receivable	5	17,809,515	12,689,042
Input VAT		3,042,624	3,120,200
Creditable withholding taxes		3,681,895	2,513,774
Deferred income tax assets - net	21	3,316,975	2,122,081
Other noncurrent assets	11	13,050,739	13,138,251
Total Noncurrent Assets		270,410,122	213,355,385
TOTAL ASSETS		₱329,542,231	₱284,933,500

(Forward)



		December 31	
		2024	2023
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	12	₱14,408,806	₱16,145,386
Short-term loans	13, 25	5,600,000	1,500,000
Current portion of:			
Long-term loans	13, 26	7,456,367	1,289,104
Lease liabilities	9, 26	1,889,401	850,953
Income and withholding taxes payable		302,541	241,667
Due to stockholders	22	13,138	16,585
Total Current Liabilities		29,670,253	20,043,695
Noncurrent Liabilities			
Notes payable	13, 26	33,056,481	32,003,794
Noncurrent portion of:			
Long-term loans	13, 26	87,399,527	44,485,573
Lease liabilities	9, 24, 26	12,609,041	7,505,848
Pension and other employee benefits		329,025	368,827
Deferred income tax liabilities - net	21	1,454,664	805,902
Other noncurrent liabilities	14	7,580,040	6,344,004
Total Noncurrent Liabilities		142,428,778	91,513,948
Total Liabilities		172,099,031	111,557,643
Equity			
Common shares	1, 15	39,691,895	39,691,895
Redeemable preferred shares	1, 15	25,000	25,000
Additional paid-in capital	1, 15	132,295,689	132,295,689
Other equity reserves	15	(59,450,345)	(59,450,345)
Unrealized fair value loss on equity instruments at FVOCI		(3,074,292)	(268,000)
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		(592,720)	588,519
Remeasurement loss on defined benefit plans - net of tax		(64,414)	(32,821)
Accumulated share in other comprehensive loss of associates and joint ventures	6	(167,097)	(85,483)
Cumulative translation adjustments	15	8,590,223	5,864,713
Retained earnings	15	30,320,264	24,871,807
Treasury shares	15	(28,657)	(28,657)
Total equity attributable to equity holders of the Parent Company		147,545,546	143,472,317
Non-controlling interests	15	9,897,654	29,903,540
Total Equity		157,443,200	173,375,857
TOTAL LIABILITIES AND EQUITY		₱329,542,231	₱284,933,500

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Figures)

		Years Ended December 31		
	Notes	2024	2023	2022
REVENUES				
Revenue from sale of electricity	16	₱36,134,274	₱36,181,426	₱34,995,488
Dividend income		515,961	–	3,635
Rental income		69,597	68,857	68,469
Other revenues		580,570	248,850	170,959
		37,300,402	36,499,133	35,238,551
COSTS AND EXPENSES				
Costs of sale of electricity	17			
Cost of purchased power		22,043,543	27,272,520	24,599,882
Depreciation and amortization		2,023,059	1,207,418	1,918,307
Fuel		1,018,764	1,522,458	4,957,516
Others		2,273,213	1,727,686	2,707,534
		27,358,579	31,730,082	34,183,239
General and administrative expenses	18			
Personnel costs, management, and professional fees		3,133,250	2,606,677	1,184,267
Provision for impairment		1,135,006	2,996,657	1,325,181
Depreciation and amortization		569,218	366,052	260,101
Others		2,145,290	1,501,498	1,132,268
		6,982,764	7,470,884	3,901,817
		34,341,343	39,200,966	38,085,056
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES				
	6	1,190,966	1,765,239	937,834
OTHER INCOME (CHARGES)				
Interest and other financial income	20			
Cash in banks and short-term deposits	4	989,573	1,586,517	285,195
Accounts and notes receivable	5	2,428,544	2,346,536	1,879,078
Investments in redeemable preferred shares and convertible loans	7	2,916,233	3,137,338	3,474,911
		6,334,350	7,070,391	5,639,184
Interest and other finance charges	19	(3,292,071)	(1,930,265)	(2,357,531)
Other income - net	20			
Gain on disposal of assets		2,638,008	1,062,030	613,565
Remeasurement gain		–	3,433,328	10,921,026
Others		1,112,085	690,082	1,028,217
		3,750,093	5,185,440	12,562,808
		6,792,372	10,325,566	15,844,461
INCOME BEFORE INCOME TAX		10,942,397	9,388,972	13,935,790
PROVISION FOR (BENEFIT FROM) INCOME TAX		21	829,920	282,298
NET INCOME		₱10,112,477	₱9,106,674	₱14,597,888
Net Income Attributable To:				
Equity holders of the Parent Company		₱9,360,006	₱7,396,140	₱13,055,119
Non-controlling interests		752,471	1,710,534	1,542,769
		₱10,112,477	₱9,106,674	₱14,597,888
Net income attributable to equity holders of Parent Company				
		₱9,360,006	₱7,396,140	₱13,055,119
Less cumulative preferred share dividends				
		1,927,679	642,560	–
Net income attributable to common shareholders of Parent Company				
		₱7,432,327	₱6,753,580	₱13,055,119
Basic/Diluted Earnings Per Share		23	₱0.19	₱0.17
			₱0.17	₱0.33

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, Except Per Share Figures)

	Notes	Years Ended December 31		
		2024	2023	2022
NET INCOME		₱10,112,477	₱9,106,674	₱14,597,888
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>				
Cumulative translation adjustments		2,760,717	(1,508,828)	7,780,911
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		(1,181,239)	261,843	362,555
		1,579,478	(1,246,985)	8,143,466
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>				
Net changes in the fair value of equity instruments at FVOCI		(2,806,292)	(153,434)	(24,477)
Remeasurement (loss) gain on defined benefit plans - net of tax		(31,593)	11,089	(25,265)
		(2,837,885)	(142,345)	(49,742)
		(1,258,407)	(1,389,330)	8,093,724
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES	6			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>				
Cumulative translation adjustment		(166,434)	(71,365)	-
Interest rate swap		69,807	14,596	-
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		(2,891)	4,111	45,224
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>				
Remeasurement gain (loss) on defined benefit plans - net of tax		17,904	(27,031)	7,628
		(81,614)	(79,689)	52,852
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		(1,340,021)	(1,469,019)	8,146,576
TOTAL COMPREHENSIVE INCOME		₱8,772,456	₱7,637,655	₱22,744,464
Total Comprehensive Income Attributable To:				
Equity holders of the Parent Company		₱7,984,778	₱5,850,972	₱21,188,277
Non-controlling interests		787,678	1,786,683	1,556,187
		₱8,772,456	₱7,637,655	₱22,744,464

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company														Non-controlling Interests (Note 15)	Total Equity
	Common Shares (Note 15)	Additional Paid-in Capital - Common Shares (Note 15)	Redeemable Preferred Shares (Note 15)	Additional Paid-in Capital - Redeemable Preferred Shares (Note 15)	Other Equity Reserves (Note 15)	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on derivative instruments designated as hedge – net of tax	Remeasurement Gain (Loss) On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 6)	Cumulative Translation Adjustments (Note 15)	Retained Earnings (Note 15)	Treasury Shares (Note 15)	Total	Total Equity		
Balances at January 1, 2024	₱39,691,895	₱107,492,243	₱25,000	₱24,803,446	(₱59,450,345)	(₱268,000)	₱588,519	(₱32,821)	(₱85,483)	₱5,864,713	₱24,871,807	(₱28,657)	₱143,472,317	₱29,903,540	₱173,375,857	
Net income	–	–	–	–	–	–	–	–	–	–	9,360,006	–	9,360,006	752,471	10,112,477	
Other comprehensive income (loss)	–	–	–	–	–	(2,806,292)	(1,181,239)	(31,593)	(81,614)	2,725,510	–	–	(1,375,228)	35,207	(1,340,021)	
Total comprehensive income (loss)	–	–	–	–	–	(2,806,292)	(1,181,239)	(31,593)	(81,614)	2,725,510	9,360,006	–	7,984,778	787,678	8,772,456	
Dividends declared	–	–	–	–	–	–	–	–	–	–	(3,911,549)	–	(3,911,549)	(684,751)	(4,596,300)	
Capital infusion of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	20,428	20,428	
Capital redemption of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	(20,129,241)	(20,129,241)	
	–	–	–	–	–	–	–	–	–	–	(3,911,549)	–	(3,911,549)	(20,793,564)	(24,705,113)	
Balances at December 31, 2024	₱39,691,895	₱107,492,243	₱25,000	₱24,803,446	(₱59,450,345)	(₱3,074,292)	(₱592,720)	(₱64,414)	(₱167,097)	₱8,590,223	₱30,320,264	(₱28,657)	₱147,545,546	₱9,897,654	₱157,443,200	
Balances at January 1, 2023	₱39,691,895	₱107,492,243	₱–	₱–	(₱56,585,740)	(₱114,566)	₱326,676	(₱43,910)	(₱5,794)	₱7,449,690	₱19,551,839	(₱28,657)	₱117,733,676	₱31,859,767	₱149,593,443	
Net income	–	–	–	–	–	–	–	–	–	–	7,396,140	–	7,396,140	1,710,534	9,106,674	
Other comprehensive income (loss)	–	–	–	–	–	(153,434)	261,843	11,089	(79,689)	(1,584,977)	–	–	(1,545,168)	76,149	(1,469,019)	
Total comprehensive income (loss)	–	–	–	–	–	(153,434)	261,843	11,089	(79,689)	(1,584,977)	7,396,140	–	5,850,972	1,786,683	7,637,655	
Dividends Declared	–	–	–	–	–	–	–	–	–	–	(2,069,015)	–	(2,069,015)	(1,882,833)	(3,951,848)	
Issuance of capital stock	–	–	25,000	24,975,000	–	–	–	–	–	–	–	–	25,000,000	–	25,000,000	
Share issuance costs	–	–	–	(171,554)	–	–	–	–	–	–	–	–	(171,554)	–	(171,554)	
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	(2,864,605)	–	–	–	–	–	–	–	(2,864,605)	(1,860,077)	(4,724,682)	
Others	–	–	–	–	–	–	–	–	–	–	(7,157)	–	(7,157)	–	(7,157)	
	–	–	25,000	24,803,446	(2,864,605)	–	–	–	–	–	(2,076,172)	–	19,887,669	(3,742,910)	16,144,759	
Balances at December 31, 2023	₱39,691,895	₱107,492,243	₱25,000	₱24,803,446	(₱59,450,345)	(₱268,000)	₱588,519	(₱32,821)	(₱85,483)	₱5,864,713	₱24,871,807	(₱28,657)	₱143,472,317	₱29,903,540	₱173,375,857	

See accompanying Notes to Consolidated Financial Statements.



Attributable to Equity Holders of the Parent Company

	Common Shares (Note 15)	Additional Paid-in Capital - Common Shares (Note 15)	Redeemable Preferred Shares (Note 15)	Additional Paid-in Capital - Preferred Shares (Note 15)	Other Equity Reserves (Note 15)	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on derivative instruments designated as hedge - net of tax	Remeasurement Gain (Loss) On Defined Benefit Plans - net of tax	Accumulated Share in Other Comprehensive (Loss) of Associates and Joint Ventures (Note 6)	Cumulative Translation Adjustments	Retained Earnings (Note 15)	Treasury Shares (Note 15)	Total	Non-controlling Interests (Note 15)	Total Equity
Balances at January 1, 2022	₱38,338,527	₱98,043,831	₱-	₱-	(₱56,604,532)	(₱90,089)	₱6,228	(₱24,436)	₱29,723	(₱359,910)	₱8,707,301	(₱28,657)	₱88,017,986	₱29,950,776	₱117,968,762
Net income	-	-	-	-	-	-	-	-	-	-	13,055,119	-	13,055,119	1,542,769	14,597,888
Other comprehensive income (loss)	-	-	-	-	-	(24,477)	320,448	(25,265)	52,852	7,809,600	-	-	8,133,158	13,418	8,146,576
Total comprehensive income (loss)	-	-	-	-	-	(24,477)	320,448	(25,265)	52,852	7,809,600	13,055,119	-	21,188,277	1,556,187	22,744,464
Dividends declared	-	-	-	-	-	-	-	-	-	-	(2,298,950)	-	(2,298,950)	(1,504,247)	(3,803,197)
Issuance of capital stock	1,320,746	9,237,832	-	-	-	-	-	-	-	-	-	-	10,558,578	-	10,558,578
Grants through Employee Stock Ownership Plan	32,622	210,580	-	-	-	-	-	-	-	-	-	-	243,202	-	243,202
Change due to loss of control	-	-	-	-	-	-	-	5,791	-	-	-	-	5,791	-	5,791
Business combination	-	-	-	-	-	-	-	-	(88,369)	-	88,369	-	-	-	-
Non-controlling interest arising from a business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	1,947,104	1,947,104
Effects of common control business combination	-	-	-	-	121,830	-	-	-	-	-	-	-	121,830	(105,192)	16,638
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	(110,463)	-	-	-	-	-	-	-	(110,463)	15,139	(95,324)
Others	-	-	-	-	7,425	-	-	-	-	-	-	-	7,425	-	7,425
	1,353,368	9,448,412	-	-	18,792	-	-	5,791	(88,369)	-	(2,210,581)	-	8,527,413	352,804	8,880,217
Balances at December 31, 2022	₱39,691,895	₱107,492,243	₱-	₱-	(₱56,585,740)	(₱114,566)	₱326,676	(₱43,910)	(₱5,794)	₱7,449,690	₱19,551,839	(₱28,657)	₱117,733,676	₱31,859,767	₱149,593,443

See accompanying Notes to Consolidated Financial Statements



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

		Years Ended December 31		
	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱10,942,397	₱9,388,972	₱13,935,790
Adjustments for:				
Interest and other finance charges	19	3,292,071	1,930,265	2,357,531
Depreciation and amortization	17, 18	2,592,277	1,573,470	2,178,408
Pension and other employee benefits		131,352	302,920	(19,463)
Interest and other financial income	20	(6,334,350)	(7,070,391)	(5,639,184)
Equity in net income of associates and joint ventures	6	(1,190,966)	(1,765,239)	(937,834)
Dividend income		(515,961)	–	(3,635)
Unrealized foreign exchange (gains) losses - net		(357,635)	22,705	(100,538)
Employee stock ownership plan expense		–	–	31,161
Provision for (reversal of):				
Expected credit losses	5, 18	1,223,402	1,124,734	(13,755)
Impairment loss on:				
Redeemable preferred shares and convertible loans	7, 18	(93,694)	1,860,969	1,284,409
Property, plant and equipment, net	8, 18, 20	3,557	4,569	41,444
Advances to contractors, net	11, 18, 20	1,741	6,385	(1,256)
Probable losses on deferred exploration costs	10, 18	–	–	584
Loss (gain) on:				
Disposal of investment, net	2, 6, 20	(1,213,494)	(1,062,030)	(613,565)
Sale and leaseback	2, 20	(1,035,334)	–	–
Early redemption of convertible loan	20	(389,182)	–	–
Settlement of derivatives	20	(137,863)	31,268	(297,342)
Sale of property, plant and equipment	20	(46,647)	3,872	7,049
Sale of financial asset at FVTPL	20	(61,603)	(49,929)	–
Fair value adjustment on financial asset at FVTPL	20	147,216	262,383	124,513
Discount on long-term receivables	20	31,146	33,594	82,508
Remeasurement gain on investments	2, 20	–	(3,433,328)	(10,921,026)
Settlement of development loan	5, 20	–	(515,000)	–
Recovery of tax credit certificate on real property tax	20	–	(8,538)	–
Sale of inventories and by-product		–	–	(32,953)
Unrealized commodity swaps		–	–	(1,647)
Bargain purchase		–	–	(138)
Sale of noncurrent assets held for sale		–	–	8,400
Write-off of FVOCI		–	–	500
Operating income before working capital changes		6,988,430	2,641,651	1,469,961
Decrease (increase) in:				
Accounts receivable		5,593,330	201,862	(998,413)
Fuel and spare parts		(10,473)	(157,067)	(139,581)
Other current assets and CWT		(418,029)	(1,154,082)	(1,945,311)
Increase (decrease) in accounts payable and other current liabilities		(448,639)	583,600	3,772,606
Cash generated from operations		11,704,619	2,115,964	2,159,262
Interest received		1,074,933	1,492,833	202,706
Income and withholding taxes paid		(1,049,934)	(421,764)	(66,062)
Net cash flows from operating activities		11,729,618	3,187,033	2,295,906
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	8	(32,694,306)	(25,803,451)	(20,717,831)
Investment in financial assets at FVTPL		(21,860,599)	(6,672,399)	(912,534)
Investments in associates and joint venture, net	6	(11,835,030)	(4,592,106)	(2,996,379)
Receivables	5, 22	(4,893,482)	(8,825,351)	(20,319,739)
Investments in redeemable preferred shares	7	(1,665,068)	(2,433,046)	(3,571,739)
Investment in financial assets at FVOCI		(965,031)	(5,496,726)	–
Investments in subsidiaries, net of cash acquired	2, 24	(569,802)	53,165	(4,033,180)
Other intangible assets	10	(298,342)	(85,653)	(1,471)
Subscription deposits	7	(228,144)	(1,467,305)	(180,448)
Short-term investments	11	(161,966)	528	67,782

(Forward)



		Years Ended December 31		
	Notes	2024	2023	2022
Convertible loan		₱-	(₱1,807,639)	(₱2,807,214)
Proceeds from:				
Sale of investments in financial asset at FVTPL		18,164,305	4,131,285	-
Collection of receivables	5, 22	4,265,040	17,111,928	25,251,588
Redemption of financial assets at FVOCI		2,920,617	-	-
Redemption of redeemable preferred shares	7	1,389,659	323,987	-
Redemption of financial assets at FVTPL		587,989	-	-
Redemption of convertible loan	7	389,265	2,341,774	14,508
Change due to loss of control, net of cash surrendered	2	208,727	3,945,443	5,494,611
Sale of property, plant and equipment		63,682	13,408	3,933
Return of capital from a joint venture	6	-	228,312	-
Divestment of investment in associate		-	-	734,672
Sale of noncurrent assets held for sale		-	-	193,525
Dividends received from:				
Investments in associates and joint ventures	6	1,786,093	1,362,464	2,222,356
Financial assets at FVOCI		515,961	-	3,635
Interest received		2,480,022	4,544,222	4,200,750
Increase in other noncurrent assets		(3,597,857)	(1,771,430)	(6,984,890)
Net cash flows used in investing activities		(45,998,267)	(24,898,590)	(24,338,065)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Availment of long-term debts	13, 28	47,292,421	17,586,442	23,012,509
Availment of short-term debts	13, 28	25,600,000	9,000,000	23,259,020
Capital infusion of non-controlling interest in a subsidiary	2, 15	20,428	-	-
Issuance of capital stock		-	25,000,000	10,558,578
Issuance of notes payable		-	-	10,000,000
Payments of:				
Short-term loans	13, 28	(17,300,000)	(10,400,000)	(20,359,020)
Capital redemption of non-controlling interest in a subsidiary	15	(20,129,241)	-	-
Interest on short-term and long-term loans	28	(7,446,873)	(3,065,790)	(1,955,949)
Cash dividends	15, 28	(4,599,747)	(3,951,848)	(3,803,197)
Long-term loans	13, 28	(1,701,273)	(541,690)	(7,387,050)
Lease liabilities	9, 28	(536,537)	(523,233)	(93,035)
Debt issue cost	13	(531,777)	(55,125)	(390,065)
Interest on lease liabilities	9, 28	(344,663)	(250,092)	(198,050)
Acquisition of non-controlling interest in a subsidiary	15	-	(4,724,682)	(95,324)
Stock issuance costs		-	(171,554)	-
Increase (decrease) in other noncurrent liabilities		(42,835)	(1,002,976)	(1,040,364)
Net cash flows from financing activities		20,279,903	26,899,452	31,508,053
EFFECT OF FOREIGN EXCHANGE RATE CHANGES				
ON CASH AND CASH EQUIVALENTS		(549,558)	(121,244)	(1,281,312)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(14,538,304)	5,066,651	8,184,582
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		39,696,662	34,630,011	26,445,429
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	₱25,158,358	₱39,696,662	₱34,630,011

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information

ACEN CORPORATION, (“ACEN” or “the Parent Company”) incorporated on September 8, 1969 and registered with the Philippine Securities and Exchange Commission (“SEC”), is engaged in the business of, and/or investing in, electric power development and generation, retail electricity supply, and providing guarantees or similar security arrangements. The Parent Company is a licensed Retail Electricity Supplier (“RES”). As a RES, the Parent Company is allowed to supply electricity to the contestable market pursuant to the Electric Power Industry Reform Act (“EPIRA”). Other activities of the Parent Company include investing in various operating companies and financial instruments. ACEN and its subsidiaries are referred to as “the Group”.

The direct parent company (or intermediate parent company) of ACEN is AC Energy and Infrastructure Corporation (“ACEIC”), a wholly owned subsidiary of Ayala Corporation (“AC”). AC is a publicly listed company which is 47.57% owned by Mermac, Inc. (ultimate parent company), and the rest by the public. AC is a listed entity incorporated in the Philippines.

As at December 31, 2024 and 2023, ACEIC owns 58.23% and 58.16%, respectively, of ACEN’s total outstanding shares of stock. This is based on direct and indirect ownership of ACEIC.

On July 20, 2022, the SEC approved the: (1) proposed amendments to ACEN’s Articles of Incorporation for the change in corporate name and principal office. On the same date, the SEC approved the corresponding amendment to ACEN’s By-Laws to reflect the change in corporate name.

On March 3, 2022, Bureau of Internal Revenue (BIR) Certificate of Registration was updated.

Amendment of Articles of Incorporation

On March 7, 2023, during the regular meeting, the Parent Company’s Board of Directors (BOD) approved the amendment to the Seventh Article of the Articles of Incorporation to reclassify 100.00 million unissued Common Shares into Redeemable Preferred Shares, with par value of ₱1.00 per share.

On April 24, 2023, during the annual special stockholder’s meeting, the stockholders representing at least 2/3 of the Parent Company’s authorized capital stock approved the amendment.

On June 9, 2023, the SEC approved ACEN Amended Articles of Incorporation.

On March 11, 2024, the Board of Directors (BOD) of the Group approved the amendment of the Parent Company’s Articles of Incorporation to remove “distribution” from the primary purpose. The proposed amendment was approved by the Parent Company’s stockholders on April 24, 2024 during the annual stockholders meeting. This was approved by the SEC on May 22, 2024.

The consolidated financial statements were approved and authorized for issuance by the BOD on March 10, 2025.



2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), equity instruments at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousands ('000), except par values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiaries to bring its accounting policies in line with the Parent Company's accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resulting gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

NCI represents the interests in the subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the NCI in the subsidiary.

The consolidated financial statements comprise the Parent Company and the following subsidiaries of the Group:

<i>Subsidiaries</i>	<i>Principal Activities</i>	Percentage of Ownership (%)			
		2024	2023	2024	2023
		Direct	Indirect	Direct	Indirect
ACEN International, Inc. (“ACEN International”)	International investment holding	100.00	–	100.00	–
ACEN Renewables International Pte. Ltd. (“ACRI”) ^a	International investment holding	–	100.00	–	100.00
ACEN Cayman Limited (“ACEN Cayman”) ^b	International investment holding	–	100.00	–	100.00
ACEN Investments HK Limited (“ACEN HK”) ^c	International investment holding	–	100.00	–	100.00
UPC-AC Energy Australia (HK) Ltd. (“UPC-ACE Australia”)	Power generation	–	100.00	–	100.00
ACEHI Netherlands B.V.*	Investment holding	–	–	–	75.76
ACEN Finance Limited (“ACEN Finance”) ^b	Investment holding	100.00	–	100.00	–
Bulacan Power Generation Corporation (“Bulacan Power”)	Power generation	100.00	–	100.00	–
CIP II Power Corporation (“CIPP”)	Power generation	100.00	–	100.00	–
Guimaras Wind Corporation (“Guimaras Wind”)	Wind power generation	100.00	–	100.00	–
One Subic Oil Distribution Corporation	Distribution of petroleum products	100.00	–	100.00	–
One Subic Power Generation Corporation (“One Subic Power”)	Power generation	16.94	83.06	16.94	83.06
ENEX Energy Corp. (“ENEX”)	Oil, gas, and geothermal exploration	75.92	0.40	75.92	0.40
Palawan55 Exploration & Production Corporation (“Palawan55”)	Oil and gas exploration	30.65	52.93	30.65	52.93
Buendia Christiana Holdings Corp. (“BCHC”)	Investment holding	100.00	–	100.00	–
ACEN Shared Services, Inc. (“ACES,” formerly ACE Shared Services, Inc.)	Shared services	100.00	–	100.00	–
Giga Ace 1, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 2, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 3, Inc. (“Giga Ace 3”)	Power generation	100.00	–	100.00	–
Giga Ace 4, Inc. (“Giga Ace 4”)	Power generation	100.00	–	100.00	–
Giga Ace 5, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 6, Inc.	Power generation	0.83	99.17	100.00	–
Giga Ace 7, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 8, Inc. (“Giga Ace 8”)	Power generation	100.00	–	100.00	–
Giga Ace 9, Inc. (“Giga Ace 9”)	Power generation	100.00	–	100.00	–
Giga Ace 10, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 11, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 12, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 14, Inc.	Power generation	100.00	–	100.00	–
Giga Ace 15, Inc.	Power generation	100.00	–	100.00	–
Negros Island Solar Power, Inc. (“ISLASOL”)	Solar power generation	–	60.00	–	60.00
San Carlos Solar Energy, Inc. (“SACASOL”)	Solar power generation	–	100.00	–	100.00
Monte Solar Energy, Inc. (“MONTESOL”)	Solar power generation	96.00	4.00	96.00	4.00
ACEN Global Development Group, Inc. (“AGDGI,” formerly ACE Endeavor, Inc.)	Investment holding and management	93.12	6.88	92.40	7.60
Visayas Renewables Corp. (“VRC”)	Investment holding	–	100.00	–	100.00
San Julio Land Development Corporation	Leasing and land development	–	100.00	–	100.00
LCC Bulk Water Supply, Inc.	Water supply and distribution	–	100.00	–	100.00
MCV Bulk Water Supply Inc.	Water supply and distribution	–	100.00	–	100.00
SCC Bulk Water Supply Inc.	Water supply and distribution	–	100.00	–	100.00

(Forward)



<i>Subsidiaries</i>	<i>Principal Activities</i>	Percentage of Ownership (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
HDP Bulk Water Supply Inc.	Water supply and distribution	–	100.00	–	100.00
Ingrid2 Power Corp.	Advisory/Consultancy	–	100.00	–	100.00
Ingrid3 Power Corp. (“Ingrid3”)	Advisory/Consultancy	–	100.00	–	100.00
Ingrid4 Power Corp.	Advisory/Consultancy	100.00	–	100.00	–
Ingrid5 Power Corp.	Advisory/Consultancy	100.00	–	100.00	–
Ingrid6 Power Corp.	Advisory/Consultancy	100.00	–	100.00	–
Solienda Inc.	Leasing and land development	–	100.00	–	100.00
Gigasol 1, Inc.	Power generation	–	100.00	–	100.00
Gigasol 2, Inc.	Power generation	–	100.00	–	100.00
Gigasol 3, Inc. (“Gigasol 3”)	Power generation	–	100.00	–	100.00
Gigasol 4, Inc.	Power generation	100.00	–	100.00	–
Gigasol 5, Inc.	Power generation	100.00	–	100.00	–
Gigasol 6, Inc.	Power generation	100.00	–	100.00	–
Gigasol 7, Inc.	Power generation	100.00	–	100.00	–
Gigasol 8, Inc.	Power generation	100.00	–	100.00	–
Gigasol 9, Inc.	Power generation	100.00	–	100.00	–
Gigasol 10, Inc.	Power generation	100.00	–	100.00	–
GigaWind1 Inc.	Power generation	75.00	25.00	75.00	25.00
GigaWind2 Inc.	Power generation	–	100.00	–	100.00
GigaWind3 Inc.	Power generation	100.00	–	100.00	–
GigaWind4 Inc.	Power generation	100.00	–	100.00	–
GigaWind5 Inc.	Power generation	100.00	–	100.00	–
GigaWind6 Inc. ^d	Power generation	100.00	–	100.00	–
GigaWind7 Inc. ^e	Power generation	100.00	–	100.00	–
SolarAce1 Energy Corp. (“SolarAce1”)	Power generation	–	100.00	–	100.00
SolarAce2 Energy Corp. (“SolarAce2”)	Power generation	–	100.00	–	100.00
SolarAce3 Energy Corp.	Power generation	–	100.00	–	100.00
SolarAce4 Energy Corp.	Power generation	–	100.00	–	100.00
AC Subic Solar, Inc.	Power generation	75.00	25.00	–	100.00
AC Laguna Solar, Inc.	Power generation	75.00	25.00	–	100.00
AC La Mesa Solar, Inc.	Power generation	–	100.00	–	100.00
Bataan Solar Energy, Inc. (“BSEI”)	Power generation	–	100.00	–	100.00
Santa Cruz Solar Energy, Inc. (“SCSE”)	Power generation	95.00	5.00	–	100.00
Pagudpud Wind Power Corp. (“PWPC”)	Investment holding	–	100.00	–	100.00
Bayog Wind Power Corp. (“BWPC”)	Power generation	99.96	0.04	40.00	60.00
Manapla Sun Power Development Corporation (“MSPDC”)	Leasing and land development	36.37	63.63	36.37	63.63
ACE Renewables Philippines, Inc.	Investment holding	100.00	–	100.00	–
NorthWind Power Development Corporation (“NorthWind”)	Wind power generation	32.21	67.79	51.73	48.27
Viage Corporation	Investment holding	100.00	–	100.00	–
ACTA Power Corporation	Coal power generation	100.00	–	100.00	–
UAC Energy Holdings Pty Ltd	Investment holding	–	100.00	–	100.00
Buduan Wind Energy Co, Inc.	Power generation	–	100.00	–	100.00
Caraballo Mountains UPC Asia Corporation	Power generation	–	100.00	–	100.00
Pangasinan UPC Asia Corporation	Power generation	–	100.00	–	100.00
Sapat Highlands Wind Corporation	Power generation	–	100.00	–	100.00
UPC Mindanao Wind Power Corp.	Power generation	–	100.00	–	100.00
Itbayat Island UPC Asia Corporation	Power generation	–	100.00	–	100.00
Laguna Central Renewables, Inc.	Power generation	–	100.00	–	100.00
ACEN Technical Services, Inc. (Formerly Laguna West Renewables, Inc.)	Shared services	–	100.00	–	100.00
Suyo UPC Asia Corporation	Power generation	–	100.00	–	100.00
Natures Renewable Energy Devt. Corporation (“NAREDCO”)	Power generation	92.74	3.56	92.74	3.56
Sinocalan Solar Power Corp. (Sinocalan)	Power generation	100.00	–	100.00	–
Adlao Energy Corporation ^f	Power generation	100.00	–	100.00	–
Zephyrus Energy Corporation ^f	Power generation	100.00	–	100.00	–
Aeolus Energy Corporation ^f	Power generation	100.00	–	100.00	–
Agueo Energy Corporation ^f	Power generation	100.00	–	100.00	–
Amman Energy Corporation ^f	Power generation	100.00	–	100.00	–
Aryaman Energy Corporation ^f	Power generation	100.00	–	100.00	–
Belenos Energy Corporation ^f	Power generation	100.00	–	100.00	–
Paivatar Energy Corporation ^{f, **}	Power generation	60.00	–	100.00	–
Laonsina Energy Corporation ^f	Power generation	100.00	–	100.00	–
Electryone Energy Corporation ^f	Power generation	100.00	–	100.00	–

(Forward)



Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
Abagat Energy Corporation ^g	Power generation	100.00	–	100.00	–
Alinaga Energy Corporation ^g	Power generation	100.00	–	100.00	–
Amaterasu Energy Corporation ^g	Power generation	100.00	–	100.00	–
Banawag Energy Corporation ^g	Power generation	100.00	–	100.00	–
Liadlaw Energy Corporation ^g	Power generation	100.00	–	100.00	–
Oxylus Energy Corporation ^g	Power generation	100.00	–	100.00	–
ACEN Operational Services, Inc. (formerly Paddak Energy Corporation) ^h	Power generation	100.00	–	100.00	–
Paros Energy Corporation ^h	Power generation	100.00	–	100.00	–
Silak Energy Corporation ^h	Power generation	100.00	–	100.00	–
Vayu Energy Corporation ^h	Power generation	100.00	–	100.00	–
YMP Telecom Power Inc.	Industrial instrumentations	–	100.00	–	100.00
YMP Industrial Power Inc.	Industrial instrumentations	–	100.00	–	100.00
Real Wind Energy, Inc.	Power generation	100.00	–	–	–
Aventus Capital Corporation ⁱ	Power generation	100.00	–	–	–
Aventus Solar Farm Inc. ⁱ	Power generation	100.00	–	–	–
Aventus Wind Farm Inc. ⁱ	Power generation	100.00	–	–	–
Energies by Nature Inc. ⁱ	Power generation	100.00	–	–	–
Global 1.5C Energies Inc. ⁱ	Power generation	100.00	–	–	–
Paseo De Roxas Energy Corporation ⁱ	Power generation	100.00	–	–	–

^a No longer a subsidiary in 2023 and accounted as joint venture (see Note 2)

^{**} No longer a subsidiary in 2024 and accounted as joint venture (see Note 2, 6)

^a Incorporated in Singapore

^b Incorporated in Cayman Islands

^c Incorporated in Hong Kong

^d Incorporated on March 16, 2022

^e Incorporated on June 23, 2022

^f Incorporated on June 15, 2023

^g Incorporated on November 21, 2023

^h Incorporated on November 22, 2023

ⁱ Incorporated on October 24, 2024

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries, associates and joint ventures is the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interests.

The following are the significant transactions of the Group in 2024:

Completion of investments in Unlimited Renewables Holdings, B.V. (URH)

On January 2, 2024, the Group through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI) completed its investment in URH by infusing US\$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. ("UPCI") and US\$2.69 million (₱151.02 million) for subscription of 2,674 ordinary shares of URH (Note 6).

ACEN and Barito enter new partnership in Indonesia wind projects

On December 15, 2023, ACEN (through ACEN Investments HK Limited ("ACEN HK"), a subsidiary of ACRI) and Barito Renewables (through PT Barito Wind Energy ("Barito Wind")) signed a Sale and Purchase Agreement (SPA) with UPC Renewables Asia Pacific Holdings for the acquisition of late-stage wind development assets in Indonesia.

On January 3, 2024, with all conditions having been satisfied under the SPA, transaction Closing was achieved by the parties and ACEN HK has completed the acquisition of shares in the three late-stage wind development assets, with a combined potential capacity of 320 Megawatt (MW), that are located in South Sulawesi (Sidrap 2), Sukabumi and Lombok provinces in Indonesia, at an acquisition price that is less than 10% of the book value of ACEN (see Note 6).



Following the signing of the respective Share Transfer Deeds, Barito Wind will own 51% of the three development assets, while ACEN HK will own the remaining 49%. Total investment cost amounted to US\$5.82 million (₱341.27 million) and accounted for as investment in associates and joint venture (see Note 6) and development loans amounting to US\$12.02 million (₱695.05 million) (see Note 22).

Issuance of Corporate Guarantee in support of ACEN Cayman

On January 12, 2024, ACEN as Guarantor to its subsidiary, ACEN Cayman, executed Parent Company Guarantees in favor of ACEN Cayman's lenders: (a) Philippine National Bank for US\$140.00 million, and (b) Rizal Commercial Banking Corporation for US\$180.00 million. This loan obtained by ACEN Cayman shall be used to redeem the redeemable preferred shares held by AC Energy Finance International Limited ("ACEFIL") in ACEN Cayman; the proceeds will in turn be used by ACEFIL to redeem its maturing green bonds.

Following redemption of the redeemable preferred shares held by ACEFIL using the proceeds from ACEN Cayman lenders, non-controlling interest will be reduced by US\$352.00 million (₱20,129.24 million). The difference between redeemable preferred shares redeemed and proceeds from ACEN Cayman lenders of US\$32.00 million will be from cash on hand of ACRI.

Proceeds from ACEN Cayman lenders will be classified as liabilities in the consolidated statements of financial position.

Issuance of Corporate Guarantee in support of the Australia Projects

On February 26, 2024, ACEN, as the Guarantor to its subsidiary ACEN Australia Pty Ltd. ("ACEN Australia"), executed Facility Agreements with ACEN Australia, and each of Australia and New Zealand Banking Group Limited ("ANZ"), and Westpac Banking Corporation ("WBC"). Each bank is providing a green term loan facility with a limit of AUD 75 million. ANZ and WBC also entered into an Accession Letters to include ANZ and WBC as Lenders under the Common Provisions Agreement dated 18 August 2022, as amended through an Amending Deed on 6 January 2023 (with ACEN Australia, DBS Bank Ltd., Australia Branch, MUFG Bank, Ltd., Sydney Branch, Clean Energy Finance Corporation, Bank of China (Hong Kong) Limited, Bank of China (Hong Kong) Limited – Manila Branch, CTBC Bank Co., Ltd, Singapore Branch, CTBC Bank (Philippines) Corporation, Standard Chartered Bank, Australia Branch, and ACEN as Guarantor to ACEN Australia).

Investment in Paivatar Energy Corporation (Paivatar)

On March 7, 2024, ACEN, and its wholly-owned subsidiary, Paivatar, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.

BrightNight APAC subscribed for 0.42 million common shares with ₱1.00 par value and 0.56 million redeemable preferred shares with ₱100.00 par value. Total subscription amounted to ₱56.39 million for 40% and 50% voting and economic interest, respectively. Further to the transaction, BrightNight Philippines B.V. (BrightNight PH), an affiliate of BrightNight APAC, assigned ownership investment in Jord Energy Corp and Renovable Earth Corp. in favor of Paivatar.

The Group's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.



Paivatar accounts have been classified in the Group’s consolidated financial statement as at September 30, 2024 as follows:

- a. Balance sheet accounts were deconsolidated
- b. Income statement accounts for the period January 1 to February 29, 2024 are included in the consolidated statement of income

The net assets of Paivatar as at March 7, 2024 and proceeds from divestment are as follow:

Assets	
Cash and cash equivalents	₱62,375
Accounts and notes receivable - net of current portion	32
Investment in joint ventures	77,090
Input VAT - net of current portion	4
	139,501
Liabilities	
Accounts payable and other current liabilities	1,013
Total identifiable net assets	138,488
Less BrightNight APAC investment	56,331
Net assets attributable to ACEN	82,157
Fair value of retained interest (see Note 6)	82,275
Gain on deconsolidation (see Note 20)	₱118

The gain on deconsolidation is reported under disposal of investment (Note 20).

After BrightNight APAC’s subscription, the Group have diluted interest and partially divested in Paivatar. The deconsolidation resulted in a gain of ₱0.12 million which is recognized under “Other income - net” account in the consolidated statements of income (Note 20).

Net cash outflow on deconsolidation is as follows:

Cash consideration	₱-
Less cash surrendered with the subsidiary ^(a)	62,375
Net cash outflow	(₱62,375)

^(a)Cash surrendered with the subsidiary is included in cash flows from investing activities.

Disposition of land by Buendia Christiana Holdings Corp. (“BCHC”) in exchange for shares of AREIT, Inc. (“AREIT”) via property-for-share swap, and lease out to Giga Ace 8, Inc. (“GA08”)

On March 19, 2024, AREIT, Inc. (AREIT) and the Group executed a Deed of Exchange, for the subscription by the Group to 199,109,438 primary common shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines.

On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the Bureau of Internal Revenue, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the Philippine Stock Exchange (see Note 20).



Investment in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (“MEM”), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM’s receivables from RWEI (see Note 24).

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. (“Maraj”), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI (see Note 10).

Additional subscription by ACEN to shares in North Luzon Renewable Energy Corp (NLR) and Philippine Wind Holdings Corp. (PhilWind)

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million (see Note 6).

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 (“RPS A-3”) at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million (see Note 6).

Sale of shares indirectly owned by ACRI in PT UPC Sidrap Bayu Energi

On April 2, 2024, upon fulfillment of conditions precedent, ACRI, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT Sidrap Bayu Energi (“SBE”), held through UPC Sidrap (HK) Limited (“Sidrap (HK)”) and UPC Renewables Asia III Limited (“Asia III”), to Sunedison Sidrap B.V. (external party) (See Note 20).

Subscription by ACEN to shares in ENEX Energy Corp.

On April 30, 2024, ACEN signed a subscription contract with its subsidiary, ENEX Energy Corp. (ENEX), for the subscription by ACEN to 30,000,000 non-voting Preferred Shares at par value of ₱1.00 per non-voting Preferred Share of ENEX, for a total subscription price of ₱30.00 million, to be issued out of the increase of ENEX’s authorized capital stock (ACS) and creation of the non-voting Preferred Shares.

This will be used to fund the operational requirements of ENEX, and transaction costs for the creation and issuance of the Preferred Shares.

On June 26, 2024, ENEX signed a subscription agreement with ACEN for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million, to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.

Acquisition of a 49% stake in BIM Energy Holding Corporation (“BIMEH”)

The Company’s affiliate, ACEN Vietnam Investments Pte. Ltd. (“ACEV”) signed a share purchase agreement (“SPA”) with Huntington Renewable Investments Limited (“HRIL”) to acquire a 49% stake in BIM Energy Holding Corporation (“BIMEH”) for a purchase price of US\$70.50 million.

The acquisition will allow ACEN to increase its pipeline projects in Vietnam. BIMEH currently has ownership interest in the following operating renewable energy assets: Ninh Thuan Solar (405MW) and Ninh Thuan Wind (88MW) (see Note 6).



Sale of ACEN Axedale Solar Farm Pty. Ltd.

On December 12, 2024, ACEN Australia Pty. Ltd completed the sale of 100% of the outstanding capital stock of ACEN Axedale Solar Farm Pty. Ltd. (“Axedale”) to FRV Solar Holdings B.V. (“FRV”, a third party) for a purchase price of ₱214.77 million (AU\$6.00 million) and a contingent consideration of up to ₱227.30 million (AU\$6.35 million) payable upon financial close completion. As at December 31, 2024, the Group estimated the contingent consideration to be at ₱53.25 million (AU\$1.49 million) and recorded as other receivables under current assets.

This transaction was accounted for as a loss of control transaction which resulted in the deconsolidation of the assets and liabilities of Axedale in the Group’s consolidated financial statements as at the date of loss of control.

The net assets of Axedale as at December 12, 2024 and proceeds from divestment are as follow:

	In PHP	In AU\$
Assets		
Accounts and notes receivable	₱11,812	\$333
Right-of-use assets	10,732	300
Property, plant and equipment	231,001	6,453
	<u>253,545</u>	<u>7,086</u>
Liabilities		
Accounts payable and other current liabilities	11,705	330
Current portion of lease liabilities	9,550	266
	<u>21,255</u>	<u>596</u>
Cumulative translation adjustments	(1,133)	–
Total identifiable net assets	231,157	6,490
Less:		
Cash consideration received	214,771	6,000
Contingent consideration	53,245	1,488
Gain on deconsolidation (see Note 20)	<u>₱36,859</u>	<u>\$998</u>

The gain on deconsolidation is reported under disposal of investment (Note 20).

The amount of the contingent consideration represents the Group’s best estimate of the final capital expenditures that the buyer (or FRV) will incur upon completion of the financial close. The Group has taken into account assumptions that reflect uncertainties regarding the final agreed capital and other contractual clauses.

Net cash inflow on deconsolidation is as follows:

	In PHP	In AU\$
Cash consideration	₱214,771	\$6,000
Less cash surrendered with the subsidiary ^(a)	–	–
Net cash inflow	<u>₱214,771</u>	<u>\$6,000</u>

^(a) Cash surrendered with the subsidiary is included in cash flows from investing activities.



The following were the changes in the Group structure in 2023:

Acquisition by ACEN of the effective ownership interest of UPC Renewables Asia Pacific Holdings Pte Limited (“UPCAPH”) and Mr. Anton Rohner (“Rohner”) in ACEN Australia Pty. Ltd. (“ACEN Australia”); formerly, UPC Renewables Australia Pty. Ltd.)

On February 1, 2023, ACEN Renewables International (ACRI) and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH’s remaining 4,766 ordinary shares in UPC-ACE Australia, which completes the second and final tranche of ACRI’s acquisition of ACEN Australia.

The acquisition results in the full ownership by ACEN of the 521 MW New England solar farm and the 520 MW Stubbo solar farm in Australia, as well as the development pipeline of ACEN Australia spanning New South Wales (NSW), Tasmania, Victoria, and South Australia (see Notes 15 and 24).

Investment in UPC Philippines

On March 31, 2023, the Group finalized the accounting for the acquisition of UPC Philippine companies. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱118.36 million (see Note 10).

Sale of shares in ACEHI Netherlands B.V.

On July 10, 2023, ACRI completed the sale of 2,424 ordinary shares representing 24.24% of the outstanding capital stock of ACEHI Netherlands B.V. (“ACEHI Netherlands”), to Star Energy Oil & Gas Pte Ltd. (“SEOG”, a third party) for \$69.81 million which is a commercially agreed price between a willing buyer and seller. ACEHI Netherlands is a Dutch holding company that has a 19.80% ownership interest in the Salak and Darajat geothermal power plants in Indonesia, a 655.5 MW power plant in West Java, Indonesia. On the other hand, SEOG is part of the Star Energy group, which is ACEN’s current partner for the Salak and Darajat geothermal power plants in Indonesia.

The sale transaction resulted in the Group’s loss of control over ACEHI Netherlands.

The Group’s 75.76% retained interest in ACEHI Netherlands will be accounted for as a joint venture starting July 10, 2023 where both ACRI and SEOG are equally represented in the Board and all matters shall be approved unanimously by both shareholders. The Group’s indirect interest in Salak and Darajat (Indonesia) decreased from 19.80% to 15.00% (see Note 6).

ACEHI Netherlands accounts are classified in the Group’s consolidated financial statement as follows:

- a. Statement of financial position accounts as at September 30, 2023 were deconsolidated.
- b. Income statement accounts for the period January 1 to June 30, 2023 were included in the consolidated statement of income.



The net assets of ACEHI Netherlands as at June 30, 2023 and proceeds from divestment are as follow:

	In US\$	In PHP
Assets		
Cash	\$73	₱4,121
Investment in Associate	169,446	9,586,397
Accumulated equity in Associate	38,728	2,174,109
	<u>208,247</u>	<u>11,764,627</u>
Liabilities		
Accounts payable and other current liabilities	51	2,895
Total identifiable net assets	208,196	11,761,732
Percentage sold to SEOG		24.24%
Net assets sold to SEOG	50,467	2,851,044
Currency translation adjustment	–	36,490
Less cash consideration	69,811	3,949,564
Gain on disposal of investment (Note 20)	<u>\$19,344</u>	<u>₱1,062,030</u>

After the sale to SEOG, the Group has partially divested its interest in ACEHI Netherlands. The deconsolidation resulted in a gain which is recognized under “Other income – net” account in the consolidated statements of income (see Note 20).

The Group remeasured its 75.76% retained interest in ACEHI Netherlands using the fair market value of the sale transaction with SEOG and resulted in a remeasurement gain. The remeasurement gain was calculated using the transaction price on the 24.24%-interest sale to SEOG. The transaction price represents the fair value of the interest sold and negotiated on an arm's length basis between unrelated, ready, willing, and able parties. It is also based on a discounted cash flows on inputs and assumptions of ACRI. The testing of the inputs and assumptions behind the revaluation gain were finalized as of December 31, 2023.

	In US\$	In PHP
Retained interest (75.76%)	\$157,729	₱8,910,688
Fair value of retained interest	218,188	12,344,016
Remeasurement gain (Note 20)	<u>\$60,459</u>	<u>₱3,433,328</u>

Net cash inflow on acquisition is as follows:

	In US\$	In PHP
Cash consideration	\$69,811	₱3,949,564
Less cash surrendered with the subsidiary ^(a)	73	4,121
Net cash inflow	<u>\$69,738</u>	<u>₱3,945,443</u>

^(a)Cash surrendered with the subsidiary is included in cash flows from investing activities.

Belenos Energy Corporation (Belenos) Share Purchase Agreement and Facility Agreement

On December 22, 2023, Belenos, a wholly owned subsidiary of ACEN, signed a Share Purchase Agreement for the acquisition of YMP Telecom Power Inc. (YMP Telecom) and its affiliate, YMP Industrial Power Inc. (YMP Industrial), through purchase of 100% of the outstanding shares held by Yoma Micro Power (S) Pte. Ltd. (see Note 24).



On the same date, ACEN, as the lender, signed a Facility and Security Agreement for ACEN to provide a credit facility in the aggregate amount of up to ₱200 million in favor of YMP Telecom, as the borrower, for the purpose of funding development costs of certain energy efficiency and its renewable energy projects.

Material partly-owned subsidiaries with material economic ownership interest

The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Group. Management determined material partly-owned subsidiaries as those with balance of NCI greater than 5% of the total NCI and those subsidiaries which type of activities engaged in, are important to the Group as at the end of the year.

The principal place of business of the subsidiaries are as follows:

ISLASOL

The registered office address and principal place of business of ISLASOL are Emerald Arcade, F.C. Ledesma St., San Carlos City, Negros Occidental.

ACEN Cayman

The registered office of ACEN Cayman is maintained by Maples Corporate Services Limited of PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.

UPC-AC Energy Australia (HK) Limited (UPC-ACE Australia)

UPC-ACE Australia, a subsidiary of ACRI, is a company incorporated and domiciled in Hong Kong, with principal address Suite 1201, 12th Floor, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong. Following second and final tranche of ACRI's acquisition of ACEN Australia, the acquisition of 20% ownership interest resulted to 100% interest in UPC-ACE Australia (Note 15).

The summarized financial information of these subsidiaries is provided below. This information is based on the amounts before intercompany eliminations.

2024	ISLASOL	ACEN Cayman
Proportion of equity interests held by NCI	40.00%	99.99%
Voting rights held by NCI	34.02%	—
Accumulated balances of NCI	₱1,096,214	₱9,014,707
Net income allocated to NCI	103,280	686,173
Comprehensive income allocated to NCI	103,280	716,870
Dividends paid to NCI	—	684,751
2023	ISLASOL	ACEN Cayman
Proportion of equity interests held by NCI	40.00%	99.99%
Voting rights held by NCI	34.00%	—
Accumulated balances of NCI	₱1,313,376	₱28,791,389
Net income allocated to NCI	113,915	1,660,608
Comprehensive income allocated to NCI	113,915	1,889,786
Dividends paid to NCI	—	1,882,833



Summarized financial information of these subsidiaries are as follows:

2024	ISLASOL	ACEN Cayman
	(In Thousands)	
Statements of financial position		
Current assets	₱766,273	₱506,489
Noncurrent assets	2,376,643	29,929,003
Current liabilities	254,180	329,886
Noncurrent liability	1,550,248	18,301,601
Statements of comprehensive income (loss)		
Revenues	686,229	1,810,604
Cost and expenses	(312,497)	-
Other income	(170,304)	(959,083)
Provision for (benefit from) income tax	10,464	-
Profit (loss) attributable to:		
Equity holders of the Parent	89,684	165,348
Non-controlling interests	103,280	686,173
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent	89,684	165,348
Non-controlling interests	103,280	716,870
Statements of cash flows		
Operating activities	516,056	(164,078)
Investment activities	157,080	1,206,454
Financing activities	(1,545,080)	(684,752)
Net increase (decrease) in cash and cash equivalents	(₱871,944)	₱357,624
2023		
	ISLASOL	ACEN Cayman
	(In Thousands)	
Statements of financial position		
Current assets	₱1,754,627	₱10,590
Noncurrent assets	2,735,005	30,619,610
Current liabilities	360,373	-
Noncurrent liability	1,886,904	-
Statements of comprehensive income (loss)		
Revenues	731,172	1,650,064
Cost and expenses	(476,067)	(338)
Other income	9,129	3,647
Provision for (benefit from) income tax	41,878	-
Profit (loss) attributable to:		
Equity holders of the Parent	108,441	(7,235)
Non-controlling interests	113,915	1,660,608
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent	108,441	(7,212)
Non-controlling interests	113,915	1,889,786
Statements of cash flows		
Operating activities	553,796	221,304
Investment activities	(11,654)	1,650,064
Financing activities	(62,631)	(1,875,309)
Net increase (decrease) in cash and cash equivalents	₱479,511	(₱3,941)



2022	ISLASOL	UPC-ACE Australia	ACEN Cayman
	(In Thousands)		
Statements of financial position			
Current assets	₱1,111,093	₱771,997	₱234,037
Noncurrent assets	2,531,400	24,590,707	31,277,680
Current liabilities	(176,574)	(9,825,777)	-
Noncurrent liability	(4,260,882)	(5,297,215)	-
Statements of comprehensive income (loss)			
Revenues	650,196	-	-
Cost and expenses	410,834	(362,929)	-
Other income (expenses)	2,553	(235,899)	-
Provision for (benefit from) income tax	490	259,553	-
Profit (loss) attributable to:			
Equity holders of the parent	159,490	(344,889)	(29,017)
Non-controlling interests	81,936	(51,752)	1,528,770
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent	159,490	(325,115)	(29,020)
Non-controlling interests	81,936	(51,108)	1,499,431
Statements of cash flows			
Operating activities	447,009	3,387,349	(539)
Investment activities	(12,781)	(10,935,711)	1,529,342
Financing activities	(812,970)	4,455,262	(1,529,339)
Net increase (decrease) in cash and cash equivalents	(₱378,742)	(₱3,093,100)	(₱536)

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective as at January 1, 2024. Unless otherwise indicated, adoption of the new standard did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.



- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The adoption of future accounting standards is not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the Group's consolidated financial statements, unless otherwise indicated.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the Group elects to measure the NCI in the acquiree using the proportionate share of the acquiree's fair value of identifiable assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.



If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group report in the consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. However, the measurement period shall not exceed one year from the acquisition date.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in the consolidated statement of income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Business Combination of Entities under Common Control

Combination of entities under common control are accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- The consolidated statement of income, comprehensive income and cash flows reflect the result of the combining entities in full, irrespective of when the combination takes place.



- Comparative financial information are presented as if the entities had always been combined, or on date the common control existed on the combining entities, whichever comes earlier.
- The effects of any intercompany transactions are eliminated to the extent possible.

Remeasurement of Previously Held Interest

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss.

In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

The Group remeasures all identifiable assets that it had rights to, and liabilities that it had obligations for, relating to the previously held interest, immediately before it obtains control. The Group remeasures its previously held interests in all identifiable assets and liabilities, regardless of whether it recognized those assets and liabilities in its financial statements before obtaining control.

The Group derecognizes its investment asset in an entity in its consolidated financial statements when it achieves control.

Presentation of Consolidated Financial Statements

The Group has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (consolidated statement of income) and a second statement beginning with profit or loss and displaying components of OCI (consolidated statement of comprehensive income).

Fair Value Measurement

The Group measures financial assets at FVTPL, FVOCI and derivative financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Investment properties
- Quantitative disclosures of fair value measurement hierarchy (see Note 26)
- Financial instruments (including those carried at amortized cost, (see Note 25))

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or,
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming market participants act in their economic best interest.



A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described in Note 26, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Financial Instruments – Classification and Measurement

Classification of Financial Assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at FVTPL
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual Cash Flows Characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.



Business Model

The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial Assets at Amortized Cost

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in "Other income-net" in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in "Provision for impairment" in the consolidated statement of income.

As at December 31, 2024 and 2023, the Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, accounts and other receivable, development loans, debt replacements, other loan and interest receivable under Accounts and notes receivable, Redeemable preferred shares and convertible loans and deposits under Other Noncurrent Assets (see Notes 4, 5, 7, and 11).

Financial Assets at FVOCI

Debt instruments

A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As at December 31, 2024 and 2023, the Group does not have debt instruments at FVOCI.



Equity instruments

The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:

- the Group's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Group; and
- the amount of the dividend can be measured reliably.

As at December 31, 2024 and 2023, the Group's investments in quoted and unquoted equity securities and golf club shares are classified as financial asset at FVOCI.

Financial Assets at FVTPL

Financial assets at FVTPL are measured at fair value unless these are measured at amortized cost or at FVOCI. Included in this classification are debt instruments with contractual terms that do not represent solely payments of principal and interest (SPPI). Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the consolidated statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

As at December 31, 2024 and 2023, the Group has Compulsorily Convertible Debentures, listed equity instrument and Unit Investment Trust Funds (UITFs) accounted as FVTPL.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, interest rate swaps, forward commodity contracts and commodity options, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the consolidated statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of income.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in consolidated statement of income.

The Group entered into a commodity options derivative financial instrument, specifically, a 20-year Long-Term Energy Supply Agreement (“LTESA”) for its New England Solar and Stubbo Solar projects at the New South Wales Government’s first renewable energy and storage auction to manage its exposure from electricity spot prices (see Notes 3, 11 and 14). In 2024, LTESA was classified as cash flow hedge wherein changes in the fair value were recognized in other comprehensive income.



Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses cross currency swap and forward currency contracts for its exposures to volatility in exchange rates and interest rates. The ineffective portion relating to cash flow hedges is recognized as other expense.

The Group designates the entire forward currency contracts (including the forward element) as a hedging instrument. The Group uses a rollover strategy for the forward currency contracts.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

The Group entered into fuel and coal swap contracts as well as LTESA cash flow hedge as a hedge of its exposure to price risk on its purchases (see Note 25).

Classification of Financial Liabilities

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and



- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As at December 31, 2024 and 2023, the Group has not designated any financial liability at FVTPL.

The Group's accounts payable and other current liabilities (excluding derivative liability and statutory payables), due to stockholders, short-term and long-term loans, deposit payables and other noncurrent liabilities are classified as financial liabilities measured at amortized cost under PFRS 9 (see Notes 12, 13, 14 and 25).

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or,
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of Contractual Cash Flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased



or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

There are no offsetting of financial assets and financial liabilities or any similar arrangements that warrants disclosure in the Group's consolidated financial statements as at December 31, 2024 and 2023.

Impairment of Financial Assets

PFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under PAS 39.

The Group recognizes ECL on debt instruments that are measured at amortized cost and FVOCI. No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.



Financial assets migrate through the following three (3) stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL – credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Loss Allowance

For accounts and other receivable, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognized a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The investments are considered to be low credit risk investments as the counterparties have investment grade ratings. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

For all debt financial assets other than accounts and other receivable, ECLs are recognized using general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.



Determining the Stage for Impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off policy

The Group writes-off a financial asset and any previously recorded allowance, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Fuel and Spare Parts

Fuel and spare parts are stated at the lower of cost or net realizable value (NRV). Cost is determined using the moving average method. NRV is the current replacement cost of fuel and spare parts.

Previously, the Group determined the cost using the first-in, first-out method. In 2021, the Group elected to change accounting policy on the inventory costing from first-in, first-out (FIFO) method to moving average method applied retrospectively. The restatements have no material impact on the Group's total assets, total liabilities and equity as at the beginning of earliest period presented.

Property, Plant and Equipment

Property, plant and equipment, except land, is stated at cost, net of accumulated depreciation and impairment losses. Such cost includes the cost of replacing a part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred.

Land is stated at cost, net of accumulated impairment losses, if any.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The depreciation of property and equipment, except land, begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases when the assets are fully depreciated or at the earlier of the date that the item is classified as held for sale (or included in the disposal group that is classified as held for sale) in accordance with PFRS 5, and the date the item is derecognized.



The estimated useful lives used in depreciating the Group's property, plant and equipment are as follows:

<u>Category</u>	<u>In Years</u>
Land improvements	40
Buildings and improvements	6-25
Machinery and equipment:	
Wind towers and equipment	25
Power plant	20
Others	10-40
Tools and other miscellaneous assets	5-10
Transportation equipment	3-5
Office furniture, equipment and others	3-10

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. These are adjusted prospectively, if appropriate.

Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized.

Construction in progress includes cost of construction and other direct costs and is stated at cost less any impairment in value. Construction in progress is not depreciated until such time as the relevant assets are completed and ready for operational use.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.



ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance ed lease payments or a change in the assessment to purchase the underlying asset.

Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the ease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.e

iii) Short-term leases and leases of low-value assets

The Group has elected to use the two exemptions proposed by the standard on the following contracts:

- a. Lease contracts for which the lease terms ends within 12 months from the date of initial application
- b. Lease contracts for which the underlying asset is of low value

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option to renew the lease contract for an additional term subject to the mutual agreement with the lessors. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate used by the



Group is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign Currency Denominated Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized as "Foreign exchange gain - net" under "Other income - net" in the consolidated statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair values are determined. The gains or losses arising on translation of non-monetary items measured at fair value are treated in line with the recognition of the gains or losses on the change in fair values of the items (i.e., translation differences on items which the fair value gains or losses are recognized in OCI or in profit or loss are also recognized in OCI or in profit or loss, respectively).

The functional currency of ACEN Cayman, ACRI, ACEN Finance and ACEN HK is the US Dollar (US\$). As of the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date and their statement of income accounts are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognized in the consolidated statement of comprehensive income and reported as a separate component of equity as "Cumulative Translation Adjustments" (Note 15).

Interests in Joint Arrangements

Joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.



The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in the net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is collectively assessed for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in profit or loss of the associate or the joint venture is shown in the consolidated statement of income outside operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate or joint venture.

If the Group's share in losses of an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

The consolidated financial statements include additional information about associates and joint ventures that are material to the Group (see Note 6). Management determined material associates and joint ventures as those associates and joint ventures where the Group's carrying amount of investments is greater than 5% of the total investments and advances in associates and joint ventures as at the end of the year.



Investment Properties

Investment properties are carried at cost, including transaction costs, net of accumulated depreciation. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized either when disposed of or when permanently withdrawn from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Leasehold and water rights

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

The useful lives of leasehold and water rights are assessed as finite. The amortization expense on leasehold and water rights are recognized as “Depreciation and amortization” under “Cost of sale of electricity” account in the consolidated statement of income.

Deferred Exploration Costs

The Group follows the full cost method of accounting for exploration costs determined based on each SC area. Under this method, all exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities, net of any allowance for impairment losses.



Expenditures for mineral exploration and development work on mining properties are also deferred as incurred, net of any allowance for impairment losses. These expenditures are provided with an allowance when there are indications that the exploration results are negative. These are written-off against the allowance when the projects are abandoned or determined to be unproductive. When the exploration work results are positive, the net exploration costs, and subsequent development costs are capitalized and amortized from the start of commercial operations.

Development Costs

Development expenditures on an individual project are recognized as an asset when the Group can demonstrate:

- The technical feasibility of completing the asset to be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in expenses. During the period of development, the asset is tested for impairment annually. Development costs is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Advances for Land Acquisitions

Advances for land acquisitions are carried at cost less impairment losses, if any and is classified as current or non current based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for. Advances for land acquisition is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Impairment of Non-financial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired in accordance with PAS 36. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the entire life of the CGUs. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth (5th) year.



Impairment losses are recognized in the consolidated statement of income in the expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

The following assets have specific characteristics for impairment testing:

Property, Plant and Equipment and Investment Properties

For property, plant and equipment and investment properties, the Group assesses for impairment based on impairment indicators such as evidence of internal obsolescence or physical damage.

Investments in Associates and Interest in a Joint Venture

The Group determines at the end of each reporting period whether there is any objective evidence that the investments in associates and interest in a joint venture are impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the investments in associates and interests in joint ventures, and their carrying amounts.

Goodwill

Goodwill is tested for impairment annually and more frequently when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relate. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Development Costs

Development costs are tested for impairment when circumstances indicate that the carrying value may be impaired.

Right-of-Use Assets and Leasehold and water rights

Right of use assets and leasehold and water rights with finite useful lives are tested for impairment when circumstances indicate that the carrying value may be impaired.

Deferred Exploration Costs

Deferred exploration costs are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6,



Exploration for and Evaluation of Mineral Resources, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- When a service contract where the Group has participating interest in is permanently abandoned; and,
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented, and disclosed in accordance with PAS 36, *Impairment of Assets*.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liability is recognized as revenue when the Group performs under the contract.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as “Other income” in the consolidated statement of income.

Asset Retirement Obligation

The Group is legally required under a lease agreement to dismantle certain machinery and equipment and restore the leased site at the end of the lease contract term. The Group recognizes the fair value of the liability for this obligation and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment accounts, which are being depreciated on a straight-line basis over the shorter of the useful life of the related asset or the lease term. The liability is subsequently carried at amortized cost using the EIR method with the related interest expense recognized in the consolidated statement of income.



Pensions and Other Post-employment Benefits

Defined Benefit Plan

ACEN Retirement Plan for Plants is a hybrid retirement plan which has funded defined benefit features and matching defined contribution features covering all regular and permanent employees. Benefits under the defined benefit features of the plan are based on the employee's final plan salary and years of service. The defined benefit provisions of the ACEN Retirement Plan for Plants is patterned from the Phinma Jumbo Retirement Plan, which is the former retirement plan of the Group.

Effective January 1, 2020, the matching defined contribution features of the plan covers all regular and permanent employees. Starting on the date of membership of an employee in the Plan, the Group shall contribute to the retirement fund a percentage of the member's salary as defined when a Member opts to contribute to the plan. Benefits are based on the percentage of the total amount of contributions and investment returns credited to the personal retirement account (PRA) of the member at the time of separation. The Retirement Plan meets the minimum retirement benefit specified under Republic Act 7641.

The retirement fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

The hybrid retirement plan currently covers for participating entities: ACEN, Bulacan Power, CIPP, Guimaras Wind, and any subsidiary and affiliate of ACEN that may subsequently adopt and participate in the Plan.

One Subic Power, NorthWind, ACES, BWPC and ISLASOL currently operate their separate and distinct funded, noncontributory, defined benefit retirement plan with separately administered funds. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as "The Philippine Retirement Law", which provides for qualified employees to receive a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of R.A. 7641. The cost of providing benefits is determined using the projected unit credit method.

The Defined Benefit Obligation (DBO)/Actuarial Accrued Liability (AAL) is the actuarial present value of expected future payments required to settle the obligation resulting from employee service in current and prior periods. The calculation of the DBO/AAL assumes that the plan continues to be in effect and that estimated future events (including salary increases, turnover and mortality) occur. DBO differs from AAL only in the use of discount rate to compute the present value of expected future payments. The discount rate for DBO is based on the single weighted average discount rate which is based on the bootstrapped PHP-BVAL rates as mandated by PAS 19 at various tenors for intermediate durations were interpolated. The rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate while the expected rate of return on plan assets is used as the discount rate in computing AAL for funding.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which these occur. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.

Past service costs are recognized in the consolidated statement of income on the earlier of:

- the date of the plan amendment or curtailment; or,
- the date that the Group recognizes related restructuring costs.



Net interest is calculated by applying the discount rate to the net defined benefit liability or asset at the beginning of the period, unless there is a plan amendment, curtailment or settlement during the reporting period. The calculation also takes into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The Group recognizes the following changes in the net defined benefit obligation under “Cost of sale of electricity” and “General and administrative expenses” accounts in the consolidated statement of income:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when these are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Other long-term benefits

Vacation and sick leaves are recognized as a liability when these are accrued to the employees. Unused vacation and sick leave credits shall be converted to cash upon separation of employee. Leave expected to be settled wholly before twelve months after the end of the annual reporting period is reclassified to short-term benefits.

Capital Stock

Capital stock represents the portion of the paid-in capital representing the total par value of the shares issued.

Capital stock is measured at par value for all shares issued. When the shares are sold at premium, the difference between the proceeds and the par value is recognized as additional paid-in capital. Direct costs incurred related to the equity issuance are deducted from equity, net of any related tax benefits. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Additional Paid-in Capital (APIC)

APIC represents the amount paid in excess of the par value of the shares issued. An entity typically incurs various costs in issuing or acquiring its own equity instruments. Those costs, net of tax, might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. In accordance with PAS 32, *Financial Instruments: Presentation*, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Accounted also in the APIC are dividends declared by the transferee entities in the common control transaction with ACEIC between October 10, 2019 to June 20, 2020 which the Parent Company has beneficial economic interests already based on the Deed of Assignment. These are accounted for as equity contributions from ACEIC and are recorded as APIC.



Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the acquisition, reissuance or retirement of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Share options exercised during the reporting period are satisfied with treasury shares.

Stock Options and Grants

Stock option and grants are accounted for in accordance with PFRS 2, that is, the cost of stock option awards is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the binomial method. The cost of such awards is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. The cumulative expense that is recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of the period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of the award are modified, the minimum expense recognized is the expense if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

Where the stock option is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the preceding paragraph.

If the outstanding options are dilutive, its effect is reflected as additional share dilution in the computation of diluted earnings per share.

Other Equity Reserves

Other equity reserves are made up of equity transactions other than capital contributions such as share in equity transactions of associates and joint ventures and difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

Retained Earnings

Retained earnings include all current and prior period results of operations as reported in the consolidated statement of income, net of any dividend declaration and adjusted for the effects of changes in accounting policies as may be required by PFRS's transitional provisions.



Other Comprehensive Income (OCI)

OCI are items of income and expense that are not recognized in determining the profit or loss for the year in accordance with PFRS. OCI includes remeasurement gain (loss) on retirement plan, net of related taxes, unrealized fair value gain (loss) on equity instruments at FVOCI, unrealized fair value gain (loss) on derivative instruments designated as hedges, net of related taxes, and cumulative translation adjustments.

Cash Dividend and Non-cash Dividend to Equity Holders of the Parent Company

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the distribution is authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded acting as principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Sale of electricity is consummated whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenue from sale of electricity is based on sales price. Sales of electricity using bunker fuel are composed of generation fees from spot sales to the WESM and supply agreements with third parties and are recognized monthly based on the actual energy delivered.

Starting December 27, 2014, sales of electricity to the WESM using wind and solar are based on the Feed in Tariff (FIT) rate under the FIT System and are recognized monthly based on the actual energy delivered. Meanwhile, revenue from sale of electricity through ancillary services to National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided. Revenue from sale of electricity through Retail Supply Contract (RSC) is composed of generation charge from monthly energy supply with various contestable customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

The Group identified the sale of electricity (power generation, trading and ancillary services) where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The Group concluded that the revenue should be recognized overtime since the customers simultaneously receives and consumes the benefits as the Group supplies electricity.

Retail supply also qualifies as a series of distinct services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

For power generation and trading and retail supply, the Group uses the actual kwh dispatched which are also billed on a monthly basis.



For ancillary services, the Group determined that the output method is the best method in measuring progress since actual energy is supplied to customers. The Group recognizes revenue based on contracted and actual kilowatt hours (kwh) dispatched which are billed on a monthly basis.

Amounts Reimbursed to Customers

Certain revenue contracts with customers provide for the sale of any unutilized electricity to the WESM. The proceeds are recorded as reduction in “Revenue from sale of electricity” in the consolidated statement of income.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature.

Dividend Income

Dividend income is recognized when the Group’s right to receive the payment is established, which is generally when shareholders of the investees approve the dividend.

Other revenues

Other revenues include management fees and revenue from water distributions. Management fees are recognized for services rendered when earned. Revenue from water distributions arise from water supply contracts which include production and water fees and are recognized per cubic meter based on actual consumption.

Claims on business interruptions and property damage

Income is recognized when an acknowledgment for the proposed claims is received from insurers. The income arises from unplanned shutdown of an insured property which resulted to business interruptions and property damage.

Other Income

Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized when incurred.

Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.



Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, including carryforward benefits of unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) which can be deducted against future RCIT due to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from unused NOLCO can be utilized, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the consolidated statement of income.

Creditable Withholding Taxes (CWT)

CWTs are carried at the amount withheld by the customers for services provided by the Group. CWTs are recognized when payments are received from customers and the related withholding taxes were made. CWTs can be utilized as credits against the Group's income tax liability provided these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation and may also be reduced by impairment losses, if any. CWTs, which are expected to be utilized as payment for income taxes within 12 months are classified as current, otherwise, these are classified as noncurrent assets.

Value-added Tax (VAT)

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and,
- When receivables and payables are stated with the amount of VAT included

The amount of VAT recoverable from the taxation authority is recognized as "Input VAT", while VAT payable to taxation authority is recognized as "Output VAT". Output VAT is recorded based on the amount of sale of electricity billed to third parties. Any amount of output VAT not yet collected as at reporting period are presented under "Accounts payable and other current liabilities" account in the consolidated statement of financial position.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants do not include government assistance whose value cannot be reasonably measured.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets require setting up the grant as deferred income or deducting it from the carrying amount of the asset.

Expiry at maturity is a form of settlement even though there is no additional exchange of consideration.



Earnings (Loss) Per Share

Basic earnings (loss) per share is computed based on weighted average number of issued and outstanding common shares during each year after giving retroactive effect to stock dividends declared during the year. Diluted earnings (loss) per share is computed as if the stock options were exercised as at the beginning of the year and as if the funds obtained from exercise were used to purchase common shares at the average market price during the year. Outstanding stock options will have a dilutive effect under the treasury stock method only when the fair value of the underlying common shares during the period exceeds the exercise price of the option. Where the outstanding stock options have no dilutive effect and the Group does not have any potential common share nor other instruments that may entitle the holder to common shares, diluted earnings (loss) per share is the same as basic earnings (loss) per share.

Segment Reporting

The Group's operating businesses are organized and managed separately according to its geographic areas of operations, with each segment representing a strategic business unit that serves different markets.

Previously, the operating businesses are organized and managed separately according to its related services. Financial information on operating segments and the restatement following a change in composition of reportable segments are presented in Note 27 to the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. If it is probable that an outflow of resources embodying economic benefits will occur and the liability's value can be measured reliably, the liability and the related expense are recognized in the consolidated financial statements.

Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it is virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the consolidated financial statements.

Events After the Reporting Period

Post year-end events that provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgment, Estimates and Assumptions

The preparation of the accompanying consolidated financial statements in conformity with PFRSs requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.



Judgments and estimates are continually evaluated taking into consideration the Group's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances including the impact of COVID-19.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Accounting for Long Term Energy Service Agreements (LTESA)

The Group, through ACEN Australia, entered into LTESA with New South Wales (NSW) Australian Government that gives the generator the right, but not the obligation, to enter into a strip of two-year electricity swap contracts ("Swaptions").

In 2024, LTESA contract was designated as hedging instrument because of the following:

- a. It is previously assessed as derivative that is measured at fair value through profit or loss
- b. It was not a written option at the inception on the basis that the fair value of the LTESA contract at inception is in a significant asset position.

LTESA meet the definition of a derivative instrument as their value changes with reference to changes in the Australia's National Electricity Market (NEM) spot price of energy, no upfront cost to enter into the contract and the value of the contracts will be settled in the future (see Notes 11 and 14).

The Group uses commodity options derivative financial instruments to hedge its commodity price risks. Potential sources of hedge ineffectiveness in the hedging relationship were as follows:

- a. Credit risk
- b. Fixed price CPI escalation
- c. Changes in generation forecast
- d. Annual payment cap
- e. Clawback mechanism

In the event the swaptions are not exercised, the net profit or loss impact will be a non-cash item given no exchange of cash occurred at inception and will occur over the life of the arrangement.

The Group also assessed the transaction is accounted as government grant since the LTESA was granted by the NSW Australian Government to support its initiative on promoting renewable energy and providing long-term revenue certainty for investors and developers of clean energy projects through the electricity swap contracts.

Assessment of Joint Control over Joint Ventures

The Group's investments in joint ventures are structured in separate incorporated entities (see Note 6). The investments in ACEHI Netherlands B.V. (ACEHI Netherlands), Philippine Wind Holdings Corp. ("PhilWind"), North Luzon Energy Corp. (NLR), UPC Power Solutions LLC (UPC Power), BIM Renewable Energy Joint Stock Company (BIMRE), Monsoon Wind B.V. (Monsoon Wind), Paivatar Energy Corporation (Paivatar), BIM Wind Energy Joint Stock Company (BIM Wind), BIM Energy Joint Stock Company (BIME JSC) and Unlimited Renewables Holdings, B.V. (URH) are accounted for as investments in joint venture since the fundamental business and operational matters requires unanimous consent from all parties (see Note 6).



Even though the Group holds various percentage of ownership in interests on these arrangements, their respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identifies. In addition, the Group considers the number of its Board seats in its incorporated entity. Further, the Group and the parties to the agreement only have rights to the net assets of the joint venture through the term of the contractual agreements. Considering these factors, management assessed that it has joint control over the entity.

Write-off of Claims from Philippine Electricity Market Corporation (PEMC) Multilateral Agreements

In December 2013, there were elevated WESM prices because of a Malampaya outage. As a result, the ERC issued an Order imposing administered/regulated pricing, which was lower than the WESM rate at that time. ACEN was a net buyer and already paid these higher WESM prices to PEMC for purchased power. In July 2022, the Supreme Court declared the administered / regulated pricing void and upheld the December 2013 Meralco rate hike for recovery of costs. In October 2022, the Supreme Court denied all Motion of Reconsiderations. As of March 11, 2024, the ERC has not yet issued guidance on the method of implementation of these adjustments.

In 2022, with the Supreme Court's denial, the management deemed to write off the Group's claims from PEMC Multilateral Agreements which include noncurrent receivable amounting to ₱1,185.60 million (see Note 5), booked as additional cost of purchased power for the net buyer position, while noncurrent payable amounting ₱115.07 million booked as additional revenue for the net seller position.

While it is probable that an outflow and inflow of resources embodying economic benefits will be required to settle the transaction, a reliable estimate cannot be made yet since ERC has yet to instruct IEMOP to recalculate the rates and issue adjustments.

Determination of Transaction Price from Sale of Electricity

The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. For the years ended December 31, 2024 and 2023, and since 2021, while waiting for the approval of the 2021 FIT rates, management assessed that the approved 2020 FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy.

Recognition of Deferred Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries

The Group did not recognize deferred tax liabilities on the temporary differences arising from undistributed earnings, cumulative translation adjustment, and OCI accounts of its foreign subsidiaries since management believes that the timing of the reversal of these taxable temporary differences can be controlled by the Group and the management does not expect reversal of these temporary differences in the foreseeable future.

Classification as Financial Assets at Amortized Cost

Financial assets at amortized cost include redeemable preferred shares and convertible loans which the Group has assessed as debt instruments. These are held by the Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows which are reflective of basic lending arrangements (see Notes 5 and 7).



Classification of Preferred Shares as Equity Instrument

The Parent Company's redeemable preferred shares is classified as equity instrument since it has the option but not contractual obligation to redeem in whole or in part of the shares. The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company. There is no contractual obligation on the issued preferred shares that would require to deliver cash or other financial asset or financial liability to the holders of the instrument (see Note 15).

Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair Value Measurement of Commodity Options

In the estimation of fair value of the LTESA Swaptions, a commodity option hedge instrument, the Group used option pricing techniques which resulted in a Day 1 derivative asset, even if no premium was paid (see Note 11).

Remeasurement of Retained Interests in a Loss of Control Transaction

In the determination of fair value of the retained interest in ACEHI Netherlands, Management determined the appropriate techniques and inputs for fair value measurements. The remeasurement gain was calculated using the transaction price on the 24.24%-interest sale to SEOG. The transaction price represents the fair value of the interest sold and negotiated on an arm's length basis between unrelated, ready, willing, and able parties. It was also based on a discounted cash flows based on inputs and assumptions of ACRI to establish the fair value of retained interests (see Note 2).

Remeasurement of Previously-Held Equity Interest in a Business Combination

In business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

The fair value of previously held interest is based on the transaction price stated on the SPA which is a commercial agreement between the parties involved who are not considered as related parties and negotiated on an arm's length basis.

In 2022, the Group remeasured its interest in UPC-ACE Australia, previously a joint venture, to fair value as a result of its step-acquisition upon obtaining control (see Note 20).

Purchase Price Allocation and Goodwill Impairment Assessment

The Group made several acquisitions in 2024 and 2023 accounted for using the acquisition method which require extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities at acquisition date. It also requires the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisitions have resulted in goodwill. See Notes 10 and 24 for related balances.



Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred; the Group re-assesses whether it has correctly identified all the assets acquired, and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

The Group performs impairment testing annually and the Group estimates the recoverable amount as the higher of the fair value less costs to sell and value-in-use. This requires an estimation of the recoverable amount which is the fair value less costs to sell or value-in-use of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows for the cash generating unit and to choose a suitable discount rate in order to calculate the present value of cash flows (see Note 10).

Measurement of Expected Credit Losses

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If in a subsequent period, asset quality improves and any previously assessed significant increase in credit risk also reverses since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

As at December 31, 2024 and 2023, the Group assessed that for its financial assets such as cash and cash equivalents, there has been no SICR since origination and is assessed as low credit risk based on published information of comparable entities. For accounts and other receivable, the Group used provision matrix in estimating its ECL. A broad range of forward-looking information were considered as economic inputs, such as GDP growth, inflation rates, unemployment rates, interest rates and BSP statistical indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. While these model inputs including forward-looking information are revised, the ECL models, and definitions of default remain consistent with prior periods (see Notes 5 and 7).



Fair Value Measurement of Financial Assets at FVTPL and FVOCI

In the estimation of fair value of investments recorded as financial assets at FVTPL and FVOCI, management needs to determine the appropriate techniques and inputs for fair value measurements. The Group uses the discounted cash flow technique for unquoted instruments, published net asset value (NAV) for investments in Unit Investment Trust Funds (UITFs) and quoted prices for publicly traded shares in estimating the fair value of the financial assets at FVTPL and FVOCI.

Impairment Assessment of Non-financial Assets

The Group reviews investments in associates and joint venture, investment properties, property, plant and equipment, right-of-use assets, and intangible assets for impairment of value. Impairment for goodwill is assessed at least annually. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Group has evaluated the conditions and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. In doing this, the Group has reviewed the key assumptions in its previous annual impairment assessment to assess whether any changes to the assumptions within that impairment assessment would result in an impairment loss as at December 31, 2024. Except for the matters discussed in Notes 8 and 9, based on the Group's review of key assumptions, management has assessed that there were no significant changes in the assumptions used and therefore no impairment losses were recognized in 2024 and 2023 (see Notes 6, 8, 9 and 11).

Recognition of Deferred Tax Assets

The Group reviewed its business and operations including its estimated impact on macroeconomic environment, the market outlook and the Group's operations. As such, the Group assessed its ability to generate sufficient taxable income in the future that will allow realization of net deferred tax assets.

As a result, the carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. The Group assessed that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized (see Note 21).

Assessment of Contingencies

The Group is currently involved in various legal proceedings and assessments for local and national taxes (see Note 29). The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The final settlement of these may result in material adverse impact on the Group's consolidated financial statements. The Group also invokes limited disclosures on certain matters due to their prejudicial nature.



4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	₱6,603,902	₱13,769,005
Cash equivalents	18,554,456	25,927,657
	₱25,158,358	₱39,696,662

Cash in banks earn interest at the respective bank deposit rates for its peso and dollar accounts.

Cash equivalents are made for varying periods between one day and three months depending on the immediate cash requirements for the Group and earn interest at the respective short-term deposit rates.

Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures (the “Escrow Requirement”). As of December 31, 2024, the Group has fully disbursed the cash from the escrow account which held the proceeds from the issuance of preferred shares in 2023. As of December 31, 2023, cash in bank includes ₱8,827.83 million restricted cash in an escrow account.

Interest income earned on cash and cash equivalents in 2024, 2023 and 2022 at the range of, 1.5% to 6.25%, 0.06% to 6.25%, and 1.25% to 5.55%, respectively, amounted to ₱989.57 million, ₱1,586.52 million and ₱285.20 million, respectively (see Note 20).

5. Accounts and Notes Receivable

This account consists of:

	2024	2023
Accounts and other receivable	₱10,553,381	₱12,406,056
Notes receivable (Note 22)		
Bridge financing	14,122,756	13,440,859
Development loans	4,515,678	5,863,298
Other loans	4,940,313	2,130,751
Accrued interest receivable	8,950,155	6,206,348
	43,082,283	40,047,312
Less allowance for expected credit losses	2,508,845	1,292,578
	40,573,438	38,754,734
Less noncurrent portion	17,809,515	12,689,042
Current portion	₱22,763,923	₱26,065,692



Accounts and other receivable

This account consists of:

	2024	2023
Trade receivables		
Third party		
IEMOP	₱3,415,260	₱6,459,485
National Transmission Corporation ("TransCo")	1,758,707	1,915,230
RES Buyer	1,477,713	519,629
NGCP	413,361	91,670
PEMC	30,562	10,262
Others	189,760	423,084
Other receivables		
Third party	1,419,608	1,600,430
Related party (Note 22)	1,848,410	1,386,266
	10,553,381	12,406,056
Allowance for expected credit losses	155,379	152,312
	10,398,002	12,253,744
Less noncurrent portion	1,765,706	1,971,453
Current portion	₱8,632,296	₱10,282,291

Trade Receivables

Trade receivables are uncollected portion of energy generated by the Group and delivered to the grid and energy sold to bilateral customers. These are the trade receivables from IEMOP, TransCo and RES buyer. This consists of interest-bearing and noninterest-bearing receivables and are generally collectible within thirty (30) to sixty (60) days.

a. Trade Receivables from TransCo

Noncurrent trade receivables consist of Feed-In Tariff (FIT) system adjustment that is expected to be realized beyond 12 months after the end of the reporting period.

In 2020, the Group recognized receivables from TransCo for retroactive FIT adjustments approved by the Energy Regulatory Commission (ERC) for the years 2016-2020, recoverable for a period of five years. FIT system adjustments are discounted using the PHP BVAL reference rates – Government Securities with imputed credit spread on top of the BVAL. The PHP credit spread was derived as the difference between comparable government-owned and controlled companies' rate less risk-free rate.

The ERC's February 2021 supplemental letter, stated that, pending the approval of the adjustments of 2021 FIT rates, the original approved rates shall be used for the 2021 generation billing. As of December 31, 2024, ERC has not yet approved TransCo's proposed FIT rate adjustment for the years 2021-2024 and accordingly, the Group bills for its collections using the original approved rates.



The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. From 2021 to 2024, while waiting for the ERC's approval of the adjusted FIT rates, management assessed that the ERC approved 2020 FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy.

Total FIT revenue adjustment recognized in 2024, 2023 and 2022 by the Group amounted to ₱269.26 million, ₱309.30 million and ₱295.34 million, respectively.

As of December 31, 2024 and 2023, the noncurrent portion of the receivable from TransCo amounted to ₱949.32 million and ₱1,129.43 million, respectively, while the current portion amounted to ₱809.39 million and ₱785.80 million, respectively. Interest accretion on receivable from TransCo amounted to ₱46.23 million, ₱37.41 million and ₱16.60 million, in 2024, 2023 and 2022, respectively.

b. Trade Receivables from NGCP

Receivables from NGCP are from Ancillary Services Procurement Agreements (ASPA), facilitating contingency and dispatchable reserves for the Luzon Grid. The Group has executed ASPAs with NGCP wherein power plant will provide contingency and dispatchable reserves to NGCP to ensure reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five (5) years upon the effectivity of the provisional or final approval issued by the ERC.

c. Trade Receivables from PEMC Multilateral Agreements

In December 2013, an outage of the Malampaya gasfield caused WESM prices to be elevated. As a result, ERC issued an Order imposing Administered/Regulated Pricing, which was lower than the WESM rates at the time. The receivables from PEMC Multilateral Agreements is the refundable amount from the PEMC arising from recalculation of November and December 2013 spot prices as directed by the ERC. In 2014, ACEN, PEMC, and other WESM participants signed a Multilateral Agreement pending the resolution of cases filed by WESM participants in the Supreme Court. On various dates in 2014 to 2016, ACEN Group recorded collections in relation to the Multilateral Agreement amounting to ₱1,123.51 million. Collections are presented as "Trade payables" under "Accounts payable and Other Current Liabilities".

In 2022, the Supreme Court declared the administered regulated pricing void and upheld the December 2013 Meralco hike for recovery costs. In October 2022, the Supreme Court denied all Motions for Reconsideration.

In 2022, the Group reversed its receivables amounting to ₱1,185.60 million and recorded additional cost of purchased power of equivalent amount. The unpaid cost of purchased power is presented as "Trade payables" under accounts payable and other current liabilities.

As of March 10, 2025, the ERC has not yet issued guidance on the method of implementation of these adjustments.



Notes receivable

This account consists of:

	2024	2023
Bridge financing - related party (Note 22)	₱14,122,756	₱13,440,859
Development loan:		
Third party	-	3,721,365
Related party (Note 22)	4,515,678	2,141,933
Other loans:		
Third party	1,847,737	1,742,382
Related party (Note 22)	3,092,576	388,369
	23,578,747	21,434,908
Allowance for expected credit losses (Note 18)	856,872	812,633
	22,721,875	20,622,275
Less noncurrent portion	14,095,488	6,745,824
Current portion	₱8,626,387	₱13,876,451

Bridge financing (previously referred to as debt replacement)

Bridge financing facilities are provided to related parties to fund investment requirements for renewable power plants while under construction and undergoing implementation or release of project financing from financial institutions (see Note 22).

a. Greencore Power Solutions 3, Inc. (Greencore 3) (Joint Venture)

On February 4, 2021, the Group, Citicore Solar Energy Corporation (CSEC), ACEN Global Development Group Inc. (AGDGI) (formerly ACE Endeavor, Inc.) and Greencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱2,680.00 million in order to finance a 50MW solar power plant in Mexico, Pampanga (Arayat Phase 1).

On February 9, 2022, the Omnibus Agreement was amended to increase the loan facility to ₱2,860.00 million and extended the maturity from March 1, 2023, to June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023, to June 30, 2024 and increase the fixed interest rate on all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024 to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025.

On February 24, 2025, the Omnibus Agreement was again amended to extend the maturity date from January 31, 2025 to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 1 amounts to ₱2,700.30 million and ₱2,595.70 million, respectively.

On May 25, 2022, the Group, CSEC, AGDGI and Greencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱1,990.00 million in order to finance a 30MW solar power plant in Mexico, Pampanga (Arayat Phase 2). The maturity of the loan is on June 30, 2023.



On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023 to June 30, 2024 and increase the fixed interest rate on all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024, to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025.

On February 24, 2025, the Omnibus Agreement was amended to extend the maturity date from January 31, 2025 to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 2 amounts to ₱1,958.78 million and ₱1,878.84 million, respectively.

b. Wind Power Hoa Dong (Hoa Dong) and Wind Power Lac Hoa (Lac Hoa) (Joint Venture)

On April 4, 2022, the Group entered into an interest-bearing loan facility with Hoa Dong and Lac Hoa to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects. The interest-bearing loan has a total facility of US\$41.59 million for Hoa Dong and US\$47.41 million for Lac Hoa and bears an annual fixed rate payable. Principal is payable in full at first calendar quarter of a year after July 1, 2024, in case of third-party financing or in tranches every first calendar quarter of the fourth period or every end of the calendar quarter, until full payment of the loan in case of no third-party refinancing.

As at December 31, 2024 and 2023, the outstanding balance of the interest-bearing loan receivables from Hoa Dong amounted to US\$41.59 million (₱2,405.71 million) and US\$41.59 million (₱2,302.78 million), respectively.

As at December 31, 2024 and 2023, the outstanding balance of the interest-bearing loan receivables from Lac Hoa amounted to US\$47.41 million (₱2,742.49 million) and US\$47.41 million (₱2,625.15 million), respectively.

c. Asian Wind Power 1 HK (Asia Wind 1) (Joint Venture)

In 2020, the Group and Asia Wind 1 entered into an interest-bearing debt replacement facility to provide bridge financing during the construction of Dai Phong Wind Project in Vietnam for an aggregate principal amount of US\$61.00 million. The loan is repayable on the earlier of 12 months from commissioning date or upon project financial close. The debt replacement facility maturity date was amended multiple times in 2022 and 2023. On September 27, 2023, the debt replacement facility maturity date was amended to September 29, 2035.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$26.59 million (₱1,538.10 million) and US\$26.59 million (₱1,472.29 million), respectively.



d. Asian Wind Power 2 HK (Asia Wind 2) (Joint Venture)

In 2020, the Group entered into an interest-bearing Pref B Facility with Asian Wind 2 to provide bridge financing to fund the construction of a 42MW wind project in Vietnam, for an aggregate principal amount of US\$54.00 million. The loan is repayable on the earlier of Project Financial Close, or 5 business days from the date from drawdown of Debt Replacement Facility, or the 25th anniversary from drawdown date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$20.07 million (₱1,160.66 million), and US\$20.91 million (₱1,157.89 million), respectively.

e. NEFIN Limited (NEFIN) (Joint Venture)

On January 6, 2022, the Group and NEFIN Limited entered into an interest-bearing debt replacement facility to NEFIN Limited to provide bridge financing and partially fund the development and construction of NEFIN rooftop solar projects. The loan is repayable on the earlier of 24 months from first issuance date or upon securing project financing or debt financing of NEFIN Limited.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$16.67 million (₱964.22 million) and US\$14.30 million (₱791.51 million), respectively.

f. Ingrid Power Holdings, Inc. (Ingrid) (Joint venture)

On December 27, 2022, the Group and Ingrid entered into a facility agreement amounting to ₱1,250.00 million in order to fund working capital requirements in relation to the operation of its 150MW Pililia diesel power plant in Pililia Rizal. The loan bears an annual fixed interest rate and is payable upon maturity.

Promissory notes executed in relation to the facility agreement were made on:

Date	Amount	Original Maturity Date	Extended Maturity Date
December 28, 2022	₱200,000,000	June 27, 2023	August 30, 2023
January 11, 2023	₱300,000,000	July 10, 2023	October 31, 2023
January 27, 2023	₱300,000,000	July 26, 2023	June 30, 2024

As at December 31, 2024 and 2023, the outstanding bridge loan amounted to nil and ₱300.00 million, respectively.

g. Vietnam Wind Energy Limited (Vietnam Wind) (Joint Venture)

In 2020, the Group and Vietnam Wind entered into an interest-bearing facility with an aggregate principal of US\$10.00 million, to provide bridge financing to fund the construction of a 60MW wind project in Vietnam. The loan is repayable 20 years from relevant drawdown date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$5.12 million (₱296.15 million) and US\$5.10 million (₱283.48 million), respectively.

Other bridge financing loans carrying amount as at December 31, 2024 and 2023 amounted to ₱356.35 million and ₱33.21 million, respectively.



Bridge Financing loans bear interest ranging from 7.00% to 15.00% per annum for both years ended December 31, 2024 and 2023, respectively.

Development Loans

Development loan facilities are provided to related parties and third parties to fund the development of renewable power plant projects.

a. UPC-AC Energy Solar Limited (UPC-ACE Solar) (Joint Venture)

In 2019, the Group and UPC-ACE Solar entered into an interest-bearing loan agreement with an aggregate amount of US\$20.00 million to fund development of projects across India, Taiwan, and Korea. The loan is repayable 10 years from first utilization date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$14.78 million (₱856.87 million) and US\$14.57 million (₱806.69 million) respectively.

b. Yoma Strategic Investments (Yoma) (Affiliate)

In 2019, the Group and Yoma, signed a term sheet, which includes an interest-bearing loan for the development of Yoma Micro Power. The interest-bearing loan has a total facility of US\$25.00 million and bears an annual fixed interest and payable upon maturity. The loan is covered by a Guarantee Agreement between the Group (as “Lender”) and Yoma (as “Guarantor”). The Guarantee Agreement stands as security for the prompt and complete payment, where the Guarantor irrevocably and unconditionally undertakes that in case of default, the Guarantor shall pay the Lender the guaranteed obligations as if the Guarantor instead of the Borrower were expressed to be the principal obligor without any further proof or condition and without any investigation or enquiry. The loan was repayable upon maturity on June 30, 2023.

In February 2024, the loan was amended to extend its maturity date to 10 years, with a 5-year grace period. The outstanding interest prior to the amendment, amounting to US\$3.14 million (₱181.55 million), was capitalized as part of the principal.

As at December 31, 2024 and 2023, the receivable amounts to US\$27.16 million (₱1,570.82 million) and US\$24.02 million (₱1,329.82 million), respectively.

c. Huntington Renewables Investment Limited (Huntington) (Third Party)

On December 18, 2023, the Group and Huntington entered into term loan facility agreement, to fund the acquisition of a stake in a renewable energy holding company in Vietnam, with an aggregate principal amount of US\$64.50 million. The loan is repayable on June 21, 2024.

As at December 31, 2024 and 2023, the outstanding receivable amounted to nil and US\$64.50 million (₱3,571.37 million), respectively.

d. Provincia Investments Corporation (Provincia) (Third Party)

In 2021, the Group and Provincia entered into an interest-bearing term loan facility to fund its various acquisitions of project sites for solar power projects. The interest-bearing loan has a total facility of ₱1,000.00 million and bears annual fixed interest rate and payable upon maturity. On July 2, 2021, Provincia made an initial drawdown amounting ₱150.00 million. The principal and interest of the loan are payable on July 2, 2026.



On January 25, 2023, the Group, Provincia and Solar Philippines Power Project Holdings, Inc. (Solar PH) entered into definitive agreements whereby ACEN received 500 million shares of SP New Energy Corporation (“SPNEC”), a listed company which is an affiliate of Solar PH (which SPNEC shares had a market value of approximately ₱660.00 million as of January 24, 2023) as (a) pre-payment for part of the development loan principal, (b) payment of interest, (c) consideration for the arrangement and security amendment by which the Group released its pledge over shares owned by Solar PH in SPNEC, and (d) allow further drawdown by Provincia from the existing ₱1,000.00 million loan facility.

As at December 31, 2023, Provincia drew additional ₱150.00 million from its development loan facility.

The Group recognized ₱515.00 million gain from the partial settlement of development loan in 2023 (see Note 20).

The SPNEC shares held by the Group for trading purposes amounted to ₱501.82 million and is classified as financial assets at fair value through profit or loss in the consolidated statements of financial position.

In 2024, all SPNEC shares were sold. The Group recognized (loss) gain on sale of SPNEC shares amounting to (₱50.38) million and ₱37.34 million for the years ended December 31, 2024 and 2023, respectively (Note 20).

On September 9, 2024, Provincia prepaid the loan including the principal of ₱150.00 million and outstanding interest of ₱52.17 million.

As at December 31, 2024 and 2023, the outstanding receivable amounted to nil and ₱150.00 million, respectively.

e. ACEN-Silverwolf Pte. Ltd (ACEN-Silverwolf) (Joint Venture)

On May 31, 2023, the Group and ACEN-Silverwolf entered into an interest-bearing loan agreement with an aggregate amount of USD\$2.00 million to fund renewable energy projects located in Taiwan and Malaysia.

As at December 31, 2024 and 2023, the outstanding receivable amounted to US\$0.26 million (₱14.83 million) and US\$0.10 million (₱5.42 million), respectively.

f. UPC Power Solutions LLC (Joint Venture)

On September 1, 2023, the Group and UPC Power Solutions entered into an interest-bearing loan agreement with a facility amount of US\$120.00 million to fund the development of various wind electric energy generating projects in the United States. The loan is repayable on May 13, 2028.

As at December 31, 2024, the outstanding receivable amounted to US\$23.82 million (₱1,378.10 million).



g. PT UPC Lombok Timur Bayu Energi (PT Lombok) (Associate)

On January 3, 2024 the Group and PT UPC Lombok Timur Bayu Energi entered into an interest-bearing loan agreement with a facility amount of US\$5.00 million to fund the development of a wind power project in East Lombok, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$0.98 million (₹56.82 million).

h. PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap) (Associate)

On January 3, 2024 the Group and PT UPC Sidrap Bayu Energi Tahap Dua entered into an interest-bearing loan agreement with a facility amount of US\$8.00 million to fund the development of wind power project in Sidrap, South Sulawesi, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$6.67 million (₹386.02 million).

i. PT UPC Sukabumi Bayu Energi (PT Sukabumi) (Joint Venture)

On January 3, 2024, the Group and PT UPC Sukabumi Bayu Energi entered into an interest-bearing loan agreement with a facility amount of US\$5.00 million to fund the development of a wind power project in Sukabumi, West Java, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$4.36 million (₹252.21 million).

Development loans bear interest ranging from 4.00% to 15.00% per annum and 4.00% to 10.85% per annum for the years ended December 31, 2024 and 2023, respectively.

Other Loans

Other loans receivable from third parties include long term loan receivables for land acquisitions. These are interest bearing and mature 1-2 years after drawdown.

a. Cleantech Renewable Energy 50 Corporation (Cleantech) (Third Party)

On July 14, 2022, the Group and Cleantech Renewable Energy 50 Corporation entered into an interest-bearing loan agreement amounting to ₹266.93 million with an interest rate of 9.76%. Principal and interest of the loan is payable upon maturity on July 14, 2032.

As at December 31, 2024 and 2023, the outstanding receivable amounted to ₹266.93 million.



b. BIM Group Joint Stock Company (BIM Group JSC)

On February 26, 2024, the Group and BIM Group JSC entered into an interest-bearing loan agreement with a facility amount of US\$35.00 million for capital contributions to BIM Foods Joint Stock Company and other business activities relevant to its business plan. The loan is repayable in December 2029.

As at December 31, 2024, the outstanding receivable amounted to US\$35.00 million (₱2,024.58 million).

Other loans carrying amount as at December 31, 2024 and 2023 amounted to ₱2,648.81 million and ₱1,863.82 million, respectively.

Other loans bear interest ranging from 3.00 % to 14.00 % per annum and from 3.00% to 12.00% per annum for the years ended December 31, 2024 and 2023, respectively.

Accrued interest receivable:

This account consists of:

	2024	2023
Bridge financing:		
Related party (Note 22)	₱2,057,313	₱1,446,884
Development loans:		
Third party	–	107,832
Related party (Note 22)	527,057	198,534
Investment in redeemable preferred shares and convertible loans - Related party (Note 22)		
Redeemable preferred shares	4,733,771	3,473,000
Convertible loans	1,350,236	761,760
Other loans:		
Third party	101,723	26,487
Related party (Note 22)	129,532	33,788
Trade receivables		
Third party	48,513	148,995
Related party (Note 22)	2,010	9,068
	8,950,155	6,206,348
Allowance for expected credit losses	1,496,594	327,633
	7,453,561	5,878,715
Less noncurrent portion	1,948,321	3,971,765
Current portion	₱5,505,240	₱1,906,950

Allowance for expected credit loss (ECL)

In determining the ECL, the Group has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.



For the year ended December 31, 2024, the Group recognized additional allowance for expected credit losses amounting to:

1. US\$1.00 million (₱55.85 million) on principal from development loan with UPC-AC Energy Solar Limited (UPC-ACE Solar);
2. US\$1.85 million (₱103.43 million) on accrued interest of development loan with UPC-ACE Solar;
3. US\$15.63 million (₱898.57 million) on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) (see Note 7); and
4. Allowance provided to other receivables amounted to ₱10.20 million.

Total additional allowance for expected credit losses for the year ended December 31, 2024 amounted to ₱1,223.40 million.

For the year ended December 31, 2023, the Group recognized additional allowance for expected credit losses amounting to:

1. US\$13.98 million (₱812.63 million) on principal from development loan with UPC-ACE Solar; and
2. US\$6.05 million (₱327.63 million) on accrued interest of development loan with UPC-ACE Solar.

Total additional provision for expected credit losses for the year ended December 31, 2023 amounted to ₱1,140.26 million.

Interest income

The Group earns interest income from its accounts and notes receivable amounting to:

	2024	2023	2022
<i>Bridge Financing</i>			
Related Party:			
Greencore 3	₱698,588	₱495,884	₱228,241
Lac Hoa	262,956	343,065	96,629
Hoa Dong	230,826	301,196	86,371
Asia Wind 1	152,817	283,695	269,291
Asia Wind 2	118,041	224,807	199,560
NEFIN	78,142	47,487	26,480
Vietnam Wind	50,076	37,355	59,043
Ingrid	35,063	76,405	12,367
BIM Wind	–	130,266	380,250
BIMRE	–	–	10,370
Others	14,613	–	–
	1,641,122	1,940,160	1,368,602
<i>Development Loans</i>			
Related Party:			
UPC-ACE Solar	106,179	102,677	95,725
UPC Power Solutions LLC	84,500	–	–
Yoma	66,204	53,314	52,427
URH	23,118	–	–
PT Sidrap	11,071	–	–
PT Sukabumi	7,044	–	–
ACEN-Silverwolf	1,115	–	–



	2024	2023	2022
PT Lombok	886	–	–
UPC-ACE Australia	–	14,664	7,087
ACEIC	–	–	107,000
TBC	–	–	60,390
Third Party:			
Huntington	188,529	6,472	–
Provincia	19,119	15,260	12,000
AMI Renewables (Quang Binh)	1,241	–	–
BEHS Joint Stock Company (BEHS)	–	35,456	49,887
BIME	–	11,261	9,982
UPCAPH	–	3,116	60,203
Others	–	1,962	–
	509,006	244,182	454,701
<i>Other Loans</i>			
Related Party:			
BrightNight India B.V. (BrightNight)	65,064	29,677	–
Infineum 4 Energy, Inc. (Infineum 4)	9,359	3,833	1,876
Third Party:			
BIM Group JSC	97,916	–	–
Cleantech	26,486	51,986	–
Others	13,179	–	15,802
	212,004	85,496	17,678
<i>Accounts and other Receivables</i>			
Third Party	66,412	76,698	38,096
	₹2,428,544	₹2,346,536	₹1,879,077

6. Investments in Associates and Joint Ventures

The Group's investment in associates and joint ventures and the corresponding effective percentage of ownership are shown below:

	Percentage of ownership		Carrying amount	
	2024	2023	2024	2023
Investments in associates:				
BIM Energy Holding Corporation (BIMEH)	49.00	–	₹5,551,931	₹–
Solar NT Holdings Pte. Ltd. (SUPER)	49.00	49.00	2,387,257	2,558,351
Maibarara Geothermal, Inc. (MGI)	25.00	25.00	981,295	909,694
PT Puri Prakarsa Batam	40.00	40.00	177,249	166,026
PT UPC Lombok Timur Bayu Energi (PT Lombok)	49.00	–	171,332	–
PT UPC Sukabumi Bayu Energi (PT Sukabumi)	49.00	–	75,466	–
PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap 2)	49.00	–	56,536	–
Others	various	various	8,056	8,056
			9,409,122	3,642,127

(Forward)



	Percentage of ownership		Carrying amount	
	2024	2023	2024	2023
Interests in joint ventures:				
ACEHI Netherlands B.V. (ACEHI Netherlands)	75.76	75.76	₱13,036,527	₱12,667,764
Philippine Wind Holdings Corporation (PhilWind)	69.81	69.81	6,714,355	5,987,605
BrightNight India, B.V. (BrightNight)	50.00	50.00	3,775,622	160,904
North Luzon Renewable Energy Corp. (NLR)	33.30	33.30	3,198,595	2,492,401
BIM Renewable Energy Joint Stock Company (BIMRE)	30.00	30.00	1,952,540	1,861,039
UPC Power Solutions LLC (UPC Power)	83.33	83.33	1,804,121	562,624
Ingrid Power Holdings, Inc. (Ingrid)	50.00	50.00	1,342,835	968,535
Greencore Power Solutions 3, Inc. (Greencore 3)	50.00	50.00	367,484	434,936
Monsoon Wind B.V. (Monsoon Wind)	25.00	25.00	296,498	163,339
Paivatar Energy Corporation	60.00	–	232,807	–
BIM Wind Energy Joint Stock Company (BIM Wind)	30.00	30.00	142,538	209,217
BIM Energy Joint Stock Company (BIME JSC)	30.00	30.00	124,343	120,082
NEFIN Limited (NEFIN)	50.00	50.00	118,815	419,280
Unlimited Renewables Holdings, B.V. (URH)	80.00	–	74,372	–
Others	various	various	144,429	408,764
			33,325,881	26,456,490
			₱42,735,003	₱30,098,617

The details and movements of investments in associates and joint ventures accounted for under the equity method are as follows:

	2024	2023
Acquisition costs:		
Balance at beginning of year	₱28,081,331	₱22,557,032
Additions	12,486,024	4,592,106
Conversion from subscription deposits and redeemable preferred shares (Note 7)	1,695,449	1,859
Reclassification to receivables	(891,755)	–
Acquisition of control (Note 24)	(568,719)	–
Disposal / divestment (Note 20)	(77,174)	(2,260,215)
Gain from remeasurement (Note 2)	–	3,433,328
Conversion from financial assets at FVTPL	–	276,297
Return of capital	–	(228,312)
Cumulative translation adjustment	1,157,979	(290,764)
Balance at end of year	41,883,135	28,081,331
Accumulated equity in net earnings (losses):		
Balance at beginning of year	2,104,328	2,216,754
Equity in net income of associates and joint ventures	1,190,966	1,765,239
Dividends received	(1,786,093)	(1,362,464)
Divestment	–	(515,201)
Balance at end of year	1,509,201	2,104,328
Accumulated share in other comprehensive income (loss):		
Balance at beginning of year	(85,483)	(5,794)
Cumulative translation adjustment	(166,434)	(71,365)
Interest rate swap	69,807	14,596
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax	(2,891)	4,111

(Forward)



	2024	2023
Remeasurement gain (loss) on defined benefit plans - net of tax	₱17,904	(₱27,031)
Balance at end of year	(167,097)	(85,483)
Accumulated impairment losses		
Balance at beginning of year	(1,559)	(1,559)
Loss on write-down from disposal of investment in joint venture (Note 20)	(488,677)	–
Balance at end of year	(490,236)	(1,559)
Total investments	₱42,735,003	₱30,098,617

Capital call and subscription deposit conversion

During the years ended December 31, 2024 and 2023, the Group made investments equivalent to its proportionate share in the following investee companies:

Investee Company	Project	Geography	Technology	Capacity	Amount in PHP (millions)	
					2024	2023
BIMEH	–	Vietnam	Wind	TBD	₱5,534.30	₱–
BrightNight	BN Maharashtra	India	Hybrid Solar-Wind	80	3,559.29	340.87
UPC Power	Stockyard & Chestnut Flats	USA	Wind	148	2,575.04	814.71
RWEI *	Real Wind	Philippines	Wind	TBD	568.72	–
PhilWind	Capa Wind 2	Philippines	Wind	70	504.46	–
NLR	Capa Wind 2	Philippines	Wind	70	495.40	–
Paivatar	–	Philippines	–	TBD	307.90	–
PT Lombok	Lombok	Indonesia	Wind	39	177.06	–
URH	–	Netherlands	–	TBD	151.02	–
PT Sukabumi	Sukabumi	Indonesia	Wind	74	88.46	–
Monsoon Wind	Monsoon	Vietnam	Wind	146	82.96	392.71
PT Sidrap 2	Sidrap 2	Indonesia	Wind	34	75.75	–
SUPER	Super	Singapore	Solar	141	–	2,820.85
Others					61.11	224.83
Total					₱14,181.47	₱4,593.97

*RWEI was subsequently acquired as a subsidiary during the year (see Note 2)

Dividends

The Group received dividends amounting to:

	2024	2023
ACEHI Netherlands	₱1,399,303	₱–
PhilWind	284,334	471,002
BIMRE	73,466	161,367
NLR	28,990	74,319
Salak-Darajat	–	655,776
Total	₱1,786,093	₱1,362,464



Investment in Associates

a. BIM Energy Holding Corporation (BIMEH)

On November 26, 2024, the Group entered into a Share Purchase Agreement with Huntington Renewable Investments Limited (“HRIL”), for the acquisition of 49% of the issued and paid-up capital of BIM Energy Holding Corporation (“BIMEH”) for a purchase price of US\$70.50 million. The purchase price was paid in tranches, with US\$35.00 million paid on November 26, 2024 and \$35.50 million paid on December 3, 2024.

On December 18, 2023, the Group entered into a Reservation Agreement amounting to US\$24.50 million as part of the total consideration for the transaction.

With the final purchase price completed in November and December 2024, the acquisition of the renewable energy holding company in Vietnam was completed on December 3, 2024.

The acquisition resulted in a notional goodwill amounting to VND 20,680.00 million (US\$1.66 million), based on the provisional fair values of the underlying net assets of BIMEH.

BIMEH develops renewable energy projects in Vietnam. Its principal place of business and country of incorporation is in Vietnam.

As of December 31, 2024, the Group infused a total of US\$96.72 million (₱5,594.93 million), of which US\$24.50 million (₱1,417.20 million) was reclassified from Beacon Capital Holdings Limited subscription deposits (see Note 7).

b. Solar NT Holdings Pte. Ltd. (SUPER)

On January 28, 2022, the Group, through its wholly-owned subsidiary ACEV and Super Solar Energy Company Limited through its wholly-owned subsidiary Super Energy Group (Hong Kong) Co., Limited (“Super HK”), executed the Share Purchase Agreement for the 49% acquisition of interest in SUPER. The sale is subject to conditions precedent and has a transaction value of US\$ 165.00 million. SUPER has direct and indirect subsidiaries which operate nine solar farms in Vietnam with total generating capacity of 837MW. Super Solar Energy Company Limited is a premier renewable energy developer and investor, based in Thailand. The principal place of business and country of incorporation of SUPER is in Singapore.

On June 26, 2023, ACEV completed the first phase of the secondary share acquisition and executed the amended and restated Share Purchase Agreement and Shareholders Agreement. US\$51.00 million (₱2,815.20 million) out of the US\$165.00 million consideration was paid on the same date and the remaining phases of the transaction are expected to be completed within the year.

c. Maibarara Geothermal, Inc. (MGI)

MGI was incorporated in 2010 and operates a 32MW geothermal power plant in Sto. Tomas, Batangas. The principal place of business and country of incorporation is in the Philippines.

d. PT Puri Prakarsa Batam

On March 10, 2022, the Group, through ACRI, entered into a Framework Agreement with Puti Puri Usaha Kencana (“PUK”), PT Trisurya Mitra Bersama (“TMB”), PT Griya Usaha (“GU”), PT Suryagen Griya Intitama, and PT Puri Energi Kencana, to jointly develop projects in



Indonesia. The principal place of business and country of incorporation of PT Puri Prakarsa Batam is in Indonesia.

On August 30, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Indonesia Investments Holdings Pte. Ltd., TMB and PT Puri Prakarsa Batam ("PPB"), executed a shareholders' agreement to jointly develop a 660MW photovoltaic project located in Pulau Luma Besar, Indonesia.

e. PT Lombok

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Lombok. On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Lombok operates a wind power project in East Lombok, Indonesia with a total project capacity of 80MW. The principal place of business and country of incorporation of PT Lombok is in Indonesia.

f. PT Sukabumi

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Sukabumi. On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Sukabumi is developing a wind power project in Sukabumi, West Java, Indonesia with a total project capacity of 150MW.

g. PT Sidrap 2

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Sidrap . On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Sidrap 2 operates a wind power project in Sidrap, South Sulawesi, Indonesia with a total project capacity of 70MW. The principal place of business and country of incorporation of PT Sidrap 2 is in Indonesia.

h. The Blue Circle (TBC)

In 2018, the Group acquired 25% interest in The Blue Circle, a regional development and operations company that has a platform of wind projects in Southeast Asia. The principal place of business and country of incorporation is in Singapore.

In September 2022, the Group disposed its 25% interest in TBC to Jetfly Asia Pte. Ltd. for a total consideration of \$12.77 million (₹734.67 million) which resulted to a gain on divestment of same amount since the carrying amount is nil (Note 20).



Interest in Joint Ventures

a. ACEHI Netherlands B.V. (ACEHI Netherlands)

In 2017, the Group acquired an interest in Salak-Darajat, an investment holding company incorporated in Netherlands, with assets and operations in Salak and Darajat geothermal fields in West Java, Indonesia, with a combined capacity of 637MW of steam and power through ACEHI Netherlands B.V.(ACEHI Netherlands). The principal place of business and country of incorporation is in Indonesia.

On July 3, 2023, ACRI signed a share purchase agreement with SEOG, for the sale by ACRI of its 24.24% equity share in ACEHI Netherlands to SEOG.

Upon completion of the transaction, ACEHI Netherlands' Board of Directors consists of equal representations from both shareholders. Furthermore, all matters relating to ACEHI Netherlands, shall be approved unanimously by both shareholders, thereby making ACRI lose control over ACEHI Netherlands, and reclassifying it as a joint venture. Previously this was consolidated by the Group.

The carrying amount of the 24.24% investment that was divested amounted to US\$41.08 million (₱2,260.15 million). Following deconsolidation of ACEHI Netherlands, the investment of the Group in Salak and Darajat previously presented under "Investments in associates" is reclassified to "Investment in joint ventures" through ACEHI Netherlands.

b. Philippine Wind Holdings Corporation (PhilWind) and North Luzon Renewable Energy Corp. (NLR)

In 2013, ACEN signed an Investment Framework Agreement and Shareholder's Agreement with UPC Philippines Wind Holdco I BV and the Philippine Investment Alliance for Infrastructure fund (PINAI) to develop a 81MW wind power project in Ilocos North through NLR.

The principal place of business and country of incorporation of PhilWind and NLR is in the Philippines.

In 2020, ACEN purchased all the shares of PINAI in PhilWind for ₱2,573.30 million through its wholly owned subsidiary, Giga Ace 1. Giga Ace 1 was incorporated in 2019 and is engaged in the power generation business, both from renewable and non-renewable energy sources.

On March 18, 2022, ACEN and UPC Philippines Holdco I BV executed a Deed of Absolute Sale of Shares covering 16,668 common shares and 740 preferred shares representing 33% ownership in NLR for ₱2,385.27 million.

PhilWind directly and indirectly owns 67.00% of NLR through its 38.00% direct interest and 28.70% indirect interest through its 100.00% owned subsidiary, Ilocos Wind Energy Holdings Co., Inc.

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR's authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱495.40 million.



On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 (“RPS A-3”) at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million, to be issued out of the increase of PhilWind’s authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱504.46 million.

The additional subscription in NLR and PhilWind will be used by NLR as additional funding for the construction and completion of the 70MW wind farm in Pagudpud, Ilocos Norte (wind project referred to as Capa Wind 2).

c. BrightNight India, B.V. (BrightNight)

On March 10, 2023, the Group signed a Shareholder’s Agreement with US-based renewable power company BrightNight to develop, construct and operate large-scale hybrid wind-solar and round-the- clock renewable power projects in India with over 1,200MW pipeline. The principal place of business and country of incorporation is in the Netherlands.

The Group has joint control over BrightNight India B.V. by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

In 2024 and 2023, total subscriptions to Brightnight’s Class B Redeemable Preferred Shares amounted to US\$5.30 million (₱289.86 million) and US\$60.89 million (₱3,559.29 million), respectively.

d. BIM Renewable Energy Joint Stock Company (BIMRE) and BIM Energy JSC (BIM E)

In 2018, the Group entered into a 30-70 joint venture agreement with BIM Group to develop, construct, and operate a 300MW Solar Farm in Ninh Thuan Province, Vietnam, through BIMRE and BIM E. The principal place of business and country of incorporation is in Vietnam.

BIMRE and BIM E are currently operating a 375MW and 30MW wind power plant, respectively.

The Group has joint control over BIM RE, BIM E and BIM Wind Energy Joint Stock Company by virtue of the requirement for unanimous consent from both Shareholders over key decision areas and material transactions through various reserved matters.

e. UPC Power Solutions LLC (UPC Power)

On May 13, 2022, the group through its subsidiary ACEN USA LLC, entered into a Limited Liability Company Agreement (LLCA) with UPC Solar & Wind Investments LLC and Pivot Power Management to pursue opportunities and acquire operating wind projects in the USA and explore strategies for extending their useful life through preventive maintenance and repowering. The partnership resulted to 83.33% ownership interest in UPC Power Solutions LLC. The principal place of business and country of incorporation is in the United States of America.

The Group has joint control over UPC Power Solutions LLC because all fundamental decisions and matters require unanimous approval of all partners.



f. Ingrid Power Holdings, Inc. (Ingrid)

In 2021, the Group executed a subscription agreement with Axia Power Holdings Philippines Corp. for a 50% interest in Ingrid Power Holdings, Inc. to develop, construct, and operate a 150MW diesel power plant in Pililia, Rizal. The principal place of business and country of incorporation is in the Philippines.

The Group has joint control over Ingrid by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserve matters.

g. Grencore Power Solutions 3, Inc. (Grencore 3)

On February 21, 2022, the Group entered into a 50-50 joint venture with Citicore Renewable Energy Corporation (“CREC”) to develop, construct, and operate a 50MW (Phase 1) and 44MW (Phase 2) solar power plant in Arayat and Mexico, Pampanga. The principal place of business and country of incorporation is in the Philippines.

The Group has joint control over Grencore 3 by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

h. Monsoon Wind B.V. (Monsoon Wind)

On February 24, 2023, the Group signed a Shareholder’s Agreement with Mitsubishi Corporation (MC) for the development, construction, and operations of Monsoon Wind Power Project, a 600MW wind power plant in Southern Lao PDR. Investment resulted to 50% ownership interest in Monsoon Wind. The principal place of business and country of incorporation is in the Netherlands.

The Group has joint control over Monsoon Wind by virtue of the requirement for simple majority from both shareholders over key decision areas and material transactions through various reserved matters.

In connection with the MC and the Group’s investment in the project, the parties also agreed to infuse funding into Impact Wind Investment Limited (Impact Wind) pursuant to the Party B Financing Bond Subscription and Shareholder’s Agreement executed on February 24, 2023 (see Note 7).

i. Paivatar Energy Corporation

On March 7, 2024, ACEN signed a Shareholders’ and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines. The transaction diluted ACEN’s ownership of the then wholly-owned subsidiary (see Note 2). The principal place of business and country of incorporation is in the Philippines.

The Group’s 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.



j. NEFIN Limited (NEFIN) and NEFIN Asset Management Pte. Ltd.

On January 6, 2022, the Group entered into a 50-50 joint venture with Canis Majoris Holding Limited (“NEFIN”) to invest in NEFIN Limited and NEFIN Asset Management Pte. Ltd. NEFIN is a leading solar photovoltaic developer and investor in carbon neutrality solutions and the joint venture company will develop, construct and operate rooftop solar projects across Asia. The principal place of business and country of incorporation is in Hong Kong.

k. Unlimited Renewables Holdings, B.V. (URH)

On December 21, 2023, the Company entered into a joint venture with UPC India Pte. Ltd. to invest in Unlimited Renewables Holdings, B.V (“URH”) for the purposes of developing certain Indian renewable energy and energy storage projects.

l. Real Wind Energy Inc. (RWEI)

On March 22, 2024, the Group and Modern Energy Management Pte. Ltd. (MEM) signed an Asset and Share Purchase Agreement and Deed of Absolute Sale wherein the Group purchased from MEM the 40% of issued and outstanding shares in Real Wind Energy Inc. RWEI is currently developing wind energy projects in Real, Quezon.

On August 1, 2024, ACEN acquired additional shares representing 60% ownership, thereby acquiring control over RWEI (see Note 24).



The summarized financial information of material associates and joint ventures of the Group, and the reconciliation with the carrying amounts of the investments in the consolidated financial statements are shown below:

2024 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH	BrightNight	UPC Power
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate	Joint venture	Joint Venture	Joint Venture
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP	PHPP	US\$	VND (in billions)	USD	USD
Dividends received	₱284.33	₱28.99	₱-	₱32.12	\$24.56	₱-	₱-	\$-	₱-	\$	\$
Summarized Statements of Financial Position:											
Cash and cash equivalents	₱382.43	₱360.50	₱829.07	₱119.07	\$74.46	₱1,090.60	₱392.71	₱14.71	₱669.26	\$36.35	\$8.70
Other current assets	2,182.06	1,461.77	1,136.38	956.80	225.96	122.71	372.84	11.68	1,164.39	2.80	18.25
Noncurrent assets	20,312.38	10,344.36	964.85	4,858.26	2,466.38	4,594.72	4,698.09	198.67	14,635.07	34.15	61.86
Total assets	22,876.87	12,166.63	2,930.30	5,934.13	2,766.80	5,808.03	5,463.64	225.06	16,468.72	73.30	88.81
Accounts and other payables	396.56	126.07	643.95	27.12	25.94	212.39	320.03	5.10	5.44	3.82	4.91
Short-term loans	-	-	62.50	-	-	-	-	-	-	-	-
Lease liabilities - current portion	1.04	1.04	6.69	-	1.25	-	1.39	-	-	-	-
Long-term loan - current portion	600.68	486.13	-	477.55	39.00	4,659.08	438.77	27.00	659.44	-	24.17
Other current liabilities	343.39	147.82	46.04	6.32	16.44	118.58	-	0.49	35.24	2.60	7.23
Lease liabilities - net of current portion	38.63	38.63	14.87	-	3.42	-	-	0.06	-	5.51	22.06
Long-term loan - net of current portion	8,953.60	5,863.88	-	3,378.92	952.24	-	739.10	115.91	5,848.37	0.06	-
Other noncurrent liabilities	2,112.10	1,368.54	2.16	629.03	646.13	103.66	22.26	9.06	3,015.00	6.01	1.06
Total Liabilities	12,446.00	8,032.11	776.21	4,518.94	1,684.42	5,093.71	1,521.55	157.62	9,563.49	18.00	59.43
Equity	₱10,430.87	₱4,134.52	₱2,154.09	₱1,415.19	\$1,082.38	₱714.32	₱3,942.09	\$67.44	₱6,905.23	\$55.30	\$29.38
Share in equity	₱3,449.74	₱2,014.40	₱1,057.13	₱497.24	\$222.79	₱367.48	₱981.29	\$40.67	₱3,383.56	\$27.65	\$24.48
Notional goodwill	3,264.62	1,184.20	285.71	363.00	2.58	-	-	0.60	20.68	-	19.30
Carrying value of investments in functional currency	₱6,714.36	₱3,198.60	₱1,342.84	₱860.24	\$225.37	₱367.48	₱981.29	\$41.27	3,404.24	27.65	43.78
Carrying value of investments in Philippine Peso	₱6,714.36	₱3,198.60	₱1,342.84	₱1.96	₱12,472.93	₱367.48	₱981.29	₱2,337.42	₱5.49	₱3,781.62	₱1,626.16
CTA	-	-	-	(0.01)	563.60	-	-	49.84	0.06	(6.00)	177.96
Carrying value of investments in reporting currency	₱6,714.36	₱3,198.60	₱1,342.84	₱1.95	₱13,036.53	₱367.48	₱981.29	₱2,387.26	₱5.55	₱3,775.62	₱1,804.12



	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH	BrightNight	UPC Power
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate	Joint venture	Joint Venture	Joint Venture
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP	PHPP	US\$	VND (in billions)	USD	USD
Summarized Statements of Comprehensive Income:											
Revenue	₱2,767.41	₱2,084.44	₱3,651.78	₱1,235.03	\$338.14	₱785.96	₱1,128.41	\$36.24	₱151.82	\$0.69	\$9.14
Depreciation and amortization	365.63	365.48	143.15	282.38	39.92	145.62	311.68	15.74	(36.93)	0.32	3.37
Interest income	102.29	87.89	6.71	22.71	7.78	0.31	22.20	0.02	-	-	-
Interest expense	389.75	389.75	44.03	590.80	43.44	651.68	102.78	14.36	(50.81)	3.11	1.56
Income tax expense	149.81	103.29	103.23	23.30	83.87	20.44	22.77	(0.35)	0.22	-	-
Other cost and expense	649.11	560.52	2,565.37	99.37	40.57	105.54	412.67	12.81	294.43	5.40	17.09
Net income (loss)	1,315.40	753.29	802.71	261.89	138.12	(137.01)	300.71	(6.30)	(55.09)	(8.14)	(12.88)
Other comprehensive (loss) income	(0.74)	(0.74)	(0.08)	(5.78)	2.59	0.00	(13.58)	(2.22)	-	-	-
Total comprehensive income (loss) at functional currency	₱1,314.66	₱752.55	₱802.63	₱256.11	\$140.71	(₱137.01)	₱287.13	(\$8.52)	(₱55.09)	(\$8.14)	(\$12.88)
Group's share in total comprehensive income (loss) at functional currency	₱506.62	₱239.78	₱374.34	₱78.57	\$20.64	(₱67.45)	₱75.00	(\$4.18)	(₱16.53)	(\$4.07)	(\$10.73)
Total comprehensive income (loss) in Philippine Peso	₱1,314.66	₱752.55	₱802.63	₱0.23	₱8,211.29	(₱137.01)	₱287.13	(₱576.49)	(₱0.13)	(₱56.78)	(₱743.93)
Group's share in total comprehensive income (loss) in Philippine Peso	₱506.62	₱239.78	₱374.34	₱0.07	₱1,204.47	(₱67.45)	₱75.00	(₱282.83)	(₱0.04)	(₱28.39)	(₱619.75)



2023 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP	PHPP	US\$
Dividends received	₱471.00	₱74.32	₱-	₱ 67.95	\$11.88	₱-	₱-	\$-
Summarized Statements of Financial Position:								
Cash and cash equivalents	₱575.31	₱320.23	₱162.44	₱233.12	\$248.94	₱744.53	₱565.01	₱12.85
Other current assets	2,746.70	1,655.31	856.20	738.50	95.10	206.83	365.57	12.80
Noncurrent assets	16,257.43	9,689.02	1,084.21	5,136.81	2,628.10	4,828.05	4,610.36	224.32
Total assets	19,579.44	11,664.56	2,102.85	6,108.43	2,972.14	5,779.41	5,540.94	249.97
Accounts and other payables	675.07	630.43	398.69	9.92	5.38	225.94	298.71	4.92
Short-term loans	-	-	300.00	-	-	4,474.54	-	-
Lease liabilities - current portion	1.04	1.04	8.48	-	0.81	-	1.31	-
Long-term loan - current portion	494.16	485.80	-	-	44.00	-	399.53	12.40
Other current liabilities	376.08	175.85	-	487.87	34.86	-	-	0.38
Lease liabilities - net of current portion	40.01	40.01	29.41	-	1.10	-	-	0.06
Long-term loan - net of current portion	9,018.69	6,350.55	-	3,685.76	989.96	-	1,173.33	147.54
Other noncurrent liabilities	160.84	158.60	1.28	657.77	648.18	235.25	12.38	9.03
Total Liabilities	10,765.89	7,842.28	737.86	4,841.32	1,724.29	4,935.73	1,885.26	174.33
Equity	₱8,813.55	₱3,822.28	₱1,364.99	₱1,267.11	\$1,247.85	₱843.68	₱3,655.68	\$75.64
Share in equity	₱2,722.98	₱1,308.20	₱682.83	₱452.74	\$226.20	₱434.94	₱909.69	\$45.60
Notional goodwill	3,264.62	1,184.20	285.71	363.00	2.58	-	-	0.60
Carrying value of investments in functional currency	₱5,987.60	₱2,492.40	₱968.54	₱815.74	\$228.78	₱434.94	₱909.69	\$46.20
Carrying value of investments in Philippine Peso	₱5,987.60	₱2,492.40	₱968.54	₱1.87	₱12,865.62	₱434.94	₱909.69	₱2,543.98
CTA	-	-	-	(0.01)	(197.86)	-	-	14.37
Carrying value of investments in reporting currency	₱5,987.60	₱2,492.40	₱968.54	₱1.86	₱12,667.76	₱434.94	₱909.69	₱2,558.35



	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP	PHPP	US\$
Summarized Statements of Comprehensive Income:								
Revenue	₱3,178.18	₱2,439.14	₱616.11	₱1,310.37	\$398.42	₱953.98	₱1,106.40	\$34.87
Depreciation and amortization	365.26	365.26	143.1	282.98	43.788	0.31	296.46	16.54
Interest income	118.66	69.33	9.64	28.37	5.827	0.21	22.23	0.09
Interest expense	408.4	408.4	84.96	564.84	44.864	290.36	106.97	15.9
Income tax expense	145.69	145.68	1.81	45.28	90.298	73.61	26.8	0.17
Other cost and expense	420.16	355.66	776.67	59.34	73.75	153.07	312.97	10.27
Net income (loss)	1,720.01	1,094.81	(400.07)	329.56	139.89	436.42	340.97	(8.10)
Other comprehensive (loss) income	(2.18)	(2.18)	(0.11)	–	(2.78)	–	2.18	(1.44)
Total comprehensive income (loss) at functional currency	₱1,717.83	₱1,092.63	(₱400.18)	₱329.56	\$137.11	₱436.42	₱343.15	(\$9.54)
Group's share in total comprehensive income (loss) at functional currency	₱678.87	₱260.40	(₱200.09)	₱98.87	\$23.61	₱218.21	₱86.34	(\$4.90)
Total comprehensive income (loss) in Philippine Peso	₱1,717.83	₱1,092.63	(₱400.18)	₱0.78	₱7,630.86	₱–	₱343.15	(₱501.84)
Group's share in total comprehensive income (loss) in Philippine Peso	₱678.87	₱260.40	(₱200.09)	₱0.23	₱1,312.90	₱218.21	₱86.34	(₱276.87)



2022 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	Salak-Darajat	MGI
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Associate	Associate
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP
Dividends received	₱542.32	₱30.46	₱-	₱66.98	\$26.53	₱-
Summarized Statements of Comprehensive Income:						
Revenue	₱2,170.93	₱2,222.16	₱3,328.21	₱1,204.47	\$371.77	₱972.92
Depreciation and amortization	358.32	367.47	141.35	282.98	42.36	270.71
Interest income	31.21	22.60	0.19	18.78	1.93	12.75
Interest expense	273.26	272.51	17.93	331.09	0.40	149.99
Income tax expense	122.58	121.03	29.82	18.38	98.64	15.40
Other cost and expense	398.28	461.94	3,222.91	271.37	109.61	377.64
Net income (loss)	987.28	976.61	(83.99)	281.87	118.83	146.43
Other comprehensive income	-	-	-	-	0.29	-
Total comprehensive income (loss) at functional currency	₱987.28	₱976.61	(₱83.99)	₱281.87	\$119.12	₱146.43
Group's share in total comprehensive income (loss) at functional currency	₱556.39	₱51.39	(₱42.03)	₱83.95	\$23.91	₱38.32
Total comprehensive income (loss) in Philippine Peso	₱987.28	₱976.61	(₱83.99)	₱0.65	₱6,641.61	₱146.43
Group's share in total comprehensive income (loss) in Philippine Peso	₱556.39	₱51.39	(₱42.03)	₱0.19	₱1,306.48	₱38.32



7. Investments in Redeemable Preferred Shares and Convertible Loans

The Group's investments in redeemable preferred shares and convertible loans are shown below:

	2024	2023
<i>Redeemable preferred shares</i>		
AMI AC Renewables Corporation (AAR)	₱7,254,017	₱6,943,641
Impact Wind Investments Limited (Impact Wind)	2,734,487	1,419,454
BIM Wind Joint Stock Company (BIM Wind)	2,327,794	2,232,294
NEFIN Limited (NEFIN)	2,007,222	1,713,369
BIM Renewable Energy Joint Stock Company (BIMRE)	1,410,647	1,350,290
BIM Energy Joint Stock Company (BIME)	246,140	235,610
UPC-AC Energy Solar Limited (UPC-ACE Solar)	–	4,323,868
UPC Renewables Asia III Ltd. (UPC Asia III)	–	1,210,630
	15,980,307	19,429,156
<i>Subscription deposits</i>		
Beacon Capital Holdings Limited	–	1,356,565
UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)	–	110,740
	–	1,467,305
<i>Convertible loans</i>		
Vietnam Wind Energy Limited (Vietnam Wind)	2,112,850	2,113,578
Asian Wind Power 1 HK Ltd (Asian Wind 1)	940,803	900,549
Asian Wind Power 2 HK Ltd (Asian Wind 2)	907,414	868,589
	3,961,067	3,882,716
	19,941,374	24,779,177
Allowance for expected credit losses	2,112,850	3,145,378
Balance at end of year	₱17,828,524	₱21,633,799

Investments in redeemable preferred shares and subscription deposits

The rollforward analysis of this account follows:

	2024		
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	₱19,429,156	₱1,467,305	₱20,896,461
Additions	1,665,068	228,144	1,893,212
Redemption (Note 20)	(1,389,659)	–	(1,389,659)
Reclassification to:			
Financial asset at FVOCI	(3,861,101)	–	(3,861,101)
Investment in joint venture (Note 6)	–	(1,695,449)	(1,695,449)
Receivables	(12,147)	–	(12,147)
Cumulative translation adjustment	148,990	–	148,990
	15,980,307	–	15,980,307
Allowance for impairment	–	–	–
Balances at end of year	₱15,980,307	₱–	₱15,980,307



	2023		
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	₱17,357,156	₱432,867	₱17,790,023
Additions	2,433,046	1,467,305	3,900,351
Conversion	176,219	(176,222)	(3)
Redemption	(74,752)	(249,236)	(323,988)
Reclassification			
Financial asset at FVOCI	(353,340)	–	(353,340)
Investment in joint venture	(1,859)	–	(1,859)
Cumulative translation adjustment	(107,314)	(7,409)	(114,723)
	19,429,156	1,467,305	20,896,461
Allowance for impairment	878,429	–	878,429
Balances at end of year	₱18,550,727	₱1,467,305	₱20,018,032

Investments in redeemable preferred shares

a. AMI AC Renewables Corporation (AAR)

Redeemable Class A and Class B preference shares in AAR are entitled to dividends at a fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

AAR owns a combined 80 MW of solar farms in Khan Hoa and Dak Lak Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US\$125.40 million (₱7,254.02 million), and US\$125.40 million (₱6,943.64 million), respectively.

b. Impact Wind Investments Limited (Impact Wind)

In February 2023, the Group entered into a Party B Financing Bond Subscription Agreement with Mitsubishi Corporation, and Monsoon Wind B.V. to subscribe to Party B Financing to fund the construction of the 600MW Monsoon Wind Project (see Note 6). The financing has an aggregate total amount of US\$80.40 million of which US\$65.00 million is allocated to the Group. The Party B Financing has a fixed interest rate, payable until March 31, 2043.

In 2024 and 2023, total subscriptions amounted to US\$21.64 million (₱1,235.74 million) and US\$27.01 million (₱1,497.57 million) with redemption of US\$1.38 million (₱74.75 million), respectively.

As at December 31, 2024 and 2023, the carrying amount is US\$47.27 million (₱2,734.49 million), and US\$25.64 million (₱1,419.45 million), respectively.

c. BIM Wind Joint Stock Company (BIM Wind)

On December 21, 2021, the Group converted deposit for future equity in BIM Wind into 300,000 redeemable preference shares. The redeemable preference shares are non-voting shares entitled to dividends at a fixed, cumulative and compounding base rate annually. Shares are redeemable only



by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations.

BIM Wind owns and operates an 88 MW wind project in the Province Ninh Thuan, Vietnam. In 2023, the Group converted its subscription deposits to redeemable preferred shares for a total of \$3.14 million (₱176.22 million).

As at December 31, 2024 and 2023, the carrying amount is US\$40.24 million (₱2,327.79 million), and US\$40.32 million (₱2,232.29 million), respectively.

d. NEFIN Limited (NEFIN)

In 2022, the Group entered into a Shareholder's Agreement with NEFIN Limited to subscribe to the latter's Construction Equity Redeemable Preference Shares which are non-voting shares entitled to a fixed, cumulative compounding dividend annually and are not entitled to any additional dividends. The shares are redeemable only by cash at the issuer's option.

NEFIN installs utility-scale rooftop solar projects, commercial and industrial renewable energy systems.

In 2024, US\$3.50 million (₱202.46 million) was collected while US\$0.26 million (₱12.15 million) was reclassified to receivables.

For the year ended December 31, 2024 and 2023, total subscriptions amounted to US\$7.47 million (₱433.48 million) and US\$10.45 million (₱582.13 million), respectively.

As at December 31, 2024 and 2023, the carrying amount is US\$34.70 million (₱2,007.22 million), and US\$30.94 million (₱1,713.37 million), respectively.

e. BIM Renewable Energy Joint Stock Company (BIMRE)

On November 4, 2019, the Group converted deposit for future equity in BIMRE into 3,437,000 redeemable Class A preference shares and 3,437,000 redeemable Class B preference shares. The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of the operations of the project which is expected in 20 years from commercial operations. In 2020, the Group converted its subscription deposit to 928,093 Redeemable Class A and 928,093 Redeemable Class B shares.

BIMRE owns 300 MW of solar farms in Ninh Thuan Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US\$23.39 million (₱1,410.65 million), and US\$24.39 million (₱1,350.29 million), respectively.

f. BIM Energy Joint Stock Company (BIME)

On November 4, 2019, the Group also converted deposit for future equity in BIME into 343,700 redeemable Class A preference shares and 343,700 redeemable Class B preference shares. The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis but no earlier than the 13th year (for Class A) and



7th year (for Class B) from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

BIME owns 30 MW of solar farms in Ninh Thuan Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US\$4.26 million (₹246.14 million), and US\$4.26 million (₹235.61 million), respectively.

g. UPC-AC Energy Solar Limited (UPC-ACE Solar)

In 2021 and 2020, the Group entered into different Share Subscription Agreement with UPC-ACE Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations.

UPC-ACE Solar owns and operate the 50MW Paryapt Solar Plant located in Gujarat Province and 100MW Sitara Solar Plant located in Rajasthan Province in India. Both projects achieved commercial operations in April 2021 and May 2021, respectively. UPC-ACE Solar also owns Masaya Solar, a 420MW operating solar farm in the Central Indian state of Madhya Pradesh.

On March 31, 2023, the Group subscribed to redeemable Class B preference shares of UPC-ACE Solar amounting to US\$6.50 million (₹353.34 million) which was subsequently reclassified to financial assets at FVOCI. The unquoted equity investments represent investment in the India Projects that are engaged in wind power generation and operation.

In 2024, investment in UPC-ACE Solar's Redeemable Preference Share Class A (classified as investment in redeemable preferred shares and convertible loans) with a net carrying amount of US\$59.46 million (₹2,922.27 million) was reclassified to investments in financial assets at fair value through other comprehensive income (FVOCI) due to change in business model. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payable upon discretion of the board, and (c) no fixed redemption date. Prior to reclassification, the investment has an allowance for expected credit losses amounting to US\$16.54 million (₹938.83 million), of which US\$1.05 million (₹59.71 million) was recognized in the consolidated statement of income.

As at December 31, 2024, the fair value of the investments in UPC-ACE Solar's Redeemable Preference Share Class A and B using a discount rate of 10.9% was US\$59.99 million (₹3,469.88 million). Unrealized fair value loss on equity instruments at FVOCI for the year ended December 31, 2024 amounted to US\$43.04 million (₹1,864.41 million) was recognized in the statement of comprehensive income.

For the years ended December 31, 2024 and 2023, the Group provided ECL provision amounting to US\$1.05 million (₹59.71 million) and US\$15.47 million (₹878.43 million), respectively (see Note 18).

As at December 31, 2024 and 2023, the carrying amount is nil, and US\$62.23 million (₹3,445.44 million), respectively.



h. UPC Renewables Asia III Ltd. (UPC Asia III)

Redeemable Class A preference shares in UPC Asia III are non-voting shares and are redeemable at the holder's option within 30 days from the earlier of July 15, 2035 or the date as soon as funds are realized by UPC Asia III or its subsidiaries. The shares are entitled to dividends at fixed, cumulative and compounding rate annually, commencing from January 11, 2017.

UPC Asia III owns a 75 MW Wind Farm in South Sulawesi, Indonesia.

On June 29, 2024, the Group redeemed RPS Class A from UPC Asia III, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of date of the resolution. The redemption resulted to a gain of US\$25.92 million (₱1,520.55 million) (see Note 20).

As at December 31, 2024 and 2023, the carrying amount is nil, and US\$21.86 million (₱1,210.63 million), respectively.

Subscription Deposits

a. Beacon Capital Holdings Limited

On December 18, 2023, the Group entered into a Reservation Agreement with Beacon Capital Holdings Limited and Huntington Renewable Investments Limited, to acquire a 49% equity stake in BIM Energy Holdings, BIM Group's holding company for renewable projects in Vietnam. The transaction is subject to condition precedents, including regulatory approval in Vietnam. As part of the transaction, the Group provided a reservation deposit amounting to US\$24.50 million (₱1,356.57 million).

In November 2024, the reservation fee amounting to US\$24.50 million (₱1,356.57 million) was reclassified as part of Investment in BIM Energy Holding Corporation, an associate (see Note 6).

b. UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)

On December 13, 2023, the Group entered into an agreement with UPC Renewables Asia Pacific Holdings Pte Ltd, for the 49% acquisition of 3 late-stage development projects in Indonesia, with a combined potential capacity of 320MW. The projects are located in South Sulawesi, Sukabumi, and Lombok. As part of the transaction, the Group provided a subscription deposit amounting to \$2.00 million.

In 2024, total subscriptions amounted to US\$3.78 million (₱228.14 million).

In 2024, the subscription deposits to UPCAPH amounting to ₱338.88 million (US\$5.78 million) was reclassified as subscription to PT Lombok, PT Sidrap 2 and PT Sukabumi, accounted as associates and joint ventures (see Note 6).

As at December 31, 2024 and 2023, the carrying amount is nil and US\$2.00 million (₱110.74 million).



Convertible loans

The roll forward analysis of this account follows:

	2024	2023
Balance at beginning of year	₱3,882,716	₱4,755,293
Additions	–	1,807,639
Redemptions	–	(2,341,774)
Cumulative translation adjustment	78,351	(338,442)
	3,961,067	3,882,716
Allowance for impairment (Note 18)	2,112,850	2,266,949
Balance at end of year	₱1,848,217	₱1,615,767

a. Vietnam Wind Energy Limited (Vietnam Wind)

On April 17, 2020, the Group entered into an agreement with Vietnam Wind, to make available a convertible term loan facility in an aggregate amount of US\$38.00 million (₱1,841.67 million). The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preferred shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends, redeemable at the issuer's option. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years after the drawdown date.

As at December 31, 2024 and 2023, the outstanding loan amounted to US\$38.00 million (₱2,112.85 million and ₱2,113.58 million) for both years ended, and are fully impaired.

b. Asian Wind Power 1 HK Ltd (Asian Wind 1)

On April 12, 2019, AC Energy Vietnam Investments 2 Pte. Ltd. Entered into an agreement with Asian Wind 1 to make available a convertible term loan facility in aggregate principal amount not exceeding US\$26.00 million (₱1,260.09 million). The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 25 years after the drawdown date.

On September 29, 2023, Asian Wind 1 repaid the outstanding convertible loan facility amounting to US\$26.00 million (₱1,318.77 million).



On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 1 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US\$16.26 million (₱920.15 million), payable on July 31, 2040. The Group has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years from commissioning date.

As at December 31, 2024 and 2023, the outstanding loan US\$16.26 million (₱940.80 million) and US\$16.26 million (₱900.55 million), respectively.

c. Asian Wind Power 2 HK Ltd (Asian Wind 2)

On March 25, 2020, the Group entered into an agreement with Asian Wind 2, to make available a convertible term loan facility in an aggregate amount not exceeding US\$23,000,000. The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A redeemable preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 25 years after the drawdown date.

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 2 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US\$15.69 million (₱887.49 million), payable on October 31, 2041. The Group, from time to time, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years from commissioning date.

On September 29, 2023, Asian Wind 2 repaid the outstanding convertible loan facility amounting to US\$21.29 million (₱1,023.00 million).

As at December 31, 2024 and 2023, the outstanding loan US\$15.69 million (₱907.41 million) and US\$15.69 million (₱868.59 million), respectively.

Allowance for expected credit losses (ECL)

In determining the ECL, the Group has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.



For the years ended December 31, 2024 and 2023, the Group recognized allowance for impairment of US\$1.06 million (₱60.40 million) and US\$15.47 million (₱878.43 million), in redeemable preferred shares in UPC-ACE Solar, respectively (Note 18).

For the years ended December 31, 2024 and 2023, the Group recognized reversal of allowance for impairment loss of US\$2.77 million (₱154.10 million) and provision of US\$17.73 million (₱982.54 million) in convertible loan to Vietnam Wind, respectively (Note 18).

Investments in redeemable preferred shares and convertible loans bear interest ranging from 8.8% to 14.0% per annum and 8.0% to 14.0% per annum for the year ended December 31, 2024 and 2023, respectively.

Interest income

The Group earns interest income from its investments in redeemable preferred shares and convertible loans amounting to (Note 20):

	2024	2023	2022
<i>Redeemable preferred shares</i>			
AAR	₱933,952	₱907,287	₱842,187
UPV Solar	335,018	554,893	427,498
BIM Wind	367,901	383,421	510,227
UPC Asia III	68,276	256,680	231,016
BIMRE	197,764	180,476	175,757
NEFIN	179,273	128,350	33,724
Impact Wind	209,644	67,283	–
BIME	44,024	31,562	30,736
	2,335,852	2,509,952	2,251,145
<i>Convertible loans</i>			
Vietnam Wind	353,556	277,924	–
Asian Wind 1	116,916	178,097	206,486
Asian Wind 2	109,909	171,365	170,195
UPC-ACE Australia	–	–	847,085
	580,381	627,386	1,223,766
	₱2,916,233	₱3,137,338	₱3,474,911



8. Property, Plant and Equipment

The roll forward of this account follows:

	2024							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	₱1,884,063	₱775,693	₱21,470,430	₱241,464	₱3,621,833	₱324,648	₱68,765,540	₱97,083,671
Transfer from other noncurrent assets	1,568	283,793	625,416	75,053	58,295	98,951	36,680,279	37,823,355
Capitalization of borrowing cost	–	–	2,634,809	–	–	–	–	2,634,809
Transfer to advances for land acquisition	45,761	–	–	–	–	–	–	45,761
Transfer to advances to supplier	–	–	–	–	–	–	(1,868,438)	(1,868,438)
Reclassifications	(1,607)	1,656,029	35,084,050	5,720	5,022,477	16,736	(41,783,405)	–
Others	(500,761)	–	(4,963)	(13,132)	10,118	(773)	(243,802)	(753,313)
Cumulative translation adjustments	(635)	(32)	(2,072,182)	(1,704)	(3,714)	(2,229)	(814,202)	(2,894,698)
Balance at end of year	1,428,389	2,715,483	57,737,560	307,401	8,709,009	437,333	60,735,972	132,071,147
Accumulated depreciation								
Balance at beginning of year	52,799	172,707	6,629,493	84,785	535,855	178,953	–	7,654,592
Depreciation (Notes 17 and 18)	11,421	101,444	1,735,810	62,625	107,006	91,555	–	2,109,861
Others	–	–	(2,564)	(11,604)	–	(466)	–	(14,634)
Reclassification	–	–	266,708	–	(266,565)	(143)	–	–
Cumulative translation adjustments	–	(27)	(45,107)	131	12,206	(2,720)	–	(35,517)
Balance at end of year	64,220	274,124	8,584,340	135,937	388,502	267,179	–	9,714,302
Accumulated impairment loss								
Balance at beginning of year	–	–	81,071	–	–	–	419,757	500,828
Reclassification	–	–	310,567	–	–	–	(310,567)	–
Others (Note 18)	–	–	185	–	–	–	3,372	3,557
Balance at end of year	–	–	391,823	–	–	–	112,562	504,385
Net Book Value	₱1,364,169	₱2,441,359	₱48,761,397	₱171,464	₱8,320,507	₱170,154	₱60,623,410	₱121,852,460



	2023							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	₱1,630,642	₱746,608	₱21,225,288	₱171,700	₱1,581,570	₱200,112	₱39,903,473	₱65,459,393
Additions	269,189	29,085	339,128	84,962	88,100	115,213	25,255,883	26,181,560
Capitalization of borrowing cost	–	–	1,852,968	–	–	–	–	1,852,968
Transfer to/from other noncurrent assets	(15,682)	–	506	–	–	–	3,016,519	3,001,343
Transfer from advances to contractors	–	–	–	–	–	–	500,669	500,669
Others	–	–	9,737	(23,667)	–	9,705	12,892	8,667
Reclassification	–	–	(1,956,535)	8,482	1,956,025	(378)	(7,594)	–
Cumulative translation adjustments	(86)	–	(662)	(13)	(3,862)	(4)	83,698	79,071
Balance at end of year	1,884,063	775,693	21,470,430	241,464	3,621,833	324,648	68,765,540	97,083,671
Accumulated depreciation								
Balance at beginning of year	41,588	107,284	5,856,960	48,433	401,776	108,865	–	6,564,906
Depreciation (Notes 17 and 18)	11,211	65,423	838,702	47,020	72,659	70,623	–	1,105,638
Others	–	–	(66,614)	(9,925)	61,420	(759)	–	(15,878)
Cumulative translation adjustments	–	–	445	(743)	–	224	–	(74)
Balance at end of year	52,799	172,707	6,629,493	84,785	535,855	178,953	–	7,654,592
Accumulated impairment loss								
Balance at beginning of year	–	–	81,071	–	–	–	415,188	496,259
Provision for impairment loss (Note 18)	–	–	–	–	–	–	4,569	4,569
Balance at end of year	–	–	81,071	–	–	–	419,757	500,828
Net Book Value	₱1,831,264	₱602,986	₱14,759,866	₱156,679	₱3,085,978	₱145,695	₱68,345,783	₱88,928,251



The Group invested significant capital expenditures to the following projects amounting to ₱34,885.90 million and ₱28,034.53 million for the years ended December 31, 2024 and December 31, 2023, respectively.

Development costs amounting to ₱5,305.76 million (US\$90.53 million) of New England Solar Farm 1 was reclassified as property, plant and equipment upon the project's commercial date of operations on May 1, 2024.

Project	Capacity (MW)	Location	% Completion	
			2024	2023
Pagudpud Wind	160	Ilocos Norte, Philippines	100%	98%*
San Marcelino Solar (Phase 1 and 2)	385	Zambales, Philippines	100%	98%*
San Marcelino Solar (Phase 3)	200	Zambales, Philippines	5%	<1%
Cagayan North Solar (Phase 1)	133	Lal-lo Cagayan, Philippines	100%*	98%*
Palauig 2 Solar	300	Zambales, Philippines	84%**	31%
Pangasinan Solar	60	Pangasinan, Philippines	99.5%	60%
New England Solar Farm 1	521	Uralla, New South Wales, Australia	100%	98%*
New England BESS	200	Uralla, New South Wales, Australia	8%	--
Stubbo Solar	520	Central Western Tablelands, New South Wales, Australia	91%	23%

*Projects that are currently under testing and commissioning as of December 31, 2024 and 2023.

**Excluding transmission line with % completion of 55% as of December 31, 2024

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC to AREIT shares in exchange for a 276-hectare parcel of land located in Zambales, Philippines. Total cost of the land disposed during the transaction amounted to ₱500.76 million (see Note 20).

Unpaid Property, Plant and Equipment

As at December 31, 2024 and 2023, unpaid property, plant and equipment acquisitions amounted to ₱1,006.93 million and ₱378.11 million, respectively (see Note 28).

Borrowing Cost Capitalized

Borrowing cost capitalized to property, plant, and equipment amounted to ₱2,634.81 million and ₱1,852.97 million for the years ended December 31, 2024 and 2023, respectively (see Note 19). The capitalization rate used to determine the borrowing cost eligible for capitalization is 6.28% and 5.38% in 2024 and 2023, respectively.

Mortgaged Property, Plant and Equipment

NorthWind's Land, Wind Turbine Generator, Building and Machinery with carrying value of ₱1,686.80 million and ₱1,853.11 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for a long-term loan (see Note 13).

Guimaras Wind's wind farm with carrying value of ₱3,274.29 million and ₱3,374.16 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).

MONTESOL's solar power plant with a carrying value of ₱803.50 million and ₱849.97 million as at December 31, 2024 and 2023, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).



SACASOL’s solar power plant with a carrying value of ₱2,346.19 million and ₱2,494.44 million as at December 31, 2024 and 2023, respectively, included under “Buildings and Improvements” and “Machinery and Equipment” account is mortgaged as security for the long-term loan (see Note 13).

Contractual Commitments

The Group has commitments for property, plant and equipment, which are contracted for but not provided for in the consolidated financial statements amounting to ₱76,755.59 million and ₱45,096.84 million as at December 31, 2024 and 2023, respectively.

Depreciation

Total depreciation charged to operations amounted to ₱1,751.38 million, ₱934.09 million and ₱1,668.05 million in 2024, 2023 and 2022, respectively. The amount charged to “General and administrative expenses” account amounted to ₱358.48 million, ₱171.54 million and ₱170.78 million in 2024, 2023 and 2022, respectively (see Notes 17 and 18).

Others

The Group has no significant property, plant and equipment which are temporarily idle as at December 31, 2024 and 2023.

The Group’s fully depreciated property, plant and equipment which are still in use as at December 31, 2024 and 2023 amounted to ₱2,324.56 million and ₱2,058.59 million, respectively.

9. Right-of-Use Assets and Lease Liabilities

The roll forward of these accounts follows:

	2024						
	Right-of-Use Assets				Lease Liabilities		
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Lease Vehicle	Total	Lease Liabilities
As at January 1, 2024	₱997,494	₱2,768,970	₱1,127,076	₱3,320,164	₱-	₱8,213,704	₱8,356,801
New lease agreements (Note 20)	547,629	-	108,676	-	41,270	697,575	6,507,081
Acquired through business combination (Note 24)	-	-	-	102	-	102	-
Remeasurements	(5,223)	(62,109)	345,831	(48,174)	-	230,325	(112,127)
Amortization expense (Notes 17 and 18)	(10,704)	(77,262)	ar(190,138)	(42,834)	(1,891)	(322,829)	-
Capitalized interest (amortization)	(66,613)	(30,422)	(157,224)	(1,779)	(3,367)	(259,405)	454,790
Disposal	-	-	(10,732)	-	-	(10,732)	(9,550)
Reclassifications	-	-	29,709	(29,709)	-	-	-
Interest expense (Note 19)	-	-	-	-	-	-	344,663
Payments	-	-	-	-	-	-	(881,200)
Foreign exchange adjustments	-	-	(93,784)	-	-	(93,784)	(162,016)
As at December 31, 2024	1,462,583	2,599,177	1,159,414	3,197,770	36,012	8,454,956	14,498,442
Less current portion	-	-	-	-	-	-	1,889,401
Noncurrent portion	₱1,462,583	₱2,599,177	₱1,159,414	₱3,197,770	₱36,012	₱8,454,956	₱12,609,041



	2023					
	Right-of-Use Assets					
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Total	Lease Liabilities
As at January 1, 2023	₱159,478	₱1,966,849	₱921,258	₱679,062	₱3,726,647	₱4,465,021
New lease agreements	856,214	535,823	381,739	2,357,117	4,130,893	3,913,668
Remeasurement	19	376,324	(4,685)	337,924	709,582	384,807
Amortization expense (Notes 17 and 18)	(11,150)	(101,735)	(143,415)	(51,684)	(307,984)	–
Capitalized interest (amortization)	(17,640)	(8,291)	(27,446)	(66,521)	(119,898)	208,695
Reclassifications	10,573	–	–	(10,573)	–	–
Interest expense (Note 19)	–	–	–	–	–	250,092
Payments	–	–	–	–	–	(773,325)
Foreign exchange adjustments	–	–	(375)	74,839	74,464	(92,157)
As at December 31, 2023	997,494	2,768,970	1,127,076	3,320,164	8,213,704	8,356,801
Less current portion	–	–	–	–	–	850,953
Noncurrent portion	₱997,494	₱2,768,970	₱1,127,076	₱3,320,164	₱8,213,704	₱7,505,848

There was no indicator of impairment identified on the right-of-use asset of the Group as at December 31, 2024 and 2023.

Lease Commitments

Lease with Laguna Lake Development Authority (LLDA)

On August 8, 2023, the Group signed a Renewable Energy Contract Area Utilization (RECAU) agreement with Laguna Lake Development Authority (LLDA) to lease 800 hectares of Renewable Energy Areas (REAs) in Laguna, Philippines for a floating solar project with 800 MW capacity.

The term of the lease shall be 25 years commencing from the signing of the contract and may be renewed for a maximum of 25 years subject to terms and conditions as mutually agreed by the Lessor and the Group. Upon signing of the contract, the Group was required to pay an initial bid fee, to be settled based on the scheduled payment tranches until 2025. Upon payment of the initial bid fee, the Group was given the exclusive right to use the lake to build, construct projects for renewable energy within the area. Upon commercial operation, the Lessee is also required to pay an annual user's fixed fee until the expiration of the lease agreement, subject to compounded increase of 2% per year.

New England Solar Farm Stage 2

Between February and November 2023, the Group entered into several lease agreements totalling 2,331 acres of land located in Uralla, New South Wales as site for the construction and operation of the proposed 416MW solar power plant project.

The term of the leases is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 20 years. It is a requirement that the Group returns the leased area to the landholder in substantially the same condition it was in at the Commencement date.

Stubbo Solar

Between February and August 2023, the Group entered into several lease agreements totalling 4,077 acres of land located in Stubbo, New South Wales as the site for the construction and operation of the proposed 520MW solar power plant project.



The term of the lease is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to an annual adjustment of CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 20 years. It is a requirement that the Group returns the leased area to the landholder in substantially the same condition it was in at the Commencement date.

San Carlos Solar 1A and 1B

On March 7, 2014, the Group entered into a lease agreement with a third party for the lease of 35 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as site for the construction and operations of the Phase 1A and Phase 1B solar power plant projects. Upon execution of the agreement, the Group holds the land area delineated for Phase 1A for a period of 25 years. The area delineated for Phase 1B is held for the remaining term of the agreement upon the receipt of notice by the Group.

On June 18, 2020, the Group had its lease modified with the lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period, respectively. The lease modification did not result in a separate lease.

San Carlos 1C and 1D

On October 21, 2014, the Group entered into a lease agreement with a third party for the lease of 32.4214 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as the site for the construction and operations of Phases 1C and 1D solar power plant projects. Upon execution of the agreement, SACASOL holds the land area for a period of 25 years.

On June 18, 2020, the Group had its lease modified with lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period. The lease modification did not result in a separate lease.

La Carlota 2A and 2B

On June 5, 2014, the Group entered into a lease agreement for the lease of 24.4258 hectares of land located at La Carlota City, Negros Occidental as the site for the construction and operations of Phases 2A and 2B solar power plant projects of the Group. The Group holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the lessor by the lessee not earlier than one (1) year but not later than six (6) months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties three (3) months before the expiration of the original period of lease.

On May 6, 2015, the Group entered into another lease agreement for the lease of approximately 180,331.76 sq.m. of land located at La Carlota City, Negros Occidental. The Group holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the Lessor by the lessee not earlier than 1 year but not later than 6 months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties 3 months before the expiration of the original period of lease.

Alaminos Solar Plant

On September 30, 2019, the Group entered into a lease agreement with a related party Ayala Land, Inc., Crimson Field Enterprises Inc., and Red Creek Properties Inc., for 106.59 hectares of land located in Barangay San Andres, Alaminos, Laguna as the site for the construction and operation of a solar power facility.



The term of the lease is for a period of 21 years, with a fixed monthly rental payment of per square meter, exclusive of VAT. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and the rate of increase of real property tax where the property is located. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 21 years.

Bataan BESS

On April 22, 2020, the Group entered into a lease agreement with a third party for 13.95 hectares of land located in Batangas II, Mariveles, Bataan. The property is used to develop, operate and maintain a 5MW RE Laboratory facility. The term of the sublease is for a period of 25 years, with a fixed monthly rental payment per square meter, exclusive of VAT. The period of lease may be extended, under the same terms and conditions at the sole discretion of the Group for up to another 25 years.

Palauig 2 Solar

On September 26, 2024, the Group executed a lease contract over the property of the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and lessee under such terms and conditions as may acceptable to them. The initial rent is based on a fixed rate per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payment commencing from July 1, 2025 shall be done in advance on a quarterly basis. This lease is part of the sale and leaseback transaction of the Group and its affiliate, AREIT, Inc. (see Note 20).

There was no indicator of impairment identified on the right-of-use asset of the Group as at December 31, 2024 and 2023.

10. Goodwill and Other Intangible Assets

The rollforward of this account follows:

	2024				Total
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	
Cost:					
Balance at beginning of year	₱21,164,218	₱140,411	₱185,347	₱2,387,064	₱23,877,040
Acquired from business combination (Note 24)	1,375,051	-	-	-	1,375,051
Additions	-	-	-	298,342	298,342
Cumulative translation adjustment	919,831	-	-	-	919,831
Balance at end of year	23,459,100	140,411	185,347	2,685,406	26,470,264
Accumulated amortization:					
Balance at beginning of year	-	-	56,997	568,614	625,611
Amortization (Notes 17 and 18)	-	-	8,287	151,300	159,587
Balance at end of year	-	-	65,284	719,914	785,198
Allowance for impairment:					
Balance at beginning and end of year	-	86,061	-	-	86,061
Net book value	₱23,459,100	₱54,350	₱120,063	₱1,965,492	₱25,599,005



	2023				Total
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	
Cost:					
Balance at beginning of year	₱21,190,542	₱143,212	₱185,347	₱2,301,466	₱23,820,567
Acquired from business combination (Note 24)	218,201	–	–	–	218,201
Additions	–	55	–	85,598	85,653
Recoveries from consortium partner	–	(2,856)	–	–	(2,856)
Cumulative translation adjustment	(244,525)	–	–	–	(244,525)
Balance at end of year	21,164,218	140,411	185,347	2,387,064	23,877,040
Accumulated amortization:					
Balance at beginning of year	₱–	₱–	₱48,877	₱416,886	₱465,763
Amortization (Notes 17 and 18)	–	–	8,120	151,728	159,848
Balance at end of year	–	–	56,997	568,614	625,611
Allowance for impairment:					
Balance at beginning and end of year	–	86,061	–	–	86,061
Net book value	₱21,164,218	₱54,350	₱128,350	₱1,818,450	₱23,165,368

Goodwill

In 2024, additions to goodwill came from the acquisition of a controlling interest in Real Wind Energy, Inc. (see Note 24).

In 2023, additions to goodwill came from the acquisition of a controlling interest in YMP Telecom Power, Inc. (see Note 24).

The considerations paid for these combinations effectively included amounts in relation to the benefits of expected synergies and future market growth. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Impairment Testing of Goodwill

The Group performs its impairment test annually and when circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the related cash-generating unit (CGU). The value in use calculation requires the Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

The CGU of the Group are comprised of:

- Philippines
 - a. Operating plants – ISLASOL and One Subic Power
 - b. Development – Sinocalan, YMP Telecom Power, Inc.
 - c. Pre-Development – Real Wind Energy, Inc. and various UPC Philippines entities namely
 - i. Buduan Wind Energy Co., Inc.
 - ii. Caraballo Mountains UPC Asia Corporation,
 - iii. Pangasinan UPC Asia Corporation,
 - iv. Sapat Highlands Wind Corporation,
 - v. UPC Mindanao Wind Power Corp.,
 - vi. Itbayat Island UPC Asia Corporation,
 - vii. Laguna Central Renewables, Inc.,
 - viii. Laguna West Renewables, Inc.,
 - ix. Suyo UPC Asia Corporation, and
 - x. SolarAce 4 Energy Corp. ("SolarAce 4")



- International – ACEN Australia

The goodwill arising from the acquisitions in Sinocalan, YMP, UPC-ACE Australia and UPC Philippines are from the established capabilities of its assembled workforce which include:

- Pre-development and development - involving site acquisition, permitting and studies to get the project to a shovel ready state;
- Construction - including sourcing of investors as well as managing the construction of power plants; and
- Operations - covering management of power plants in lieu of hiring third party operators and management

Further, the above acquisition included projects in its pipeline with a view of development projects (new and from the pipeline) for the Group. Through this acquisition, the Group is able to have the capability to develop projects end-to-end from permits and feasibility studies, all the way to construction and operations.

Currently, the assembled workforce oversees the pre-development and development of several potential sites for its projects within the Philippines and Australia.

Key assumptions used in the value-in-use calculations

The recoverable amount is based on the value in use calculations using cash flow projections from the financial budget approved by ACEN management covering the period the CGU is expected to be operational. Based on management assessment, there is no impairment loss to be recognized on goodwill as of December 31, 2024 and 2023 despite reduction in forecasted tariff prices for contracted and merchant renewable power plant. The pre-tax discount rate used is the weighted average cost of capital of comparable entities. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

- Philippines
 - Operating plants
 - Forecasted revenue growth (2024: 4%-24%;2023: 2%-10%)
 - EBITDA margin (2024: 13%-43%;2023: 2%-10%)
 - Discount rate (2024: 10.17%;2023: 10.08%)
 - Development
 - Forecasted revenue growth (2024: 1%-3%; 2023: 2%-10%)
 - EBITDA margin (2024: 69%-71%; 2023: 2%-10%)
 - Discount rate (2024: 10.17%; 2023: 8.48%)
- International – UPC-ACE Australia
 - Forecasted revenue growth (2024: 2%-7%; 2023: 2%-10%)
 - EBITDA margin (2024: 63%-82%; 2023: 63%-82%)
 - Discount rates (2024: 7.59%- 9.06%; 2023: 7.18%-8.32%)

The pre-tax discount rates used in the updated analysis range from 10.17% - 14.52% for Philippines and 7.59% - 8.52% for International which is based on weighted average cost of capital of comparable entities. The growth rate ranges from (2.24%) - 9.97%. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.



- Forecasted revenue growth - Revenue forecasts are management's best estimates considering factors such as historical/industry trends, tariffs, target market analysis, government regulations and other economic factors.

EBITDA margin - This is a measure of a firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation and changes in net working capital and maintenance capital expenditures in arriving at the free cash flow.

- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognized on goodwill as at December 31, 2024 and 2023.

Other Intangible Assets

Intangible assets amounting to ₱2,191.81 million arising from an identifiable Feed-in-Tariff (FIT) contract with remaining life of 13 years was recognized from the acquisition of SACASOL in 2020. This is amortized over a straight-line basis over its remaining life from 2020. The carrying amount as at December 31, 2024 and 2023 amounted to ₱1,471.90 million and ₱1,623.20 million, respectively.

11. Other Assets

Other current assets

This account consists of:

	2024	2023
Prepaid expenses	₱722,209	₱340,170
Advances to suppliers and contractors	369,283	262,358
Derivative asset	157,662	177,828
Short-term investments	161,966	-
Other current assets	108	2,703
	1,411,228	783,059
Less allowance for impairment loss (Note 18)	34,307	32,566
	₱1,376,921	₱750,493

Short-term investments include time deposit that have maturity of more than 90 days as at year ended.



Other noncurrent assets

This account consists of:

	2024	2023
Derivative assets (Notes 14 and 24)	₱4,394,107	₱6,269,689
Advances to suppliers and contractors	5,651,193	1,649,900
Advances for land acquisition	2,015,292	1,247,725
Development costs	646,410	3,649,457
Others	343,737	321,480
	₱13,050,739	₱13,138,251

Derivative assets include the 20-year Long Term Energy Supply Agreements (LTESA) secured by ACEN Australia for its solar projects at the New South Wales (NSW) Government's first renewable energy and storage auction. LTESAs for ACEN Australia's 720 MW New England Solar Project (NESF 1 and NESF 2) and 400 MW Stubbo Solar Project (Stubbo) were secured through the NSW Consumer Trustee's inaugural tender for renewable generation and long duration storage.

LTESA gives the generator the right, but not the obligation, to enter into a strip of two-year electricity swap contracts from July 1, 2026 to June 30, 2047 (referred to as “Swaptions”). If a Swaption is exercised the swap would settle based on the difference between the LTESA fixed price (subject to annual CPI escalation) and the Australia’s National Electricity Market (NEM) spot rate for each MWh of energy produced. The generator receives spot from Australian Energy Market Operator (AEMO), then pays spot to the Scheme Financial Vehicle (SFV) and receives fixed from SFV.

The LTESA contract comprises of a series of ten consecutive swaptions that would deliver a two-year swap if exercised. Each swaption must be exercised in the period of 6-12 months ahead of the swap effective date. If none of the swaptions are exercised then no cash is exchanged between the SFV and the generator over the life of the arrangement, and the claw back mechanism will come into effect. If SFV has been the net payer under the LTESA; and dispatch weighted average price is above its repayment threshold price per contract, then NESF or Stubbo must pay SFV the repayment amount. The repayment money is capped at the amount previously received by NESF or Stubbo during the swaption.

Maturity date of LTESA for NESF and Stubbo is on June 30, 2046 and June 30, 2047, respectively.

Advances to suppliers consist of advance payments for construction costs which will be capitalized to property, plant and equipment once fully rendered by the suppliers.

Advances for land acquisition pertain to partial payments to landowners and service providers related to the acquisition of various property for future renewable projects.

Development costs include expenditures related to the development phase of renewable power plant projects. These include direct expenses that will be reclassified as part of property, plant and equipment upon achievement of certain milestones (e.g. start of construction). These costs are not depreciated or amortized until such time as the relevant assets are completed and available for use. Development cost amounting to ₱5,305.76 million (US\$90.53 million) relating to New England Solar Farm 1 was reclassified to property, plant, and equipment upon commercial operations on May 1, 2024.



12. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Accrued expenses	₱3,433,122	₱2,782,479
Nontrade payables	2,886,668	4,285,756
Trade payables	2,451,894	3,095,742
Due to related parties (Note 22)	2,469,137	3,195,376
Accrued interest expenses	1,527,809	853,578
Output VAT - net	828,215	1,294,739
Retention payable	454,413	388,404
Accrued director's and annual incentives	213,112	191,792
Derivative liability	40,308	10,563
Others	104,128	46,957
	₱14,408,806	₱16,145,386

Nontrade payables consist of obligations to third party vendors arising from transactions other than in the regular course of business and are noninterest bearing which are normally settled within the next year. The account also includes those owed to employees, and refundable deposits.

Accrued expenses include billings not yet received from suppliers for construction costs. These are accrual of project costs such as equipment charges, materials, labor, overhead and provision for repair and maintenance. Accrued expenses include construction costs, insurance, sick and vacation leave accruals, and accruals for incentive pay and operating expense such as security fees, plant repairs and maintenance.

Accounts payable and accrued expenses are noninterest-bearing and are normally settled on thirty (30) to sixty (60)-day terms. Other current liabilities are non-interest bearing and are normally settled within one year.

Trade payables pertain to payables to contractors and suppliers for the services rendered and materials used for operations of the power plants.

Output VAT represents VAT recognized as at year-end based on sales of electricity billed to third parties and are normally settled within one month.

13. Short-term Loans, Long-term Loans, and Notes Payable

Short-term Loans

This account consists of:

	2024	2023
As at beginning of year	₱1,500,000	₱2,900,000
Availments	25,600,000	9,000,000
Payments	(17,300,000)	(10,400,000)
Refinance to long-term loans	(4,200,000)	—
As at end of year	₱5,600,000	₱1,500,000



Interest rates of short-term loans from local banks ranges from 5.40% to 6.38% and 5.52% to 6.50% in 2024 and 2023, respectively.

Total interest expense recognized on short-term loans for the years ended December 31, 2024, 2023 and 2022 amounted to ₱231.54 million, ₱174.58 million and ₱179.92 million, respectively (see Note 19).

Cross-currency swap

On October 13, 2023, ACEN signed a ₱5,000.00 million term loan agreement with a local bank. An amendment was made on August 5, 2024 to allow for the facility to be drawn in US Dollars, Sterling and Euros. Further, a second amendment was made on October 28, 2024 to extend the availability period of the loan to the earliest of i) March 31, 2025, ii) date the commitment is fully drawn, or iii) date the commitment is terminated.

On August 1, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of August 6, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱3,200.00 million at a fixed PHP interest rate.

On August 6, 2024, ACEN drew an equivalent of ₱3,200.00 million with USD notional value of US\$54.86 million. Maturity date is on July 24, 2029. This was used to refinance the 3,200.00 million short-term loan that matured on August 6, 2024.

On December 16, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of December 18, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱1,000.00 million at a fixed PHP interest rate.

On December 18, 2024, the Parent Company drew an equivalent of ₱1,000.00 million with USD notional value of US\$17.05 million. Maturity date is on April 24, 2030. This was used to refinance the ₱1,000.00 million short-term loan that matured on December 18, 2024.



Long-term Loans

This account consists of:

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
ACEN								
₱1,500.00 million Loan A	₱1,175.00 million	January 11, 2017	July 11, 2029	6.50% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	₱515,827	₱611,313
₱5,000.00 million Loan B	₱5,000.00 million	November 15, 2019	November 14, 2029	5.0505% to 7.1314% per annum Fixed at 5.0505% for the first 5 years; repricing on the succeeding five (5) years based on the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,736,842	4,789,473
₱7,000.00 million Loan C	₱500.00 million ₱1,000.00 million ₱1,000.00 million	July 15, 2020 August 24, 2020 June 10, 2022	July 15, 2030 July 15, 2030 July 15, 2030	5.00% per annum 5.00% per annum 5.066% to 6.9273% per annum Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	6,823,000	₱6,907,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	₱2,000.00 million	November 15, 2022	July 15, 2030	7.1720% per annum: repricing on the 3rd and 6th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
	₱2,500.00 million	January 13, 2023	July 15, 2030	6.4580% to 6.9273% per annum Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
₱4,500.00 million Loan D	₱805.00 million ₱2,000.00 million ₱1,695.00 million	March 30, 2021 February 28, 2022 April 11, 2022	March 30, 2031 March 30, 2031 March 30, 2031	7.00% - 7.25% per annum Floating interest rate repriced on every succeeding semi-annual period.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,432,500	₱4,477,500
₱10,000.00 million Loan E	₱3,000.00 million ₱3,000.00 million	December 13, 2022 January 27, 2023	December 13, 2032 December 13, 2032	6.2481% - 6.9698% per annum 6.5826% - 6.9698% per annum Floating interest rate repriced on every succeeding semi-annual period.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	6,000,000	6,000,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
₱10,000.00 million Loan F	₱250.00 million	August 17, 2023	August 17, 2033	7.0891% per annum for the first 2 years; repricing for the 2 nd , 4 th , 6 th , and 8 th anniversaries is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	244,750	250,000
₱5,000.00 million Loan G	₱500.00 million	October 24, 2023	October 24, 2033	6.000 – 6.6102% per annum Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown.	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,670,797	₱500,000
	₱3,200.00 million (\$54.86 million)	August 6, 2024	July 24, 2029	5.1280% per annum	Principal and interest payable quarterly			
	₱1,000.00 million (\$17.04 million)	December 18, 2024	April 30, 2030	5.3310% per annum	Principal and interest payable quarterly			
₱20,000.00 million Loan H	₱500.00 million	December 22, 2023	December 22, 2033	6.3859% - 6.5947% per annum	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	2,500,000	500,000
	₱500.00 million	September 11, 2024	December 22, 2033	6.3859% - 6.5947% per annum				
	₱1,500.00 million	December 18, 2024	December 22, 2033	6.5295% - 6.5947% per annum				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				Floating repriced every succeeding quarterly period. Option to convert floating interest to fixed up to 12 months from initial drawdown already expired. On 5 December 2024, there is a one-time option to convert floating interest to fixed, or vice versa, subject to at least one (1) banking day prior written notice.				
₱5,500.00 million Loan I	₱509.09 million ₱2,290.91 million	October 24, 2024 October 24, 2024	October 24, 2034 October 24, 2034	6.0733% per annum 6.7233% per annum Repricing on the 5 th anniversary of financial close. Optional second and final repricing on the 7 th or 8 th anniversaries of the financial close is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	2,800,000	–
₱5,500.00 million Loan J	₱2,800.00 million	October 24, 2024	October 24, 2034	5.8900% per annum Repricing on the 5 th anniversary of financial close. Optional second and final repricing on the 7 th or 8 th anniversaries of the financial close is an agreed base rate, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	2,800,000	–



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
NorthWind								
₱2,300.00 million Loan	₱2,300.00 million	May 29, 2020	May 29, 2032	Fixed at a rate of 5.1250% for ten (10) years to be repriced after the 10 th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus an agreed spread	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Based on the stand-alone balances of the borrower. Tested semi-annually	1,607,010	1,777,670
Guimaras Wind								
₱4,300.00 million Loan	₱4,300.00 million	February 14, 2014	February 14, 2029	6.8421%-8.1665% fixed rate	Principal and interest payable semi-annually	Minimum DSCR of 1.2x, a maximum Debt to equity ratio of 70:30. Based on the stand-alone balances of the borrower. Tested semi-annually	820,392	987,746
Monte Solar Energy, Inc. ("MONTESOL")								
₱600.00 million Loan	₱600.00 million	September 20, 2023	September 20, 2035	Fixed at a rate of 7.1542% for two (2) years to be repriced one business day prior to the 2 nd and 7 th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus an agreed spread, divided by the Interest Premium Factor, or (b) five hundred seventy-five basis points (5.50%), divided by the Interest Premium Factor, whichever is higher	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Distribution DSCR of 1.2 times. Based on the standalone balances of the Borrower. Tested semi-annually	549,996	₱600,000
San Carlos Solar Energy Inc. ("SACASOL")								
₱1,400.00 million Loan	₱1,400.00 million Loan	May 22, 2024	May 22, 2034	Floating at a rate of 6.8182 – 7.3232% for three (3) months to be repriced one banking	Principal and interest payable quarterly	<ul style="list-style-type: none"> On each calculation date, maintain a Debt Service Coverage Ratio of at least 1.10x 	1,330,000	–



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher		<ul style="list-style-type: none"> From initial borrowing date, maintain a Net Debt to Equity Ratio of a maximum of 70:30 From initial borrowing date, maintain a Dividend DSCR of at least 1.20x, based on standalone balances of the borrower. <p>Tested semi-annually</p>		
ACEN International, Inc. (ACEN International)								
₱7,000.00 million Loan	₱198.00 million ₱285.00 million ₱164.47 million ₱1,209.00 million ₱22.00 million ₱187.80 million	January 22, 2024 February 16, 2024 April 24, 2024 June 21, 2024 July 19, 2024 September 17, 2024	January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031	6.6082%-7.4635% per annum; repricing for the 36th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN International consolidated balances. Tested semi-annually	4,166,274	–



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	₱2,100.00 million	November 06, 2024	January 31, 2031					
ACEN Renewables International Pte. Ltd (ACRI)								
AU\$75.00 million	AU\$12.00 million AU\$34.00 million AU\$21.50 million AU\$7.50 million	April 17, 2024 June 18, 2024 September 16, 2024 November 11, 2024	December 7, 2028 December 7, 2028 December 7, 2028 December 7, 2028	5.82%-5.92% per annum	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net DE Ratio of 3.00:1.00. Based on ACRI consolidated Net debt and Total Equity expressed in Singaporean Dollars. Tested quarterly together with the financial statements.	2,684,638	–
US\$150.00 million	US\$25.00 million US\$10.00 million AU\$6.00 million (US\$3.94 million)	September 16, 2024 October 15, 2024 November 18, 2024	April 15, 2029 April 15, 2029 April 15, 2029	Floating at rate of 6.53% per annum; with Interest Rate Swap (“IRS”) fixed at 5.00% (weighted average of multiple IRS placements) until maturity	Interest is payable quarterly from date of availment; Principal amortization is payable every 6 months after the grace period.	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested semi-annually together with the financial statements.	2,239,346	–
US\$100.00 million	US\$20.00 million	September 23, 2024	December 07, 2028	Floating at rate of 6.49% per annum; with Interest Rate Swap (“IRS”) fixed at 5.04% until maturity	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested quarterly together with the financial statements.	1,156,900	
US\$150.00 million	US\$5.00 million	October 4, 2024	July 4, 2029	Floating at rate 6.23% per annum.	Interest is payable quarterly from date of availment;	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity.	289,225	–



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
					Principal amortization is payable in 2028 and 2029 after the grace period.	Tested semi-annually together with financial statements		
ACEN Cayman Limited								
\$140.00 million Loan	\$140.00 million	January 23, 2024	January 23, 2027	5.3980% per annum	Principal payable on maturity date; interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	8,098,300	–
\$180.00 million Loan	\$180.00 million	January 19, 2024	January 19, 2029	5.3060% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	10,307,979	–
ACEN Australia Pty Ltd. (“ACEN Australia”)								
AU\$277.00 million Loan	AU\$2.64 million AU\$70.00 million AU\$0.86 million AU\$10.00 million AU\$20.00 million AU\$30.00 million	January 11, 2023 February 3, 2023 May 3, 2023 June 20, 2023 October 26, 2023 December 20, 2023	January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028	5.0350%-6.3025% per annum	Principal Repayment on Termination Date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	9,915,264	4,950,760



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$23.00 million	March 20, 2024	January 6, 2028					
	AU\$29.50 million	June 20, 2024	January 6, 2028					
	AU\$10 million	July 15, 2024	January 6, 2028					
	AU\$13 million	September 30, 2024	January 6, 2028					
	AU\$7.75 million	September 16, 2024	January 6, 2028					
	AU\$0.7 million	September 16, 2024	January 6, 2028					
	AU\$2.68 million	September 16, 2024	January 6, 2028					
	AU\$16.13 million	October 17, 2024	January 6, 2028					
	AU\$16.40 million	November 18, 2024	January 6, 2028					
	AU\$20.83 million	December 18, 2024	January 6, 2028					
	AU\$3.52 million	December 19, 2024	January 6, 2028					
AU\$204.54 million Loan	AU\$157.78 million	February 11, 2021	December 22, 2025	2.903% per annum	Principal Repayment based on agreed schedule. Interest	Default DSCR Ratio of 1.15x, 12 months backward and forward looking. Secured by Property	6,481,930	7,560,254



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$6.125 million	January 23, 2023	December 22, 2025		payments 3 or 6 months or any such shorter period agreed.	Based on ACEN consolidated balances. Tested quarterly after conversion to operation term facility.		
	AU\$0.699 million	February 22, 2023	December 22, 2025					
	AU\$6.00 million	March 16, 2023	December 22, 2025					
	AU\$0.610 million	March 22, 2023	December 22, 2025					
	AU\$18.00 million	April 24, 2023	December 22, 2025					
	AU\$2.50 million	May 18, 2023	December 22, 2025					
	AU\$2.406 million	June 22, 2023	December 22, 2025					
	AU\$5.00 million	September 4, 2023	December 22, 2025					
	AU\$2.844 million	September 22, 2023	December 22, 2025					
	AU\$0.953 million	October 23, 2023	December 22, 2025					
	AU\$0.931 million	November 22, 2023	December 22, 2025					
AU\$140 million Loan	AU\$28.36 million	September 16, 2022	September 16, 2027	4.8683%-6.0704% per annum	Principal Repayment on Termination Date. Interest payments 3 or 6 months, or	Net DE Ratio of 3.0x. Based on ACEN consolidated balances.	5,011,324	2,810,380
	AU\$11.00 million	January 23, 2023	September 16, 2027					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$14.42 million	March 16, 2023	September 16, 2027		any other period greater than 1 month agreed with Lender.	Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.		
	AU\$5.00 million	May 18, 2023	September 16, 2027					
	AU\$2.00 million	June 20, 2023	September 16, 2027					
	AU\$15.00 million	September 4, 2023	September 16, 2027					
	AU\$23.00 million	February 21, 2024	September 16, 2027					
	AU\$ 18.20 million	April 18, 2024	September 16, 2027					
	AU\$21.50 million	May 20, 2024	September 16, 2027					
	AU\$1.52 million	July 15, 2024	September 16, 2027					
AU\$100 million Loan	AU\$34.54 million	August 18, 2022	August 18, 2027	5.2494%-6.2375% per annum	3 or 6 months with automatic rollover but not to exceed the maturity date	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	2,412,293	1,646,345
	AU\$0.344 million	February 21, 2023	August 18, 2027					
	AU\$9.00 million	April 12, 2023	August 18, 2027					
	AU\$0.504 million	May 22, 2023	August 18, 2027					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$23.00 million	January 22, 2024	August 18, 2027					
AU\$75.00 million Loan	AU\$0.38 million AU\$5.00 million AU\$7.00 million AU\$15.00 million AU\$15.00 million AU\$24.60 million	October 27, 2022 May 18, 2023 August 18, 2023 September 19, 2023 November 20, 2023 April 18, 2024	October 28, 2027 October 28, 2027 October 28, 2027 October 28, 2027 October 28, 2027 October 28, 2027	6.4275% per annum	Principal Repayment on Termination Date. Interest payments 6 months, or any other period greater than 1 month as agreed with Lender.	Net DE Ratio of 3.0x. Based on ACEN consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	2,397,382	1,571,556
AU\$75.00 million	AU\$0.45 million AU\$5.0 million AU\$1.5 million	February 26, 2024 April 03, 2024 June 20, 2024	February 26, 2028 February 26, 2028 February 26, 2028	6.0463%-6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	248,776	–
AU\$75.00 million	AU\$0.30 million AU\$5.0 million	February 26, 2024 April 03, 2024 June 20,	February 26, 2028 February 26, 2028	6.0525%-6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.	243,407	–



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$1.5 million	2024	February 26, 2028		any other period greater than one month as agreed.	Tested semi annually together with the financial statements.		
Totals							₱95,484,152	₱45,939,997
Less unamortized debt issue cost							628,258	165,320
Less current portion							94,855,894	45,774,677
Long-term loans, net of current portion							₱87,399,527	₱44,485,573



The roll forward of this account follows:

	2024	2023
As at beginning of year	₱45,939,997	₱28,905,691
Availment	47,292,421	17,586,442
Refinance from short-term loans	4,200,000	-
Assumed through business combination	55,427	-
Payment	(1,701,273)	(541,690)
Loan assignment	(24,639)	-
Foreign exchange adjustment	(29,203)	-
Cumulative translation adjustments	(248,578)	(10,446)
	95,484,152	45,939,997
Less unamortized debt issue costs	628,258	165,320
As at end of year	₱94,855,894	₱45,774,677

Movements in debt issue costs related to the long-term loans follow:

	2024	2023
As at beginning of year	₱165,320	₱134,403
Additions	531,777	55,125
Amortization/accretion (Note 19)	(68,839)	(24,208)
As at end of year	₱628,258	₱165,320

ACEN

The long-term loans of the Parent Company also contain prepayment provisions as follows:

Description	Prepayment Provision
Loan A	Prepayment is at the option of the issuer exercisable on an interest payment date. The amount payable to the bank shall consist of accrued interest or other charges on the loan up to prepayment date, plus the principal amount of the loan, and applicable break-funding cost. Transaction cost is minimal.
Loan B	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan C	The loan facility contains a prepayment provision which allows the Parent Company to make an optional prepayment, wholly or partially, starting the fifth (5th) anniversary of the initial drawdown date and on every interest payment date thereafter. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan D	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, starting on the 4th interest payment date. The amount payable to the bank shall consist of any accrued interest on the



Description	Prepayment Provision
	outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan E	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan starting twenty-four (24) months from the drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan F	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan on or after the third (3rd) anniversary of the drawdown date. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax (“GRT”) as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan G	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, beginning on the first (1st) anniversary from the initial drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan H	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from the initial drawdown date. If prepayment is made in a non-interest payment date, it shall be subject to payment of accrued interest thereon and a 2% prepayment penalty of the relevant principal amount prepaid.
Loan I	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.
Loan J	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.

The prepayment options on all long-term loans were assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

NorthWind Power Development Corporation (“NorthWind”)

On May 29, 2020, NorthWind entered into an Omnibus Loan and Security Agreement with a local bank for a long-term loan facility amounting to ₱2,300.00 million. The proceeds of the loan were used to fully repay its senior loan. The loan shall be repaid in 24 sculpted semi-annual amortizations as set forth in the agreement. The interest rate is fixed for the initial period of ten (10) years to be repriced after the 10th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus a spread per annum.



The loan facility contains a prepayment provision which allows NorthWind to make optional prepayment, wholly or partially, at any time during the term of the loan. The amount payable to the local bank shall be the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any additional taxes, including additional gross receipts tax (“GRT”) as a result of such prepayment, and prepayment penalty as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by NorthWind’s Land, Wind Turbine Generator, Building and Machinery and Equipment (see Note 8).

Guimaras Wind Corporation (“Guimaras Wind”)

On December 18, 2013, Guimaras Wind entered into a ₱4,300.00 million Term Loan Facility with local banks. The proceeds were used to partially finance the 54 MW San Lorenzo Wind Farm. The loan facility is divided into two tranches amounting to ₱2,150.00 million for each of Tranche A and Tranche B.

Both tranches have a term of 15 years with semi-annual interest payments starting on the date on which the loan is made. The Tranche A’s interest is to be fixed at the higher of 10-year PDS Treasury Fixing (PDST-F) plus a spread of 1.625% or a minimum interest rate of 6.25% for the first 10 years, to be repriced at higher of existing rate or 5-year PDST-F plus a spread of 1.25% for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread of 1.625% or a minimum interest rate of 6.5%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. In 2013, the Group did not recognize any derivative liability arising from the bifurcated interest floor rate since the fair value is not significant.

The loan facility also contains a prepayment provision which allows Guimaras Wind to make optional prepayment for both Tranche A and Tranche B in the amount calculated by the facility agent as accrued interest and other charges on the loan up to the prepayment date plus the higher of (a) the principal amount of the loan being prepaid, or (b) the amount calculated as the present value of the remaining principal amortizations and interest payments on the loan being prepaid, discounted at the comparable benchmark tenor. In addition, Guimaras Wind is allowed to prepay the Tranche A loan, without penalty or breakfunding cost, on the interest re-pricing date. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

Under the loan facility agreement, Guimaras Wind must maintain a debt service account into which will be paid the maximum interest forecasted to be due and payable for the next two following payment dates that will fall within the construction period and the amount of debt service after the construction period. The funds in the debt service reserves can be used by Guimaras Wind provided that 30 days prior to payment, the fund is replenished. Debt service reserves are included in the consolidated statement of financial position under “Cash and cash equivalents” (see Note 4).

The loan facility is secured by Guimaras Wind’s wind farm (see Note 8).

In addition, as a security for the timely payment, discharge, observance and performance of the obligations, ACEN entered into a Pledge Agreement covering the subscriptions of stocks of ACEN and its nominees.



Monte Solar Energy, Inc. (“MONTESOL”)

On August 17, 2023, the MONTESOL entered into an Omnibus Loan and Security Agreement (“OLSA”) with a local bank for a long-term loan facility amounting to ₱600.00 million. The proceeds of the loan shall be used to partially finance MONTESOL’s permanent working capital requirements and for other general corporate purposes. The loan shall be repaid in twenty-four (24) straight-line semi-annual amortizations. The interest rate is fixed for the initial two (2) years, to be repriced one business day prior to the 2nd and 7th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus a spread of ninety basis points (0.90%), or (b) five hundred seventy-five basis points (5.75%), whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows MONTESOL to make voluntary prepayments, whether in full or in part, at any point during the term of loan. The amount payable in respect of any prepayment of the loan shall be comprised of: (i) any accrued interest on the principal amount of the loan to be prepaid; (ii) the principal amount of the loan to be prepaid; (iii) prepayment penalty as set forth in the OLSA; and (iv) any additional taxes, including additional GRT, resulting from such prepayment. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

On December 4, 2023, the repricing floor rate was amended from five hundred seventy-five basis points (5.75%) to five hundred fifty basis points (5.50%).

San Carlos Solar Energy, Inc. (“SACASOL”)

On May 17, 2024, SACASOL entered into an Omnibus Loan and Security Agreement (“OLSA”) with a local bank for a long-term loan facility of up to ₱1,400.00 million. The proceeds of the loan shall be used for (i) general corporate funding requirements and (ii) for upstreaming to SACASOL’s shareholders through payment of dividends, advances, and/or preferred share redemption. The loan shall be repaid in 40 straight-line quarterly amortizations. The interest rate is floating at a rate of 7.3232% for three (3) months to be repriced one banking day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows SACASOL to make voluntary prepayments, whether in full or in part, commencing at the end of the second (2nd) year from initial advance date (May 22, 2024) and on any interest payment date thereafter, together with accrued interest thereon up to and including the date immediately preceding the date of prepayment, subject to the payment of applicable prepayment penalty, at least 30 days prior written notice to the lender, and in multiples of ₱50.00 million.

The long-term loan facility is guaranteed by ACEN.

ACEN Renewables International Pte. Ltd (ACRI)

Total unamortized debt issue costs from the ACRI loan facilities amounted to US\$3.47 million (₱200.55 million) as of December 31, 2024. The corporate and syndicated loan facilities prices off an interest ranging from 5.89% to 6.58% per annum (2023 : 5.80% to 6.43%).



Loan covenants

The Group has complied with all its long-term loan covenants as at December 31, 2024 and 2023.

Interest expense

Total interest expense recognized on long-term loans amounted to ₱3,436.95 million, 1,608.53 million and ₱2,040.89 million for the years ended December 31, 2024, 2023 and 2022 respectively (see Note 19).

Notes payable

The roll forward of this account follows:

	2024	2023
Principal		
Balance at beginning and end of year	₱30,383,600	₱30,383,600
Debt issue cost		
Balance at beginning of year	134,704	198,773
Amortization (Note 19)	(24,743)	(64,069)
Balance at end of year	109,961	134,704
Cumulative translation adjustments	2,782,842	1,754,898
	₱33,056,481	₱32,003,794

Medium Term Note (MTN) Programme

On August 31, 2021, ACEN Finance established its Medium-Term Note Programme with an aggregate amount of US\$1,500.00 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN finance under its MTN Programme; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

Senior guaranteed undated fixed-for-life notes under the MTN Programme

On September 8, 2021, ACEN Finance issued US\$400.00 million (₱20,383.60 million) senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds is used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework.

On September 9, 2021, the Notes were listed with the Singapore Exchange Securities Trading platform (SGX-ST).



The net proceeds from the Bonds are used to finance or refinance, in whole or in part, new or existing Eligible Green Projects, in accordance with ACEN's Green Bond Framework (GBF), which sets out well-defined guidelines for the use of proceeds for renewable energy (RE) projects, with comprehensive monitoring and reporting commitments. These RE developments can be located in the Philippines and offshore.

For the years ended December 31, 2024, 2023 and 2022 total interest expense and other financing charges recognized amounted to ₱954.65 million (US\$16.66 million), ₱936.54 million (US\$16.84 million) and ₱906.45 million (US\$16.62 million), respectively.

Redemption at the option of the issuer

Subject to applicable law, ACEN Finance may redeem the Notes (in whole but not in part) on the First Redemption Date as specified in the applicable Pricing Supplement; or any Interest Payment Date falling after the First Redemption Date, by giving notice, at redemption price equal to the principal amount of the Notes plus any accrued but unpaid interest.

The redemption option was assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants

For as long as the senior guaranteed undated fixed-for-life notes remain outstanding, ACEN Finance Limited and ACEN are required to comply with certain covenants including the creation and permission to subsist only the liens created in respect of the limited recourse project financing of any project company and maintain a maximum net debt to equity ratio of 2.5 to 1.0 based on ACEN consolidated financials. These were complied with by the Group as at December 31, 2024 and December 31, 2023.

ACEN Fixed-Rate ASEAN Green Bonds due 2027

On September 22, 2022, the Parent Company (the Issuer) issued unsecured-fixed rate Peso Green Bonds with an aggregate principal amounting to ₱10,000.00 million. The proceeds of the issuance were used to finance investments in various solar power plants. The issue cost amounted to ₱126.28 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Peso Green Bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This is the first tranche offered out of the shelf registration of Peso Green Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Peso Green Bonds is payable quarterly on March 22, June 22, September 22, and December 22.

For the years ended December 31, 2024, 2023 and 2022, the total interest expense recognized on the Peso Green Bonds amounted to ₱605.43 million, ₱605.09 million and ₱166.45 million, respectively.



Redemption at the option of the Issuer

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding PHP Green Bonds before the relevant Maturity on any one of the following Interest Payment Dates indicated below, or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

1. 12th to 15th Interest Payment Date at Call Option Price of 101.00%
2. 16th to 19th Interest Payment Date at Call Option Price of 100.50%

The redemption option was assessed to be an embedded derivative that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants

The Peso Green Bonds provide for the Issuer to comply with covenants including incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; effecting any consolidation or merger with other entities where ACEN is not the surviving corporation in such merger or consolidation; and certain other covenants. The Peso Green Bonds require the Issuer to maintain, for as long as any of the Peso Green Bonds remain outstanding, a Net Debt to Total Equity Ratio of not more than 3.0:1.0. These were complied with for the years ended December 31, 2024 and 2023.

The prepayment option on all long-term loans was assessed to be an embedded derivative that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Compliance with covenants

The Group has complied with the covenants required by the notes payable as at December 31, 2024, and 2023.

14. Other Noncurrent Liabilities

This account consists of:

	2024	2023
Unearned revenues (Note 11)	₱5,097,153	₱5,184,182
Asset retirement obligations	1,110,865	757,245
Other payables (Note 24)	710,000	–
Derivative liability	251,356	12,437
Provision for employee benefits / long service leave	245,259	39,694
Contract liabilities	57,237	60,609
Deposit payable	39,711	65,016
Retention payable	28,178	6,932
Nontrade payable	3,535	133,351
Others	36,746	84,538
	₱7,580,040	₱6,344,004



Asset retirement obligations (ARO) are from ISLASOL, SACASOL and MONTESOL and include restoration provision for the New England solar farm.

Movements in the provision for asset retirement obligations are as follows:

	2024	2023
Balance at beginning of year	₱757,245	₱176,056
Additions	331,075	502,725
Interest accretion (7.14% -7.22%)	22,545	26,984
Remeasurement	–	51,480
Balance at end of year	₱1,110,865	₱757,245

As at December 31, 2024, and 2023, ARO was discounted at the rate of 7.14% to 7.22%. ARO on solar power plants is expected to be settled during the years of 2039 to 2041.

Nontrade payables are payables from over-remittance of business interruption claims and environmental laws compliance.

Contract liabilities consist of the deferred connection fee related to ISLASOL and the deferred rental income from ISLASOL, SACASOL, MSPDC and Solienda.

15. Equity

Capital Stock

This account consists of:

Class of share	Common	Redeemable Preferred	Total
Authorized shares	48,300,000,000	100,000,000	48,400,000,000
Par value	₱1	₱1	₱1
Balances at January 1, 2023	39,691,894,773	–	39,691,894,773
Issuance of new shares	–	25,000,000	25,000,000
Balances at December 31, 2023 and 2024	39,691,894,773	25,000,000	39,716,894,773

The issued and outstanding shares are held by a number of equity holders below:

	2024
Common shares	4,511
Redeemable preferred shares	10



The following table presents the track record of registration of capital stock:

Year Approval	No. of shares Registered	No. of shares Issued	Par Value
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00
2007	–	552,528,364	1.00
2008	–	4,713,558	1.00
2009	–	304,419	1.00
2010	–	2,022,535	1.00
2011	2,200,000,000	1,165,237,923	1.00
2012	4,200,000,000	2,027,395,343	1.00
2013	–	6,603,887	1.00
2014	–	1,283,332	1.00
2016	–	20,751,819	1.00
2017	–	3,877,014	1.00
2019	–	2,632,000,000	1.00
2020	16,000,000,000	6,185,182,288	1.00
2021	24,000,000,000	24,623,380,967	1.00
2022	–	1,361,556,596	1.00
Total	48,400,000,000	39,691,894,773	

*On April 7, 1997, par value was increased from ₱0.01 to ₱1.00.

**Equivalent number of shares at ₱1.00 par.

Additional Paid-in Capital

The roll forward of this account follows:

Class of share	Additional Paid-In Capital (Amount)		
	Common	Redeemable Preferred	Total
Balances at January 1, 2023	₱107,492,243,548	₱–	₱107,492,243,548
Issuance of capital stock	–	24,975,000,000	24,975,000,000
Share issuance cost	–	(171,554,704)	(171,554,704)
Balances at December 31, 2023 and 2024	₱107,492,243,548	₱24,803,445,296	₱132,295,688,844

Series A Preferred Shares and Series B Preferred Shares

On March 7, 2023, the Board of Directors of the Parent Company approved the establishment of a 50,000,000 preferred shares shelf program and the issuance, offer, sale, registration, and listing of up to 25,000,000 preferred shares and on July 25, 2023, adopted resolutions containing the specific terms and conditions of the preferred shares. On August 3, 2023, the SEC issued the Certificate of Filing of Enabling Resolution. The Parent Company's shelf registration is for up to 50,000,000 preferred shares with a par value of ₱1.00 per preferred share to be offered in one or more tranches, which may be comprised of one or more series per tranche, at the discretion of the Parent Company, and to be registered with the Securities and Exchange Commission.



On September 1, 2023, the Parent Company issued and listed on the Main Board of the PSE the first tranche of 25,000,000 preferred shares at an issue price of ₱1,000.00 per share and a par value of ₱1.00 per share, for total proceeds of ₱25,000.00 million. The issuance is comprised of two series of preferred shares: 8,341,500 Series A Preferred Shares and 16,658,500 Series B Preferred Shares. The proceeds from the Series A Preferred shares amounted to ₱8,341.50 million and the proceeds from the Series B Preferred shares amounted to ₱16,658.50 million.

The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company.

Dividends on the Series A Preferred Shares are payable quarterly at an initial dividend rate of 7.1330% per annum, subject to the dividend payment conditions under the terms of the Series A Preferred Shares. The Series A Preferred Shares dividend rate is subject to a dividend rate re-setting on the fifth year according to the terms of the Series A Preferred Shares.

Dividends on the Series B Preferred Shares are payable quarterly at a fixed dividend rate of 8.0000% per annum, subject to the dividend payment conditions under the terms of the Series B Preferred Shares. The Series B Preferred Shares dividend rate is fixed and will not be subject to dividend rate re-setting.

The Series A Preferred Shares may be redeemed at the option of the Parent Company starting on the third year. The Series B Preferred Shares may be redeemed at the option of the Parent Company starting on the seventh year.

Subscription by Sellers of UPC-ACE Australia and UPC Australia and Sellers of UPC Philippines

On March 21, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at a price of ₱7.871 per share:

UPCAPH	869,119,204
Anton Rohner (“Rohner”) (Collectively UPC-ACE Australia and UPC Australia sellers)	61,630,796
Total ACEN shares to be issued	930,750,000
Subscription price per share	₱7.871
Total subscription price	₱7,325,933,250

On March 22, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at a price of ₱8.2889 per share:

Estanyol Holdings Ltd.	₱153,493,200
Wind City Inc.	142,668,634
Tenggay Holdings Ltd.	70,525,763
UPC Philippines Wind Partners Ltd	19,059,423
Alan Kerr (collectively, the “UPC Philippines Group”)	4,248,813
Total ACEN shares subscribed	389,995,833
Subscription price per share	8.2889
Total subscription price	₱3,232,636,460



The subscription by Sellers of UPC-ACE Australia and UPC Australia and Sellers of UPC Philippines to ACEN shares was approved by the BOD of ACEN on October 18, 2021.

The issuance and listing of the ACEN common shares were approved by ACEN's stockholders on December 15, 2021. On March 8, 2022, the BOD of ACEN approved a revised list of subscribers constituting the UPC Philippines, including a re-allocation of some of the shares for subscription, which was presented to the stockholders for approval during the 2022 annual stockholders' meeting of ACEN on April 25, 2022.

Employee Stock Ownership Plan ("ESOWN")

At the Annual Stockholders' Meeting held on April 19, 2021, stockholders approved the allocation of 960 million common shares to the Employee Stock Ownership Plan ("ESOWN") out of the unsubscribed portion of ACEN's capital stock, to be available to qualified employees upon achievement of the Group's goals and the determination of any variable compensation of the grantee. This replaces ACEN's Stock Grants and Stock Options Plan which does not have any remaining life.

Under ESOWN, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the ESOWN's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under ESOWN are exercisable in three annual tranches. Any availment is payable within a maximum period of ten years.

The SEC granted the Plan's request for exemption from registration pursuant to Section 10.2 of the Securities Regulation Code (SRC) on March 4, 2022.

In 2021, stock options totaling 8,188,997 shares at a subscription price of ₱6.96 per share were granted under ESOWN, of which 8,188,097 shares were issued in 2022, resulting to an adjustment of 900 shares in the grants.

On August 19, 2022, ACEN issued 32,622,666 common shares to various employees of the Group through the ESOWN.

There were no grants and availments in both years ended December 31, 2024 and 2023.

Total expense arising from the equity-settled share-based payment transaction (included under General and Administrative Expenses) amounted to nil for the two years ended December 31, 2024 and 2023 (₱31.16 million in 2022).



Cumulative Translation Adjustments

This account pertains to cumulative translation adjustments of subsidiaries with functional currency other than the Group's presentation currency (see Note 2). Exchange differences arising from translation of foreign operations for the period ended December 31, 2024 and 2023 follows:

	2024	2023
ACRI	(\$153,113)	(\$153,098)
ACEN Cayman	(64,747)	(52,907)
Others	(20)	(23)
Consolidations and eliminations	40,603	25,955
	(\$177,277)	(\$180,073)
Attributable to:		
Equity holders of the Parent	(\$177,886)	(\$181,448)
Non-controlling interest	609	1,375
	(\$177,277)	(\$180,073)

Retained Earnings

Retained earnings represent the Group's accumulated earnings, net of dividends declared. The balance includes accumulated earnings of subsidiaries, joint venture and associates, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

Retained earnings not available for dividend declaration are included in the Group's retained earnings to the extent of (a) accumulated equity in undistributed net earnings of consolidated subsidiaries, and associates and joint ventures accounted for under equity method amounting to ₱48,479.92 million and ₱41,459.53 million as at December 31, 2024 and 2023, respectively and (b) the cost of treasury shares amounting to ₱28.66 million as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, deferred tax liabilities have not been recognized on undistributed earnings of, and cumulative translation adjustment of, foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group. Management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative translation adjustment amounted to US\$869.63 million (₱46,524.67 million) and US\$669.84 million (₱25,246.02 million) as at December 31, 2024 and 2023, respectively.



Dividends

Cash dividends consist of the following:

Approval Date	Record Date	Payment Date	Dividend Per Share	Common Shares	Amounts	
					Preferred Shares ACENA	Preferred Shares ACENB
2024						
June 26	July 11	July 25	₱0.0500	₱1,983,869	₱-	₱-
February 8	February 23	February 29	17.8325	-	148,750	-
			20.0000	-	-	333,170
May 6	May 20	June 3	17.8325	-	148,750	-
			20.0000	-	-	333,170
August 5	August 19	September 2	17.8325	-	148,750	-
			20.0000	-	-	333,170
November 4	November 18	December 2	17.8325	-	148,750	-
			20.0000	-	-	333,170
				₱1,983,869	₱595,000	₱1,332,680
2023						
August 7	August 22	September 18	₱0.0400	₱1,587,095	₱-	₱-
November 3	November 17	November 30	₱17.8325	-	148,750	-
			₱20.0000	-	-	333,170
				₱1,587,095	₱148,750	₱333,170

Non-controlling Interest (NCI)

The roll forward of this account is as follows:

	2024	2023
Balance at beginning of year	₱29,903,540	₱31,859,767
Net income attributable to NCI	752,471	1,710,534
Cumulative translation adjustments	35,207	76,149
Capital infusion of NCI in a subsidiary (Note 2)	20,428	-
Capital redemption of NCI in a subsidiary	(20,129,241)	-
Dividends	(684,751)	(1,882,833)
Acquisition of NCI	-	(1,860,077)
Balance at end of year	₱9,897,654	₱29,903,540

On January 23, 2024, ACEN Cayman through unanimous approval of its BOD redeemed US\$352.00 million (₱19,808.80 million) worth of redeemable preferred shares held by AC Energy Finance International Limited (ACEFIL). The redeemable preferred shares were subscribed by ACEFIL at par value of US\$1.00 each. Redemptions were made to the following shares:

- 280,000,000 Class A1 redeemable preferred shares with par value of US\$1.00 each;
- 12,000,000 Class A1-2 redeemable preferred shares with par value of US\$1.00 each; and
- 60,000,000 Class A3 redeemable preferred shares with par value of US\$1.00 each.



Dividends

	in US\$	In PHP
2024		
ACEN Cayman Limited (“ACEN Cayman”)	\$11,978	₱684,751
2023		
ACEN Cayman Limited (“ACEN Cayman”)	\$34,026	₱1,882,833

On various dates in 2024 and 2023, the BOD of ACEN Cayman Limited declared dividends to the shareholder of redeemable preferred shares for a total of \$11.98 million (₱684.75 million) and \$34.03 million (₱1,882.83 million), respectively, which was paid during the year of declaration.

Acquisition of non-controlling interest in UPC-ACE Australia

On February 1, 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH’s remaining 4,766 ordinary shares in UPC-ACE Australia, which completed the second and final tranche of ACRI’s acquisition of ACEN Australia.

	In US\$	In PHP
Total consideration paid on February 1, 2023	\$85,391	₱4,724,682
Carrying amount of NCI	33,618	1,860,077
Excess of consideration	\$51,773	₱2,864,605

The acquisition of 20% ownership interest resulted to 100% interest in UPC-ACE Australia. The excess of consideration over the carrying amount of the non-controlling interest is recognized under equity reserves.

Other Equity Reserves

This account consists of:

	2024	2023
Effect of:		
Common control business combinations	(₱53,269,303)	(₱53,269,303)
Purchase of:		
20% in UPC-ACE Australia shares	(2,864,605)	(2,864,605)
20% in South Luzon Thermal Energy Corporation	(2,229,587)	(2,229,587)
32% in NorthWind	(723,974)	(723,974)
34% in MSPDC	(261,728)	(261,728)
Various interest in other subsidiaries	(119,486)	(119,486)
Others	18,338	18,338
	(₱59,450,345)	(₱59,450,345)



Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or issue long-term debts.

No changes were made in the objectives, policies, or processes for the years ended December 31, 2024 and 2023. The Group considers its total equity as capital.

The loan agreements on long-term debt of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guarantees, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as at December 31, 2024 and 2023.

16. Revenue from Sale of Electricity

The Group's revenue from rendering of services consists of:

	2024	2023	2022
Revenue from power supply contracts	₱22,107,562	₱24,969,946	₱22,834,849
Revenue from power generation and trading	14,026,712	11,211,480	12,160,639
	₱36,134,274	₱36,181,426	₱34,995,488

Power Supply Agreement with MERALCO

On September 9, 2019, the Parent Company won the bid to supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval of Energy Regulatory Commission (ERC). Provisional ERC approval was on January 31, 2020 and the final approval was on May 13, 2020.

On September 11, 2019, the Parent Company won the bid to supply MERALCO a mid-merit demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of ERC. Provision ERC approval was on January 31, 2020 and the final approval was on June 1, 2020.

On November 2, 2024, the Parent Company terminated its 200MW baseload and 110MW mid-merit power supply agreements ("PSA") with MERALCO. The termination was premised on the occurrence of Change in Circumstances ("CIC") resulting in losses and the Parties having failed, despite earnest efforts and good faith negotiations, to agree on a satisfactory solution to amend the PSA to restore the Parent Company's commercial position prior to the CIC.

No fee was paid in relation to the termination of the PSAs with MERALCO.



Gigasol 3 Mid-Merit PSA

On July 17, 2024, Gigasol 3 Inc. (“Gigasol 3”) won the bid to supply MERALCO a mid-merit renewable energy supply of 139 MW from February 26, 2025 to February 25, 2036 subject to the approval of ERC.

On September 23, 2024, Gigasol 3 and ACEN filed with the ERC a joint application for the approval of the PSA. Under the PSA, Gigasol 3 will supply, at a fixed rate, 139 MW mid-merit renewable energy capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval. Gigasol 3 shall supply 10 MW to MERALCO beginning February 26, 2025, which will increase to 139MW beginning February 26, 2026.

The application is pending to date.

SCSE Mid-Merit PSA

On July 17, 2024, Santa Cruz Solar Energy Inc. (“SCSE”) won the bid to supply MERALCO a mid-merit renewable energy supply of 21 MW from February 26, 2026 to February 25, 2036 subject to the approval of ERC.

On September 27, 2024, SCSE and ACEN filed with the ERC a joint application for the approval of the PSA. Under the PSA, SCSE will supply, at a fixed rate, 21 MW mid-merit renewable energy capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval.

The application is pending to date.

Ancillary Services Procurement Agreements (“ASPA”) with NGCP

One Subic Power

One Subic Power participated in NGCP’s Competitive Selection Process for the procurement of ancillary services. On June 19, 2023, One Subic Power and NGCP filed an application for the approval of the Ancillary Services Procurement Agreement (ASPA) with the ERC. Under the ASPA, One Subic Power shall provide, on a firm arrangement, dispatchable reserve (DR) services for a period of five (5) years.

On August 22, 2023, One Subic Power received ERC’s Notice of Resolution (NOR) dated August 15, 2023 granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, One Subic Power filed a Motion for Reconsideration on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution of the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, One Subic Power and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, One Subic Power moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.



Bulacan Power

Bulacan Power participated in NGCP's Competitive Selection process for the procurement of ancillary services. On June 13, 2023, Bulacan Power and the National Grid Corporation of the Philippines (NGCP) filed an application for the approval of the ASPA, with the ERC. Under the ASPA, Bulacan Power shall provide, on a firm arrangement, dispatchable reserve ("DR") services for a period of five (5) years.

On August 22, 2023 Bulacan Power received a Notice of Resolution ("NOR") from ERC granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, Bulacan Power filed a Motion for Reconsideration ("MR") on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution of the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, Bulacan Power and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, Bulacan Power moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.

CIPP

On April 19, 2023, CIPP received a Notice of Award to provide Ancillary Services to the Luzon Grid for specific hourly intervals for five (5) years. On May 2, 2023, NGCP and CIPP executed an ASPA and submitted the same to ERC on June 20, 2023 for approval with prayer for the issuance of provisional authority.

On September 17, 2024, CIPP submitted to ERC its Compliance showing the VOM Breakdown for 2022-2023.

On October 22, 2024, CIPP received the Order of ERC in the instant case which was promulgated on May 22, 2024. ERC granted NGCP and CIPP with Interim Relief to implement the ASPA, subject to the interim rates and conditions, and without prejudice to the evaluation of the compliance of NGCP with the AS-CSP, pursuant to DOE's Circular No. DC2021-10-0031. On November 7, 2024, CIPP filed with ERC a Motion For Reconsideration With Very Urgent Motion for Re-Evaluation of Interim Approved Rates.

On December 19, 2024, CIPP filed a Manifestation on Material Adverse Change with Urgent Motion for Resolution of the MR, to inform ERC that on December 2, 2024, NGCP and CIP already commenced good faith negotiations pursuant to the ASPA to address the Material Adverse Change. CIPP also urged ERC to urgently resolve CIPP's MR, approve the Capacity Payment Rate as applied, and allow the indexation of the VOM rate to ensure that the CIPP Plant may viably and sustainably operate to provide DR services to NGCP.

On January 31, 2025, CIPP sent to NGCP a Notice of Termination of the ASPA effective upon NGCP's receipt of the Notice. The decision to terminate is based on Sec. 13.3 of the ASPA which allows CIPP to terminate the ASPA in case of a Material Adverse Change ("MAC") that includes changes which result or may result in diminution of the rate under Schedule 3, including the effect of the ERC approval for the ASPA. In its letter dated February 3, 2025, NGCP acknowledged receipt of the Notice.



Feed-in-Tariff (“FIT”)

San Lorenzo Wind

On June 10, 2015, the San Lorenzo Wind Project (“SLWP”) under Guimaras Wind Corporation (“Guimaras Wind”) was issued a Certificate of Endorsement (“COE”) for FIT Eligibility by the Department of Energy (“DOE”).

On December 1, 2015, Guimaras Wind received its Certificate of Compliance (“COC”) from the ERC which entitles Guimaras Wind to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the SLWP’s FIT Rate starting 2020 shall be ₱8.59/kWh.

MONTESOL

On June 13, 2016, the DOE, through its issuance of the COE, certified MONTESOL’s Solar Farm Project as an eligible project under the FIT system.

On December 28, 2016, MONTESOL received another provisional authority to operate by the ERC dated December 8, 2016. This allowed MONTESOL to be entitled to a FIT rate of ₱8.69 for a period of twenty (20) years from March 11, 2016.

On February 6, 2017, MONTESOL received the COC from ERC and accordingly, measured its revenue from energy sales using the FIT rate.

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the CPI and foreign exchange variations through DCF Model per Renewable Energy technology, covering the years 2016, 2017, 2018, 2019 and 2020. MONTESOL accrued the retroactive net revenue adjustment based on the adjusted FIT rates for the years 2016 (₱8.69/kWh), 2017 (₱8.71/kWh), 2018 (₱9.04/kWh), 2019 (₱9.41/kWh) and 2020 (₱9.82/kWh).

SACASOL

On January 7, 2014, the BOI approved SACASOL’s registration as an RE developer of 22 MW solar power plants (Phases 1A & 1B) under the Renewable Energy Act of 2008 (the Act).

On December 20, 2014, the BOI approved SACASOL’s registration as an RE developer of 23MW solar power plants (Phases 1C & 1D) under the Act.

Pursuant to Section 7 of the RE Act and Section 5 of its IRR, the ERC adopts and promulgates the FIT Rules. All RE plants shall be deemed eligible upon issuance by the ERC of a COC authorizing them to operate as FIT-eligible RE plants. Eligible RE plants shall be entitled to the appropriate FITs as established.



On June 4, 2014, the DOE issued the COE for FIT eligibility to endorse the 13MW Phase 1A solar power plant of SACASOL as an eligible project under the FIT system pursuant to the provisions of the RE Act.

On February 9, 2015, the ERC granted the COC to Phase 1A solar power plant with a capacity of 13MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from May 15, 2014 until May 14, 2034. On the same date, ERC granted the COC to Phase 1B solar power plant with a capacity of 9MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from August 16, 2014 to August 15, 2034.

On September 11, 2015, the DOE issued the COE for FIT eligibility to endorse the 23MW Phases 1C and 1D solar power plants of SACASOL as an eligible project under the FIT system pursuant to the provisions of the Act.

On May 4, 2016, ERC granted the COC to Phases 1C and 1D solar power plants with a capacity of 23MW, which entitles SACASOL to the FIT rate of ₱8.69/kWh from September 6, 2015 to September 5, 2035.

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, SACASOL's FIT Rate starting 2020 shall be ₱11.28/kWh for Phase 1A and 1B and ₱10.12/kWh for Phase 1C and 1D solar power plants.

NorthWind

On July 31, 2007, NorthWind and the DOE entered into Negotiated Commercial Contract ("NCC") covering the contract area located in Bangui, Ilocos Norte. As a holder of a valid and existing NCC, NorthWind is deemed provisionally registered as a RE Developer under RA 9513. The provisional authority shall subsist until the issuance by the DOE of a Certificate of Registration ("COR").

On February 26, 2013, the DOE granted NorthWind a COR under Wind Energy Service Contract No. 2012-07-058. The COR served as the basis for its application with the BOI for the grant of incentives under RA 9513. The approval granted an income tax holiday ("ITH") incentive of seven (7) years starting September 2014.

On October 10, 2014, the DOE granted NorthWind a COE for FIT Eligibility (COE-FIT No. 2014-10-001) for its Phase III expansion project. The endorsement was the basis for the ERC to issue a FIT COC on April 13, 2015.

The tariff on the generation of the original twenty (20) turbines (Phases I & II) was a FIT rate specific to NorthWind of ₱5.76/kWh, as approved by the ERC in its decision dated June 30, 2014. In an Order dated November 7, 2017, the ERC granted NorthWind an increase of ₱0.20/kWh, in connection with a Motion for Partial Reconsideration of the Decision dated June 30, 2014, in ERC Case No. 2011-060RC filed by NorthWind on December 5, 2014, thereby increasing the FIT rate specific to Phases I & II from ₱5.76/kWh to ₱5.96/kWh.



The FIT rate specific to NorthWind's Phase I & II is lower than the national FIT rate and is valid for twenty (20) years, less the actual years of operation as provided for under the FIT Rules.

The tariff on the six (6) turbines (Phase III) is at ₱8.53/kWh, subject to adjustments as may be approved by the ERC under the FIT rules. The FIT period on the six (6) turbines is from October 10, 2014 to October 8, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, NorthWind's rate starting 2020 was ₱6.52/kWh and ₱8.90/kWh for Phase I & 11 and Phase III, respectively.

Feed-in-Tariff ("FIT") adjustment

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index (CPI) and foreign exchange variations through Discounted Cash Flows (DCF) Model per Renewable Energy technology, covering for the years 2016, 2017, 2018, 2019 and 2020. The resolution was published in a newspaper of general circulation in the country on November 17, 2020.

Renewable energy subsidiaries under the FIT system which include Guimaras Wind, MONTESOL, SACASOL, and NorthWind, accrued the retroactive net revenue adjustment amounting to ₱791.48 million. This will be recovered for a period of five (5) years.

On February 19, 2021, ERC clarified in its letter to TransCo, the Administrator of the FIT system, by specifying the timing and manner of billing of the FIT Adjustment. Actual recovery of arrears shall be for a period of five (5) years. Billing for January 2016 generation period shall start in December 2020, and payment schedule shall start in January 2021, following the five-year recovery period. Moreover, pending the approval of the 2021 FIT-All rate and adjustment of FIT rates, the original approved FIT rates shall be used for the 2021, 2022 and 2023 generation billing. Revenue in 2021, 2022, 2023 and 2024 was based on 2020 approved FIT rates in the absence of the FIT rates for the said years. Currently, there is a moratorium on interest on the delayed payments. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

Pre-termination fees

Revenues from the power supply contract in 2022 were reduced by pre-termination fees of ₱605.00 million.



17. Costs of Sale of Electricity

This account consists of:

	2024	2023	2022
Costs of purchased power	₱22,043,543	₱27,272,520	₱24,599,882
Depreciation and amortization (Notes 8, 9 and 10)	2,023,059	1,207,418	1,918,307
Fuel	1,018,764	1,522,458	4,957,516
Others	2,273,213	1,727,686	2,707,534
Repairs and maintenance	693,732	499,277	712,770
Taxes and licenses	571,748	452,821	643,370
Salaries and directors' fees	251,714	225,486	402,938
Transmission costs	181,368	96,973	129,206
Insurance	153,372	137,187	444,825
Contractor's fee	129,602	102,679	149,984
Rent	107,039	53,844	54,572
Transportation and travel	18,893	22,150	18,142
Filing fees	15,187	5,942	12,025
Communication	13,136	18,494	18,068
Pension and other employee benefits	11,420	8,928	17,333
Others	126,002	103,905	104,301
	₱27,358,579	₱31,730,082	₱34,183,239

Power Purchase Agreement and Administration and Management Agreement with South Luzon Thermal Energy Corporation (SLTEC)

On October 26, 2011, ACEN entered into a Power Purchase Agreements (PPAs) with SLTEC, wherein SLTEC shall, from Commercial Operations Date and for the duration of the Electricity Supply Period, make available to ACEN all of its Net Dependable Capacity and supply the Net Available Output at the Delivery Point, in accordance with the Electricity Delivery and Dispatch Procedures. ACEN, on behalf of SLTEC, will sell or trade the Commissioning Power, subject to coordination between SLTEC and ACEN on the price/offer, trading volumes and remittance of payment, provided that all costs relating thereto shall be for the exclusive account of SLTEC. ACEN shall pay the electricity fees at the price determined, exclusive of value-added tax which shall be passed on SLTEC to ACEN.

On May 20, 2019, ACEN and SLTEC amended the PPAs to revise the PPA Capacity Fee for both Units 1 and 2 and to extend the term of the PPAs for an additional period of 10 years.

On August 26, 2019, ACEN and SLTEC terminated the PPAs, and on October 4, 2019, ACEN and SLTEC entered into an Administration and Management Agreement (the "Old AMA") in place of the PPAs. The Old AMA is effective from August 26, 2019 and shall terminate on April 23, 2040 and February 20, 2041 for the Unit 1 and Unit 2, respectively. ACEN and SLTEC terminated the Old AMA, and on April 11, 2022, entered into a new Administration and Management Agreement (the "New AMA").



The New AMA is effective from April 11, 2022 and shall terminate on December 25, 2040 (“Cooperation Period”). Under the New AMA, ACEN shall have the exclusive right to administer, control, and manage the entire capacity of the Power Plant for the entire duration of the Cooperation Period. ACEN shall likewise have the exclusive right to direct, trade, dispatch, sell or otherwise deal with the Net Output whether to the WESM for both energy and reserve markets, bilateral contracts with contestable customers, distribution utilities, or qualified third parties, as well as contract for or offer related ancillary services to NGCP.

On April 11, 2022, ACEN entered into an Operations and Maintenance Agreement (“O&M Agreement”) with SLTEC, wherein ACEN shall provide operation, maintenance, and administrative services to SLTEC to ensure the proper and efficient operation and maintenance of the power plant. The O&M Agreement is valid for a period of five (5) years effective from April 11, 2022 and shall automatically renew for successive five (5) year terms from April 11, 2022 until December 25, 2040.

Power Purchase and Supply Agreement with Maibarara Geothermal, Inc. (MGI)

On April 26, 2016, the Parent Company, entered into two 20-year Electricity Supply Agreements (ESA) with Maibarara Geothermal Incorporated for the supply of 32MW from its two generating units. The contract is valid until June 25, 2039.

Power Purchase and Supply Agreement with GNPower Dinginin Ltd. Co. (GNPD)

On April 22, 2016 and October 25, 2022, ACEN entered into two Power Purchase and Sale Agreement with GNPD for the supply of 80M and 43MW, respectively.

GNPD is a joint venture among Aboitiz Power Corporation, Power Partners Ltd. Co., and ACEIC. ACEIC, which has a 57.83% ownership in ACEN, has an effective 20% economic interest in GNPD.

Power Purchase with Shell Energy Philippines, Inc. (SEPH)

On July 25, 2023, ACEN entered into a Short-Term Power Purchase Agreement with SEPH for a 30MW contracted capacity for a period of 45 calendar days from supply start date or until September 8, 2023.

Power Supply Agreement with Energy Logics Philippines, Inc.

On April 1, 2024, ACEN signed a Power Supply Agreement (PSA) with Energy Logics Philippines, Inc. (ELPI) to purchase supply of electricity at the contracted capacity of 15 MW. The supply delivery commenced on April 1, 2024 and is for a term of three years.



18. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Personnel costs, management, and professional fees	₱3,133,250	₱2,606,677	₱1,184,267
Salaries and directors' fees	2,042,734	1,453,570	739,212
Management and professional fees	970,584	1,075,700	419,312
Retirement Cost	119,932	77,407	25,743
Provision for impairment - net of reversals (Notes 5, 7, 8 and 11)	1,135,006	2,996,657	1,325,181
Depreciation and amortization (Notes 8, 9 and 10)	569,218	366,052	260,101
Others	2,145,290	1,501,498	1,132,268
Taxes and licenses	683,070	394,528	533,466
Software, licenses and other IT cost	243,245	108,951	87,357
Contractor's fee	212,473	118,874	65,058
Insurance, dues and subscriptions	208,483	82,865	59,968
Corporate social responsibilities	140,268	92,543	82,765
Transportation and travel	115,064	130,879	67,973
Meeting and conferences	51,038	42,544	25,185
Training and commitment fees	49,739	39,528	13,968
Rent	42,344	39,807	30,487
Advertisements	39,699	39,646	22,950
Building maintenance and repairs	38,655	67,638	31,730
Office supplies	21,866	20,530	12,897
Communication	21,782	13,817	11,327
Utilities	21,342	96,350	34,829
Others	256,222	212,998	52,308
	₱6,982,764	₱7,470,884	₱3,901,817



19. Interest and Other Finance Charges

This account consists of:

	2024	2023	2022
Interest expense on:			
Long-term loans (Note 13)	₱3,436,952	₱1,608,533	₱2,040,892
Notes payable (Note 13)	1,560,073	1,541,631	325,126
Lease obligations (Note 9)	344,663	250,092	198,050
Short-term loans (Note 13)	231,544	174,583	179,919
Amortization of debt issue cost (Note 13)	93,582	88,278	169,361
Bank charges and interest expense on asset retirement obligation	260,066	120,116	191,959
	5,926,880	3,783,233	3,105,307
Capitalized interest (Note 8)	2,634,809	1,852,968	747,776
	₱3,292,071	₱1,930,265	₱2,357,531

20. Interest and Other Financial Income and Other Income - Net

Interest and Other Financial Income

Interest and other financial income arises from cash in banks and short-term deposits, investments in redeemable preferred shares of associates and joint ventures, and from bridge financing (debt replacement) and development loans and advances extended to associates and joint ventures.

The details of interest and other financial income are as follows:

	2024	2023	2022
Interest income on:			
Cash in banks and short-term deposits (Note 4)	₱989,573	₱1,586,517	₱285,196
Accounts and notes receivables (Note 5)			
Bridge financing (debt replacement)	1,641,122	1,940,160	1,368,602
Development loans	509,006	244,182	454,701
Accounts and other receivable	66,412	76,698	38,096
Other loans	212,004	85,496	17,678
Investments in redeemable preferred shares and convertible loans (Note 7)			
Redeemable preferred shares	2,335,852	2,509,952	2,251,145
Convertible loans	580,381	627,386	1,223,766
	₱6,334,350	₱7,070,391	₱5,639,184



Other income account consists of:

	2024	2023	2022
Gain on disposal of assets	₱2,638,008	₱1,062,030	₱613,565
Disposal of investment - net (Notes 2 and 6)	1,213,492	1,062,030	613,565
Sale and leaseback (Note 2)	1,035,334	–	–
Early redemption of convertible loan	389,182	–	–
Remeasurement gain on investments (Note 6)	–	3,433,328	10,921,026
Others	1,112,085	690,082	1,028,217
Foreign exchange gain - net	517,195	51,824	122,880
Guarantee fee income	210,573	91,229	410,181
Gain (loss) on settlement of derivatives	137,863	(31,268)	297,342
Gain on sale of financial asset at FVTPL	61,603	49,929	–
Consultancy fee	54,235	–	–
Gain (loss) on sale of property, plant and equipment	46,647	(3,872)	(7,049)
Discount on long-term receivables	31,146	33,594	82,508
Fair value adjustment on financial asset at FVTPL	(147,216)	(262,383)	(124,513)
Gain on settlement of development loans	–	515,000	–
Claims on insurance	–	45,591	72,993
Others	200,039	200,438	173,875
	₱3,750,093	₱5,185,440	₱12,562,808

Gain on disposal of investment - net

On March 29, 2024, ACRI, together with its joint venture partners, signed a Share Purchase Agreement with PT Barito Wind Energy (“BWE”), for the sale of PT Sidrap Bayu Energi (“SBE”), through sale of ownership of UPC Renewables Asia III Limited (“UPC Asia III”), UPC Sidrap (HK) Limited (“Sidrap (HK)”) and Sunedison Sidrap B.V. (external party) in SBE.

On April 2, 2024, the sale transaction was completed upon receipt of total consideration of US\$101.90 million, Subsequently, on October 3, 2024, additional proceeds amounting to US\$6.4 million were received following the completion of the net working capital adjustments. Out of the total proceeds of US\$108.3 million, US\$59.31 million (₱3,474.50 million) is allocated to ACRI.

UPC Asia III and Sidrap (HK) upstreamed the proceeds of sales allocated to ACRI through shareholder loans amounting to US\$56.61 million and US\$2.69 million, respectively.

UPC Asia III and Sidrap (HK) recognized gain on sales of SBE shares amounting to US\$62.50 million and US\$18.33 million, respectively.



On June 29, 2024, the Board of Directors of UPC Asia III approved the redemption of Redeemable Class A Preferred Shares (“RPS Class A”), accounted as investment in redeemable preferred shares, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of the date of the resolution (see Note 7). On December 13, 2024, the redemption of the RPS Class A was completed.

On December 27, 2024, Sidrap (HK) declared dividends to ACRI amounting to \$2.29 million. The dividends were offset against the existing shareholder loan of Sidrap (HK) to ACRI.

Management determined that the sale of the SBE shares resulted in a write-down of the investment in the joint venture (UPC Asia III) and investment in Sidrap (HK), accounted as financial assets at fair value through other comprehensive income, due to the absence of the underlying asset.

The series of transactions resulted in net gain of US\$26.31 million (₱1,543.47 million), through various forms as follows:

Transactions	In US\$	In PHP
<i>UPC Asia III's gain on sale of Sidrap shares</i>		
ACRI's share in divestment gain, accounted as part of equity in net income of joint venture	\$6,250	₱366,950
<i>Gain (loss) related to redemption of UPC Asia III's shares</i>		
Gain on redemption of investment in redeemable preferred shares (Note 7)	\$25,921	₱1,520,550
Loss on write-down from disposal of investment in joint venture (Note 6)	(8,324)	(488,677)
Gain on offsetting intercompany balances	2,464	144,642
Gain on disposal of investment - net	\$20,061	₱1,176,515
	\$26,311	₱1,543,465

As at December 31, 2024, ACRI's investments in Redeemable preferred shares (UPC Asia III) (see Note 7), interest in joint venture (UPC Asia III) and financial asset at FVOCI (Sidrap HK) are all nil. The remaining shareholder loans from UPC Asia III and from Sidrap HK are all settled.

Gain on disposal of assets - Sale and leaseback

On March 19, 2024, AREIT, Inc. (AREIT) and the Group executed a Deed of Exchange, for the subscription by the Group to 199,109,438 primary common shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines (referred to as the “Property”) valued at ₱6,769.72 million (referred to as “Transaction”) at ₱34.00 per share (referred to as the “Transaction Price”). The valuation of the Property subject of the Transaction required the approval of the Philippine SEC. Under the Deed of Exchange, all rights and obligations over the Property and the AREIT shares accrues to each of AREIT and the Group, respectively, from the first day of the quarter of the SEC approval. AREIT is a subsidiary of Ayala Land, Inc., an affiliate of the Group.



On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the Bureau of Internal Revenue, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the Philippine Stock Exchange. Beginning July 1, 2024, dividends declared by AREIT accrue to the Group. Following AREIT's declaration of ₱0.56 regular cash dividends per common share on July 12, 2024, the Group recognized other income amounting to ₱111.50 million presented under "Other Income – net" in the consolidated statements of income.

On September 26, 2024, Giga Ace 8, Inc. (a wholly owned subsidiary of ACEN) and AREIT executed a contract of lease over the Property for the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and the lessee under such terms and conditions as may be acceptable to them. The initial rent is ₱173.54 per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payments commencing from July 1, 2025 are done in advance on a quarterly basis (see Note 9).

The rent payment for the period beginning on the Rent Commencement Date to June 30, 2025 is ₱478.82 million, exclusive of VAT.

The right-of-use asset and lease liability amounted to ₱6,356.84 million, which is equivalent to 85% of the total fair value of the AREIT shares received from the Transaction.

The investment in AREIT are equity shares that are not held for trading by the Group. This is classified as fair value through other comprehensive income and presented under "Financial assets at fair value through other comprehensive income" in the consolidated statements of financial position.

The closing price of AREIT shares was ₱37.50 on September 25, 2024. The cost of the Property amounted to ₱500.76 million (see Note 8) resulting in a gain from the Transaction of ₱6,965.84 million which was recognized in BCHC's financial statements.

The Group recognized ₱1,035.33 million as "Gain on disposal of assets" in the consolidated statements of income for the year ended December 31, 2024. The Transaction is classified as a sale and leaseback transaction; the gain recognized from the sale and leaseback transaction represents only the amount relating to the rights in the underlying assets that were transferred to the buyer-lessor after considering the lease liabilities recognized from the leaseback.

The Group accrued ₱111.50 million dividend income for the fourth quarter of 2024.

Gain on early redemption of convertible loan

On September 27, 2023, the Group entered into a Framework Agreement with The Blue Circle Pte. Ltd (TBC) to effectively reduce the Group's capital deployed in Dai Phong and Hong Phong 1 Wind projects in Vietnam. This was to effectively make the projects effectively a true 50-50 joint venture in terms of funding. Salient points of the agreement are as follows:



- 50% of outstanding principal and accrued interest of bridge loan facility to be repaid at carrying value.
- 50% of outstanding principal and accrued interest long-term convertible facility to be repaid at a premium of US\$7.00 million (₱398.18 million).
- Premium to be paid via redemption of common shares of ACEN Vietnam Investments 2 Pte. Ltd. (ACEV2), which was subject to regulatory approval coming from Vietnam Competition Commission. ACEV2 is the subsidiary of the Group that entered into a joint venture agreement with TBC to construct the Vietnam wind projects.

Principal and accrued interest of bridge loan and long-term convertible loan facility was repaid September 2023. The cost of common shares redeemed amounted to US\$0.002 million.

On March 6, 2024, the Vietnam Competition Commission issued its approval of shares redemption and transfer of common share ownership and, consequently, the gain on early redemption of the convertible loan was recognized amounting to US\$6.97 million (₱389.18 million). The transfer of common share ownership occurred on March 22, 2024.

<i>In thousands</i>	In US\$	In PHP
Total consideration	\$38,921	₱2,173,391
Carrying value of convertible loan and accrued interest	31,952	1,784,209
Gain on early redemption of convertible loan	\$6,969	₱389,182

ACRI Guarantee Agreement and guarantee fee income

ACRI serves as a guarantor for the following borrowings entered into by its related parties which ACRI unconditionally and irrevocably guaranteed. Fees are charged for these guarantee agreements. ACRI assessed that the expected credit loss from its guaranteed obligation of the related parties is nil.

During the year ended December 31, 2024, the Group has entered into various guarantee agreements with banks for a total of US\$307.0 million, for projects in India, Vietnam and Australia, of which US\$303.5 million is outstanding as of year-end. The purpose of the guarantees is to secure various Standby Letter of Credit (SBLC) and guarantee agreements of the projects as follows:

- a. Construction SBLCs and guarantees - US\$7.2 million;
- b. Bid and performance bonds - US\$30.90 million;
- c. Performance connection - US\$63.4 million;
- d. SBLC loans - US\$32.8 million; and
- e. Loan guarantees - US\$169.3 million

For the years ended December 31, 2024 and 2023, the Group recognized corresponding guarantee fee income amounting to \$2.85 million (₱163.82 million) and to \$1.65 million (₱91.23 million), respectively.



Settlement of Derivatives

Settlement of derivatives pertain to maturities of foreign exchange forward contracts entered into by ACEN with various banks and settlement of fuel and coal hedge contracts (Note 25).

Fair value adjustment on financial asset at FVTPL

Fair value loss on financial assets at FVTPL is comprised of the loss on unlisted shares Masaya Solar Energy Private Limited. The fair value is determined using a discount rate of 10.9% for the years ended December 31, 2024 and 2023.

21. Income Taxes

a. Provision for (benefit from) income tax consists of:

	2024	2023	2022
Current			
Regular corporate income tax	P800,558	P447,967	P404,363
Minimum corporate income tax	91,937	44,363	10,962
Deferred	(62,575)	(210,032)	(1,077,423)
	P829,920	P282,298	(P662,098)

b. The components of the Group's net deferred income tax assets (liabilities) as at December 31 are as follows:

Net deferred tax assets

	2024	2023
Income tax reported in consolidated statements of income		
Deferred income tax assets:		
NOLCO	P2,440,577	P2,145,431
Lease liability	2,328,438	545,437
Accrued expenses	383,556	134,635
MCIT	124,181	88,800
Pension and other employee benefits	40,941	21,920
Unamortized discount on long-term receivable	39,021	41,723
Asset retirement obligation	36,572	19,704
Allowance for doubtful accounts and expected credit losses	28,739	30,854
Impairment of Input VAT	24,945	1,653
Unrealized foreign exchange loss	6,388	16,310
Allowance for inventory obsolescence	1,526	1,528
Unamortized past service costs	1,002	1,129
Others	450,282	46,771
	5,906,168	3,095,895

(Forward)



	2024	2023
Deferred income tax liabilities:		
Right-of-use assets	₱1,645,146	₱374,944
Excess of fair value over cost of power plant	851,776	–
Long-term payable	86,969	–
Unrealized foreign exchange gain	35,545	68,602
Accrual of bonuses	–	60,059
Unamortized debt issue costs	–	52,757
Asset retirement obligation	–	12,917
Others	16,913	532
	2,636,349	569,811
	3,269,819	2,526,084

	2024	2023
Income tax reported in consolidated statements of other comprehensive income		
Deferred tax asset:		
Derivative liability on hedging	34,465	2,641
Remeasurement gain (loss) on defined benefit obligation	12,660	13,807
Unrealized fair value gains on financial asset at FVOCI	31	–
Derivative liability on forward contracts	–	14,851
	47,156	31,299
Deferred tax liabilities -		
Derivative asset on hedging	–	435,302
Total deferred income tax assets – net	₱3,316,975	₱2,122,081

Net deferred tax liabilities

	2024	2023
Income tax reported in consolidated statement of income		
Deferred income tax assets:		
Unrealized foreign exchange loss	₱108	₱–
Unearned revenue	(12,214)	(2,223)
Lease liability	–	70,950
Others	(96,603)	81,451
	(108,709)	150,178

(Forward)



	2024	2023
Deferred income tax liabilities:		
Unamortized capitalized borrowing costs	₱688,122	₱485,292
Right-of-use assets	437,504	78,886
Excess of fair value over cost of power plant	204,781	–
Unrealized foreign exchange gain	22,959	22,462
Others	24,987	369,440
	1,378,353	956,080
	(1,487,062)	(805,902)

**Income tax reported in consolidated statements
of other comprehensive income**

Deferred tax asset:		
Remeasurement gain (loss) on defined benefit obligation	26,006	–
Unrealized fair value gains on financial asset at FVOCI	6,392	–
	32,398	–
Total deferred income tax liabilities - net	(₱1,454,664)	(₱805,902)

The Group's temporary differences and unused NOLCO for which no deferred income tax assets were recognized in the consolidated statements of financial position as follows:

	2024	2023
NOLCO	₱1,899,386	₱4,691,482
Accrued expenses	47,749	220,851
Allowance for probable losses	40,575	18,469
Allowance for credit losses	20,000	20,000
Unrealized foreign exchange loss	3,696	3,281
Excess MCIT	2,571	27,374
Allowance for impairment loss on property and equipment	–	3,969,107

NOLCO amounted to ₱1,899.39 million and ₱4,691.48 million, as at December 31, 2024 and 2023, respectively. DTAs on various deductible temporary differences and unused NOLCO have not been recognized as management believes it is not probable that sufficient future taxable income will be available against which the related deferred income tax assets can be used.

Temporary differences on asset retirement cost and PFRS 16 adoption are expected to reverse during the income tax holiday period of ISLASOL, SACASOL, and MONTESOL.



As at December 31, 2024 and 2023, NOLCO totaling ₱9,392.09 million and ₱7,872.80 million, respectively, can be claimed as deduction from regular taxable income and MCIT amounting to ₱106.93 million and ₱20.70 million, respectively, can be credited against future RCIT. The movement in NOLCO and MCIT is shown in the tables below:

Year	NOLCO					Expiry Date
	Beginning	Additions	Application	Expiration	Ending	
2016 ^(a)	₱129,030	₱116,549	(₱17,644)	(₱227,935)	₱-	2023
2017 ^(a)	-	470,941	-	(48,077)	422,864	2020
2018	422,864	1,449,379	-	(16,177)	1,856,066	2021
2019	1,856,066	1,080,806	-	(9,691)	2,927,181	2022
2020 ^(b)	2,927,181	620,811	(2,596,669)	(470,941)	480,382	2025
2021 ^(b)	480,382	431,693	(3,890)	-	908,185	2026
2022	908,185	5,047,595	(127,027)	(431,961)	5,396,792	2025
2023	5,396,792	2,796,612	(320,601)	-	7,872,803	2026
2024	7,872,803	1,519,285	-	-	9,392,088	2027

(a) NOLCO from renewable entities which can be carried over for the next 7 consecutive taxable years per RE Act of 2008

(b) RR-15-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five(5) consecutive years

Year	MCIT					Expiry Date
	Beginning	Additions	Application	Expiration	Ending	
2019	₱9,539	₱748	₱-	(₱351)	₱9,936	2022
2020	9,936	2,648	(8,325)	(4,259)	-	2023
2021	-	23,885	-	-	23,885	2024
2022	23,885	-	-	(541)	23,344	2025
2023	23,344	-	-	(2,649)	20,695	2026
2024	20,695	86,239	-	-	106,934	2027

The reconciliation between the effective income tax rates and the statutory income tax rate follows:

	2024	2023	2022
Applicable statutory income tax rates	25.00%	25.00%	25.00%
Increase (decrease) in tax rate resulting from:			
Net income under tax holiday	(17.38)	(10.53)	(1.78)
Income of foreign subsidiary exempt from tax	(13.20)	(19.38)	(27.06)
Equity in net income of associates and joint ventures	(2.72)	(4.70)	(1.60)
Financial income subject to final tax	(2.26)	(4.22)	(0.46)
Dividend income exempt from tax	(1.18)	(0.01)	(0.01)
Nondeductible expenses	3.83	0.47	(7.33)
Movement in temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized and others	15.49	16.38	8.49
Effective income tax rates	7.58%	3.01%	(4.75%)

- Applying the provisions of the CREATE Act, the Parent Company and certain subsidiaries of the Group were subjected to either a lower regular corporate income tax rate of 25% or a minimum corporate income tax rate of 1% effective July 1, 2020.
- R.A. No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted.



The TRAIN changes the existing tax law and includes several provisions that generally affected businesses on a prospective basis. In particular, management assessed that amendment of Section 148 – Excise tax on manufactured oil and other fuels – which increases the excise tax rates of lubricating oil, diesel fuel oil and bunker fuel oil, among others that are used for the power plants, may have material impact to the operations of the Group. Management has considered the impact of TRAIN in managing the operation hours of its power plants.

- c. Guimaras Wind is a duly registered renewable energy developer under Renewable Energy (RE) Act of 2008, It is entitled to income tax holiday (ITH) for the first seven years of its commercial operations on all its registered activities starting 2015. Under the RE Act, Guimaras Wind can avail a corporate tax rate of 10% after the ITH period. Since Guimaras Wind will avail the 10% after the ITH, the deferred tax asset expected to be reversed after the ITH period was set up at 10%.
- d. ISLASOL is duly registered with the provisions of the Omnibus Investments Code of 1987 on March 29, 2017 which entitled ISLASOL to the incentive to avail ITH for seven years from March 2016, date of actual commercial operation under the administration of BOI. After 7 years of ITH, ISLASOL pays a corporate tax of ten percent (10%) on its net taxable income.
- e. SACASOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 on April 7, 2016 which entitled SACASOL to the incentive to avail ITH for seven years from May 2014, date of actual commercial operations under administration of BOI. After 7 years of ITH, SACASOL pays a corporate tax of ten percent (10%) on its net taxable income.
- f. MONTESOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 on October 15, 2015 which entitled MONTESOL to the incentive to avail ITH for seven years from March 2016, date of actual commercial operations under administration of BOI. After 7 years of ITH, SACASOL pays a corporate tax of ten percent (10%) on its net taxable income.

Base Erosion and Profit Shifting (BEPS)

The Organisation for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which include a minimum 15% tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years.

Pillar Two legislation has been implemented in some of the jurisdictions in which subsidiaries of ACEN (the "Group") operate. Some of the Pillar Two legislations became effective for reporting periods beginning on January 1, 2024. Given this, the Group has assessed the applicable Pillar Two tax legislation in all the countries in which subsidiaries of the Group operate to determine whether a Pillar Two 'top-up' tax liability needs to be recognised.



The relevant Pillar Two Rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two tax legislation provides for a transitional Country-by-Country Reporting (“CbCR”) safe harbor (“TCSH”) that applies for the first three fiscal years following the entry into force of the relevant Pillar Two tax legislation; the TCSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting) under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TCSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

ACEN and its fully consolidated subsidiaries are among the constituent entities of the Ayala Group of companies that is covered for BEPS Pillar Two calculations. Under the Pillar Two Rules, the results of all the constituent entities present in a jurisdiction are blended, and based on the assessment performed, most of the jurisdictions where the Ayala Group operates would benefit from the TCSH. Under the Guidelines, jurisdictions that pass any of the TSH test criteria are not subject to detailed Pillar Two calculations and the top-up tax is deemed to be zero.

Of the jurisdictions covered in the assessment only four did not meet any of the TCSH tests, and only British Virgin Islands and Singapore are relevant to this report. The Ayala Group has provisionally calculated the potential top-up tax exposure based on the full Pillar Two regime. However, as Singapore’s legislation on Pillar Two will only be effective in 2025 and none of the intermediate parent entities of the British Virgin Islands and Singapore entities have effective Income Inclusion Rule (IIR) in place, there is no top-up tax payable for entities incorporated in British Virgin Islands and Singapore in the current period.

For 2024, the Group has also applied the amendment to IAS 12 which allows for temporary mandatory relief from accounting for the deferred tax impacts of the top-up tax and allows for recognition of the top-up tax as current tax expense as incurred.

22. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements and electricity supply.



ACEN served as the guarantor for the US\$400.00 million senior undated fixed-for-life (non-deferrable) Notes with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par, issued by ACEN Finance on September 8, 2021, under its medium-term note (MTN) Programme. Proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework (see Note 13).

The balances as at December 31, 2024 and 2023 and transactions for the years ended December 31, 2024, 2023 and 2022 are as follows:

a. Transactions with ACEIC, the intermediate parent company

Nature	Amount/ Volume			Outstanding Balance Receivable (Payable)		Terms / Conditions
	2024	2023	2022	2024	2023	
Interest receivable	₱-	₱-	₱107,000	₱-	₱-	Non-interest bearing; due and demandable
interest income						
Management fee income	52,640	8,634	24,919	48,533	1,580	Unsecured; no impairment
Management fee (expense)	41,753	249,557	26,041	(15,303)	(280,247)	Non-interest bearing; due and demandable
Transfer of Employee	-	176,633	-	176,633	176,633	Non-interest bearing; due and demandable
Due from related parties	-	4,458	-	147,620	172,030	Non-interest bearing; due and demandable
Due to related parties	-	-	-	(75,399)	(77,806)	Non-interest bearing; due and demandable

b. Notes Receivables

Related Party	Amount/ Volume			Outstanding Balance		Terms / Conditions
	2024	2023	2022	2024	2023	
Development loans						
<i>Associates</i>						
PT UPC Sidrap Bayu Energi Tahap Dua	₱386,018	₱-	₱-	₱386,018	₱-	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Sukabumi Bayu Energi	252,208	-	-	252,209	-	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Lombok Timur Bayu Energi	56,823	-	-	56,823	-	Payable at the option of the lender; interest bearing; unsecured; no impairment
<i>Joint Ventures</i>						
UPC Power Solutions LLC	486,346	-	-	1,378,101	-	Payable in 2028; interest bearing; unsecured; no impairment
UPC-AC Energy Solar Limited (UPC-ACE Solar)	-	-	401,436	856,874	806,694	Due in 2024; interest bearing; unsecured; with impairment
ACEN-Silverwolf	9,175	5,415	-	14,832	5,415	Due in 2026; interest bearing; unsecured; no impairment
<i>Affiliate</i>						
Yoma Strategic Investments Ltd ("Yoma")	181,328	-	-	1,570,821	1,329,824	Due in 2033; interest bearing; unsecured; no impairment
	₱1,371,898	₱5,415	₱401,436	₱4,515,678	₱2,141,933	



Related Party	Amount/ Volume			Outstanding Balance		Terms / Conditions
	2024	2023	2022	2024	2023	
Development loans						
Bridge Financing						
<i>Joint Ventures</i>						
Greencore 3	₱184,539	₱248,591	₱2,147,546	₱4,659,075	₱4,474,536	Due in 2024; interest bearing; unsecured; no impairment
Lac Hoa	–	–	2,643,403	2,742,492	2,625,150	Due in 2024; interest bearing; unsecured; no impairment
Hoa Dong	–	–	2,318,792	2,405,713	2,302,780	Due in 2024; interest bearing; unsecured; no impairment
Asian Wind 1	–	–	–	1,538,099	1,472,288	Due in 2035; interest bearing; unsecured; no impairment
Asian Wind 2	–	–	2,737,160	1,160,660	1,157,895	Due 2045 interest bearing; unsecured; no impairment
NEFIN Solar	183,022	220,649	574,834	964,218	791,514	Due in 2024; interest bearing; unsecured; no impairment
AMI Greenergy Investment JSC	311,553	–	–	311,553	–	Due in 2028; interest bearing; unsecured; no impairment
Vietnam Wind	–	224,279	754,669	296,154	283,482	Due in 20 years from date of drawdown; interest bearing; unsecured; no impairment
PT Dewata ACEN Renewables Indonesia	10,094	33,214	–	44,792	33,214	Due in 2024; interest bearing; unsecured; no impairment
Ingrid	–	600,000	650,000	–	300,000	Due in 2024; interest bearing; unsecured; no impairment
	₱689,208	₱1,326,733	₱11,826,404	₱14,122,756	₱13,440,859	
Other Loans						
<i>Joint Venture</i>						
Bim Group Joint Stock Company	₱2,024,575	₱–	₱–	₱2,024,575	₱–	Due in 2029; interest bearing; unsecured; no impairment
BrightNight	197,432	310,542	–	517,213	310,543	Due in 20 years; interest bearing; unsecured; no impairment
URH	454,927	–	–	462,662	–	Due in 2025; interest bearing; unsecured; no impairment
Infineum 4 Energy, Inc.	10,300	34,360	43,466	88,126	77,826	Due in 2024; interest bearing; unsecured; no impairment
Ingrid	–	–	450,000	–	–	Due in 2023; interest bearing; unsecured; no impairment
	₱2,687,234	₱344,902	₱493,466	₱3,092,576	₱388,369	

Except for the discussion above, the movement in the notes receivable from related parties are revaluation of US\$ denominated notes receivable to Philippine Peso for the three years ended December 31, 2024, 2023 and 2022.



c. Interest Income and Receivable

This account consists of:

Related Party	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms
	2024	2023	2022	2024	2023	
Investment in redeemable preferred shares and convertible loans (Note 7)						
Redeemable preferred shares	₱2,335,852	₱2,509,952	₱2,251,145	₱4,733,771	₱3,473,000	various dates
Convertible loans	580,381	627,386	1,223,766	1,350,236	761,760	various dates
	₱2,916,233	₱3,137,338	₱3,474,911	₱6,084,007	₱4,234,760	
Development Loans (Note 5)						
<i>Joint Ventures</i>						
UPC-ACE Solar	₱106,179	₱102,677	₱95,725	₱442,677	₱-	various dates
ACEN-Silverwolf	1,115	-	-	1,338	206	various dates
UPC Power Solutions LLC	84,500	-	-	-	-	various dates
URH	23,118	-	-	-	-	various dates
UPC-ACE Australia	-	14,664	7,087	-	-	various dates
<i>Associates</i>						
PT Sidrap	11,071	-	-	11,125	-	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Sukabumi	7,044	-	-	7,033	-	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Lombok	886	-	-	842	-	Payable at the option of the lender; interest bearing; unsecured; no impairment
AMI Renewables (Quang Binh)	1,241	-	-	-	-	various dates
TBC	-	-	60,390	-	-	various dates
<i>Affiliate</i>						
Yoma	66,204	53,314	52,427	64,042	198,328	various dates
	₱301,358	₱170,655	₱215,629	₱527,057	₱198,534	
Bridge Financing (Note 5)						
<i>Joint Ventures</i>						
Lac Hoa	₱262,956	₱343,065	₱96,629	₱723,817	₱387,030	various dates
Hoa Dong	230,826	301,196	86,371	637,054	439,074	various dates
Vietnam Wind	50,076	37,355	59,043	537,426	465,726	various dates
Asian Wind 1	152,817	283,695	269,291	134,143	-	various dates
AMI Greenergy Investment JSC	10,189	-	-	10,255	-	various dates
Asian Wind 2	118,041	224,807	199,560	9,672	-	various dates
PT Dewata ACEN Renewables Indonesia	4,424	-	-	4,946	472	various dates
NEFIN Solar	78,142	47,487	26,480	-	63,448	various dates
Greencore 3	698,588	495,884	228,241	-	57,797	30-day, non-interest bearing
Ingrid	35,063	76,405	12,367	-	33,337	30-day, non-interest bearing
BIM Wind	-	130,266	380,250	-	-	various dates
BIMRE	-	-	10,370	-	-	various dates
	₱1,641,122	₱1,940,160	₱1,368,602	₱2,057,313	₱1,446,884	
Other Loans						
BrightNight	₱65,064	₱29,677	₱-	₱94,138	₱29,693	30-day, non-interest bearing
Others	9,359	3,833	1,876	35,394	4,095	30-day, non-interest bearing
	₱74,423	₱33,510	₱1,876	₱129,532	₱33,788	
Trade Receivables						
<i>Affiliates</i>						
	₱-	₱-	₱-	₱2,010	₱9,068	30-day, non-interest bearing



d. Loans Payable

Related Party	Interest Expense			Outstanding Balance Receivable (Payable)		Terms
	2024	2023	2022	2024	2023	
BPI						
Amortization of DIC /						
Interest payable	₱3,502	₱2,232	₱6,454	(₱55,551)	(₱16,521)	30 days, unsecured
Long-term loans	166,199	110,257	339,442	(4,899,772)	(2,367,909)	10 years, interest bearing
Short-term loans	51,677	66,492	25,317	–	(1,500,000)	30 days, interest bearing

e. Financial asset at FVTPL

Related Party	Amount/Volume			Outstanding Balance		Terms
	2024	2023	2022	2024	2023	
BPI Wealth – A Trust Corporation (BPI Wealth)						
Peso	₱17,702,350	₱5,055,000	₱–	₱3,977,816	₱1,436,676	Redeemable (On Demand)
Foreign	4,158,249	300,794	–	1,726,537	–	Redeemable (On Demand)
	₱21,860,599	₱5,355,794	₱–	₱5,704,353	₱1,436,676	

The Group holds investments in a Unit Investment Trust Fund (UITF) with BPI Wealth – A Trust Corporation (BPI Wealth).

f. Right of Use Assets / Lease Liabilities

The Group entered into lease agreements with Ayala Land, Inc, (ALI) and Fort Bonifacio Development Corporation (FBDC), affiliates, for the use of its office units and parking spaces. Lease with FBDC ended on March 31, 2023. In 2024, the Group entered into lease agreements with AREIT for the use of land and easement rights and BPI Tokyo Century Rental Corporation (BPI TCR) for the use of vehicles.

Related Party	Amortization / Interest Expense			Right-of-use assets / (Lease Liabilities)		Terms
	2024	2023	2022	2024	2023	
LI						
Right of use assets (Note 9)	₱137,339	₱144,988	₱114,880	₱1,174,001	₱1,448,350	10 years, unsecured
Lease liabilities (Note 9)	81,496	65,517	41,550	(1,420,785)	(1,639,935)	10 years, unsecured
REIT						
Right of use assets (Note 9)	–	–	–	535,118	–	25years, unsecured
Lease liabilities (Note 9)	–	–	–	(6,472,722)	–	25 years, unsecured
PI TCR						
Right of use assets (Note 9)	421	–	–	3,621	–	2 years, unsecured
Lease liabilities (Note 9)	114	–	–	(3,769)	–	2 years, unsecured
BDC						
Right of use assets (Note 9)	–	–	9,227	–	–	3 years, unsecured
Lease liabilities (Note 9)	–	–	182	–	–	3 years, unsecured



g. Other Related Party Transactions

	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms
	2024	2023	2022	2024	2023	
Management fee income	₱473,639	₱138,970	₱46,148	₱101,661	₱112,513	30-days, unsecured
Rental income	17,337	13,009	17,337	2,530	4,214	30-days, unsecured
Revenue from power supply contracts	606,060	-	33,721	-	-	-30-days, unsecured
Cost of sale of electricity	1,115,485	569,485	911,744	(105,187)	(103,650)	30-days, unsecured
Due from related parties	-	-	-	1,140,059	738,206	On demand, Unsecured
Due to related parties	-	-	-	(2,273,247)	(2,733,673)	On demand, Unsecured

Management fee income pertains to service fees billed by the Group to its related parties under common control and joint venture and associates for providing a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/ bookkeeping services, human resources management, manpower related services and other related functions.

Rental income pertains to revenue from sublease agreement with Ingrid for a parcel of land in Brgy.Malaya, Pililla,Rizal.

The Parent Company purchases the entire net electricity output of MGI.

The amount due from a related company pertains mostly to advances including those for project development or reimbursement of expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

The amount due to a related parties pertains to advances, including those for development cost, utilities expense, professional services and other miscellaneous expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

h. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱298.65 million and ₱301.17 million for years ended December 31, 2024 and 2023 respectively, pertain to housing, car, salary and other loans granted to the Group's officers and employees.

i. Payable to Directors and Stockholders

	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms / Conditions
	2024	2023	2022	2024	2023	
Accrued director's and annual incentives						
Directors' fee and annual incentives	₱31,696	₱36,700	₱29,812	(₱1,200)	(₱2,000)	On demand, Unsecured
Due to stockholders						
Cash dividends	3,911,549	2,069,015	2,298,950	(13,138)	(16,585)	On demand, Unsecured



Key Management Compensation

Compensation of key management personnel of the Group are as follows:

	2024	2023	2022
Short-term employee benefits	₱76,443	₱59,802	₱54,431
Post-employment benefits	8,164	27,750	4,132
	₱84,607	₱87,552	₱58,563

Identification, Review and Approval of Related Party Transactions

All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

23. Earnings Per Share

Basic and diluted EPS are computed as follows:

	2024	2023	2022
	(In Thousands, Except for Number of Shares and Per Share Amounts)		
Net income attributable to equity holders of Parent Company	₱9,360,006	₱7,396,140	₱13,055,119
Less cumulative preferred share dividends	1,927,679	642,560	—
(a) Net income attributable to common shareholders of Parent Company	₱7,432,327	₱6,753,580	₱13,055,119
Common shares outstanding at beginning of year (Note 15)	39,677,394,773	39,677,394,773	38,324,027,174
Weighted average number of:			
Shares issued during the year	—	—	1,043,557,948
(b) Weighted average common shares outstanding	39,677,394,773	39,677,394,773	39,367,585,122
Basic/Diluted earnings per share (a/b)	₱0.19	₱0.17	₱0.33



For the years ended December 31, 2024, 2023 and 2022, except for ESOWN, the Parent Company does not have any material potential common shares or other instruments that may entitle the holder to common shares. Consequently, diluted earnings per share is the same as basic earnings per share for the years ended December 31, 2024, 2023 and 2022.

24. Business Combinations

2024 Business Combinations

Investment in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (“MEM”), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM’s receivables from RWEI. The total cost of the transaction is ₱568.72 million (US\$10.00 million) which is comprised of the acquisition cost for the shares amounting to US\$8.76 million and assigned receivables of US\$1.24 million. This is classified as an investment in a joint venture since the fundamental business and operational matters require unanimous consent from all parties.

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. (“Maraj”), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI. The total transaction cost is ₱741.98 million which is comprised of the acquisition cost for the shares amounting to ₱31.98 million and ₱710.00 million earnout.

As a result, the Group acquired control over RWEI.

The fair value of the identifiable assets and liabilities, net of eliminations, at August 1, 2024 acquisition date were:

Assets	
Cash and cash equivalents	₱901
Input value added tax (VAT)	2,362
Other current assets	1
Property, plant and equipment	10,118
Right-of-use assets (Note 9)	102
Accounts and notes receivable – net of current portion	60
Deferred income tax assets - net	3,830
Other noncurrent assets	10,686
	<hr/>
	28,060

(Forward)



Liabilities	
Accounts payable and other current liabilities	₱31,314
Income and withholding taxes payable	5,447
Noncurrent portion of long-term loans (see Note 13)	55,428
Other noncurrent liabilities	219
	<u>92,408</u>
Total identifiable net liabilities	(64,348)
Less cost of acquisition	741,984
Fair value of previously held interest (see Note 6)	568,719
Goodwill arising on acquisition (see Note 10)	<u>₱1,375,051</u>

RWEI is a special purpose vehicle for the development and operation of a 500MW wind energy project located in Real, Quezon. The RWEI project is strategically located close to another ACEN wind project spanning Laguna and Quezon. This new acquisition presents opportunities for synergies through the joint use of logistical routes, transmission lines, and substation infrastructure.

The cost of the business combination is made up as follows:

Cash consideration	₱31,984
Earnout consideration (Note 14)	710,000
Fair value of equity interest in RWEI before business combination	568,719
Total consideration	<u>₱1,310,703</u>

The earnout remains unpaid and is payable upon achievement of certain milestones which is beyond 12 months from December 31, 2024 (this is presented under “Other noncurrent liabilities” in the consolidated statements of financial position) (Note 14).

Net cash outflow on acquisition is as follows:

Total cash consideration paid in cash	₱570,703
Less cash acquired with the subsidiary ^(a)	(901)
Net cash outflow	<u>₱569,802</u>

^(a)Cash acquired with the subsidiary is included in cash flows from investing activities.

If the acquisition had taken place at the beginning of 2024, revenue reduction for the year ended December 31, 2024, would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱33.53 million.

Initial accounting for the acquisition of RWEI has only been provisionally determined as the acquisition occurred close to the end of the reporting period. At the date of finalization of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized and they have therefore only been provisionally determined based on the management’s best estimate of the likely values.



2023 Business Combinations

Investment in YMP Telecom Power Inc.

On December 22, 2023, Belenos Energy Corporation (“Belenos”), a wholly owned subsidiary of ACEN, signed a Share Purchase Agreement for the acquisition of YMP Telecom Power Inc. (YMP Telecom) and its affiliate, YMP Industrial Power Inc. (YMP Industrial), through purchase of 100% of the outstanding shares held by Yoma Micro Power (S) Pte. Ltd. in each of these companies for the purpose of building and operating solar-powered solutions for telecommunication towers and commercial and industrial solar power solutions in the Philippines.

The following are the fair values of the identifiable assets and liabilities of YMP Telecom and YMP Industrial as at the date of acquisition:

Assets	
Cash and cash equivalents	₱188,165
Accounts and notes receivable - net	12,453
Other current assets	2,424
Property, plant and equipment	41,825
	244,867
Liabilities	
Accounts payable and other current liabilities	327,531
Deferred income tax liabilities - net	537
	328,068
Total identifiable net liabilities	(83,201)
Less cost of acquisition	21,000
Goodwill arising on acquisition (see Note 10)	₱104,201

Goodwill comprises the fair value of expected synergies arising from the acquisition. This is presented under Goodwill in the consolidated statements of financial position. None of the goodwill recognized is expected to be deductible for income tax purposes.

Consideration transferred was paid in cash on the transaction date.

Net cash inflow on acquisition is as follows:

Cash consideration	₱21,000
Less cash acquired with the subsidiary ^(a)	(188,165)
Net cash inflow	₱167,165

^(a)Cash acquired with the subsidiary is included in cash flows from investing activities.

If the acquisition had taken place at the beginning of 2023, revenue contribution for the year ended December 31, 2023, would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱52.80 million.

On December 22, 2024, the Group finalized the accounting for the acquisition YMP Telecom and YMP Industrial. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱104.20 million.



Investment in Sinocalan

On November 29, 2022, ACEN, Sungrow, and Havilah signed an agreement for the sale and purchase of Sungrow's and Havilah's shares and/or subscription rights in Sinocalan to ACEN.

In 2022, ACEN's acquisition of control in Sinocalan resulted to a goodwill amounting to ₱114.00 million.

Sinocalan is the developer of the proposed ~60MWp solar power plant in San Manuel, Pangasinan.

Net cash outflow on acquisition in 2023 is as follows:

	2023
Cash consideration*	₱114,000
Less Cash acquired with the subsidiary ^(a)	—
Net cash outflow	₱114,000

^(a)Cash acquired with the subsidiary is included in cash flows from investing activities.

25. Financial Risk Management Objectives and Policies

Objectives and Investment Policies

The funds of the entities are held directly by the Group and are managed by the Corporate Finance and Treasury Group ("CFT").

All cash investments of the Group are carried and governed by the following principles, stated in order of importance:

- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash. Under no circumstance will yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

The CFT manages the funds of the Group and invests them in highly liquid instruments such as short-term deposits, marketable instruments, corporate promissory notes and bonds, government bonds, and trust funds denominated in Philippine peso and U.S. dollar. It is responsible for the sound and prudent management of the Group's financial assets that finance the Group's operations and investments in enterprises.

CFT focuses on the following major risks that may affect its transactions:

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations ("CPIR") focuses on the following major risks that may affect its transactions:

- Market risk
- Equity price risk



Commercial Operations (“CO”) focuses on commodity price risk.

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Group.

Risk Management Process

Foreign Exchange Risk

The Group defines foreign exchange risk as the risk of realizing reduced operating cash flows and/or increasing the volatility of future earnings from movements in foreign exchange. The risk is measured based on potential downside impact of market volatility to operating cash flows and target earnings.

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:

- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:

- Trading by spot conversions; or
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values.

Cash flow hedges

The Group manages its foreign exchange risk by hedging future cash flows that are expected to occur within the next 12 months.

On August 1, 2024, the Group entered into a cross-currency swap agreement to hedge its exposure to variable cash flows due to foreign exchange movements on its US\$54.86 million loan due to mature in 2029 (*see Note 13*). There is an economic relationship between the hedged item and the hedging instrument as the terms of the foreign currency-denominated fixed-rate loan match the terms of the cross-currency swap (i.e., notional amount, maturity, payment dates).

On December 16, 2024, the Group entered into forward currency contracts with a notional amount of ₱1,000.00 million to hedge its exposure to variability in future cash flows due to foreign exchange movements on its highly probable forecasted EPC payments.

The Group has established a hedge ratio of 1:1 or 100% for its hedging relationships as the underlying risk of the cross-currency swap and forward currency contract is identical to the hedged risk components. In assessing the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.



The Group's significant foreign currency-denominated financial assets and financial liabilities as at December 31 are as follows:

	2024	2023
	U.S. Dollar	U.S. Dollar
	(US\$)	(US\$)
Financial Assets		
Cash and cash equivalents	\$217,123	\$288,622
Other receivables	410,969	370,703
	628,092	659,325
Financial Liabilities		
Accounts payable and other current liabilities	(157,654)	(173,920)
Notes payable and loans-term loans	(1,284,670)	(722,412)
	(1,442,324)	(896,332)
Net foreign currency-denominated assets (liabilities)	(\$814,232)	(\$237,007)
Peso equivalent	(₱47,236,913)	(₱13,168,109)

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱58.01 to US\$1.00 as at December 31, 2024 and ₱55.56 to US\$1.00 as at December 31, 2023.

The following tables demonstrate the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Group's profit before tax (due to the changes in the fair value of monetary assets and liabilities) in periods presented. The possible changes are based on the survey conducted by management among its banks. There is no impact on the Group's equity other than those already affecting the profit or loss. The effect on profit before tax already includes the impact of derivatives.

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate	US\$
December 31, 2024	(₱0.50)	407,117
	(1.00)	814,233
	0.50	(407,117)
	1.00	(814,233)
December 31, 2023	(₱0.50)	118,504
	(1.00)	237,007
	0.50	(118,504)
	1.00	(237,007)

For subsidiaries with functional currency in US\$, financial assets and liabilities are translated into Philippine peso, presentation currency of the Group using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated investments in associates and joint ventures, accounts and other payables, and notes payable with US\$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average



rate for the period. Assets and liabilities of ACEN Cayman Limited, ACEN HK and ACEN Finance which are in US\$ functional currency was likewise translated to the Group's presentation currency.

The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments". See below for the carrying amounts.

	2024	
	Peso	US\$
Cash and cash equivalents	₱8,488,339	\$146,743
Receivables	23,283,035	402,507
Investments in:		
Associates and joint ventures	26,072,280	450,727
Redeemable preferred shares and convertible loans	17,828,524	308,212
Financial asset at FVTPL	5,825,491	100,709
	81,497,669	1,408,898
Accounts payable and other current liabilities	8,928,542	154,353
Notes payable	74,311,732	1,284,670
Net foreign currency position	(₱1,742,605)	(\$30,125)

	2023	
	Peso	US\$
Cash and cash equivalents	₱13,762,449	\$248,554
Receivables	20,149,499	363,906
Investments in:		
Associates and joint ventures	19,083,118	344,647
Redeemable preferred shares and convertible loans	21,633,799	390,713
Financial asset at FVTPL	7,731,998	139,642
	82,360,863	1,487,462
Accounts payable and other current liabilities	9,629,365	173,909
Notes payable	39,999,949	722,412
Net foreign currency position	₱32,731,549	\$591,141

The following are the sensitivity rates used in reporting foreign currency risk internally to key management personnel. The sensitivity rates represent management's assessment of the reasonably possible change in foreign exchange rates.

		Increase (decrease) in Peso per foreign currency	Effect on income before income tax
December 31, 2024	US\$	(\$0.50)	15,063
		(1.00)	30,125
		0.50	(15,063)
		1.00	(30,125)
December 31, 2023	US\$	(\$0.50)	(295,571)
		(1.00)	(591,141)
		0.50	295,571
		1.00	591,141



Credit or Counterparty Risk

The Group defines Credit or Counterparty Risk as the risk of sustaining a loss resulting from a counterparty's default to a transaction entered with the Group.

Credit or counterparty risk is managed through the following:

- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the Board.
- Discussions are done on every major investment by CFT before it is executed subject to the Group's Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and CFT Finance Managers supervise major transaction executions.
- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the receivables of the Group, its exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

2024						
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade and other receivables						
<i>Current:</i>						
Trade receivables	₱370,925	₱726,358	₱2,058,805	₱3,008,784	₱67,887	₱6,232,759
Due from related parties	8,151,746	46,036	13,075	5,919,117	1,036,523	15,166,497
Others	1,464,215	115,826	–	889,036	87,192	2,556,269
<i>Noncurrent</i>						
Trade receivables	374,727	–	–	677,877	–	1,052,604
Due from related parties	14,712,892	188,276	91,550	902,881	1,317,243	17,212,842
Receivables from third parties	626,654	–	–	234,658	–	861,312
	₱25,701,159	₱1,076,496	₱2,163,430	₱11,632,353	₱2,508,845	₱43,082,283

2023						
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade and other receivables						
<i>Current:</i>						
Trade receivables	₱4,399,914	₱819,759	₱281,793	₱2,521,277	₱50,196	₱8,072,939
Due from related parties	6,028,005	234	5,032	5,685,385	–	11,718,656
Others	5,175,257	1,397	8,302	1,139,336	84,864	6,409,156
<i>Noncurrent</i>						
Trade receivables	–	–	–	132,295	1,157,518	1,289,813
Due from related parties	10,626,653	102,868	89,307	799,583	–	11,618,411
Receivables from third parties	696,762	–	–	241,574	–	938,336
	₱26,926,591	₱924,258	₱384,434	₱10,519,450	₱1,292,578	₱40,047,311



The Group uses the following criteria to rate credit risk as to class:

Class	Description
Class A	Customers with excellent paying habits
Class B	Customers with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, short-term investments, financial assets at FVOCI and derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group's assessments of the credit quality of its financial assets are as follows:

- Cash and cash equivalents, short-term investments and derivative assets were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.
- Listed and unlisted financial assets at FVOCI were assessed as high grade since these are investments in instruments that have a recognized foreign or local third-party rating or instruments which carry guaranty or collateral.

There are no significant concentrations of credit risk within the Group.

Maximum exposure to credit risk of financial assets not subject to impairment

The gross carrying amount of financial assets not subject to impairment also represents the Group's maximum exposure to credit risk which mainly pertains to financial assets at FVOCI amounting to ₱12,460.21 million and ₱5,799.32 million as at December 31, 2024 and 2023, respectively.

Maximum exposure to credit risk of financial assets subject to impairment

The gross carrying amount of financial assets subject to impairment are as follows:

	2024	2023
<i>Financial Assets at Amortized Cost (Portfolio 1)</i>		
Cash and cash equivalents	₱25,158,358	₱39,696,662
Short-term investments	161,966	–
Under “Receivables” account		
Current:		
Trade receivables	6,164,872	8,022,743
Due from related parties	14,129,974	11,718,656
Others	2,469,077	6,324,293
Noncurrent:		
Trade receivables	1,052,604	164,971
Due from related parties	15,895,599	11,585,735
Receivables from third parties	861,312	938,336
Redeemable preferred shares and convertible loans	17,828,524	21,633,799
Under “Other Noncurrent Assets” account	–	
Deposits	189,683	161,373
	₱83,911,969	₱100,246,568



The Group's maximum exposure to credit risk are as follows:

2024					
Grade	Lifetime ECL				Total
	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	
High	₱85,066,706	₱-	₱-	₱-	₱85,066,706
Standard	-	-	-	1,354,108	1,354,108
Substandard	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	85,066,706	-	-	1,354,108	86,420,814
Less loss allowance	2,508,845	-	-	-	2,508,845
Carrying amount	₱82,557,861	₱-	₱-	₱1,351,599	₱83,911,969

2023					
Grade	Lifetime ECL				Total
	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	
High	₱99,387,084	₱-	₱-	₱459,036	₱ 99,846,120
Standard	42,282	-	-	1,536,887	1,579,169
Substandard	-	-	-	-	-
Default	-	113,857	-	-	113,857
Gross carrying amount	99,429,366	113,857	-	1,995,923	101,539,146
Less loss allowance	1,292,578	-	-	-	1,292,578
Carrying amount	₱98,136,788	₱113,857	₱-	₱1,995,923	₱ 100,246,568

Simplified Approach

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

2024						
	Days Due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.52%	1.61%	2.61%	4.49%	13%	
Estimated total gross carrying amount at default	₱4,050,731	₱732,185	₱185,229	₱280,475	₱802,418	₱6,051,038
Expected credit loss	₱20,923	₱11,775	₱4,843	₱12,583	₱105,255	₱155,379



2023						
	Current	Days Due				Total
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.64%	1.72%	2.12%	4.67%	6.04%	
Estimated total gross carrying amount at default	₱3,472,406	₱735,036	₱268,369	₱284,065	₱1,629,354	₱6,389,230
Expected credit loss	₱22,272	₱12,671	₱5,678	₱13,278	₱98,413	₱152,312

Liquidity Risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity risk is managed through:

- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Group.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Group's plans. Average duration of investments does not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

2024						
	On Demand	Less than 3 Months	3 to 12 Months	More than 1		Total
				Year to 5 Years	More than 5 Years	
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱3,826,863	₱1,457,421	₱54,278	₱1,107	₱2,647	₱5,342,316
Retention payable	381,034	43,817	29,562	28,178	–	482,591
Accrued expenses ^a	1,957,807	1,454,176	21,139	–	–	3,433,122
Accrued interest	717,947	809,862	–	–	–	1,527,809
Due to related parties	1,848,831	557,923	62,383	15	–	2,469,152
Others	104,128	–	–	741,512	–	845,640
Derivative Liability	7,974	32,334	–	227,865	–	268,173
Short-term loans	150,000	5,450,000	–	–	–	5,600,000
Due to stockholders	13,138	–	–	–	–	13,138
Lease liabilities ^b	–	187,550	1,297,586	2,509,292	13,778,179	17,772,607
Long-term loans ^c	–	1,007,580	9,675,972	69,483,863	33,620,855	113,788,270
Notes payable	–	–	–	35,713,475	–	35,713,475
Other noncurrent liabilities ^d	–	–	–	5,136,864	–	5,136,864
	₱9,007,722	₱11,000,663	₱11,140,920	₱113,842,171	₱47,401,681	₱192,393,157

^a Excluding current portion of vacation and sick leave accruals.

^b Gross contractual payments.

^c Including contractual interest payments.

^d Excluding contract liabilities.



2023						
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	Total
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱4,786,861	₱2,545,347	₱49,290	₱133,351	₱-	₱7,514,849
Retention payable	80,542	1,446	306,416	6,932	-	395,336
Accrued expenses ^a	3,522,924	1,521	303,245	159	-	3,827,849
Accrued interest	-	-	-	-	-	-
Due to related parties	2,245,231	725,675	224,470	15	-	3,195,391
Others	41,219	814	4,924	84,523	-	131,480
Derivative Liability	-	10,563	-	12,437	-	23,000
Short-term loans	-	1,500,000	-	-	-	1,500,000
Due to stockholders	16,585	-	-	-	-	16,585
Lease liabilities ^b	-	159,857	1,183,734	3,467,918	12,590,733	17,402,242
Long-term loans ^c	-	593,851	1,535,146	20,934,687	34,828,021	57,891,705
Notes payable	-	-	-	33,949,492	-	33,949,492
Other noncurrent liabilities ^d	-	-	-	5,249,198	-	5,249,198
	₱10,693,362	₱5,539,074	₱3,607,225	₱63,838,712	₱47,418,754	₱131,097,127

^a Excluding current portion of vacation and sick leave accruals.

^b Gross contractual payments.

^c Including contractual interest payments.

^d Excluding contract liabilities.

As at December 31, 2024 and 2023, the profile of financial assets used to manage the Group's liquidity risk is as follows:

2024					
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
<i>Current:</i>					
Cash and cash equivalents	₱25,158,358	₱-	₱-	₱-	₱25,158,358
Short-term investments	-	-	161,966	-	161,966
Accounts and Notes					
Receivables:					
Accounts and other receivable	6,198,281	966,925	1,604,776	-	8,769,982
Notes receivable	3,354,991	114,352	5,157,044	-	8,626,387
Interest receivable	6,310,965	248,191	-	-	6,559,156
<i>Noncurrent:</i>					
Receivables:					
Accounts and other receivable	-	-	-	1,783,399	1,783,399
Notes receivable	-	-	-	14,952,360	14,952,360
Interest receivable	-	-	-	2,390,998	2,390,998
Derivative assets	-	-	157,662	4,394,107	4,551,769
Investment in redeemable preferred shares and convertible loans	-	-	-	19,941,374	19,941,374
Financial assets at FVOCI:					
Quoted	7,556,202	-	-	-	7,556,202
Unquoted	-	-	-	4,560,437	4,560,437
	₱48,578,797	₱1,329,468	₱7,081,448	₱48,022,675	₱105,012,388



	2023				Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	
Loans and receivables:					
<i>Current:</i>					
Cash and cash equivalents	₱39,696,662	₱-	₱-	₱-	₱39,696,662
Short-term investments	-	-	-	-	-
Accounts and Notes Receivables:					
Accounts and other receivable	7,451,131	1,204,573	1,761,647	-	10,417,351
Notes receivable	8,872,038	26,249	4,978,164	-	13,876,451
Interest receivable	1,806,672	15,519	84,759	-	1,906,950
<i>Noncurrent:</i>					
Receivables:					
Accounts and other receivable	-	-	-	1,988,705	1,988,705
Notes receivable	-	-	-	7,558,457	7,558,457
Interest receivable	-	-	-	4,299,398	4,299,398
Derivative assets	-	-	177,828	6,269,689	6,447,517
Investment in redeemable preferred shares and convertible loans	-	-	-	21,633,799	21,633,799
Financial assets at FVOCI:					
Quoted	-	-	-	-	-
Unquoted	-	-	-	300	300
	₱57,826,503	₱1,246,341	₱7,002,398	₱41,750,348	₱107,825,590

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2024 and 2023, the Group has fixed rate financial instruments measured at fair value.

The Group's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate. The Group generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans. Specific interest rate risk policies are as follows:

Market Risk

Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes. Interest rate, foreign exchange rates and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

Equity Price Risk

Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets at FVTPL and financial assets at FVOCI.



Commodity Price Risk

Cash flow hedges

The Group defines Commodity Price Risk as the risk of realizing reduced profit margins and/or increasing the volatility of future earnings that are affected by the pricing variability and uncertainty in coal and fuel supply and any associated foreign exchange risk. The risk is measured based on potential downside impact of market volatility to target earnings.

To manage Commodity Price Risk, the Group develops a Coal and Fuel Hedging Strategy aimed to:

- Manage the risk associated with unexpected increase in coal and fuel prices which affect the target Profit & Loss of the Group
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for hedge accounting

Only the Group's Chief Executive Officer, Chief Finance Officer and Philippine Chief Operating Officer (PH COO) are authorized to make coal and bunker fuel oil hedging decisions for the Group. All executed hedges go through a stringent approval process to justify the tenor, price and volume of the hedge to be undertaken.

Monitoring and assessment of the hedge effectiveness and Coal and Fuel Hedging Strategy are reviewed periodically by the Commercial Operations. Continuation, addition, reduction and termination of existing hedges are decided by the Head of CO and any material change in permissible hedging instrument, counterparties and limits are elevated to the BOD for approval.

The Group purchases coal and bunker fuel oil on an ongoing basis for its operating activities in the thermal energy power generators, composed of SLTEC (by virtue of the AMA) and other diesel power plants (CIPP, One Subic Power, Bulacan Power). The increased volatility in coal and fuel oil price over time led to entering in commodity swap contracts. The forecasted volumes are determined based on each plant's projected operating capacity, plant availability, required monthly consumption and storage capacity.

These contracts are expected to reduce the volatility attributable to price fluctuations. Hedging the price volatility of forecast coal and bunker fuel oil purchases is in accordance with the risk management strategy outlined by the Board.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity swap contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.



The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following foreign exchange and commodity swap contracts:

	Maturity						Total
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	
As at December 31, 2024							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$10,000	\$19,301	\$-	\$-	\$-	\$-	\$29,301
Average forward rate (\$/₱)	56.36	58.39	-	-	-	-	
<i>Coal</i>							
Notional amount (in Metric Tons)	1,200	-	-	-	-	-	1,200
Notional amount (in \$000)	(\$17)	\$-	\$-	\$-	\$-	\$-	(\$17)
Average hedged rate (\$ per Metric ton)	\$104.76	\$-	\$-	\$-	\$-	\$-	
As at December 31, 2023							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$17,161	15,159	\$6,560	\$-	\$-	\$-	\$38,880
Average forward rate (\$/₱)	55.47	55.42	55.43	-	-	-	
<i>Coal</i>							
Notional amount (in Metric Tons)	1,200	-	-	-	-	-	1,200
Notional amount (in \$000)	(\$95)	\$-	\$-	\$-	\$-	\$-	(\$95)
Average hedged rate (\$ per Metric ton)	\$168.22	\$-	\$-	\$-	\$-	\$-	

The impact of the hedging instruments on the consolidated statements of financial position are as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As at December 31, 2024				
Foreign exchange forward contracts	\$17,147	15,089	Other current assets	15,089
Foreign exchange forward contracts	\$12,154	(7,974)	Accounts payable and other current liabilities	(7,974)
Commodity swap contracts – Coal	\$1,200	(925)	Other noncurrent liabilities	(925)
As at December 31, 2023				
Foreign exchange forward contracts	\$17,161	(10,563)	Accounts payable and other current liabilities	(10,563)
Commodity swap contracts – Coal	\$1,200	(5,277)	Other noncurrent liabilities	(3,958)



The impact of hedged items on the consolidated statements of financial position are as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at December 31, 2024			
Highly probable forecast purchases	₱15,089	₱-	₱-
Highly probable forecast purchases	(7,974)	-	-
Coal purchase	(925)	-	-
As at December 31, 2023			
Highly probable forecast purchases	(₱10,563)	₱-	₱-
Coal purchase	(3,958)	-	-

The effect of the cash flow hedge in the consolidated statements of comprehensive income are as follows:

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at December 31, 2024						
Foreign exchange forward contracts	₱66,166	₱-	₱-	₱-	₱-	₱-
Foreign exchange forward contracts	₱24,664	-	-	-	-	-
Commodity swap contracts - Coal	(694)	-	-	-	-	-
As at December 31, 2023						
Foreign exchange forward contracts	(₱10,563)	₱-	₱-	₱-	₱-	₱-
Commodity swap contracts - Coal	(3,958)	-	-	-	-	-

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Enterprise risk assessments are refreshed on an annual basis. Risk assessments at the plant level are also conducted for operational risks. Insurance coverage is also reviewed annually by the Insurance Committee.
- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and re-challenged based on current and forecasted developments on the financial and political events.
- Monthly management reports are submitted to the Operations Management Committee that includes updates from the various business and functional units, including market updates. This includes updates on financials, leverage, operations, health and safety, human resources, sustainability, and other risk areas.



- Annual planning sessions are conducted to set the targets for the Group, and these are revisited at midyear to review the progress and risks related to the accomplishment of these targets.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or acquire long-term debts.

Statutory debt consists of short-term and long-term debts of the Group. Net statutory debt includes short-term and long-term debts less cash and cash equivalents, short-term investments and restricted cash. The Group considers its total equity (including redeemable preferred shares) as capital.

	2024	2023
Short-term debt (Note 13)	₱5,600,000	₱1,500,000
Long-term debt (Note 13)	127,912,375	77,778,471
Total statutory debt	133,512,375	79,278,471
Less:		
Cash and cash equivalent (Note 4)	25,158,358	30,868,829
Short-term investments (Note 11)	161,966	–
Restricted cash (Note 4)	–	8,827,833
Net statutory debt	108,192,051	39,581,809
Total equity	157,443,200	173,375,857
Debt to equity	84.80%	45.73%
Net debt to equity	68.72%	22.83%

The Group closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keep the compliance of these covenants into consideration. The Group is not subject to externally imposed capital requirements.



26. Fair Values

The table below presents the carrying values and fair values of the Group's financial assets and financial liabilities, by category and by class, as at December 31, 2024 and 2023:

	2024			
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Financial assets at FVTPL	₱6,626,140	₱–	₱6,626,140	₱–
Financial assets at FVOCI	12,116,639	7,556,203	–	4,560,436
Investment in redeemable preferred shares and convertible loans	17,828,524	–	–	18,579,456
Derivative asset*	4,551,769	–	157,662	4,394,107
Refundable deposits**	189,683	–	–	199,973
Trade receivables***	1,758,707	–	–	1,623,888
Receivables from third parties****	30,562	–	–	30,562
	₱43,102,024	₱7,556,203	₱6,783,802	₱29,388,422
Liabilities				
Notes payable	₱33,056,481	₱–	₱–	₱34,030,004
Long-term debt	94,855,894	–	–	91,038,771
Deposit payables and other liabilities*****	39,711	–	–	44,442
Derivative liability*****	291,664	–	40,308	251,356
Lease liabilities	14,498,442	–	–	13,741,296
	₱142,742,192	₱–	₱40,308	₱139,105,869

* Included under "Other current assets" account.

** Included under "Other noncurrent assets" account.

*** Included under "Receivables" account and pertain to FIT adjustments

**** Included under "Receivables" account and pertain to multilateral agreement with PEMC

***** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.

***** Included under "Other noncurrent Liabilities"



	2023			
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Financial assets at FVTPL	P3,871,472	P501,822	P3,369,650	P-
Financial assets at FVOCI	5,799,323	-	-	5,799,323
Investment in redeemable preferred shares and convertible loans	21,633,799	-	-	21,633,799
Derivative asset*	6,447,517	-	1,284,709	5,162,808
Refundable deposits**	167,101	-	-	161,373
Trade receivables***	738,798	-	-	779,816
Receivables from third parties****	10,262	-	-	10,262
	P38,668,272	P501,822	P	P33,547,381
Liabilities				
Notes payable	P32,003,794	P-	P-	P29,589,780
Long-term debt	44,485,573	-	-	44,224,717
Deposit payables and other liabilities*****	65,016	-	-	65,016
Derivative liability	23,000	-	23,000	-
Lease liabilities	7,505,848	-	-	8,820,127
	P84,083,231	P-	P23,000	P82,699,640

* Included under "Other current assets" account.

** Included under "Other noncurrent assets" account.

*** Included under "Receivables" account and pertain to FIT adjustments

**** Included under "Receivables" and pertain to multilateral agreement with PEMC

***** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.

***** Included under "Other noncurrent Liabilities"

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investment, Receivables, Accounts Payable and Other Current Liabilities and Due to Stockholders

The carrying amounts of cash and cash equivalents, short-term investment, receivables, accounts payable and other current liabilities and due to stockholders approximate their fair values due to the relatively short-term maturities of these financial instruments.



Financial Asset at FVTPL and FVOCI

Quoted financial assets at FVOCI and FVTPL, specifically for publicly traded shares held by the Group, were measured using market prices and classified as Level 1.

In 2023, the Group, acquired equity shares of SP New Energy Corporation (“SPNEC”), a publicly listed company. The SPNEC shares held by the Group for trading purposes and accounted as financial asset at FVTPL and classified as Level 1. The carrying amount of SPNEC shares amounted to nil and ₱501.82 million as at December 31, 2024 and 2023, respectively.

In 2024, the Group acquired equity shares of AREIT via property-for share swap (see Note 20). The AREIT shares are accounted as financial asset at FVOCI and classified as Level 1. The carrying amount of AREIT shares amounted to ₱7,556.20 million and nil as at December 31, 2024 and 2023, respectively.

Other quoted financial assets at FVTPL held by the Group consist of investments in unit investment trust funds (UITFs) were measured using the funds’ net asset value (NAV) and classified as Level 2. The carrying amount of the Group’s UITF amounted to ₱5,704.35 million and ₱1,436.68 million as at December 31, 2024 and 2023, respectively.

Unquoted financial assets at FVTPL and FVOCI, specifically debt and equity instruments held by the Group were measured using the DCF technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity which is a related party investment company, management estimates the amount and timing of the future cash inflow arising from redemption of preferred shares.

Financial assets at FVTPL classified as Level 2 consists of Compulsorily Convertible Debentures of Masaya Solar Energy Private Limited. The carrying amount of financial assets at FVTPL amounted to ₱921.79 million and ₱1,932.98 million as at December 31, 2024 and 2023, respectively.

Financial assets at FVOCI classified as Level 3 consists of investments in Redeemable Preference Share in UPC-ACE Solar, BrightNight and PT Puri Prakarsa Batam and IBV ACEN Renewables Asia Pte. The carrying amount of financial assets at FVOCI amounted to ₱4,560.44 million and ₱5,799.32 million as at December 31, 2024 and 2023, respectively.

Investment in redeemable preferred shares and convertible loans

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

Noncurrent trade receivables, Receivables from third parties, Refundable Deposits, Deposits Payable and Other Liabilities

Estimated fair value is based on present value of future cash flows discounted using the prevailing BVAL rates that are specific to the tenor of the instruments’ cash flows at the end of the reporting period.



Long-Term Loans

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 3.02% to 8.52 % and 1.03% to 8.88% as at December 31, 2024 and 2023, respectively.

Notes Payable

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows is 6.15% and 6.07% as at December 31, 2024 and 2023, respectively.

Derivative asset and liability

The fair value of the derivative asset and liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period. The following table gives information about how the fair values of derivative asset are determined (in particular, the valuation technique(s) and inputs used).

<u>Derivative asset</u>	<u>Valuation technique</u>
Long-term Energy Supply Agreement	Discounted cash flow. Valuation requires the use of long dated energy valuation volumes and long dated energy and LGC price curves
Interest rate swaps	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparts

There were no significant unobservable inputs used in the valuation of the derivative assets on Long-term Energy Supply Agreement and interest rate swaps.

There were no transfers between levels in the fair value hierarchy in 2024 and 2023.

27. Operating Segment Information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For management purposes, the Group is organized into the following business units:

- Philippines, which includes:
 1. Retail Electricity Supply (RES) and Commercial Operations (CO)
 2. Renewables - generation, transmission, distribution, and supply of electricity using renewable sources such as solar, wind, and geothermal resources



3. Thermal - generation, transmission, distribution, and supply of electricity using conventional methods of energy generation
 4. Project development
 5. Leasing
 6. Bulk water supply - arising from previously owned biomass project (ACEN legacy projects)
 7. Petroleum and exploration - pursued via 75.92% owned subsidiary, ENEX Energy Corp.
- International represents the operations of ACRI, which is the holding company for all offshore investments, which includes businesses from Australia, Vietnam, Indonesia, India and rest of the world. This includes earnings from the operations of ACEN Australia, international renewable investments, as well as project development expenses, financing activities, and overhead expenses for the various renewable power projects in the pipeline.
 - Parent and Others represents operations of the Parent Company (excluding Commercial Operations) including its financing entities such as ACEN Finance Limited and ACEN Cayman Ltd.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on (1) operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statement referred to by management as “Core Operating Earnings” and (2) selected attributable financial information, specifically attributable earnings before interest, taxes, depreciation, and amortization (EBITDA) and attributable debt of renewable energy projects.

Statutory EBITDA is the sum of the consolidated (1) revenues, (2) cost and expenses excluding depreciation and amortization and provision for impairment, (3) equity in net income of associates and joint ventures and (4) other income - net (excluding gain on previously held interest, unrealized foreign exchange gain/loss, fair value loss on financial asset at FVTPL).

Attributable EBITDA is the sum of (1) statutory EBITDA, and (2) nonconsolidated operating projects’ EBITDA multiplied by ACEN’s economic interest less (1) equity in net income of associates and joint ventures, and (2) less interest and other financial income from Investment in redeemable preferred shares and convertible loans (this is presented under other income (charges) in the consolidated statements of income). This is not equivalent to the statutory EBITDA of the Group.

Operating projects’ EBITDA follows the same definition as statutory EBITDA.

Nonconsolidated projects are investments in associates and joint ventures and investment in redeemable preferred shares and convertible loans of the Group.

Statutory net debt is the sum of consolidated (1) short-term loans, (2) long-term loans, and (3) notes payable less consolidated cash and cash equivalents.

Attributable net debt is the sum of (1) statutory net debt and (2) nonconsolidated operating projects’ net debt which is debt less cash multiplied by ACEN’s economic interest.



Statutory and attributable net debt includes recourse and non-recourse debt. Nonconsolidated operating projects' net debt excludes intercompany loans wherein the Group is the lender. These are bridge financing, development loans and investment in redeemable preferred shares and convertible loans in the consolidated statements of financial position of the Group.

Revenue earned from a single external customer amounted to ₱9,298.26 million, ₱13,328.00 million and ₱11,880.00 for the years ended December 31, 2024, 2023 and 2022, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arising from sales in the Philippine Segment.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results are shown net of transfers between operating segments. Those transfers are eliminated in consolidation.

The following tables regarding operating segments present revenue and income information for the years ended December 31, 2024, 2023 and 2022, and assets and liabilities as at December 31, 2024 and December 31, 2023:

	For the Year Ended December 31, 2024			
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱33,881,066	₱2,253,208	₱–	₱36,134,274
Dividend income	115,483	400,478	–	515,961
Rental income	69,597	–	–	69,597
Other revenues	13,026	68,299	499,245	580,570
	34,079,172	2,721,985	499,245	37,300,402
COSTS AND EXPENSES				
Costs of sale of electricity				
Cost of purchased power	21,973,613	69,930	–	22,043,543
Depreciation and amortization	1,479,786	543,273	–	2,023,059
Fuel	1,018,764	–	–	1,018,764
Others	2,273,213	–	–	2,273,213
	26,745,376	613,203	–	27,358,579
General and administrative expenses				
Personnel costs, management and professional fees	230,115	1,400,206	1,502,929	3,133,250
Provision for impairment	15,472	1,119,506	28	1,135,006
Depreciation and amortization	186,023	86,227	296,968	569,218
Others	827,037	935,460	382,793	2,145,290
	1,258,647	3,541,399	2,182,718	6,982,764
	28,004,023	4,154,602	2,182,718	34,341,343
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	1,014,048	176,918	–	1,190,966
OTHER INCOME (CHARGES)				
Interest and other financial income				
Cash in banks and short-term deposits	440,096	270,855	278,622	989,573
Accounts and notes receivable	859,500	1,564,581	4,463	2,428,544
Investment in redeemable preferred shares and convertible loans	–	2,916,233	–	2,916,233
	1,299,596	4,751,669	283,085	6,334,350
Interest and other finance charges	(483,662)	(1,069,203)	(1,739,206)	(3,292,071)
Other income - net				

(Forward)



For the Year Ended December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Gain on disposal of assets	₱1,035,334	₱1,602,674	₱-	₱2,638,008
Others	1,112,085	-	-	1,112,085
	2,147,419	1,602,674	-	3,750,093
	2,963,353	5,285,140	(1,456,121)	6,792,372
INCOME (LOSS) BEFORE INCOME TAX	10,052,550	4,029,441	(3,139,594)	10,942,397
PROVISION FOR (BENEFIT FROM) INCOME TAX	689,323	(392,494)	533,091	829,920
SEGMENT NET INCOME (LOSS)	₱9,363,227	₱4,421,935	(₱3,672,685)	₱10,112,477
Other disclosures:				
Depreciation and amortization	₱1,665,809	₱629,500	₱296,968	₱2,592,277
Capital expenditures	17,681,623	17,204,277	-	34,885,900
Provision for impairment of property, plant and equipment, advances to contractors	5,298	-	-	5,298
Statutory EBITDA	10,776,813	6,638,330	(1,382,015)	16,033,128
Attributable EBITDA	11,880,337	14,013,999	(1,382,015)	24,512,321
Statutory Cash	13,609,500	1,115,251	10,433,607	25,158,358
Statutory Debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory Net Debt (Cash)	(9,325,448)	5,366,679	112,312,786	108,354,017
Attributable Cash	15,302,651	5,672,505	10,433,607	31,408,763
Attributable Debt	11,926,674	58,545,270	122,746,393	193,218,337
Attributable Net Debt (Cash)	(3,375,977)	52,872,765	112,312,786	161,809,574
As at December 31, 2024				
Operating assets	₱94,108,461	₱85,483,747	₱150,391,969	₱329,984,177
Operating liabilities	₱27,538,255	₱69,487,404	₱75,049,881	₱172,075,540
Investments in associates and joint ventures	₱12,887,100	₱29,847,903	₱-	₱42,735,003

The reconciliation of statutory and attributable EBITDA, cash, debt follows:

For the Year Ended December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Revenues	₱34,079,172	₱2,721,985	₱499,245	₱37,300,402
Cost and expenses (exc. Depreciation and amortization and provision for impairment)	(26,322,742)	(2,405,596)	(1,885,723)	(30,614,061)
Equity in net income of associates and joint ventures	1,014,048	176,918	-	1,190,966
Interest and other financial income				
Accounts and notes receivable	859,500	1,564,581	4,463	2,428,544
Investments in redeemable preferred shares and convertible loans	-	2,916,233	-	2,916,233
Other income - net	1,146,835	1,664,209	-	2,811,044
Statutory EBITDA	₱10,776,813	₱6,638,330	(₱1,382,015)	₱16,033,128



For the Year Ended December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱10,776,813	₱6,638,330	(₱1,382,015)	₱16,033,128
Nonconsolidated operating projects' EBITDA	2,117,572	10,468,820	–	12,586,392
Equity in net income of associates and joint ventures	(1,014,048)	(176,918)	–	(1,190,966)
Interest and other financial income from Investments in redeemable preferred shares and convertible loans	–	(2,916,233)	–	(2,916,233)
Attributable EBITDA	₱11,880,337	₱14,013,999	(₱1,382,015)	₱24,512,321

As at December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱–	₱–	₱ 5,600,000	₱5,600,000
Long-term loans	4,284,052	6,481,930	84,089,912	94,855,894
Notes payable	–	–	33,056,481	33,056,481
Statutory debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory cash and cash equivalent	13,609,500	1,115,251	10,433,607	25,158,358
Statutory net debt (cash)	(₱9,325,448)	₱5,366,679	₱112,312,786	₱108,354,017

As at December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱9,325,448)	₱5,366,679	₱112,312,786	₱108,354,017
Statutory debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory cash and cash equivalents	13,609,500	1,115,251	10,433,607	25,158,358
Nonconsolidated operating projects'				
Attributable debt	7,642,622	52,063,340	–	59,705,962
Attributable cash	1,693,151	4,557,254	–	6,250,405
Gross attributable debt	11,926,674	58,545,270	122,746,393	193,218,337
Attributable net debt (cash)	(₱3,375,977)	₱52,872,765	₱112,312,786	₱161,809,574

As of December 31, 2024, with recourse, limited recourse and non-recourse statutory debt amount to ₱62,488.66 million, ₱7,845.63 million and ₱12,398.14 million, respectively. These amounts exclude statutory debt of the Parent Company.

Some of the international attributable debt is covered by guarantees (see Note 20).

For the Year Ended December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱35,350,698	₱830,728	₱–	₱36,181,426
Rental income	68,857	–	–	68,857
Other revenues	9,400	36,498	202,952	248,850
	35,428,955	867,226	202,952	36,499,133
COSTS AND EXPENSES				
Costs of sale of electricity				
Costs of power purchased	27,272,520	–	–	27,272,520
Depreciation and amortization	1,207,418	–	–	1,207,418
Fuel	1,522,458	–	–	1,522,458

(Forward)



Others	1,727,686	–	–	1,727,686
	31,730,082	–	–	31,730,082
General and administrative expenses				
Personnel costs, management and professional fees	238,719	1,288,922	1,079,036	2,606,677
Provision for impairment	(4,579)	3,001,236	–	2,996,657
Depreciation and amortization	107,926	53,457	204,669	366,052
Others	428,363	319,164	753,971	1,501,498
	770,429	4,662,779	2,037,676	7,470,884
	32,500,511	4,662,779	2,037,676	39,200,966
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES				
	1,023,766	752,124	(10,651)	1,765,239
OTHER INCOME (CHARGES)				
Interest and other financial income				
Cash in banks and short-term deposits	189,899	959,297	437,321	1,586,517
Accounts and notes receivable	693,150	1,640,242	13,144	2,346,536
Investments in redeemable preferred shares and convertible loans	–	3,137,338	–	3,137,338
	883,049	5,736,877	450,465	7,070,391
Interest and other finance charges	(408,353)	(53)	(1,521,859)	(1,930,265)
Other income (expense) – net				
Gain on disposal of assets	–	1,062,030	–	1,062,030
Remeasurement gain	–	3,433,328	–	3,433,328
Others	690,082	–	–	690,082
	690,082	4,495,358	–	5,185,440
	1,164,778	10,232,182	(1,071,394)	10,325,566
INCOME (LOSS) BEFORE INCOME TAX	5,116,988	7,188,753	(2,916,769)	9,388,972
PROVISION FOR (BENEFIT FROM) INCOME TAX				
	937,785	(320,730)	(334,757)	282,298
SEGMENT NET INCOME (LOSS)	₱4,179,203	₱7,509,483	(₱2,582,012)	₱9,106,674
Other disclosures:				
Depreciation and amortization	₱1,315,344	₱53,457	₱204,668	₱1,573,469
Capital expenditures	13,243,269	12,012,614	–	25,255,883
Provision for impairment of property, plant and equipment, advances to contractors	10,954	–	–	10,954
Statutory EBITDA	6,249,919	5,964,269	(1,673,325)	10,540,863
Attributable EBITDA	7,174,278	13,294,402	(1,662,674)	18,806,006
Statutory Cash	14,743,597	1,507,428	23,445,637	39,696,662
Statutory Debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory Net Debt (Cash)	(11,392,740)	17,031,867	33,942,682	39,581,809
Attributable Cash	15,524,271	6,593,490	23,445,637	45,563,398
Attributable Debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable Net Debt	(4,563,414)	65,429,822	33,942,682	94,809,090
As at December 31, 2023				
Operating assets	₱41,772,249	₱85,942,408	₱157,218,845	₱284,933,501
Operating liabilities	18,550,582	32,530,461	60,476,601	111,557,644
Investments in associates and joint ventures	10,882,646	19,215,972	–	30,098,617



The reconciliation of statutory and attributable EBITDA, cash, debt follows:

For the Year Ended December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Revenues	₱35,428,956	₱867,226	₱202,951	₱36,499,133
Cost and expenses (exc. depreciation and amortization and provision for impairment)	(30,717,499)	(1,633,953)	(2,485,327)	(34,836,779)
Equity in net income of associates and joint ventures	1,023,766	752,124	(10,650)	1,765,240
Other income – net (excluding gain on previously held interest, unrealized foreign exchange gain/loss, fair value loss on financial asset at FVTPL)	514,696	5,978,872	619,701	7,113,269
Statutory EBITDA	₱6,249,919	₱5,964,269	(₱1,673,325)	₱10,540,863

For the Year Ended December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱6,249,919	₱5,964,269	(₱1,673,325)	₱10,540,863
Nonconsolidated operating projects' EBITDA	1,948,125	11,078,225	–	13,026,350
Equity in net income of associates and joint ventures	(1,023,766)	(752,124)	10,651	(1,765,239)
Interest and other financial income from other financial assets at amortized cost	–	(2,995,968)	–	(2,995,968)
Attributable EBITDA	₱7,174,278	₱13,294,402	(₱1,662,674)	₱18,806,006

As at December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱–	₱–	₱1,500,000	₱1,500,000
Long-term loans	3,350,857	18,539,295	23,884,525	45,774,677
Notes payable	–	–	32,003,794	32,003,794
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809

As at December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Nonconsolidated operating projects' Attributable debt	7,610,000	53,484,017	–	61,094,017
Attributable cash	780,674	5,086,062	–	5,866,736
Gross attributable debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable net debt (cash)	(₱4,563,414)	₱65,429,822	₱33,942,682	₱94,809,090

As of December 31, 2023, with recourse, limited recourse and non-recourse statutory debt amount to ₱33,051.12 million, ₱9,172.04 million and ₱1,768.54 million, respectively. These amounts exclude statutory debt of the Parent Company.



Some of the international attributable debt is covered by guarantees (see Note 20).

	For the year ended December 31, 2022			
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱34,995,488	₱-	₱-	₱34,995,488
Rental income	68,469	-	-	68,469
Dividend income	-	3,635	-	3,635
Other revenues	79,282	28,586	63,091	170,959
	35,143,239	32,221	63,091	35,238,551
COSTS AND EXPENSES				
Costs of sale of electricity				
Costs of power purchased	24,599,882	-	-	24,599,882
Depreciation and amortization	1,918,307	-	-	1,918,307
Fuel	4,957,516	-	-	4,957,516
Others	2,707,534	-	-	2,707,534
	34,183,239	-	-	34,183,239
General and administrative expenses				
Personnel costs, management and professional fees	168,064	468,168	548,035	1,184,267
Provision for impairment	42,776	1,281,822	583	1,325,181
Depreciation and amortization	30,754	16,673	212,674	260,101
Others	414,035	64,276	653,957	1,132,268
	655,629	1,830,939	1,415,249	3,901,817
	34,838,868	1,830,939	1,415,249	38,085,056
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES				
Interest and other financial income	783,095	154,739	-	937,834
Cash in banks and short-term deposits	28,451	231,431	25,313	285,195
Accounts and notes receivable	295,526	1,572,126	11,426	1,879,078
Investments in redeemable preferred shares and convertible loans	-	3,474,911	-	3,474,911
	323,977	5,278,468	36,739	5,639,184
Interest and other finance charges	(1,101,532)	(1,067,837)	(188,162)	(2,357,531)
Other income (expense) – net				
Gain on disposal of assets	(121,107)	734,672	-	613,565
Remeasurement gain	-	10,921,026	-	10,921,026
Others	1,028,217	-	-	1,028,217
	907,110	11,655,698	-	12,562,808
	129,555	15,866,329	(151,423)	15,844,461
INCOME (LOSS) BEFORE INCOME TAX	1,217,021	14,222,350	(1,503,581)	13,935,790
PROVISION FOR (BENEFIT FROM) INCOME TAX	(338,523)	(81,862)	(241,713)	(662,098)
SEGMENT NET INCOME (LOSS)	₱1,555,544	₱14,304,212	(₱1,261,868)	₱14,597,888



Adjustments and Eliminations

Interest on parent loans and other financial income, including fair value gains and losses on financial assets, are not allocated to individual segments as the underlying instruments are managed on a group basis. Likewise, certain operating expenses and finance-related charges are managed on a group basis and are not allocated to operating segments. Allocable operating expenses have been allocated as applicable.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Other income - Net includes interest and other financial income from investments in redeemable preferred shares of associates and joint ventures and from development loans and advances to these associates and joint ventures, guarantee fee income, reversal of allowance for impairment of advances to contractors and impairment of investments in joint ventures, tax credits on real property taxes, gain (loss) on derivatives, gain on sale of by-product, claims on insurance, foreign exchange gain (loss), gain (loss) on sale of property, plant and equipment, mark-to market gains, fees on advisory services, and other miscellaneous income (expense) which are allocated to operating segments.

Capital expenditures consist of additions to property, plant and equipment. Investments and advances consist of investments and cash advances to the Group's associates and joint ventures.

28. Supplemental Cash Flows Information

The non-cash investing activities of the Group for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Non-cash additions to property, plant and equipment	₱1,006,933	₱378,109	₱1,466,936
Set-up of ROU assets from new lease agreements	697,575	2,714,723	282,104
Reclassifications to (from):			
Financial assets at FVOCI	2,922,268	-	-
Property, plant and equipment	2,299,440	3,502,012	186,683
Investments in associates and joint ventures	1,695,449	278,156	148,975
Investment in redeemable preferred shares and convertible loans	(4,629,864)	(355,199)	(59,782)
Other noncurrent assets	(2,299,440)	(3,574,135)	(936,776)
Creditable withholding taxes	(257,857)	837,419	(337,737)
Financial assets at FVTPL	-	(276,297)	-
Noncurrent assets held for sale	-	-	(1,539)
Changes due to business combinations (Note 24):			
Other noncurrent assets	10,686	-	1,323,653
Property, plant and equipment	10,118	41,825	14,712,729
Right-of-use assets	102	-	1,323,557
Investment in redeemable preferred shares and convertible loans	-	-	(12,951,246)

(Forward)



	2024	2023	2022
Investments in associates and joint ventures	₱–	₱–	(₱4,578,944)
Goodwill and other intangible assets	–	–	103,672
Changes due to loss of control (Note 2):			
Input VAT - net of current portion	(4)	–	(4,973)
Property, plant and equipment	–	–	(14,221,341)
Other noncurrent assets	–	–	(319,293)
Creditable withholding taxes	–	–	(117,954)

Movements in the Group's liabilities from financing activities for the years ended December 31, 2024 and 2023 are as follows:

	January 1, 2024	Availments/ Proceeds	Payments	Others	December 31, 2024
Current portion of:					
Short-term loans	₱1,500,000	₱25,600,000	(₱17,300,000)	(₱4,200,000)	₱5,600,000
Long-term loans	1,289,104	–	(1,701,273)	7,868,536	7,456,367
Lease liabilities	850,953	–	(881,200)	1,919,648	1,889,401
Interest payable	862,164	–	(7,446,873)	8,123,444	1,538,735
Due to stockholders	16,585	–	(4,599,747)	4,596,300	13,138
Noncurrent portion of:					
Notes payable	32,003,794	–	–	1,052,687	33,056,481
Long-term loans	44,485,573	47,292,421	–	(4,378,467)	87,399,527
Lease liabilities	7,505,848	–	–	5,103,193	12,609,041
Other noncurrent liabilities	6,344,004	–	(42,835)	1,278,871	7,580,040
Total liabilities from financing activities	₱94,858,025	₱72,892,421	(₱31,971,928)	₱21,364,212	₱157,142,730

	January 1, 2023	Availments/ Proceeds	Payments	Others	December 31, 2023
Current portion of:					
Short-term loans	₱2,900,000	₱9,000,000	(₱10,400,000)	₱–	₱1,500,000
Long-term loans	719,385	–	(541,690)	1,111,409	1,289,104
Lease liabilities	258,562	–	(773,325)	1,365,716	850,953
Interest payable	483,090	–	(3,065,790)	3,444,864	862,164
Due to stockholders	16,585	–	(3,951,848)	3,951,848	16,585
Noncurrent portion of:					
Notes payable	32,093,314	–	–	(89,520)	32,003,794
Long-term loans	28,051,903	17,586,442	–	(1,152,772)	44,485,573
Lease liabilities	4,206,459	–	–	3,299,389	7,505,848
Other noncurrent liabilities	827,643	–	(1,002,975)	6,519,336	6,344,004
Total liabilities from financing activities	₱69,556,941	₱26,586,442	(₱19,735,628)	₱18,450,270	₱94,858,025



	January 1, 2022	Availments/ Proceeds	Payments	Others	December 31, 2022
Current portion of:					
Short-term loans	₱-	₱23,259,020	(₱20,359,020)	₱-	₱2,900,000
Long-term loans	824,488	-	(7,387,050)	7,281,947	719,385
Lease liabilities	536,950	-	(291,085)	12,697	258,562
Interest payable	448,919	-	(1,955,949)	1,990,120	483,090
Due to stockholders	16,585	-	(3,801,730)	3,801,730	16,585
Noncurrent portion of:					
Notes payable	20,195,054	10,000,000	-	1,898,260	32,093,314
Long-term loans	20,117,733	23,012,509	-	(15,078,339)	28,051,903
Lease liabilities	2,159,302	-	-	2,047,157	4,206,459
Other noncurrent liabilities	2,736,920	-	(1,040,364)	(868,913)	827,643
Total liabilities from financing activities	₱47,035,951	₱56,271,529	(₱34,835,198)	₱1,084,659	₱69,556,941

Others includes the amortization of debt issue costs, interest expense, capitalized borrowing costs, foreign exchange gains/losses and the effect of reclassification of non-current portion to current due to passage of time.

29. Provisions and Contingencies

Tax assessments:

On August 20, 2014, ACEN distributed cash and property dividends in the form of shares in ENEX after securing SEC's approval of the registration and receipt of CAR from the BIR.

On October 22, 2014, ACEN received from the BIR a Formal Letter of Demand ("FLD"), assessing ACEN for a total donor's tax due of ₱157.75 million inclusive of penalty and interest up to September 30, 2014.

On November 21, 2014, ACEN and its independent legal counsel filed an administrative protest in response to the FLD, on the following grounds:

1. The dividend distribution is a distribution of profits by ACEN to its stockholders and not a "disposition" as contemplated under Revenue Regulations Nos. 6-2008 and 6-2013 which would result in the realization of any capital gain of ACEN;
2. ACEN did not realize any gain or increase its wealth as a result of the dividend distribution; and,
3. There was no donative intent on the part of ACEN.

On May 27, 2015, ACEN received from the BIR a Final Decision on Disputed Assessment ("FDDA") denying the protest.

On June 25, 2015, ACEN filed with the Court of Tax Appeals ("CTA") a Petition for Review seeking a review of the FDDA and requesting the cancellation of the assessment.

In its decision dated September 28, 2018, the CTA Third Division granted ACEN's petition and ordered the cancellation and withdrawal of the FLD (the "CTA Third Division Decision"). On January 18, 2019, the CTA denied the Commissioner of Internal Revenue's ("CIR") motion for reconsideration ("CTA Resolution"). On February 22, 2019, the CIR filed a petition for review with the CTA *en banc* seeking the reversal of the CTA Third Division's Decision and CTA Resolution. On



July 21, 2020, the CTA *en banc* upheld the CTA Third Division Decision and denied the CIR's petition. The CIR filed a motion for reconsideration dated August 26, 2020. In response, ACEN filed its Comment/ Opposition. On October 13, 2021, CTA *en banc* issued a resolution stating that the Motion for Reconsideration and Motion to Release Surety Bond are now submitted for resolution.

As at March 10, 2025, the CIR's motion for reconsideration has not been resolved by the CTA *en banc*.

On May 15, 2023, the ACEN received a Letter of Authority from the BIR covering taxable year 2021. Pursuant thereto, assessment notices were served for various internal revenue taxes inclusive of increments which ACEN accordingly responded to and was the subject of a settlement last February 13, 2025.

Claims for tax refund

- a. On May 19, 2022, Guimaras Wind Corporation ("Guimaras Wind") received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind 's Petition for Review for lack of merit. The CTA En Banc affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind 's claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16,149,514, out of the total amount claimed of ₱335,759,253, representing Guimaras Wind's excess and unutilized input value-added tax for Q3 and Q4 of 2014 and Q1 and Q2 of 2015. Guimaras Wind filed its Motion for Reconsideration (MR) to the CTA En Banc on June 3, 2022.

On June 27, 2022, Guimaras Wind received a Resolution from the CTA En Banc directing Guimaras Wind to file its Comment to the MR filed by the Commissioner of Internal Revenue within five (5) days from receipt of the said Resolution. Consequently, Guimaras Wind complied with the Resolution and filed its Comment to the CTA En Banc on July 4, 2022.

On January 17, 2023, the CTA En Banc issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division's Decision limiting Guimaras Wind's entitlement to refund to a reduced amount of ₱16,149,514.

The CTA En Banc held that the Certificate of Endorsement (COE) from the DOE and the Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) are both required in order for Guimaras Wind to properly avail of VAT zero-rating incentives. The CTA En Banc also rejected Guimaras Wind's position that its application for COC should be deemed "provisionally approved" six months from the filing of its application for a COC with the ERC.

On February 3, 2023, Guimaras Wind filed a Motion for Extension of Time to File Petition for Review on Certiorari with the Supreme Court (SC). On March 6, 2023, the Company filed the Petition.

On January 24, 2024, the SC Third Division issued a Resolution requiring Guimaras Wind to file a Comment to the Petition for Review filed by the Commissioner of Internal Revenue within ten (10) days from receipt of the notice. Guimaras Wind filed the Comment on February 10, 2024.



On April 16, 2024, Guimaras Wind received the CIR's MOTEX to file their Comment dated April 3, 2024. On December 19, 2024, Guimaras Wind received a copy of the SC Third Division's Notice which notifies Guimaras Wind and CIR that it issued a Resolution dated August 7, 2024, requiring Guimaras Wind to file a Reply to the Comment within ten (10) days from notice, or until January 2, 2025. Guimaras Wind filed the Reply on said date.

Awaiting for the decision or resolution as of date from the SC's Third Division.

- b. On April 12, 2017, San Carlos Solar Energy Inc. ("SACASOL") filed a Petition for Review with the CTA regarding the disallowed claim of 2015 input VAT amounting to ₱40.62 million. On February 3, 2021, the CTA denied SACASOL's Petition for Review on the ground that SACASOL failed to establish that its sales qualify for VAT zero-rating because SACASOL did not present any proof that it was issued a DOE Certificate of Endorsement ("COE"), on a per transaction basis. On February 26, 2021, SACASOL filed a Motion for Reconsideration ("MR"), on the basis that there is no legal requirement for the COE to be on a per transaction basis for the VAT zero-rating of SACASOL's sales, and the VAT zero-rated sales were never disputed considering the partial grant by the BIR of SACASOL's claim for unutilized input VAT attributable to VAT zero-rated sales.

On May 6 and 20, 2021, SACASOL filed Supplemental Motions to admit additional evidence which included a DOE letter and certification confirming that a COR on a per transaction basis is not required for purposes of VAT zero-rating of RE Sales of RE Developers and such document is not actually being issued by the DOE. On September 22, 2021, CTA Third Division issued a resolution denying the Motion for Reconsideration.

On February 2, 2023, SACASOL filed a Petition for Review before the CTA En Banc.

On April 27, 2023 CTA En Banc denied SACASOL Petition for Review on the basis of jurisdictional grounds. The CTA En Banc denied the Petition on the ground that the CTA Third Division purportedly has no jurisdiction to entertain the judicial claim for refund for being filed beyond the 120+30 day mandatory and jurisdictional period. The CTA En Banc counted the 120-day period from November 3, 2016 - the date when SACASOL filed its administrative claim for refund, and noted that the BIR only had until March 3, 2017 to decide the said claim. The CTA En Banc then held that since SACASOL did not receive an adverse decision from the BIR by March 3, 2017, the law considers the administrative claim as denied. According to the Decision, SACASOL had 30 days from March 3, 2017 or until April 3, 2017 to seek judicial redress. Since the Petition was only filed on April 12, 2017, the CTA is deprived of jurisdiction to hear the case.

On May 19, 2023, SACASOL filed its MR on the ground that (i) Sec112(c) does not require that the BIR acts and the taxpayer receives the decision within the 120 days; and (ii) SACASOL should be able to file the judicial claim within 30 days from receipt of the decision, as long as the decision was made within the 120-day period.



On January 12, 2024, SACASOL received CTA EN Banc Resolution denying the and reiterated its earlier ruling that CTA has no jurisdiction for failure of SACASOL to file its judicial claim for refund within the 120+30 days period from the filing of its administrative claim. The CTA En Banc ruled that the issues in the MR were already addressed, discussed and found wanting in its earlier Decision. On March 4, 2024, SACASOL filed its Petition for Review with the Supreme Court. On February 5, 2025, BIR filed its Comment with the Supreme Court.

As of March 10, 2025, SACASOL has not received any orders from the Supreme Court relating to the case.

Provisions and Contingencies

NorthWind Power Development Corporation (“NorthWind”) is a party to several cases involving the assessment and collection by the Provincial Treasurer of Ilocos Norte of real property tax (“RPT”) on the wind turbine generators, civil works, equipment, machinery, and transmission lines of NorthWind located in the Municipality of Bangui. NorthWind was assessed RPT at a rate of two percent (2%) or an aggregate amount of ₱147.23 million for years 2017 to 2021. NorthWind paid under protest the RPT thereon and filed a protest questioning the imposition of 2% tax rate on its Renewable Energy (“RE”) facilities. Under Republic Act 9513 or the RE Law, realty and other taxes on civil works, equipment, machinery, and other improvements of a Registered RE Developer actually and exclusively used for RE facilities shall not exceed 1.5% of their original cost less accumulated normal depreciation or net book value. All protests filed by NorthWind to the Provincial Treasurer from 2017 to 2023 were denied.

As of March 10, 2025, the 2017 to 2025 RPT protest, regarding an aggregate amount of ₱251.54 million, is still pending decision with the Local Board of Assessment Appeals of Ilocos Norte.

Compliance with Must Offer Rule

On October 4, 2018, CIPP, One Subic Power, Bulacan Power and the Parent Company received a letter from PEMC for pending investigation of trading intervals covering periods from 2014 to 2018. The scope of the investigation covers possible non-compliance with the Must Offer Rule (MOR) and with the Real-Time Dispatch (RTD) or System Operator Instructions.

On October 28, 2020 and August 17, 2021, the PEMC Board cleared CIP and found no breaches from August 2014 to December 2015. On June 3, 2022, the PEMC Board cleared One Subic Power and found no breaches for the period May- December 2014 period. In the May 2022 meeting, PEMC met with trading participants with pending investigations and discussed a shortened process in the investigation while at the same time ensuring due process for all participants. The shortened process will adopt the current PEMC process of frequently flagging the trading participant of the intervals under investigation and requesting for immediate replies and dispensing with lengthy discussions in its investigation reports.

On July 7, 2023, the PEMC Board issued a Notice on Investigation Report which approves the imposition of penalty amounting to ₱700,000 against One Subic Power for breach of MOR. The said breaches were broken down as follows: four breaches in 2014, one breach in 2015, one breach in 2016, and one breach in 2019.



In the May 5, 2023 PEM Board Action letter, the PEM Board cleared Bulacan Power of 10,821 trading intervals, and released its findings and found NO breaches for Bulacan Power for said trading intervals during the January 2015-December 2015 and January 2016-December 2016 investigation periods.

As for CIP II, no breach was found for all the trading intervals from 2014-2021. The PEMC Board issued a Certification dated 24 July 2023 certifying that the investigation cases have been closed and finally disposed of by PEMC.

Refund of Market Transaction Fee from PEMC

On July 9, 2020, the ERC issued its Decision on ERC Case 2015-160 RC ordering PEMC to refund the over collection in the Market Transaction Fee (MTF) in 2016 and 2017. The ERC determined the over collection by getting the variance between the MTF collected in 2016 and 2017, and the ERC-Approved Budget of PEMC for the same period. The total refund was determined at ₱433.20 million which shall be apportioned among all the Luzon and Visayas participants. The ERC has directed PEMC to implement the refund over twelve (12) months beginning the next billing month upon receipt of the relevant Decision.

The PEMC filed a motion for reconsideration with the ERC. In an Order promulgated on June 11, 2021, the ERC resolved to deny the motion for reconsideration filed by the. The market level fee approved by the ERC in its Decision of July 2020 was implemented by the Independent Electricity Market Operator of the Philippines for the WESM market fee collection for the calendar year 2021.

30. **Reclassification**

The consolidated statements of income for the years ended December 31, 2023 and 2022 have been reclassified to conform to the year ended December 31, 2024.

The following consolidated statements of income accounts were expanded to present additional components and/or reclassified as follows:

1. Cost of sale of electricity - expanded to present its components:
 - a. Cost of purchased power;
 - b. Depreciation and amortization;
 - c. Fuel; and
 - d. Others
2. General and administrative expenses - expanded to present its components:
 - a. Personnel cost, management and professional fees;
 - b. Provision for impairment;
 - c. Depreciation and amortization; and
 - d. Others
3. Other income (charges) - previously referred to as Other Income - Net
 - a. Interest and other financial income - previously presented under Other Income – net was expanded to present its components:
 - i. Cash in bank and short-term deposits



- ii. Accounts and other receivables
- iii. Investments in redeemable preferred shares and convertible loans
- b. Interest and other finance charge - previously presented as a separate line item in the consolidated statement of income
- c. Other Income - net - was expanded to present its components:
 - i. Gain on disposal of assets; and
 - ii. Others

The changes did not result to any change in the consolidated net income after tax of the Group for the years ended December 31, 2023 and 2022.

	2023	2022
COSTS AND EXPENSES		
Costs of sale of electricity		
Cost of purchased power	₱27,272,520	₱24,599,882
Depreciation and amortization	1,207,418	1,918,307
Fuel	1,522,458	4,957,516
Others	1,727,686	2,707,534
	<u>31,730,082</u>	<u>34,183,239</u>
General and administrative expenses		
Personnel costs, management and professional fees	2,606,677	1,184,267
Provision for impairment	2,996,657	1,325,181
Depreciation and amortization	366,052	260,101
Others	1,501,498	1,132,268
	<u>7,470,884</u>	<u>3,901,817</u>
	<u>₱39,200,966</u>	<u>₱38,085,056</u>
OTHER INCOME (CHARGES)		
Interest and other financial income		
Cash in banks and short-term deposits	₱1,586,517	₱285,195
Accounts and notes receivable	2,346,536	1,879,078
Investment in redeemable preferred shares and convertible loans	3,137,338	3,474,911
	<u>7,070,391</u>	<u>5,639,184</u>
Interest and other finance charges	<u>(1,930,265)</u>	<u>(2,357,531)</u>
Other income - net		
Gain on disposal of assets	1,062,030	613,565
Remeasurement gain	3,433,328	10,921,026
Others	690,082	1,028,217
	<u>5,185,440</u>	<u>12,562,808</u>
	<u>₱10,325,566</u>	<u>₱15,844,461</u>



Previously, these accounts were presented in the consolidated statement of income for the years ended December 31, 2023 and 2022 as follow:

COSTS AND EXPENSES	2023	2022
Costs of sale of electricity	₱31,730,082	₱34,183,239
General and administrative expenses	7,470,884	3,901,817
	<u>39,200,966</u>	<u>38,085,056</u>
INTEREST AND OTHER FINANCE CHANGES	<u>(1,930,265)</u>	<u>(2,357,531)</u>
OTHER INCOME - NET*	<u>12,255,831</u>	<u>18,201,992</u>

**Other income - net is the sum of interest and other financial income and other income – net.*

The consolidated statement of income for the years ended December 31, 2023 and 2022 has been updated to include an additional disclosure on net income attributable to common shareholders of the Parent Company to align with the consolidated statement of income for the year ended December 31, 2024.

Since the redeemable preferred shares amounting to ₱25,000.00 million were issued on September 1, 2023, net income attributable to equity holders of the Parent Company amounting to ₱6,753.45 million and ₱13,055.12 million are the net income attributable to common shareholders of the Parent Company for the years ended December 30, 2023 and 2022, respectively.

The redeemable preferred shares are the issuance of the Group of Series A Preferred Shares amounting to ₱8,341.50 million and Series B Preferred Shares amounting to ₱16,658.50 million with dividend rate of 7.1330% and 8.000% per annum, respectively.

31. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at December 31, 2024:

Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) Series B Preferred Shares (ACENB)

On February 3, 2025, the BOD of ACEN approved the declaration of the first quarter of 2025 cash dividends on the ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on March 3, 2025.



Acquisition of shares of Negros Island Solar Power, Inc. (“ISLASOL”) from Asian Energy Impact Trust Plc (“AEIT”)

On March 6, 2025, the Parent Company executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT involving the sale by AEIT of 7,371 Redeemable Preferred Shares E (“RPS E”) of ISLASOL in favor of the Parent Company for a total purchase price of 141.27 million. The acquisition resulted to the Parent Company owning 100% of ISLASOL, which was previously 60% owned. As of March 10, 2025, transfer of certificate authorizing registration from the Bureau of Internal Revenue is still in process.

Amendment of Articles of Incorporation

On March 10, 2025, the BOD approved the following amendments to our Articles of Incorporation:

- a. Second Article to expand the scope of the Parent Company’s investment business
- b. Seventh Article to increase the authorized capital stock of the Parent Company from ₱48.40 billion to ₱58.40 billion and create additional common shares

The proposed amendments will be presented to our stockholders for approval at their annual meeting on April 23, 2025.



Exhibit B : Supplementary Schedules

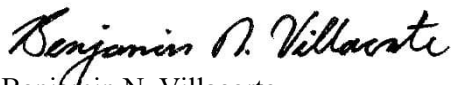
INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited the accompanying financial statements of ACEN CORPORATION and Subsidiaries (the Group), as at December 31, 2024 and for the year then ended, on which we have rendered the attached report dated March 10, 2025.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the above Group has 2,572 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte
Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, included in this Form 17-A and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte
Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

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PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025

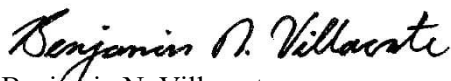


**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. This has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025

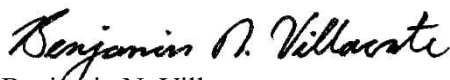


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



**ACEN CORPORATION AND SUBSIDIARIES
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AND SUPPLEMENTARY SCHEDULES
FORM 17-A, ITEM 7**

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**These schedules are either not required, not applicable or the information required to be presented is included in the Company’s consolidated financial statements or notes to consolidated financial statements.*

Attachment I

ACEN CORPORATION AND SUBSIDIARIES**Schedule A. Financial Assets****December 31, 2024****(Amounts in Thousands)**

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial assets at fair value through profit or loss (FVTPL)		₱6,626,140	₱6,626,140	₱–
Financial assets at fair value through other comprehensive income (FVOCI)		12,116,640	12,116,640	–
Investments in other financial assets at amortized cost				
Redeemable preferred shares				
Investment in AAR		7,254,017	10,814,892	933,952
Investment in UPC- ACE Solar		–	–	335,018
Investment in BIM Wind		2,327,794	1,021,644	367,901
Investment in NEFIN		2,007,222	2,007,221	179,273
Investment in Impact Wind		2,734,487	2,734,487	209,644
Investment in BIMRE		1,410,647	1,108,653	197,764
Investment in UPC Asia III		–	–	68,276
Investment in BIME		246,140	194,007	44,023
Subscription deposits				
Investment in Beacon Capital Holdings Limited		–	–	–
Investment in UPCAPH		–	–	–
Convertible loans				
Investment in Vietnam Wind		2,112,850	–	353,556
Investment in Asian Wind 1		940,803	355,586	116,916
Investment in Asian Wind 2		907,414	342,966	109,909
		19,941,374	18,579,456	2,916,232
Allowance for expected credit losses		2,112,850	–	–
		17,828,524	18,579,456	2,916,232
Loans and receivables				
Cash and cash equivalents		25,158,358	25,158,358	989,573
Short-term investments		161,966	161,966	–
Trade and other receivables		17,851,563	17,986,382	66,412
Long-term receivables		22,721,874	22,721,874	2,362,167
		65,893,761	66,028,580	3,418,152
Derivative assets		4,551,769	4,551,769	–
		₱107,016,834	₱107,902,585	₱6,334,384

Attachment I

ACEN CORPORATION AND SUBSIDIARIES

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

December 31, 2024

(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Current	Non Current	Balance at End of Year
			Amount Collected	Amount Written-Off			
Not Applicable: The Company has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2024 equal to or above the established threshold of the Rule.							

Attachment I

ACEN CORPORATION AND SUBSIDIARIES**Schedule C.1 Accounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements****December 31, 2024****(Amounts in Thousands)**

Name and Designation of Creditor	Balance at Beginning of Period	Additions	Deductions		Current	Non-Current	Balance at End of Period
			Amount Collected	Amount Written-Off			
Subsidiaries:							
Giga Ace 3, Inc.	₱–	₱1,867,281	(₱606,456)	₱–	₱1,260,825	₱–	₱1,260,825
ACEN Global Development Group, Inc.	1,580,431	3,528,238	(3,969,216)	–	1,139,453	–	1,139,453
Giga Ace 4, Inc.	1,400	318,286	(7)	–	319,679	–	319,679
Buendia Christiana Holdings Corp.	22,068	1,275,284	(1,104,806)	–	192,546	–	192,546
Santa Cruz Solar Energy, Inc.	–	1,945,936	(1,793,220)	–	152,716	–	152,716
Gigasol 2, Inc.	35,179	1,250,548	(1,137,077)	–	148,650	–	148,650
Gigasol 3, Inc.	131,997	–	(1)	–	131,996	–	131,996
ACEN Shared Services, Inc.	162,538	619,736	(674,132)	–	108,142	–	108,142
Bulacan Power Generation Corporation	63,209	1,052,741	(1,016,485)	–	99,465	–	99,465
ACEN Technical Services, Inc.	–	326,819	(245,784)	–	81,035	–	81,035
SolarAce1 Energy Corp.	65,321	38	(5,272)	–	60,087	–	60,087
CIP II Power Corporation	22,361	664,132	(633,486)	–	53,007	–	53,007
Giga Ace 2, Inc.	–	367,329	(317,304)	–	50,025	–	50,025
San Julio Land Development Corporation	–	224,873	(193,787)	–	31,086	–	31,086
ACE Enexor, Inc.	–	13,437	–	–	13,437	–	13,437
YMP Industrial Power Inc.	–	10,432	(3,206)	–	7,226	–	7,226
ACE Renewables Philippines, Inc.	11,527	161,177	(168,083)	–	4,621	–	4,621
Giga Ace 5, Inc.	–	10,182	(7,485)	–	2,697	–	2,697
AC Energy International, Inc.	1,108,372	16,522	(1,122,427)	–	2,467	–	2,467
One Subic Power Generation Corporation	72,930	836,977	(908,907)	–	1000	–	1000
Northwind Power Development Corporation	895	29,448	(30,079)	–	264	–	264
Bayog Wind Power Corp.	1,487	2,298	(3,542)	–	243	–	243
San Carlos Solar Energy, Inc.	3,074	1,197,353	(1,200,353)	–	74	–	74
Negros Island Solar Power, Inc.	5,514	49	(5,534)	–	29	–	29
Others	4,067	964,801	(925,019)	–	43,849	–	43,849
	₱3,292,370	₱16,683,917	(₱16,071,668)	₱–	₱3,904,619	₱–	₱3,904,619

Attachment I

ACEN CORPORATION AND SUBSIDIARIES**Schedule C.2. Accounts Payable from Related Parties which are Eliminated During the Consolidation of Financial Statements****December 31, 2024****(Amounts in Thousands)**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-current	Balance at End of Period
			Amount Paid	Amount Written-Off			
Subsidiaries:							
Santa Cruz Solar Energy Inc	₱1,182,564	₱6,569,398	(₱2,591,731)	₱-	₱5,160,231	₱-	₱5,160,231
Natures Renewable Energy Development Corporation	5,924	2,712,901	(145,550)	-	2,573,275	-	2,573,275
SolarAce1 Energy Corp.	3,391,130	2,170,743	(3,048,843)	-	2,513,030	-	2,513,030
Bayog Wind Power Corp.	492,564	2,024,672	(1,110,417)	-	1,406,819	-	1,406,819
Gigasol 3, Inc.	1,475,183	846,857	(1,203,930)	-	1,118,110	-	1,118,110
Negros Island Solar Power, Inc.	6,422	2,529,672	(1,548,120)	-	987,974	-	987,974
One Subic Power Generation Corporation	75,095	3,712,375	(3,258,042)	-	529,428	-	529,428
Giga Ace 6, Inc.	103,160	3,579,421	(3,155,946)	-	526,635	-	526,635
San Carlos Solar Energy, Inc.	(3,032)	3,692,438	(3,235,602)	-	453,804	-	453,804
Gigasol 2, Inc.	1,038,400	758,525	(1,466,906)	-	330,019	-	330,019
Giga Ace 4, Inc.	392,346	597,336	(686,380)	-	303,302	-	303,302
Northwind Power Development Corporation	15,627	403,400	(197,395)	-	221,632	-	221,632
Bulacan Power Generation Corporation	92,336	1,727,045	(1,609,353)	-	210,028	-	210,028
Bataan Solar Energy, Inc.	215,075	328,852	(342,285)	-	201,642	-	201,642
Giga Ace 7, Inc.	48,524	272,694	(164,161)	-	157,057	-	157,057
Real Wind Energy, Inc.	-	146,171	-	-	146,171	-	146,171
AC Subic Solar, Inc.	3,967	279,338	(154,247)	-	129,058	-	129,058
Gigasol 1, Inc.	65,376	1,933,941	(1,873,629)	-	125,688	-	125,688
Pangasinan UPC Asia Corporation	-	361,277	(246,699)	-	114,578	-	114,578
SolarAce3 Energy Corp.	29,365	223,161	(146,397)	-	106,129	-	106,129
Manapla Sun Power Development Corporation	78,047	647,682	(624,107)	-	101,622	-	101,622
Guimaras Wind Corporation	21,347	310,748	(232,095)	-	100,000	-	100,000
SolarAce2 Energy Corp.	11,016	90,765	(4,630)	-	97,151	-	97,151
UPC Mindanao Wind Power Corp.	-	132,878	(47,164)	-	85,714	-	85,714
Others	1,302,698	28,072,598	(28,436,881)	-	938,415	-	938,415
	₱10,043,134	₱64,124,888	(₱55,530,510)	₱-	₱18,637,512	₱-	₱18,637,512

Attachment I

ACEN CORPORATION AND SUBSIDIARIES

Schedule D. Long-Term Debt

December 31, 2024

(Amounts in Thousands)

	Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Maturity Date
<u>ACEN</u>	Bank loan A	₱1,500,000	₱95,486	₱420,341	6.50%	July 11, 2029
	Bank loan B	5,000,000	52,632	4,684,210	5.05% - 7.13%	November 14, 2029
	Bank loan C	7,000,000	84,000	6,739,000	5.00% - 7.17%	July 15, 2030
	Bank loan D	4,500,000	45,000	4,387,500	7.00% - 7.25%	March 30, 2031
	Bank loan E	10,000,000	–	6,000,000	6.25% - 6.97%	December 13, 2032
	Bank loan F	10,000,000	5,250	239,500	7.09%	August 17, 2033
	Bank loan G	5,000,000	–	4,670,797	5.13% - 6.61%	July 24, 2029 April 24, 2030 October 24, 2033
	Bank loan H	20,000,000	–	2,500,000	6.39% - 6.59%	December 22, 2033
	Bank loan J	5,500,000	–	2,800,000	5.89%	October 24, 2034
	Unamortized debt issue costs		282,368 (30,413)	32,441,348 (193,382)		
			251,955	32,247,966		
	Bank loan I	5,500,000	–	2,800,000	6.07% - 6.72%	October 24, 2034
	Unamortized debt issue costs		(5,593)	(40,675)		
			(5,593)	2,759,325		
<u>Guimaras</u>	Bank loan A	2,150,000	87,906	368,357	6.84% - 8.17%	February 14, 2029
<u>Wind</u>	Bank loan B	2,150,000	87,906	276,223	6.84% - 8.17%	February 14, 2029
	Unamortized debt issue costs		175,812 (1,209)	644,580 (1,774)		
			174,603	642,806		
<u>NorthWind</u>	Bank loan A	2,300,000	180,090	1,426,920	5.13%	May 29, 2032
	Unamortized debt issue costs		(1,681)	(5,578)		
			178,409	1,421,342		
<u>MONTESOL</u>	Bank loan A	600,000	50,004	499,992	7.15%	September 20, 2035
	Unamortized debt issue costs		(579)	(3,128)		
			49,425	496,864		
<u>SACASOL</u>	Bank loan A	1,400,000	140,000	1,190,000	6.82% - 7.32%	May 22, 2034
<i>(Forward)</i>						
<u>SACASOL</u>	Unamortized debt issue costs		(₱1,711)	(₱7,686)		

Title of Issue and Type of Obligation		Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Maturity Date
			138,289	1,182,314		
<u>ACEN International</u>	Bank loan A	₱7,000,000	–	4,166,274	6.61% - 7.46%	January 31, 2031
	Unamortized debt issue costs		(4,668)	(24,954)		
			(4,668)	4,141,320		
<u>ACEN Cayman</u>	Bank loan A	US\$140,000	–	8,098,300	5.40%	January 23, 2027
	Bank loan B	US\$180,000	208,242	10,099,737	5.31%	January 19, 2029
	Unamortized debt issue costs		208,242	18,198,037		
			(16,225)	(88,453)		
			192,017	18,109,584		
<u>ACRI</u>	Bank loan A	AUS\$75,000	–	2,684,638	5.82% - 5.92%	December 7, 2028
	Bank loan B	US\$150,000	–	2,239,346	6.53%	April 15, 2029
	Bank loan C	US\$100,000	–	1,156,900	6.49%	December 7, 2028
	Bank loan D	US\$150,000	–	289,225	6.23%	July 4, 2029
	Unamortized debt issue costs		–	6,370,109		
			–	(200,549)		
			–	6,169,560		
<u>ACEN Australia Pty. Ltd.</u>	Bank loan A	AUS\$100,000	–	2,412,293	5.25% - 6.24%	August 18, 2027
	Bank loan B	AUS\$140,000	–	5,011,324	4.87% - 6.07%	September 16, 2027
	Bank loan C	AUS\$75,000	–	2,397,382	6.43%	October 28, 2027
	Bank loan D	AUS\$204,540	6,481,930	(0)	2.90%	December 22, 2025
	Bank loan E	AUS\$277,000	–	9,915,264	5.04% - 6.30%	January 6, 2028
	Bank loan F	AUS\$75,000	–	243,407	6.05% - 6.18%	February 26, 2028
	Bank loan G	AUS\$75,000	–	248,776	6.05% - 6.18%	February 26, 2028
	Unamortized debt issue costs		6,481,930	20,228,446		
			–	–		
			6,481,930	20,228,446		
	Long-term loans		₱7,456,367	₱87,399,527		
<u>ACEN Finance</u>	Green bonds	US\$400,000	₱–	₱20,383,600	4.00%	Senior undated fixed-for-life (non-deferrable) Notes with fixed coupon of 4.00% for life, with no step-up and no reset, priced at par.
	Unamortized debt issue costs		–	(36,247)		
	Cumulative translation adjustment		–	2,782,842		
			–	23,130,195		
<u>ACEN</u>	ACEN Fixed rate ASEAN Green Bonds	10,000,000	–	10,000,000	6.05%	September 22, 2027
	Unamortized debt issue costs		–	(73,714)		
			–	9,926,286		
	Notes Payable		₱–	₱33,056,481		

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2024
(Amounts in Thousands)

Name of related party	Balance at Beginning of Year	Balance at End of Year
Bank of the Philippine Islands	₱2,367,909	₱4,899,772

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee
ACEN Finance Limited (ACEN Finance)	US\$ Green Bonds*	US\$400.00 million senior guaranteed undated notes under the MTN Programme, with ₱23,138.00 million outstanding as at December 31, 2024	None	ACEN unconditionally and irrevocably guarantees that in case the sum payable are not paid by ACEN Finance on the relevant due date, ACEN agrees to pay all such amounts due in accordance with the manner provided for in the agreement.
ACEN Cayman Limited (ACEN Cayman)	Debt instrument	(a) Philippine National Bank for US\$140.00 million with outstanding ₱8,098.30 million, and (b) Rizal Commercial Banking Corporation for US\$180.00 million with outstanding ₱10,307.98 million as at December 31, 2024	None	In case the obligations are not paid by ACEN Cayman on the relevant due date and the applicable cure period has lapsed and the Bank has made a written demand to ACEN Cayman for payment and payment is not made in accordance with the agreement, ACEN shall become liable as principal obligor and pay the Bank such amounts due in accordance with the agreement.
San Carlos Solar Energy, Inc. (SACASOL)	Debt instrument	₱1,400.00 million with ₱1,330.00 million outstanding as at December 31, 2024	None	In case the obligations are not paid by SACASOL on the relevant due date and the applicable cure period has lapsed and the Bank has made a written demand to SACASOL for payment and payment is not made in accordance with the agreement, ACEN shall become liable as principal obligor and pay the Bank such amounts due in accordance with the agreement.
ACEN Australia Pty Ltd. (ACEN Australia)	Debt instrument	AUS\$277.00 million with ₱9,915.26 million outstanding balance as at December 31, 2024	None	ACEN irrevocably and unconditionally undertakes that in case ACEN Australia does not pay any amount owing under the agreement when due and the applicable cure period has lapsed and the Bank has made a demand for payment to ACEN Australia and payment is not made in accordance with the agreement, ACEN agrees to pay the Bank such amounts due in accordance with the agreement.

(Forward)

		<p>AUS\$140.00 million with ₱5,011.32 million outstanding as at December 31, 2024</p> <p>AUS\$ 100.00 million with ₱2,412.29 million outstanding balance as at December 31, 2024</p> <p>AUS\$75.00 million with ₱2,397.38 million outstanding balance as at December 31, 2024</p> <p>AUS\$75.00 million with ₱248.78 million outstanding balance as at December 31, 2024</p> <p>AUS\$75.00 million with ₱243.41 outstanding balance as at December 31, 2024</p>		
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** Please refer to Note 13 - Short-term Loans, Long-term Loans, and Notes Payable of the 2024 Consolidated Audited Financial Statements for detailed discussion.*

Attachment I

ACEN CORPORATION AND SUBSIDIARIES

Schedule G. Capital Stock

December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued	Treasury Shares	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of shares held by:		
						Related parties	Directors, Officers and Employees	Others
Common	48,300,000,000	39,691,894,773	(14,500,000)	39,677,394,773	919,189,237	29,795,128,371	198,115,287	9,684,151,115
Redeemable Preferred	100,000,000							
Series A (ACENA)		8,341,500	–	8,341,500	–	–	–	8,341,500
Series B (ACENB)		16,658,500	–	16,658,500	–	–	–	16,658,500

Attachment II

ACEN CORPORATION
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

December 31, 2024

(Amounts in Thousands)

Unappropriated Retained Earnings (Deficit), beginning of the reporting period (see Footnote 2)		₱1,431,566
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings appropriation	₱-	
Effect of reinstatements or prior-period adjustments	-	
Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	3,911,549	
Retained Earnings appropriated during the reporting period	-	
Effect of reinstatements or prior-period adjustments	-	
Others	-	3,911,549
Unappropriated Retained Earnings (Deficit), as adjusted		(2,479,983)
Add/Less: Net income (loss) for the current year		5,148,211
Less: Category C.1 Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate / joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(179,233)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	1,544	
Unrealized fair value gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Subtotal		(177,689)
Add: Category C.2 Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	34,641	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	-	
Realized fair value gain of Investment Property	528	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Subtotal		35,169
Add: Category C.3 Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Subtotal		-
Adjusted Net Income / Loss		5,005,691

(Forward)

Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Subtotal	—

Add/Less: Category E: Adjustments related to the relief granted by SEC and BSP
(see Footnote 3)

Amortization of the effect of reporting relief	
Total amount of reporting relief granted during the year	—
Others	—
Subtotal	—

Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution

Net movement of the treasury shares (except for reacquisition of redeemable shares)	—
Net movement of the deferred tax asset not considered in reconciling items under previous categories	(34,942)
Net movement of the deferred tax asset and deferred tax liabilities related to same transaction, e.g, set-up of right of use asset and lease liability, set-up of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Others	—
Subtotal	(34,942)

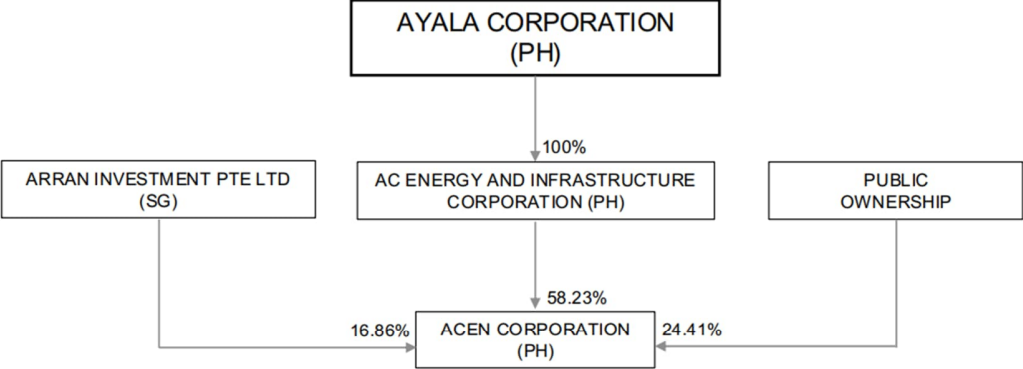
Total Retained Earnings, end of the reporting period available for dividend **₱2,490,766**

FOOTNOTES:

- (1) The amount of retained earnings of the company should be based on its separate (“stand alone”) audited financial statements.
- (2) Unappropriated Retained Earnings, beginning of the reporting period refers to the ending balance as reported in the “Reconciliation of Retained Earnings Available for Dividend Declaration” of the immediately preceding period.
- (3) Adjustments related to the relief provided by SEC and BSP pertain to accounting relief (e.g losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.
- (4) This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec.42 of the Revised Corporate Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT Act and its Implementing Rules and Regulations.

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

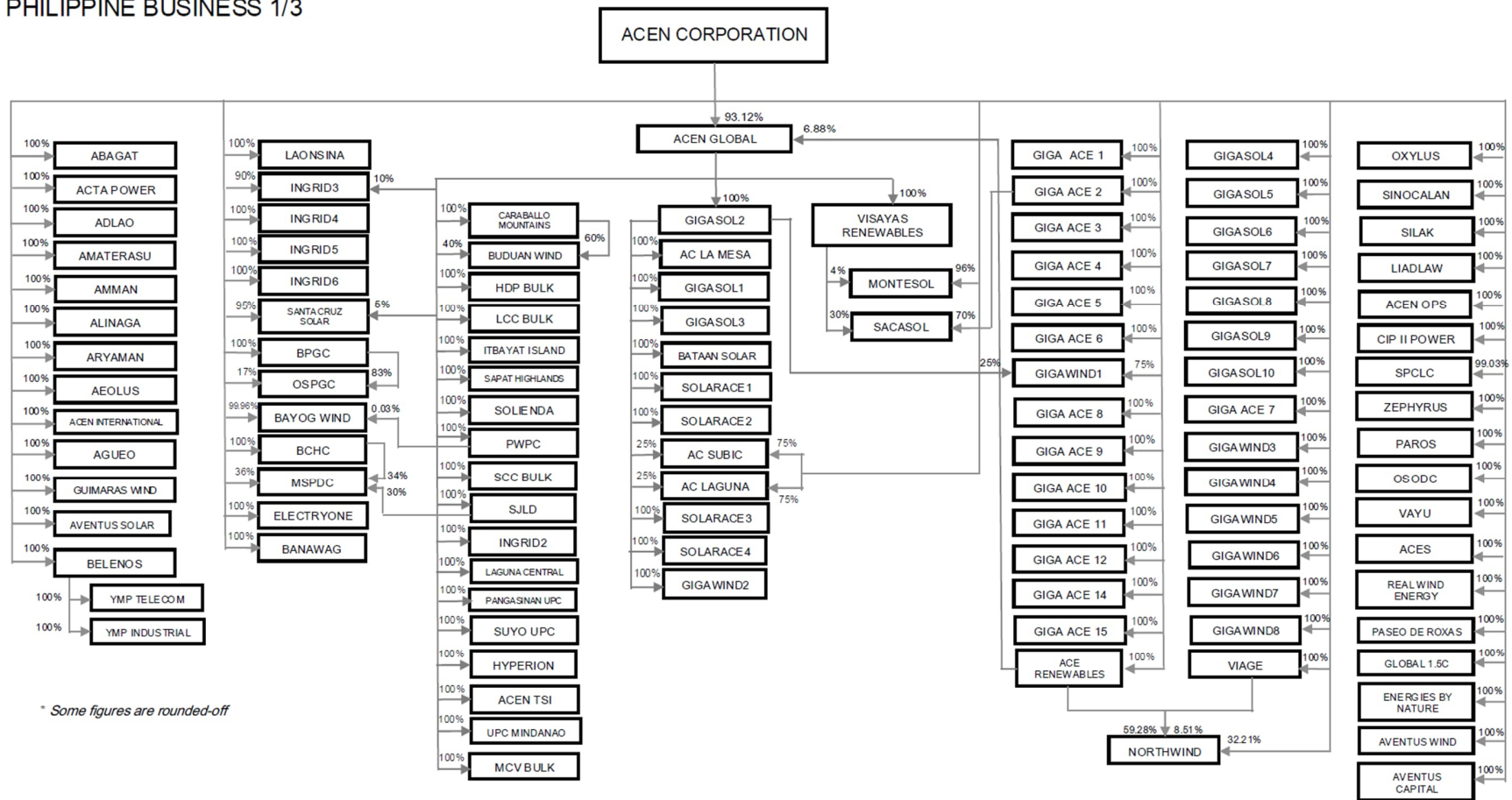


Note:
For figures in split form (X%/Y%) as shown in all slides, figures in left represent voting interest, while figures in right represent economic interest.
For figures not in split form, figures represent both voting and economic interest.

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

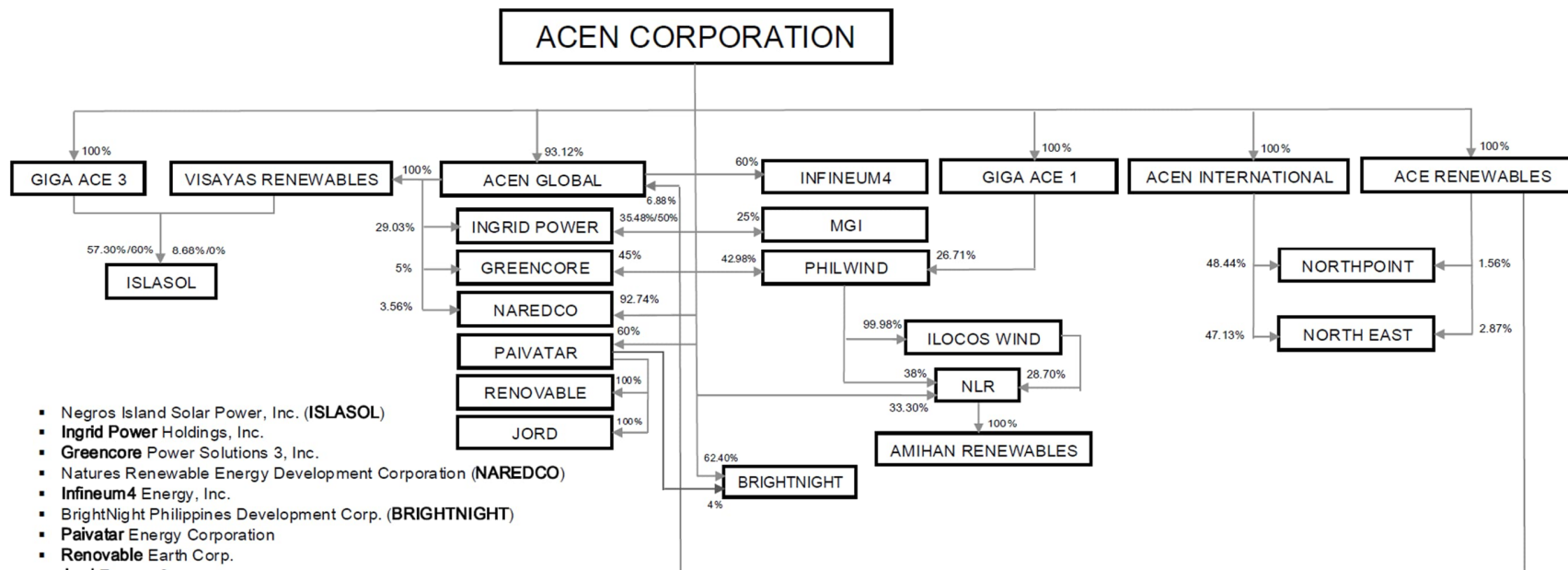
**ACEN WHOLLY-OWNED COMPANIES
PHILIPPINE BUSINESS 1/3**



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

ACEN JOINT VENTURES
PHILIPPINE BUSINESS 2/3

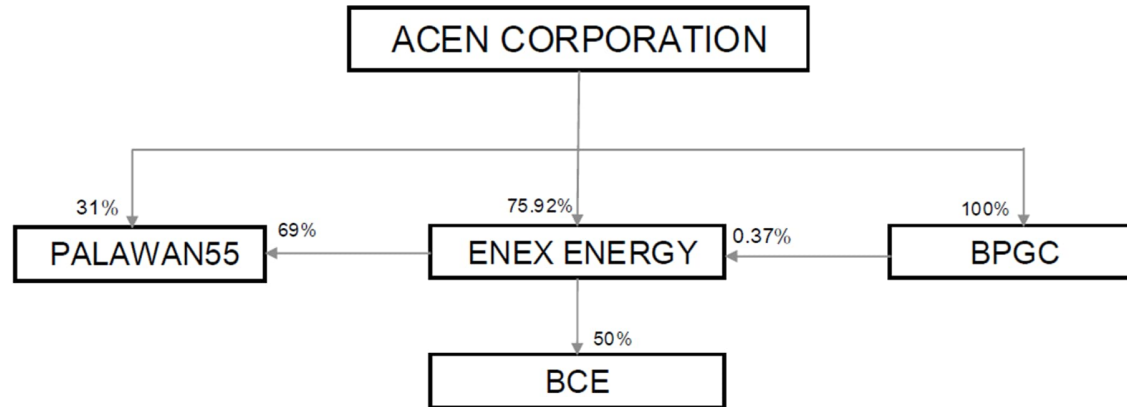


- Negros Island Solar Power, Inc. (ISLASOL)
- Ingrid Power Holdings, Inc.
- Greencore Power Solutions 3, Inc.
- Natures Renewable Energy Development Corporation (NAREDCO)
- Infineum4 Energy, Inc.
- BrightNight Philippines Development Corp. (BRIGHTNIGHT)
- Paivatar Energy Corporation
- Renewable Earth Corp.
- Jord Energy Corp.
- Maibarara Geothermal, Inc. (MGI)
- Philippine Wind Holdings Corp. (PHILWIND)
- Ilocos Wind Energy Holding Co., Inc. (ILOCOS WIND)
- North Luzon Renewable Energy Corp. (NLR)
- Amihan Renewable Energy Corp.
- ACE Renewables Philippines, Inc.
- Northpoint Wind Power Development Corporation
- North East Wind Systems Corporation

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

ACEN - ENEX COMPANIES
PHILIPPINE BUSINESS 3/3

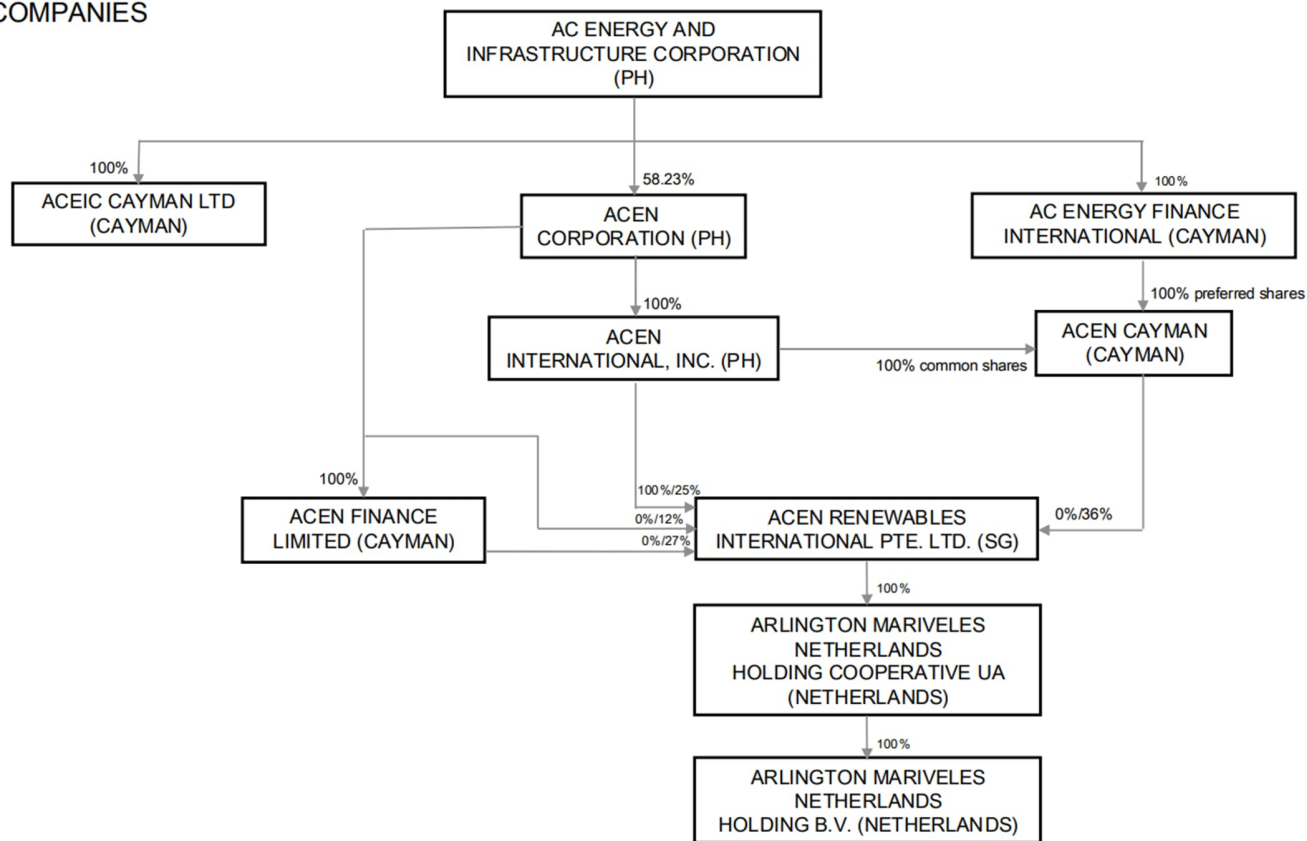


- **Enex Energy** Corporation (PSE-Listed Company)
- **Palawan55** Exploration and Production Corp.
- Bulacan Power Generating Corp. (**BPGC**)
- Batangas Clean Energy, Inc. (**BCE**)

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

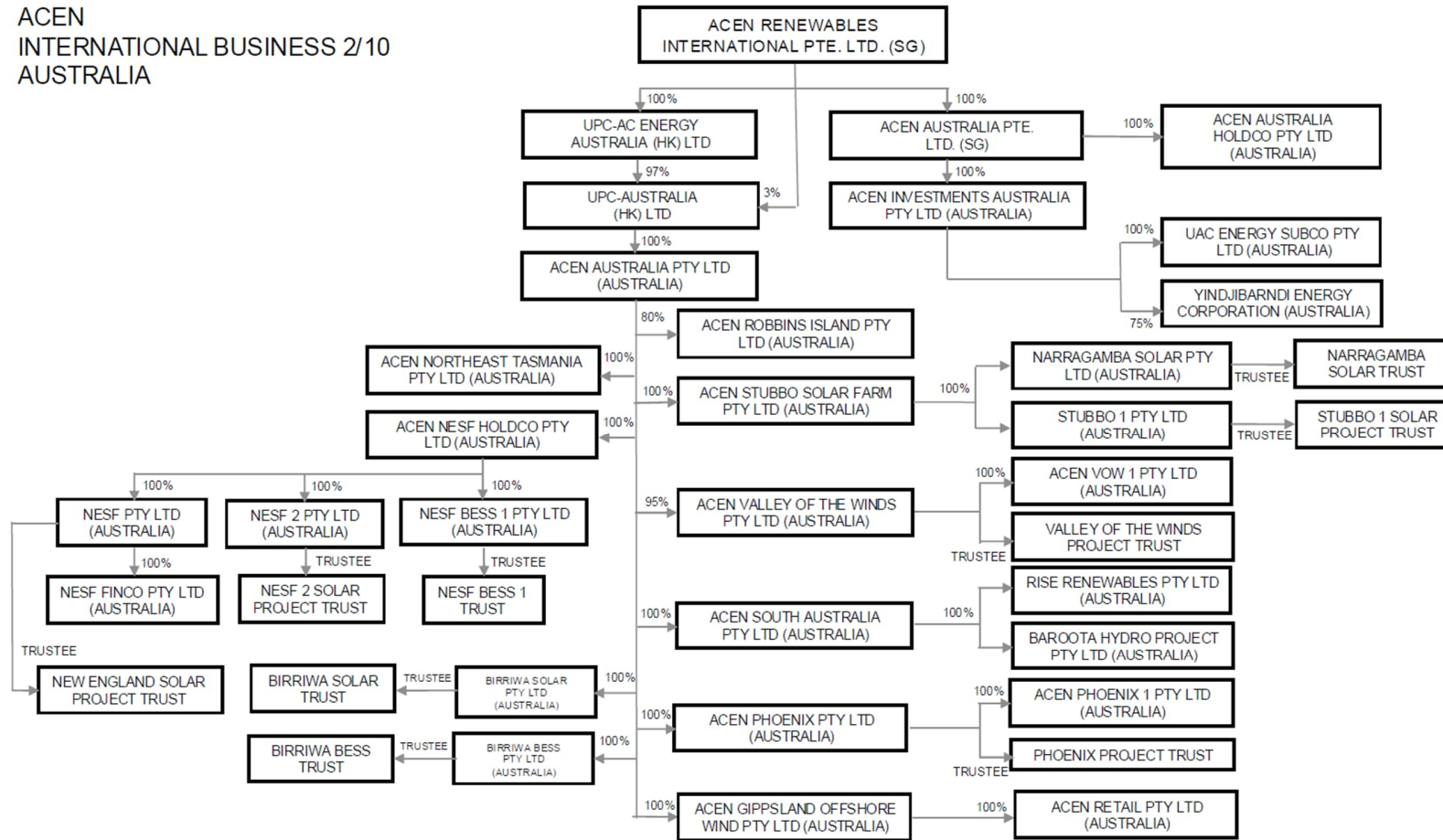
ACEN INTERNATIONAL BUSINESS 1/10
HOLDING COMPANIES



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

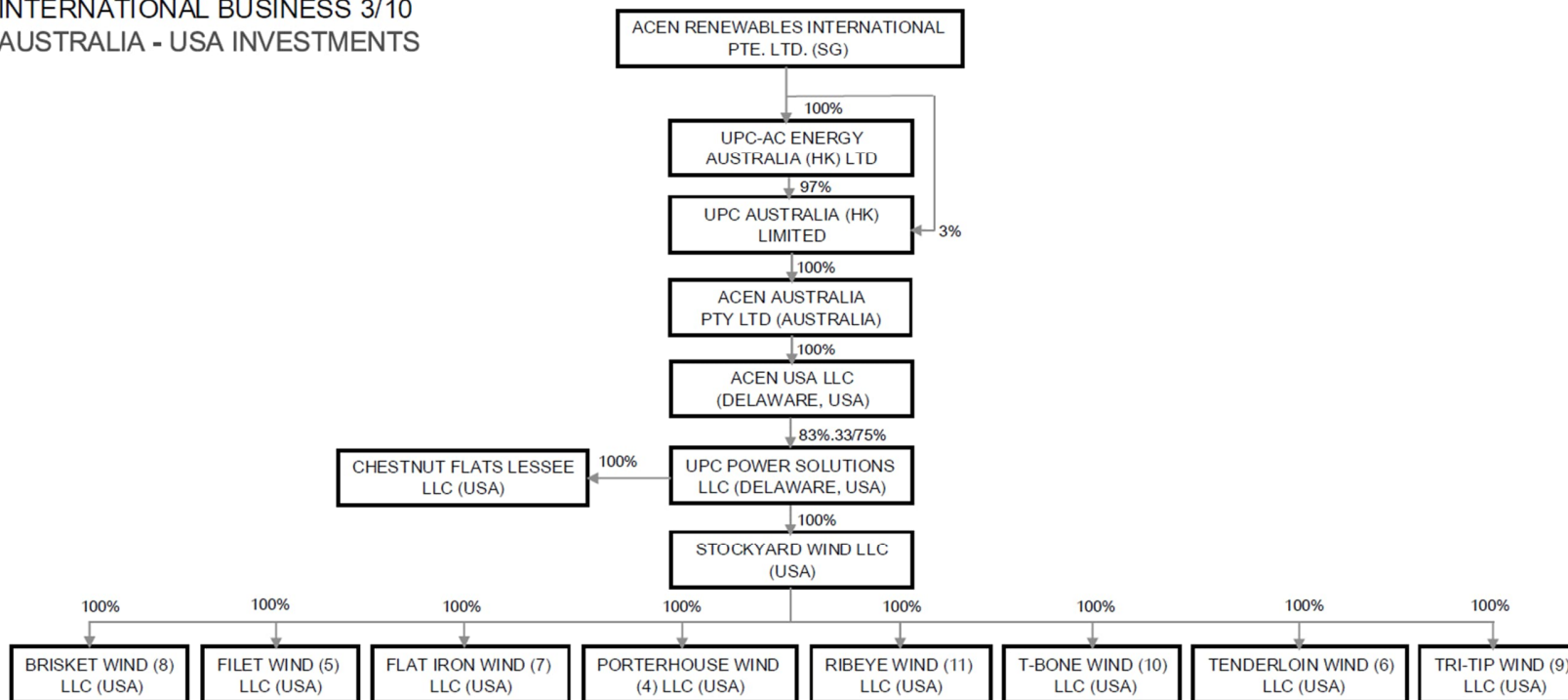
ACEN
INTERNATIONAL BUSINESS 2/10
AUSTRALIA



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

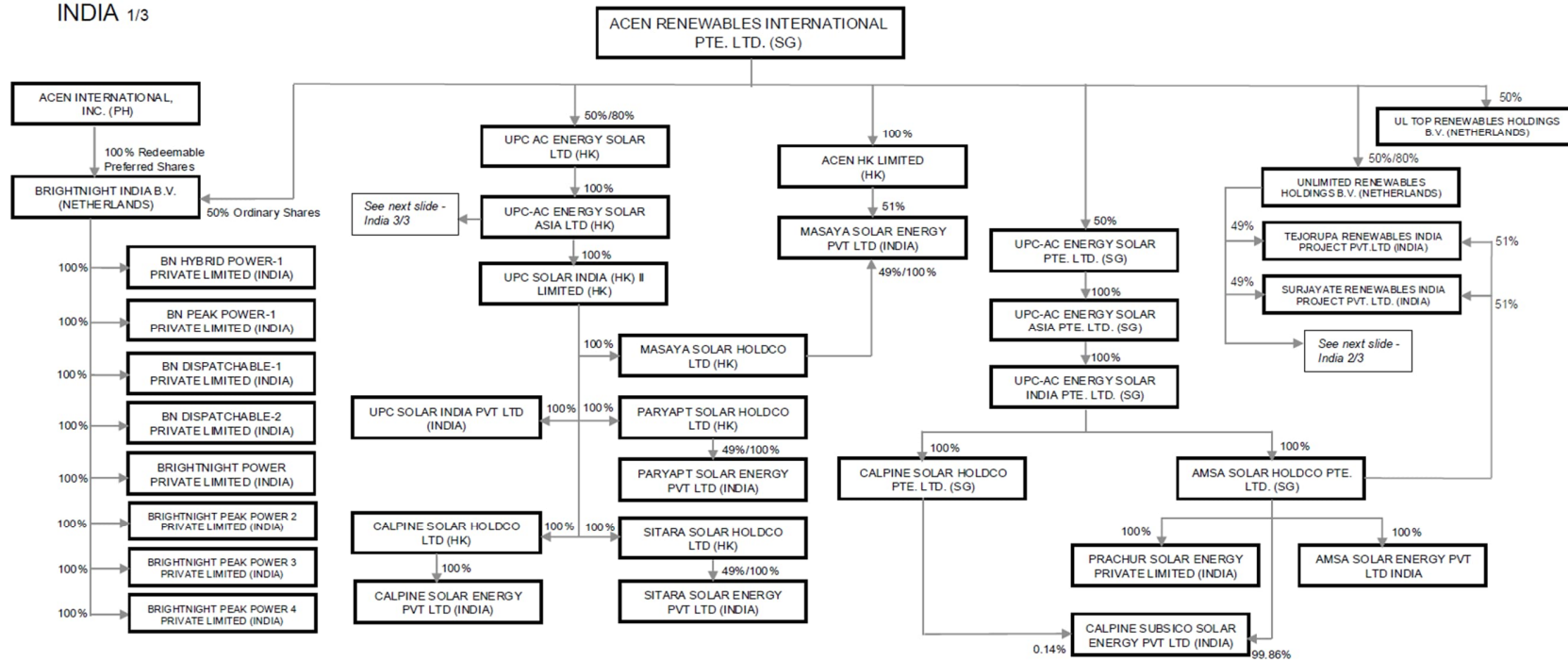
ACEN
INTERNATIONAL BUSINESS 3/10
AUSTRALIA - USA INVESTMENTS



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

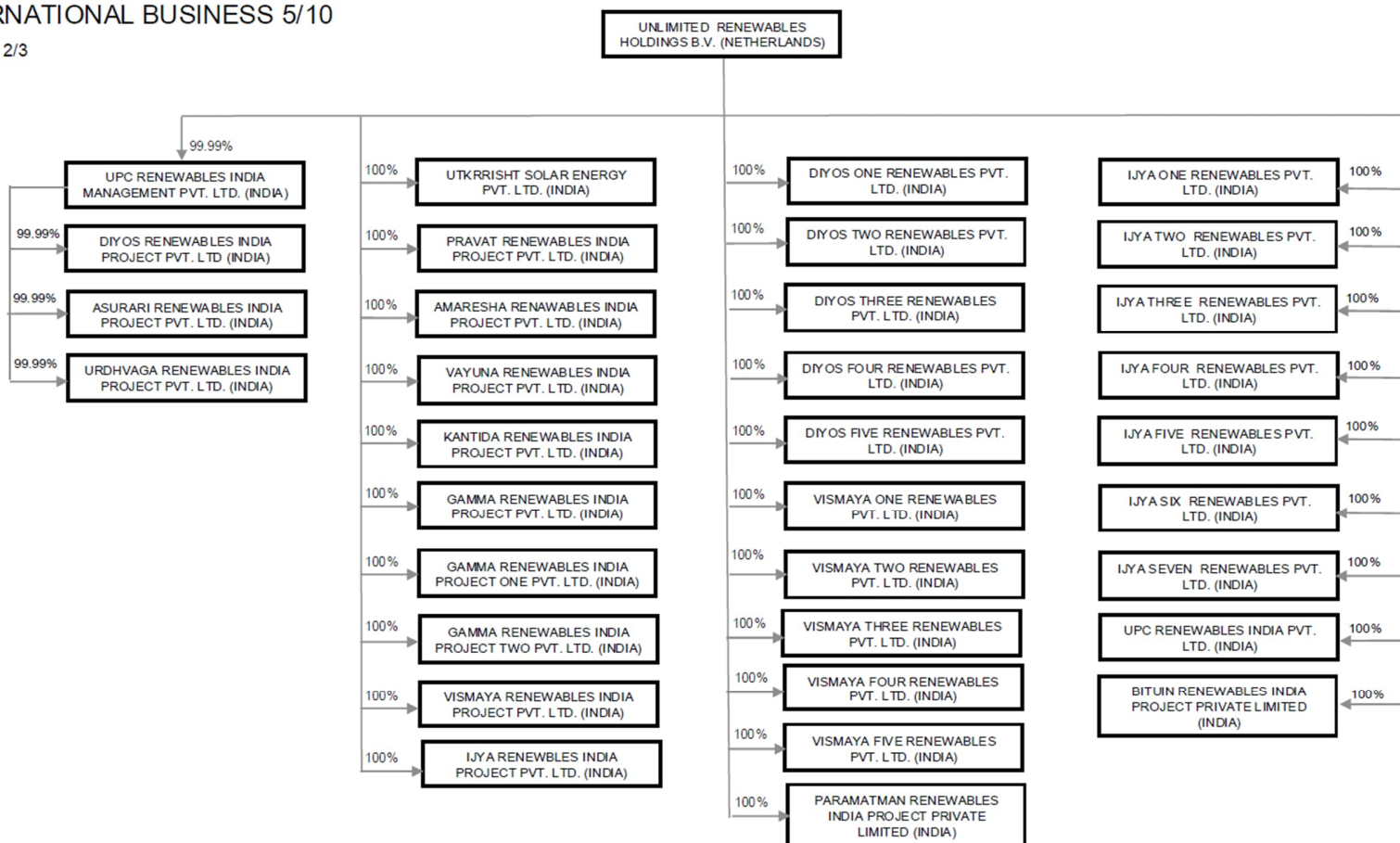
ACEN
INTERNATIONAL BUSINESS 4/10
INDIA 1/3



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

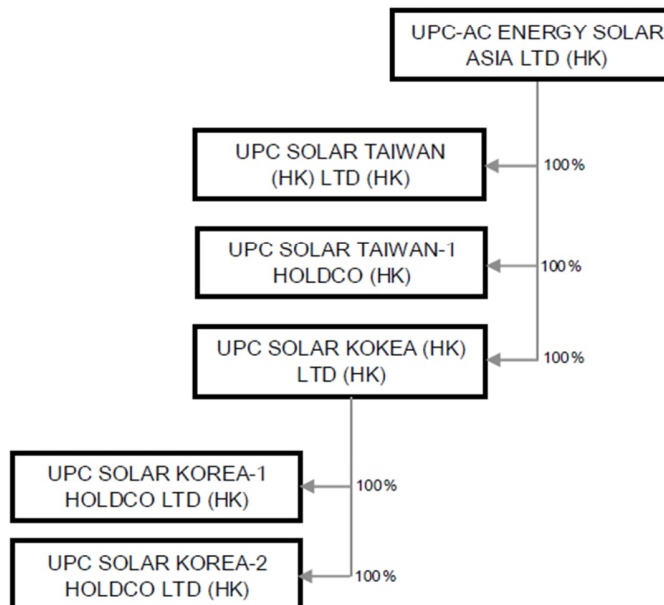
ACEN
INTERNATIONAL BUSINESS 5/10
INDIA 2/3



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

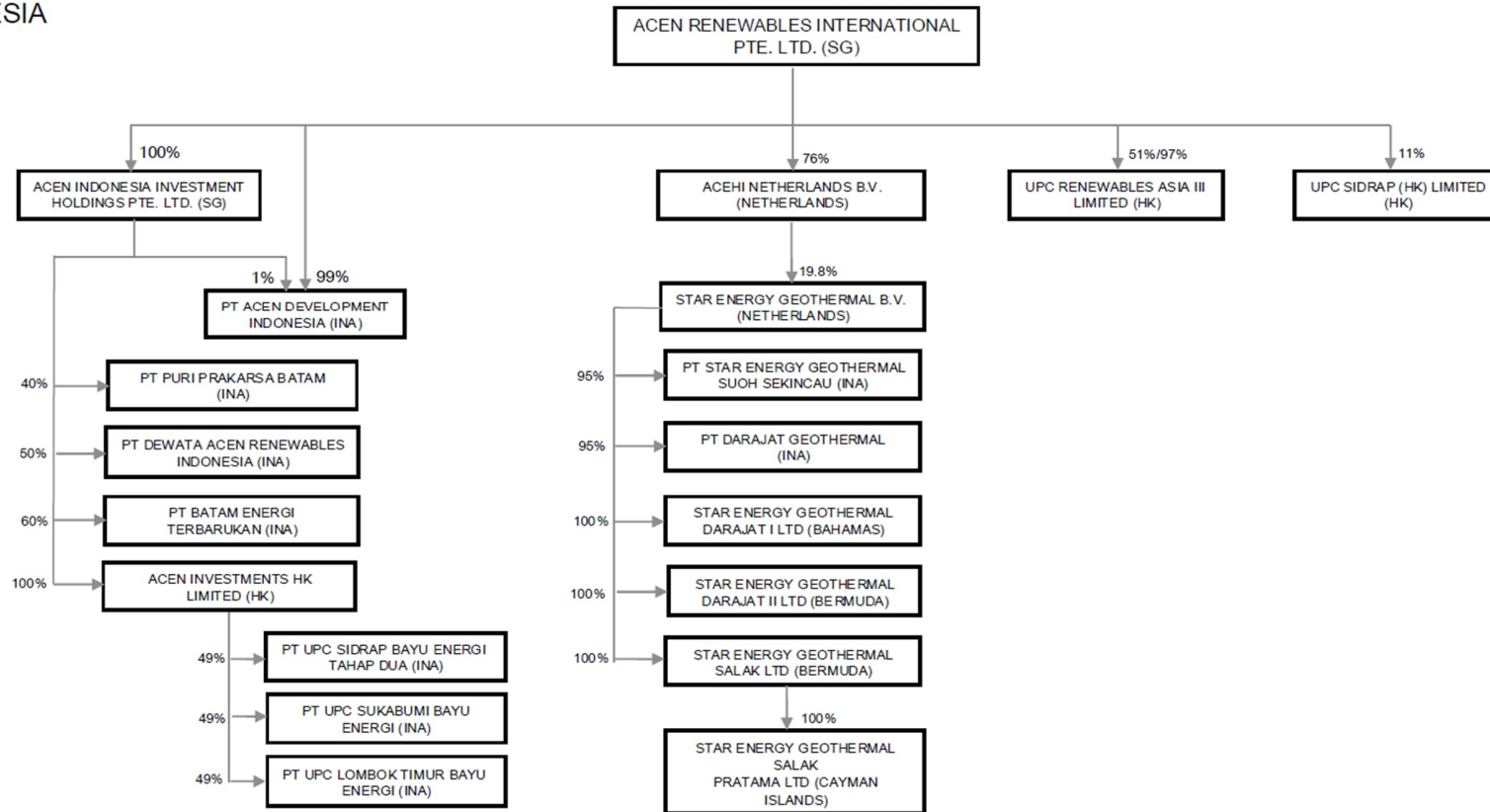
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**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

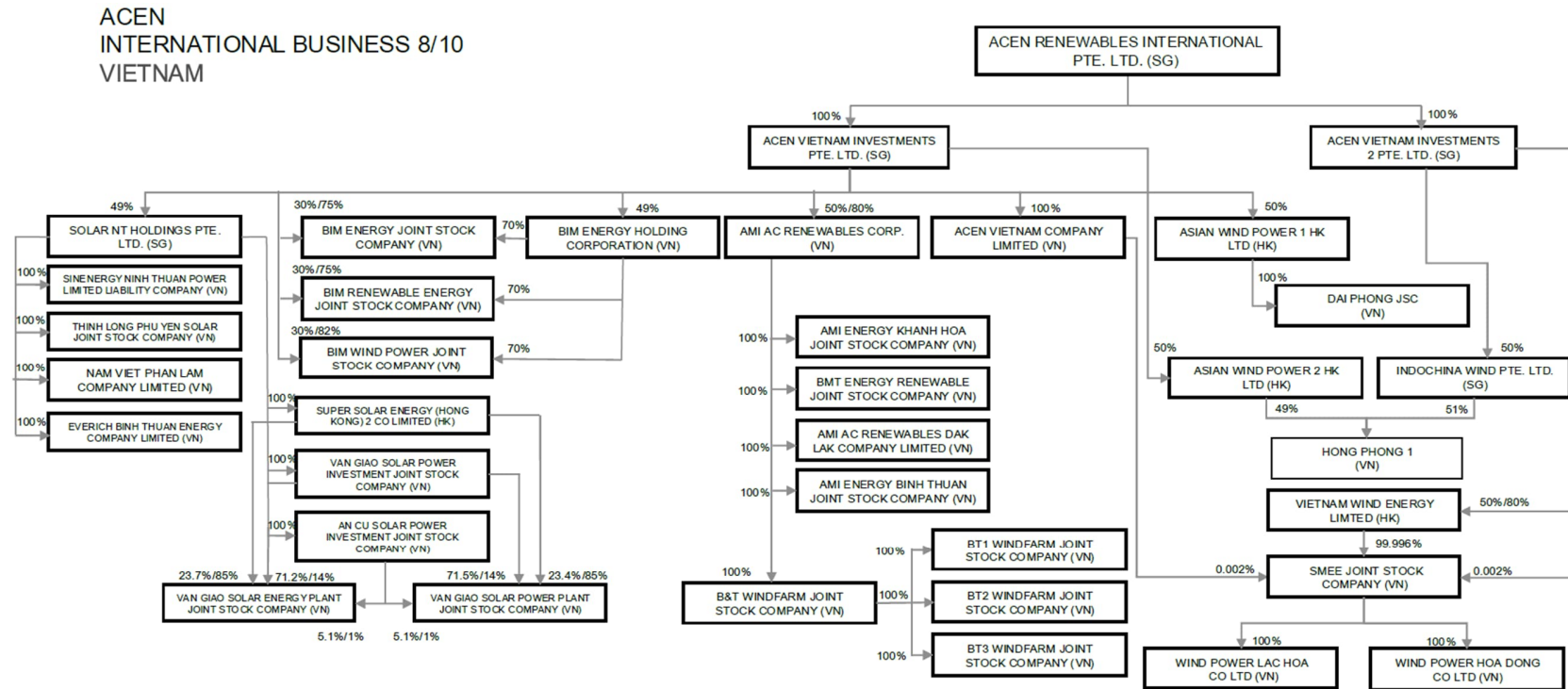
**Conglomerate Map
As of December 31, 2024**

ACEN
INTERNATIONAL BUSINESS 7/10
INDONESIA



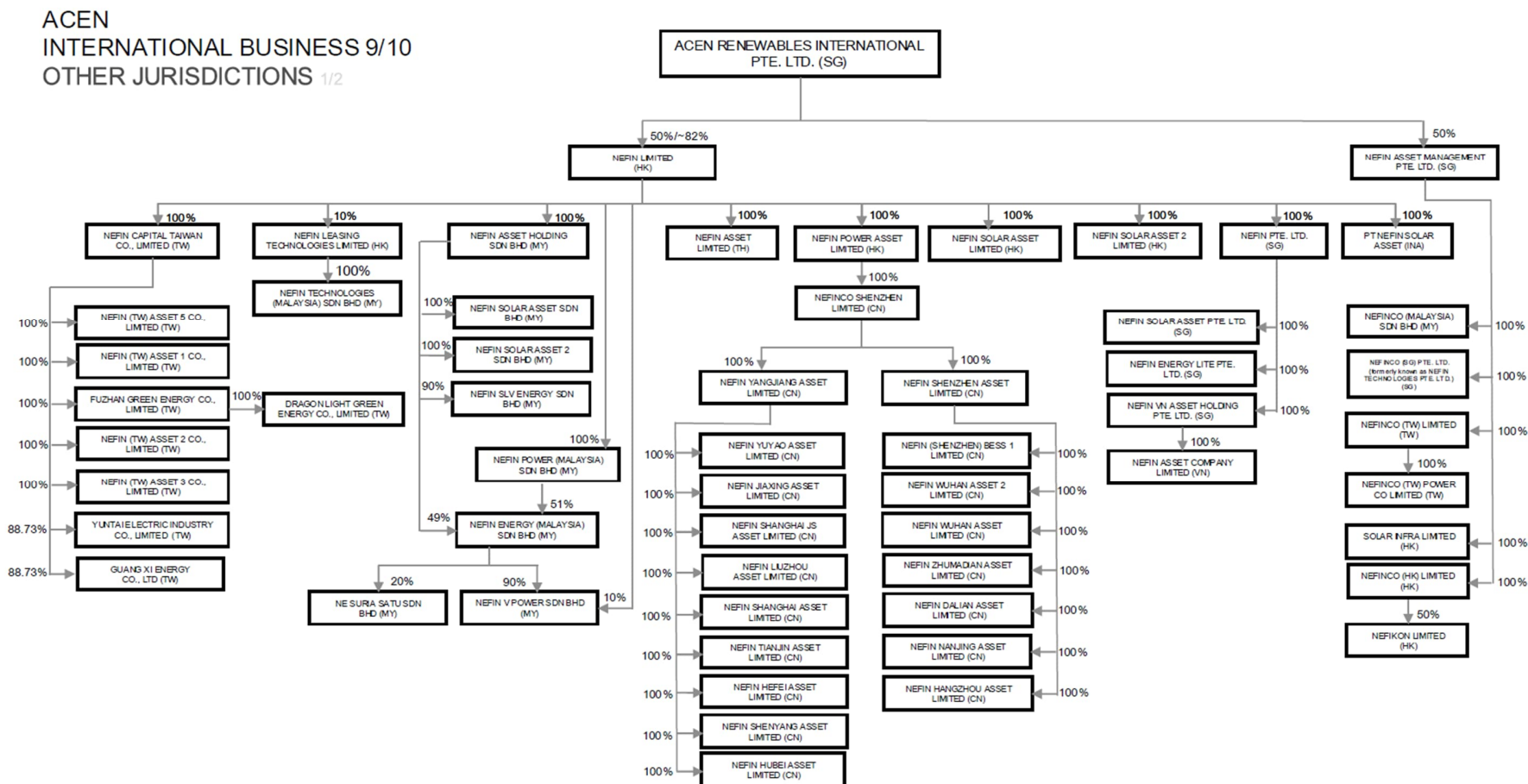
**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

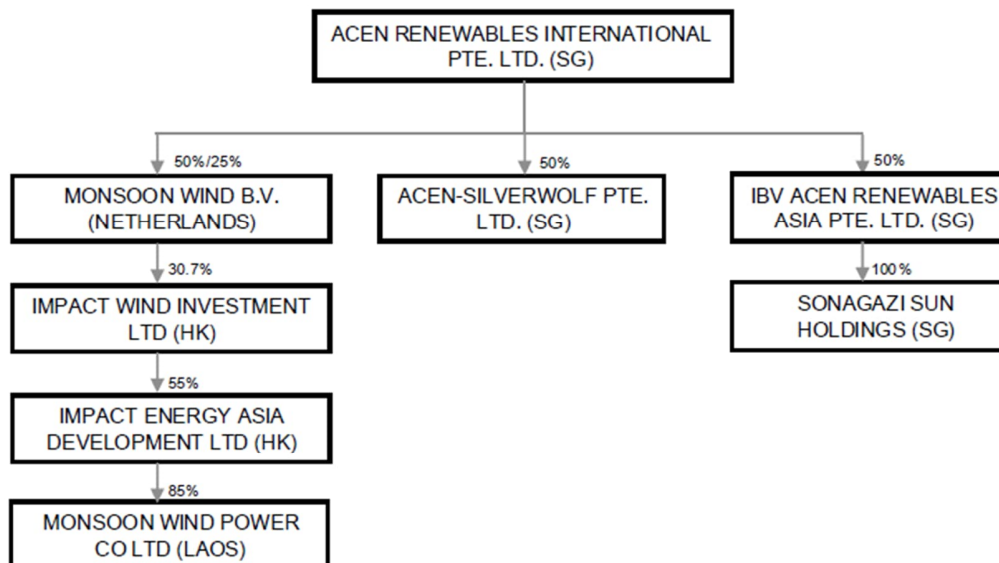
**Conglomerate Map
As of December 31, 2024**



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

ACEN
INTERNATIONAL BUSINESS 10/10
OTHER JURISDICTIONS 2/2



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

Key Performance Indicator	Formula	31-Dec-24	31-Dec-23	Increase (Decrease)	
				Amount	%
<i>Liquidity Ratios</i>					
Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.99	3.57	(1.58)	(44%)
Acid test ratio	$\frac{\text{Cash + Short-term investments + Accounts receivables + Other liquid assets}}{\text{Current liabilities}}$	1.81	3.38	(1.57)	(46%)
<i>Solvency Ratios</i>					
Debt/Equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	1.09	0.64	0.45	70%
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.09	1.64	0.45	27%
Interest Coverage Ratio	$\frac{\text{Statutory Earnings before interest \& tax (EBIT)}^{(1)}}{\text{Interest expense}^{(2)}}$	2.27	2.37	(0.10)	(4%)
Net bank Debt to Equity ratio	$\frac{\text{Short \& long-term loans - Cash \& Cash Equivalents}}{\text{Total Equity}}$	0.69	0.23	0.46	200%
<i>Profitability Ratios</i>					
Return on Equity	$\frac{\text{Net income after tax attributable to equity holders of the Parent Company}}{\text{Average total stockholders' equity attributable to equity holders of the Parent Company}}$	6.82%	6.05%	0.77%	13%
Return on Common Equity	$\frac{\text{Net income after tax attributable to equity holders of the Parent Company (Common)}}{\text{Average Common equity attributable to equity holders of the Parent Company (Common)}}$	6.16%	5.71%	0.45%	8%
Return on assets	$\frac{\text{Net income after taxes}}{\text{Average total assets}}$	3.29%	3.52%	(0.23%)	(7%)
Asset Turnover	$\frac{\text{Revenues}}{\text{Average total assets}}$	12.14%	14.10%	(1.96%)	(14%)

(1) Statutory EBIT is Statutory EBITDA less depreciation and amortization expense

(2) Cash interest expense is gross of capitalized borrowing cost of ₱2,634.81 million and ₱1,852.97 million for the years ended December 31, 2024 and 2023, respectively.

**SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING
OF SECURITIES TO THE PUBLIC**

**ACEN CORPORATION
As at December 31, 2024
(Amounts in Thousands)**

1. Gross and net proceeds as indicated in the final prospectus

	Preferred Shares Offering
Gross proceeds	₱25,000,000
Net proceeds	₱24,831,983

2. Actual gross and net proceeds

	Preferred Shares Offering
Gross proceeds	₱25,000,000
Net proceeds	₱24,848,833

3. Each expenditure item where the proceeds were used

Net Proceeds		₱24,848,833
Refinancing of short-term bridge loans for Eligible Green Projects		4,000,000
Financing of Eligible Green Projects		
Zambales Solar Projects	8,602,833	
IslaWind Power	7,425,000	
Palauig 2 Solar	2,440,000	
Pangasinan Solar	1,722,000	
Cagayan North Solar	659,000	20,848,833
Balance as at December 31, 2024		₱-

4. Balance of the proceeds as at the end of reporting period

The balance of the proceeds as of December 31, 2024 is nil.

Attachment VI

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
For the year ended December 31, 2024
(Amounts in Thousands)

	2024	2023
Total Audit Fees	₱11,851	₱10,412
Non-audit services fees:		
Other assurance services	5,498	7,500
Tax services	1,746	253
All other services	1,073	111
Total Non-audit Fees	8,317	7,864
Total Audit and Non-audit Fees	₱20,168	₱18,276

Exhibit C : 2024 Parent Company Financial Statements

(with BIR ITR Filing Reference)



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-506-020-000
Name	: ACEN CORPORATION
RDO	: 121
Form Type	: 1702
Reference No.	: 462500064970270
Amount Payable (Over Remittance)	: -3,746,081,688.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 03/28/2025
Tax Type	: IT

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Girle Caldit

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- EAFS000506020TCRTY122024-01.pdf
- EAFS000506020AFSTY122024.pdf
- EAFS000506020TCRTY122024-03.pdf
- EAFS000506020RPTY122024.pdf

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Transaction Code: **AFS-0-67KE9E9E07J99KHFM1WR3NWW0CJABEHDL**

Submission Date/Time: **Apr 10, 2025 09:47 PM**

Company TIN: **000-506-020**

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Company TIN: **000-506-020**

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Company TIN: **000-506-020**

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Transaction Code: **AFS-0-6CEH5HBD0NSQRV22MNNVM4NSN0BGBJ8FCJ**

Submission Date/Time: **Apr 10, 2025 10:02 PM**

Company TIN: **000-506-020**

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

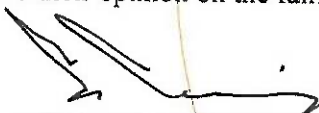
The management of **ACEN CORPORATION** (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at and for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

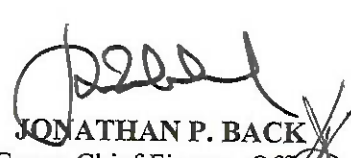
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.


CEZAR P. CONSING
Chairman of the Board


JOHN ERIC T. FRANCIA
President and Chief Executive Officer


JONATHAN P. BACK
Group Chief Finance Officer
and Group Chief Strategy Officer


Signed this 10th day of March 2025

SUBSCRIBED AND SWORN to before me this MAR 10 2025 at Makati City, affiants exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Issue	Place of Issue
Cezar P. Consing	P6868155A	17 Apr 2018	DFA NCR South
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Jonathan P. Back	GBR 142881794	02 Nov 2023	United Kingdom

Doc. No. 285
Page No. 58
Book No. 14
Series of 2025




KATRINA ISABEL L. LOPEZ
Notary Public for Makati City
Appointment No. M-499 (2024-2025)
Attorneys Roll No. 74992
PTR No. 10466047; 1-02-2025; Makati City
IBP No. 491234; 1-01-2025; Quezon City
MCLE Compliance No. VII-0019587; valid until 4-14-2025
35th Floor Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Ave.
Makati City, Philippines 1226

Notarial DST pursuant to Sec. 61
of the TRAIN Act (amending
Sec. 188 of the NIRC)
affixed on Notary Public's copy.

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of ACEN CORPORATION (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



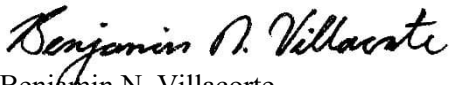
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 26 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of ACEN CORPORATION. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Benjamin N. Villacorte.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



ACEN CORPORATION**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱3,438,648	₱11,361,151
Receivables (Note 6)	22,736,072	21,598,056
Financial assets at fair value through profit or loss (FVTPL) (Note 22)	641,826	565,284
Fuel and spare parts - at cost	528,233	547,657
Other current assets (Note 7)	1,849,477	2,239,699
Total Current Assets	29,194,256	36,311,847
Noncurrent Assets		
Property and equipment	744,410	480,321
Investments in subsidiaries, associates and joint ventures (Note 8)	242,905,628	220,885,515
Right-of-use asset (Note 12)	863,506	1,025,774
Deferred income tax assets - net (Note 18)	1,308,106	1,275,097
Other noncurrent assets (Note 9)	4,623,335	4,019,524
Total Noncurrent Assets	250,444,985	227,686,231
TOTAL ASSETS	₱279,639,241	₱263,998,078
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 10)	₱7,990,192	₱9,582,302
Short-term loan (Note 11)	5,600,000	1,500,000
Current portion of:		
Long-term loans (Note 11)	246,362	264,209
Lease liability (Note 12)	119,399	114,329
Income and withholding taxes payable	126,244	81,224
Due to stockholders	13,138	16,585
Total Current Liabilities	14,095,335	11,558,649
Noncurrent Liabilities		
Long-term loans - net of current portion (Note 11)	35,007,291	23,620,316
Notes payable (Note 11)	9,926,286	9,902,247
Lease liability - net of current portion (Note 12)	927,068	1,071,338
Pension and other employee benefits - net of current portion	228,057	313,131
Other noncurrent liabilities	746,463	66,120
Total Noncurrent Liabilities	46,835,165	34,973,152
Total Liabilities	₱60,930,500	₱46,531,801

(Forward)

	December 31	
	2024	2023
Equity		
Common shares (Note 13)	₱39,691,895	₱39,691,895
Redeemable preferred shares (Note 13)	25,000	25,000
Additional paid-in capital (Note 13)	132,109,164	132,109,164
Other equity reserves (Notes 8 and 13)	43,080,191	43,080,191
Unrealized fair value gains on derivative instrument designated under hedge accounting (Note 21)	11,003	(3,958)
Remeasurement losses on defined benefit plan - net of tax	(41,611)	(32,452)
Unrealized fair value losses on equity instruments at financial assets through other comprehensive income (FVOCI) (Note 21)	(16,468)	(16,468)
Treasury shares (Note 13)	(28,657)	(28,657)
Retained earnings (Note 13)	3,878,224	2,641,562
Total Equity	218,708,741	217,466,277
TOTAL LIABILITIES AND EQUITY	₱279,639,241	₱263,998,078

See accompanying Notes to Parent Company Financial Statements.



ACEN CORPORATION**PARENT COMPANY STATEMENTS OF INCOME****(Amounts in Thousands, Except Per Share Figures)**

	Years Ended December 31	
	2024	2023
REVENUES		
Revenue from sale of electricity (Note 14)	₱23,382,737	₱29,447,776
Dividend income (Note 8)	6,766,693	7,907,490
Management fee (Note 19)	2,179,968	1,320,971
	32,329,398	38,676,237
COSTS AND EXPENSES		
Costs of sale of electricity (Note 15)	23,263,107	29,581,004
General and administrative expenses (Note 16)	3,361,272	2,915,969
	26,624,379	32,496,973
INTEREST AND OTHER FINANCIAL CHARGES (Note 17)	(2,623,160)	(2,257,987)
OTHER INCOME - NET (Note 17)	2,175,597	1,839,786
INCOME BEFORE INCOME TAX	5,257,456	5,761,063
PROVISION FOR INCOME TAX (Note 18)	109,245	90,733
NET INCOME	₱5,148,211	₱5,670,330
Basic/Diluted Earnings Per Share (Note 20)	₱0.08	₱0.13

See accompanying Notes to Parent Company Financial Statements.

ACEN CORPORATION**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME****(Amounts in Thousands, Except Per Share Figures)**

	Years Ended December 31	
	2024	2023
NET INCOME	₱5,148,211	₱5,670,330
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized fair value gain (losses) on derivative instrument designated under hedge accounting (Note 21)	19,948	(26,852)
Remeasurement gain losses on defined benefit plan	(12,213)	(38,743)
Income tax effect	(1,933)	16,399
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	5,802	(49,196)
TOTAL COMPREHENSIVE INCOME	₱5,154,013	₱5,621,134

See accompanying Notes to Parent Company Financial Statements.

ACEN CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Amounts in Thousands)

	Common shares (Note 13)	Redeemable preferred shares (Note 13)	Additional Paid-in Capital (Note 13)	Other Equity Reserves (Note 13)	Treasury Shares (Note 13)	Unrealized Fair Value Gains on Equity Instruments at FVOCI (Note 21)	Unrealized Fair Value Losses on Derivative Instruments designated under hedge accounting (Note 21)	Remeasurement Gains (Losses) on Defined Benefit Obligation - net of tax	Retained Earnings (Deficit) (Note 13)	Total
BALANCES AT JANUARY 1, 2024	₱39,691,895	₱25,000	₱132,109,164	₱43,080,191	(₱28,657)	(₱16,468)	(₱3,958)	(₱32,452)	₱2,641,562	₱217,466,277
Net income	-	-	-	-	-	-	-	-	5,148,211	5,148,211
Other comprehensive income (loss)	-	-	-	-	-	-	14,961	(9,159)	-	5,802
Total comprehensive income (loss)	-	-	-	-	-	-	14,961	(9,159)	5,148,211	5,154,013
Dividends declared and paid (Note 13)	-	-	-	-	-	-	-	-	(3,911,549)	(3,911,549)
	-	-	-	-	-	-	-	-	(3,911,549)	(3,911,549)
BALANCES AT DECEMBER 31, 2024	₱39,691,895	₱25,000	₱132,109,164	₱43,080,191	(₱28,657)	(₱16,468)	₱11,003	(₱41,611)	₱3,878,224	₱218,708,741
BALANCES AT JANUARY 1, 2023	₱39,691,895	₱-	₱107,305,718	₱43,080,191	(₱28,657)	(₱16,468)	₱16,181	(₱3,395)	(₱959,751)	₱189,085,714
Net income	-	-	-	-	-	-	-	-	5,670,330	5,670,330
Other comprehensive loss	-	-	-	-	-	-	(20,139)	(29,057)	-	(49,196)
Total comprehensive loss	-	-	-	-	-	-	(20,139)	(29,057)	5,670,330	5,621,134
Issuance of shares of stock	-	25,000	24,975,000	-	-	-	-	-	-	25,000,000
Stock issuance costs	-	-	(171,554)	-	-	-	-	-	-	(171,554)
Dividends declared and paid (Note 13)	-	-	-	-	-	-	-	-	(2,069,017)	(2,069,017)
	-	25,000	24,803,446	-	-	-	-	-	(2,069,017)	22,759,429
BALANCES AT DECEMBER 31, 2023	₱39,691,895	₱25,000	₱132,109,164	₱43,080,191	(₱28,657)	(₱16,468)	(₱3,958)	(₱32,452)	₱2,641,562	₱217,466,277

See accompanying Notes to Parent Company Financial Statements.



ACEN CORPORATION**PARENT COMPANY STATEMENTS OF CASH FLOWS****(Amounts in Thousands)**

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱5,257,456	₱5,761,063
Adjustments for:		
Dividend income (Note 8)	(6,766,693)	(7,907,490)
Interest and other financial charges (Note 17)	2,623,160	2,257,987
Interest and other financial income (Note 17)	(1,252,770)	(1,185,264)
Depreciation and amortization (Note 16)	209,577	188,675
Unrealized foreign exchange loss (gain)	(207,419)	32,192
Loss (gain) on sale/disposal of financial assets at fair value through profit or loss (Note 17)	38,590	(49,833)
Movement in pension and other employee benefits	(97,286)	69,968
Unrealized gain on fair value change of fair value through profit or loss	1,543	943
Gain on settlement of development loan (Notes 9 and 17)	–	(515,000)
Operating loss before working capital changes	(193,842)	(1,346,759)
Decrease (increase) in:		
Receivables	(2,309,004)	(1,664,125)
Fuel and spare parts	19,424	(52,830)
Other current assets	458,127	449,852
Increase (decrease) in accounts payable and other current liabilities	(1,978,781)	2,110,013
Net cash used in operations	(4,004,076)	(503,849)
Income taxes paid, including creditable withholding taxes	(99,167)	(151,482)
Net cash used in operating activities	(4,103,243)	(655,331)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investments in subsidiaries, associates and joint venture (Note 8)	(22,227,755)	(25,731,613)
Investment in financial assets at fair value through profit or loss	(6,181,513)	(3,971,033)
Loans to related parties	1,161,878	(1,262,665)
Property and equipment	(346,691)	(155,395)
Cash dividends received (Notes 8 and 13)	6,864,996	9,472,616
Proceeds from:		
Disposal of investments in financial assets and fair value through profit or loss	6,064,838	4,116,285
Redemption of redeemable preferred shares of investments, associates and joint venture (Note 8)	1,200,000	562,286
Interest received	458,635	341,384
Decrease in other noncurrent assets	(570,592)	593,865
Net cash used in investing activities	(13,576,204)	(16,034,270)

(Forward)

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Issuance of capital stock (Note 13)	₱-	₱24,828,446
Short-term loans (Note 11)	25,600,000	9,000,000
Long-term loans (Note 11)	7,600,000	6,750,000
Payments of:		
Short-term loans (Note 11)	(17,300,000)	(10,400,000)
Long-term loans (Note 11)	(282,367)	(225,244)
Cash dividends (Note 13)	(3,911,549)	(2,069,017)
Interest expense on:		
Loans and notes payable (Note 17)	(2,462,806)	(1,900,920)
Lease liability (Note 12 and 17)	(56,087)	(41,561)
Principal portion of lease liability (Note 12)	(99,988)	(62,102)
Debt issuance costs (Note 11)	(141,181)	(50,625)
Decrease in other noncurrent liabilities	684,695	(25,660)
Net cash from financing activities	9,630,717	25,803,317
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	126,227	13,996
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(7,922,503)	9,127,712
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
	11,361,151	2,233,439
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)		
	₱3,438,648	₱11,361,151

See accompanying Notes to Parent Company Financial Statements.



ACEN CORPORATION

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information

ACEN CORPORATION (“ACEN” or the “Parent Company”), was incorporated on September 8, 1969, and registered with the Philippine Securities and Exchange Commission (“SEC”) on January 5, 1970. ACEN is engaged in power generation and trading, oil and mineral exploration, development and production. The Parent Company is a licensed Retail Electricity Supplier (“RES”). As a RES, the Parent Company can supply electricity to the contestable market pursuant to the Electric Power Industry Reform Act (“EPIRA”). Other activities of the Parent Company include investing in various operating companies and financial instruments.

As at December 31, 2024 and 2023, AC Energy and Infrastructure Corporation (“ACEIC”) owns 58.23% and 58.16%, respectively, of ACEN’s total outstanding shares of stock. This is based on direct and indirect ownership of ACEIC.

The direct Company (or intermediate Company) of ACEN is ACEIC, a wholly owned subsidiary of Ayala Corporation (“AC”). AC is a publicly-listed company which is 47.57% owned by Mermac, Inc. (ultimate Company). ACEN, ACEIC, AC and Mermac, Inc. are all incorporated and domiciled in the Philippines.

On December 15, 2021, during a Special Stockholders’ Meeting, stockholders representing at least 2/3 of the ACEN’s outstanding capital stock, approved the following:

- i) Amendment to the Articles of Incorporation (“Articles”) to change the corporate name from “AC Energy Corporation” to “ACEN CORPORATION”;
- ii) Amendment to the Articles to remove oil exploration, mining and related businesses from the Primary Purpose and Secondary Purposes and to specify retail electricity supply and provision of guarantees as part of the Primary Purpose;
- iii) Amendment to the Articles to change the principal office of the Company from “4th Floor, 6750 Office Tower, Ayala Avenue, Makati City 1226, Philippines,” to “35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226, Philippines”.

On the same date, the SEC approved the proposed amendments to ACEN’s By-Laws and are intended to reflect the change in corporate name and principal office of ACEN.

On March 3, 2022, Bureau of Internal Revenue (BIR) Certificate of Registration was updated.

On July 20, 2022, the amendment to the Articles of Incorporation was approved by the SEC.

Amendment of Articles of Incorporation

On March 7, 2023, during the regular meeting, the Parent Company’s Board of Directors (BOD) approved the amendment to the Seventh Article of the Articles of Incorporation to reclassify 100.00 million unissued common shares into Redeemable Preferred Shares, with par value of ₱1.00 per share.

On April 24, 2023, during the annual special stockholder’s meeting, the stockholders representing at least 2/3 of the Parent Company’s authorized capital stock approved the amendment.



On May 23, 2023, ACEN filed the Registration Statement with the Securities and Exchange Commission for the Shelf Registration of up to 50 million preferred shares and the proposed public offer and sale of up to 2 million of such preferred shares.

On June 9, 2023, the SEC approved ACEN Amended Articles of Incorporation.

On March 11, 2024, the Parent Company's Board of Directors (BOD) approved the amendment of the Parent Company's Articles of Incorporation to remove "distribution" from the primary purpose. The proposed amendment was approved by the Parent Company's stockholders on April 24, 2024 during the annual stockholders meeting. This was approved by the SEC on May 22, 2024.

The parent company financial statements were approved and authorized for issuance by the Company's BOD on March 10, 2025.

2. Basis of Preparation and Statement of Compliance

The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The parent company financial statements have been prepared on a historical cost basis, except for derivative financial instruments, financial assets at fair value through profit and loss (FVTPL), and financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value and inventories which are valued at lower of cost and net realizable value. The parent company financial statements are presented in Philippine Peso (₱) which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousands (000), except when otherwise indicated.

The accompanying parent company financial statements are ACEN's separate financial statements prepared for submission with the Bureau of Internal Revenue (BIR) and Securities and Exchange Commission (SEC). ACEN also prepares and issues consolidated financial statements for the same period as the parent company financial statements presented in compliance with PFRS 10, *Consolidated Financial Statements*. The consolidated financial statements are filed with and may be obtained from the SEC.

3. Material Accounting Policy Information

Statement of Compliance

The accompanying parent company financial statements, which are prepared for submission to the SEC and the Bureau of Internal Revenue (BIR), have been prepared in accordance with PFRS Accounting Standards.

The Parent Company prepares and issues consolidated financial statements in compliance with PFRS Accounting Standards which are available at the registered office address of the Parent Company.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



Adoption of these new standards did not have an impact on the parent company financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Material Accounting Policies

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its parent company financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*



Presentation of Financial Statements

The Parent Company has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (parent company statement of income) and a second statement beginning with profit or loss and displaying components of OCI (parent company statement of comprehensive income).

Current versus Noncurrent Classification

The Parent Company presents assets and liabilities in the parent company statement of financial position based on current or noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve (12) months after the reporting period; or,
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve (12) months after the reporting period; or,
- there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Parent Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

Initial recognition

The Parent Company classifies financial assets at initial recognition as at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.



Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This accounting policy relates to the Parent Company's cash and cash equivalents, receivables, loans receivable, interest receivable and advances to affiliates under other noncurrent assets.

If the Parent Company revises its estimates of receipts of future cashflows, it shall adjust the gross carrying amount of the financial asset to reflect the revised estimated contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in the profit or loss as income or expense.

Financial Assets at FVTPL

Financial assets at FVTPL are measured at fair value unless these are measured at amortized cost or at FVOCI. Included in this classification are debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the parent company statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the parent company statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Parent Company may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

This accounting policy related to Parent Company's listed equity instruments presented under "Financial assets at fair value through profit or loss".

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Parent Company uses derivative financial instruments, such as forward currency contracts, cross currency swaps, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments



are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Parent Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Parent Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the parent company statement of income as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the parent company statement of income as other expense.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.



When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the parent company statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Parent Company uses cross currency swap and forward currency contracts for its exposures to volatility in exchange rates and interest rates. The ineffective portion relating to cash flow hedges is recognized as other expense.

The Parent Company designates the entire forward currency contracts (including the forward element) as a hedging instrument. The Parent Company uses a rollover strategy for the forward currency contracts.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

The Parent Company uses a coal swap contract as a hedge of its exposure to coal price risk on its coal purchases.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Parent Company of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Parent Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Parent Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



Modification of financial assets

The Parent Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Parent Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Parent Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.



For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Day 1 difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Parent Company recognizes the difference between the transaction price and fair value (a Day 1 difference) in profit or loss unless it qualifies for recognition as some type of asset or liability. In cases where no observable data is used, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Parent Company determines the appropriate method of recognizing the Day 1 profit amount.

Impairment of Financial Assets

The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables (except trade receivables), ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Parent Company uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The key inputs in the model include the Parent Company's definition of default and historical data of three years for the origination, maturity date and default date. The Parent Company considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

Determining the stage for impairment

At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or



effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. The Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Parent Company's financial liabilities pertain to "Accounts payable and other current liabilities", "Short-term loan", "Long-term loans", and "Lease liabilities".

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings, accounts and other payables, and payables to related parties are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of comprehensive income. Cost incurred to discharge and cancel a liability is recognized in the Parent Company statement of comprehensive income.

Offsetting Financial Instruments

Financial instruments are offset and the net amount reported in the parent company statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Input Value-added Taxes (VAT)

Input VAT represents VAT imposed on the Parent Company by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Parent Company's Output VAT liabilities.

Creditable Withholding Taxes (CWT)

CWTs represent amounts withheld from income subject to expanded withholding taxes. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWTs which are



expected to be utilized as payment for income taxes within twelve months are classified as current assets; otherwise these are classified as noncurrent assets.

Investments in Subsidiaries, Associates and Joint Ventures

The Parent Company's investments in subsidiaries, associates and joint ventures are accounted for under the cost method less accumulated provision for impairment losses, if any.

A subsidiary is an entity in which the Parent Company exercises control over the company. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b. Exposure, or rights, to variable returns from its involvement with the investee; and
- c. The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. The contractual arrangement with the other vote holders of the investee;
- b. Rights arising from other contractual arrangements; and
- c. The Parent Company's voting rights and potential voting rights.

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

On acquisition of the investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is included in the carrying amount of the investment and not amortized.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Parent Company disposes the investment, or the investee reacquires its own equity instruments from the Parent Company.

If a Parent Company disposed of an asset in exchange for an increased investment in a subsidiary, the shares of stocks acquired is recorded at the fair value of the consideration given.



Lease Liabilities

At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. If the modification increases the scope of the lease (e.g., adding the right to use the underlying asset), the Parent Company recognizes the right-of-use assets and lease liability as a separate new lease after assessing that the consideration for the lease increases by an amount commensurate with the stand-alone price and any adjustments to that stand-alone price reflects the circumstances of the particular contract.

For lease assignment, the Parent Company remeasures the lease liability and reduces the right-of-use assets, and any difference between those adjustments is recognized in profit or loss. For all other modifications, the Parent Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets, without affecting profit or loss. In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Impairment of Non-financial Assets

The Parent Company assesses, at each reporting date, whether there is an indication that an asset may be impaired in accordance with PAS 36. If any indication exists, or when annual impairment testing for an asset is required, the Parent Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU's) fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The following assets have specific characteristics for impairment testing:

Investments in Subsidiaries, Associates and Interests in Joint Ventures

The Parent Company determines at the end of each reporting period whether there is any objective evidence that the investments in subsidiaries, associates and interests in joint ventures are impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the investments in subsidiaries, associates and interests in joint ventures, and their carrying amounts.



Right-of-Use Assets

Right of use assets with finite useful lives are tested for impairment when circumstances indicate that the carrying value may be impaired.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented and disclosed in accordance with PAS 36, *Impairment of Assets*.

Capital Stock

Capital stock represents the portion of the paid-in capital representing the total par value of the shares issued.

Stock Options and Grants

Stock option and grants are accounted for in accordance with PFRS 2, that is, the cost of stock option awards is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the binomial method. The cost of such awards is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. The cumulative expense that is recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the parent company statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of the period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of the award are modified, the minimum expense recognized is the expense if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where the stock option is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the preceding paragraph.

If the outstanding options are dilutive, its effect is reflected as additional share dilution in the computation of diluted earnings per share.

Additional Paid-in Capital (APIC)

APIC represents the amount paid in excess of the par value of the shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Other Equity Reserves

Other equity reserves are imputed equity contribution or dividend distribution arising from common control transactions when there is difference between the agreed transaction price and fair value.



Retained Earnings (deficit)

Retained earnings (deficit) include all current and prior period results of operations as reported in the parent company statement of income, net of any dividend declaration and adjusted for the effects of changes in accounting policies as may be required by PFRS's transitional provisions.

Cash Dividend to Equity Holders of the Company

The Parent Company recognizes a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorized, and the distribution is no longer at the discretion of the Parent Company. A corresponding amount is recognized directly in equity.

Basic/Diluted Earnings/Losses Per Share

Basic earnings/losses per share (EPS/LPS) is computed by dividing net income/loss attributable to equity holders of the Parent Company for the year by the weighted average number of common shares issued and outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Parent Company currently does not have potential dilutive common shares.

Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the parent company statement of income on the acquisition, reissuance or retirement of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Share options exercised during the reporting period are satisfied with treasury shares.

Other Comprehensive Income

OCI are items of income and expense that are not recognized in determining the profit or loss for the year in accordance with PFRS Accounting Standards.

Revenue and Income Recognition

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those services. The Parent Company has assessed its revenue arrangements against specific criteria in order to determine if it is acting as a principal or as an agent. The Parent Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Energy sales

Sale of electricity is consummated whenever the electricity generated by the Parent Company is transmitted through the transmission line designated by the buyer, for a consideration.

Revenue from sale of electricity through Retail Electricity Supply Contract is composed of generation charge from monthly energy supply with various contestable customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

Revenue from sale of electricity using bunker fuel and coal are composed of generation fees from spot sales to the Wholesale Electricity Spot Market (WESM) and supply agreements with third parties and are recognized monthly based on the actual energy delivered.

Revenue from sale of electricity through ancillary services to the National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided.



The Parent Company identified the sale of electricity as its performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The Parent Company concluded that the revenue should be recognized overtime since the customers simultaneously receives and consumes the benefits as the Parent Company supplies electricity.

Management income

Management fees for services rendered are recognized when earned.

Dividend income

Dividend income is recognized when the Parent Company's right to receive the payment is established.

Interest income

Interest income is recognized as it accrues using effective interest rate.

Other income

Other income is derived from activities other than the main business of the Parent Company and recognized in the period it is earned.

Costs of Sales and Expenses

Costs and expenses are recognized in the parent company statement of comprehensive income when decrease in economic benefits related to a decrease in an asset or an increase in liability has arisen that can be measured reliably. These are generally recognized as they are incurred.

Deferred Financing Costs

Deferred financing cost, including debt issue costs, represent the fees incurred to obtain financing and are accounted for as deduction to the related debt. Deferred financing costs are amortized using the EIR method over the terms of the related long-term loans.

Income Tax

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of MCIT and NOLCO can be utilized.



Deferred tax liabilities are not provided on nontaxable temporary differences associated with investment in domestic subsidiaries, associates and interests in joint ventures.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged or credited to income for the period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Segment Reporting

The Parent Company's businesses are organized and managed separately according to its geographic areas of operations, with each segment representing a strategic business unit that serves different markets.

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

Provisions

Provisions are recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Where the Parent Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the parent company financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period

Post-year end events that provide additional information about the Parent Company's position at reporting date (adjusting events) are reflected in the financial statements. Post-year end events that are not adjusting events are disclosed in the notes to the financial statements when material.



4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the accompanying parent company financial statements in compliance with PFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying parent company financial statements are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

Assessment of Control

The Parent Company determined that it has control over its subsidiaries (see Note 8) by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following were also considered:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Partnership's voting rights and potential voting rights

Assessment of Joint Control over Joint Ventures

The Parent Company's investments in joint ventures are structured in separate incorporated entities. The investments in Philippine Wind Holdings Corp. ("PhilWind"), North Luzon Renewable Energy Corp. (NLR), Ingrid Power Holdings, Inc. and Paivatar Energy Corporation ("Paivatar") are accounted for as investments in joint venture since the fundamental business and operational matters requires unanimous consent from all parties (see Note 8).

Even though the Parent Company holds various percentage of ownership in interests on these arrangements, their respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identifies. In addition, the Parent Company considers the number of its Board seats in its incorporated entity. Further, the Parent Company and the parties to the agreement only have rights to the net assets of the joint venture through the term of the contractual agreements. Considering these factors, management assessed that it has joint control over the entity.



Revenue Recognition

The Parent Company identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customers and the Parent's Company's promise to transfer the good or service to the customer is separately identifiable.

The Parent Company assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if (i) each distinct good or service in the series are transferred over time and (ii) the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

The combined performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer since the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

Retail supply also qualifies as a series of distinct services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

For power generation and trading and retail supply, the Company uses the actual (kwh) dispatched which are also billed on a monthly basis.

For ancillary services, the Company determined that the output method is the best method in measuring progress since actual energy is supplied to customers. The Company recognizes revenue based on contracted and actual kilowatt hours kwh dispatched which are billed on a monthly basis.

Classification of Preferred Shares as Equity Instrument

The Parent Company's redeemable preferred shares is classified as equity instrument since it has the option but not contractual obligation to redeem in whole or in part of the shares. The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company. There is no contractual obligation on the issued preferred shares that would require to deliver cash or other financial asset or financial liability to the holders of the instrument (see Note 13).

Management's Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Measurement of Expected Credit Losses (ECL)

At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If in a subsequent period, asset quality improves and any previously assessed significant increase in credit risk also reverses since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL (see Notes 6 and 21).



Determination of Significant Increase in Credit Risk (SICR)

The Parent Company compares the probabilities of default occurring over the expected life of financial assets as at the reporting date with the probability of default occurring over the expected life on the date of initial recognition to determine significant increase in credit risk. Since comparison is made between forward-looking information at reporting date against initial recognition, the deterioration in credit risk may be triggered by the following factors:

- substantial deterioration in credit quality as measured by the applicable internal or external ratings or credit score or the shift from investment grade category to non-investment grade category.
- adverse changes in business, financial and/or economic conditions of the borrower.
- early warning signs of worsening credit where the ability of the counterparty to honor his obligation is dependent upon the business or economic condition.
- the account has become past due beyond 30 days where an account is classified under special monitoring category: and
- expert judgment for the other quantitative and qualitative factors which may result to SICR as defined by the Group.

As at December 31, 2024 and 2023, the Parent Company assessed that for its financial assets such as cash and cash equivalents, non-trade and other receivables there has been no SICR since origination and is assessed as low credit risk based on published information of comparable entities. For trade receivables, the Parent Company used provision matrix in estimating its ECL. A broad range of forward-looking information were considered as economic inputs, such as GDP growth, inflation rates, unemployment rates, interest rates and BSP statistical indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. While these model inputs including forward-looking information are revised, the ECL models, and definitions of default remain consistent with prior periods.

Evaluation of impairment of nonfinancial assets

The Parent Company assesses whether there are any indicators of impairment for all nonfinancial assets (i.e., investment in subsidiaries, associates and joint ventures, property and equipment, and other assets) at each financial reporting date. These nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For investment in subsidiaries, associates and joint ventures, the Parent Company calculates the amount of impairment as the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.



Realizability of Deferred Income Tax Assets

The Parent Company reviewed its business and operations to take into consideration the estimated impact on macroeconomic environment, the market outlook and the Parent Company's operations. As such, the Parent Company assessed its ability to generate sufficient taxable income in the future that will allow realization of net deferred tax assets. As a result, the carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. The Parent Company assessed that sufficient taxable profit will be generated to allow all or part of the deferred income tax assets to be utilized.

As at December 31, 2024 and 2023, deferred income tax assets recognized by the Parent Company amounted to ₱1,308.11 million and ₱1,275.10 million, respectively (see Note 18).

The Parent Company's deductible temporary differences, unused NOLCO and unused MCIT for which no deferred income tax assets were recognized are disclosed in Note 18.

Contingencies and Tax Assessments

The Parent Company is currently involved in various legal proceedings and assessments for local and national taxes. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The final settlement of these may result in material adverse impact on the parent company financial statements.

5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	₱733,105	₱9,014,289
Cash equivalents	2,705,543	2,346,862
	₱3,438,648	₱11,361,151

Cash equivalents are short term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interests at the range of 1.5% to 6.25% per annum in 2024 and 0.06% to 6.25% per annum in 2023.

Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures (the "Escrow Requirement"). As of December 31, 2024, the Parent Company has fully disbursed the cash from the escrow account which held the proceeds from the issuance of preferred shares in 2023. As of December 31, 2023, cash in bank includes ₱8,827.83 million restricted cash in an escrow account.

Interest income earned on cash and cash equivalents in 2024 and 2023 amounted to ₱264.58 million and ₱422.28 million, respectively (see Note 17).



6. Receivables

This account consists of:

	2024	2023
Due from related parties (see Note 19)	₱10,402,800	₱8,168,312
Bridge loans (see Note 19)	6,955,267	7,070,727
Trade receivables from:		
Third parties	4,239,560	5,580,654
Related parties (see Note 19)	744,108	236,865
Others	490,494	637,655
	22,832,229	21,694,213
Less allowance for credit losses	96,157	96,157
	₱22,736,072	₱21,598,056

Due from related parties

Due from related parties represents receivables from subsidiaries, associates, and joint ventures for working capital advances, development management fee, management services, interest receivables, and dividend receivables. These are both interest and non-interest bearing and mature within 1-2 years upon drawdown.

Bridge loans

Bridge loan facilities are provided to related parties to fund investment requirements for renewable power plants while under construction and undergoing implementation or release of project financing from financial institutions (see Note 19).

Grencore Power Solutions 3, Inc. (Grencore 3)

On February 4, 2021, the Parent Company, Citicore Solar Energy Corporation (CSEC), ACEN Global Development Group Inc. (AGDGI) (formerly ACE Endeavor) and Grencore Power Solutions 3, Inc. entered into an interest-bearing Omnibus Agreement amounting to ₱2,680.00 million in order to finance a 50MW solar power plant in Mexico, Pampanga (Arayat Phase 1).

On February 9, 2022, the Omnibus Agreement was amended to increase the loan facility to ₱2,860.00 million and extended the maturity from March 1, 2023, to June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023 to June 30, 2024 and increase the fixed interest rate from 7.00% to 15.00% on all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024 to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025

On February 24, 2025, the Omnibus Agreement was amended to extend the maturity date from January 31, 2025 to March 31, 2025.



Promissory notes executed in relation to the facility agreement were made on:

<u>Date</u>	<u>Amount</u>
April 30, 2021	₱993,700,000
August 12, 2021	215,200,000
October 28, 2021	108,800,000
December 2, 2021	285,000,000
December 22, 2021	475,700,000
February 14, 2022	185,400,000
March 17, 2022	331,900,000
February 28, 2024	104,600,000

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 1 amounts to ₱2,700.30 million and ₱2,595.70 million, respectively.

On May 25, 2022, the Parent Company, CSEC, AGDGI and Grencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱1,990.00 million in order to finance a 30MW solar power plant in Mexico, Pampanga (Arayat Phase 2). The maturity of the loan is on June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023 to June 30, 2024 and increase the fixed interest rate from 7.00% to 15% on all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024 to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025.

On February 24, 2025, the Omnibus Agreement was amended to extend the maturity date from January 31, 2025 to March 31, 2025.

Promissory notes executed in relation to the facility agreement were made on:

<u>Date</u>	<u>Amount</u>
June 09, 2022	₱596,082,387
June 30, 2022	575,050,866
September 16, 2022	339,756,574
December 29, 2022	119,355,687
February 22, 2023	113,116,059
May 12, 2023	135,474,469
May 21, 2024	19,678,683
November 21, 2024	60,260,608

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 2 amounted to ₱1,958.78 million and ₱1,878.84 million, respectively.

The Parent Company earned interest income on bridge loans amounting to ₱698.59 million and ₱495.88 million in 2024 and 2023, respectively (see Note 17).



Ingrid Power Holdings, Inc. (INGRID)

On December 27, 2022, the Parent Company and Ingrid entered into a facility agreement amounting to ₱1,250.00 million in order to fund working capital requirements in relation to the operation of its 150MW Pililia diesel power plant in Pililia, Rizal. The loan bears an annual fixed interest rate and is payable upon maturity.

Promissory notes executed in relation to the facility agreement were made on:

Date	Amount	Original Maturity Date	Extended Maturity Date
December 28, 2022	₱200,000,000	June 27, 2023	August 30, 2023
January 11, 2023	₱300,000,000	July 10, 2023	October 31, 2023
January 27, 2023	₱300,000,000	July 26, 2023	June 30, 2024

As at December 31, 2024 and 2023, the outstanding bridge loan amounted to nil and ₱300.00 million, respectively.

The Parent Company earned interest income on bridge loans amounting to ₱35.06 million and ₱76.41 million in 2024 and 2023, respectively (see Note 17).

Natures Renewables Energy Devt. Corporation (NAREDCO)

On July 14, 2022, the Parent Company and NAREDCO entered into a loan and security agreement to finance the engineering, construction and procurement of a 130MW solar power plant located in Lal-Lo, Cagayan. The interest-bearing loan has a total facility of ₱1,139.00 million and bears an annual fixed interest rate payable upon maturity. Maturity is on the first anniversary of the commercial operations date of the project which estimated to be in October 2024. On August 4, 2023, the loan and security agreement was amended to increase the loan facility to ₱2,296.93 million.

As of December 31, 2024 and 2023, the outstanding bridge loan amounted to ₱2,296.19 million.

The Parent Company earned interest income on bridge loans amounting to ₱163.41 million and ₱94.06 million in 2024 and 2023, respectively (see Note 17).

Trade receivables

Trade receivables mainly represent receivables from IEMOP, NGCP, subsidiaries, associates and joint ventures and from bilateral customers. Trade receivables consist of interest-bearing and noninterest-bearing receivables. The terms are generally thirty (30) to sixty (60) days.

Allowance for expected credit loss

For the year ended December 31, 2023, the Parent Company wrote off a receivable from a customer amounting to ₱10.24 million (nil in 2024).

7. Other Current Assets

This account consists of:

	2024	2023
Deferred input VAT	₱1,118,212	₱1,441,451
Creditable withholding taxes	249,782	483,808
Deposits	261,034	208,636
Prepaid expenses	136,117	54,977
Derivative assets (Note 21)	28,024	16,425
Others	56,308	34,402
	₱1,849,477	₱2,239,699



Deferred input VAT pertains to input VAT on purchase of goods and services which are not yet paid as of financial reporting date. Upon payment, deferred input VAT becomes available for offset against output VAT.

Creditable withholding taxes represent amounts withheld by the Parent Company's customers and are deducted from the Parent Company's income tax payable.

Deposits pertain to advance payments to suppliers and deposits to distribution utilities.

Prepaid expenses largely pertain to software subscription and maintenance and other prepaid services which are amortized within the next 12 months from year end. This also includes loan upfront fees to be amortized upon loan drawdown.

Derivative assets pertain to fuel hedge and forward contracts.



8. Investments in Subsidiaries, Associates and Joint Ventures

The Parent Company's investments in subsidiaries, associates, and joint ventures and the corresponding direct percentage of ownership are shown below:

	Principal Activity	Percentage of Direct Ownership		Amounts	
		2024	2023	2024	2023
Subsidiaries:					
ACEN International, Inc. (ACEN International)	Investment holding	100	100	₱88,902,560	₱87,856,418
Santa Cruz Solar Energy, Inc. (SCSE)	Power generation	95	95	19,481,643	19,481,643
Giga Ace 8, Inc. (Giga Ace 8)	Power generation	100	100	13,271,192	4,624,522
ACEN Global Development Group, Inc. (formerly ACE Endeavor, Inc.)	Investment holding and management	93.12	92.40	11,252,613	8,604,779
ACEN Renewables International Pte. Ltd. (ACRI)	Investment holding	100	100	10,299,046	9,268,618
Bayog Wind Power Corp. (BWPC)	Power generation	99.96	99.96	8,477,081	8,477,081
Giga Ace 6, Inc. (Giga Ace 6)	Power generation	100	100	7,425,100	2,425,100
Buendia Christiana Holdings Corp. (BCHC)	Investment holding	100	100	4,284,152	3,784,152
Guimaras Wind Corporation (Guimaras Wind)	Wind power generation	100	100	3,827,502	3,827,502
Natures Renewable Energy Devt. Corporation (NAREDCO)	Power generation	92.74	92.74	3,551,656	3,551,656
Sinocalan Solar Power Corp. (Sinocalan)	Power generation	100	100	2,670,238	2,670,238
Giga Ace 1, Inc. (Giga Ace 1)	Power generation	100	100	2,573,429	2,573,429
Giga Ace 4, Inc. (Giga Ace 4)	Power generation	100	100	2,087,672	2,087,672
Giga Ace 2, Inc. (Giga Ace 2)	Power generation	100	100	1,944,252	3,144,252
ACE Renewables Philippines, Inc. (ARPI)	Investment holding	100	100	1,696,174	1,696,174
Giga Ace 3, Inc. (Giga Ace 3)	Power generation	100	100	1,688,017	1,688,017
SolarAce1 Energy Corp. (SolarAce1)	Power generation	100	95	1,254,420	734,457
Bulacan Power Generation Corporation (Bulacan Power)	Power generation	100	100	1,381,722	1,381,722
Real Wind Energy, Inc. (Real Wind)	Wind power generation	100	-	1,310,703	-
Northwind Power Development Corp. (NPDC)	Wind power generation	32.21	32.21	1,018,800	1,018,800
Belenos Energy Corporation (Belenos)	Investment holding	100	100	972,075	26,000
Monte Solar Energy, Inc. (Montesol)	Solar power generation	96	96	603,973	603,973
ENEX Energy Corp. (ENEX)	Oil, gas, and geothermal exploration	75.92	75.92	488,019	280,475
Manapla Sun Power Development Corp. (MSPDC)	Leasing and land development	36.37	36.37	253,703	253,703
Viage Corporation (Viage)	Investment holding	100	100	237,000	237,000
CIP II Power Corporation (CIPP)	Power generation	100	100	151,530	151,530
ACEN Shared Services, Inc. (formerly ACE Shared Services, Inc.)	Shared services	100	100	150,000	150,000
Others	various	various	various	847,400	789,409
				192,101,672	171,388,322

(Forward)



Principal Activity	Percentage of Direct Ownership		Amounts	
	2024	2023	2024	2023
Joint ventures:				
Philippine Wind Holdings Corp. (PhilWind)	42.98	42.96	₱3,513,379	₱3,008,919
North Luzon Renewable Energy Corporation (NLR)	33.30	33.30	2,780,789	2,285,389
Paivatar Energy Corporation (Paivatar)	60	100	307,903	1,000
Ingrid Power Holdings, Inc. (Ingrid)	50	50	689,112	689,112
Others	various	various	2,869	2,869
			7,294,052	5,987,289
Associates:				
Maibarara Geothermal Inc. (MGI)	25	25	404,550	404,550
Others	various	various	26,735	26,735
			431,285	431,285
Total			199,827,009	177,806,896
Adjustments reflected in Other Equity Reserves (see Note 13)			43,359,337	43,359,337
Allowance for impairment			(280,718)	(280,718)
			₱242,905,628	₱220,885,515



Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investment in subsidiaries, associates, and joint ventures is in the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries, associates, and joint ventures are in proportion to its ownership interest.

The following significant transactions affected the Parent Company's investments:

	2024			
	Subsidiaries	Joint Ventures	Associates	Total
Cost:				
Balance at beginning of year	P214,659,350	P5,818,745	P407,420	P220,885,515
Additions	21,215,843	1,307,663	-	22,523,506
Reclassifications*	696,507	1,000	-	697,507
Redemptions**	(1,200,000)	(900)	-	(1,200,900)
Balance at end of year	P235,371,700	P7,126,508	P407,420	P242,905,628

*Pertains to reclassification of the noncurrent receivables from SolarAce1 of P519.963 million, conversion of loans of ENEX to investment of P177.54 million and reclassification of Paivatar from a subsidiary to joint venture amounting to P1.00 million.

**Pertains to the share redemptions of 21,971 redeemable preferred B shares of GigaAce 2 at par value P54,618.26 per share for a total redemption price of P1,200.00 million and 3.6million redeemable preferred shares of Paivatar at par value P1.00 per share. Out of the P3.6 million, only of P0.90 million was paid and the same amount was recorded as investment of ACEN and redeemed by Paivatar.

	2023			
	Subsidiaries	Joint Ventures	Associates	Total
Cost:				
Balance at beginning of year	P189,040,023	P5,818,745	P407,420	P
Additions	26,181,613	-	-	26,181,613
Redemptions*	(562,286)	-	-	(562,286)
Balance at end of year	P214,659,350	P5,818,745	P407,420	P220,885,515

*Pertains to the share redemptions of 221,719,794 redeemable preferred A shares of Montesol at par value P2.50 per share for a total redemption price of P554.30 million and 199,674 redeemable preferred A shares of Giga Ace 1 at par value P40 per share for a total redemption price of P7.99 million.

The additions made are as follow:

	2024	2023
Subsidiaries:		
Giga Ace 8	P8,646,670	P4,624,422
Giga Ace 6	5,000,000	2,425,000
Gigasol 1 Inc.	2,257,834	120,000
Real Wind	1,310,703	-
ACEN International	1,046,142	1,924,545
ACRI	1,030,428	1,948,625
Belenos	946,075	26,000
BCHC	500,000	1,200,000
AC Subic Solar Inc.	130,000	93,000
AC Laguna Solar Inc.	145,000	103,750
Gigawind1 Inc.	115,000	81,900
ENEX	30,000	-
Santa Cruz Solar Energy	-	7,732,235
Sinocalan	-	2,505,839

(Forward)



	2024	2023
NAREDCO	P-	P1,545,031
BWPC	-	654,619
Giga Ace 4	-	427,622
Various	57,991	768,025
Joint Venture:		
PhilWind	504,460	-
NLR	495,400	-
Paivatar	307,803	1,000
	P22,523,506	P26,181,613

As of December 31, 2024, and 2023, subscriptions payable amounted to P745.75 million and P450.00 million, respectively and are presented "Due to related parties" in Accounts Payable and Other Current Liabilities (see Note 10) and Other Noncurrent Liabilities.

Dividend income was received as follows:

	2024	2023
Subsidiaries:		
ACEN International, Inc.	P3,123,568	P5,513,300
Santa Cruz Solar Energy Inc.	1,522,850	-
ACEN Global Development Group, Inc.	1,010,671	915,305
Giga Ace 2, Inc.	317,304	30,000
ACE Renewables Philippines, Inc.	236,362	320,000
Giga Ace 1, Inc.	132,634	356,600
Giga Ace 4, Inc.	100,000	-
Manapla Sun Power Development Corp.	52,737	7,274
Northwind Power Development Corp.	48,309	64,411
Monte Solar Energy, Inc.	28,803	72,007
Viage Corporation	12,765	-
Guimaras Wind Corporation	-	300,000
Joint Ventures:		
Philippine Wind Holdings Corp.	151,700	254,274
North Luzon Renewable Energy Corporation	28,990	74,319
	P6,766,693	P7,907,490

As of December 31, 2024, and 2023, dividends receivable amounted to P168.97 million and P267.27 million, respectively and is presented "Due from related parties" in Receivables (see Note 6).

Investments in Subsidiaries

Transfer of ACEIC Subsidiaries through Share Swap

On October 9, 2019, ACEN signed a Deed of Assignment with ACEIC for subscription by ACEIC to, and the issuance to ACEIC of, 6,185,182,288 common shares at a subscription price of P2.37 per common share, or an aggregate subscription value of P14,658.88 million in exchange for ACEIC's ownership of various Philippine Assets.

On June 22, 2020, the transfer value was approved by the SEC together with its approval of the application for the increase in ACEN's capital stock. The closing date of the transaction was June 22, 2020.



On October 30, 2020, ACEN received BIR Certification Ruling SN027-2020 in relation to the tax-exempt transfer of shares of stocks made by ACEIC to ACEN pursuant to Section 40 (C) (2) of the National Internal Revenue Code of 1997, as amended. The Certification Ruling states that the property-for-share swap between ACEIC and ACEN covering the issuance of 6,185,182,288 common shares of ACEN in favor of ACEIC in exchange for ACEIC’s shares of stock in select Philippine Assets is not subject to income tax, capital gains tax, expanded withholding tax, donor’s tax and value-added tax.

Below are the Philippine Assets transferred from ACEIC to ACEN via the share swap, including the percentage of ownership and their corresponding fair value. The difference between the fair value of the issued ACEN shares of ₱0.13 per share and the agreed transfer value in the Deed of Assignment amounting to ₱804.07 million is recorded as a decrease in “Other equity reserves” (see Note 13).

	Percentage of Ownership	Fair Value
<u>Subsidiaries</u>		
South Luzon Thermal Energy Corporation	35.00	₱5,100,157,223
ACEN Global Development Group, Inc. (formerly ACE Endeavor, Inc.)	94.00	3,144,194,130
ARPI	100.00	1,580,233,932
Monte Solar Energy, Inc. (Montesol)	96.00	1,208,264,963
Manapla Sun Power Development Corp. (MSPDC)	36.37	253,703,333
Viage Corporation (Viage)	100.00	237,000,000
NPDC	19.52	85,320,000
ACTA Power Corporation	50.00	36,577,277
Ingrid Power Holdings Corp.	100.00	4,512,480
<u>Joint venture:</u>		
Philippine Wind Holdings Corp. (PhilWind)	42.74	3,008,918,685
		<u>₱14,658,882,023</u>

Acquisition of ACEIC’s investee companies through share swap

On April 27, 2021, ACEN signed a Deed of Assignment with ACEIC for subscription by ACEIC to, and the issuance to ACEIC, of 16,685,800,533 common shares at a subscription price of ₱5.15 per common share, or an aggregate subscription price of ₱85,931.87 million in exchange for ACEIC’s 1,701,284,345 common shares and 15,030,279,000 redeemable preferred shares in ACE International which holds ACEIC’s international renewable assets. The closing date of the share swap transaction was on June 7, 2021.

On June 27, 2021, the transfer value was approved by the SEC together with its approval of the application for the increase in ACEN’s capital stock. The closing date of the transaction was June 27, 2021.

The transfer was via a tax-free exchange under Section 40(C)(2) of the 1997 National Internal Revenue Code, as amended (“NIRC”), as amended by Republic Act No. 10963 (TRAIN Law) and Republic Act No. 11534 (CREATE Law), for which a request for ruling is no longer required to be filed with the BIR to confirm that the share swap transaction qualifies as a tax-free exchange.



The difference between the fair value of the issued ACEN shares of ₱2.63 per share and the agreed transfer value in the Deed of Assignment amounting to ₱43,833.65 million is recorded as a decrease in “Other equity reserves” (see Note 13).

⁽¹⁾ *ACEN International, ACRI, Viage, ARPI, and NPDC*

In 2017, ACEIC entered into a share purchase agreement with ACEN International, ARPI, Viage, and BDO Capital and Investment Corporation to acquire 100% ownership of ACEN International, ARPI, and Viage. The acquisition gave ACEIC an indirect 50.00% effective stake in NPDC. ACEIC also has direct ownership in NPDC of 19.52%. NPDC owns and operates the 33MW wind power plant located in Bangui Bay, Ilocos Norte.

In 2021, the Parent Company made additional direct investment of ₱933.48 million in NPDC to acquire a collective 100% direct and indirect investment in NPDC. As of December 31, 2024 and 2023, the Parent Company has direct ownership in NPDC of 32.21% and an indirect ownership of 59.28% and 8.51% through ARPI and Viage, respectively. The aggregate of the direct and indirect ownership is 100% interest in NPDC.

ACRI was established in Singapore on May 23, 2016 as a private limited company intended to be the investment vehicle of the Parent Company for international projects.

⁽²⁾ *ACEN Global Development Group Inc. and MSPDC*

In 2017, ACEIC signed definitive agreements to acquire 100% ownership of ACE Endeavor and 36.79% of MSPDC. The acquisition of ACEN Global provided ACEIC with a renewable energy development, management and operations platform. MSPDC, on the other hand, engages in leasing, operating, managing and developing public or provide lands.

⁽³⁾ *BWPC*

BWPC was incorporated in 2010 and is engaged in the business of developing, undertaking, implementing, operating, and owning wind energy projects and facilities. BWPC owns and is currently constructing a 160MW wind power plant in Pagudpud, Ilocos Norte.

⁽⁴⁾ *Guimaras Wind*

Guimaras Wind was incorporated in 1994 and is engaged in the development of renewable energy. Guimaras Wind owns and operates the 54MW wind power plant in San Lorenzo, Guimaras.

⁽⁵⁾ *Giga Ace 2*

Giga Ace 2 was incorporated in 2019 and is engaged in the power generation business, both from renewable and non-renewable energy sources.

In 2019, ACEN signed a purchase agreement with PINAI for the acquisition of PINAI’s 96.00% ownership interest in San Carlos Solar Energy, Inc. (SACASOL). SACASOL owns and operates the 45MW solar power plant located in Negros Occidental.

In 2024, Giga Ace 2 redeemed its 21,971 redeemable preferred B shares at par value of ₱54,618.26 per share for a total redemption price of ₱1,200.00 million.



(6) *BCHC*

BCHC was incorporated in 2019 and is engaged in activities of a holding company except as a stockholder or dealer of securities.

(7) *PhilWind and GigaAce 1*

In 2013, ACEN signed an Investment Framework Agreement and Shareholder's Agreement with UPC Philippines Wind Holdco I BV and the Philippine Investment Alliance for Infrastructure fund (PINAI) to develop a wind power project in Ilocos Norte through North Luzon Renewable Energy Corporation (NLR).

In 2020, ACEN purchased all the shares of PINAI in PhilWind for ₱2,573.30 million through its wholly-owned subsidiary, Giga Ace 1. Giga Ace 1 was incorporated in 2019 and is engaged in the power generation business, both from renewable and non-renewable energy sources.

On March 18, 2022, ACEN and UPC Philippines Holdco I BV executed a Deed of Absolute Sale of Shares covering 16,668 common shares and 740 preferred shares representing 33% ownership in NLR for ₱2,385.27 million.

PhilWind directly and indirectly owns 67.00% of NLR through its 38.00% direct interest and 28.70% indirect interest through its 100.00% owned subsidiary, Ilocos Wind Energy Holdings Co., Inc.

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR's authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱495.40 million.

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 ("RPS A-3") at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million, to be issued out of the increase of PhilWind's authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱504.46 million.

The additional subscription in NLR and PhilWind will be used by NLR as additional funding for the construction and completion of the 70MW wind farm in Pagudpud, Ilocos Norte (wind project referred to as Capa Wind 2).

(8) *NAREDCO*

On March 24, 2022, ACEN, ACE Endeavor, CleanTech Renewable Energy 4 Corp. ("CREC4"), and NAREDCO executed a Shareholder's Agreement for the acquisition of a 55% interest in NAREDCO for ₱1,000.01 million. NAREDCO owns and operates a 133MW solar power plant (Phase 1) in Lal-lo, Cagayan.



⁽⁹⁾ *Giga Ace 3*

Giga Ace 3 was incorporated in 2019 and is engaged in the power generation business, both from renewable and non-renewable energy sources.

In 2019, ACEN signed a purchase agreement with PINAI for the acquisition of PINAI's 98.00% ownership interest in Negros Island Solar Power, Inc. (ISLASOL). ISLASOL owns and operates the 80MW solar power plant in La Carlota and Manapla, Negros Occidental.

⁽¹⁰⁾ *Giga Ace 4*

Giga Ace 4 was incorporated in 2019 and operates and maintains a 40MW energy storage in Alaminos, Laguna.

⁽¹¹⁾ *Montesol*

In 2017, ACEIC signed the Subscription and Shareholder's Agreement with Bronzeoak Philippines, Inc. for an 18MW solar power plant in Negros Oriental.

⁽¹²⁾ *SolarAce 1*

SolarAce 1 was incorporated in 2018 and operates and maintains a 120MW solar power plant in Alaminos, Laguna.

⁽¹³⁾ *Bulacan Power and CIPP (referred to as "Diesel Plants")*

Bulacan Power was incorporated in 1996 and operates and maintains a 48MW diesel power plant in Norzagaray, Bulacan.

CIPP was incorporated in 1998 and operates and maintains a 20MW diesel power plant in Bacnotan, La Union.

⁽¹⁴⁾ *ENEX*

ENEX was incorporated in 1994 and is engaged in oil and gas exploration, exploitation and production. Its primary purpose also includes generally engaging in the business of power generation.

On April 30, 2024, with the Parent Company signed a subscription contract with ENEX, for the subscription of 30,000,000 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱30.00 million.

On June 26, 2024, ACEN signed a subscription agreement ENEX for the subscription of 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.

As of December 31, 2024, ENEX has not yet started commercial operations.



(15) *Sinocalan*

On November 29, 2022, ACEN, Sungrow Power Renewables Corp. (Sungrow), and Havilah AAA Holdings Corp. (Havilah) signed an agreement for the sale and purchase of Sungrow's and Havilah's interest in Sinocalan for ₱164.40 million. Sinocalan is the developer of a 60MW solar power plant in San Miguel, Pangasinan.

(16) *Giga Ace 6*

Giga Ace 6 was incorporated in 2019 and is currently constructing a 345MW wind plant in Real and Mauban, Quezon and 208MW wind plant in Laguna and Quezon.

(17) *Giga Ace 8*

Giga Ace 8 was incorporated in 2019 and is currently constructing a 300MW solar power plant in Palauig, Zambales (referred to as Palauig 2).

(18) *ACES*

ACES was incorporated in 2019 and was organized to provide a full range of business process outsourcing services.

(19) *MGI*

MGI was incorporated in 2010 and operates a 32MW geothermal power plant in Sto. Tomas, Batangas.

(20) *SCSE*

Santa Cruz Solar Energy Inc. was incorporated in 2016 and operates and maintains a 283MW solar power plant (Phase 1 and 2) located in San Marcelino, Zambales. It is also constructing phase 3 of the solar power plant with 200MW capacity.

(21) *Real Wind Energy, Inc. (RWEI)*

On March 22, 2024, the Parent Company and Modern Energy Management Pte. Ltd. (MEM) signed an Asset and Share Sale and Purchase Agreement and Deed of Absolute Sale wherein ACEN purchased from MEM the 40% of issued and outstanding shares in Real Wind Energy Inc. RWEI is currently developing its proposed wind energy projects in Real, Quezon.

On August 1, 2024, ACEN acquired additional shares representing 60% ownership, thereby acquiring control over RWEI.

(22) *Paivatar Energy Corporation (Paivatar)*

Paivatar was incorporated in 2023 and designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.



On March 7, 2024, the Parent Company, and Paivatar, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar.

BrightNight APAC subscribed for 0.42 million common shares with ₱1.00 par value and 0.56 million redeemable preferred shares with ₱100.00 par value. Total subscription amounted to ₱56.39 million for 40% and 50% voting and economic interest, respectively.

The Parent Company's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.

⁽²³⁾ *Belenos*

Belenos Energy Corporation was incorporated in 2023 and is engaged in the power generation business, both from renewable and non-renewable energy sources.

⁽²⁴⁾ *Gigasoll, Inc. and Gigawind1 Inc.*

Gigasoll, and Gigawind1 were incorporated in 2017 and 2019, respectively, and are engaged in the power generation business, both from renewable and non-renewable energy sources.

⁽²⁵⁾ *ACSS and ACLS*

ACSS and ACLS were incorporated in 2016 and are engaged in the business of developing, undertaking, implementing, operating, and owning solar energy projects and facilities.

9. Other Noncurrent Assets

This account consists of:

	2024	2023
Creditable withholding tax - net of current portion	₱3,518,591	₱2,341,649
Receivables from third parties and employees	567,166	573,897
Advances to affiliates (Note 19)	70,000	519,963
Development loans	266,928	416,928
Interest receivable	86,925	53,707
Others	113,725	113,380
	₱4,623,335	₱4,019,524

Development loans

Cleantech Renewable Energy 50 Corporation

On July 14, 2022, ACEN and Cleantech Renewable Energy 50 Corporation entered into an interest-bearing loan agreement amounting to ₱266.93 million with an interest rate of 9.76%. Principal and interest of the loan is payable upon maturity on July 14, 2032.

The Parent Company earned interest income on development loans amounting to ₱34.97 million and ₱38.64 million in 2024 and 2023, respectively (see Note 17).



Provincia Investments Corporation

In 2021, ACEN and Provincia Investments Corporation (“PIC”) entered into an interest-bearing term loan facility to fund its various acquisitions of project sites for solar power projects. The interest-bearing loan has a total facility of ₱1,000.00 million and bears annual fixed interest rate and payable upon maturity. On July 2, 2021, Provincia made an initial drawdown amounting ₱150.00 million. The principal and interest of the loan are payable on July 2, 2026.

On January 25, 2023, ACEN, Provincia Investments Corporation (Provincia) and Solar Philippines Power Project Holdings, Inc. (Solar PH) entered into definitive agreements whereby ACEN receives 500 million shares of SP New Energy Corporation (“SPNEC”), a listed company which is an affiliate of Solar PH (which SPNEC shares had a market value of approximately ₱660.00 million as of January 24, 2023) as (a) pre-payment for part of the development loan principal, (b) payment of interest, (c) consideration for the arrangement and security amendment by which ACEN released its pledge over shares owned by Solar PH in SPNEC, and (d) allow further drawdown by Provincia from the existing ₱1,000.00 million loan facility. As at December 31, 2023, Provincia drew additional ₱125.00 million from its development loan facility.

The Parent Company recognized ₱515.00 million gain from the partial settlement of development loan for the year ended December 31, 2023 (see Note 17).

The SPNEC shares held by ACEN for trading purposes amounting to ₱501.82 million and presented as financial assets at fair value through profit or loss in the parent company statements of financial position.

In 2024, all SPNEC shares were sold. The Company recognized (loss) gain on sale of SPNEC shares amounting to (₱50.38) million and ₱37.34 million for the years ended December 31, 2024 and 2023, respectively (see Note 17).

On September 9, 2024, Provincia prepaid the loan including the principal of ₱150.00 million and outstanding interest of ₱52.17 million.

Outstanding balance as at December 31, 2024 and 2023 amounted to nil and ₱150.00 million, respectively, with an interest rate that ranges from 8.00% to 10.80%.

The Parent Company earned interest income on development loans amounting to ₱19.12 million and ₱35.26 million in 2024 and 2023, respectively (see Note 17).

Receivables from PEMC Multilateral Agreements

In December 2013, there were elevated WESM prices because of a Malampaya outage. As a result, ERC issued an Order imposing Administered/Regulated Pricing, which was lower than the WESM rates at the time. The receivables from PEMC Multilateral Agreements are the refundable amount from PEMC arising from the recalculation of November and December 2013 spot prices as directed by the ERC. In 2014, ACEN, PEMC, and other WESM participants signed a Multilateral Agreement pending the resolution of cases filed by WESM participants in the Supreme Court. On various dates in 2014 to 2016, ACEN recorded collections in relation to the Multilateral Agreement amounting to ₱571.71 million. Collections are presented as “Trade payables” under “Other noncurrent liabilities”.

In July 2022, the Supreme Court declared the administered regulated pricing void and upheld the December 2023 Meralco hike for recovery costs. In October 2022, the Supreme Court denied all Motions for Reconsideration.



The ERC has not yet issued guidance on the method of implementation of these adjustments. Consequently, in 2022, the Parent Company has reversed its receivables amounting to ₱571.71 million and recorded additional cost of purchased power of equivalent amount. The unpaid cost of purchased power is presented as “Trade payables” under “Accounts Payable and Other Current Liabilities” as of December 31, 2024 and 2023 (see Note 10).

Receivables from third parties and employees

Receivables from third parties includes long term loan receivables for land acquisitions. These are interest bearing and will be paid upon maturity.

Receivables from third parties bear interest ranging from 3.00% to 12.00% per annum for both the years ended December 31, 2024 and 2023.

The Parent Company earned interest income on receivables from third parties amounting to ₱17.64 million and ₱12.28 million in 2024 and 2023, respectively (see Note 17).

10. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Trade payables		
Third parties	₱2,134,512	₱3,445,231
Related parties (Note 19)	1,603,962	2,302,631
Accrued expenses	1,432,075	1,010,654
Refundable deposits	861,159	1,014,609
Deferred output VAT	664,344	1,182,317
Due to related parties (Note 19)	644,010	76,337
Accrued interest payable	521,922	463,521
Derivative liability	32,914	–
Others	95,294	87,002
	₱7,990,192	₱9,582,302

Trade payables include billings of goods and services from various suppliers and are normally settled within 30 to 90 days.

Accrued expenses include compensation and benefits, annual employee incentives, professional fees and operating expenses. Accrued expenses that are covered with invoices are normally settled within 30 to 90 days upon the receipt of invoice.

Deferred output VAT represents the tax related to sales of electricity which are to be settled by the customers in future period. This shall be reclassified to output VAT once realized.

Output VAT is net of input VAT which is due for remittance to the government every quarter.

Derivative liability pertains to forward contract and cross-currency swap.



11. Loans

Short-term Loans

This account consists of:

	2024	2023
Beginning balance	₱1,500,000	₱2,900,000
Availments	25,600,000	9,000,000
Payments	(17,300,000)	(10,400,000)
Refinance to long-term loans	(4,200,000)	–
Ending balance	₱5,600,000	₱1,500,000

Interest range of short-term loan from local banks is 5.40% to 6.38% and 5.52% to 6.50% in 2024 and 2023, respectively.

Total interest expense recognized on short-term loans amounted to ₱231.51 million and ₱174.58 million for the years ended December 31, 2024 and 2023, respectively (see Note 17).

Cross-currency swap

On October 13, 2023, ACEN signed a ₱5,000.00 million term loan agreement with a local bank. An amendment was made on August 5, 2024 to allow for the facility to be drawn in US Dollars, Sterling and Euros. Further, a second amendment was made on October 28, 2024 to extend the availability period of the loan to the earliest of i) March 31, 2025, ii) date the commitment is fully drawn, or iii) date the commitment is terminated.

On August 1, 2024, the Parent Company entered into a forward-starting cross-currency swap which has an effective date of August 6, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱3,200.00 million at a fixed PHP interest rate.

On August 6, 2024, the Parent Company drew an equivalent of ₱3,200.00 million with USD notional value of US\$54.86 million. Maturity date is on July 24, 2029. This was used to refinance the ₱3,200.00 million short-term loan that matured on August 6, 2024.

On December 16, 2024, the Parent Company entered into a forward-starting cross-currency swap which has an effective date of December 18, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱1,000.00 million at a fixed PHP interest rate.

On December 18, 2024, the Parent Company drew an equivalent of ₱1,000.00 million with USD notional value of US\$17.05 million. Maturity date is on April 24, 2030. This was used to refinance the ₱1,000.00 million short-term loan that matured on December 18, 2024.

Long-term loans

The rollforward of this account is as follows:

	2024	2023
As at beginning of year	₱23,884,525	₱17,393,858
Availments	7,600,000	6,750,000
Refinance from short-term loans	4,200,000	–
Payments	(282,367)	(225,244)

(Forward)



	2024	2023
Additional debt issue cost	(P141,181)	(P50,625)
Amortization of debt issue cost	21,827	16,536
Foreign exchange adjustments	(29,151)	—
Balance at end of year	35,253,653	23,884,525
Less current portion	246,362	264,209
Noncurrent portion	P35,007,291	P23,620,316

The rollforward of unamortized debt issue costs is as follows:

	2024	2023
Balance at beginning of year	P150,761	P116,672
Additional debt issue costs	141,181	50,625
Amortization of debt issue costs	(21,827)	(16,536)
Foreign exchange adjustment	(52)	—
Balance at end of year	P270,063	P150,761



The relevant terms of the long-term loans of the Parent Company are as follows:

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
₱1,500.00 million Loan A	₱1,175.00 million	January 11, 2017	July 11, 2029	6.50% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	₱515,827	₱611,313
₱5,000.00 million Loan B	₱5,000.00 million	November 15, 2019	November 14, 2029	5.0505% to 7.1314% per annum Fixed at 5.0505% for the first 5 years; repricing on the succeeding five (5) years based on the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,736,842	4,789,473
₱7,000.00 million Loan C	₱500.00 million ₱1,000.00 million ₱1,000.00 million	July 15, 2020 August 24, 2020 June 10, 2022	July 15, 2030 July 15, 2030 July 15, 2030	5.00% per annum 5.00% per annum 5.066% to 6.9273% per annum Repricing on the 4 th and 7 th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	6,823,000	6,907,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	₱2,000.00 million	November 15, 2022	July 15, 2030	7.1720% per annum; repricing on the 3 rd and 6 th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
	₱2,500.00 million	January 13, 2023	July 15, 2030	6.4580% to 6.9273% per annum Repricing on the 4 th and 7 th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
₱4,500.00 million Loan D	₱805.00 million	March 30, 2021	March 30, 2031	7.00% to 7.25% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,432,500	4,477,500
	₱2,000.00 million	February 28, 2022	March 30, 2031	Floating interest rate repriced on every succeeding semi-annual period.				
	₱1,695.00 million	April 11, 2022	March 30, 2031					
₱10,000.00 million Loan E	₱3,000.00 million	December 13, 2022	December 13, 2032	6.2481% to 6.9698% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	6,000,000	6,000,000
	₱3,000.00 million	January 27, 2023	December 13, 2032	6.5826% to 6.9698% per annum				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				Floating interest rate repriced on every succeeding semi-annual period.				
₱10,000.00 million Loan F	₱250.00 million	August 17, 2023	August 17, 2033	7.0891% per annum for the first 2 years; repricing on the 2 nd , 4 th , 6 th , and 8 th anniversaries based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	244,750	250,000
₱5,000.00 million Loan G	₱500.00 million	October 24, 2023	October 24, 2033	6.0000% to 6.6102% per annum Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown.	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,670,797	500,000
	₱3,200.00 million (\$54.86 million)	August 6, 2024	July 24, 2029	5.1280% per annum	Principal and interest payable quarterly			
	₱1,000.00 million (\$17.04 million)	December 18, 2024	April 24, 2030	5.3310% per annum	Principal and interest payable quarterly			
₱20,000.00 million Loan H	₱500.00 million	December 22, 2023	December 22, 2033	6.3859% to 6.5947% per annum	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances.	2,500,000	500,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	<p>₱500.00 million</p> <p>₱1,500.00 million</p>	<p>September 11, 2024</p> <p>December 18, 2024</p>	<p>December 22, 20233</p> <p>December 22, 2033</p>	<p>6.3859% to 6.5947% per annum</p> <p>6.5295% to 6.5947% per annum</p> <p>Floating repriced every succeeding quarterly period. Option to convert floating interest to fixed up to 12 months from initial drawdown already expired. On 5 December 2024, there is a one-time option to convert floating interest to fixed, or vice versa, subject to at least one (1) banking day prior written notice.</p>		<p>Tested semi-annually</p>		
<p>₱5,500.00 million Loan I</p>	<p>₱509.09 million</p> <p>₱2,290.91 million</p>	<p>October 24, 2024</p> <p>October 24, 2024</p>	<p>October 24, 2034</p> <p>October 24, 2034</p>	<p>6.0733% per annum</p> <p>6.7233% per annum</p> <p>Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is the Final BVAL, one (1) banking day</p>	<p>Principal and interest payable semi-annually</p>	<p>Maximum net DE ratio of 3.0x</p> <p>Based on ACEN consolidated balances.</p> <p>Tested semi-annually</p>	<p>2,800,000</p>	<p>—</p>



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				prior to repricing date, plus an agreed margin.				
₱5,500.00 million Loan J	₱2,800.00 million	October 24, 2024	October 24, 2034	5.8900% per annum Repricing on the 5 th anniversary of financial close. Optional second and final repricing on the 7 th or 8 th anniversaries of the financial close is an agreed base rate, one (1) banking day prior to repricing date, plus an agreed margin.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	2,800,000	–
Totals	₱36,725,000						₱35,523,716	₱24,035,286
Less unamortized debt issue cost							270,063	150,761
Less current portion							246,362	264,209
Long-term loans, net of current portion							₱35,007,291	₱23,620,316



The long-term loans of the Parent Company also contain prepayment provisions as follows:

Description	Prepayment Provision
Loan A	Prepayment is at the option of the issuer exercisable on an interest payment date. The amount payable to the bank shall consist of accrued interest or other charges on the loan up to prepayment date, plus the principal amount of the loan, and applicable break-funding cost. Transaction cost is minimal.
Loan B	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan C	The loan facility contains a prepayment provision which allows the Parent Company to make an optional prepayment, wholly or partially, starting the fifth (5 th) anniversary of the initial drawdown date and on every interest payment date thereafter. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan D	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, starting on the 4 th interest payment date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan E	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan starting twenty-four (24) months from the drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan F	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan on or after the third (3 rd) anniversary of the drawdown date. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan G	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, beginning on the first (1 st) anniversary from the initial drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan H	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from the initial drawdown date. If prepayment is made in a non-interest payment date, it shall be subject to payment of accrued interest thereon and a prepayment penalty of the relevant principal amount prepaid.
Loan I	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.
Loan J	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.



The prepayment option on all long-term loans were assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Loan covenant

The Parent Company has complied with all its loan covenants as at December 31, 2024 and 2023.

Interest expense

Total interest expense on loans payable amounted to ₱1,684.28 million and ₱1,397.66 million in 2024 and 2023, respectively (see Note 17).

ACEN Fixed-Rate ASEAN Green Bonds due 2027

As at December 31, this account consists of:

	2024	2023
Principal		
Balance at end of year	₱10,000,000	₱10,000,000
Unamortized debt issue cost		
Beginning balance	97,753	120,312
Amortization (Note 17)	(24,039)	(22,559)
Balance at end of year	73,714	97,753
	₱9,926,286	₱9,902,247

On September 22, 2022, the Parent Company (the Issuer) issued an unsecured-fixed rate Peso Green Bonds with an aggregate principal amounting to ₱10,000.00 million. The proceeds of the issuance will be used to finance investments in various solar power plants. The issue cost amounted to ₱126.28 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Peso Green Bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This is the first tranche offered out of the shelf registration of Peso Green Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Peso Green Bonds is payable quarterly on March 22, June 22, September 22, and December 22.

Total interest expense recognized on the Peso Green Bonds amounted to ₱605.43 million and ₱605.09 million in 2024 and 2023, respectively (see Note 17).

Redemption at the option of the Issuer

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding PHP Green Bonds before the relevant Maturity on any one of the following Interest Payment Dates indicated below, or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

1. 12th to 15th Interest Payment Date at Call Option Price of 101.00%
2. 16th to 19th Interest Payment Date at Call Option Price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.



Covenants

The Peso Green Bonds provide for the Issuer to comply with covenants including incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; effecting any consolidation or merger with other entities where ACEN is not the surviving corporation in such merger or consolidation; and certain other covenants. The Peso Green Bonds requires the Issuer to maintain, for as long as any of the Peso Green Bonds remain outstanding, a Net Debt to Total Equity Ratio of not more than 3.0:1.0. These were complied with for the years ended December 31, 2024 and 2023.

12. Right-of-Use Assets and Lease Liabilities

The rollforward of these accounts are as follows:

	2024	
	ROU Asset	Lease Liabilities
As at January 1,	₱1,025,774	₱1,185,667
Additions	14,829	14,829
Amortization expense	(96,374)	-
Capitalized amortization	(30,599)	16,327
Interest expense (Note 17)	-	56,087
Remeasurement	(50,124)	(54,041)
Payments	-	(172,402)
As at December 31	₱863,506	₱1,046,467
Less current portion	-	(119,399)
Noncurrent portion	₱863,506	₱927,068

	2023	
	ROU Asset	Lease Liabilities
As at January 1,	₱823,750	₱920,276
Additions	327,493	327,493
Amortization expense	(102,780)	-
Capitalized amortization	(22,689)	7,072
Interest expense (Note 17)	-	41,561
Payments	-	(110,735)
As at December 31	₱1,025,774	₱1,185,667
Less current portion	-	(114,329)
Noncurrent portion	₱1,025,774	₱1,071,338

On January 17, 2021, the Parent Company entered into a lease agreement with Ayala Land, Inc. for office units and parking lots with terms of 10 years. The quarterly rent for the leased premises amount to ₱23.55 million and ₱2.22 million, respectively. The rent shall be subject to an annual escalation rate of 5% beginning anniversary of the lease commencement date and every year thereafter.

On May 22, 2023, the Parent Company entered into a lease with Ayala Land, Inc. (ALI, an affiliate) for the lease of additional office unit and parking lots with lease term of 8 years. The rental is paid quarterly and rental rate is subject to an annual escalation rate of 5% beginning January 1, 2024 and every year thereafter.



On July 01, 2024, the Parent Company entered into another lease agreement with ALI for the lease of the additional meeting room with lease term of 3 years. The quarterly rent for the leased premises amounts to ₱0.43 million. The rental rate is subject to an annual escalation rate of 5.00% beginning July 1, 2025 and every year thereafter.

On July 01, 2024, the Parent Company entered into lease assignment agreement between ACEN Shared Services Inc. and Klima 1.5 Corporation for the office and parking lot with ALI with lease term of 3 years. The Parent Company agrees that for the period covering July 1 to September 30, 2024 ACEN agreed to be exclusively liable for the settlement of all rentals for the period covering July 1 to September 30, 2024.

On October 1, 2024, the Parent Company and Klima 1.5 Corporation will share the rental by 60% and 40% split, respectively with the lease term of 3 years. The quarterly rent for the leased premises of the Parent Company amounts to ₱0.99 million. The rental rate is subject to an annual escalation rate of 5.00% beginning January 1, 2025 and every year thereafter.

13. Equity

Capital Stock

This account consists of:

Class of share	Common	Redeemable Preferred	Total
Authorized shares	48,300,000,000	100,000,000	48,400,000,000
Par value	₱1	₱1	₱1
Balances at January 1, 2023	39,691,894,773	–	39,691,894,773
Issuance of new shares	–	25,000,000	25,000,000
Balances at December 31, 2023	39,691,894,773	25,000,000	39,716,894,773
Balances at December 31, 2024	39,691,894,773	25,000,000	39,716,894,773

The issued and outstanding shares are held by a number of equity holders below:

	2024
Common shares	4,511
Redeemable preferred shares	10

The following table presents the track record of registration of common shares:

Year Approval	No. of common shares Registered	No. of shares Issued	Par Value
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00
2007	–	552,528,364	1.00
2008	–	4,713,558	1.00
2009	–	304,419	1.00
2010	–	2,022,535	1.00
2011	2,200,000,000	1,165,237,923	1.00
2012	4,200,000,000	2,027,395,343	1.00

(Forward)



Year Approval	No. of common shares Registered	No. of shares Issued	Par Value
2013	–	6,603,887	₱1.00
2014	–	1,283,332	1.00
2016	–	20,751,819	1.00
2017	–	3,877,014	1.00
2019	–	2,632,000,000	1.00
2020	16,000,000,000	6,185,182,288	1.00
2021	24,000,000,000	24,623,380,967	1.00
2022	–	1,361,556,596	1.00
Total	48,400,000,000	39,691,894,773	

**On April 7, 1997, par value was increased from ₱0.01 to ₱1.00.*

***Equivalent number of shares at ₱1.00 par.*

Additional Paid-in Capital

The roll forward of this account is as follows:

	2024	2023
Beginning balance	₱132,109,164	₱107,305,718
Issuance of shares of stock	–	24,975,000
Stock issuance costs	–	(171,554)
Ending balance	₱132,109,164	₱132,109,164

Series A Preferred Shares and Series B Preferred Shares

On March 7, 2023, the Board of Directors of the Parent Company approved the establishment of a 50,000,000 preferred shares shelf program and the issuance, offer, sale, registration, and listing of up to 25,000,000 preferred shares and on July 25, 2023, adopted resolutions containing the specific terms and conditions of the preferred shares. On August 3, 2023, the SEC issued the Certificate of Filing of Enabling Resolution. The Parent Company's shelf registration is for up to 50,000,000 preferred shares with a par value of ₱1.00 per preferred share to be offered in one or more tranches, which may be comprised of one or more series per tranche, at the discretion of the Parent Company, and to be registered with the Securities and Exchange Commission.

On September 1, 2023, the Parent Company issued and listed on the Main Board of the PSE the first tranche of 25,000,000 preferred shares at an issue price of ₱1,000.00 per share and a par value of ₱1.00 per share, for total proceeds of ₱25,000.00 million. The issuance is comprised of two series of preferred shares: 8,341,500 Series A Preferred Shares and 16,658,500 Series B Preferred Shares. The proceeds from the Series A Preferred shares amounted to ₱8,341.50 million and the proceeds from the Series B Preferred shares amounted to ₱16,658.50 million.

The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company.

Dividends on the Series A Preferred Shares are payable quarterly at an initial dividend rate of 7.1330% per annum, subject to the dividend payment conditions under the terms of the Series A Preferred Shares. The Series A Preferred Shares dividend rate is subject to a dividend rate re-setting on the fifth year according to the terms of the Series A Preferred Shares.



Dividends on the Series B Preferred Shares are payable quarterly at a fixed dividend rate of 8.0000% per annum, subject to the dividend payment conditions under the terms of the Series B Preferred Shares. The Series B Preferred Shares dividend rate is fixed and is not subject to dividend rate re-setting.

The Series A Preferred Shares may be redeemed at the option of the Parent Company starting on the third year. The Series B Preferred Shares may be redeemed at the option of the Parent Company starting on the seventh year.

The Company's redeemable preferred shares and additional paid-in capital related to preferred shares amounted to ₱25,000.00 million at December 31, 2024 and 2023.

Employee Stock Ownership Plan

At the Annual Stockholders' Meeting held on April 19, 2021, stockholders approved the allocation of 960 million common shares to the Employee Stock Ownership Plan ("ESOWN") out of the unsubscribed portion of ACEN's capital stock, to be available to qualified employees upon achievement of the Company's goals and the determination of any variable compensation of the grantee. This replaces ACEN's Stock Grants and Stock Options Plan which does not have any remaining life.

Under the Plan, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the Plan's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under the Plan are exercisable in three annual tranches. Any availment is payable within a maximum period of ten years.

The SEC granted the Plan's request for exemption from registration pursuant to Section 10.2 of the Securities Regulation Code (SRC) on March 4, 2022.

In 2021, stock options totaling 8,188,997 shares at a subscription price of ₱6.96 per share were granted under the Plan, of which 8,188,097 shares were issued in 2022, resulting to an adjustment of 900 shares in the grants.

On August 19, 2022, ACEN issued 32,622,666 common shares to various employees of the Parent Company through the ESOWN.

Total expense arising from the equity-settled share-based payment transaction (included under General and Administrative Expenses) amounted to nil both in 2024 and 2023. There were no grants and availments both in 2024 and 2023.

Retained Earnings (Deficit)

The Company's retained earnings balance amounted to ₱3,878.23 million and ₱2,641.56 million as at December 31, 2024 and 2023, respectively. Retained earnings available for dividend declaration amounted to ₱2,490.77 million and ₱1,431.57 million as at December 31, 2024 and 2023, respectively.



Dividends

Declaration of cash dividends on common shares

On June 26, 2024, the BOD of ACEN approved the declaration of cash dividends of five centavos (₱0.05) per share on the 39,677,394,773 outstanding common shares of ACEN, or a total dividend amounting to ₱1,983.87 million, paid on July 25, 2024, to the shareholders on record as at July 11, 2024.

On August 7, 2023, the BOD of ACEN approved the declaration of cash dividends of four centavos (₱0.04) per share on the 39,677,394,773 outstanding shares of ACEN, or a total dividend amounting to ₱1,587.10 million, paid on September 18, 2023, to the shareholders on record as at August 22, 2023.

Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) Series B Preferred Shares (ACENB)

Pursuant to the November 16, 2023 approval of the BOD of the schedule of 2024 dividends and payments date for ACEN's Preferred Shares, and authority delegated by the Board to Management:

On February 8, 2024, the BOD of ACEN approved the declaration of the first quarter of 2024 cash dividends on ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on February 29, 2024.

On May 6, 2024 the Management of ACEN approved the declaration of the second quarter cash dividends on ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on June 3, 2024.

On August 5, 2024 the Management of ACEN approved the declaration of the third quarter cash dividends on ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170



Total dividends amounting to ₱481.92 million were paid on September 2, 2024.

On November 4, 2024 the Management of ACEN approved the declaration of the fourth quarter cash dividends on ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on December 2, 2024.

On November 3, 2023, the BOD of ACEN declared dividends for the fourth quarter of 2023 on ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB), paid on December 1, 2023, to stockholders of record as of November 17, 2023.

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on November 30, 2023.

Other Equity Reserves

This represents the impact of share swap transaction from ACEIC to ACEN. The amount reflected in other equity reserves is the difference between the fair value of the issued ACEN shares and the agreed transfer values in the Deeds of Assignment (see Note 8).

Treasury Shares

On March 18, 2020, the BOD of the Company approved a share buy-back program to support its share price through the repurchase in the open market of up to ₱1,000.00 million worth of common shares beginning March 24, 2020. As at December 31, 2024 and 2023, the cumulative number of shares repurchased is at 14.50 million for an aggregate repurchase amount of ₱28.66 million.

Capital Management

The primary objective of the Parent Company's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or long-term debts.

No changes were made in the objectives, policies, or processes for the years ended December 31, 2024 and 2023. The Parent Company considers its total equity as capital.



The loan agreement on long-term debt of the Parent Company provides for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guarantees, merger or consolidation or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Parent Company as at December 31, 2024 and 2023.

14. Revenue from Sale of Electricity

The table presents the Parent Company's revenue from different revenue streams.

	2024	2023
Revenue from power supply contracts	₱23,382,737	₱28,787,875
Revenue from power generation and trading and ancillary services	–	659,901
	₱23,382,737	₱29,447,776

Power Supply Agreement with MERALCO

On September 9, 2019, the Parent Company won the bid to supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval of Energy Regulatory Commission (ERC). Provisional ERC approval was on January 31, 2020 and the final approval was on May 13, 2020.

On September 11, 2019, the Parent Company won the bid to supply MERALCO a mid-merit demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of ERC. Provisional ERC approval was on January 31, 2020 and the final approval was on June 1, 2020.

On November 2, 2024, the Parent Company terminated its 200MW baseload and 110MW mid-merit power supply agreements (“PSA”) with MERALCO. The termination was premised on the occurrence of Change in Circumstances (“CIC”) resulting in losses and the Parties having failed, despite earnest efforts and good faith negotiations, to agree on a satisfactory solution to amend the PSA to restore the Parent Company's commercial position prior to the CIC.

No fee was paid in relation to the termination of the PSAs with MERALCO.

15. Costs of Sale of Electricity

This account consists of:

	2024	2023
Costs of power purchased	₱22,053,434	₱27,937,112
Fuel	960,186	1,448,230
Others	249,487	195,662
	₱23,263,107	₱29,581,004



Power Administration and Management Agreement (PAMA)

The Parent Company entered into PAMAs with its affiliates Bulacan Power, CIPP and One Subic Power on April 1, 2018, March 26, 2018 and January 1, 2020, respectively. Under the terms of the PAMA, the Parent Company will administer and manage the entire generation output of the plants and will pay for all electricity delivered by the power plant based on a formula as set forth in the PAMA and shall be payable monthly or quarterly. The PAMAs with Bulacan Power and CIPP are valid for ten (10) years and are subject to regular review, while the PAMA with One Subic Power is valid throughout the life of the related Facilities Lease Agreement with Subic Bay Metropolitan Authority.

Driven by market developments such as the introduction of the Reserve Market during the year, the PAMA was amended to account for these changes and ensure efficiency in cashflows. Effective January 2024 billing period, the affiliates shall retain all revenues received arising from ancillary services and transactions in the Reserve Market.

Further amendments to the PAMA took effect in July 2024 where the affiliates agreed to pay ACEN a service fee for the trading services it provided, including supply of fuel. Likewise, ACEN agreed to pay for standby replacement power services for its Ancillary Services Power Agreement (ASPA) whenever necessary.

Power Purchase and Supply Agreement with GNPowder Dinginin Ltd. Co.

On April 22, 2016, the Parent Company entered into a Power Purchase and Supply Agreement (PPSA) with GNPowder Dinginin Ltd. Co. (GNPD). This is for the delivery and supply of 80 MW of capacity for a term of 10 years from commencement date or on December 25, 2029.

On October 25, 2022, The BOD of ACEN approved the execution of a Power Purchase and Supply Agreement (“PPSA”) between ACEN and GNPowder Dinginin Ltd. Co. (“GNPD”) for the supply of 43 MW of capacity. The PPSA commenced on October 26, 2022. The contract is valid until Oct 26, 2031.

Power Purchase and Supply Agreement with MGI

On April 26, 2016, the Parent Company, entered into two 20-year Electricity Supply Agreements (ESA) with Maibarara Geothermal Incorporated for the supply of 32MW from its two generating units. The contract is valid until June 25, 2039.

Administrative and Management Agreement (AMA) with SLTEC

On April 11, 2022, the Parent Company entered in an Administrative and Management Agreement (AMA) with SLTEC. In return for payment of capacity fees and cost recover fees to SLTEC, ACEN has the exclusive right to take up, administer, and/or manage, the entire capacity of SLTEC’s power plant. The contract is valid until December 25, 2040.

Administrative and Management Agreement (AMA) with Sta. Cruz Solar Energy, Inc. (SCSE)

On August 2, 2024, the Parent Company entered into an Administrative and Management Agreement (AMA) with SCSE for the supply of 384MW from its San Marcelino Solar Power Plant Project (Phase 1 and 2) (referred to as the Facility). The agreement is effective until February 25, 2026, or such other date mutually agreed upon by ACEN and SCSE.

ACEN agreed to administer, control, and manage all energy produced by the Facility, less station use, as measured at the billing meter of each solar power plant, and all the capacity of the Facility. As the administrator, ACEN shall pay SCSE fees indicated in the agreement.



Power Supply Agreement with Energy Logics Philippines, Inc.

On April 1, 2024, the Parent Company signed a Power Supply Agreement (PSA) with Energy Logics Philippines, Inc. (ELPI) to purchase supply of electricity at the contracted capacity of 15 MW. The supply delivery commenced on April 1, 2024 and is for a term of three years.

16. General and Administrative Expenses

This account consists of:

	2024	2023
Salaries and directors' fees (Note 10)	₱1,186,982	₱1,143,600
Pension and other employee benefits	675,132	175,428
Management and professional fees	437,211	660,037
Outsourced services	249,023	212,684
Insurance, dues and subscriptions	215,953	159,435
Depreciation and amortization	209,577	188,675
Transportation and travel	63,108	52,387
Taxes and licenses	62,038	30,018
Meetings, representations and company events	36,862	31,676
Donations and contributions	30,685	5,500
Advertising expense	30,114	36,153
Rent	18,464	6,091
Bank charges	17,933	1,166
Supplies	11,597	12,794
Utilities	5,566	27,223
Repairs and maintenance	4,226	44,803
Corporate social responsibility	1,725	2,495
Others	105,076	125,804
	₱3,361,272	₱2,915,969

17. Other Income (Expenses) - Net

This account consists of:

	2024	2023
Interest and other financial income	₱1,252,770	₱1,185,264
Other income from affiliate (Notes 15 and 19)	470,545	-
Foreign exchange gain (loss)	408,101	(59,296)
Gain on settlement of development loan (Note 9)	-	515,000
Gain on reversal of trade payables (Note 10)	-	97,260
Gain (loss) on sale/disposal of financial asset at FVTPL (Notes 9 and 22)	(38,590)	49,833
Others	82,771	51,725
	₱2,175,597	₱1,839,786



Other income from affiliate pertains to service fee for the trading services it provided, including supply of fuel to OSPGC and BPGC (Note 15).

Interest and Other Financial Income

The details of interest and other financial income are as follows:

	2024	2023
Interest income on:		
Receivables (Notes 6, 9 and 19)	₱988,186	₱762,930
Short-term deposits (Note 5)	262,735	396,674
Cash in banks (Note 5)	1,849	25,608
Others	–	52
	₱1,252,770	₱1,185,264

Interest and Other Financial Charges

The details of interest and other financial charges are as follows:

	2024	2023
Interest expense on:		
Long-term loans (Note 11)	₱1,684,275	₱1,397,655
Notes payable (Note 11)	605,426	605,094
Short-term loans (Note 11)	231,506	174,582
Lease liabilities (Note 12)	56,087	41,561
Amortization of debt issue costs (Note 11)		
Long-terms	21,827	16,536
Bonds	24,039	22,559
	₱2,623,160	₱2,257,987

18. Income Taxes

- a. The provision for (benefit from) income taxes consist of:

	2024	2023
Final taxes	₱50,510	₱78,172
MCIT	93,677	42,422
Deferred income taxes	(34,942)	(29,861)
	₱109,245	₱90,733

- b. The components of the Parent Company's net deferred income tax assets as at December 31 are as follows:

	2024	2023
Presented in statements of income		
Deferred income tax assets on:		
NOLCO	₱1,155,195	₱1,155,195
Lease liabilities	261,617	296,416
MCIT	136,099	42,422
Pension and other employee benefits	24,505	24,942

(Forward)



	2024	2023
Presented in statements of income		
Allowance for credit losses	₱24,039	₱24,039
Derivative liability	–	15,950
Allowance for probable losses on deferred exploration costs	11,372	11,372
Accrued expenses	198	198
Others	17,843	12,873
	1,630,868	1,583,407
Deferred income tax liabilities on:		
Right-of-use asset	(215,877)	(256,443)
Unamortized debt issue cost	(85,945)	(62,128)
Unrealized foreign exchange gain	(27,540)	(3,325)
Derivative asset	(5,053)	–
	(334,415)	(321,896)
Presented in statements of other comprehensive income		
<i>Deferred tax asset -</i>		
Remeasurement loss on defined benefit obligation	12,348	9,294
Derivative liability on hedging	(695)	4,292
	11,653	13,586
Deferred income tax assets – net	₱1,308,106	₱1,275,097

Deferred income tax not recognized by the Parent Company pertains to portion of NOLCO amounting to ₱793.90 million in 2024 and ₱500.73 million in 2023, respectively while deferred income tax recognized by the Parent Company on excess MCIT over RCIT amounted to ₱136.10 million and ₱42.42 as at December 31, 2024 and 2023, respectively.

The details of the Parent Company's NOLCO and MCIT as at December 31, 2024 and 2023 are as follows:

NOLCO

Year Incurred	Amount	Applied	Expired	Balance	Expiry
2021	₱569,823	₱–	₱–	₱569,823	2026
2022	4,268,781	–	–	4,268,781	2025
2023	1,785,079	–	–	1,785,079	2026
2024	1,172,675	–	–	1,172,675	2027
	₱7,796,358	₱–	₱–	₱7,796,358	

Excess MCIT

Year Incurred	Amount	Applied	Expired	Balance	Expiry
2021	₱23,763	₱–	(₱23,763)	₱–	2024
2023	42,422	–	–	42,422	2026
2024	93,677	–	–	93,677	2027
	₱159,862	₱–	(₱23,763)	₱136,099	



- c. The reconciliation between the effective income tax rates and the statutory income tax rate is as follows:

	2024	2023
Applicable statutory income tax rate	25%	25%
Decrease in tax rate resulting from:		
Dividend income exempt from tax	(32.18)	(34.31)
Interest income subjected to final tax	(1.20)	(0.47)
Movement in unrecognized DTA	5.01	7.72
Non-deductible expenses from share issuances	0.24	(0.16)
MCIT	1.78	0.74
Nondeductible expenses	3.90	3.02
Others	(0.47)	0.05
Effective income tax rate	2.08%	1.57%

19. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

Outstanding balances at year-end are unsecured and are expected to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

No provision for credit losses was recognized for receivables from related parties in 2024 and 2023. The assessment of collectability of receivables from related parties is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. In the ordinary course of business, the Parent Company transacts with subsidiaries, associates, affiliates, jointly-controlled entities and other related parties on advances, loans, reimbursement of expenses, management service agreements and electricity supply.

The balances of accounts pertaining to related parties as at and for the years ended December 31 are as follows:

	Receivables		Payables	
	2024	2023	2024	2023
<u>Intermediate Parent</u>				
ACEIC	P250,348	P242,737	P22,658	P334,819
<u>Subsidiaries</u>				
SCSE	2,931,156	791,707	142,740	–
NAREDCO	2,541,241	2,405,677	–	–
SolarAce 1	2,402,709	3,064,049	–	–
BWPC	1,401,444	1,332,294	32	1,519
Gigasol 3	1,118,573	1,185,717	–	–
OSPGC	524,984	145,491	1,209	22,185
Giga Ace 6	469,190	128,359	–	–
Giga Ace 4	300,552	306,914	–	–
BPGC	212,383	35,148	6,583	76,911
BSEI	187,726	181,192	–	–
Gigasol 1	122,460	5,100	–	–

(Forward)



	Receivables		Payables	
	2024	2023	2024	2023
RWEI	₱92,060	₱-	₱-	₱-
AGDGI	74,935	72,175	341	341
ENEX	20,730	182,214	-	-
Giga Ace 8	11,063	151,907	-	-
Giga Ace 3	-	-	1,260,800	699,800
ACES	672	319	49,116	24,816
ACEN International	-	-	739	-
YMP Telecom Power Inc. (YMP)	-	200,000	-	-
BCHC	-	90	-	450,000
Various	390,842	539,304	152,846	27,212
<u>Joint Ventures</u>				
Greencore	4,810,251	4,532,926	-	-
IPHI	127,327	419,435	1	1
<u>Associates</u>				
MGI	3,803	10,931	103,670	103,650
Various	172,641	2,449	254	254
<u>Other related parties</u>				
GNPower Dinginin Ltd. Co.	3,811	4,470	483,107	621,734
Various	1,274	55,262	23,876	15,726
Total	₱18,172,175	₱15,995,867	₱2,247,972	₱2,378,968
Due from related parties (see Notes 6 and 9)	₱11,216,908	₱8,405,177	₱-	₱-
Bridge loans (see Note 6)	6,955,267	7,070,727	-	-
Advances to affiliates (see Note 9)	-	519,963	-	-
Due to related parties (see Note 10)	-	-	2,247,972	2,378,968
Total	₱18,172,175	₱15,995,867	₱2,247,972	₱2,378,968

Intermediate Parent

ACEIC

The Parent Company has a management contract with PHINMA, Inc. This management contract was assigned to ACEIC on June 25, 2019 through the executed Deed of Assignment. The contract expired last September 1, 2023.

Receivable and payable pertains to reimbursable cost for the manpower and other employees expense related. These are non-interest bearing and is due and demandable.

Subsidiaries

SCSE

Receivables pertains to advances for working capital requirement and management fee for the services rendered by the Parent Company. While payable pertains to the unpaid capacity fee by virtue of the AMA (see Note 15). These are non-interest bearing and is due and demandable.

NAREDCO

This pertains to a loan and security agreement to finance the engineering, construction and procurement of 130MV solar power plant in Lal-lo Cagayan. This is interest bearing and is due upon maturity (see Note 6).



SolarAce 1

Receivables pertains to advances for working capital requirement, project funding, management fees charged by the Parent Company. This is non-interest bearing and is due and demandable.

As of December 31, 2024, the outstanding balance pertains to project funding and management fees amounted to ₱2,388.74 million and ₱13.97 million, respectively.

As of December 31, 2023, the outstanding balance pertains to project funding and management fees amounted to ₱3,056.07 million and ₱7.98 million, respectively.

BWPC

Receivables pertains to advances for working capital requirement, project funding, management fees charged by the Parent Company. This is non-interest bearing and is due and demandable.

As of December 31, 2024, the outstanding balance pertains to project funding and management fees amounted to ₱865.46 million and ₱535.99 million, respectively.

As of December 31, 2023, the outstanding balance pertains to project funding and management fees amounted to ₱841.24 million and ₱491.06 million, respectively.

Payables pertains to reimbursable employee expenses related.

Gigasol 3

Receivables pertains to advances for working capital requirement, project funding, management fees charged by the Parent Company. This is non-interest bearing and is due and demandable.

As of December 31, 2024, the outstanding balance pertains to project funding and management fees amounted to ₱1,116.97 million and ₱1.60 million, respectively.

As of December 31, 2023, the outstanding balance pertains to project funding and management fees amounted to ₱1,184.12 million and ₱1.60 million, respectively.

OSPGC and BPGC

This pertains to unpaid capacity fee by virtue of the PAMA. This is non-interest bearing and is due and demandable.

In July 2024, PAMA was amended where the affiliates agreed to pay the Parent Company a service fee for the trading services it provided, including supply of fuel (see Note 15).

Giga Ace 6

Receivables pertains to advances for working capital requirement, project funding, management fees charged by the Parent Company. This is non-interest bearing and is due and demandable.

As of December 31, 2024, the outstanding balance pertains to management fees and working capital requirements amounted to ₱443.06 million and ₱26.13 million, respectively.

As of December 31, 2023, the outstanding balance pertains to management fees and working capital requirements amounted to ₱103.06 million and ₱25.30 million, respectively.



Giga Ace 4

Receivables pertains to advances for working capital requirement, project funding, management fees charged by the Parent Company. This is non-interest bearing and is due and demandable.

As of December 31, 2024, the outstanding balance pertains to project funding and management fees amounted to ₱209.32 million and ₱91.23 million, respectively.

As of December 31, 2023, the outstanding balance pertains to project funding and management fees amounted to ₱201.44 million and ₱105.47 million, respectively.

BSEI

Receivables pertains to advances for working capital requirement, project funding, management fees charged by the Parent Company. This is non-interest bearing and is due and demandable.

As of December 31, 2024, the outstanding balance pertains to project funding and management fees amounted to ₱176.38 million and ₱11.35 million, respectively.

As of December 31, 2023, the outstanding balance pertains to project funding and management fees amounted to ₱169.87 million and ₱11.33 million, respectively.

Gigasol 1

Receivables pertains to advances for working capital requirement, project funding, management fees charged by the Parent Company. This is non-interest bearing and is due and demandable.

As of December 31, 2024, the outstanding balance pertains to management fees and working capital requirements amounted to ₱122.31 million and ₱0.15 million, respectively.

As of December 31, 2023, the outstanding balance pertains to management fees amounted to ₱5.10 million.

RWEI

Receivables pertains to the assignment of loan to Parent Company upon acquisition on March 22, 2024 (see Note 9). This is non-interest bearing and is due and demandable.

ACEN Global Development Group, Inc. (formerly ACE Endeavor, Inc.)

Receivables pertains to project funding amounted to ₱74.95 million and ₱72.18 million for the years ended December 31, 2024 and 2023. This is non-interest bearing and is due and demandable.

Payables pertains to reimbursable cost for the newly incorporation of 10 SPV's in 2023.

ENEX Energy Corp.

On December 10, 2021, the ENEX BOD approved the availment of a short-term loan from the Parent Company of up to ₱150.00 million to fund the initial subscription by ENEX to shares in BCEI and authorized ENEX to secure bank loans in an aggregate amount of up to ₱150.00 million to be guaranteed by ACEN subject to the payment of a guarantee fee. On December 13, 2021, the ACEN BOD approved the short-term loan up to ₱150.00 million in favor of ENEX.

The first loan drawdown amounting to ₱127.00 million is subjected to 3.875% per annum, payable on or before November 10, 2022. On November 11, 2022, extension of the loan was granted. The loan is now subject to 7.2954% per annum payable on or before November 10, 2023. On November 11, 2023, the loan agreement was amended to extend the maturity to September 30, 2024 and any outstanding amount is subject to 8.66% per annum from its previous maturity date.



The second loan amounting to ₱23.00 million is subject to 5.75% per annum, payable on or before February 1, 2024. On February 2, 2024, the loan agreement with ACEN was amended to extend the maturity date to September 30, 2024 and increase the fixed interest rate to 8.10% per annum.

The third loan amounting to ₱21.27 million with 0% interest payable on or before September 30, 2024, in immediately available funds.

On June 26, 2024, the Parent Company converted its short-term loans and interest receivable from ENEX amounting to ₱177.27 million and ₱0.27 million, respectively, to subscription to ENEX's non-voting Preferred Shares at par value of ₱1.00 (see Note 8).

Interest income related to short-term loan amounted to ₱6.46 million and ₱9.81 million for the years ended December 31, 2024 and 2023.

Giga Ace 8

Receivables pertains to management fees amounted to ₱11.06 million and ₱151.91 million for the years ended December 31, 2024 and 2023. This is non-interest bearing and is due and demandable.

ACES

Receivables pertains to reimbursable cost for the employee expenses and other charges. Payables pertains to unpaid management and outsourcing fees for services availed. This is payable within 30-to-60-day term.

YMP

This is a loan provided for the purpose of building and operating solar powered solutions to telecommunication towers and commercial and industrial solar power solutions. The loan is subject to 12.00% interest and both principal and interest are payable three months after the execution of the agreement on December 22, 2023.

On March 21, 2024, the Facility Agreement was extended the maturity six months after the execution of the agreement.

On May 16, 2024, the Facility Agreement was amended to increase the loan facility by ₱266.00 million and drawdown date on May 28, 2024. On July 19, 2024, both principal and interest amount were collected.

Interest income related to short-term loan amounted to ₱21.42 million and ₱0.59 million for the years ended December 31, 2024 and 2023 (see Note 17).

BCHC

Payable pertains to subscription payable amounted to nil and ₱450.00 million for the years ended December 31, 2024 and 2023.

ACEN International Inc.

On June 26, 2024, ENEX assigned its short-term loans and interest payable from ACEN International Inc. to Parent Company amounting to ₱6.00 million and ₱0.27 million, respectively.

Interest expense related to the short-term loans amounted to ₱0.50 million in 2024.



Giga Ace 3

Payable pertains to advances for fund capital call to Parent Company for BWPC amounted to ₱699.80 and non-interest-bearing short-term loan amounting to ₱211.00 million and ₱350.00 million with maturity date of June 30, 2025 and May 17, 2025, respectively.

Joint Ventures

Grencore

This pertains to an Omnibus Agreement in order to finance a 50MW and 30MW solar power plant in Mexico Pampanga. This is interest bearing and is due upon maturity, and interest income were disclosed to Note 6.

Ingrid

This pertains to a facility agreement in order to fund working capital requirements in relation to the operations of the 150MW Pililia diesel power plant. Facility agreement is interest bearing and is due upon maturity, and interest income were disclosed to Note 6.

Associates

MGI

This pertains to sales and purchases of electricity and includes reimbursement of expenses. This is non-interest bearing and is payable within a 30-to-60 day term.

Other related parties

GNPower Dinginin Ltd. Co

This pertains to sales and purchase of electricity. This is non-interest bearing and is payable within a 30-to-60 day term.

Revenue and expenses from related parties follow:

	Revenue		Cost and Expense	
	2024	2023	2024	2023
<u>Intermediate Parent</u>				
ACEIC	₱-	₱-	₱686,072	₱1,267,275
<u>Subsidiaries</u>				
OSPGC	1,010,765	510,174	207,507	419,455
BPGC	469,885	524,815	219,697	283,517
NAREDCO	163,413	96,452	-	-
CIPPC	88,432	123,252	97,319	91,017
BWPC	7,758	7,742	-	-
ACES	-	-	329,462	356,067
Various	119	23,115	16,886	91,340
<u>Joint Ventures</u>				
Grencore	698,599	496,590	-	-
IPHI	35,114	76,406	-	-
<u>Associates</u>				
MGI	1,659	3,041	1,139,408	1,063,037
Various	3,405	1	33	10

(Forward)



	Revenue		Cost and Expense	
	2024	2023	2024	2023
<u>Other related parties</u>				
Globe Telecom Inc.	₱481,502	₱447,037	₱9,749	₱7,769
BPI	66,071	60,008	70,814	61,392
GNPower Dinginin Ltd. Co.	-	-	4,838,599	6,759,841
AREIT, Inc.	-	-	98,836	-
ALI	-	-	97,732	149,452
Various	55,269	22,438	165,721	36,358
Total	₱3,081,991	₱2,391,071	₱7,977,835	₱10,586,530

Revenue recognized from related parties includes:

1. Reimbursable cost for the manpower, other employees expense, and management fee related to ACEIC.
2. Energy sales from contracted revenue.
3. Pass thru energy sales thru PAMA and AMA from OSPGC, BPGC and CIPPC.
4. Interest and miscellaneous income from cash deposit and money market placement as well as financing dealer incentive from BPI and others.
5. Interest income earned by Parent Company on interest bearing receivables, bridge and development loans.

Expenses recognized from related parties includes:

1. Reimbursable cost for the manpower and other employees expense related from ACEIC.
2. Supply power from contracted cost.
3. Pass thru energy cost thru PAMA and AMA from OSPGC, BPGC and CIPPC.
4. Interest expense from short-term and long-term debt and credit card and other bank charges payable to BPI.
5. Purchase of communications software and billing for mobile phone charges and internet connection with Globe.
6. Building rentals, utilities and other charged with ALI and AREIT, Inc.
7. Others includes miscellaneous operating expenses such as professional and management services.

Identification, review and approval of related party transactions

All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Parent Company with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

For related party transactions that, aggregately within a 12-month period, breach the SEC materiality threshold, the same board approval would be required for the transaction/s that meets and exceeds the materiality threshold covering the same related party.



Management fee

The parent company charged management fee to its various subsidiaries, associates and joint ventures. Total management fee income recognized amounted to ₱2,139.97 million and ₱1,280.97 million in 2024 and 2023, respectively and presented under “Management fee” in parent company statements of income.

	2024	2023
<u>DMF</u>		
<u>Subsidiaries</u>		
Giga Ace 8	₱587,235	₱230,155
Giga Ace 6	470,000	121,250
SCSE	260,914	422,783
GigaSol 1	137,892	6,000
SINOCALAN	14,819	122,304
BWPC	10,285	32,731
SOLARACE 2	-	12,500
ACLSI	-	5,188
PWPC	-	4,407
ACSSI	-	4,650
GIGAWIND 1	-	4,095
SOLARACE 4	-	2,648
INGRID 2	-	1,700
<u>Joint venture</u>		
AREC	180,433	-
<u>MSA</u>		
<u>Subsidiaries</u>		
Guimaras Wind	31,725	10,071
NPDC	28,564	27,204
SOLARACE1	24,684	24,684
BWPC	24,572	-
ISLASOL	20,680	20,680
SACASOL	20,680	20,680
MONTESOL	20,680	20,680
GIGASOL 3	17,160	17,160
OSPGC	12,540	12,540
BPGC	11,000	11,000
CIPP	9,400	9,400
ENEX	2,022	1,489
<u>Other related parties</u>		
TBC	4,231	1,177
<u>Joint venture</u>		
INGRID	173,282	97,572
NLR	31,725	30,214
<u>Others</u>		
<u>Intermediate Parent</u>		
ACEIC	45,445	-
Ayala Corporation	-	6,008
Total	₱2,139,968	₱1,280,970



Compensation of Key Management Personnel

Compensation of key management personnel of the Parent Company are as follows which pertain to compensation and benefits of officers:

	2024	2023
Short-term employee benefits	₱76,443	₱59,802
Post-employment benefits	8,164	27,750
	₱84,607	₱87,552

20. Earnings per Share

Basic and diluted earnings per share are computed as follows:

	2024	2023
	<i>(In Thousands, Except for Number of Shares and Per Share Amounts)</i>	
Net income	₱5,148,211	₱5,670,330
Less cumulative preferred share dividends	1,927,679	642,560
(a) Net income net of cumulative preferred share dividends	₱3,220,532	₱5,027,770
Common shares outstanding at beginning of year (Note 13)	39,677,394,773	39,677,394,773
Weighted average number of shares:		
Shares issued during the year	—	—
(b) Weighted average common shares outstanding	39,677,394,773	39,677,394,773
Basic/Diluted Earnings per share (a/b)	₱0.08	₱0.13

For the years ended December 31, 2024 and 2023, except for ESOWN, the Parent Company does not have material potential common shares or other instruments that may entitle the holder to common shares. Consequently, diluted earnings per share is the same as the basic earnings per share for the year ended December 31, 2024 and 2023.

21. Financial Risk Management Objectives and Policies

Objectives and Investment Policies

The funds of the entities held directly by the Parent Company are managed by the Corporate Finance. All cash investments of the Parent Company are carried and governed by the following principles, stated in order of importance:

- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash.

Under no circumstance is yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments.



The Corporate Finance manages the funds of the Parent Company and invests them in highly liquid instruments such as short-term deposits, marketable instruments, corporate promissory notes and bonds, government bonds, and trust funds denominated in Philippine peso and U.S. dollar. It is responsible for the sound and prudent management of the Parent Company's financial assets that finance the Parent Company's operations and investments in enterprises.

Corporate Finance focuses on the following major risks that may affect its transactions:

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Market risk
- Interest rate risk

Corporate Planning and Investor Relations focuses on the following major risks that may affect its transactions:

- Market risk
- Equity price risk

Commercial Operations focuses on commodity price risk.

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Parent Company.

Risk Management Process

Foreign Exchange Risk

The Parent Company defines foreign exchange risk as the risk of realizing reduced operating cash flows, higher capital expenditure, cost of international investments and/or increasing the volatility of future earnings from movements in foreign exchange. The risk is measured based on potential downside impact of market volatility to operating cash flows and target earnings.

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:

- Matching the currency of borrowing to the de facto operating currency of the respective projects or investments funded;
- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Parent Company endeavors to actively manage its open foreign currency exposures through:

- Trading either by spot conversions; and
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values



The Parent Company's significant foreign currency-denominated financial assets and financial liabilities as at December 31, 2024 and 2023 are as follows:

	2024	2023
	US Dollar (US\$)	US Dollar (US\$)
Financial Assets		
Cash and cash equivalents	\$2,877	\$12,422
Receivables	34,417	43,702
Foreign currency-denominated assets	\$37,294	\$56,124
Financial Liability		
Accounts payable and other current liabilities	(\$17)	(\$29)
Long-term loans	(71,893)	-
	(71,910)	(29)
Net foreign currency denominated assets (liabilities)	(\$34,616)	\$56,095
Philippine peso equivalent	(₱2,008,074)	₱3,117,199

In translating foreign currency-denominated financial assets and financial liabilities into Philippine peso amounts, the exchange rate used were ₱58.01 to US\$1.00 as at December 31, 2024 and ₱55.57 to US\$1.00 as at December 31, 2023.

The following tables demonstrate the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Parent Company's profit before tax (due to the changes in the fair value of monetary assets and liabilities) in periods presented. The possible changes are based on surveys conducted by management among its banks. There is no impact on the Parent Company's equity other than those already affecting the profit or loss. The effect on profit before tax already includes the impact of derivatives.

Year	Increase (Decrease) in Foreign Exchange Rate	US\$
2024	(₱0.50)	₱17,308
	(1.00)	34,616
	0.50	(17,308)
	1.00	(34,616)
2023	(₱0.50)	(₱28,077)
	(1.00)	(56,153)
	0.50	28,077
	1.00	56,153

Credit or Counterparty Risk

The Parent Company defines Credit or Counterparty Risk as the risk of sustaining a loss resulting from a counterparty's default on a transaction entered with the Parent Company.

Credit or counterparty risk is managed through the following:

- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the Board.
- Discussions are done on every major investment by Corporate Finance before it is executed subject to the Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and a Corporate Finance managers supervises the execution of major transaction.



- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the other financial assets of the Parent Company, which comprise cash and cash equivalents, and derivative instruments, the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Parent Company's assessments of the credit quality of its cash and cash equivalents and derivative assets were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.

There are no significant concentrations of credit risk within the Company.

Maximum exposure to credit risk of financial assets subject to impairment

The gross carrying amount of financial assets as at December 31 subject to impairment are as follows:

	2024	2023
<i>Financial Assets at Amortized Cost (Portfolio 1)</i>		
Cash in banks and cash equivalents	₱3,437,923	₱11,360,526
Receivables:		
Trade receivables	4,239,560	5,580,654
Due from related parties	11,146,908	8,405,177
Debt replacement	6,955,267	7,070,727
Others	490,494	637,655
Other Current Assets:		
Refundable deposits	261,034	208,636
Other Noncurrent Assets:		
Loans receivables	266,928	416,928
Receivables from third parties	332,508	332,508
Refundable deposits	99,945	99,600
	₱27,230,567	₱34,112,411

Credit risk under general and simplified approach

	2024			Simplified Approach	Total
	General Approach Stage 1	Stage 2	Stage 3		
Cash in banks and cash equivalents	₱3,437,923	₱-	₱-	₱-	₱3,437,923
Receivables:					
Trade	-	-	-	4,239,560	4,239,560
Due from related parties	10,402,800	-	-	744,108	11,146,908
Debt replacement	6,955,267	-	-	-	6,955,267
Others	490,494	-	-	-	490,494
Refundable deposits under "Other current assets"	261,034	-	-	-	261,034
Other noncurrent assets:					
Loans receivables	266,928	-	-	-	266,928
Receivable from third parties	332,508	-	-	-	332,508
Refundable deposits	99,945	-	-	-	99,945
	₱22,246,899	₱-	₱-	₱4,983,668	₱27,230,567



	2023				Total
	General Approach			Simplified Approach	
	Stage 1	Stage 2	Stage 3		
Cash in banks and cash equivalents	₱11,360,526	₱-	₱-	₱-	₱11,360,526
Receivables:					
Trade	-	-	-	5,580,654	5,580,654
Due from related parties	8,168,313	-	-	236,865	8,405,178
Debt replacement	7,070,727	-	-	-	7,070,727
Others	637,655	-	-	-	637,655
Refundable deposits under "Other current assets"	208,636	-	-	-	208,636
Other noncurrent assets:					
Loans receivables	416,928	-	-	-	416,928
Receivable from third parties	332,508	-	-	-	332,508
Refundable deposits	99,600	-	-	-	99,600
	₱28,294,893	₱-	₱-	₱5,817,519	₱34,112,412

Simplified Approach

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

	2024					Total
	Current	Days Due				
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.41%	1.67%	2.72%	4.66%	6.66%	
Estimated total gross carrying amount at default	₱3,050,681	₱763,062	₱91,205	₱168,042	₱910,678	₱4,983,668
Expected credit loss	₱12,442	₱12,755	₱2,477	₱7,829	₱60,653	₱96,157

	2023					Total
	Current	Days Due				
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.58%	1.72%	2.12%	4.67%	6.04%	
Estimated total gross carrying amount at default	₱3,830,567	₱735,036	₱268,369	₱284,065	₱699,482	₱5,817,519
Expected credit loss	₱22,272	₱12,671	₱5,678	₱13,278	₱42,258	₱96,157

Liquidity Risk

Liquidity risk is defined as the risk that the Parent Company may not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity risk is managed through:

- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Parent Company.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Parent Company's plans. Average duration of investments do not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.



The tables below summarize the maturity profile of the Parent Company's financial liabilities as at December 31 based on contractual undiscounted payments:

	2024					Total
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 years	
Accounts payable and other						
current liabilities:						
Trade and nontrade accounts payable	₱2,033,160	₱1,704,932	₱-	₱382	₱-	₱3,738,474
Due to related parties	-	-	644,010	-	-	644,010
Accrued interest	-	521,922	-	-	-	521,922
Accrued expenses ^(a)	-	-	1,431,247	-	-	1,431,247
Derivative liability	-	-	32,914	-	-	32,914
Due to stockholders	13,138	-	-	-	-	13,138
Short-term loan ^(b)	-	5,600,000	-	-	-	5,600,000
Long-term loans ^(b)	-	549,962	1,668,520	17,642,040	28,080,168	47,940,690
Notes Payable ^(b)	-	-	-	-	9,966,484	9,966,484
Lease liability ^(c)	-	41,551	173,529	523,896	465,824	1,204,800
Other noncurrent liabilities	-	-	-	746,463	-	746,463
	₱2,046,298	₱8,418,367	₱3,950,220	₱18,912,781	₱38,512,476	₱71,840,142

^(a) Excludes current portion of vacation and sick leave accruals amounting to ₱.83 million as at December 31, 2024.

^(b) Includes contractual interest payments.

^(c) Gross contractual payments.

	2023					Total
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 years	
Accounts payable and other						
current liabilities:						
Trade and nontrade accounts payable	₱1,424,204	₱1,944,871	₱2,376,732	₱2,055	₱-	₱5,747,862
Due to related parties	-	-	76,337	-	-	76,337
Accrued interest	-	463,521	-	-	-	463,521
Accrued expenses ^(a)	-	-	1,009,826	-	-	1,009,826
Due to stockholders	16,585	-	-	-	-	16,585
Short-term loan ^(b)	-	1,500,000	-	-	-	1,500,000
Long-term loans ^(b)	-	431,185	1,110,652	6,177,736	25,503,842	33,223,415
Notes Payable ^(b)	-	-	-	-	9,949,275	9,949,275
Lease liability ^(c)	-	28,528	164,713	709,021	465,824	1,368,086
Other noncurrent liabilities	-	-	-	66,120	-	66,120
	₱1,440,789	₱4,368,105	₱4,738,260	₱6,954,932	₱35,918,941	₱53,421,027

^(a) Excludes current portion of vacation and sick leave accruals amounting to ₱.83 million as at December 31, 2023.

^(b) Includes contractual interest payments.

^(c) Gross contractual payments.

As at December 31, the profile of financial assets used to manage the Parent Company's liquidity risk is as follows:

	2024				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
Current					
Cash in banks and cash equivalents	₱3,438,648	₱-	₱-	₱-	₱3,438,648
Receivables:					
Trade	-	3,046,691	1,192,868	-	4,239,559
Due from related parties	158,776	7,290,250	9,909,041	-	17,358,067
Others	-	49,415	441,079	-	490,494
Refundable deposits*	-	-	261,323	-	261,323
Derivative asset*	-	28,024	-	-	28,024
Noncurrent					
Receivables from third parties	-	-	-	332,508	332,508
Refundable deposits**	-	-	-	99,945	99,945
	₱3,597,424	₱10,414,380	₱11,804,311	₱432,453	₱26,248,568

*Included in "Other current assets" account.

**Included in "Other noncurrent assets" account.



	2023				Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	
Loans and receivables:					
<i>Current</i>					
Cash in banks and cash equivalents	₱11,361,151	₱–	₱–	₱–	₱11,361,151
Receivables:					
Trade	–	4,205,407	1,375,247	–	5,580,654
Due from related parties	852,681	328,396	14,057,962	–	15,239,039
Others	–	86,000	551,656	–	637,656
Refundable deposits*	–	–	208,636	–	208,636
Derivative asset*	–	16,425	–	–	16,425
<i>Noncurrent</i>					
Receivables from third parties	–	–	–	332,508	332,508
Refundable deposits**	–	–	–	99,600	99,600
	₱12,213,832	₱4,636,228	₱16,193,501	₱432,108	₱33,475,669

*Included in "Other current assets" account.

**Included in "Other noncurrent assets" account.

Market Risk

Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes.

Interest rate, foreign exchange rates and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

As at December 31, 2024 and 2023, the Parent Company has already liquidated all outstanding investment in marketable securities and will discontinue investing in highly volatile financial instruments to keep a risk-averse position.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2024 and 2023, the Parent Company has fixed rate financial instruments measured at fair value.

The Parent Company's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate (see Note 11). The Parent Company generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans.

The following table sets out the carrying amount, by maturity of the Parent Company's financial assets that are exposed to interest rate risk:

	Interest Rates	2024				Total
		Within 1 Year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	
Long-term loans						
Loan A	7.60%	₱127,475	₱130,765	₱123,931	₱117,125	₱609,353
Loan B	6.56%	291,196	288,538	285,879	283,855	5,903,715
Loan C	4.73-8.52%	481,635	476,728	471,821	467,959	7,238,107
Loan D	3.14-4.50%	182,046	180,695	179,345	178,359	4,569,889
Loan E	5.12-6.00%	351,339	351,339	366,339	410,552	7,353,415
Loan F	6.80%	22,748	22,371	21,993	21,661	299,955
Loan G	5.36-6.14%	240,850	248,766	248,766	402,154	4,803,207
Loan H	6.14-6.94%	164,846	213,607	210,309	207,445	3,086,001
Loan I	6.65-7.36%	187,512	187,512	187,512	188,026	3,362,676
Loan J	6.49%	167,211	167,211	167,211	167,669	3,122,994
Notes Payable	6.05%	759,625	1,524,684	765,296	12,675,369	15,724,974
Special savings account (SSA) - Peso	0.05 – 0.40%	261,319	–	–	–	–
						261,319



	2023						Total
	Interest Rates	Within 1 Year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	Beyond 4 years	
Long-term loans							
Loan A	7.87%	₱133,782	₱258,240	₱123,931	₱117,125	₱110,058	₱743,136
Loan B	6.38%	294,517	579,733	285,879	283,855	4,754,247	6,198,231
Loan C	5.12 – 8.88%	487,642	958,361	471,821	467,959	7,238,107	9,623,890
Loan D	3.44 – 4.40%	183,778	362,741	179,345	178,359	4,569,889	5,474,112
Loan E	5.42 – 6.00%	352,302	702,678	366,339	410,552	7,353,414	9,185,285
Loan F	7.12%	23,174	45,119	21,993	21,661	299,956	411,903
Loan G	6.46%	33,602	67,020	33,510	82,342	561,049	777,523
Loan H	7.13%	33,042	75,655	42,045	41,472	617,122	809,336
Notes Payable	6.05%	690,568	1,386,076	695,724	11,523,063	14,295,431	28,590,862
Special savings account (SSA) - Peso	0.375 – 0.75%	14,761	–	–	–	–	14,761

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The other financial instruments of the Parent Company that are not included in the above table are noninterest-bearing investments and are therefore not subject to interest rate volatility.

The following tables demonstrate the sensitivity to a reasonably possible change in the interest rates, with all other variables held constant, of the Parent Company's profit before tax for the years ended December 31, 2024 and 2023. The possible change are based on a survey conducted by management among its banks. There is no impact on the Parent Company's equity other than those already affecting the profit or loss.

	2024	
	Increase (Decrease) in Basis Points	Increase (Decrease) in Income Before Tax
Long-term loan	22 (22)	(₱78,538) 78,538
SSA – Peso	31 (31)	814 (814)
	2023	
	Increase (Decrease) in Basis Points	Increase (Decrease) in Income Before Tax
Long-term loan	29 (29)	(₱68,693) 68,693
SSA – Peso	45 (45)	67 (67)

Equity Price Risk

Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Parent Company's exposure to equity price risk relates primarily to its financial assets at FVOCI.

Cash flow hedges

Commodity Price Risk

The Parent Company defines Commodity Price Risk as the risk of realizing reduced profit margins and/or increasing the volatility of future earnings that are affected by the pricing variability and uncertainty in coal supply and any associated foreign exchange risk. The risk is measured based on potential downside impact of market volatility to target earnings.



To manage Commodity Price Risk, the Parent Company developed a Coal Hedging Strategy designated to:

- Manage the risk associated with unexpected increase in coal prices which affect the target Profit & Loss of the Company
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for hedge accounting

Only the Parent Company's Chief Executive Officer, Chief Finance Officer and Philippine Chief Operating Officer (PH COO) are authorized to make coal hedging decisions for the Parent Company. All executed hedges go through a stringent approval process to justify the tenor, price and volume of the hedge to be undertaken.

Monitoring and assessment of the hedge effectiveness and Coal Hedging Strategy is reviewed monthly by the commercial operations group. Continuation, addition, reduction and termination of existing hedges are decided by the PH COO and any material change in permissible hedging instrument, counterparties and limits are elevated to the Board for approval.

The Parent Company purchases coal under the AMA with SLTEC and bunker fuel oil on an ongoing basis for its operating activities in the thermal energy power generators, composed of SLTEC and other diesel power plants (CIPP, One Subic Power, Bulacan Power). The increased volatility in coal and fuel oil price over time led to entering in commodity swap contracts. The forecasted volumes are determined based on each plant's projected operating capacity, plant availability, required monthly consumption and storage capacity.

These contracts are expected to reduce the volatility attributable to price fluctuations. Hedging the price volatility of forecast coal and bunker fuel oil purchases is in accordance with the risk management strategy outlined by the Board.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity swap contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Parent Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments



The Parent Company is holding the following foreign exchange and commodity swap contracts:

	Maturity						Total
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	
As at December 31, 2024							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$1,668,079	\$1,158,395	\$-	\$-	\$-	\$-	\$2,826,474
Average forward rate (\$/₱)	56.64	56.07	-	-	-	-	
<i>Coal</i>							
Notional amount (in Metric Tons)	-	1,200	-	-	-	-	1,200
Notional amount (in \$000)	\$-	(\$54)	\$-	\$-	\$-	\$-	(\$54)
Average hedged rate (\$ per Metric ton)	\$-	\$104.76	\$-	\$-	\$-	\$-	
As at December 31, 2023							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Average forward rate (\$/₱)	-	-	-	-	-	-	-
<i>Coal</i>							
Notional amount (in Metric Tons)	1,200	-	-	-	-	-	1,200
Notional amount (in \$000)	(\$95)	\$-	\$-	\$-	\$-	\$-	(\$95)
Average hedged rate (\$ per Metric ton)	\$168.22	\$-	\$-	\$-	\$-	\$-	\$168.22

The impact of the hedging instruments on the statements of financial position is as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the year
As at December 31, 2024				
Foreign exchange forward contracts	\$2,826,474	(68,887)	Accounts payable and other current liabilities	(68,887)
Commodity swap contracts – Coal	\$1,200	(3,040)	Other noncurrent liabilities	(3,040)
As at December 31, 2023				
Foreign exchange forward contracts	\$-	₱-	-	₱-
Commodity swap contracts – Coal	\$1,200	(\$1,200,277)	Other noncurrent liabilities	(3,958)

The impact of hedged items on the Parent Company statements of financial position is as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve
As at December 31, 2024		
Highly probable forecast purchases	(₱68,887)	₱-
Coal purchase	(3,040)	-
As at December 31, 2023		
Highly probable forecast purchases	(₱10,563)	₱
Coal purchase	(3,958)	-



The effect of the cash flow hedge in the statements of comprehensive income is as follows:

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in Company statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at December 31, 2024						
Foreign exchange forward contracts	₱11,697	₱-	₱-	₱-	₱-	₱-
Commodity swap contracts - Coal	(₱694)	-	-	-	-	-
As at December 31, 2023						
Commodity swap contracts - Coal	(₱3,958)	₱-	₱-	₱-	₱-	₱-

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Monthly Finance and Strategy Committee meetings are scheduled where approved strategies, limits, mixes are challenged and rechallenged based on current and forecasted developments on the financial and political events.
- Weekly portfolio reports are submitted to the Management Committee that includes an updated summary of global and domestic events of the past month and the balance of the year.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

22. Fair Values

The table below presents the carrying values and fair values of the Parent Company's financial assets and financial liabilities, by category and by class, as at December 31, 2024 and 2023.

	Carrying Value	2024		
		Quoted Prices in Active Markets (Level 1)	Fair value Significant Observable Input (Level 2)	Fair value Significant Unobservable Input (Level 3)
Assets:				
Financial assets at FVTPL	₱641,826	₱-	₱641,826	₱-
Derivative assets*	28,024	-	-	28,024
Refundable deposits*	361,268	-	-	361,268
Receivables from third parties	332,508	-	-	332,508
	₱1,363,626	₱-	₱641,826	₱721,800
Liabilities:				
Long-term loans	₱35,253,653	-	-	₱35,097,133
Deposit payable & other liabilities**	28,378	-	-	28,378
Derivative liability**	40,999	-	-	40,999
	₱35,323,030	₱-	₱	₱35,166,510

* Included under "Other current assets" and "Other noncurrent assets" accounts.

** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.



	2023			
	Carrying Value	Fair value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Input (Level 3)
Assets:				
Financial assets at FVTPL	P565,284	P501,822	P63,462	P-
Derivative assets*	16,425	-	-	16,425
Refundable deposits*	308,554	-	-	308,554
Receivables from third parties	332,508	-	-	332,508
	P1,222,771	P501,822	P63,462	P657,487
Liabilities:				
Long-term loans	P23,884,525	P-	P-	P23,239,224
Deposit payable & other liabilities**	53,683	-	-	53,683
	P23,938,208	P-	P-	P23,292,907

* Included under "Other current assets" and "Other noncurrent assets" accounts.

** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

Cash and Cash Equivalents, Receivables, Accounts Payable and Other Current Liabilities (excluding Statutory Payables), Due to Stockholders and Short-term loans

The carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial Assets at FVTPL and FVOCI

Quoted financial assets FVTPL, specifically for publicly traded shares held by the Group, were measured using market prices and classified as Level II.

Quoted financial assets at FVTPL, specifically investments in unit investment trust funds (UITFs) held by the Parent Company were measured using the funds' net asset value (NAV) and classified as Level 2. The Company recognized gain on sale of UITF amounting to P11.79 million and P12.49 million for the years ended December 31, 2024 and 2023, respectively.

Refundable Deposits, Receivables from Third Parties, and Deposits Payable and Other Liabilities
Estimated fair value is based on present value of future cash flows discounted using the prevailing PHP BVAL reference rates that are specific to the tenor of the instruments' cash flows at the end of the reporting period. The fair value differences of refundable deposits, receivables from third parties, and deposits payable and other liabilities approximate are not material.

Long-Term Loans

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 3.14% to 8.52% and 1.03% to 8.88% as at December 31, 2024 and 2023, respectively.

Derivative asset and liability

The fair value of the derivative asset and liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period.

There were no transfers between levels in the fair value hierarchy both in 2024 and 2023.



23. Operating Segments

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For management purposes, the Parent Company is organized into the two business units:

1. Philippines which includes Retail Electricity Supply (RES) or Commercial Operations (CO)
2. Parent and others which represents the Parent Company operations (excluding Commercial Operations).

The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Company's internal reports in order to assess performance of the Parent Company.

Revenue earned from a single external customer amounted to ₱9,298.26 million and ₱13,328 million in 2024 and 2023, respectively, arising from sales in the Philippines segment.

The following tables regarding operating segments present revenue and income information for the years ended December 31, 2024 and 2023 and assets and liabilities as at December 31, 2024 and 2023:

	2024		
	Parent and others	Philippines	Segment Total
Revenues	₱8,946,661	₱23,382,737	₱32,329,398
Costs and expenses	(3,235,683)	(23,388,696)	(26,624,379)
Interest and other finance charges	(2,623,160)	–	(2,623,160)
Interest and other financial income	1,247,819	4,951	1,252,770
Other income (expenses)	452,193	470,634	922,827
Net income before income tax	4,787,830	469,626	5,257,456
Benefit from income tax	(109,245)	–	(109,245)
Segment income	4,678,585	469,626	5,148,211
Operating assets	₱270,148,651	₱9,490,590	₱279,639,241
Operating liabilities	₱52,768,450	₱8,162,050	₱60,930,500
Capital expenditures	₱380,418	₱–	₱380,418
Capital disposals	255,966	–	255,966
Investments in subsidiaries, associates and joint ventures	242,905,628	–	242,905,628
Depreciation and amortization	199,245	10,332	209,577
	2023		
	Parent and others	Philippines	Segment Total
Revenues	₱9,228,461	₱29,447,776	₱38,676,237
Costs and expenses	(2,914,050)	(29,582,923)	(32,496,973)
Interest and other finance charges	(2,257,987)	–	(2,257,987)
Interest and other financial income	1,185,264	–	1,185,264
Other income (expenses)	648,044	6,478	654,522
Net income (loss) before income tax	5,889,732	(128,669)	5,761,063
Benefit from income tax	(90,733)	–	(90,733)
Segment income	5,798,999	(128,669)	5,670,330
Operating assets	₱253,911,258	₱10,086,820	₱263,998,078
Operating liabilities	₱38,257,496	₱8,274,305	₱46,531,801
Capital expenditures	₱512,397	₱–	₱512,397
Capital disposals	6,173	–	6,173
Investments in subsidiaries, associates and joint ventures	220,885,515	–	220,885,515
Depreciation and amortization	160,008	–	160,008



24. Supplemental Cash Flow Information

The following table shows the Parent Company's non-cash investing and financing activities and corresponding transactions' amounts for the years ended December 31, 2024 and 2023:

	2024	2023
Non-cash investing activities:		
Reclassifications from other current assets to other non-current assets	₱1,176,941	₱—
Reclassifications from non-current receivables to investment in subsidiaries	519,963	—
Conversion from loans to investment in subsidiaries	177,545	—
Reclassifications to receivables from other current assets	156,414	14,814
Accruals of interest expense	62,281	276,412
Unrealized FV losses on hedge instrument	25,613	44,600
Addition to right-of-use assets (Note 12)	14,829	327,493
Redemption of redeemable preferred shares of investments, associates and joint venture	900	—
Conversion to financial assets at fair value through profit or loss (FVTPL) from receivables	—	660,000

Movements in the Parent Company's liabilities from financing activities are as follows:

	January 1, 2024	Availments	Payments	Others	December 31, 2024
Current portion of:					
Short-term loan	₱1,500,000	₱25,600,000	(₱17,300,000)	(₱4,200,000)	₱5,600,000
Interest payable	463,521	—	(2,070,223)	2,128,624	521,922
Long-term loans	264,209	—	(282,367)	264,520	246,362
Lease liability	114,329	—	(172,402)	177,472	119,399
Due to stockholders	16,585	—	(3,447)	—	13,138
Noncurrent portion of:					
Long-term loans	23,620,316	7,600,000	—	3,786,975	35,007,291
Bonds payable	9,902,247	—	—	24,039	9,926,286
Lease liability	1,071,338	—	—	(144,270)	927,068
Total liabilities from financing activities	₱36,952,545	₱33,200,000	(₱19,828,439)	₱2,037,360	₱52,361,466

	January 1, 2023	Availments	Payments	Others	December 31, 2023
Current portion of:					
Short-term loan	₱2,900,000	₱9,000,000	(₱10,400,000)	₱—	₱1,500,000
Interest payable	187,109	—	(2,012,836)	2,289,248	463,521
Long-term loans	196,988	—	(225,244)	292,465	264,209
Lease liability	64,796	—	(103,662)	153,195	114,329
Due to stockholders	16,585	—	—	—	16,585
Noncurrent portion of:					
Long-term loans	17,196,870	6,750,000	—	(326,554)	23,620,316
Bonds payable	9,879,688	—	—	22,559	9,902,247
Lease liability	855,480	—	—	215,858	1,071,338
Total liabilities from financing activities	₱31,297,516	₱15,750,000	(₱12,741,742)	₱2,646,771	₱36,952,545



Others includes the amortization of debt issue costs, interest expense, foreign exchange gains/losses and the effect of reclassification of non-current portion to current due to passage of time.

25. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at December 31, 2024:

Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) Series B Preferred Shares (ACENB)

On February 3, 2025, the BOD of ACEN approved the declaration of the first quarter of 2025 cash dividends on the ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million was paid on March 3, 2025.

Acquisition of shares of Negros Island Solar Power, Inc. ("ISLASOL") from Asian Energy Impact Trust Plc ("AEIT")

On March 6, 2025, the Parent Company executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT involving the sale by AEIT of 7,371 Redeemable Preferred Shares E ("RPS E") of ISLASOL in favor of the Parent Company for a total purchase price of ₱141.27 million. The acquisition resulted to the Parent Company owning 100% of ISLASOL, which was previously 60% owned. As of March 6, 2025, transfer of certificate authorizing registration from the Bureau of Internal Revenue is still in process.

Amendment of Articles of Incorporation

On March 10, 2025, the BOD approved the following amendments to our Articles of Incorporation:

- a. Second Article to expand the scope of the Parent Company's investment business
- b. Seventh Article to increase the authorized capital stock of the Parent Company from ₱48.40 billion to ₱58.40 billion and create additional common shares

The proposed amendments will be presented to our stockholders for approval at their annual meeting on April 23, 2025.



26. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

In compliance with the Bureau of Internal Revenue (BIR) RR No. 15-2010, following are the information on the taxes and licenses fees that the Parent Company reported and/or paid for the year:

a. VAT

Details of the Parent Company's net sales/receipts, output VAT and input VAT accounts are as follows:

Output VAT

Net sales/receipts and output VAT declared in the Parent Company's VAT returns filed for the period are as follows:

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sale of services	₱25,956,547	₱3,114,786
Sale of goods	16,806	2,017
Zero-rated sales	4,051,047	-
Exempt sales	16,473	-
	₱30,040,873	₱3,116,803

Zero-rated sales consist of sale of power to PEZA and sale of power generated from renewable sources of energy under Republic Act (R.A.) No. 9513.

Exempt sales represent collections allocated to universal charges, franchise tax and benefits to host communities and sales under Presidential Decree No. 87 which are not subject to VAT.

The Parent Company's sale of services and rental income which are subjected to VAT are based on actual collections received, hence, may not be the same as amounts accrued in the Parent Company statement of income.

Input VAT

The amount of VAT Input taxes claimed broken down into:

Beginning of the year	₱274,670
Deferred on capital goods exceeding 1 million from previous period	1,737
Current year's purchases:	
Services under cost of goods sold	2,754,792
Goods other than for resale or manufacture	111,259
Capital goods not subject to amortization	15,939
Total available input tax	3,158,397
Less:	
Deferred on capital goods exceeding 1 million for the succeeding period	934
Input VAT applied against output VAT	3,116,803
Others	572
Allocable to exempt sales	1,681
Balance at December 31, 2024	₱38,407



b. Other Taxes and Licenses

This includes all other taxes, local and national, including real property taxes, licenses and permit fees.

Details of other taxes and license fees are as follows:

<u>Local</u>	
Business permits	₱270,194
Other taxes and licenses	2,501
	₱272,695
<u>National</u>	
Gross receipts taxes on loans	₱950
Documentary stamp taxes (DST)	46,817
Fringe benefits tax	7,555
	₱55,322

c. DST

The Parent Company's DST for the year ended December 31, 2024 is as follows:

DST on:	
Loans	₱118,121
Others	17,004
	₱135,125

DST on the long-term debt availed in 2024 amounting to ₱88,308 million is recorded as debt issue costs which is deducted from the loan balance for reporting purposes and amortized over the term of the loan.

d. Withholding Taxes

Details of withholding taxes are as follows:

	Paid	Balance as at December 31, 2024
Withholding taxes on compensation and benefits	₱286,117	₱15,680
Expanded withholding taxes	454,895	79,925
Final withholding taxes	219,284	28,100
Fringe benefits	5,364	2,191
	₱965,660	₱125,896

e. Tax Assessments and Cases

- i. On August 20, 2014, the Parent Company distributed cash and property dividends in the form of shares in ENEX after securing SEC's approval of the registration and receipt of Certificate Authorizing Registration (CAR) from the BIR.



On October 22, 2014, the Parent Company received from the BIR a Formal Letter of Demand (FLD), assessing the Company for a total donor's tax due of ₱157.75 million inclusive of penalty and interest up to September 30, 2014.

On November 21, 2014, the Parent Company and its independent legal counsel filed an administrative protest in response to the FLD, on the following grounds:

- 1) The dividend distribution is a distribution of profits by the Parent Company to its stockholders and not a "disposition" as contemplated under Revenue Regulations Nos. 6-2008 and 6-2013 which would result in the realization of any capital gain of the Parent Company;
- 2) The Parent Company did not realize any gain or increase its wealth as a result of the dividend distribution; and,
- 3) There was no donative intent on the part of the Parent Company.

On May 27, 2015, the Parent Company received from the BIR a Final Decision on Disputed Assessment (FDDA) dated May 26, 2015, denying the protest.

On June 25, 2015, the Parent Company filed with the CTA a Petition for Review seeking a review of the FDDA and requesting the cancellation of the assessment. In its decision dated September 28, 2018, the CTA cancelled and withdrew the FLD. On January 18, 2020, the CTA denied the BIR's motion for reconsideration. On February 22, 2021, BIR filed its petition for review seeking CTA's reversal of its decision on September 28, 2020 and its resolution on January 18, 2021. In response, the Parent Company filed its Comment/Opposition. The CTA referred the case for mediation. However, the parties had no agreement to mediate so CTA submitted the case for decision on July 10, 2020. On October 13, 2021, CTA En Banc issued a resolution stating that the Motion for Reconsideration and Motion to Release Surety Bond are now submitted for resolution. As at March 10, 2025, there still has been no resolution issued by the CTA en Banc on the foresaid motions.

On May 15, 2023, the Parent Company received a Letter of Authority from the BIR covering taxable year 2021. Pursuant thereto, assessment notices were served for various internal revenue taxes inclusive of increments which the Parent Company accordingly responded to and was the subject of a settlement last February 13, 2025.



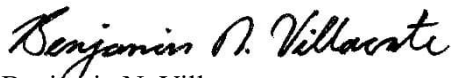
INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City

We have audited the financial statements of ACEN CORPORATION (the Parent Company) as at and for the years ended December 31, 2024 and 2023, on which we have rendered the attached report dated March 10, 2025.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the above Parent Company has a total number of 2,572 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte
Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



Exhibit D : 2024 Consolidated Financial Statements of a Material Subsidiary



**ACEN RENEWABLES INTERNATIONAL
PTE. LTD. AND ITS SUBSIDIARIES
(Registration No. 201613868M)**

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2024.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company set out on pages 6 to 96 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Patrice Rene Clausee
Chan Louie Long-Yin
Ma. Cecilia Tumagay Cruzabra (Appointed on January 23, 2024)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967.

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Signed by:



.....69B3971E71874B3.....

Chan Louie Long-Yin
Director

DocuSigned by:



.....5AC24295B3004B8.....

Ma. Cecilia Tumagay Cruzabra
Director

March 7, 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ACEN RENEWABLES INTERNATIONAL PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACEN Renewables International Pte. Ltd. (the "Company") and its subsidiaries (collectively "the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 96.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at December 31, 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ACEN RENEWABLES INTERNATIONAL PTE. LTD.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ACEN RENEWABLES INTERNATIONAL PTE. LTD.**

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

March 7, 2025

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION December 31, 2024

Note	Group		Company		
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	
ASSETS					
Non-current assets					
Plant and equipment	6	857,087	648,562	1	1
Goodwill	7	371,649	371,649	-	-
Investment in subsidiaries	8	-	-	817,193	650,739
Investments in associates and joint ventures	9	450,726	368,176	148,404	146,471
Financial assets at fair value through other comprehensive income (FVTOCI)	10	78,834	106,632	73,318	100,597
Financial assets at fair value through profit or loss (FVTPL)	11	15,935	34,910	-	-
Other financial assets at amortised cost	12	308,212	380,758	310,955	383,427
Derivative financial instruments	13	75,291	111,709	1,873	-
Right-of-use assets	14	71,775	71,300	-	-
Deferred tax assets	15	19,200	3,957	-	-
Amounts due from related parties	16	196,826	206,045	135,140	82,798
Deposits for future stock subscription	17	-	26,500	-	102,996
Other receivables	18	35,000	-	-	-
Other non-current assets		41	49	41	43
Total non-current assets		2,480,576	2,330,247	1,486,925	1,467,072
Current assets					
Derivative financial instruments	13	2,661	2,455	-	-
Amounts due from related parties	16	160,026	63,732	399,300	190,086
Prepayments		1,331	2,094	130	-
Trade receivables		1,709	3,596	-	-
Other receivables	18	2,639	72,513	437	2,229
Cash and bank balances	19	133,931	241,491	65,908	162,642
Other current assets		3,616	1,465	822	7
Total current assets		305,913	387,346	466,597	354,964
Total assets		2,786,489	2,717,593	1,953,522	1,822,036
LIABILITIES AND EQUITY					
Non-current liabilities					
Loans and borrowings	20	456,358	323,251	106,657	-
Lease liabilities	21	58,119	62,874	-	-
Derivative financial instruments	13	1,685	-	42	-
Other non-current liabilities	22	20,610	14,942	-	-
Other payables	23	88,117	94,122	-	-
Total non-current liabilities		624,889	495,189	106,699	-
Current liabilities					
Loans and borrowings	20	112,057	11,575	-	-
Lease liabilities	21	6,382	5,206	-	-
Other payables	23	14,918	30,911	1,397	195
Amounts due to a related party	24	34,629	50,789	1,149	1,385
Tax payables		200	221	200	219
Derivative financial instruments	13	2,520	-	-	-
Other current liabilities	22	4,619	3,430	-	-
Total current liabilities		175,325	102,132	2,746	1,799
Total liabilities		800,214	597,321	109,445	1,799

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (cont'd)
December 31, 2024

	Note	Group		Company	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Capital, reserves and non-controlling interest					
Share capital	25	54,100	36,100	54,100	36,100
Redeemable preference shares	26	1,429,368	1,446,968	1,429,368	1,446,968
Merger reserve	27	(299)	(299)	-	-
Revaluation reserves	28	(51,405)	(275)	(50,886)	(275)
Hedging reserves	28	(9,080)	11,396	1,832	-
Equity reserves	28	(49,628)	(49,628)	(346)	(346)
Translation reserves	28	(22,798)	21,021	-	-
Share of other comprehensive gain from associates and joint ventures		(1,266)	-	-	-
Retained earnings		638,970	656,112	410,009	337,790
Equity attributable to owners of the company		1,987,962	2,121,395	1,844,077	1,820,237
Non-controlling interest	8	(1,687)	(1,123)	-	-
Total equity		1,986,275	2,120,272	1,844,077	1,820,237
Total liabilities and equity		2,786,489	2,717,593	1,953,522	1,822,036

See accompanying notes to financial statements.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended December 31, 2024

	Note	Group	
		2024	2023
		\$'000	\$'000
Revenue	29	97,208	70,047
Other income			
Gain on divestment	34	26,552	19,344
Share of profit of associates and joint ventures	9	3,308	13,725
Interest income on loans and deposits	30	30,244	47,603
Other income	35	12,670	2,900
		72,774	83,572
Cost and expenses			
Other operating expenses		(73,495)	(87,366)
Profit from operating activities		96,487	66,253
Finance costs	31	(12,968)	(3,125)
Foreign exchange gain (loss)		(31)	847
Fair value loss on financial assets at fair value through profit or loss	11, 13	(5,351)	(4,822)
Remeasurement gain	34, 36	-	60,459
Profit before taxation		78,137	119,612
Income tax benefit	32	7,044	5,843
Profit for the year	36	85,181	125,455

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
Year ended December 31, 2024

		Group	
	Note	2024	2023
		\$'000	\$'000
Other comprehensive income			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Net fair value loss on investments in equity instruments designated as at FVTOCI	10	(51,130)	(501)
Net fair value (loss) gain on hedging instruments entered into for cash flow hedges subject to basis adjustment	28	(20,476)	5,627
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(43,733)	4,913
Share of other comprehensive losses of associates and joint ventures		(1,266)	(1,413)
Other comprehensive (loss) income for the year net of tax		<u>(116,605)</u>	<u>8,626</u>
Total comprehensive (loss) income for the year		<u>(31,424)</u>	<u>134,081</u>
Profit attributable to:			
Owner of the Company		86,184	126,136
Non-controlling interest		(1,003)	(681)
		<u>85,181</u>	<u>125,455</u>
Total comprehensive (loss) income attributable to:			
Owner of the Company		(30,507)	134,762
Non-controlling interest		(917)	(681)
		<u>(31,424)</u>	<u>134,081</u>

See accompanying notes to financial statements.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

**STATEMENTS OF CHANGES IN EQUITY
Year ended December 31, 2024**

Group	Share capital \$'000	Redeemable preference shares \$'000	Merger reserves \$'000	Revaluation reserves \$'000	Hedging reserves \$'000	Equity reserves \$'000	Translation reserves \$'000	Retained earnings \$'000	Equity attributable to the owners \$'000	Non-controlling interest \$'000	Total \$'000
Balance at January 1, 2023	1,100	1,420,203	(299)	226	5,769	2,144	16,108	677,255	2,122,506	33,636	2,156,142
<i>Total comprehensive income for the year</i>											
Profit for the year	-	-	-	-	-	-	-	126,136	126,136	(681)	125,455
Other comprehensive income for the year	-	-	-	(501)	5,627	-	4,913	(1,413)	8,626	-	8,626
Total	-	-	-	(501)	5,627	-	4,913	124,723	134,762	(681)	134,081
<i>Transactions with owner, recognised directly in equity</i>											
Effects of acquiring part of non-controlling interest in subsidiary (Note 28)	-	-	-	-	-	(51,772)	-	-	(51,772)	(34,078)	(85,850)
Issue of preference shares (Note 26)	-	35,000	-	-	-	-	-	-	35,000	-	35,000
Redemption of preference shares (Note 26)	-	(8,235)	-	-	-	-	-	-	(8,235)	-	(8,235)
Allotment of common shares (Note 25)	35,000	-	-	-	-	-	-	(145,866)	35,000	-	35,000
Dividends (Note 33)	-	-	-	-	-	-	-	(145,866)	(145,866)	-	(145,866)
Total	35,000	26,765	-	-	-	(51,772)	-	(145,866)	(135,873)	(34,078)	(169,951)
Balance at December 31, 2023	36,100	1,446,968	(299)	(275)	11,396	(49,628)	21,021	656,112	2,121,395	(1,123)	2,120,272

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

**STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended December 31, 2024**

Group	Share capital \$'000	Redeemable preference shares \$'000	Merger reserves \$'000	Revaluation reserves \$'000	Hedging reserves \$'000	Equity reserves \$'000	Translation reserves \$'000	Share in OCI of Associates and Joint Ventures \$'000	Retained earnings \$'000	Equity attributable to the owners \$'000	Non-controlling interest \$'000	Total \$'000
Balance at January 1, 2024	36,100	1,446,968	(299)	(275)	11,396	(49,628)	21,021	-	656,112	2,121,395	(1,123)	2,120,272
<i>Total comprehensive income for the year</i>												
Profit for the year	-	-	-	-	-	-	-	-	86,184	86,184	(1,003)	85,181
Other comprehensive loss for the year	-	-	-	(51,130)	(20,476)	-	(43,819)	(1,266)	-	(116,691)	86	(116,605)
Total	-	-	-	(51,130)	(20,476)	-	(43,819)	(1,266)	86,184	(30,507)	(917)	(31,424)
<i>Transactions with owner, recognised directly in equity</i>												
Non-controlling interest arising from a new subsidiary (Note 8)	-	-	-	-	-	-	-	-	-	-	353	353
Issue of preference shares (Note 26)	-	18,000	-	-	-	-	-	-	-	18,000	-	18,000
Redemption of preference shares (Note 26)	-	(35,600)	-	-	-	-	-	-	-	(35,600)	-	(35,600)
Allotment of common shares (Note 25)	18,000	-	-	-	-	-	-	-	-	18,000	-	18,000
Dividends (Note 33)	-	-	-	-	-	-	-	-	(103,326)	(103,326)	-	(103,326)
Total	18,000	(17,600)	-	-	-	-	-	-	(103,326)	(102,926)	353	(102,573)
Balance at December 31, 2024	54,100	1,429,368	(299)	(51,405)	(9,080)	(49,628)	(22,798)	(1,266)	638,970	1,987,962	(1,687)	1,986,275

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended December 31, 2024

<u>Company</u>	Share capital \$'000	Redeemable preference shares \$'000	Revaluation reserves \$'000	Equity reserves	Hedging reserves	Retained earnings \$'000	Total \$'000
Balance at January 1, 2023	1,100	1,420,203	226	-	-	385,322	1,806,851
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	-	98,334	98,334
Other comprehensive loss for the year	-	-	(501)	-	-	-	(501)
Total	-	-	(501)	-	-	98,334	97,833
<i>Transactions with owner, recognised directly in equity</i>							
Issue of preference shares (Note 26)	-	35,000	-	-	-	-	35,000
Redemption of preference shares (Note 26)	-	(8,235)	-	-	-	-	(8,235)
Allotment of common shares (Note 25)	35,000	-	-	-	-	-	35,000
Revaluation	-	-	-	(346)	-	-	(346)
Dividends (Note 33)	-	-	-	-	-	(145,866)	(145,866)
Total	35,000	26,765	-	(346)	-	(145,866)	(84,447)
Balance at December 31, 2023	36,100	1,446,968	(275)	(346)	-	337,790	1,820,237
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	-	175,545	175,545
Other comprehensive loss for the year	-	-	(50,611)	-	1,832	-	(48,779)
Total	-	-	(50,611)	-	1,832	175,545	126,766
<i>Transactions with owner, recognised directly in equity</i>							
Issue of preference shares (Note 26)	-	18,000	-	-	-	-	18,000
Redemption of preference shares (Note 26)	-	(35,600)	-	-	-	-	(35,600)
Allotment of common shares (Note 25)	18,000	-	-	-	-	-	18,000
Dividends (Note 33)	-	-	-	-	-	(103,326)	(103,326)
Total	18,000	(17,600)	-	-	-	(103,326)	(102,926)
Balance at December 31, 2024	54,100	1,429,368	(50,886)	(346)	1,832	410,009	1,844,077

See accompanying notes to financial statements.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2024

	Group	
	2024	2023
	\$'000	\$'000
Operating activities		
Profit before income tax	78,137	119,612
Adjustments for:		
Share of profit of associates and joint ventures	(3,308)	(13,725)
Depreciation and amortisation expense	10,896	1,052
Interest income	(81,175)	(102,740)
Finance costs (excluding bank charges)	10,171	3,125
Provision for expected credit loss	19,531	53,229
Fair value loss on financial assets at fair value through profit or loss	5,351	4,822
Remeasurement gain	-	(60,459)
Gain on divestment	(26,552)	(19,344)
Other (income)/expense	(1,107)	-
Operating cash flows before movements in working capital	11,944	(14,428)
Other receivables	(17,179)	18,056
Other payables	(14,394)	(28,235)
Cash generated from operations	(19,629)	(24,607)
Income taxes paid	(182)	(978)
Net cash used in operating activities	(19,811)	(25,585)
Investing activities		
Proceeds from:		
Repayment of loans from a third party	64,500	100,975
Repayment of loans to related parties	70,340	231,527
Divestments	53,963	69,811
Loans to related parties	(27,886)	(56,235)
Loans to a third party	(35,000)	(65,700)
Deposit for future stocks subscription	-	(26,500)
Additions to:		
Plant and equipment (Note A)	(271,152)	(240,982)
Right-of-use asset	(1,236)	-
Acquisition of:		
Investment in equity instrument designated at FVTOCI	(14,870)	(100,598)
Investment in equity instrument designated at FVTPL	-	(21,248)
Investment in other financial assets at amortised cost	(29,103)	(71,146)
Investment in associates and joint ventures	(102,005)	(97,619)
Non-controlling interest	-	(85,391)
Interest received	47,994	74,392
Dividends received from associates and joint venture	32,657	14,803
Net cash used in investing activities	(211,798)	(273,911)

See accompanying notes to financial statements.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
Year ended December 31, 2024

	Group	
	2024	2023
	\$'000	\$'000
Financing activities		
Proceeds from:		
Loans and borrowings	280,210	185,722
Issuance of common shares	18,000	35,000
Issuance of redeemable preference shares	18,000	35,000
Advances from related parties	-	21,250
Payments of:		
Loans and borrowings	(17,815)	-
Lease liabilities	(3,945)	(4,375)
Finance costs	(20,682)	-
Dividends	(103,326)	(145,866)
Advances from related parties	(10,458)	-
Redemption of redeemable preference shares	(35,600)	(8,235)
Net cash from financing activities	<u>124,384</u>	<u>118,496</u>
Net decrease in cash and cash equivalents	(107,225)	(181,000)
Effects of foreign exchange rate changes on cash and cash equivalents	(335)	2,463
Cash and cash equivalents at beginning of year	241,491	420,028
Cash and cash equivalents at end of year (Note 19)	<u><u>133,931</u></u>	<u><u>241,491</u></u>

Note A

During the year, the Group purchased plant and equipment amounting to \$277.5 million (2023 : \$241.5 million) of which \$6.4 million (2023 : \$0.6 million) was accrued construction costs and capitalised interest and the balance \$271.2 million (2023 : \$240.9 million) by cash.

See accompanying notes to financial statements.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
Year ended December 31, 2024

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	January 1, 2024	Financing cash flows ⁽ⁱ⁾	Acquisition of subsidiary (Note 36)	Foreign exchange movement	New finance leases	Other changes ⁽ⁱⁱ⁾	December 31, 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	334,826	262,395	-	(28,806)	-	-	568,415
Lease liabilities	68,080	(3,945)	-	1,941	-	(1,575)	64,501
Accrued interest	1,638	(20,682)	-	-	-	23,549	4,505
Advances from related parties	50,789	(10,458)	-	-	-	(5,702)	34,629

	January 1, 2023	Financing cash flows ⁽ⁱ⁾	Acquisition of subsidiary (Note 36)	Foreign exchange movement	New finance leases	Other changes ⁽ⁱⁱ⁾	December 31, 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	149,104	185,722	-	-	-	-	334,826
Lease liabilities	32,796	(4,375)	-	1,435	42,857	(4,633)	68,080
Accrued interest	229	(12,686)	-	-	-	14,095	1,638
Advances from related parties	29,539	21,250	-	-	-	-	50,789

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

(ii) Other changes pertain to the interest expense, capitalised interest and amount written off during the year.

See accompanying notes to financial statements.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

1 GENERAL

The Company (Registration Number 201613868M) is incorporated in Singapore with its principal place of business and registered office at 20 Collyer Quay #17-02 Singapore 049319. The financial statements are expressed in United States dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 8 and 9.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2024 were authorised for issuance by the Board of Directors on March 7, 2025.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

- 2.2 ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Group and the Company have applied all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on or after January 1, 2024. The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to FRS 1: *Non-current Liabilities with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Standards issued but not effective

The following is the list of new and revised FRSs issued but not effective and the list is complete as of December 31, 2024.

Management anticipates that the adoption of the new or revised FRSs in future periods will not have a material impact on the financial statements in the period of their initial adoption except for the following:

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Effective for annual periods beginning on or after January 1, 2026

- Annual Improvements to FRSs – Volume 11
- Amendments to FRS 109 and FRS 107: *Contracts Referencing Nature-dependent Electricity*

Effective for annual periods beginning on or after January 1, 2027

- FRS 18 *Presentation and Disclosure in Financial Statements*
- FRS 19 *Subsidiaries without Public Accountability: Disclosures*

Effective date is deferred indefinitely

- Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

2.3 BASIS OF CONSOLIDATION - The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the those of the group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests in subsidiaries are identified separately from the Group's equity and are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition date, the carrying amounts of non-controlling interests are adjusted for the non-controlling interests' share of changes in equity. Losses are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.4 BUSINESS COMBINATIONS - The Group accounts for the above business combination using the acquisition method. The consideration transferred in the business combination is the sum of the acquisition-date fair values of cash transferred by the Group and liabilities incurred by the group to the former owners of the acquiree, in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred in the consolidated financial statements.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities are recognised and measured in accordance with FRS 12.

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of non-controlling interests in the acquiree measured at fair value, over the net acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

The contingent consideration payable is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. It is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

- 2.5 FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.5.1 Financial assets

Classification of financial assets

Debt instruments that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost except for short term balances where the effect of discounting is immaterial.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which FRS 103 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserves. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of FRS 109 (see Note 10).

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "dividend income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "miscellaneous incomes and losses" line item. Fair value is determined in the manner described in Note 4(c)(vi).

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when there is reasonable evidence to support that the instrument has a high risk of default driven by the borrower’s capacity to meet its obligation or changes in the economic environment where the borrower operates, or when contractual payments are more than 30 days past due, unless there is reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.5.2 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other payables

Other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Bank loans

Interest-bearing bank loans are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.5.3 Derivative financial instruments

The Group enters into a derivative financial instrument to manage its exposure to interest rate risks, including interest rate swaps.

The Group also secured a 20-year Long-Term Energy Supply Agreement ("LTESA") for its New England Solar and Stubbo Solar projects at the New South Wales Government's first renewable energy and storage auction to manage its exposure from electricity spot prices.

Further details of derivative financial instruments are disclosed in Note 13.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.5.4 Hedge accounting

Any interest rate swaps or derivatives transacted as part of the project finance arrangements will be accounted for in accordance with FRS 109 *Financial Instruments*. Any hedge arrangements will be recorded as a cash flow hedge.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

The Group chooses to apply hedge accounting for certain derivatives held which meet the following criteria:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge;
- the hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exist between the hedged item and the hedging instrument, credit risk does not dominate the fair value changes; and
- the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

Cash flow hedges

When derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income - hedge reserve. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item from the inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in other comprehensive income.

The Group uses these contracts to lock the cash flows associated with the cost of non-financial assets and the income/expense relating to foreign currency transactions.

If a highly probable forecast transaction results in the recognition of a non-monetary asset or where a cash flow hedge of a hedged forecast transaction for a non-financial asset or liabilities becomes a firm commitments to which fair value hedge accounting is applied, the cumulative loss/(gain) is added to/(subtracted from) the cost of the asset acquired.

In other cases, the cumulative gain or loss recognised in the hedge reserve is reclassified to profit or loss at the same time as the hedged item affects profit or loss.

If a forecast transaction is no longer considered highly probable but the forecast transaction is still expected to occur, the cumulative gain or loss recognised in other comprehensive income to date is recognised in profit or loss as per above. Subsequent changes in the fair value of the derivative are recognised in profit or loss. If the Group closes out its position before the transaction takes place, the cumulative gain or loss is recognised as above if the transaction is expected to take place. If the hedged transaction is no longer expected to occur, then the cumulative gain or loss in the hedge reserve is reclassified to profit or loss immediately.

Fair value hedges

When derivatives are used to hedge exposure to fair value movements (for example interest rate swaps), then the hedged item is remeasured to take into account the gain or loss attributable to the hedged risk with the gains or losses arising recognised in profit or loss.

The gain or loss on the hedging instrument is measured at fair value through profit or loss.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

- 2.6 RIGHT OF USE ASSETS – The Group recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The group as lessee

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Group has elected to use the two exemptions proposed by the standard on the following contracts:

- a. Lease contracts for which the lease terms ends within 12 months from the date of initial application.
- b. Lease contracts for which the underlying asset is of low value.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option to renew the lease contract for an additional term subject to the mutual agreement with the lessors. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group currently has operating leases for development land agreements, contractual arrangements (as a lessee) to use land on which the majority of its assets are or will be situated. These leases (including options) span the expected economic life of the assets.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

- 2.7 PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the assets. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

	<u>Years</u>
Land and land improvements	1 to 40
Machinery and equipment - Others	1 to 40
Transportation equipment	1 to 5
Furniture, fixture and office equipment	1 to 5
Computer equipment	1 to 5

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

Development Assets

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development assets represent expenditure incurred prior to the commencement of an asset construction.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Employee labour costs for staff directly working on a project are allocated based upon the percentage individual staff members are working on the project assessed by the project director. These allocations are regularly reviewed.

Construction in Progress

Assets under construction in progress represent direct costs relating to renewable energy assets not yet ready for use, where applicable, including interest incurred on construction facility borrowings. Assets under construction are transferred to in-use plant and equipment once the asset is ready for commercial use.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs.

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Employee labour costs for staff directly working on a project are allocated based upon the percentage individual staff members are working on the project assessed by the project director. These allocations are regularly reviewed.

- 2.8 **GOODWILL** - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

- 2.9 **IMPAIRMENT OF NON-FINANCIAL ASSETS** - At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

- 2.10 ASSOCIATES AND JOINT VENTURES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Details of the Group's material associates and joint venture are disclosed in Note 9.

Equity method of accounting

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Investment in each associate or joint venture is initially recognised at cost, and are subsequently accounted for by including the group's share of its profit or loss and other comprehensive income or loss in the carrying amount of the investment until the date on which significant influence or joint control ceases. Dividends received reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the group. When necessary, adjustments are made to align the associate's or joint venture's accounting policies with the those of the Group.

- 2.11 PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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- 2.12 REVENUE RECOGNITION - The Group recognises revenue from investment revenue representing dividends on equity investments and interest income from investments.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Electricity sales

Electricity sales is recognised based on actual energy delivered. Electricity sales is consummated whenever the electricity generated by the Group is transmitted through the transmission line by the buyer, for a consideration. Revenue from electricity sales is based on sales price.

- 2.13 BORROWING COSTS - Borrowing costs are recognised in profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the amortised cost of a financial liability.

Borrowing costs also include interest expense arising from lease liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time when substantially all the activities necessary to prepare the qualifying assets for their intended use or sale are complete.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss.

- 2.14 INCOME TAX - Income tax for the financial year comprises current and deferred tax.

Current tax

Current tax payable represents the amount expected to be paid to the taxation authority on taxable profit for the year, using tax rate enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes.

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Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rate that is expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rate that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.

2.15 FOREIGN CURRENCY TRANSACTIONS - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and equity of the Group are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

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For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

- 2.16 CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and deposits held at call with banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are subsequently measured at amortised cost.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the management is of the opinion that the following judgement has a significant effect on the amounts recognised in the financial statements.

On November 26, 2024, the Group entered into a Share Purchase Agreement with Huntington Renewable Investments Limited ("HRIL"), for the acquisition of 49% of the issued and paid-up capital of BIM Energy Holding Corporation ("BIMH").

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BIMEH holds a 70% ownership stake in BIM Renewable Energy JSC ("BIMRE"), BIM Energy JSC ("BIME"), and BIM Wind Power JSC ("BIM Wind"). As a result of the acquisition, the Group's indirect ownership in BIMRE, BIME, and BIM Wind increased to 34.3%, bringing the total effective ownership to 64.3%.

Management determined that despite holding a 64.3% effective ownership in BIMRE, BIME, and BIM Wind, all major decisions within these entities require unanimous shareholder approval. As a result, the Group does not have control over them and will continue to classify its investments in BIMRE, BIME, and BIM Wind as Investments in Associates, applying the equity method of accounting.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as follows:

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of other financial assets at amortised cost and amount due from related parties are disclosed in Note 12 and Note 17 to the consolidated financial statements.

Impairment of investment in associates, joint ventures and subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in associates and joint ventures of the Group and subsidiaries of the Company. The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of the Company's investment in subsidiaries and the Group's investment in associates and joint ventures are disclosed in Note 8 and Note 9 to the financial statements respectively.

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Deferred tax

Deferred tax asset are recognised for all unused tax losses to the extent that is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amounts of deferred tax asset is disclosed in Note 15 to the financial statements.

Leases including land agreements

Reasonably certain

Accounting standards require that lease options be recognised when reasonably certain that they will be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken to help determine the lease term. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed annually. The carrying amounts of right-of-use assets and lease liabilities are disclosed in Note 14 and Note 21 to the financial statements respectively.

Projects in pre-feasibility stage the initial lease term has recognised upon commencement of the development land agreement. At this pre-feasibility stage it is not reasonably certain that any extension option will be exercised, as the viability of the project is at the initial assessment stage. In the feasibility stage of development commences once the decision has been made to proceed to fully feasibility assessment and the procurement of all necessary development approvals. During this stage the development land agreements are re-assessed as to when the Group becomes reasonably certain that the extension options will be exercised. This is usually when all substantive project approvals have been received and the financing is in place to construct the project (agreement has been reached with a financier to provide financing, however there are still conditions to be met prior to Financial Close being met).

Incremental borrowing rate

The present value of the lease payment is discounted using the Group's incremental borrowing rate. This rate represents the rate of interest which would be the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds to obtain an asset of a similar value to the right of use asset in a similar economic environment. If the rate were different the estimates would change.

The carrying amounts of right-of-use assets and lease liabilities are disclosed in Note 14 and Note 21 to the financial statements respectively.

Provision

Lease calculations resulting in right of use assets and lease liabilities include anticipated restoration of leased land which requires assumptions such as the exit date and cost estimates. The assumptions are reviewed annually and updated based on the facts and circumstances available at the time. As at December 31, 2024, the carrying amount is \$14.4 million (2023 : \$9.1 million).

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Fair value measurement of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss

In the estimation of the fair value of the investments recorded as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, management need to determine the appropriate valuation techniques and inputs for fair value measurements. Management estimates the discount rate to measure the fair value of the investments disclosed in Notes 10 and 11 to the financial statements.

Fair value measurement of commodity options

In determining the estimation of fair value of LTESA swaptions, a commodity option hedge instrument, Management used option pricing techniques which resulted in a Day 1 derivative asset to the group, even if no premium was paid. The carrying amount of LTESA is disclosed in Note 13.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generation unit and a suitable discount rate in order to calculate the present value. The carrying amount of the group's goodwill is disclosed in Note 7.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>				
Financial assets at amortised cost	838,343	994,635	911,740	924,178
Financial assets at FVTOCI	78,834	106,632	73,318	100,597
Financial assets at FVTPL	15,935	34,910	-	-
Derivatives financial instruments	77,952	114,164	1,873	-
	<u>1,011,064</u>	<u>1,250,341</u>	<u>986,931</u>	<u>1,024,775</u>
	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Financial liabilities</u>				
Lease liabilities	64,501	68,080	-	-
Financial liabilities at amortised cost	706,079	510,648	109,203	1,580
Derivatives financial instruments	4,205	-	42	-
	<u>774,785</u>	<u>578,728</u>	<u>109,245</u>	<u>1,580</u>

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(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The Group and the Company do not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

(c) *Financial risk management policies and objectives*

The Group is exposed to various financial risks arising from its operations and use of financial instruments. The key financial risks are foreign exchange risk, interest rate risk, equity price risk, credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group transacts business in various foreign currencies, including the Vietnamese Dong ("VND"), Singapore dollar ("SGD"), Indonesian Rupiah ("IDR") and Australian Dollar ("AUD") and therefore is exposed to foreign exchange risk.

The Group monitors and manage its foreign currency exchange rate risk with Natural Hedge Principle and further evaluated through:

- Continual monitoring of global and domestic political and economic environments that have impact of foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends or forecasts; and
- Constant updating of foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavours to actively manage its open foreign currency exposures through:

- Trading by spot conversions; or
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values.

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At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency are as follows:

	<u>Group</u>			
	Assets		Liabilities	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Australian Dollar	86,532	33,738	613,188	459,401
Vietnamese Dong	4,708	2,931	402	280
Singapore Dollar	155	86	-	-
Indonesian Rupiah	1,000	-	316	-

	<u>Company</u>			
	Assets		Liabilities	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Australian Dollar	-	-	50,124	-
Singapore Dollar	155	86	-	-

Foreign currency sensitivity

The Group has a significant foreign currency-denominated financial assets and financial liabilities in Australian Dollars (AUD). The following tables details the sensitivity to a 10% increase and decrease in the exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

The sensitivity analysis includes external loans. A positive number below indicates an increase in profit and other equity where functional currency of each group entity strengthens 10% against the relevant foreign currency. For a 10% weakening of functional currency of each group entity against the relevant foreign currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

		Increase (decrease) in USD per foreign currency	Effect on cumulative translation adjustment \$'000
December 31, 2024	AUD	10%	(52,666)
		-10%	52,666
December 31, 2023	AUD	10%	(42,566)
		-10%	42,566

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(ii) Interest rate risk management

The Group's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate. The Group generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans. Specific interest rate risk policy is to maintain a minimum of 50% of its debt obligations to be fixed rate.

The interest rates are as disclosed in Note 20 respectively to the financial statements.

Interest rate sensitivity

Interest rate sensitivity is the measure of Group's profit fluctuation as a result of changes in the interest rate environment. The Group and the Company have limited exposure from interest rate risk. Hence, interest rate sensitivity analysis has not been presented.

(iii) Equity price risk management

The Group and Company is exposed to equity risks arising from equity investments classified as FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 10.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to inputs to the valuation model in respect of equity investments at FVTOCI at the end of the reporting period.

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from such defaults. Credit risk on cash and bank balances and derivative financial instrument is limited as these balances are placed with or transacted with institutions of good reputation. The Group manages these risks by monitoring credit worthiness and limiting the aggregate use to any individual counterparty. The Group does not expect to incur material credit losses on its financial instruments.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

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The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	There has been a significant increase in credit risk since initial recognition, or the amount is >30 days past due.	Lifetime ECL - not credit-impaired
In default	There is evidence indicating the asset is credit-impaired or the amount is >90 days past due.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			\$'000	\$'000	\$'000
<u>Group</u>					
<u>2024</u>					
Amount due from related parties	(i)	12-month ECL	398,111	(41,259)	356,852
Trade and other receivables	Performing	12-month ECL	39,348	-	39,348
Other financial assets at amortised cost	Performing/ Doubtful	12-month ECL/Lifetime ECL (simplified approach)	346,212	(38,000)	308,212
				<u>(79,259)</u>	

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	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>2023</u>					
Amount due from related parties	(i)	12-month ECL	308,043	(38,266)	269,777
Trade and other receivables	Performing	12-month ECL	76,109	-	76,109
Deposits for future stock subscription	Performing	12-month ECL	26,500	-	26,500
Other financial assets at amortised cost	Performing/ Doubtful	12-month ECL/Lifetime ECL (simplified approach)	418,758	(38,000)	380,758
				<u>(76,266)</u>	

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>Company</u>					
<u>2024</u>					
Amount due from related parties	(i)	12-month ECL	557,273	(22,833)	534,440
Other receivables	Performing	12-month ECL	437	-	437
Other financial assets at amortised cost	Performing	12-month ECL	310,955	-	310,955
				<u>(22,833)</u>	

<u>2023</u>					
Amount due from related parties	(i)	12-month ECL	308,356	(35,472)	272,884
Other receivables	Performing	12-month ECL	2,229	-	2,229
Deposits for future stock subscription	Performing	12-month ECL	102,996	-	102,996
Other financial assets at amortised cost	Performing	12-month ECL	385,127	-	385,127
				<u>(35,472)</u>	

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

- (a) For amount due from related parties, the Group has applied the simplified approach in FRS 109 to measure the loss allowance at 12-month ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets are presented based on past due status.
- (b) For other financial assets at amortised costs, the Group has applied simplified approach in FRS 109 to measure loss allowance at 12-month ECL for instruments that are identified as performing and lifetime ECL for instruments that have significant increase in credit risk based on internal assessment.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(v) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management by ensuring continuity in funding through borrowings to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

All financial assets and liabilities in 2024 and 2023 are repayable in demand or due within 1 year from the end of the reporting period, except for financial assets at FVTOCI (Note 10), financial assets at fair value through profit or loss (Note 11), other financial assets at amortised cost (Note 12), non-current portion of amount due from related parties and its accrued interest (Note 16), deposits for future stock subscription (Note 17), other non-current receivables (Note 18), non-current portion of loans and borrowings (Note 20) and non-current portion of lease liabilities (Note 21).

Liquidity and interest risk analyses - Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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Group	Weighted average effective interest rate	On demand or within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjust- ment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2024</u>							
Non-interest Bearing	-	55,930	88,117	58,119	-	-	202,166
Fixed interest-rate instruments	6.29%	119,226	-	546,138	-	(96,950)	568,414
		<u>175,156</u>	<u>88,117</u>	<u>604,257</u>	<u>-</u>	<u>(96,950)</u>	<u>770,580</u>

2023

Non-interest bearing		81,700	-	-	94,122	-	175,822
Fixed interest-rate instruments	5.25%	14,396	2,408	392,103	272,826	(278,827)	402,906
		<u>96,096</u>	<u>2,408</u>	<u>392,103</u>	<u>366,948</u>	<u>(278,827)</u>	<u>578,728</u>

Company	Weighted average effective interest rate	On demand or within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjust- ment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2024</u>							
Non-interest bearing	-	2,547	-	-	-	-	2,547
Fixed interest-rate instruments	6.33%	-	-	134,268	-	(27,612)	106,656
		<u>2,547</u>	<u>-</u>	<u>134,268</u>	<u>-</u>	<u>(27,612)</u>	<u>109,203</u>

2023

Non-interest bearing	-	<u>1,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,580</u>
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ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

Liquidity and interest risk analyses - Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjust- ment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Group</u>							
<u>2024</u>							
Non-interest bearing	-	252,277	2,550	177	130,180	-	385,184
Fixed interest-rate instruments	10.49%	32,752	19,988	59,556	614,900	(179,268)	547,928
		<u>285,029</u>	<u>22,538</u>	<u>59,733</u>	<u>745,080</u>	<u>(179,268)</u>	<u>933,112</u>
<u>2023</u>							
Non-interest bearing		302,985	36,042	-	282,354	-	621,381
Fixed interest-rate instruments	9.8%	92,563	715	147	424,382	(3,011)	514,796
		<u>395,548</u>	<u>36,757</u>	<u>147</u>	<u>706,736</u>	<u>(3,011)</u>	<u>1,136,177</u>
<u>Company</u>							
<u>2024</u>							
Non-interest bearing	-	101,013	-	-	160,392	-	261,405
Fixed interest-rate instruments	7.10%	-	19,988	338	1,683,261	(979,934)	723,653
		<u>101,013</u>	<u>19,988</u>	<u>338</u>	<u>1,843,653</u>	<u>(979,934)</u>	<u>985,058</u>
<u>2023</u>							
Non-interest bearing		288,840	83	-	145,475	-	434,398
Fixed interest-rate instruments	7.8%	26,204	-	147	565,062	(1,036)	590,377
		<u>315,044</u>	<u>83</u>	<u>147</u>	<u>710,537</u>	<u>(1,036)</u>	<u>1,024,775</u>

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

(vi) Fair value of financial assets and financial liabilities

Some of the group's financial assets and financial liabilities are measured at fair value as at each reporting date. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial asset	December 31, 2024 \$'000	December 31, 2023 \$'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s)
Group Interest rate swaps	1,505	7,476	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparts	n.a	n.a
Long-term Energy Supply Agreement	72,242	106,688	Level 3	Discounted cash flow. Valuation requires the use of long dated energy valuation volumes and long dated energy and LGC price curves	n.a.	n.a.
Redeemable preference shares	73,318	57,034	Level 3	Discounted cash flow	n.a	n.a
Redeemable preference shares	5,516	49,598	Level 3	Net Book Value	n.a	n.a
Compulsorily convertible debentures	15,935	34,910	Level 3	Discounted cash flow.	n.a	n.a

The management considers that the carrying amounts of cash and bank balances, trade and other current receivables and payables, and other liabilities and amounts payable approximate their fair values due to the relatively short-term maturity of these financial instruments.

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The capital structure of the Group consists of equity attributable to owners of the parent, comprising issued capital, reserves and retained earnings.

The Group is not subject to any externally imposed capital requirements.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

5 HOLDING COMPANY AND RELATED COMPANY/RELATED PARTY TRANSACTIONS

The Company is a subsidiary of ACEN International, Inc. ("ACE International"), incorporated in the Philippines, which is a wholly owned subsidiary of ACEN CORPORATION ("ACEN"), incorporated in the Philippines. The ultimate holding company is Ayala Corporation, incorporated in the Philippines. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-bearing and repayable on demand unless otherwise stated.

Some of the group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-bearing and repayable on demand unless otherwise stated.

During the year, group entities entered into the following significant transactions with related parties:

	Group	
	2024	2023
	\$'000	\$'000
Service fee income from related parties	1,272	560
Interest income from investments	50,931	55,137
Interest income from loans to related parties	20,641	27,915

Compensation of key management personnel

	2024	2023
	\$'000	\$'000
Short-term employee benefits	392	292
Contributions to CPF	5	5
Total compensation paid to a director of the Company	397	297

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

6 PLANT AND EQUIPMENT

	Land and land improvements	Machinery and equipment - Others	Transportation equipment	Furniture, fixture, and office equipment	Development assets	Construction in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Cost:							
At January 1, 2023	224	2,273	514	215	79,526	320,039	402,791
Additions	-	651	172	121	10,927	229,570	241,441
Disposals	-	(32)	(116)	-	-	-	(148)
Reclassification	-	-	-	-	(55,089)	55,089	-
Exchange differences	-	6	4	3	2,149	4,457	6,619
At December 31, 2023	224	2,898	574	339	37,513	609,155	650,703
Additions	-	535	88	543	26,129	250,221	277,516
Disposals	-	(23)	-	(12)	(3,994)	-	(4,029)
Reclassification	-	379,852	-	-	(2,678)	(377,174)	-
Exchange differences	(21)	(266)	(57)	(55)	(5,920)	(49,813)	(56,132)
At December 31, 2024	203	382,996	605	815	51,050	432,389	868,058
Accumulated depreciation:							
At January 1, 2023	-	1,379	150	157	-	-	1,686
Depreciation	-	357	105	34	-	-	496
Disposals	-	-	(53)	-	-	-	(53)
Exchange differences	-	9	2	1	-	-	12
At December 31, 2023	-	1,745	204	192	-	-	2,141
Depreciation	-	9,518	110	96	-	-	9,724
Disposals	-	-	-	(7)	-	-	(7)
Exchange differences	-	(810)	(30)	(47)	-	-	(887)
At December 31, 2024	-	10,453	284	234	-	-	10,971
Carrying amount:							
At December 31, 2024	203	372,543	321	581	51,050	432,389	857,087
At December 31, 2023	224	1,153	370	147	37,513	609,155	648,562

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

7 GOODWILL

	<u>Group</u> \$'000
At January 1, 2023 and December 31, 2023 and 2024	<u>371,649</u>

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the business combination. The carrying amount of goodwill had been allocated as follows:

	<u>Group</u>	
	<u>2024</u> \$'000	<u>2023</u> \$'000
ACEN Australia Pty Ltd	<u>371,649</u>	<u>371,649</u>

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. This requires an estimation of the value in use of the related CGU. The value in use calculation requires the Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Forecasted revenue growth - Revenue forecasts are management's best estimates considering factors such as historical/industry trend, target market analysis, government regulations and other economic factors.
- EBITDA margin - It is a measure of a firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation, interest expenses and changes in net working capital and maintenance capital expenditures in arriving the free cash flow.
- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Management used an appropriate discount rate for cash flows which is consistent with the valuation practice. Management used the weighted average cost of capital (WACC) wherein the cost of equity and debt financing are weighted. The post-tax discount rates used were 7.6% to 9.1% (2023 : 7.2% to 8.3%). The cost of equity of was determined based on the capital asset pricing model. The gearing ratios for the CGUs ranged from 30% to 65% and represent industry comparable funding strategies for the respective CGUs.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Management has assessed that reasonably possible changes in key assumptions are unlikely to result in the carrying value of the CGUs exceeding their respective recoverable amounts.

Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognised on goodwill as at December 31, 2024.

8 INVESTMENT IN SUBSIDIARIES

	2024	2023
	\$'000	\$'000
Cost comprising:		
Ordinary shares	210,403	209,887
Redeemable preference shares	606,790	440,852
	<u>817,193</u>	<u>650,739</u>
	2024	2023
	\$'000	\$'000
Ordinary shares:		
At beginning of year	209,887	293,395
Issuance during the year	502	86,033
Capitalization of expenses	14	-
Return of capital	-	(41,279)
Reclassification to joint venture (Note 9)	-	(128,262)
At end of year	<u>210,403</u>	<u>209,887</u>
Redeemable preference shares:		
At beginning of year	440,852	591,253
Issuance during the year	165,938	-
Redemptions during the year	-	(150,401)
At end of year	<u>606,790</u>	<u>440,852</u>

The rights, privileges and conditions attached to each of the redeemable preference shares ("RPS") held by the Company can be summarised as follows:

- (i) The RPS carry no voting rights;
- (ii) The holder of RPS is entitled to priority of payment in a liquidation of the issuer over any distribution or payment to be made in favour of the holders of all other shares in the issuer, but is not entitled to any further participation in surplus assets; and
- (iii) The issuer, subject to Section 70 of the Act, is entitled to redeem all or part of the redeemable preference shares held by any one or more of the holders of the redeemable preference shares by paying to the relevant holder the amount paid up or credited as paid up on the redeemable preference shares plus such premium (if any) as the directors may in their absolute discretion determine at any time upon giving notice to the holders.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

Details of the Group's subsidiaries at December 31 are as follows:

Name of subsidiary	Country of incorporation	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2024	2023	2024	2023	
		%	%	%	%	
<u>Directly held</u>						
ACEN HK Ltd.	Hong Kong					Investment holding
- Ordinary shares		100	100	100	100	
ACEN Vietnam Investments Pte. Ltd.	Singapore					Investment holding
- Ordinary shares		100	100	100	100	
- Redeemable preference shares		100	100	-	-	
Arlington Mariveles Netherlands Holding Cooperatie U.A.	Netherlands					Investment holding
- Ordinary shares		100	100	100	100	
ACEN Vietnam Investments 2 Pte. Ltd.	Singapore					Investment holding
- Ordinary shares		100	100	100	100	
- Redeemable preference shares		100	100	-	-	
ACEN Australia Pte. Ltd.	Singapore					Investment holding
- Ordinary shares		100	100	100	100	
- Redeemable preference shares		100	100	-	-	
UPC-AC Energy Australia (HK) Ltd. ⁽¹⁾	Hong Kong					Investment holding
- Ordinary shares		100	100	100	100	
ACEN Indonesia Investment Pte Ltd ⁽²⁾	Singapore					Investment holding
- Ordinary shares		100	100	100	100	
ACEN Investments HK Limited	Hong Kong					Investment holding
- Ordinary shares		100	100	100	100	

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

Name of subsidiary	Country of incorporation	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2024	2023	2024	2023	
		%	%	%	%	
<u>Indirectly held</u>						
Arlington Mariveles Netherlands Holding B.V.	Netherlands	100	100	100	100	Investment holding
ACEN Vietnam Co. Ltd	Vietnam	100	100	100	100	Investment holding
ACEN Investments Australia Pty Ltd ^{(1) (3)}	Australia					Investment holding
- Ordinary shares		100	100	100	100	
- Redeemable preference shares		100	100	-	-	
UPC Australia (HK) Ltd ⁽¹⁾	Hong Kong					Investment holding
- Ordinary shares		100	100	100	100	
ACEN Australia Pty. Ltd ⁽¹⁾	Australia					Renewable energy development and construction
- Ordinary shares		100	100	100	100	
ACEN USA LLC	United States					Investment holding
- Ordinary shares		100	100	100	100	
PT ACEN Development Indonesia ⁽⁴⁾	Indonesia					Investment holding
- Ordinary shares		100	100	100	100	
PT Batam Energi Terbarukan ⁽⁵⁾	Indonesia					Renewable energy development and construction
- Ordinary shares		60	-	60	-	

1. Entity became a subsidiary in 2023.
2. Newly incorporated entity in September 2023
3. Previously UAC Holdings Pty Ltd
4. Newly incorporated entity in October 2023
5. Newly incorporated entity in August 2024

Investment in PT Batam Energi Terbarukan

On June 20, 2024, ACEN Indonesia Investment Holdings Pte. Ltd. ("ACEN Indonesia") and PT Suryagen Griya Intitama ("SGI") entered into a Shareholder Agreement for the establishment and incorporation of PT Batam Energi Terbarukan ("PT Batam"). ACEN Indonesia subscribed to 9,240 Class A shares representing 60% ownership in PT Batam.

As at December 31, 2024, investment cost in PT Batam is at \$0.6 million.

PT Batam is expected to develop a 660MW photovoltaic project in Pulau Lumba Besar, Indonesia.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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Non-controlling interests

Non-controlling interest arises from the infusion of:

- a) ACEN Australia Pty Ltd for its 80% (2023 : 80%) interest in ACEN Robbins Island Pty Ltd;
- b) ACEN Australia Pty Ltd for its 95% (2023 : 95%) interest in ACEN Valley of the Winds Pty Ltd;
- c) ACEN Investments Australia Pty Ltd for its 75% (2023 : 75%) interest in Yindjibarndi Energy Corporation Pty Ltd; and
- d) ACEN Indonesia Investment Holdings Pte. Ltd. for its 60% interest in PT Batam

9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cost of investment	459,456	346,748	148,404	146,471
Share of post-acquisition profit, net dividend received	(8,730)	21,428	-	-
	<u>450,726</u>	<u>368,176</u>	<u>148,404</u>	<u>146,471</u>

<u>Group</u>	<u>Investment in associates and joint ventures \$'000</u>
Balance as at January 1, 2023	258,443
Additions	98,453
Conversion (Note 11)	4,884
Share of post-acquisition profit	13,725
Share in other comprehensive income	(1,413)
Dividend received	(14,803)
Reclassification from subsidiary (Note 8)	128,262
Remeasurement	60,459
Divestment	(179,475)
Translation	(359)
Balance as at December 31, 2023	<u>368,176</u>
Additions	102,005
Conversion (Note 11)	26,503
Share of post-acquisition profit	3,308
Share in other comprehensive income	379
Dividend received	(25,822)
Divestment	(8,324)
Reclassification to amounts due from related parties	(15,416)
Translation	(83)
Balance as at December 31, 2024	<u>450,726</u>

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

<u>Company</u>	<u>Investment in associates and joint ventures</u> \$'000
Balance as at January 1, 2023	12,941
Additions	5,268
Reclassification from subsidiary (Note 8)	128,262
Balance as at December 31, 2023	146,471
Additions	3,756
Conversion	3
Divestment (Note 34)	(1,826)
Balance as at December 31, 2024	148,404

Details of the Group's significant associates and joint ventures at December 31 are as follows:

Name of entity	Type	Place of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activities
			2024	2023	2024	2023	
			%	%	%	%	
<u>Directly held</u>							
UPC Renewables Asia III Ltd. ⁽⁴⁾	Joint Venture	Hong Kong	10	10	51	51	Renewable energy developer
ACEHI Netherlands B.V. ⁽⁷⁾	Joint Venture	Netherlands	75.8	75.8	75.8	75.8	Financial holdings
UPC-AC Energy Solar Limited	Joint Venture	Hong Kong	50	50	50	50	Financial holdings
UPC-AC Energy Solar Pte. Ltd.	Joint Venture	Singapore	50	50	50	50	Financial holdings
NEFIN Limited	Joint Venture	Hong Kong	50	50	50	50	Financial holdings
NEFIN Asset Management Pte. Ltd.	Joint Venture	Singapore	50	50	50	50	Financial holdings
BrightNight India B.V. ⁽⁸⁾	Joint Venture	Netherlands	50	50	50	50	Financial holdings
ACEN-Silverwolf Pte. Ltd.	Joint Venture	Singapore	50	50	50	50	Financial holdings
Monsoon Wind B.V. ⁽⁹⁾	Joint Venture	Netherlands	50	50	50	50	Financial holdings
IBV ACEN Renewables Asia Pte Ltd	Joint Venture	Singapore	50	50	50	50	Financial holdings
Unlimited Renewable Holdings B.V.	Joint Venture	Netherlands	50	-	50	-	Financial holdings
<u>Indirectly held</u>							
Star Energy Geothermal (Salak-Darajat) B.V. and its subsidiaries ⁽¹⁾	Associate	Netherlands	15	15	15	15	Financial holdings

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

Name of entity	Type	Place of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activities
			2024	2023	2024	2023	
			%	%	%	%	
PT UPC Sidrap Bayu Energi ⁽¹⁰⁾	Joint venture	Indonesia	-	10	-	38.3	Wind power generation and plant operation
AMI AC Renewables Corporation ⁽²⁾	Joint venture	Vietnam	50	50	50	50	Power generation
BIM Renewable Energy JSC	Associate	Vietnam	64	30	30	30	Power generation
BIM Energy JSC	Associate	Vietnam	64	30	30	30	Power generation
BIM Wind Power JSC	Associate	Vietnam	64	30	30	30	Power generation
Masaya Solar Energy Pvt Ltd.	Joint Venture	India	51	51	50	50	Power generation
Asian Wind Power 1 HK Ltd. ⁽³⁾	Joint Venture	Hong Kong	50	50	50	50	Financial holdings
Dai Phong Development Investment Joint Stock Company ⁽³⁾	Joint Venture	Vietnam	50	50	50	50	Power Generation
Asian Wind Power 2 HK Ltd ⁽⁵⁾	Joint Venture	Hong Kong	50	50	50	50	Financial holdings
Indochina Wind Pte. Ltd.	Joint Venture	Singapore	50	50	50	50	Financial Holdings
Vietnam Wind Energy Limited	Joint Venture	Hong Kong	50	50	50	50	Financial Holdings
UPC Power Solutions LLC ⁽⁶⁾	Joint Venture	USA	83	83	50	50	Financial Holdings
PT Puri Prakarsa Batam	Associate	Indonesia	40	40	40	40	Power generation
PT Dewata ACEN Renewables Indonesia	Joint Venture	Indonesia	50	50	50	50	Power generation
Solar NT Holdings Pte. Ltd.	Associate	Singapore	49	49	49	49	Financial holdings
SME Energy Joint Stock Company	Joint Venture	Vietnam	50	-	50	-	Financial holdings
PT UPC Lombok Timur Bayu Energi	Associate	Indonesia	49	-	49	-	Power generation
PT UPC Sidrap Bayu Energi Tahap Dua	Associate	Indonesia	49	-	49	-	Power generation
PT UPC Sukabumi Bayu Energi	Associate	Indonesia	49	-	49	-	Power generation
BIM Energy Holding Corporation	Associate	Vietnam	49	-	49	-	Financial Holdings

1. The Group has significant influence over Star Energy Geothermal (Salak-Darajat) B.V. and its subsidiaries by virtue of its approval rights over key decision areas and material transactions through various reserved matters.

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2. AMI AC Renewables Corporation was formerly known as New Energy Investment Corporation.
3. The Group has joint control over Asian Wind Power 1 HK Ltd. and Dai Phong Development Investment Joint Stock Company by virtue of its contractual right to appoint two out of four directors to the board of both companies and all decisions that significantly affect the Asian Wind Power 1 HK Ltd. and Dai Phong Development Investment Joint Stock Company require unanimous consent from both Shareholders, ACEN Vietnam Investments Pte. Ltd. and The Blue Circle Pte. Ltd.
4. The Group has joint control over UPC Renewables Asia III Ltd. by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserve matters.
5. The Group has joint control over Asian Wind Power 2 HK Ltd. by virtue of its contractual right to appoint two out of four directors to the board of both companies and all decisions that significantly affect the Asian Wind Power 2 HK Ltd. require unanimous consent from both Shareholders, ACEN Vietnam Investments Pte. Ltd. and The Blue Circle Pte. Ltd.
6. The Group has joint control over UPC Power Solutions LLC because all fundamental decisions and matters require unanimous approval of all partners.
7. In July 2023, the Group disposed 24.2% of its interest in ACEHI Netherlands B.V. The Group has joint control over ACEHI Netherlands B.V. due to unanimous approval on all matters.
8. The Group has joint control over BrightNight India B.V. by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserve matters.
9. The Group has joint control over Monsoon Wind B.V. by virtue of the requirement for simple majority from both shareholders over key decision areas and material transactions through various reserve matters.
10. On March 29, 2024, the Group, together with its joint venture partners, signed a Share Purchase Agreement with PT Barito Wind Energy, for the sale of PT Sidrap Bayu Energi, through sale of ownership of UPC Renewables Asia III Limited, UPC Sidrap (HK) Limited and Sunedison Sidrap B.V. (external party) in PT Sidrap Bayu Energi. The transaction was completed on April 2, 2024 (see Note 34).

BIM Renewable Energy JSC and BIM Energy JSC

On April 12, 2018, the Group entered into a 30-70 joint venture with Ha Long Investment and Development Limited Company ("BIM Group") to develop a 330MW of solar power projects in Ninh Thuan province, Vietnam. The solar project, which is comprised of three facilities with installed capacities of 30MW, 250MW and 50MW achieved commercial operations in April 2019. On December 2020, the 75MW solar expansion project was energised and achieved commercial operations.

On April 24, 2019, the Group infused additional paid in capital as share premium into BIM Renewable Energy Joint Stock Company ("BIMRE").

On November 26, 2024, the Group entered into a Share Purchase Agreement with Huntington Renewable Investments Limited ("HRIL"), for the acquisition of 49% of the issued and paid-up capital of BIM Energy Holding Corporation ("BIMEH"). BIMEH holds a 70% ownership stake in BIMRE, BIM Energy JSC ("BIME"), and BIM Wind Power JSC ("BIM Wind"). As a result of the acquisition, the Group's indirect ownership in BIMRE, BIME, and BIM Wind increased to 34.3%, bringing the total direct and indirect ownership to 64.3%.

Management assessed that the 64.3% effective ownership was insufficient to give the Group control, therefore, the Group will continue to classify its investments in BIMRE, BIME, or BIM Wind, as Investment in Associate using equity method of accounting.

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Asian Wind Power 1 HK Ltd.

On December 4, 2018, the Group acquired one (1) share, the entire issued share of Asian Wind Power 1 HK Limited ("Asian Wind 1"). Subsequently on March 1, 2019, Asian Wind 1 increased its capitalization by allotting 1,000 ordinary shares of \$1 each which was acquired by the Group. On March 4, 2019, Asian Wind 1 increased its capitalization by allotting 1,001 ordinary shares of \$1 each which was acquired by The Blue Circle Pte. Ltd ("TBC") which resulted for Asian Wind 1 to become a joint venture with TBC.

As of December 31, 2024, the Group infused \$1,001.

Asian Wind Power 2 HK Ltd

On March 20, 2020, the Group entered into a Share Subscription Agreement with TBC and Asian Wind Power 2 HK Ltd. ("Asian Wind 2") for 501 ordinary shares of Asian Wind 2, equivalent to 50% of the total issued shares of Asian Wind 2. Asian Wind 2 owns and operate the Hong Phong 1 Wind Project located in Binh Thuan Province, Vietnam. The project achieved commercial operations in November 2021.

As of December 31, 2024, the Group infused \$501.

BIM Wind Power Joint Stock Company

On June 15, 2020, the Group entered into a joint venture with BIM Energy Holding JSC to develop wind power projects in Ninh Thuan province, Vietnam. On September 30, 2022, the 88MW wind farm project was energised and achieved commercial operations.

UPC Power Solutions LLC

On May 13, 2022, the Group entered into a Limited Liability Company Agreement (LLCA) with UPC Solar & Wind Investments LLC and Pivot Power Management to pursue opportunities and acquire operating wind projects in the USA and explore strategies for extending their useful life through preventive maintenance and repowering. UPC Power Solutions LLC ("UPC Power") currently holds two wind projects in North America, namely Stockyard Wind, with net dependable capacity of 129 MW, and Chestnut Flats operating wind project, which has a capacity of 38MW.

In December 2023, a loan of \$15.4 million was advanced to UPC Power. It was initially treated as an investment in the associate. However, in 2024, management assessed the terms of the loan agreement and reclassified the \$15.4 million as an amount due from a related party.

As of December 31, 2024, the Group infused \$22.2 million.

IBV ACEN Renewables Asia Pte Ltd

On October 19, 2022, the Company executed the Shareholder's Agreement with Ib Vogt (Singapore) Pte. Ltd. to form a 50-50 joint venture, to develop, construct, own and operate renewable energy projects and battery storage projects in various territories in Asia such as Bangladesh, Malaysia, Myanmar, Pakistan, Laos, Cambodia, Vietnam, Indonesia and India.

As of December 31, 2024, the Group infused \$5,000.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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Monsoon Wind B.V.

On February 24, 2023, the Company executed the Shareholder's Agreement with Mitsubishi Corporation for the development, construction, and operation of Monsoon Wind Power Project in Southern Lao PDR. The 600 MW wind power plant is the first cross-border wind project in Southeast Asia and is expected to achieve commercial operations before the end of 2025. On March 14, 2023, the Company infused common share premium to the joint venture company, Monsoon Wind BV., representing 50% voting interest.

As of December 31, 2024, the Group infused \$1.5 million.

BrightNight India B.V.

On March 10, 2023, the Company signed Shareholder's Agreement with US-based renewable power company, BrighNight, to develop, construct and operate large-scale hybrid wind-solar and round-the-clock renewable power projects in India. On March 24, 2023, the Company owns 100 Class A shares and 100 Class A1 shares in the JV company, BrightNight India, B.V., representing 50% voting interest.

ACEN-Silverwolf Pte. Ltd.

On May 31, 2023, the Group entered into a joint venture with Silverwolf Capital Ltd. to invest 50% ownership in ACEN-Silverwolf Pte. Ltd ("ACEN Silverwolf") to develop renewable energy projects with a particular focus on projects located in the Republic of China (Taiwan) and Malaysia.

Solar NT Holdings Pte. Ltd.

On June 26, 2023, the group entered into a Share Purchase Agreement with Super Energy Group for 43,063,650 ordinary shares hold forty-nine percent (49%) of the issued and paid-up share capital of Solar NT Holdings Pte. Ltd ("Solar NT"). The acquisition resulted in a notional goodwill amounting to \$0.6 million, based on the fair values of the underlying net assets of Solar NT.

Unlimited Renewable Holdings B.V.

On December 21, 2023, the Company entered into a joint venture agreement with UPC India Pte. Ltd. to invest 50% ownership in Unlimited Renewables Holdings, B.V ("URH") for the purposes of developing certain Indian renewable energy and energy storage projects.

As of December 31, 2024, the Group infused \$2.7 million.

PT Puri Prakarsa Batam

On August 20, 2023, the Group entered into a Shareholders' Agreement with PT Trisurya Mitra Bersama for a joint development of a 660MW photovoltaic project with potential expansion in Pulau Luma Besar, Indonesia. In September 2024, the Group completed the first and second phase funding requirement for the 40% ownership stake in PT Puri Prakarsa Batam ("PPB").

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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PT Dewata ACEN Renewables Indonesia

On September 8, 2023, the Group entered into a joint venture with PT Dewata Megaenergi to invest in PT Dewata ACEN Renewables Indonesia ("PT Dewata") for the development, construction and operation of solar, battery energy storage systems and wind projects in Indonesia.

PT UPC Lombok Timur Bayu Energi, PT UPC Sidrap Bayu Energi Tahap Dua, PT UPC Sukabumi Bayu Energi

On December 15, 2023, the Group entered into share purchase agreements with UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy ("Barito Wind") for the acquisition of shares in three wind projects in Indonesia. The transaction was completed in January 2024.

PT UPC Lombok Timur Bayu Energi ("PT Lombok") is developing a wind power project in East Lombok, Indonesia with an expected installed capacity of 100MW.

PT UPC Sidrap Bayu Energi Tahap Dua ("PT Sidrap 2") is developing a wind power project in Sidrap, South Sulawesi, Indonesia with an expected installed capacity of 70MW.

PT UPC Sukabumi Bayu Energi ("PT Sukabumi") is developing a wind power project in Sukabumi, West Java, Indonesia with a total project capacity of 150MW.

As of December 31, 2024, the Group infused a total of \$5.8 million.

BIM Energy Holding Corporation

On November 26, 2024, the Group entered into a Share Purchase Agreement with Huntington Renewable Investments Limited ("HRIL"), for the acquisition of 49% of the issued and paid-up capital of BIM Energy Holding Corporation ("BIMEH") for a purchase price of \$70.5 million. The purchase price was paid in tranches, with \$35.0 million on November 26, 2024 and \$35.5 million on December 3, 2024.

On December 18, 2023, the Company entered into a Reservation Agreement amounting to US\$24.5 million as part of the total consideration for the transaction.

With the final purchase price completed in November and December 2024, the acquisition of the renewable energy holding company in Vietnam was completed on December 3, 2024.

The acquisition resulted in a notional goodwill amounting to \$1.6 million, based on the provisional fair values of the underlying net assets of BIMEH.

BIMEH develops renewable energy projects in Vietnam. Its principal place of business and country of incorporation is in Vietnam.

All the above joint ventures and associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material joint ventures and associate are set out below. The summarised financial information below represents amounts shown in the joint ventures' and associate's financial statements prepared in accordance with International Financial Reporting Standards, adjusted by the Group for equity accounting purposes.

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Material associates and joint ventures

<u>Star Energy Geothermal (Salak-Darajat) B.V. and its subsidiaries ("Star Energy Salak")</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Current assets	326,374	365,639
Non-current assets	2,485,368	2,457,501
Current liabilities	(115,701)	(101,195)
Non-current liabilities	(1,603,676)	(1,637,839)
	<hr/>	<hr/>
Revenue	371,767	397,445
Profit for the year	138,478	146,686
Other comprehensive (loss) income for the year	(219)	(868)
Total comprehensive income for the year	138,259	145,818
Dividend income from associate during the year	24,561	11,880
	<hr/>	<hr/>
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Star Energy Salak – Group's share</u>		
Net assets of the associate	1,092,365	1,084,106
Proportion of the Group's ownership	15.31%	15.31%
Goodwill	2,576	2,576
Other costs capitalized as part of investment	55,553	60,231
Carrying amount of the Group's interest	225,370	228,784
	<hr/>	<hr/>
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Solar NT</u>		
Current assets	26,388	25,653
Non-current assets	198,670	224,317
Current liabilities	(32,589)	(17,696)
Non-current liabilities	(125,034)	(156,630)
	<hr/>	<hr/>
Revenue	36,253	34,866
Loss for the year	(6,297)	(8,104)
Total comprehensive loss for the year	(8,521)	(9,548)
	<hr/>	<hr/>

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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December 31, 2024

	2024	2023
	\$'000	\$'000
<u>Solar NT – Group’s share</u>		
Net assets of the joint venture	85,443	94,295
Proportion of the Group’s ownership	49%	49%
Goodwill	597	597
Carrying amount of the Group’s interest	41,270	46,205
<u>UPC Power</u>		
	2024	2023
	\$'000	\$'000
Current assets	26,948	9,957
Non-current assets	61,861	26,517
Current liabilities	(36,313)	(18,126)
Non-current liabilities	(23,125)	(1,077)
	2024	2023
	\$'000	\$'000
Revenue	9,135	423
Profit for the year	(10,476)	6,124
Total comprehensive income for the year	(10,476)	6,124
<u>UPC Power – Group’s share</u>		
	2024	2023
	\$'000	\$'000
Net assets of the joint venture	29,371	17,271
Proportion of the Group’s ownership	83%	83%
Goodwill	6,811	19,297
Carrying amount of the Group’s interest	31,189	33,689
<u>BIMEH</u>		
	2024	2023
	\$'000	\$'000
Current assets	72,341	-
Non-current assets	575,222	-
Current liabilities	(27,621)	-
Non-current liabilities	(349,681)	-
Revenue	-	-
Profit for the year	(1,517)	-
Total comprehensive income for the year	(1,517)	-

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<u>BIMEH – Group’s share</u>	<u>2024</u>	<u>2023</u>
	\$’000	\$’000
Net assets of the joint venture	188,974	-
Proportion of the Group’s ownership	49%	-
Goodwill	1,660	-
Directly attributable costs	1,722	-
Carrying amount of the Group’s interest	<u>95,979</u>	<u>-</u>

<u>BIMRE</u>	<u>2024</u>	<u>2023</u>
	\$’000	\$’000
Current assets	42,319	40,067
Non-current assets	191,101	211,827
Current liabilities	(20,100)	(20,527)
Non-current liabilities	<u>(157,654)</u>	<u>(179,115)</u>

	<u>2024</u>	<u>2023</u>
	\$’000	\$’000
Revenue	48,580	54,036
Profit for the year	10,301	13,590
Total comprehensive income for the year	10,301	13,590
Dividend income from joint venture during the year	<u>1,260</u>	<u>2,923</u>

<u>BIMRE – Group’s share</u>	<u>2024</u>	<u>2023</u>
	\$’000	\$’000
Net assets of the joint venture	55,666	52,252
Proportion of the Group’s ownership	30%	30%
Goodwill	17,055	17,055
Foreign exchange difference	-	880
Carrying amount of the Group’s interest	<u>33,755</u>	<u>33,611</u>

Aggregate information of associates and joint ventures that are not individually material

	<u>2024</u>	<u>2023</u>
	\$’000	\$’000
The Group’s share of loss from continuing operations	(5,248)	(5,809)
The Group’s share of total comprehensive income	1,080	310
Aggregate carrying amount of the Group’s interests in these associates and joint ventures	<u>23,163</u>	<u>25,743</u>

The aggregate carrying amount of the Group’s interests of the individually immaterial associates and joint ventures comprises mainly the share capital of the respective associates and joint ventures.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
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10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Redeemable preference shares	78,834	106,632	73,318	100,597

<u>Group</u>	Financial assets at FVTOCI \$'000
Balance as at January 1, 2023	6,535
Fair value loss in other comprehensive income	(501)
Additions	100,598
Balance as at December 31, 2023	106,632
Fair value loss in other comprehensive income	(51,130)
Reclassification (Note 12 and 16)	59,462
Repayment	(51,000)
Additions	14,870
Balance as at December 31, 2024	78,834

<u>Company</u>	Financial assets at FVTOCI \$'000
Balance as at January 1, 2023	6,535
Fair value loss in other comprehensive income	(501)
Additions	94,563
Balance as at December 31, 2023	100,597
Fair value loss in other comprehensive income	(50,611)
Reclassification (Note 12 and 16)	59,462
Repayment	(51,000)
Additions	14,870
Balance as at December 31, 2024	73,318

Redeemable preference shares

Financial assets at FVTOCI comprised of redeemable preference shares in UPC-ACE Energy Solar Limited, PPB, and IBV ACEN Renewables Asia Pte Ltd.

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UPC Sidrap (HK) Limited

On January 11, 2017, the Company subscribed to 1,130 redeemable Class B preference shares of UPC Sidrap (HK) Limited ("UPC Sidrap HK"). The unquoted equity investments represent investment in the Sidrap Project that is engaged in wind power generation and operation.

On March 29, 2024, the Group, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd, signed a Share Purchase Agreement with Barito Wind, for the sale of PT Sidrap Bayu Energi ("Sidrap Wind"), through sale of ownership of UPC Renewables Asia III Limited ("UPC Asia III"), UPC Sidrap HK and Sunedison Sidrap B.V. in Sidrap Wind. On April 2, 2024, the sale transaction was completed. The fair value of the investment in UPC Sidrap HK is revalued to nil following the full divestment of the underlying project or asset.

UPC-AC Energy Solar Limited

On March 31, 2023, the Company subscribed to redeemable Class B preference shares of UPC-AC Energy Solar Limited ("UPC Solar"). The unquoted equity investments represent investment in the India Projects that are engaged in power generation and operation. On August 8, 2024, the Board of Directors' of UPC Solar approved the change in UPC Solar's business model, which included amendments to the features of its Class A preference shares. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payment upon discretion of the board and (c) no fixed redemption date. The amendment resulted in a reclassification of the preference shares from "other financial assets at amortised cost" to "financial assets at FVTOCI" (Note 12). The net carrying amount of the instrument on the date of the reclassification amounted to \$59.5 million.

PT Puri Prakarsa Batam

On September 30, 2023, the Company subscribed to 90,920 redeemable Class B preference shares of PPB. The unquoted equity investments represent investment in the Suryagen Project that is engaged in power generation and operation.

BrightNight India B.V.

On various dates in 2023, the Company subscribed to Preference C Shares of BrightNight India B.V. The unquoted equity investments represent investments in the India projects that are engaged in Solar and hybrid power generation and operations. On November 6, 2024, the Preference C Shares were fully redeemed.

IBV ACEN Renewables Asia

On various dates in 2024, the Company subscribed to Rate 1 and 2 Preference Shares of IBV ACEN Renewables Asia Pte. Ltd., representing unquoted equity investments in solar power generation projects in Bangladesh and Malaysia.

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11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Compulsorily Convertible Debentures	15,935	34,910	-	-
<u>Current:</u>				
Compulsorily Convertible Debentures	-	-	-	-
<u>Group</u>				Financial assets at FVTPL \$'000
Balance as at January 1, 2023				23,368
Additions				21,248
Conversions (Note 9)				(4,884)
Fair value loss in profit or loss				(4,822)
Balance as at December 31, 2023				34,910
Repayment				(10,455)
Fair value loss in profit or loss				(8,520)
Balance as at December 31, 2024				15,935

On November 16, 2021 and December 9, 2021, the Group subscribed to 21,561,291 and 32,799,307, respectively, Compulsorily Convertible Debentures (CCDs) of Masaya Solar. Masaya Solar has commenced operations of the 420MWp solar farm in the Central Indian state of Madhya Pradesh in 2024. Total cost of subscription amounted to \$8.0 million. In various dates in 2023, the Group subscribed to 133,650,300 with total subscription amount of \$17.6 million.

In 2023, Masaya Solar partially converted the CCDs into equity amounting to \$5.8 million.

In various dates in 2023, the Group subscribed to 90,557,130 with total subscription amount of \$10.8 million.

In 2024, a portion of the total subscription amount amounting to \$10.5 million was returned to Masaya Solar.

The CCDs are unsecured and have a maturity date of 28 years from the date of allotment. Unless earlier converted, CCDs shall be converted into equity shares immediately after maturity date. Prior to maturity, Masaya Solar, has the option to convert the CCDs into equity shares in the ratio of 1:1.

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12 OTHER FINANCIAL ASSETS AT AMORTISED COST

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Unquoted debt securities	308,212	380,758	310,955	383,427

<u>Group</u>	Other financial assets at amortised cost \$'000
Balance as at January 1, 2023	373,564
Additions	71,146
Redemptions/repayments	(47,289)
Reclassification of RPS to development loan	(1,700)
Provision for expected credit loss	(14,963)
Balance as at December 31, 2023	380,758
Additions	29,103
Redemptions/repayments	(21,864)
Reclassification	(79,711)
Adjustment	(74)
Balance as at December 31, 2024	308,212

<u>Company</u>	Other financial assets at amortised cost \$'000
Balance as at January 1, 2023	349,037
Additions	36,090
Reclassification from RPS to development loan	(1,700)
Balance as at December 31, 2023	383,427
Additions	29,103
Redemptions/repayments	(21,864)
Reclassification	(79,711)
Balance as at December 31, 2024	310,955

Other financial assets at amortised cost relate to investments in unquoted redeemable preference shares and convertible loan facilities to a related party.

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Details of the Group's other financial assets at amortised costs are as follows:

Name of Investee	Payment Term	Interest	Balance \$'000	
			2024	2023
UPC Renewables Asia III Ltd.	Redeemable at the holder's option	Fixed, cumulative and compounding rate	-	21,864
AMI AC Renewables Corporation	Redeemable at the issuer's option	Fixed base rate	125,404	125,404
Asian Wind Power 1 HK Ltd.	Redeemable until July 31, 2040	Fixed, cumulative and compounding rate	16,264	16,264
BIM Renewable Energy Joint Stock Company	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	24,387	24,387
BIM Energy Joint Stock Company	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	4,255	4,255
UPC-AC Energy Solar Limited	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	-	76,000
Asian Wind Power 2 HK Ltd.	Redeemable until October 31, 2041	Fixed, cumulative and compounding rate	15,687	15,687
Vietnam Wind Energy Limited	Redeemable no later than 20 years from drawdown date	Fixed, cumulative and compounding rate	38,000	38,000
BIM Wind Power Joint Stock Company	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	40,242	40,316
NEFIN Limited	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	34,700	30,945
Impact Wind Investments Limited	Redeemable until March 31, 2043	Fixed, cumulative and compounding rate	47,273	25,636
Expected credit loss allowance			346,212	418,758
			(38,000)	(38,000)
			308,212	380,758

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UPC Renewables Asia III Ltd.

Redeemable Class A preference shares in UPC Asia III are non-voting shares and are redeemable at the holder's option within 30 days from earlier of July 15, 2035 or date as soon as funds are realised by UPC Asia III or its subsidiaries. The shares are entitled to dividends at fixed, cumulative and compounding rate annually, commencing from January 11, 2017.

On March 29, 2024, the Group, together with its joint venture partners, signed a Share Purchase Agreement with Barito Wind, for the sale of Sidrap Wind, through sale of ownership of UPC Asia III, UPC Sidrap HK and Sunedison Sidrap B.V. (external party) in Sidrap Wind. The transaction was completed on April 2, 2024. On June 29, 2024, the Board of Directors (BOD) of UPC Asia III approved the redemption of \$19,677,000 Redeemable Class A Preferred Shares (RPS) out of distributable profits and redemption of \$2,187,000 by payment out of share capital of the RPS. As at December 31, 2024, the receivable balance is \$Nil (2023 : \$21,864,000).

UPC-AC Energy Solar Limited

During the years ended December 31, 2020 up to 2024, the Group entered into different Share Subscription Agreement with UPC Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations. On August 8, 2024, the Board of Directors' of UPC Solar approved the change in UPC Solar's business model, which included amendments to the features of its Class A preference shares. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payment upon discretion of the board and (c) no fixed redemption date. The amendment resulted in a reclassification of the preference shares from "other financial assets at amortised cost" to "financial assets at FVTOCI". The amount reclassified amounted to \$59.5 million (principal of \$76.0 million, net of expected credit loss of \$16.5 million), representing the carrying amount of the instrument on the date of the reclassification. As at December 31, 2024, the amount receivable is \$Nil (2023 : \$76,000,000).

BIM Wind Power Joint Stock Company

On December 21, 2021, the Group converted deposit for future equity in BIM Wind Power Joint Stock Company ("BIM Wind") into 300,000 redeemable preference shares. The redeemable preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations. In 2022, the Group converted deposit for future equity in BIM Wind amounting to \$29,527,378 of Preferred Shares. In 2023, the Group converted deposit for future equity in BIM Wind amounting to \$3,138,792 of Preferred Shares. In 2024, an adjustment amounting to \$74,036 was reflected pertaining to the receipt of refund from the transaction in 2023. As at December 31, 2024, the amount receivable is \$40,242,000 (2023 : \$40,316,000).

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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NEFIN Limited

Construction Equity RPS in NEFIN Limited are non-voting shares entitled to a fixed, cumulative compounding dividends annually and are not entitled to any additional dividends. The shares are redeemable only by cash at the issuer's option. In 2024, additional drawdowns amounting to \$256,000 were made, and a portion of the debt replacement facility was converted to Construction RPS, amounting to \$3,500,000. As at December 31, 2024, the amount receivable is \$34,700,000 (2023 : \$30,944,000).

Impact Wind Investments Limited

On February 2023, the Group entered into a Party B Financing Bond Subscription Agreement with Mitsubishi Corporation, and Monsoon Wind B.V. to subscribe to Party B Financing to fund the construction of 600MW Monsoon Wind Project. The financing has an aggregate total amount of \$80.4 million of which, \$65.0 million is allocated to the Group. The Party B Financing has a fixed interest rate, payable on March 31, 2043. In 2024, additional drawdowns were made amounting to \$21,636,851. As at December 31, 2024, the amount receivable is US\$47,273,000 (2023 : US\$25,636,000).

Other financial assets at amortised cost bear interest ranging from 8.80% to 14.00% (2023 : 8.00% to 14.00%) per annum.

These redeemable preference shares are held by the Group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence, the redeemable preference shares are classified as financial assets at amortised cost.

In determining the ECL, management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.

As at December 31, 2024, the Group provided ECL provision amounting to \$38.0 million (2023 : \$38.0 million).

Movement in expected credit loss allowance

	Group	
	2024	2023
	US\$	US\$
Balance at beginning of the year	38,000	23,037
Loss allowance recognised in profit or loss (Note 36)	-	14,963
Balance at end of the year	38,000	38,000

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**NOTES TO FINANCIAL STATEMENTS
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13 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Assets:</u>				
Interest rate swaps, designated in hedge accounting relationships LTESA	5,710	7,476	1,873	-
	72,242	106,688	-	-
Total derivative assets	77,952	114,164	1,873	-

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Analyses as:</u>				
Current	2,661	2,455	-	-
Non-current	75,291	111,709	1,873	-
	77,952	114,164	1,873	-

<u>Liabilities:</u>				
Interest rate swaps, designated in hedge accounting relationships LTESA	4,205	-	42	-
	-	-	-	-
Total derivative assets	4,205	-	42	-

<u>Analyses as:</u>				
Current	2,520	-	-	-
Non-current	1,685	-	42	-
	4,205	-	42	-

Interest rate swap contracts

The following are the details of the interest rate swaps entered into by the Group:

Trade Date	Notional Amount	Effectivity Date
December 27, 2023	\$25,000,000	March 17, 2025
June 19, 2024	\$20,000,000	September 23, 2024
August 6, 2024	\$25,000,000	March 17, 2025
August 19, 2024	\$10,000,000	September 16, 2024
August 21, 2024	\$5,000,000	September 16, 2024
August 22, 2024	\$5,000,000	September 16, 2024
September 10, 2024	\$5,000,000	September 16, 2024
September 18, 2024	\$10,000,000	October 15, 2024

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Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness, and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

Potential sources of hedge ineffectiveness in the hedging relationship were as follows:

- a. Changes in facility agreement terms such as replacing the interest rate with another measure such that the replacement benchmark is not reflected on the hedging instrument.
- b. Changes to reset dates or frequency or timing of interest payments.
- c. Changes to anticipated drawdowns under the loan agreements resulting in overhedging.

Long-Term Energy Supply Agreements

LTESA gives the generator the right, but not the obligation to enter into a strip of two-year electricity swap contracts from July 1, 2026, to June 30, 2047, also referred to as "Swaptions". If a swaption is exercised, the swap would settle based on the difference between the LTESA fixed price (subject to annual CPI escalation) and the NEM spot rate for each MWh of energy produced. The generator received spot from the Australian Energy Market Operator ("AEMO"), then pays spot to the Scheme Financial Vehicle ("SFV") and receives fixed from SFV.

The LTESA contract comprises of a series of ten consecutive swaptions that would deliver a two-year swap if exercised. Each swaption must be exercised in the period of 6-12 months to the swap effective date. If none of the swaptions are exercised then no cash is exchanged between the SFV and the generator over the life of the arrangement, and the claw back mechanism will come into effect. If SFV has been the net payer under the LTESA; and dispatch weighted average price is above its repayment threshold price per contract, then New England Solar Project (NESF) or Stubbo Solar Project (Stubbo) must pay SFV the repayment amount. The repayment money is capped at the amount previously received by NESF or Stubbo during the swaption.

Maturity date of LTESA for NESF and Stubbo is on June 30, 2046, and June 30, 2047, respectively. Potential sources of hedge ineffectiveness in the hedging relationship were as follows:

- a. Credit risk
- b. Fixed price CPI escalation
- c. Changes in generation forecast
- d. Annual payment cap
- e. Clawback mechanism

LTESA valuations is determined using a discounted cash flow approach using long dated energy generation volumes and long dated energy and LGC price curves. The observable energy market pricing in Australia is approximately 2.5 years to 3.5 years based on the ASX futures market and therefore prices past this point are required to be estimated by brokers using modelling of both supply and demand with the NEM.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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14 RIGHT-OF-USE ASSETS

The Group leases several assets including development land and offices.

<u>Group</u>	<u>Development land \$'000</u>	<u>Offices \$'000</u>	<u>Total \$'000</u>
Cost:			
At January 1, 2023	31,805	352	32,157
Additions	42,320	537	42,857
Disposals	(196)	-	(196)
Foreign exchange adjustment	1,523	(18)	1,505
At December 31, 2023	75,452	871	76,323
Additions	823	1,083	1,906
Disposals	(588)	-	(588)
Foreign exchange adjustment	1,209	(43)	1,166
At December 31, 2024	76,896	1,911	78,807
Accumulated amortisation:			
At January 1, 2023	3,085	63	3,148
Amortisation charged to profit or loss	358	198	556
Amortisation capitalised	1,166	83	1,249
Foreign exchange adjustment	81	(11)	70
At December 31, 2023	4,690	333	5,023
Amortisation charged to profit or loss	660	513	1,173
Amortisation capitalised	2,130	-	2,130
Disposals	(295)	-	(295)
Foreign exchange adjustment	(930)	(69)	(999)
At December 31, 2024	6,255	777	7,032
Carrying amount:			
At December 31, 2024	70,641	1,134	71,775
At December 31, 2023	70,762	538	71,300

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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15 DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised by the Group, and the movements thereon, during the current and prior reporting periods:

	Group	
	2024	2023
	\$'000	\$'000
<u>Movement in the deferred tax accounts:</u>		
At beginning of financial year	3,957	6,939
Credit to profit or loss (Note 32)	1,143	3,689
Adjustment from prior year income tax	5,979	-
Credit to other comprehensive income	8,903	-
Deferred tax liability	(782)	(6,671)
At end of financial year	<u>19,200</u>	<u>3,957</u>
Analysed as:		
Deferred tax asset:		
Tax loss carry forward	<u>19,200</u>	<u>3,957</u>

The Group has unutilised tax losses available for set-off against future taxable income subject to compliance with the relevant provisions of the Australia Income Tax Act.

16 AMOUNTS DUE FROM RELATED PARTIES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Loan receivable from joint ventures and associates	97,800	81,394	20,909	28,172
Loan receivable from related parties	95,389	80,100	27,155	-
Amount due from related parties	6,825	6,227	6,825	6,120
Accrued interest income	38,071	76,590	103,084	83,978
Provision for expected credit loss	(41,259)	(38,266)	(22,833)	(35,472)
	<u>196,826</u>	<u>206,045</u>	<u>135,140</u>	<u>82,798</u>

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Current:</u>				
Loan receivable from joint ventures and associates	27,679	-	10,795	-
Loan receivable from related parties	23,317	35,467	353,837	178,119
Amount due from related parties	2,084	97	1,773	204
Accrued interest income	106,946	28,168	32,895	11,763
	160,026	63,732	399,300	190,086
	356,852	269,777	534,440	272,884

Details of the Group's loan receivable from joint ventures, associates and related parties are as follows:

Name of Entity	Maturity Date	Balance \$'000	
		2024	2023
<i>Joint ventures and associates</i>			
Asian Wind 1	September 2035	26,590	26,590
Asian Wind 2	September 2035	20,065	20,912
UPC-ACE Solar	Repayable on 10 years from first utilization date	14,779	13,779
NEFIN Limited	Earlier of 24 months from first issuance date or upon securing project financing	16,669	14,295
VWEL	December 2042	5,120	5,120
PT Dewata	November 2025	774	600
PT Lombok	Repayable on demand	982	-
PT Sidrap 2	Repayable on demand	6,673	-
PT Sukabumi	Repayable on demand	4,360	-
UPC Power	May 2028	23,824	-
ACEN Silverwolf	February 2028	256	98
AMI Greenery Investment Joint Stock Company	December 2028	5,387	-
		125,479	81,394
<i>Related parties</i>			
Yoma Strategic Investments Ltd. ("Yoma")	December 2033	27,156	24,017
Masaya Solar	Repayable in 3 years from utilisation date	2,550	2,550
Wind Power Hoa Dong Company Limited ("Hoa Dong")	September 2031	41,589	41,589
Wind Power Lac Hoa Company Limited ("Lac Hoa")	September 2031	47,411	47,411
		118,706	115,567

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NOTES TO FINANCIAL STATEMENTS

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The Group entered into new loan agreements with joint ventures and associates in 2024:

- (a) A development loan facility to PT Lombok with a facility amount of \$5 million to fund the development of wind power project in East Lombok, Indonesia. The loan is repayable at the option of the Company. As at December 31, 2024, the receivable amount is \$1.0 million (2023: \$Nil).
- (b) A development loan facility to PT Sidrap 2 with a facility amount of \$8 million to fund the development of wind power project in Sidrap, South Sulawesi, Indonesia. The loan is repayable at the option of the Company. As at December 31, 2024, the receivable amount is \$6.7 million (2023: \$Nil).
- (c) A development loan facility to PT Sukabumi with a facility amount of \$5 million to fund the development of wind power project in Sukabumi, West Java, Indonesia. The loan is repayable at the option of the Company. As at December 31, 2024, the receivable amount is \$4.4 million (2023: \$Nil).
- (d) A devco loan facility to UPC Power with a facility amount of \$120 million to fund the development of various wind electric energy generating projects in the United States. The loan is repayable on May 13, 2028. As at December 31, 2024, the receivable amount is \$23.8 million (2023: \$Nil).

In December 2023, \$15.4 million was advanced to UPC Power. Initially, this loan was treated as part of the investment in the associate but was reclassified during the year. The maturity date for the loan is May 13, 2029.

- (e) A loan facility to ACEN Silverwolf with a facility amount of \$2 million to fund the development of renewable energy projects in the Republic of China (Taiwan) and Malaysia. The loan is repayable in February 2028. As at December 31, 2024, the receivable amount is \$0.3 million (2023: \$Nil).
- (f) A development loan facility to AMI Greenery Investment Joint Stock Company with a facility amount of \$6.5 million to fund the development of onshore wind farm in Savannakhet Province, Lao People's Democratic Republic. The loan is repayable in December 2028. As at December 31, 2024, the receivable amount is \$5.3 million (2023: \$Nil).

Loan receivables from associates, joint ventures and related parties bear interest ranging from 4% to 15% per annum (2023 : 2% to 12%).

Amount due from related parties relates to guarantee fee receivable from related parties with a fixed rate per annum of the recovery amount on a 180 days credit term. No interest is charged on the amount due from the related party the first 180 days from the date of the invoice. Thereafter, interest is charged at 6-months USD LIBOR + 5% per annum on the unpaid balance.

Accrued interest income relates primarily to the dividend yields from the Company's investments in the redeemable preference shares and interest from loans extended to its related parties.

For purpose of impairment assessment, the loan receivables, advances to related parties and amounts due from related parties are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

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In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

As at December 31, 2024, the Group provided ECL provision amounting to \$41.3 million (2023 : \$38.3 million).

Movement in expected credit loss allowance

	Group	
	2024	2023
	US\$	US\$
Balance at beginning of the year	38,266	-
Loss allowance recognised in profit or loss (Note 36)	19,531	38,266
Reclassification (Note 10)	(16,538)	-
Balance at end of the year	41,259	38,266

17 DEPOSITS FOR FUTURE STOCK SUBSCRIPTION

Subscription deposits for UPC Indonesia Development Assets

On December 13, 2023, the Group entered into an agreement with UPC Renewables Asia Pacific Holdings Pte Ltd, for the 49% acquisition of PT Lombok, PT Sukabumi and PT Sidrap 2, a 3 late-stage development projects in Indonesia, with a combined potential capacity of 320MW. The projects are located in South Sulawesi, Sukabumi, and Lombok. As part of the transaction, the Group, provided a subscription deposit amounting to \$2.0 million. In February 2024, the subscription deposit was converted to PT Lombok, PT Sukabumi and PT Sidrap 2's common shares. As at December 31, 2024, \$Nil (2023: \$2,000,000) of deposits remain outstanding.

Reservation Fee to Beacon Capital Holdings Limited

On December 18, 2023, the Group entered into a Reservation Agreement with Beacon Capital Holdings Limited and HRIL to acquire 49% stake in a renewable energy holding company in Vietnam. The transaction is subject to condition precedents, including regulatory approval in Vietnam. On December 21, 2023, the Group paid a reservation fee amounting to US\$24.5 million as part of the transaction.

In November 2024, the reservation fee was reclassified as part of Investment in Associate (Note 9).

Subscription to Subsidiaries

In various dates in August and November 2023, the company made subscription deposits to ACEN Australia Pte Ltd, as part of funding requirements of various investments. In March 2024, the deposits were converted to 2,279,100 number of redeemable preference shares. As at December 31, 2024, there are no remaining outstanding deposits.

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In various dates in November and December 2023, the Company made subscription deposits to ACEN Indonesia amounting to \$11.7 million, as part of the subsidiary's initial capitalisation and funding requirements of various investments. In March 2024, the deposits were converted to 28,857,379 number of redeemable preference shares. As at December 31, 2024, there are no remaining outstanding deposits.

In December 2023, the Company made subscription deposits to ACEN Vietnam Investments Pte Ltd amounting to \$89.0 million, as part of funding requirements of various investments. In January 2024, the deposits were converted to 89,000,000 number of redeemable preference shares. As at December 31, 2024, there are no remaining outstanding deposits.

18 OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Noncurrent:</u>				
Loans to third parties	35,000	-	-	-
<u>Current:</u>				
Accrued interest on fixed deposit	74	772	74	652
Accrued interest on loans	-	152	-	36
Loans to third parties	-	65,700	-	1,218
Amounts due from related companies	-	48	363	323
Deposit	2	218	-	-
GST receivable	2,563	5,623	-	-
	2,639	72,513	437	2,229

Amounts due from related companies

The amount due from related companies are non-trade, interest-free, repayable on demand and to be settled in cash.

The loans to third parties relate to:

- Development loan to URH, to fund the development projects of the UPC-ACEN Netherlands JV, with an aggregate principal amount of \$1.2 million. The loan is repayable upon maturity on January 5, 2024. In January 2024, the principal and interest were fully paid. As at December 31, 2024, the receivable amount is \$Nil (2023 : \$1.2 million).
- Facility loan to HRIL, to fund the acquisition of a stake in a renewable energy holding company in Vietnam, with an aggregate principal amount of \$64.5 million. The loan is repayable on June 21, 2024. The principal and interest were fully paid in tranches in November and December 2024. As at December 31, 2024, the receivable amount is \$Nil million (2023 : \$64.62 million).
- A term loan facility to BIM Group Joint Stock Company with a facility amount of \$35 million. The proceeds will be used as capital contributions to BIM Foods Joint Stock Company and other business activities relevant to its business plan. The loan is repayable in December 2029. As at December 31, 2024, the receivable amount is \$35.0 million (2023: \$Nil).

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Loan receivables from third parties bear interest of 6.00% to 12.22% in 2024 and 2023 per annum.

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has considered the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. No loss allowance is recognised during the year.

19 CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Fixed deposits	71,308	193,362	64,080	160,754
Cash and bank balances	62,623	48,129	1,828	1,888
	<u>133,931</u>	<u>241,491</u>	<u>65,908</u>	<u>162,642</u>

The fixed deposits bear interest ranging from 1.90% to 5.86% (2023 : 1.52% to 5.86%) per annum and for an average term of 10 days (2023 : 25 days).

20 LOANS AND BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Bank loans	571,882	334,826	110,124	-
Less: Unamortized debt issue costs	(3,467)	-	(3,467)	-
Less: Amount for settlement within 12 months (shown under current liabilities)	(112,057)	(11,575)	-	-
Amount due for settlement after 12 months	<u>456,358</u>	<u>323,251</u>	<u>106,657</u>	<u>-</u>

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The Group has the following bank loans:

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
<i>ACEN Renewables International Pte. Ltd (ACRI)</i>								
AU\$75.00 million Loan	AU\$12.00 million	April 17, 2024	December 7, 2028	Bank Bill Swap Rates ("BBSW") plus agreed margin	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net DE Ratio of 3.00:1.00. Based on ACRI consolidated Net debt and Total Equity expressed in Singaporean Dollars. Quarterly, together with financial statements.	46,410	-
	AU\$34.00 million	June 18, 2024	December 7, 2028					
	AU\$21.50 million	September 16, 2024	December 7, 2028					
	AU\$7.50 million	November 11, 2024	December 7, 2028					
US\$150.00 million Loan	US\$25.00 million	September 16, 2024	April 15, 2029	Bank Bill Swap Yield ("BBSY") plus agreed margin and Term Secured Overnight Financing Rate ("SOFR") plus agreed margin	Interest is payable quarterly from date of availment; Principal amortization is payable every 6 months after the grace period.	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested semi-annual together with financial statements.	38,713	-
	US\$10.00 million	October 15, 2024	April 15, 2029					
	AU\$6.00 million	November 18, 2024	April 15, 2029					

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Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
<i>ACEN Renewables International Pte. Ltd (ACRI)</i>								
US\$100.00 million Loan	US\$20.00 million	September 23, 2024	December 07, 2028	Term SOFR plus agreed margin	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Quarterly, together with financial statements.	20,000	-
US\$150.00 million Loan	US\$5.00 million	October 2024	July 4, 2029	Term SOFR plus agreed margin	Interest is payable quarterly from date of availment; Principal amortization is payable in 2028 and 2029 after the grace period.	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity. Semi-annually together with financial statements	5,000	-

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Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
ACEN Australia Pty Ltd. ("ACEN Australia") AU\$100 million Loan	AU\$34.54 million	August 18, 2022	August 18, 2027	BBSW plus agreed margin	3 or 6 months with automatic rollover but not to exceed the maturity date	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances.	41,703	29,734
	AU\$0.344 million	February 21, 2023	August 18, 2027			Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$9.00 million	April 12, 2023	August 18, 2027			Semi-annually, together with financial statements.		
	AU\$0.504 million	May 22, 2023	August 18, 2027					
	AU\$23.00 million	January 22, 2024	August 18, 2027					
AU\$140 million Loan	AU\$28.36 million	September 16, 2022	September 16, 2027	6.4275% per annum	Principal Repayment on Termination Date.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances.	86,634	50,756
	AU\$11.00 million	January 23, 2023	September 16, 2027		Interest payments 3 or 6 months, or any other period greater than 1 month agreed with Lender.	Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$14.42 million	March 16, 2023	September 16, 2027			Semi-annually, together with financial statements.		
	AU\$5.00 million	May 18, 2023	September 16, 2027					
	AU\$2.00 million	June 20, 2023	September 16, 2027					

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
	AU\$15.00 million	September 4, 2023	September 16, 2027					
	AU\$23.00 million	February 21, 2024	September 16, 2027					
	AU\$ 18.20 million	April 18, 2024	September 16, 2027					
	AU\$21.50 million	May 20, 2024	September 16, 2027					
	AU\$1.52 million	July 15, 2024	September 16, 2027					
AU\$75.00 million Loan	AU\$0.38 million	October 27, 2022	October 28, 2027	6.4275% per annum	Principal Repayment on Termination Date. Interest payments 6 months, or any other period greater than 1 month as agreed with Lender.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.	41,445	28,383
	AU\$5.00 million	May 18, 2023	October 28, 2027					
	AU\$7.00 million	August 18, 2023	October 28, 2027					
	AU\$15.00 million	September 19, 2023	October 28, 2027					
	AU\$15.00 million	November 20, 2023	October 28, 2027					
	AU\$24.60 million	April 18, 2024	October 28, 2027					

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
AU\$204.54 million Loan	AU\$157.78 million	February 11, 2021	December 22, 2025	BBSY plus agreed margin	Principal Repayment based on agreed schedule. Interest payments 3 or 6 months or any such shorter period agreed.	Default DSCR Ratio no less than 1.15x, 12 months backward and forward looking. Secured by Property	112,057	136,541
	AU\$6.125 million	January 23, 2023	December 22, 2025					
	AU\$0.699 million	February 22, 2023	December 22, 2025					
	AU\$6.00 million	March 16, 2023	December 22, 2025					
	AU\$0.610 million	March 22, 2023	December 22, 2025					
	AU\$18.00 million	April 24, 2023	December 22, 2025			Based on the ACEN consolidated year-end balances.		
	AU\$2.50 million	May 18, 2023	December 22, 2025			Tested quarterly after conversion to operation term facility.		
	AU\$2.406 million	June 22, 2023	December 22, 2025					
	AU\$5.00 million	September 4, 2023	December 22, 2025					
	AU\$2.844 million	September 22, 2023	December 22, 2025					
	AU\$0.953 million	October 23, 2023	December 22, 2025					
	AU\$0.931 million	November 22, 2023	December 22, 2025					

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**NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
AU\$277.00 million Loan	AU\$2.64 million	January 11, 2023	January 6, 2028	BBSY plus agreed margin	Principal Repayment on Termination Date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi-annually, together with financial statements.	171,411	89,412
	AU\$70.00 million	February 3, 2023	January 6, 2028					
	AU\$0.86 million	May 3, 2023	January 6, 2028					
	AU\$10.00 million	June 20, 2023	January 6, 2028					
	AU\$20.00 million	October 26, 2023	January 6, 2028					
	AU\$30.00 million	December 20, 2023	January 6, 2028					
	AU\$23.00 million	March 20, 2024	January 6, 2028					
	AU\$29.50 million	June 20, 2024	January 6, 2028					
	AU\$10.00 million	July 15, 2024	January 6, 2028					
	AU\$13.00 million	September 30, 2024	January 6, 2028					
	AU\$7.75 million	September 16, 2024	January 6, 2028					

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
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Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
	AU\$0.70 million	September 16, 2024	January 6, 2028					
	AU\$2.68 million	September 16, 2024	January 6, 2028					
	AU\$16.13 million	October 17, 2024	January 6, 2028					
	AU\$16.40 million	November 18, 2024	January 6, 2028					
	AU\$20.83 million	December 18, 2024	January 6, 2028					
	AU\$3.52 million	December 19, 2024	January 6, 2028					
AU\$75.00 million Loan	AU\$0.30 million AU\$5.0 million AU\$1.5 million	February 26, 2024 April 03, 2024 June 20, 2024	February 26, 2028 February 26, 2028 February 26, 2028	BBSY plus agreed margin	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi-annually, together with financial statements.	4,208	-

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NOTES TO FINANCIAL STATEMENTS
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Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	Balance \$'000	
							2024	2023
AU\$75.00 million Loan	AU\$0.45 million	February 26, 2024	February 26, 2028	BBSY plus agreed margin	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances.	4,301	-
	AU\$5.0 million	April 03, 2024	February 26, 2028			Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$1.5 million	June 20, 2024	February 26, 2028			Semi-annually, together with financial statements.		
Total							571,882	334,826
Less: unamortised debt issue costs							(3,467)	-
Less: current portion							(112,057)	(11,575)
Loans and borrowings, net of current portion							456,358	323,251

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

Total unamortised debt issue costs from the loan facilities amounted to \$3.5 million as of December 31, 2024. The corporate and syndicated loan facilities prices off an interest ranging from 2.90% to 6.53% per annum (2023 : 5.8% to 6.43%).

ACRI hedges the currency risk of its net investment in Australian Dollar foreign operations in Australia using Australian Dollar borrowings. Total outstanding hedged borrowings amounted to AU\$81.0 million (US\$50.3 million) as of December 31, 2024.

The effective portion of the gains or losses on the retranslation of these borrowings due to exchange rate risks is transferred to other comprehensive income to offset any gains or losses on translation of the net investments in the subsidiaries. The ineffectiveness in these hedges was nil in 2024.

21 LEASE LIABILITIES

	Group	
	2024	2023
	\$'000	\$'000
<u>Maturity analysis:</u>		
Year 1	6,382	5,222
Years 2 to 5	18,258	20,512
Years over 5	155,886	173,320
	180,526	199,054
Less: Unearned interest	(116,025)	(130,974)
	64,501	68,080
<u>Analyses as:</u>		
Current	6,382	5,206
Non-current	58,119	62,874
	64,501	68,080

22 OTHER LIABILITIES

	Group	
	2024	2023
	\$'000	\$'000
<u>Non-current:</u>		
Employee benefits	5,964	5,495
Make good provision	14,414	9,079
Other creditors	232	368
	20,610	14,942
<u>Current:</u>		
Employee benefits	873	627
Other creditors	3,746	2,803
	4,619	3,430

Make good provision is for the anticipated restoration of leased land. The assumptions are reviewed annually and updated based on the facts and circumstances available at the time.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

**NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

23 OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Unearned revenue	88,117	94,122	-	-
<u>Current:</u>				
Accrued expenses	1,731	458	552	195
Accrued interest	4,505	1,638	839	-
Wages payable	331	1,190	6	-
Accrued construction cost	8,351	27,625	-	-
	14,918	30,911	1,397	195

Unearned revenue relates to the Long-Term Energy Supply agreement that the Group secured for its New England solar and Stubbo solar projects at the New South Wales government's first renewable energy and storage auction. Maturity date of LTESA for NESF and Stubbo is on June 30, 2046 and June 30, 2047, respectively.

Accrued construction cost pertains to invoices yet to be received for the construction of 520MW Stubbo Solar Farm ("Stubbo") located in Stubbo, New South Wales, Australia.

24 AMOUNTS DUE TO RELATED PARTIES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Advances from related parties	34,629	50,789	1,149	1,385

The advances from a related parties are non-trade, interest-free, repayable on demand and to be settled in cash.

25 SHARE CAPITAL

	Group and Company			
	2024	2023	2024	2023
	Number of ordinary shares		\$'000	
Issued and fully paid-up:				
At the beginning of the year	36,100,000	1,100,000	36,100	1,100
Issued during the year	18,000,000	35,000,000	18,000	35,000
At the end of the year	54,100,000	36,100,000	54,100	36,100

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

26 REDEEMABLE PREFERENCE SHARES

	Group and Company			
	2024	2023	2024	2023
	Number of shares		\$'000	\$'000
Issued and fully paid-up:				
At the beginning of the year	14,469,680	14,202,030	1,446,968	1,420,203
Issued during the year	180,000	350,000	18,000	35,000
Redeemed during the year	(356,000)	(82,350)	(35,600)	(8,235)
At the end of the year	14,293,680	14,469,680	1,429,368	1,446,968

The rights, privileges and conditions attached to each of the redeemable preference shares ("RPS") issued by the Company can be summarised as follows:

- (i) The RPS carry no voting rights;
- (ii) The holder of RPS is entitled to priority of payment in a liquidation of the Company over any distribution or payment to be made in favour of the holders of all other shares in the Company, but is not entitled to any further participation in surplus assets; and
- (iii) The Company (issuer), subject to Section 70 of the Act, is entitled to redeem all or part of the redeemable preference shares by any one or more of the holders of the redeemable preference shares by paying to the relevant holder the amount paid up or credited as paid up on the redeemable preference shares plus such premium (if any) as the directors may in their absolute discretion determine at any time upon giving notice to the holders.

27 MERGER RESERVE

During the year ended December 31, 2018, the Company's investment in subsidiary, Arlington Mariveles Netherlands Holdings Coöperatie U.A. ("Coop") was acquired from a related party under common control of the ultimate holding company. The acquisition was satisfied by the transfer of all of the shares in the subsidiary, originally held by the related party, to the Company for a cash consideration of \$300,000. The combined total net assets of the subsidiary at the date of acquisition was \$1,000.

The merger reserve was established as a consequence of the merger of the Company and the subsidiary on September 18, 2018. The difference between the consideration paid and total net assets as at the date of the acquisition amounted to \$299,000 which has been classified under merger reserve in equity.

Coop is a cooperative with excluded liability incorporated in the Netherlands with its principal activity being investment holding. The Group acquired Coop with the primary reason for the equity participation in the renewable energy projects held under its joint venture.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

28 RESERVES

Revaluation Reserves

The revaluation reserves relate to investment revaluation reserves that represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal. The revaluation reserves are not available for distribution to the Company's shareholders.

Movement in revaluation reserves

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	(275)	226	(275)	226
Fair value loss on investments in equity instruments designated as at FVTOCI	(51,130)	(501)	(50,611)	(501)
Balance at end of year	(51,405)	(275)	(50,886)	(275)

Translation Reserves

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the parent's functional currency, being United States dollars, are recognised directly in the translation reserves.

Movement in translation reserves

	Group	
	2024	2023
	\$'000	\$'000
Balance at beginning of year	21,021	16,108
Exchange differences on translating the net assets of foreign operations	(43,819)	4,913
Balance at end of year	(22,798)	21,021

Hedging Reserves

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items.

Movement in hedging reserves

	Group	
	2024	2023
	\$'000	\$'000
Balance at beginning of year	11,396	5,769
Fair value gain on hedging instruments entered into for cash flow hedges subject to basis adjustment	(20,476)	5,627
Balance at end of year	(9,080)	11,396

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

**NOTES TO FINANCIAL STATEMENTS
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Equity Reserves

The equity reserves relate to the effects of changes in ownership interests in subsidiaries when there is no change in control.

Movement in equity reserves

	Group	
	2024	2023
	\$'000	\$'000
Balance at beginning of year	(49,628)	2,144
Effects of changes in ownership interests without change in control	-	(51,772)
Balance at end of year	<u>(49,628)</u>	<u>(49,628)</u>

29 REVENUE

	Group	
	2024	2023
	\$'000	\$'000
Dividend income	6,836	-
Interest income from investments	50,931	55,137
Electricity sales	39,441	14,910
	<u>97,208</u>	<u>70,047</u>

Interest income from investments is recognised at a point in time and there is no unsatisfied (or partially unsatisfied) performance obligation as at the end of the reporting period.

30 INTEREST INCOME ON LOANS AND DEPOSITS

	Group	
	2024	2023
	\$'000	\$'000
Interest income from bank deposits	2,644	408
Interest income from fixed deposits	1,974	17,155
Interest income from loan to third party	4,984	1,460
Interest income from loans to related parties	20,642	28,580
	<u>30,244</u>	<u>47,603</u>

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

31 FINANCE COSTS

	Group	
	2024	2023
	\$'000	\$'000
Bank charges	2,797	1,452
Lease liability interest expense	1,828	97
Loan interest expenses	8,343	1,576
	<u>12,968</u>	<u>3,125</u>

32 INCOME TAX BENEFIT

	Group	
	2024	2023
	\$'000	\$'000
Income tax		
- current year	78	249
- prior year	-	(2,403)
Deferred tax		
- current year	(1,143)	(3,689)
- prior year	(5,979)	-
Income tax benefit	<u>(7,044)</u>	<u>(5,843)</u>

Domestic income tax is calculated at 17% (2023 : 17%) of the assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions, Australia at 30%.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2024	2023
	\$'000	\$'000
Profit before tax	<u>78,137</u>	<u>119,612</u>
Tax at the domestic income tax rate of 17% (2023 : 17%)	13,283	20,334
Tax effect of:		
Expenses that are not deductible in determining taxable profit	14,960	14,113
Income not subject to tax	(28,813)	(36,288)
Different tax rates of subsidiaries operating in other jurisdictions	(495)	(1,599)
Over provision of current tax expense in previous year	(5,979)	(2,403)
Income tax expense (benefit) for the year	<u>(7,044)</u>	<u>(5,843)</u>

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NOTES TO FINANCIAL STATEMENTS December 31, 2024

Base Erosion and Profit Shifting (BEPS)

Pillar Two legislation has been implemented in some of the jurisdictions in which subsidiaries of the Group operate. Legislation applicable to the Group is effective on January 1, 2024. Given this, the Group has assessed the applicable tax legislation in all the countries in which subsidiaries of the Group operate to determine whether or not a Pillar Two 'top-up' tax liability needs to be recognised.

The relevant set of rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbor ("TSH") that applies for the first three fiscal years following the entry into force of the relevant regulation; the TSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

ACRI and its fully consolidated subsidiaries are among the constituent entities of the Ayala Group of companies that is covered for BEPS Pillar Two calculations. Under the BEPS Guidelines ("Guidelines"), the results of all the constituent entities present in a jurisdiction are blended, and based on the assessment performed, most of the jurisdictions where the Ayala Group operates would benefit from the TSH. Under the Guidelines, jurisdictions that pass any of the TSH test criteria are not subject to detailed Pillar Two calculations and the top-up tax is deemed to be zero.

Of the jurisdictions covered in the assessment only four did not meet any of the TSH test criteria, and only Singapore is relevant to this report. The Ayala Group has provisionally calculated the potential top-up tax exposure based on the full Pillar Two regime. However, as Singapore's legislation on Pillar Two will only be effective in 2025 and none of the intermediate parent entities of the Singapore entities have effective Income Inclusion Rule (IIR) in place, there is no top-up tax payable for entities incorporated in Singapore in the current period.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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33 DIVIDENDS

The Company declared the following dividends in the year 2024 and 2023:

Declaration date	Payment date	Classes of preferred shares	Amount declared \$'000
January 23, 2024	January 24, 2024	Class B	6,147
January 23, 2024	January 24, 2024	Class D	3,960
March 19, 2024	March 20, 2024	Class C	56,000
April 15, 2024	April 17, 2024	Class B	1,800
April 15, 2024	May 16, 2024	Class B	5,189
April 15, 2024	May 17, 2024	Class D	3,960
June 14, 2024	June 20, 2024	Class B	4,265
August 1, 2024	August 30, 2024	Class B	3,960
August 1, 2024	September 23, 2024	Class D	7,042
October 25, 2024	November 7, 2024	Class B	3,960
October 25, 2024	November 7, 2024	Class D	7,043
			103,326
January 9, 2023	January 11, 2023	Class B	6,872
January 9, 2023	January 11, 2023	Class D	3,960
February 22, 2023	March 31, 2023	Class C	100,000
April 13, 2023	April 14, 2023	Class B	6,871
April 13, 2023	April 14, 2023	Class D	3,960
July 4, 2023	July 17, 2023	Class B	6,871
July 4, 2023	July 17, 2023	Class D	3,960
November 22, 2023	November 22, 2024	Class B	9,412
November 22, 2023	November 22, 2023	Class D	3,960
			145,866

34 GAIN ON DIVESTMENT

Sale of ACEN Axedale Solar Farm Pty. Ltd.

On December 12, 2024, the Group completed the sale of 100% of the outstanding capital stock of ACEN Axedale Solar Farm Pty. Ltd. ("Axedale") to FRV Solar Holdings B.V. ("FRV", a third party) for a purchase price of AU\$6 million (\$3.7 million) and a contingent consideration of up to AU\$6.4 million (\$3.7 million) payable upon financial close completion. As at December 31, 2024, the Group estimated the contingent consideration to be at AU\$1.5 million (\$1.0 million) and recorded as other receivables under current assets.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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The net assets of Axedale as at date of disposal and proceeds from divestment are as follows:

	<u>2024</u> \$'000
Receivables	204
Right-of-use assets	186
Plant and equipment	3,993
Total assets	<u>4,383</u>
Less: total liabilities	<u>(367)</u>
Total identifiable net assets	<u><u>4,016</u></u>

This transaction was accounted for as a loss of control transaction which resulted in the deconsolidation of the assets and liabilities of Axedale in the Group's consolidated financial statements as at the date of loss of control.

The transaction also resulted in the recognition of a gain, calculated as follows:

	<u>2024</u> \$'000
Gain on disposal:	
Cash consideration received	3,713
Contingent consideration	920
Less: Net assets derecognized	(4,016)
Foreign exchange differences	14
Gain on disposal	<u><u>631</u></u>

The amount of the contingent consideration represents the Group's best estimate of the final capital expenditures that the buyer (or FRV) will incur upon completion of the financial close. The Group has taken into account assumptions that reflect uncertainties regarding the final agreed capital and other contractual clauses.

Net cash inflow arising from disposal:

	<u>2024</u> \$'000
Consideration received	3,713
Other related expenses	-
Net cash inflow	<u><u>3,713</u></u>

Sale of shares indirectly in PT UPC Sidrap Bayu Energi

On March 29, 2024, the Group, together with its joint venture partners, signed a Share Purchase Agreement with Barito Wind for the sale of Sidrap Wind, through sale of ownership of Asia III, Sidrap (HK) and Sunedison Sidrap B.V. for a total consideration of \$108.3 million.

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On April 2, 2024, the sale transaction was completed upon receipt of total consideration of \$101.9 million. Subsequently, on October 3, 2024, additional proceeds amounting to \$6.4 million were received following the completion of the net working capital adjustments.

Of the total proceeds of \$108.3 million, \$59.3 million was allocated to ACRI, including \$8.8 million for the payment of accrued interest and \$2.3 million for the payment of dividends. The remaining \$48.2 million was used to redeem Redeemable Class A Preferred Shares.

On December 13, 2024, the redemption of the Redeemable Class A Preferred Shares was completed, resulting in a gain on redemption amounting to \$25.9 million.

Partial Divestment of ACEHI Netherlands B.V.

On July 3, 2023, the Group signed a Share Purchase Agreement with Star Energy Oil & Gas Pte Ltd, for the sale of the Company's 24.24% stake in ACEHI Netherlands B.V. to Star Energy, which resulted in a loss of control due to the required unanimous decision for all matters related to ACEHI Netherlands B.V.

The net assets of ACEHI Netherlands B.V. as at date of partial disposal

	2023
	\$'000
Cash	73
Investment in associate	169,446
Accumulated equity	38,729
Total assets	208,248
Less: total liabilities	(51)
Total identifiable net assets	208,197
Net asset disposed off	50,467

The transaction also resulted in the loss of control, due to required unanimous decision for all matters in ACEHI Netherlands B.V. hence, resulted in a reclassification of the investment as joint venture. The transaction also resulted in the recognition of a gain, calculated as follows:

	2023
	\$'000
Gain on disposal:	
Consideration received	69,811
Less: Net assets derecognized	(50,467)
Gain on disposal	19,344
Net cash inflow arising from disposal:	
Consideration received	69,811
Other related expenses	-
Net cash inflow	69,811

The group remeasured its previously held interest based on its disposal date fair value, which resulted in a remeasurement gain of \$60.5 million.

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS December 31, 2024

35 OTHER INCOME

Other income account consists of:

	Group	
	2024	2023
	\$'000	\$'000
Gain from early redemption of RPS	6,968	-
Guarantee fee and service income	4,118	2,205
Others	1,584	695
	<u>12,670</u>	<u>2,900</u>

Gain from Early Redemption of Convertible Loan

On September 27, 2023, the Group entered into a Framework Agreement with TBC to reduce the Group's capital investment in Dai Phong and Hong Phong 1 Wind projects in Vietnam, aligning the project funding with the agreed ownership structure.

Principal and accrued interest of bridge loan and long-term convertible loan facility was repaid September 2023.

On March 6, 2024, the Vietnam Competition Commission approved the redemption and transfer of common share ownership, resulting in a gain from early redemption of convertible loan amounting to \$7.0 million. The transfer was completed on March 22, 2024.

36 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2024	2023
	\$'000	\$'000
Legal and professional fees	5,368	8,602
Depreciation and amortisation	10,896	1,052
Expected credit loss allowance (Note 12 and 16)	19,531	53,229
Gain on divestment (Note 34)	(26,552)	(19,344)
Remeasurement gain	-	(60,459)
Fair value loss on financial assets at fair value through profit or loss (Note 11 and 13)	5,351	4,822
Net foreign exchange (gains) losses	31	(847)

ACEN RENEWABLES INTERNATIONAL PTE. LTD. AND ITS SUBSIDIARIES

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37 CONTINGENT LIABILITIES

The Group has entered into various guarantee agreements with the banks for a total of \$307.0 million (2023 : \$438.8 million) for projects in India, USA and Australia, of which \$303.5 million (2023 : \$438.8 million) is outstanding as of year-end. The purpose of the guarantee is to secure various Standby Letter of Credit ("SBLC") and guarantee agreements of the projects as follows:

- a. Construction SBLCs and guarantees \$7.2 million;
- b. Bid and performance bonds \$30.9 million;
- c. Performance connection \$63.4 million;
- d. SBLC loans \$32.8 million; and
- e. Loan guarantees \$169.2 million

During the year ended December 31, 2024 and December 31, 2023, the Group recognised corresponding guarantee income amounting to \$2.9 million and \$1.7 million respectively.

38 COMMITMENTS

As of December 31, 2024, the Group has outstanding commitments of \$200.2 million (2023 : \$192.2 million) which include both loans and equity commitments to the projects.

Share Purchase Agreement with Super Solar Energy Company Limited

On January 28, 2022, the Group, through its wholly-owned subsidiary ACEN Vietnam Investments Pte. Ltd. ("ACEV") and Super Solar Energy Company Limited ("Super") through its wholly-owned subsidiary Super Energy Group (Hong Kong) Co., Limited ("Super HK"), have signed an agreement to form a strategic partnership to develop, own and operate renewable energy projects across ASEAN.

ACEV signed a purchase agreement (with conditions precedent) to acquire 49% interest of Solar NT, owned by Super HK. Super is a premier renewable energy developer and investor, based in Thailand. The transaction will be via secondary shares acquisition for a total consideration of \$165.0 million.

Post restructuring, Solar NT will own and operate nine solar power plants across Vietnam with a total capacity of approximately 837MW.

On June 23, 2023, the Group completed the first phase of the transaction, while the remaining phases are expected to be completed in 2025.

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39 EVENTS AFTER THE REPORTING DATE

Below are the events after the reporting date which are treated as non-adjusting events as at December 31, 2024.

Additional drawdowns from existing loan facilities to related parties

On January 14, 2025, IBV ACEN Renewables Asia Pte Ltd made additional subscriptions to Rate 2 Preference Shares amounting to \$1.4 million.

On February 13, 2025, Impact Energy Asia Development Limited made additional drawdown under the existing Party B Financing Bond Subscription and Shareholder's Agreement amounting to \$3.8 million.

On February 18, 2025, UPC Power Solutions made additional loan drawdown under the existing devco loan amounting to \$1.4 million.

Dividends

On February 7, 2025, the Company declared dividends to ACEN Cayman and ACEN Finance Limited amounting to \$6.9 million and \$4.0 million, respectively.