COVER SHEET
for
SEC FORM 17-Q

SEC Registration Number

0	6	9	-	0	3	9	2	7	4	

COMPANY NAME

ACEN CORPORATION (FORMERLY AC ENERGY CORPORATION) AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

35TH FLOOR, AYALA TRIANGLE GARDENS TOWER 2, PASEO DE ROXAS CORNER MAKATI AVENUE, MAKATI CITY 1226

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	7730-6300	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,195	04/25	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Alan T. Ascalon	ascalon.at@acenergy.com.ph	(02) 7730-6300	–

CONTACT PERSON's ADDRESS

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

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.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2022**

2. Commission identification number **39274**

3. BIR Tax Identification No. **000-506-020-000**

4. Exact name of issuer as specified in its charter **ACEN CORPORATION**
(Formerly AC Energy Corporation)

5. Province, country or other jurisdiction of incorporation or organization **Metro Manila**

6. Industry Classification Code [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, 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	**39,644,772,107 shares**
Amount of debt outstanding	**None registered in the Philippine SEC and listed in PDEX/others**

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

Yes [**X**] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange Common

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports)

Yes [**X**] No [ ]

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

Yes [**X**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached ANNEX “A”

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please refer to attached ANNEX “B”

PART II--OTHER INFORMATION

Please refer to attached ANNEX “C”

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 August 4, 2022.

ACEN CORPORATION

JOHN ERIC T. FRANCIA
President & Chief Executive Officer

MARIA CORAZON G. DIZON
Treasurer & Chief Financial Officer

ACEN CORPORATION
(Formerly AC Energy Corporation)
and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As at June 30, 2022
and for the Six Months Period Ended June 30, 2022 and 2021
(With comparative figures as at December 31, 2021)

ACEN CORPORATION
(Formerly AC Energy Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2022 (With Comparative Balances as at December 31, 2021)
(Amounts in Thousands)

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 26)	**₱34,794,619**	₱26,445,429
Accounts and notes receivable (Notes 6, 24 and 26)	**26,113,738**	33,309,297
Fuel and spare parts	**1,772,861**	1,490,559
Financial assets at fair value through profit or loss (FVTPL)	**42,263**	–
Current portion of:		
Input value added tax (VAT)	**1,702,138**	1,173,169
Creditable withholding taxes	**1,114,088**	837,472
Other current assets (Notes 13 and 26)	**943,843**	812,579
	66,483,550	64,068,505
Noncurrent assets held for sale (Note 7)	**70,052**	203,464
Total Current Assets	**66,553,602**	64,271,969
Noncurrent Assets		
Investments in:		
Associates and joint ventures (Note 8)	**30,691,291**	21,358,301
Other financial assets at amortized cost (Note 9)	**33,170,411**	26,085,959
Financial assets at FVTPL	**1,365,414**	406,739
Financial assets at fair value to other comprehensive income (FVOCI)	**384,242**	354,868
Property, plant and equipment (Note 10)	**42,329,994**	36,038,563
Right-of-use assets (Note 11)	**2,073,979**	2,135,479
Accounts and notes receivable – net of current portion (Notes 6, 24 and 26)	**19,077,108**	13,191,314
Goodwill and other intangible assets (Note 12)	**2,377,133**	2,375,980
Net of current portion:		
Input VAT	**1,178,800**	524,733
Creditable withholding taxes	**748,737**	726,804
Deferred income tax assets - net (Note 23)	**753,154**	512,366
Other noncurrent assets (Notes 13 and 26)	**4,459,812**	3,178,312
Total Noncurrent Assets	**138,610,075**	106,889,418
TOTAL ASSETS	**₱205,163,677**	₱171,161,387

(Forward)

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14, 24 and 27)	**₱7,229,647**	₱6,280,829
Short-term loans (Notes 15 and 27)	**7,900,000**	–
Current portion of:		
Long-term loans (Notes 15, 26 and 27)	**1,038,750**	824,488
Lease liabilities (Notes 15, 26 and 27)	**252,563**	536,950
Income and withholding taxes payable	**192,960**	169,920
Due to stockholders (Note 24)	**16,585**	16,585
Total Current Liabilities	**16,630,505**	7,828,772
Noncurrent Liabilities		
Notes payable (Notes 15, 26 and 27)	**21,885,824**	20,195,054
Long-term loans – net of current portion (Notes 15, 26 and 27)	**24,588,930**	20,117,733
Lease liabilities – net of current portion (Notes 15, 26 and 27)	**2,551,701**	2,159,302
Deferred income tax liabilities – net (Note 23)	**125,359**	74,422
Other noncurrent liabilities (Note 16)	**4,798,031**	2,817,342
Total Noncurrent Liabilities	**53,949,845**	45,363,853
Total Liabilities	**70,580,350**	53,192,625
Equity		
Capital stock (Notes 1 and 17)	**39,659,272**	38,338,527
Additional paid-in capital (Notes 1 and 17)	**107,281,657**	98,043,831
Other equity reserves (Note 17)	**(56,719,084)**	(56,604,532)
Unrealized fair value loss on equity instruments at FVOCI	**(91,596)**	(90,089)
Unrealized fair value gain on derivative instruments designated as hedges – net of tax (Note 26)	**33,777**	6,228
Remeasurement loss on defined benefit plans – net of tax	**(25,191)**	(24,436)
Accumulated share in other comprehensive gain of associates and joint ventures (Note 10)	**45,315**	29,723
Cumulative translation adjustments	**5,816,249**	(359,910)
Retained earnings (Note 26)	**8,591,440**	8,707,301
Treasury shares (Note 17)	**(28,657)**	(28,657)
Total equity attributable to equity holders of the Parent Company	**104,563,182**	88,017,986
Non-controlling interests (Note 17)	**30,020,145**	29,950,776
Total Equity	**134,583,327**	117,968,762
TOTAL LIABILITIES AND EQUITY	**₱205,163,677**	₱171,161,387

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ACEN CORPORATION
(Formerly AC Energy Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Figures)

	Three-Month Period Ended June 30 (Unaudited)		Six-Month Period Ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
REVENUES				
Revenue from sale of electricity (Note 18)	**₱8,517,146**	₱7,630,587	**₱15,875,524**	₱13,319,362
Rental income	**17,310**	15,867	**34,363**	29,530
Dividend income	–	–	**3,635**	6,549
Other revenues	**31,453**	40,576	**54,993**	59,433
	8,565,909	7,687,030	**15,968,515**	13,414,874
COSTS AND EXPENSES				
Costs of sale of electricity (Note 19)	**6,761,264**	5,950,905	**14,629,399**	10,384,349
General and administrative expenses (Note 20)	**363,893**	826,449	**648,862**	1,221,219
	7,125,157	6,777,354	**15,278,261**	11,605,568
INTEREST AND OTHER FINANCE CHARGES (Note 21)	**(760,060)**	(374,989)	**(1,264,373)**	(803,668)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES (Note 8)	**118,226**	359,645	**462,700**	936,054
OTHER INCOME - NET (Note 22)	**1,849,987**	1,226,367	**3,069,792**	2,240,819
INCOME BEFORE INCOME TAX	**2,648,905**	2,120,699	**2,958,373**	4,182,511
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 23)				
Current	**147,276**	(47,253)	**188,999**	87,948
Deferred	**301,890**	(15,800)	**(182,810)**	(22,624)
	449,166	(63,053)	**6,189**	65,324
NET INCOME	**₱2,199,739**	₱2,183,752	**₱2,952,184**	₱4,117,187
Net Income Attributable To:				
Equity holders of the Parent Company	**₱1,778,063**	₱1,418,108	**₱2,183,089**	₱2,690,363
Non-controlling interests	**421,676**	765,644	**769,095**	1,426,824
	₱2,199,739	₱2,183,752	**₱2,952,184**	₱4,117,187
Basic/Diluted Earnings Per Share (Note 25)	**₱0.05**	₱0.07	**₱0.06**	₱0.13

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ACEN CORPORATION
(Formerly AC Energy Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, Except Per Share Figures)

	Three-Month Period Ended June 30 (Unaudited)		Six-Month Period Ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
NET INCOME	**₱2,199,739**	₱2,183,752	**₱2,952,184**	₱4,117,187
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
Cumulative translation adjustment	**4,672,311**	(362,612)	**6,132,583**	521,088
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax (Note 26)	**(22,543)**	9,192	**69,657**	50,748
	4,649,768	(353,420)	**6,202,240**	571,836
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods				
Net changes in the fair value of equity instruments at FVOCI	**11,951**	(54,432)	**(1,507)**	(54,612)
Remeasurement loss on defined benefit plans – net of tax	**–**	–	**(755)**	(17,437)
	11,951	(54,432)	**(2,262)**	(72,049)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES (Note 8)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
Unrealized fair value gain on derivative instruments designated as hedges - net of tax	**–**	16,702	**15,490**	16,701
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods				
Remeasurement (loss) gain on defined benefit plans - net of tax	**(24,236)**	(57,208)	**102**	(126)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**4,637,483**	(448,358)	**6,215,570**	516,362
TOTAL COMPREHENSIVE INCOME	**₱6,837,222**	₱1,735,394	**₱9,167,754**	₱4,633,549
Total Comprehensive Income Attributable To:				
Equity holders of the Parent Company	**₱6,453,362**	₱967,311	**₱8,400,127**	₱3,204,285
Non-controlling interests	**383,860**	768,083	**767,627**	1,429,264
	₱6,837,222	₱1,735,394	**₱9,167,754**	₱4,633,549

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ACEN CORPORATION
(Formerly AC Energy Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 17)	Additional Paid-in Capital	Other Equity Reserves	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain on derivative instruments designated as hedge – net of tax (Note 26)	Remeasurement Loss On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 8)	Cumulative Translation Adjustments	Retained Earnings (Note 17)	Treasury Shares (Note 17)	Total	Non-controlling Interests (Note 17)	Total Equity
	For the six-month period ended June 30, 2022 (Unaudited)												
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 (loss)	–	–	–	–	–	–	–	–	2,183,089	–	2,183,089	769,095	2,952,184
Other comprehensive income (loss)	–	–	–	(1,507)	27,549	(755)	15,592	6,176,159	–	–	6,217,038	(1,468)	6,215,570
Total comprehensive income (loss)	–	–	–	(1,507)	27,549	(755)	15,592	6,176,159	2,183,089	–	8,400,127	767,627	9,167,754
Dividends declared (Note 17)	–	–	–	–	–	–	–	–	(2,298,950)	–	(2,298,950)	(712,301)	(3,011,251)
Issuance of capital stock (Notes 1 and 17)	1,320,746	9,237,832	–	–	–	–	–	–	–	–	10,558,578	–	10,558,578
Adjustment in grants through Employee Stock Ownership Plan	(1)	(6)	–	–	–	–	–	–	–	–	(7)	–	(7)
Non-controlling interest arising from a business combination	–	–	–	–	–	–	–	–	–	–	–	(1,096)	(1,096)
Acquisition of non-controlling interest in a subsidiary (Note 17)	–	–	(114,552)	–	–	–	–	–	–	–	(114,552)	15,139	(99,413)
	1,320,745	9,237,826	(114,552)	–	–	–	–	–	(2,298,950)	–	8,145,069	(698,258)	7,446,811
Balances at June 30, 2022	**₱39,659,272**	**₱107,281,657**	**(₱56,719,084)**	**(₱91,596)**	**₱33,777**	**(₱25,191)**	**₱45,315**	**₱5,816,249**	**₱8,591,440**	**(₱28,657)**	**₱104,563,182**	**₱30,020,145**	**₱134,583,327**

	Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 17)	Additional Paid-in Capital	Other Equity Reserves	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain on derivative instruments designated as hedge – net of tax (Note 26)	Remeasurement Loss On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 8)	Cumulative Translation Adjustments	Retained Earnings (Note 17)	Treasury Shares (Note 17)	Total	Non-controlling Interests (Note 17)	Total Equity
For the six-month period ended June 30, 2021 (Unaudited)													
Balances at January 1, 2021	₱13,706,957	₱8,692,555	₱28,662,357	₱143,625	₱57,409	(₱6,999)	(₱229,844)	(₱3,453,708)	₱6,349,082	(₱40,930)	₱53,880,504	₱50,398,831	₱104,279,335
Net income (loss)	–	–	–	–	–	–	–	–	2,690,363	–	2,690,363	1,426,824	4,117,187
Other comprehensive income (loss)	–	–	–	(54,612)	50,748	(17,437)	16,575	518,648	–	–	513,922	2,440	516,362
Total comprehensive income (loss)	–	–	–	(54,612)	50,748	(17,437)	16,575	518,648	2,690,363	–	3,204,285	1,429,264	4,633,549
Dividends declared (Note 17)	–	–	–	–	–	–	–	–	(1,195,787)	–	(1,195,787)	(1,153,414)	(2,349,201)
Issuance of capital stock	24,533,381	88,922,657	–	–	–	–	–	–	–	–	113,456,038	–	113,456,038
Stock issuance costs	–	(614,811)	–	–	–	–	–	–	–	–	(614,811)	–	(614,811)
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	(55,184)	(55,184)	–	(55,184)
Reissuance of treasury shares	–	133,526	–	–	–	–	–	–	–	61,616	195,142	–	195,142
Reversal of unrealized fair value upon redemption	–	–	–	(25,906)	–	–	–	–	–	–	(25,906)	–	(25,906)
Capital infusion of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	1,987	1,987
Effects of common control business combination	–	–	(84,282,552)	(162,899)	–	–	210,546	–	(1,696,967)	–	(85,931,872)	–	(85,931,872)
	24,533,381	88,441,372	(84,282,552)	(188,805)	–	–	210,546	–	(2,892,754)	6,432	25,827,620	(1,151,427)	24,676,193
Balances at June 30, 2021	₱38,240,338	₱97,133,927	(₱55,620,195)	(₱99,792)	₱108,157	(₱24,436)	(₱2,723)	(₱2,935,060)	₱6,146,691	(₱34,498)	₱82,912,409	₱50,676,668	₱133,589,077

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ACEN CORPORATION
(Formerly AC Energy Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Six-Month Period Ended June 30 (Unaudited)	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,958,373**	₱4,182,511
Adjustments for:		
Interest and other finance charges (Note 21)	**1,264,373**	803,668
Depreciation and amortization (Notes 19 and 20)	**1,114,927**	965,800
Interest and other financial income (Note 22)	**(2,229,622)**	(1,775,643)
Equity in net income of associates and joint ventures (Note 8)	**(462,700)**	(936,054)
Foreign exchange (gains) losses – net	**(137,788)**	4,133
Pension and other employee benefits	**(15,137)**	3,446
Dividend income	**(3,635)**	(6,549)
Provision for (reversal of):		
Impairment loss on:		
Property, plant and equipment – net (Notes 10, 20 and 22)	**33,364**	25,183
Advances to contractors (Notes 13 and 22)	**(5,564)**	–
Probable losses on deferred exploration costs (Notes 12 and 20)	**600**	23,379
Expected credit losses (Notes 6 and 20)	**(4)**	873
Loss (gain) on:		
Sale of inventories and by-product (Note 22)	**55,203**	(23,209)
Sale of noncurrent assets held for sale (Notes 7 and 22)	**8,400**	–
Write-off of FVOCI	**500**	–
Realized gains on foreign exchange forward contracts (Note 22)	**(272,629)**	
Recovery of tax credit certificate on real property tax (Note 22)	**–**	(69,154)
Reversal of impairment of investments in joint venture (Note 8 and 22)	**–**	(37,635)
Sale of property and equipment	**–**	985
Settlement of derivatives (Note 22)	**–**	(41,700)
Operating income before working capital changes	**2,308,661**	3,120,034
Decrease (increase) in:		
Accounts receivable	**(2,148,130)**	(3,016,801)
Fuel and spare parts	**(406,004)**	(44,514)
Other current assets	**(873,433)**	(264,063)
Other noncurrent assets	**–**	(357,293)
Increase in accounts payable and other current liabilities	**560,531**	2,436,497
Cash generated from operations	**(558,375)**	1,873,860
Interest received	**32,641**	15,652
Income and withholding taxes paid	**(165,963)**	(174,627)
Net cash flows from operating activities	**(691,697)**	1,714,885
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Loans to related parties (Note 24)	**(13,142,208)**	(18,977,944)
Investments in associates and joint venture, net (Note 8)	**(7,587,033)**	(281,724)
Property, plant and equipment (Note 10)	**(6,717,943)**	(1,372,779)
Issuance of convertible loans	**(2,063,996)**	(5,072,623)
Investments in redeemable preferred shares (Note 9)	**(1,966,610)**	(601,324)
Financial assets at FVTPL	**(912,534)**	–
Subscription deposits (Note 9)	**(180,448)**	(1,565,599)
Investments in subsidiaries, net of cash acquired (Note 4)	**(2,477)**	–
Deferred exploration costs (Note 12)	**(1,487)**	(15,039)
Investment properties	**–**	(109,910)

(Forward)

	Six-Month Period Ended June 30 (Unaudited)	
	2022	2021
Proceeds from:		
Collection of loans to related parties (Note 24)	**₱19,381,320**	₱3,956,754
Sale of noncurrent assets held for sale (Notes 7 and 22)	**183,598**	4,963
Short-term investments	**18,310**	–
Redemption of convertible loan (Note 9)	**14,508**	791,328
Sale of property, plant and equipment	**6,958**	130
Redemption of financial assets at FVOCI	–	12,687,858
Dividends received from:		
Investments in associates and joint ventures (Note 8)	**249,587**	1,160,097
Financial assets at FVOCI	**3,635**	6,549
Interest received	**1,311,882**	1,084,088
Increase in other noncurrent assets, non-current portion of input VAT and CWT (Note 26)	**(1,994,504)**	(516,010)
Net cash flows used in investing activities	**(13,399,442)**	(8,821,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of long-term debts (Notes 15 and 29)	**11,920,000**	848,276
Availment of short-term debts (Notes 15 and 29)	**11,137,020**	3,000,000
Issuance of capital stock (Notes 17 and 29)	**10,558,577**	27,524,166
Reissuance of treasury shares	–	195,141
Capital infusion of non-controlling interest in subsidiaries (Note 17)	–	1,988
Payments of:		
Long-term loans (Notes 15 and 29)	**(7,157,799)**	(1,847,701)
Short-term loans (Notes 19 and 29)	**(3,237,020)**	(7,635,000)
Cash dividends (Notes 17 and 29)	**(3,011,252)**	(2,332,616)
Interest on short-term and long-term loans (Note 29)	**(912,357)**	(804,655)
Debt issue cost (Note 15)	**(184,153)**	(6,038)
Interest on lease liabilities (Notes 11 and 21)	**(110,768)**	(59,396)
Acquisition of non-controlling interest (Notes 1 and 17)	**(99,412)**	–
Lease liabilities (Notes 11 and 29)	**(44,403)**	(80,726)
Stock issuance costs	–	(614,811)
Treasury shares (Note 17)	–	(55,184)
Decrease in due to stockholders	–	(18,272)
Increase in other noncurrent liabilities	**1,815,136**	200,539
Net cash flows from financing activities	**20,673,569**	18,315,711
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,766,760**	193,771
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**8,349,190**	11,403,182
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**26,445,429**	28,077,171
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱34,794,619**	₱ 39,480,353

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ACEN CORPORATION
(Formerly AC Energy Corporation)
AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information

ACEN CORPORATION, formerly AC Energy Corporation ("ACEN" or "the Parent") incorporated on September 8, 1969 and registered with the Philippine Securities and Exchange Commission ("SEC"), 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 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.

The direct parent company (or intermediate parent company) of ACEN is ACEIC, a wholly owned subsidiary of Ayala Corporation ("AC"), a publicly-listed company which is 47.89% owned by Mermac, Inc. (ultimate parent company), and the rest by the public. AC is a listed entity incorporated in the Philippines.

As at June 30, 2022, AC Energy and Infrastructure Corporation ("ACEIC") directly owns 57.79% of the ACEN's total outstanding shares of stock.

On December 15, 2021, the stockholders' approved the amendment to the Articles of Incorporation for the change in corporate name from "AC Energy Corporation" to "ACEN CORPORATION" and the change of principal office address 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, with updated Bureau of Internal Revenue (BIR) Certificate of Registration on March 3, 2022. On July 20, 2022, the amendment to the Articles of Incorporation was approved by the SEC.

The accompanying unaudited interim condensed consolidated financial statements of ACEN and its subsidiaries ("the Group") as at June 30, 2022, and for the six-month periods ended June 30, 2022 and 2021 were approved and authorized for issuance by the Parent Company's Audit Committee (pursuant to the authority delegated by the Parent Company's Board of Directors (BOD)) on August 4, 2022.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation and Statement of Compliance</u>
The unaudited interim condensed consolidated financial statements as at June 30, 2022 and for the six-month periods ended June 30, 2022 and 2021 have been prepared on a historical cost basis, except for the financial assets at fair value through profit and loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI), and derivative financial instruments which have been measured at fair value.

The unaudited interim condensed consolidated financial statements are presented in Philippine Peso (₱) which is the functional and presentation current of the Parent Company, and all amounts are rounded to the nearest thousands ('000) unless otherwise indicated.

Statement of Compliance
The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2021.

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards and amendments effective as at January 1, 2022. The Group has not early adopted may standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards and amendments did not have a material impact of the unaudited interim condensed consolidated financial statements of the Group.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Group. For the six-month period ended June 30, 2022, the following are the changes in the Parent Company's ownership in its subsidiaries:

		Percentage of Ownership (%)			
		June 30, 2022		December 31, 2021	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
Bayog Wind Power Corp. ("BWPC")	Power generation	**40.00**	**60.00**	–	60.00
Buduan Wind Energy Co, Inc.	Power generation	**–**	**100.00**	–	–
Caraballo Mountains UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Pangasinan UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Sapat Highlands Wind Corporation	Power generation	**–**	**100.00**	–	–
UPC Mindanao Wind Power Corp.	Power generation	**–**	**100.00**	–	–
Itbayat Island UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Laguna Central Renewables, Inc.	Power generation	**–**	**100.00**	–	–
Laguna West Renewables, Inc.	Power generation	**–**	**100.00**	–	–
Suyo UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
SolarAce4 Energy Corp. [a]	Power generation	−	**100.00**	−	**100.00**
Natures Renewable Energy Devt. Corporation ("NAREDCO")	Power generation	**60.00**	**–**	–	–

[a] *70% effective ownership in 2021, with pending application of increase in Authorized Capital Stock and issuance of shares to minority owners.*

The following are the significant transactions of the Group during the six-month period ended June 30, 2022:

Acquisition of 50% interest in Batangas Clean Energy, Inc.

On January 14, 2022, ACEX, Batangas Clean Energy, Inc. (BCEI), and Gen X Energy L.P. executed a Shareholders' Agreement and Subscription Agreements where ACEX will subscribe to a total of

150,002 shares in BCEI for a total subscription price of ₱150.22 million. Gen X Energy L.P. is a portfolio company of Blackstone Inc. (see Note 8).

Acquisition of additional 50% interest in UPC-ACE Australia
On March 11, 2022, ACEN, through its subsidiary ACEN Renewables International Pte Ltd ("ACRI"), UPC Renewables Asia Pacific Holdings Pte Limited ("UPCAPH"), and Mr. Anton Rohner ("Rohner") signed a Share Purchase Agreement for ACRI's acquisition of the 50% ownership interest of UPCAPH and Mr. Rohner in UPC-AC Energy Australia (HK) Ltd. ("UPC-ACE Australia") (see Note 8).

Acquisition of 100% interest in UPC Philippine renewable companies and businesses
On March 18, 2022, ACEN, its wholly owned subsidiary ACE Endevor, Inc ("ACE Endevor")., UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Ms. Stella Marie L. Sutton ("Sutton") signed a Share Purchase Agreement for the Group's acquisition of the 100% ownership interest of UPC Philippines and Ms. Sutton's in their Philippine renewable companies and businesses (see Note 4).

Acquisition of 60% interest in Natures Renewable Energy Devt. Corporation (NAREDCO)
On March 24, 2022, ACEN, Endevor, CleanTech Renewable Energy 5. Corp. ("CREC4"), and NAREDCO executed a Shareholder's Agreement where ACEN and Endevor will subscribe to a total of 82,500 shares in NAREDCO for a total subscription price of ₱8.25 million. After subscription by ACEN and Endevor the ownership structure will be ACEN 55%, ACE Endevor 5%, CREC 40%. Effectively, the Group will have 60% interest in NAREDCO. NAREDCO is the project company that will develop and operation the 200MW Lal-lo Solar Power Project in Lal-lo, Cagayan.

Cancellation of the Property-for-Shares Swap between ACEX and ACEN, Stock Rights Offering, Follow-On Offering, and Shelf Registration
On June 3, 2022, ACEN BOD approved the cancellation of the property-for-share swap and Deed of Assignment between ACEN and its subsidiary, ACE Enexor, Inc. (ACEX) due to unfavorable market conditions. As a result, the Request for Confirmation of the Valuation of the Asset in exchange for the shares filed with the SEC, and the Issuance of the Certificate Authorizing Registration filed with the Bureau of Internal Revenue are being withdrawn.

On the same date, ACEX's BOD also approved the cancellation of the conduct of a Stock Rights Offer of up to 105.00 million of ACEX's shares at ₱10.00 per share; the cancellation of the issuance of up to 74.00 million shares of ACEX pursuant to ACEX's planned follow-on offering ("FOO") at an FOO price range of ₱10.00 to ₱11.84 per share; and the cancellation of filing by ACEX with the SEC of a registration statement covering a three-year shelf registration of up to 650.00 million primary common shares.

3. Significant Accounting Judgment, Estimates and Assumptions

The preparation of the accompanying unaudited interim condensed 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.

Except as otherwise stated, the significant accounting policies, judgements, estimates and assumptions used in the preparation of the unaudited interim condense consolidated financial statements are consistent with those used in the annual consolidated financial statements as at and for the year ended December 31, 2021.

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 unaudited interim condensed consolidated financial statements.

Asset Acquisitions and Business Combinations
Where asset is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Otherwise, corporate acquisitions are accounted for as business combinations. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

The acquisitions of the Group were accounted for as business combinations (see Note 4).

Investment in joint venture
The Group's investments in joint ventures are structured in separate incorporated entities. The investment in BCEI and UPC-ACE Australia are accounted for as investment in joint venture since the fundamental business and operational matters requires unanimous consent from all parties (see Note 8).

Even though the Group holds 50% and 80% ownership interest in BCEI and UPC-ACE Australia, respectively, on these arrangements, their joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements.

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.

Purchase Price Allocation and Goodwill
The Group made several acquisitions in the 1st quarter of 2022 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 Note 4 for related balances.

The Group determined the fair value of the net assets of the investee companies for the finalization of the purchase price allocation. Estimation of the fair value were used due to unavailability of information to facilitate fair value computation. Information related to certain bilateral contracts, and property plant and equipment are necessary for the valuation of assets (see Note 4).

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.

4. Business Combination

Investment in UPC Philippines

On March 18, 2022, ACEN, its wholly owned subsidiary ACE Endevor and UPC Philippines and Stella Marie L. Sutton (collectively "the Sellers") signed an agreement for the sale and purchase of UPC Philippine's and Ms. Sutton's share and/or subscription rights in the following companies to ACEN and ACE Endevor:

- 40% interest in North Luzon Renewable Energy Corp. ("NLR", the owner and operator of an 81MW operating wind farm in Brgy. Caparispisan, Pagudpud, Ilocos Norte) (see Note 8),
- 39.98% interest in Bayog Wind Power Corp. ("BWPC", the owner of the 160MW Pagudpud Wind Farm that is currently under construction in Brgy. Balaoi, Pagudpud, Ilocos Norte) (see Note 17), and
- 100% in development and pipeline vehicle companies (collectively referred to as "Target Companies"):
    - Buduan Wind Energy Co, Inc.,
    - Caraballo Mountains UPC Asia Corporation,
    - Pangasinan UPC Asia Corporation,
    - Sapat Highlands Wind Corporation,
    - Mindanao Wind Power Corp.,
    - Itbayat Island UPC Asia Corporation,
    - Laguna Central Renewables, Inc.,
    - Laguna West Renewables, Inc., and
    - Suyo UPC Asia Corporation, and
    - SolarAce 4 Energy Corp.

Prior to the acquisition of 39.98% in BPWC, ACEN indirectly owns 60% interest through its wholly owned subsidiary, Pagudpud Wind Power Corp. The acquisition resulted to 100% interest in BPWC and is accounted for as an acquisition of noncontrolling interest (see Note 17).

Prior to the acquisition of 30.00% in SolarAce4, ACEN indirectly owns 70% interest through its wholly owned subsidiary, Endevor. The acquisition resulted to 100% interest in SolarAce4 and is accounted for as an acquisition of noncontrolling interest (see Note 17).

The following are the fair values of the identifiable assets and liabilities of the Target Companies as at the date of acquisition:

Assets	
Cash and cash equivalents	₱2,690
Accounts and notes receivable	727
Input value added tax	2,640
Property, plant and equipment	202
Other noncurrent assets	71,762
	78,021
Liabilities	
Accounts payable and other current liabilities	3,345
Income and withholding taxes payable	4
Long-term loans – net of current portion	85,558
Other noncurrent liabilities	55,384
	144,291
Total identifiable net assets	(66,270)
Less: Cost of acquisition	5,167
Goodwill arising on acquisition (see Note 12)	₱71,437

Goodwill comprises the fair value of expected synergies arising from the acquisition. This is presented under Goodwill in the interim condensed 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 transaction date.

Net cash outflow on acquisition is as follows:

Cash consideration	₱5,167
Less: Cash acquired with the subsidiary[a]	2,690
Net cash outflow	₱2,477

[a] *Cash acquired with the subsidiary is included in cash flows from investing activities.*

If the acquisition had taken place at the beginning of 2022, revenue contribution for the six-month period ended June 30, 2022, would have been ₱0.01 million and the additional contribution to the net loss attributable to ACEN would have amounted to ₱2.04 million.

Following the ACEN BOD approval made on October 18, 2021, whereby ACEN and Endevor will acquire interest in UPC Philippines entities, the Sellers will in turn subscribe to up to 390.00 million common shares of ACEN with subscription price of ₱ 11.32/share, subject to adjustments. The issuance and listing of the ACEN common shares were approved by ACEN's stockholders on December 15, 2021.

Consequently, on March 22, 2022, ACEN signed Subscription Agreements with the Sellers for 389,995,833 ACEN shares for subscription price per share of ₱8.2889 per share (see Note 17).

5. Cash and Cash Equivalents

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash on hand and in banks	**₱33,227,026**	₱22,990,899
Cash equivalents	**1,567,593**	3,454,530
	₱34,794,619	₱26,445,429

Interest income from cash in banks and cash equivalents for the six-month period ended June 30, 2022 and 2021 amounted to ₱24.58 million and ₱29.53 million, respectively.

6. Accounts and Notes Receivable

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Accounts receivable	**₱10,392,810**	₱8,880,659
Notes receivable (Note 24)		
Debt replacement loan	**18,711,930**	17,253,756
Development loan	**10,419,075**	15,549,644
Other loan	**993,437**	1,060,868
Accrued interest receivable	**4,822,382**	3,937,283
	45,339,634	46,682,210
Allowance for impairment loss	**148,788**	181,599
	45,190,846	46,500,611
Less: Noncurrent portion	**19,077,108**	13,191,314
Current portion	**₱26,113,738**	₱33,309,297

Accounts receivable
This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Trade receivables		
Third party		
Independent Electricity Market Operator of the Philippines ("IEMOP")	**₱3,716,318**	₱2,219,536
RES Buyer	**2,132,384**	2,002,655
National Transmission Corporation ("TransCo")	**1,424,375**	1,727,488
PEMC Multilateral Agreements	**1,137,262**	1,137,262
National Grid Corporation of the Philippines ("NGCP")	**214,716**	179,076

(Forward)

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Philippine Electricity Market Corporation (“PEMC”)	**₱39,508**	₱75,752
Others	**131,831**	119,092
Related party - others (Note 24)	**114,654**	149,175
Other Receivables		
Third party	**883,266**	1,008,996
Related party (Note 24)	**598,496**	261,627
	10,392,810	8,880,659
Allowance for impairment loss	**148,788**	181,599
	10,244,022	8,699,060
Less noncurrent portion	**2,111,568**	2,093,042
Current portion	**₱8,132,454**	₱6,606,018

Other receivables are comprised of outstanding balance from NGCP for the sale of transmission line assets, refundable deposits, receivable from employees and dividends receivables.

Notes receivable
This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Debt replacement - related party (Note 24)	**₱18,711,930**	₱17,253,756
Development loan:		
Third party	**5,737,656**	2,847,976
Related party (Note 24)	**4,681,419**	12,701,668
Other loans:		
Third party	**964,982**	1,060,868
Related party (Note 24)	**28,455**	–
	30,124,442	33,864,268
Less noncurrent portion	**14,772,312**	9,586,187
Current portion	**₱15,352,130**	₱24,278,081

Debt replacement facilities are provided to related party entities, mostly joint ventures, in order to fund investment requirements for plants while undergoing construction and implementation or release of project financing from bank.

Development loans from third parties include loans from Provincia, UPC Renewables Asia Pacific Holdings Limited (URAPHL).

Other loans receivable from third parties includes long term loan receivables from Caltrans, Lantrans and Acetrans used for land acquisitions.

Accrued interest receivable:

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Development loans:		
Third party	**₱21,576**	₱118,898
Related party (Note 24)	**348,009**	305,360
Debt replacements:		
Third party	**–**	5,786
Related party (Note 24)	**919,748**	1,033,005
Other financial assets at amortized cost – related party (Note 24)		
Redeemable preferred shares	**1,248,212**	946,559
Convertible loans	**2,170,072**	1,421,565
Other loans:		
Third party	**22,476**	100,557
Related party (Note 24)	**457**	–
Trade receivables - third party		
Third party	**91,742**	5,553
Related party (Note 24)	**90**	–
	4,822,382	3,937,283
Less noncurrent portion	**2,193,228**	1,512,085
Current portion	**₱2,629,154**	₱2,425,198

As at June 30, 2022 and December 31, 2021, the aging analysis of receivables are as follows:

	June 30, 2022 (Unaudited)						
	Neither Past Due nor Impaired	Past Due but not Impaired				Past Due Individually Impaired	Total
		<30 Days	30–60 Days	61–90 Days	More than 90 Days		
Trade receivables	**₱6,689,362**	**₱15,306**	**₱176,676**	**₱330,427**	**₱1,532,858**	**₱51,764**	**₱8,796,393**
Due from related parties	**24,240,648**	**4,328,823**	**51,438**	**14,761**	**115,979**	**300**	**28,751,949**
Others	**6,052,616**	**817,847**	**186,350**	**50,899**	**586,855**	**96,725**	**7,791,292**
	₱36,982,626	**₱5,161,976**	**₱414,464**	**₱396,087**	**₱2,235,692**	**₱148,789**	**₱45,339,634**

	December 31, 2021 (Audited)						
	Neither Past Due nor Impaired	Past Due but not Impaired				Past Due Individually Impaired	Total
		<30 Days	30–60 Days	61–90 Days	More than 90 Days		
Trade receivables	₱5,101,964	₱626,304	₱70,964	₱5,492	₱1,566,404	₱89,733	₱7,460,861
Due from related parties	29,672,682	121,895	356,501	314,265	6,400,817	17,558	36,883,718
Others	1,444,026	100,464	61,613	181,691	465,271	84,566	2,337,631
	₱36,218,672	₱848,663	₱489,078	₱501,448	₱8,432,492	₱191,857	₱46,682,210

7. Noncurrent Assets Held for Sale

On January 21, 2022, ACEN and MORE Power Barge, Inc. executed the Deed of Absolute Sale and Assignment implementing the sale of Power Barge 101 amounting to ₱126.00 million, inclusive of VAT, and sold at cost.

On February 22, 2022, ACEN and SPC Island Power Corporation executed the Deed of Absolute Sale and Assignment implementing the sale of PB 102 amounting to ₱39.20 million, inclusive of VAT. Conditions precedent to closing of the transaction is the approval of PSALM to the assignment of the Lease Agreement covering the mooring site of PB 102. The sale resulted to a loss of ₱4.20 million.

On April 18, 2022, the ACEN and SPC Power Corporation executed the Deed of Absolute Sale and Assignment implementing the sale of PB 103 amounting to ₱39.20 million, inclusive of VAT. The sale resulted to a loss of ₱4.20 million.

As at June 30, 2022, the remaining balance amounting to ₱70.05 million consist of inventoriable items from the Power Barges that are not yet sold.

8. Investments in Associates and Joint Ventures

The Group's investment in associates and joint ventures and the corresponding effective percentage ownership are shown below:

	Percentage of ownership		Carrying amount	
	June 30, 2022	December 31, 2021	**June 30, 2022**	December 31, 2021
Investments in associates:				
Star Energy Geothermal (Salak-Darajat) B.V. ("Salak-Darajat")	19.80	19.80	**₱12,121,929**	₱10,652,033
Maibarara Geothermal, Inc. ("MGI")	25.00	25.00	**799,402**	785,042
Others(1)	Various	Various	**631**	631
			12,921,962	11,437,706
Interest in joint ventures:				
Philippine Wind Holdings Corp.("PhilWind")	69.81	69.81	**₱5,781,809**	₱5,765,677
UPC-AC Energy Australia (HK) Ltd. ("UPC-ACE Australia")	50.00	50.00	**4,836,907**	903,333
North Luzon Renewable Energy Corporation ("NLR")	33.30	–	**2,407,636**	–
BIM Renewable Energy Joint Stock Company ("BIMRE")	30.00	30.00	**1,814,467**	1,597,533
Ingrid Power Holdings, Inc. ("Ingrid")	50.00	50.00	**1,149,606**	1,210,658
NEFIN Holding Limited ("NEFIN")	50.00	–	**572,173**	–
UPC Australia (HK) Limited ("UPC Australia")	80.00	–	**514,642**	–
AMI AC Renewables Corporation ("AAR")	50.00	50.00	**150,396**	275,573
BIM Wind Joint Stock Company ("BIM Wind")	50.00	–	**134,089**	–
BIM Energy Joint Stock Company ("BIME")	30.00	30.00	**120,669**	111,825
Batangas Clean Energy, Inc. ("BCEI")	50.00	50.00	**118,232**	–
Greencore Power Solutions 3, Inc. ("Greencore")	99.00	–	**115,331**	–
UPC Renewables Asia III Ltd. ("UPC Asia III")	10.00	10.00	**52,531**	47,035
Others(2)	Various	Various	**841**	8,961
			17,769,329	9,920,595
			₱30,691,291	₱21,358,301

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Investment in associates and joint ventures		
Acquisition costs:		
Balance at beginning of period	**₱19,908,130**	₱18,015,097
Interest retained in former subsidiary	**–**	980,900
Additions	**7,587,033**	536,189
Divestment	**–**	(186,738)
Conversion from subscription deposits (Note 9)	**119,357**	–
Acquisition of control	**(8,250)**	–
Cumulative translation adjustment	**1,406,145**	562,682
Balance at end of period	**29,012,415**	19,908,130
Accumulated equity in net earnings (losses):		
Balance at beginning of period	**1,422,007**	1,197,907
Equity in net earnings	**462,700**	1,952,753
Dividends received	**(249,587)**	(1,693,682)
Divestment	**–**	(34,971)
Balance at end of period	**1,635,120**	1,422,007
Accumulated share in other comprehensive income:		
Balance at beginning of period	**29,723**	(229,844)
Unrealized fair value gain (loss) on derivative instruments designated as hedges - net of tax	**15,490**	104,994
Remeasurement loss on defined benefit plans - net of tax	**102**	(54,608)
Effect of business combinations under common control	**–**	209,181
Balance at end of period	**45,315**	29,723
Accumulated impairment losses		
Balance at beginning of period	**(1,559)**	(188,072)
Divestment	**–**	186,513
Balance at end of period	**(1,559)**	(1,559)
Total investments	**₱30,691,291**	₱21,358,301

The Group received dividends amounting to:

	For the three-month period ended June 30 (Unaudited)		**For the six-month period ended June 30 (Unaudited)**	
	2022	2021	**2022**	2021
PhilWind	**₱14,514**	₱160,631	**₱248,165**	₱754,365
NLR	**1,422**	–	**1,422**	–
Salak-Darajat	**–**	336,410	**–**	336,410
NIBH	**–**	69,322	**–**	69,322
	₱15,936	₱566,363	**₱249,587**	₱1,160,097

NLR
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% of NLR through its 38.0% direct interest and 28.7% indirect interest through its 100% owned subsidiary, Ilocos Wind Energy Holding Co., Inc.

The Group's investment in NLR is comprised of 42.96% direct interest in PhilWind, 26.80% interest in PhilWind though wholly owned subsidiary, Giga Ace 1, Inc. and 33.00% direct interest in NLR. As of June 30, 2022, the Group's effective ownership in NLR is 79.87%.

The investment in PhilWind and NLR are accounted for as investments in joint venture as the relevant activities of PhilWind and NLR require the unanimous consent of the stockholders.

UPC-ACE Australia and UPC Australia
On March 11, 2022, ACRI, UPCAPH and Mr. Rohner (collectively "the UPC AU Sellers") signed a Share Purchase Agreement for ACRI's acquisition of the 50% effective ownership interest of UPCAPH and Mr. Rohner in UPC-ACE Australia.

On March 21, 2022, ACRI, UPCAPH, and Mr. Rohner signed separate instruments of transfer for the transfer to ACRI of UPCAPH's 7,150 ordinary shares in UPC-ACE Australia for US$78.34 million (₱4,070.41 million) and Rohner's 1,000,054 ordinary class B shares in UPC Australia for US$9.36 million (₱486.22 million), thereby completing the first tranche of the acquisition. The aggregate consideration paid by ACRI to UPCAPH and Mr. Rohner is US$87.70 million (₱4,556.63 million).

Following the ACEN BOD approval made on October 18, 2021, whereby ACRI will acquire interest in UPC-ACE Australia and UPC Australia, the Sellers will in turn subscribe to up to 942.00 million common shares of ACEN with subscription price of ₱ 11.32/share, subject to adjustments. The issuance and listing of the ACEN common shares were approved by ACEN's stockholders on December 15, 2021.

Consequently, on March 21, 2022, ACEN signed Subscription Agreements with the Sellers for 930,750,000 ACEN shares for subscription price per share of ₱7.871 per share (see Note 17).

UPC-ACE Australia is the joint venture holding company of ACRI and UPCAPH for Australia energy and power projects and investments.

UPC Renewables Australia, a subsidiary of UPC-ACE Australia is developing the 1,000MW Robbins Island and Jim's Plain solar project in Northwest Tasmania and the 520MW New England Solar Farm (NESF) located near Uralla in New South Wales. UPC Renewables Australia also has a further development portfolio of another 8000MW's located in NSW, Tasmania, Victoria and South Australia.

Capital call and subscription deposit
On various dates in January to June, 2022, the Group made investments equivalent to its proportionate share in the following investee companies:

- NEFIN of US$10.00 million (₱515.59 million)
- BCEI of ₱126.78 million
- NLR of ₱2,385.27 million
- UPC-ACE Australia of US$78.34 million (₱4,070.41 million)
- UPC Australia of US$9.36 million (₱486.42 million)

- BIM Wind of US$0.05 million (₱2.41 million)
- Various totaling ₱0.15 million

9. Other Financial Assets at Amortized Cost

The Group's investment in other financial assets at amortized cost are shown below:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Redeemable preferred shares	***₱16,621,065***	*₱12,766,483*
AMI AC Renewables Corporation ("AAR")	**6,894,101**	6,202,339
UPC-AC Energy Solar Limited ("UPC Solar")	**4,271,557**	1,599,381
BIM Renewable Energy Joint Stock Company ("BIMRE")	**1,340,657**	1,238,209
UPC Renewables Asia III Ltd. ("UPC Asia III")	**1,201,993**	1,110,141
BIM Wind Joint Stock Company ("BIM Wind")	**422,391**	390,113
BIM Energy Joint Stock Company ("BIME")	**233,929**	216,053
NEFIN Solar	**192,413**	–
Subscription deposits		
BIM Wind	**1,926,586**	1,895,364
Suryagen Capital Pte. Ltd.	**137,438**	–
AAR	–	114,883
Convertible loans	***16,549,346***	*13,319,476*
UPC-AC Energy Australia (HK) Ltd. ("UPC- ACE Australia")	**11,860,578**	9,047,961
Vietnam Wind Energy Limited ("VWEL")	**2,089,050**	1,929,412
Asian Wind Power 1 HK Ltd ("Asian Wind 1")	**1,429,350**	1,247,771
Asian Wind Power 2 HK Ltd ("Asian Wind 2")	**1,170,368**	1,094,332
Balance at end of period	**₱33,170,411**	₱26,085,959

Investments in redeemable preferred shares

The rollforward analysis of this account follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balances at beginning of period	**₱12,766,483**	₱8,181,268
Subscription deposits	**180,448**	3,150,370
Conversion of subscription deposits	**(168,791)**	(3,416,093)
Subscription to redeemable preferred shares	**1,966,610**	866,258
Conversion to redeemable preferred shares	**168,791**	3,417,430
Conversion to investment in joint venture (Note 8)	**(119,357)**	–
Cumulative translation adjustment	**1,826,881**	567,250
Balances at end of period	**₱16,621,065**	₱12,766,483

Convertible loans

The rollforward analysis of this account follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	**₱13,319,476**	₱7,115,837
Additions	**2,063,996**	6,542,561
Reclassified from receivables from a related party	**74,446**	–
Redemptions	**(14,508)**	(791,328)
Cumulative translation adjustment	**1,105,936**	452,406
Balance at end of period	**₱16,549,346**	₱13,319,476

Convertible loan facilities bear interest ranging from 8.50% to 12.00% per annum. Dividends on convertible loans which are classified and accrued as interest income on a monthly basis are subject to declaration prior to payment.

Interest income

The Group earn interest income from its investments in redeemable preferred shares, subscription deposits, and convertible loans amounting to:

	For the three-month period ended June 30 (Unaudited)		**For the six-month period ended June 30 (Unaudited)**	
	2022	2021	**2022**	2021
Redeemable preferred shares				
AAR	**₱199,592**	₱102,141	**₱393,201**	₱201,030
UPC Solar	**104,949**	29,440	**178,079**	57,078
UPC Asia III	**53,753**	48,195	**105,244**	97,429
BIMRE	**42,077**	35,428	**82,383**	75,441
BIM Wind	**19,922**	–	**23,959**	–
BIME	**7,358**	6,589	**14,407**	13,227
NEFIN Solar	**3,166**	–	**3,166**	–
Convertible loans				
UPC-ACE Australia	**210,495**	112,390	**404,735**	230,771
Asian Wind 1	**47,798**	32,559	**93,227**	80,678
Asian Wind 2	**31,462**	24,795	**76,992**	61,439
VWEL	–	47,625	–	117,054
	₱720,572	₱439,162	**₱1,375,393**	₱934,147

10. Property, Plant and Equipment

During the six-month period ended June 30, 2022, the Group acquired assets with a cost of ₱7,071.79 million (year ended December 31, 2021: ₱5,548.43 million). This includes property, plant, and equipment acquired through business combination amounting to ₱0.20 million (see Note 4).

For the six-month period ended June 30, 2022, the Group invested significant capital expenditures related to the following projects:

Project	Location	Amount
160 MW Balaoi and Caunayan wind project	Pagudpud, Ilocos Norte	₱4,419.33 million
238 MW Solar Project	Brgy. Sta. Fe San Marcelino, Zambales	₱973.71 million
Ayala Gardens Tower 2	Makati City	₱132.69 million

In 2021, the Group invested significant capital expenditures related to the following projects:

Project	Location	Amount
160 MW Balaoi and Caunayan wind project	Pagudpud, Ilocos Norte	₱1,186.19 million
40-MW battery energy storage system (BESS)	Alaminos, Laguna	₱963.49 million
120 MW solar project	Alaminos, Laguna	₱572.02 million
60 MW solar project	Palauig, Zambales	₱408.61 million
4.375 MWdc Renewable Energy Laboratory Facility with Energy Storage System Project	Mariveles Bataan	₱158.10 million
Purchase of parcels of land	Barrio Poonbato, Botolan, Zambales	₱109.91 million
Generator rotor for its Unit 2 122 MW thermal plant	Calaca, Batangas	₱68.84 million

As of June 30, 2022 and 2021, unpaid property, plant and equipment acquisitions amounted to ₱114.15 million and ₱166.34 million, respectively.

Borrowing cost capitalized to property, plant, and equipment amounted to ₱373.81 million and nil as at June 30, 2022 and 2021, respectively. The capitalization rate used to determine the borrowing cost eligible for capitalization is 5.02% and nil in 2022 and 2021, respectively.

For the six-month periods ended June 30, 2022 and 2021, depreciation and amortization included in the cost of sale of electricity amounted to ₱886.99 million and ₱755.96 million, respectively (see Note 19), while depreciation and amortization included as part of cost of expenses amounted to ₱63.70 million and ₱21.22 million, respectively.

The Group's property, plant, and equipment with carrying value of ₱3,598.65 million, and ₱3,702.37 million as at June 30, 2022 and 2021, respectively, were mortgaged as security for the long-term loan of the Group. There are no other property, plant, and equipment that are used to secure the borrowings of the Group (see Note 15).

11. Right-of-Use Assets and Lease Liabilities

The rollforward of these accounts follows:

	June 30, 2022 (Unaudited)						
	Right-of-Use Assets						
	Land and Easement Rights	**Land and Power plants**	**Office Space and Parking Slots**	**Land and Office Building**	**Leasehold Rights**	**Total**	**Lease Liabilities**
As at January 1, 2022	**₱154,346**	**₱815,512**	**₱935,360**	**₱229,184**	**₱1,077**	**₱2,135,479**	**₱2,696,252**
New lease agreements	**–**	**149,743**	**–**	**3,500**	**–**	**153,243**	**151,243**
Amortization expense (Notes 19 and 20)	**(4,706)**	**(10,768)**	**(62,443)**	**(6,186)**	**(269)**	**(84,372)**	**–**
Reclassifications	**(22,549)**		**–**	**22,549**	**–**		**–**
Remeasurement	**–**	**(132,599)**	**–**	**–**	**–**	**(132,599)**	**(1,214)**
Remeasurement due to lease modification	**–**	**2,228**	**–**	**–**	**–**	**2,228**	**2,309**
Interest expense (Note 21)	**–**	**–**	**–**	**–**	**–**	**–**	**110,768**
Payments	**–**	**–**	**–**	**–**	**–**	**–**	**(155,171)**
Foreign exchange adjustments	**–**	**–**	**–**	**–**	**–**	**–**	**77**
As at June 30, 2022	**₱127,091**	**₱824,116**	**₱872,917**	**₱249,047**	**₱808**	**₱2,073,979**	**₱2,804,264**

	December 31, 2021 (Audited)						
	Right-of-Use Assets						
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Leasehold Rights	Total	Lease Liabilities
As at January 1, 2021	₱357,573	₱1,923,002	₱43,112	₱19,717	₱–	₱2,343,404	₱1,916,629
New lease agreements	27,269	196,100	1,010,393	7,346	1,615	1,242,723	1,150,838
Amortization expense (Notes 19 and 20)	(9,157)	(142,690)	(118,145)	(1,433)	(538)	(271,963)	–
Transfers to Property, Plant, and Equipment (Note 10)	–	(672,133)	–	–	–	(672,133)	–
Reclassifications	(221,251)	(8,771)	–	230,022	–	–	–
Remeasurement due to lease modification	–	(8,114)	–	–	–	(8,114)	(31,119)
Capitalized Amortization/ Interest Expense	(88)	(3,438)	–	(22,055)	–	(25,581)	1,780
Deconsolidation	–	(468,444)	–	–	–	(468,444)	(78,051)
Interest expense	–	–	–	–	–	–	164,416
Payments	–	–	–	–	–	–	(450,271)
Foreign exchange adjustments	–	–	–	(4,413)	–	(4,413)	22,030
As at December 31, 2021	₱154,346	₱815,512	₱935,360	₱229,184	₱1,077	₱2,135,479	₱2,696,252

New Lease Agreements during the period:

Leased Property	Location	Lease Term
Parcels of land	Brgy. Malaya, Pililla, Rizal	June 1, 2022 – March 31, 2043

	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
Right of Use Assets				
Amortization Expense (Note 19 and 20)	**₱44,179**	₱156,999	**₱84,373**	₱184,794
Lease Liabilities				
Interest Expenses (Note 21)	**54,254**	49,448	**110,768**	59,396
Cash outflows	**94,127**	74,719	**155,171**	140,122

12. Goodwill and Other Intangible Assets

The rollforward of this account follows:

	June 30, 2022 (Unaudited)				
	Goodwill	**Deferred Exploration Costs**	**Leasehold and Water Rights**	**Other Intangible Assets**	**Total**
Cost:					
Balance at beginning of period	**₱246,605**	**₱141,741**	**₱185,347**	**₱2,193,812**	**₱2,767,505**
Additions/Cash calls	**72,101**	**1,487**	**–**	**8,023**	**81,611**
Balance at end of period	**318,706**	**143,228**	**185,347**	**2,201,835**	**2,849,116**
Accumulated amortization:					
Balance at beginning of period	**–**	**–**	**40,757**	**265,291**	**306,048**
Amortization (Notes 20 and 21)	**–**	**–**	**4,060**	**75,798**	**79,858**
Balance at end of period	**–**	**–**	**44,817**	**341,089**	**385,906**
Accumulated impairment:					
Balance at beginning of period	**–**	**85,477**	**–**	**–**	**85,477**
Impairment (Note 20)	**–**	**600**	**–**	**–**	**600**
Balance at end of period	**–**	**86,077**	**–**	**–**	**86,077**
Net book value	**₱318,706**	**₱57,151**	**₱140,530**	**₱1,860,746**	**₱2,377,133**

	December 31, 2021 (Audited)				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	₱246,605	₱121,975	₱185,104	₱2,191,814	₱2,745,498
Additions/Cash calls	–	19,766	–	1,998	21,764
Reclass from PPE (Note 10)	–	–	243	–	243
Balance at end of year	246,605	141,741	185,347	2,193,812	2,767,505
Accumulated amortization:					
Balance at beginning of year	–	–	32,610	113,696	146,306
Amortization (Notes 20 and 21)	–	–	8,120	151,595	159,715
Reclass from PPE	–	–	27	–	27
Balance at end of year	–	–	40,757	265,291	306,048
Accumulated impairment:					
Balance at beginning of year	–	62,098	–	–	62,098
Impairment	–	23,379	–	–	23,379
Balance at end of year	–	85,477	–	–	85,477
Net book value	₱246,605	₱56,264	₱144,590	₱1,928,521	₱2,375,980

13. Other Assets

Other current asset

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Prepaid expenses	**₱436,066**	₱223,264
Advances to contractors	**348,188**	270,265
Derivative asset (Note 26)	**107,945**	241,744
Short-term investments	**50,000**	68,310
Other current assets	**23,517**	36,433
	965,716	840,016
Less allowance for impairment loss	**21,873**	27,437
	₱943,843	₱812,579

Allowance for impairment relates to the advances to contractors paid by BSEI for the development of its renewable energy laboratory facility with energy storage system project (see Note 10). The ₱5.56 million reversal arise from subsequent collection and reassessment of collectability (Note 22).

Other noncurrent asset

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Advances to suppliers	**₱2,141,020**	₱2,531,010
Development costs	**1,314,462**	428,074
Advances for land acquisitions	**811,373**	–
Deposits	**103,536**	165,164
Investment properties	**13,085**	13,085
Others	**76,336**	40,979
	₱4,459,812	₱3,178,312

14. Accounts Payable and Other Current Liabilities

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Trade	**₱3,491,332**	₱2,534,044
Accrued expenses	**1,244,083**	1,274,403
Output VAT - net	**1,125,709**	1,022,706
Nontrade	**573,874**	425,619
Accrued interest expenses	**295,113**	196,177
Due to related parties (Note 24)	**217,941**	286,870
Retention payables	**216,476**	136,075
Accrued directors' and annual incentives (Note 24)	**19,358**	23,352
Derivative liability (Note 26)	**–**	241,744
Others	**45,761**	139,839
	₱7,229,647	₱6,280,829

15. Short-term Loans, Long-term Loans, and Notes Payable

Short-term Loans

ACEN has outstanding new short-term loans availed in January to June 2022 from various local banks.

Below are the pertinent details of the outstanding short-term loans:

Date of Availment	Amount	Interest	Maturity
April 5, 2022	₱2,900,000,000	3.00%	March 31, 2023
May 17, 2022	₱1,000,000,000	2.20%	July 29, 2022
May 17, 2022	₱1,000,000,000	2.63%	July 29, 2022
June 17, 2022*	₱1,000,000,000	2.34%	September 2, 2022
June 21, 2022	₱2,000,000,000	3.00%	September 2, 2022

**Originally availed May 17, 2022, with maturity June 17, 2022 and interest of 2.05%. Rolled over on June 17, 2022.*

As of December 31, 2021, the Group has no short-term loans.

Total interest expense recognized on short-term loans amounted to ₱36.72 million for the six-month period ended June 30, 2022 (nil for the six-month period ended June 30, 2021).

Long-term Loans

This account consists of:

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**June 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
ACEN								
₱1,175.00 million Loan A	₱1,175.00 million	January 11, 2017	July 11, 2029	6.50% per annum	Principal and interest payable semi-annual	Minimum DSCR 1.00x; maximum DE ratio of 1.50x; and minimum current ratio of 1.00x Based on the ACEN consolidated year-end balances. Tested semi-annual	**₱730,619**	₱768,813
₱5,000.00 million Loan B	₱5,000.00 million	November 15, 2019	November 14, 2029	5.0505% per annum for the first 5 years; repricing for the succeeding five (5) years is the average of the 5-year BVAL, three (3) days prior to repricing date, plus a margin of ninety basis points per annum (0.90%), with the sum divided by 0.95	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	**4,868,421**	4,894,737
₱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	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	**2,491,000**	1,500,000
₱4,500.00 million Loan D	₱805.00 million	March 30, 2021	March 30, 2031	Floating interest rate repriced on every succeeding semi-annual	Principal and interest	Maximum net DE ratio of 3.0x	**4,500,000**	805,000

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**June 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
	₱2,000.00 million ₱1,695.00 million	February 28, 2022 April 11, 2022	March 30, 2031 March 30, 2031	period. Can be converted to fixed up to the 2nd anniversary of initial drawdown.	payable semi-annual	Based on the ACEN consolidated year-end balances. Tested semi-annual		
NorthWind								
₱2,300.00 million	₱2,300.00 million	May 29, 2020	May 29, 2032	Fixed at a rate of 5.13% for 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 of 1.115%, or (b) 5.125% per annum, whichever is higher	Principal and interest payable semi-annual	Minimum historical DSCR of 1.05 times Based on the standalone balances of the borrower. Tested annually at year end.	**₱2,018,020**	₱2,092,540
Guimaras Wind								
₱4,300.00 million loan	₱4,300.00 million	December 18, 2013	February 14, 2029	Fixed rate of 6.50% for Security Bank Corporation (SBC) and 6.25% for Development Bank of the Philippines (DBP)	Principal and interest payable semi-annual	Minimum DSCR of 1.2x, a maximum Debt to equity ratio of 70:30. Based on the standalone balances of the borrower. Tested annually at year end.	**₱1,213,582**	₱1,280,524
SLTEC								
₱13,700.00 syndicated loan facility	₱10,200.00 million	April 29, 2019	April 29, 2031	4.44% to 7.11% for the New Omnibus Agreement and 4.49% to 6.60% for the old Omnibus Agreement	Principal and interest payable semi-annual	Minimum DSCR of 1.1x, and Net Debt to Equity Ratio of (i) 80:20 during the first 3 years from the amendment effective date and (ii) 75:25 thereafter. Based on the standalone balances of the borrower.	**₱10,094,672**	₱9,812,500

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**June 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
						Tested annually at year end.		
Totals							**₱25,916,314**	₱21,154,114
Less unamortized debt issue cost							**288,634**	211,893
							25,627,680	20,942,221
Less current portion							**1,038,750**	824,488
Long-term loans, net of current portion							**₱24,588,930**	₱20,117,733

The rollforward of this account follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
As at beginning of period	**₱21,154,114**	₱22,495,027
Availment	**11,920,000**	848,276
Payment	**(7,157,800)**	(2,188,811)
Foreign exchange translation	**–**	(378)
	25,916,314	21,154,114
Less unamortized debt issue cost	**(288,634)**	(211,893)
	25,627,680	20,942,221
Less current portion	**1,038,750**	824,488
	₱24,588,930	₱20,117,733

Movements in debt issue costs related to the long-term loans follow:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
As at beginning of period	**₱211,893**	₱240,873
Additions	**184,153**	7,970
Derecognition	**(93,583)**	–
Amortization/accretion (Note 25)	**(13,829)**	(36,950)
As at end of period	**₱288,634**	₱211,893

ACEN and SLTEC signing of Amended and Restated Omnibus Loan and Security Agreement, Administration and Management Agreement ("OLSA"), and Operations and Maintenance Agreement
On April 11, 2022, ACEN, as share security grantor, and its subsidiary SLTEC, as borrower, signed an Amended and Restated OLSA for the refinancing of the 2x135 MW SLTEC Circulating Fluidized Bed thermal power plant under an energy transition financing with the Bank of Philippine Islands and Rizal Commercial Banking Corporation as lenders.

ACEN and SLTEC also signed an Administration and Management Agreement for ACEN's administration, control, and management of the entire capacity of the SLTEC power plant, and an Operations and Maintenance Agreement.

The Amended and Restated OLSA increased the facility from ₱11,000.00 million (₱9,900.00 million of which is outstanding to date) to ₱13,700.00 million, which will be used to refinance the existing loan, finance the partial redemption of SLTEC shares held by ACEN upon regulatory approval, and fund transaction-related costs. ACEN, in turn, shall use the proceeds of the equity redemption to reinvest in renewable energy projects.

The above transactions are in line with ACEN's commitment to net-zero greenhouse gas emissions by 2050. This goal is supported by key milestones that will bring ACEN generation output to 100% renewable energy by 2025.

Through this mechanism, ACEN's coal-fired power plant with a capacity of 244 MW in Calaca, Batangas shall be decommissioned by 2040, 15 years ahead of the end of its technical life. This transaction shall serve as a pioneer energy transition financing in the country.

SLTEC New Loans

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms
SLTEC					
₱10,725.00 million	₱7,225.00 million	April 18, 2022	Nov 7, 2036	5.35% per annum	Principal and interest payable semi-annual
₱2,975.00 million	₱2,975.00 million	April 18, 2022	April 18, 2031	6.60% per annum	Principal and interest payable semi-annual

SLTEC optional prepayment
On April 8, 2022, SLTEC availed of the optional prepayment for its outstanding loans amounting to ₱5.95 billion from BDO Unibank, Inc. and ₱892.05 million from SBC. SLTEC incurred financing charges amounting to ₱91.90 million for prepayment penalties and ₱52.71 million for gross receipts tax (GRT).

Compliance with covenants
The Group has complied with the covenants required by the long-term loans payable as of June 30, 2022, and December 31, 2021.

As disclosed in Note 10, certain property, plant, and equipment are used as collateral to long-term loans.

Total interest expense recognized on long-term loans amounted to ₱896.64 million and ₱577.50 million for the six-month period ended June 30, 2022 and 2021, respectively.

Notes payable

The rollforward of this account follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at begining of period	**₱20,309,993**	₱–
Availments	–	20,383,600
Cumulative translation adjustments	**1,671,892**	(73,607)
	21,981,885	20,309,993
Unamortized debt issue cost	**(96,061)**	(114,939)
Balance at end of period	**₱21,885,824**	₱20,195,054

**The senior guaranteed undated fixed-for-life notes of US$400.00 million (₱20,383.60 million) with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par was issued on September 8, 2021.*

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 June 30, 2022 and December 31, 2021.

Total interest expense and other financing charges recognized on notes payable amounted to US$8.27 million (₱432.25 million) and nil for the six-months period ended June 30, 2022 and 2021, respectively.

16. Other Noncurrent Liabilities

This account consists of:

	June 30, 2022 (Audited)	December 31, 2021 (Audited)
Due to related parties (Note 24)	**₱1,547,863**	₱536,212
Trade payable	**1,238,581**	1,238,581
Deposit for future stock subscription	**1,000,008**	8
Contract liabilities	**318,356**	338,489
Accrued interest expenses	**268,767**	252,742
Asset retirement obligation	**172,341**	168,626
Pension and other employee benefits	**94,804**	80,422
Deposit payable	**90,098**	174,581
Derivative liability (Notes 26 and 27)	**48,373**	–
Nontrade payable	**8,145**	2,598
Others	**10,695**	25,083
	₱4,798,031	₱2,817,342

On June 30, 2022, Insular Life Assurance Company, Ltd. signed a subscription agreement for 10.00 million Preferred Shares in SLTEC for a total subscription price of ₱1.00 billion, and subject to conditions set forth in the agreement, including the approval of the SEC of SLTEC's Amendment of Articles. The amount is booked under deposits for future stock subscription.

17. Equity

Capital Stock

This account consists of:

	Number of Shares	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Authorized capital stock – ₱1 par value	**48,400,000,000**	48,400,000,000
Issued shares:		
Balance at beginning of the period	**38,338,527,174**	13,706,957,210
Issuance of new shares	**1,320,745,833**	24,631,569,964
Adjustment in grants through Employee Stock Ownership Plan	**(900)**	–
Balance at end of the period	**39,659,272,107**	38,338,527,174

The issued and outstanding shares as at June 30, 2022 and December 31, 2021 are held by 3,195 and 3,188 equity holders, respectively.

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	–	1,328,933,930	1.00

**On April 7, 1997, par value was increased from ₱0.01 to ₱1.00.*
***Equivalent number of shares at ₱1.00 par.*

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
Rohner	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:

UPC Philippines Wind Partners Ltd	19,059,423
Wind City Inc.	142,668,634
Estanyol Holdings Ltd.	153,493,200
Tenggay Holdings Ltd.	70,525,763
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
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 900 share adjustment in the grants.

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 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 ₱30,129.23 million and ₱28,628.17 as at June 30, 2022 and December 31, 2021, respectively and (b) the cost of treasury shares amounted to ₱28.66 million as at June 30, 2022 and December 31, 2021.

As of June 30, 2022, and December 31, 2021, 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 and management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative translation adjustment amounted to US$675.36 million (₱35,095.07 million) and US$468.66 million (₱23,762.60 million) as of June 30, 2022, and December 31, 2021, respectively.

Dividends
On March 8, 2022, the BOD of ACEN approved the declaration of cash dividends of six centavos (₱0.06) per share on the 38,315,838,177 outstanding shares of ACEN, or a total dividend amounting to ₱2,298.95 million, paid on April 19, 2022, to the shareholders on record as at April 5, 2022.

Non-controlling Interest (NCI)

The rollforward of this account is as follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	**₱29,950,776**	₱50,398,831
Net income attributable to NCI	**769,095**	2,415,063
OCI attributable to NCI	**42,108**	4,152
Acquisition of NCI	**15,139**	(313,598)
Dividends	**(712,301)**	(2,231,038)
Cumulative translation adjustments	**(43,576)**	61,653
Additions through business combination	**(1,096)**	–
Capital infusions	**–**	1,988
Capital redemption	**–**	(20,386,275)
Balance at end of period	**₱30,020,145**	₱29,950,776

Dividends
On January 18, 2022, the BOD of AC Energy Cayman approved the declaration of cash dividends of US$6.87 million (₱352.34 million), paid on January 18, 2022, to the shareholders on record as at January 18, 2022.

Acquisition of non-controlling interest in BWPC and SolarAce4
On March 18, 2022, the Group acquired 40.00% ownership interest of the minority stockholders of BWPC at an aggregate amount of ₱93.55 million, and 30.00% ownership interest of the minority stockholders of SolarAce4 at an aggregate amount of ₱1.80 million.

The acquisitions resulted to 100% ownership in BWPC and SolarAce4 (see Note 4). The excess of the consideration over the carrying amount of non-controlling interest is recognized under the equity reserves amounting to ₱110.42 million and ₱0.07 million for BWPC and SolarAce4, respectively

Other Equity Reserves

This account consists of:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Effect of:		
Common control business combinations	**(₱53,276,727)**	(₱53,276,727)
Purchase of:		
20% in SLTEC	**(2,229,587)**	(2,229,587)
32.21% in NorthWind	**(723,974)**	(723,974)
34.00% in MSPDC	**(261,728)**	(261,728)
ACEX shares	**(130,854)**	(130,854)
40% in BWPC	**(114,487)**	–
30% in SolarAce4	**(65)**	–
Distribution of property dividends – ACEX shares	**1,107**	1,107
Other equity reserves from joint venture	**17,231**	17,231
	(₱56,719,084)	(₱56,604,532)

Capital Management

The primarily objective of the Group's capital management policy is to ensure that it maintains sufficient funds and equity capital in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjust it, in light of changes in economic conditions. No changes were made in the objectives, policies, or processes for the six-month period ended June 30, 2022, and year ended December 31, 2021. 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 of June 30, 2022, and December 31, 2021.

18. Revenue from Sale of Electricity

The Group's revenue from rendering of services consists of:

	For the three-month period ended June 30 (Unaudited)		**For the six-month period ended June 30 (Unaudited)**	
	2022	2021	**2022**	2021
Revenue from power supply contracts	**₱6,054,462**	₱4,585,692	**₱10,586,264**	₱8,154,152
Revenue from power generation	**2,462,684**	3,044,895	**5,289,260**	5,165,210
	₱8,517,146	₱7,630,587	**₱15,875,524**	₱13,319,362

FIT adjustment
On February 19, 2021, ERC clarified on its letter to National Transmission Corporation ("TransCo"), the Administrator of the FIT system, by specifying the timing and manner of billing 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 and 2022 generation billing. Revenue in 2021 and 2022 was based on 2020 approved FIT rates in the absence of the 2021 FIT rates. Currently, there's 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 power supply contract from the six-month period ended June 30, 2022 include RES customer pre-termination fees of ₱605.00 million.

19. Costs of Sale of Electricity

This account consists of:

	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
Costs of purchased power	**₱4,514,212**	₱3,741,375	**₱9,913,559**	₱6,104,275
Fuel	**989,162**	1,268,808	**2,276,488**	2,213,965
Depreciation and amortization (Notes 10, 11 and 12)	**513,806**	480,717	**1,039,282**	876,865
Taxes and licenses	**172,290**	5,913	**347,795**	318,234
Repairs and maintenance	**151,210**	137,683	**334,678**	276,140
Insurance	**169,486**	90,354	**270,258**	180,047
Salaries and directors' fees	**133,488**	118,955	**228,163**	198,993
Contractor's fee	**38,432**	42,045	**79,724**	78,414
Transmission costs	**30,791**	36,385	**48,830**	46,311
Rent	**10,516**	8,184	**25,006**	14,061
Pension and other employee benefits	**5,827**	3,632	**11,088**	7,006
Communication	**4,272**	4,871	**8,265**	8,368
Transportation and travel	**3,692**	2,012	**5,921**	4,624
Filing fees	**557**	5,609	**3,821**	11,759
Others	**23,523**	4,362	**36,521**	45,287
	₱6,761,264	₱5,950,905	**₱14,629,399**	₱10,384,349

20. General and Administrative Expenses

This account consists of:

	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
Management and professional fees	**₱81,540**	₱271,599	**₱134,014**	₱344,256
Taxes and licenses	**48,308**	258,326	**92,678**	400,049
Depreciation and amortization (Notes 10, 11 and 12)	**46,858**	49,574	**75,645**	88,935
Salaries and directors' fees	**26,119**	72,717	**65,755**	137,718
Contractor's fee	**50,598**	6,534	**57,059**	9,846
Corporate social responsibilities	**6,652**	896	**48,599**	4,745
Provision for impairment of property, plant and equipment (Note 10)	**6,879**	107,957	**33,364**	112,073
Insurance, dues and subscriptions	**21,345**	9,035	**27,718**	12,794
Building maintenance and repairs	**14,529**	1,340	**16,681**	13,905
Rent	**11,624**	3,520	**13,548**	6,453
Transportation and travel	**8,068**	1,684	**11,596**	10,836
Pension and other employee benefits	**4,910**	3,395	**10,264**	7,230
Utilities	**7,272**	2,428	**7,882**	3,870

Forward

	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
Training and commitment fees	**₱6,050**	₱–	**₱7,025**	₱–
Meeting and conferences	**5,214**	439	**6,809**	986
Advertisements	**1,025**	7,267	**5,152**	10,623
Communication	**2,758**	1,268	**4,277**	2,247
Office supplies	**854**	852	**3,859**	2,062
Provision for probable losses on deferred exploration costs (Note 12)	**16**	–	**600**	23,379
Provision (reversal) for credit losses (Note 6)	**(4)**	–	**(4)**	873
Others	**13,278**	27,618	**26,341**	28,339
	₱363,893	₱826,449	**₱648,862**	₱1,221,219

21. Interest and Other Finance Charges

This account consists of:

	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
Interest expense on:				
Long-term loans (Note 15)	**₱502,206**	₱282,847	**₱896,637**	₱577,497
Lease obligations (Note 11)	**54,254**	49,448	**110,768**	59,396
Short-term loans (Note 15)	**36,719**	(3,200)	**37,718**	52,697
Amortization of debt issue cost (Note 15)	**(18,359)**	7,673	**8,576**	24,404
Discount on accounts payable	**–**	25,113	**–**	48,356
Bank charges and interest expense on asset retirement obligation	**185,240**	13,108	**210,674**	41,318
	₱760,060	₱374,989	**₱1,264,373**	₱803,668

22. Other Income - Net

This account consists of:

	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
Interest and other financial income	**₱1,135,371**	₱962,723	**₱2,229,622**	₱1,775,643
Realized gains on foreign exchange forward contracts	**272,629**	–	**272,629**	**–**
Foreign exchange gain (loss) - net	**195,980**	(5,580)	**256,029**	15,603
Guarantee fee income	**99,222**	114,144	**185,372**	138,683
Gain on derivatives - net (Note 26)	**51,041**	–	**51,041**	41,700
Guaranteed performance differential	**40,309**	–	**40,309**	
Claims on insurance	**1,751**	20,917	**27,560**	20,917
Reversal of impairment of advances to contractors (Note 13)	**102**	–	**5,564**	–
Loss on FVOCI written-off	**(500)**	–	**(500)**	–
Loss on sale of noncurrent assets held for sale	**(4,200)**	–	**(8,400)**	–
(Loss) gain on sale of inventories and by-product	**5,156**	15,806	**(55,203)**	23,209
Reversal of allowance for impairment of property, plant and equipment (Note 10)	**–**	–	–	86,890
Tax credits on real property taxes	**–**	69,154	**–**	69,154
Gain on reversal of impairment of investments in joint venture, net	**–**	37,635	–	37,635
Others	**53,126**	11,568	**65,769**	31,385
	₱1,849,987	₱1,226,367	**₱3,069,792**	₱2,240,819

Interest and Other Financial Income

This account consists of:

	For the three-month period ended June 30 (Unaudited)		For the six-month period ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
Interest income on:				
Cash in bank and cash equivalents	**₱13,028**	₱18,662	**₱24,580**	₱29,525
Accounts and notes receivables (Note 6)	**401,770**	504,899	**829,650**	811,971
Accounts receivable	**84,519**	151,094	**218,505**	251,033
Development loan	**44,695**	31,795	**96,579**	60,197
Other loan	**272,556**	322,010	**514,566**	500,741
Other financial assets at amortized cost (Note 9)	**720,573**	439,162	**1,375,392**	934,147
Redeemable preferred shares	**430,818**	221,793	**800,439**	444,206
Subscription deposit				
Convertible loans	**289,755**	217,369	**574,953**	489,941
	₱1,135,371	₱962,723	**₱2,229,622**	₱1,775,643

Guarantee fee income

ACRI serves as a guarantor for the following borrowings entered 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. Therefore, the obligation related to the guarantee extended by ACRI is nil.

ACRI Guarantee Agreements

Guarantee for NESF Solar Project

On January 15, 2021, the Group entered into a guarantee agreement with the bank for a total of AUD 260 million ($188.4 million) to guarantee the obligation of New England Solar Project to the project lender. As at June 30, 2022, total amount drawn from the loan was AUD98.98 million ($70.64 million). The Group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance

Parent Corporate Guarantee for BT Wind Projects

In 2020, the Group entered into various guarantee agreements with BT1 Windfarm JSC ("BT1 Wind") and BT2 Windfarm JSC ("BT2 Wind") to provide a Parent Company Guarantee (PCG) in favour of the contractors as security for the obligations of BT1 Wind and BT2 Wind. As at December 31, 2021, the guarantee has been released upon achievement of commercial operations date of the projects.

Guarantee for BT1 Windfarm's Bank Loan

On September 30, 2020, the Group signed an agreement with the bank to guarantee BT1 Windfarm's payment obligation to the project lender on its loan amounting to $118.28 million. As at December 31, 2021, total amount drawn from the facility was $110.98 million. On December 29, 2021, the guarantee has been terminated upon completion of conditions precedent. The Group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance.

Guarantee for AMI Khan Hoa Solar Project's Bank Loan

On October 12, 2018, the Group has entered into a guarantee agreement with the bank for a total of \$37 million to guarantee the obligation of AMI Khan Hoa Solar project to the project lender. Subsequently on October 3, 2020, loan amounting to \$33.71 million was drawn by AMI Khan Hoa. On March 16, 2022, the guarantee agreement has been terminated upon completion of the necessary conditions precedent. The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance.

Guarantee for India Solar Projects

As of June 30, 2022, the Group has an outstanding guarantee amounting to \$202.9 million related to solar projects in India. The purpose of the guarantees are to secure various modules and supply agreements for the projects, performance guarantee, hedge guarantees and loan guarantees. The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance

For the six-month periods ended June 30, 2022 and 2021, the Group recognized corresponding guarantee fee income amounting to \$3.47 million (₱185.37 million) and to \$2.86 million (₱138.68 million), respectively.

<u>Loan facilities commitment</u>

At June 30, 2022, the Group through ACRI has outstanding commitments of \$141.81 million (\$207.1 million as at December 31, 2021) from the loan facilities it provided to related parties.

23. Income Taxes

Provision for income tax consist of:

	For the three-month period ended June 30 (Unaudited)		**For the six-month period ended June 30 (Unaudited)**	
	2022	2021	**2022**	2021
Current	**₱146,626**	(₱50,886)	**₱188,003**	₱82,745
Deferred	**301,890**	(15,800)	**(182,810)**	(22,624)
Final	**650**	3,633	**996**	5,203
	₱449,166	(₱63,053)	**₱6,189**	₱65,324

Net deferred tax liabilities amounted to ₱125.36 million and ₱74.42 million as at June 30, 2022 and December 31, 2021, respectively.

Net deferred tax assets amounted to ₱753.15 million and ₱512.37 million as at June 30, 2022 and December 31, 2021, respectively.

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.

24. **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.

Except as otherwise stated, outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year. 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 recorded for the six-month period ended June 30, 2022, and for the year ended December 31, 2021. The assessments 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 operations.

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.

The transactions and balances of accounts as at June 30, 2022 and December 31, 2021 and for the six-month period ended June 30, 2022 and 2021 are:

a. Transaction with ACEIC, the Parent Company

	Amount/ Volume		Outstanding Balance		
	June 30				
Nature	2022 (Unaudited)	2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Terms / Conditions
Development loans	**₱–**	₱–	**₱1,154,475**	₱9,596,286	Interest bearing; unsecured; no impairment
Interest receivable; interest income	**99,970**	24,894	**2,604**	144,621	Interest bearing unsecured; no impairment
Management fee income	**8,016**	20,745	**18,653**	26,196	Unsecured; no impairment
Management fee expense	**28,815**	297,808	**(35,492)**	(132,893)	Non-interest bearing; due and demandable
Due from related parties	**–**	–	**110,373**	110,373	Non-interest bearing; due and demandable
Due from related parties	**–**	–	**(80,455)**	–	Non-interest bearing; due and demandable

Development loans
On May 27, 2022, ACEIC partially settled its outstanding development loans amounting to US$168.00 million (₱9,236 million). The development loan is interest bearing and earned ₱1.92 million interest income.

On May 14, 2021, ACEN and ACEIC entered into an uncommitted interest-bearing short-term loan facility. The interest- bearing loan has a total facility of US$265.00 million and bears an interest rate equivalent to the sum of (a) applicable average 5-day USD 1-year LIBOR rate immediately prior to the actual drawing; and (b) 2.00% - 2.25%. The principal and interest are payable within one year from the drawdown date. First drawdown was made on May 17, 2021.

b. Notes Receivables

Relationship	Related Party	Outstanding Balance (*In thousands*) June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Terms / Conditions
Development loans				
Joint Venture				
	Greencore	**₱–**	₱212,292	Due in 2023; interest bearing; unsecured; no impairment
	UPC-ACE Solar	**703,680**	1,015,480	Due in 2023; interest bearing; unsecured; no impairment
Associate				
	The Blue Circle	**1,043,645**	658,437	Due in 2022; interest bearing; unsecured; no impairment
	UPC-ACE Australia	**459,281**	–	Due in 2023; interest bearing; unsecured; no impairment
Affiliate				
	Yoma Strategic	**1,320,337**	1,219,173	Due in 2022; interest bearing; unsecured; no impairment
		₱3,526,943	₱3,105,382	
Debt replacements				
Joint Venture				
	Greencore	**₱3,766,833**	₱2,078,400	Due in 2023; interest bearing; unsecured; no impairment
	BIM Wind	**4,683,045**	4,325,183	Due in 2030 interest bearing; unsecured; no impairment
	BIMRE	**–**	1,914,180	Due within 12 months; interest bearing; unsecured; no impairment
	Asian Wind 1	**3,044,241**	2,883,963	Due in 2022; interest bearing; unsecured; no impairment
	VWEL	**4,624,205**	3,637,879	Due in 2022; interest bearing; unsecured; no impairment
	Asian Wind 2	**2,401,193**	2,414,151	Due 2045 interest bearing; unsecured; no impairment
	NEFIN Solar	**192,413**	–	Due in 2024; interest bearing; unsecured; no impairment
		₱18,711,930	₱17,253,756	
Other Loan				
Joint Venture	Infineum 4 Energy, Inc.	**₱192,413**	₱–	Due in 2024; interest bearing; unsecured; no impairment

Except for the discussion above, the movement in the notes receivable from related parties are revaluation of US$ denominated notes receivable to Philippine peso from December 31, 2021, to June 30, 2022.

c. Interest Income and Receivable

This account consist of:

Related Party	Interest Income Jun 30,2022 (Unaudited)	Interest Income Jun 30,2021 (Unaudited)	Interest Receivable Jun 30,2022 (Unaudited)	Interest Receivable Dec 31,2021 (Audited)	Terms
	In thousands				
Other Financial Assets at Amortized Cost (Note 9)					
Redeemable preferred shares	**₱800,439**	₱444,205	**₱1,248,212**	₱946,559	various dates
Convertible loans	**574,954**	489,942	**2,170,072**	1,421,565	various dates
Development Loans					
Joint Venture					
UPC-ACE Solar	**49,390**	34,076	**197,573**	–	various dates
Associate					
The Blue Circle	**38,492**	277	**29,443**	74,101	various dates
UPC- ACE Australia			**719**	-	various dates
Affiliate					
Yoma Strategic	**24,832**	22,299	**117,670**	84,490	various dates
Debt replacements					
Joint Venture					
Greencore	**14,254**	–	**131,103**	53,766	30-day, non-interest bearing
NEFIN Solar	**6,887**	–	**2,587**	–	various dates
BIM Wind	**178,595**	87,348	**86,376**	140,212	various dates
BIMRE	**9,822**	87,166	**–**	192,216	various dates
Asian Wind 1	**117,881**	92,854	**159,293**	–	various dates
VWEL	**38,766**	110,338	**407,763**	394,970	various dates
Asian Wind 2	**80,812**	90,065	**132,625**	253,987	various dates
Other Loan					
Affiliate	**–**	–	**550**	–	30-day, non-interest bearing
	₱1,935,124	₱1,458,570	**₱4,683,986**	₱3,561,866	

d. Loans Payable

Related Party	Interest Income Jun 30,2022 (Unaudited)	Interest Income Jun 30,2021 (Unaudited)	Interest Receivable Jun 30,2022 (Unaudited)	Interest Receivable Dec 31,2021 (Audited)	Terms
	In thousands				
Bank of the Philippines Island					
Short-term loans (Note 15)	**₱–**	₱–	**(₱1,000,000)**	₱–	12 months,interest bearing
Long-term loans (Note 15)	**–**	–	**(9,025,666)**	(2,079,133)	12 years, interest bearing
Interest Expense/Interest Payable	**144,899**	29,308	**--**	(9,533)	30 days, unsecured

e. 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 unit and parking spaces.

Related Party	Amortization / Interest Expense Jun 30,2022 (Unaudited)	Amortization / Interest Expense Jun 30,2021 (Unaudited)	ROU / (Lease Liabilities) Jun 30,2022 (Unaudited)	ROU / (Lease Liabilities) Dec 31,2021 (Audited)	Terms
	In thousands				
ALI					
Right of use Assets (Note 11)	**₱52,205**	₱ 50,190	**₱884,846**	₱930,453	10 years, unsecured
Lease Liabilities (Note 11)	**19,501**	19,143	**(955,567)**	(990,107)	10 years, unsecured
FBDC		–			
Right of use Assets (Note 11)	**4,627**	–	**6,873**	11,500	3 years, unsecured
Lease Liabilities (Note 11)	**109**	–	**(4,999)**	(9,771)	3 years, unsecured

f. Other Related Party Transactions

	Amount/Volume		Outstanding Balance Receivable (Payable)		
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Terms
Management fee income	**₱30,500**	₱69,722	**₱8,496**	₱25,860	30-days, unsecured
Rental income	**8,669**	9,873	**4,423**	1,674	30-days, unsecured
Revenue from power supply contracts	**5,170**	–	**26**	–	30-days, unsecured
Cost of sale of electricity	**673,516**	116,378	**(84,349)**	(94,110)	30-days, unsecured
Due from related parties	–	–	**487,354**	168,386	On demand, Unsecured
Due to related parties	–	–	**(1,565,508)**	(596,079)	On demand, Unsecured

g. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱83.85 million and ₱78.36 million as at June 30, 2022 and December 31, 2021, respectively, pertain to housing, car, salary and other loans granted to Group's officers and employees.

h. Payable to Directors and Stockholders

	Amount/Volume		Outstanding Balance Receivable (Payable)		
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	December 31 2021 (Audited)	Terms
Accrued director's and annual incentives (Note 14)					
Directors' fee and annual incentives	**(₱3,994)**	(₱30,574)	**(₱19,358)**	(₱23,352)	On demand, Unsecured
Due to stockholders (Note 17)					
Cash dividends	–	–	**(16,585)**	(16,585)	On demand, Unsecured

Key Management Compensation

Some of the key management personnel of other Group are employees of AC and ACEIC. Hence, the disclosure of the total compensation of these key management personnel by benefit type is included in the financial statements of AC and ACEIC. Compensation of key management personnel of the Group amounted to ₱113.24 million and ₱97.49 million for the six-month period ended June 30, 2022 and 2021, respectively.

<u>Identification, Review and Approval of Related Party Transactions</u>

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.

25. Earnings Per Share

Basic and diluted EPS are computed as follows:

	For the three-month period Ended June 30 (Unaudited)		For the six-month period Ended June 30 (Unaudited)	
	2022	2021	**2022**	2021
	(In Thousands, Except for Number of Shares and Per Share Amounts)			
(a) Net income attributable to equity holders of Parent Company	**₱1,778,063**	₱1,418,108	**₱2,183,089**	₱2,690,363
Common shares outstanding at beginning of period (Note 17)	**39,053,720,104**	17,895,066,193	**38,324,027,174**	13,692,457,210
Weighted average number of:				
Shares issued during the period	–	2,530,571,339	**729,693,830**	6,733,180,322
(b) Weighted average common shares outstanding	**39,053,720,104**	20,425,637,532	**39,053,721,004**	20,425,637,532
Basic/Diluted earnings per share (a/b)	**₱0.05**	₱0.07	**₱0.06**	₱0.13

26. 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 either by spot conversions; and
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values

The Group's significant foreign currency-denominated financial assets and financial liabilities as at June 30, 2022 and December 31, 2021 are as follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	U.S. Dollar (US$)	U.S. Dollar (US$)
Financial Assets		
Cash and cash equivalents	**$33,538**	$303,150
Other receivables	**771**	677,566
	34,309	980,716
Financial Liabilities		
Accounts payable and other current liabilities	**(448)**	(18,516)
Notes payable and loans-term loans	–	(397,744)
	(448)	(416,260)
Net foreign currency-denominated assets (liabilities)	**$33,861**	$564,456
Peso equivalent	**₱1,863,032**	₱28,657,431

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱55.02 to US$1.00 as at June 30, 2022 and ₱50.77 to US$1.00 as at December 31, 2021.

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$
June 30, 2022	**(₱0.50)**	**(₱17,379)**
(Unaudited)	**(1.00)**	**34,758**
	0.50	**17,379**
	1.00	**34,758**
December 31, 2021	(₱0.50)	(₱282,228)
(Audited)	(1.00)	(564,456)
	0.50	282,228
	1.00	564,456

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 ACEC, ACE 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.

	June 30, 2022 (Unaudited)	
	Peso	**US$**
Cash and cash equivalents	**₱21,832,807**	**$397,141**
Receivables	**30,114,609**	**547,787**
Investments in:		
Associates and joint ventures	**20,317,906**	**369,584**
Other financial assets at amortized cost	**33,170,411**	**603,373**
Financial asset at FVTPL	**1,407,677**	**25,606**
	106,843,410	**1,943,491**
Accounts payable and other current liabilities	**(1,678,693)**	**(30,536)**
Notes payable	**(21,885,824)**	**(398,105)**
Net foreign currency position	**₱83,278,893**	**$1,514,850**

	December 31, 2021 (Audited)	
	Peso	US$
Cash and cash equivalents	₱15,153,410	$298,448
Receivables	34,297,177	675,487
Investments in:		
Associates and joint ventures	41,569,737	818,721
Other financial assets at amortized cost	26,846,355	528,742
Financial asset at FVTPL	406,739	8,011
	118,273,418	2,329,409
Accounts payable and other current liabilities	(859,183)	(16,922)
Notes payable	(20,195,054)	(397,744)
Net foreign currency position	₱97,219,181	$1,914,743

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**
June 30, 2022	**USD**	**($0.50)**	**(₱757,425)**
(Unaudited)		**(1.00)**	**(1,514,850)**
		0.50	**757,425**
		1.00	**1,514,850**
December 31, 2021	USD	($0.50)	(₱1,118,686)
(Audited)		(1.00)	(2,237,372)
		0.50	1,118,686
		1.00	2,237,372

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.

	June 30, 2022 (Unaudited)				
	Neither Past Due nor Impaired			Past Due Individually	
	Class A	Class B	Class C	Impaired	Total
Trade and other receivables					
Current:					
Trade receivables	**₱525,555**	**₱484,068**	**₱1,182**	**₱7,361,474**	**₱8,372,279**
Due from related parties	**303,153**	**–**	**243,128**	**816,938**	**1,363,219**
Others	**95,665**	**16,586**	**381,979**	**10,957,640**	**11,451,870**
Noncurrent					
Trade receivables	**566,458**	**209,649**	**–**	**–**	**776,107**
Due from related parties	**239,720**	**373**	**60,834**	**5,517,570**	**5,818,497**
Receivables from third parties	**2,550**	**654**	**–**	**625,679**	**628,883**
	₱1,733,101	**₱711,330**	**₱687,123**	**₱25,279,301**	**₱28,410,855**

	December 31, 2021 (Audited)				
	Neither Past Due nor Impaired			Past Due Individually	
	Class A	Class B	Class C	Impaired	Total
Trade and other receivables					
Current:					
Trade receivables	₱470,270	₱3,315,917	₱2,130	₱1,762,510	₱5,550,827
Due from related parties	18,724,341	7,918	216,715	6,639,711	25,588,685
Others	609,083	207,906	627,037	893,647	2,337,673
Noncurrent					
Trade receivables	–	1,313,647	–	596,387	1,910,034
Due from related parties	8,484,028	–	–	–	8,484,028
Receivables from third parties	2,210,103	–	29,577	571,283	2,810,963
	₱30,497,825	₱4,845,388	₱875,459	₱10,463,538	₱46,682,210

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 ₱384.24 million and ₱354.87 million as at June 30, 2022 and December 31, 2021.

Maximum exposure to credit risk of financial assets subject to impairment
The gross carrying amount of financial assets subject to impairment are as follows:

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Financial Assets at Amortized Cost (Portfolio 1)		
Cash and cash equivalents	**₱34,794,619**	₱26,445,429
Under “Receivables” account		
Current:		
Trade receivables	**8,372,279**	5,550,827
Due from related parties	**1,363,219**	25,588,685
Others	**11,451,870**	2,337,633
Noncurrent:		
Trade receivables	**776,107**	1,910,034
Due from related parties	**5,818,497**	8,484,028
Receivables from third parties	**628,883**	2,210,103
Other financial assets at amortized cost	**33,170,411**	26,085,959
Under “Other Noncurrent Assets” account		
Deposits	**103,536**	165,164
	₱96,479,421	₱98,777,862

The Group’s maximum exposure to credit risk are as follows:

	June 30, 2022 (Unaudited)				
		Lifetime ECL			
Grade	**12-month Stage 1**	**Stage 2**	**Stage 3**	**Simplified Approach**	**Total**
High	**₱538,419**	**₱-**	**₱-**	**₱21,498**	**₱559,917**
Standard	**-**	**-**	**-**	**5,246**	**5,246**
Substandard	**-**	**-**	**-**	**-**	**-**
Default	**-**	**-**	**-**	**5,708**	**5,708**
Gross carrying amount	**538,419**	**-**	**-**	**32,452**	**570,871**
Less loss allowance	**-**	**-**	**-**	**-**	**-**
Carrying amount	**₱538,419**	**₱-**	**₱-**	**₱32,452**	**₱570,871**

	December 31, 2021 (Audited)				
		Lifetime ECL			
Grade	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	Total
High	₱34,297,803	₱–	₱–	₱26,743	₱34,324,546
Standard	183	–	–	–	183
Substandard	–	–	–	–	–
Default	–	–	–	621	621
Gross carrying amount	34,297,986	–	–	27,364	34,325,350
Less loss allowance	181,599	–	–	–	181,599
Carrying amount	**₱34,116,387**	**₱–**	**₱–**	**₱27,364**	**₱34,143,751**

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.

	June 30, 2022 (Unaudited)					
	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	**₱2,034,920**	**₱270,084**	**₱521,621**	**₱1,238,581**	**₱–**	**₱4,065,206**
Retention payable	**26,745**	**44,839**	**144,892**	**–**	**–**	**216,476**
Accrued expenses [a]	**1,212,336**	**15,188**	**16,559**	**–**	**–**	**1,244,083**
Accrued interest	**269,962**	**25,151**	**–**	**–**	**–**	**295,113**
Due to related parties	**203,326**	**1,972**	**27**	**12,616**	**–**	**217,941**
Others	**36,518**	**5,836**	**3,407**	**–**	**–**	**45,761**
Derivative Liability	**–**	**–**	**–**	**48,373**		**48,373**
Short-term loans	**7,900,000**	**–**	**–**	**–**	**–**	**7,900,000**
Due to stockholders	**16,585**	**–**	**–**	**–**	**–**	**16,585**
Lease liabilities [b]	**–**	**126,300**	**261,423**	**1,445,576**	**3,381,637**	**5,214,936**
Long-term loans [c]	**–**	**930,968**	**1,899,057**	**8,314,877**	**17,732,001**	**28,876,903**
Notes payable	**–**	**–**	**–**	**21,885,824**	**–**	**21,885,824**
Other noncurrent liabilities [d]	**–**	**–**	**–**	**3,781,794**	**554,703**	**4,336,497**
	₱11,700,392	**₱1,420,338**	**₱2,846,986**	**₱36,727,641**	**₱21,668,341**	**₱74,363,698**

[a] *Excluding current portion of vacation and sick leave accruals.*
[b] *Gross contractual payments.*
[c] *Including contractual interest payments.*
d. *Excluding contract liabilities.*

	December 31, 2021 (Audited)					
	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	₱2,163,882	₱76,624	₱293,538	₱1,238,581	₱–	₱3,772,625
Retention payable	–	–	136,075	–	–	136,075
Accrued expenses [a]	644,535	128,384	501,485	–	–	1,274,404
Accrued interest	169,053	27,124	101,236	252,742	–	550,155
Due to related parties	276,322	5,573	4,975	536,212	–	823,082
Others	18,270	987	120,582	–	–	139,839
Derivative Liability	–	–	241,744	–	–	241,744
Short-term loans	–	–	–	–	–	–
Due to stockholders	16,585		–	–	–	16,585
Lease liabilities [b]	–	112,360	226,672	1,401,896	3,566,932	5,307,860
Long-term loans [c]		230,879	1,774,699	8,374,528	18,727,675	29,107,781
Notes payable	–	–		20,195,054	–	20,195,054
Other noncurrent liabilities [d]	–	–		2,392,953	4,333,333	6,726,286
	₱3,288,647	₱581,931	₱3,401,006	₱34,391,966	₱26,627,940	₱68,291,490

[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 June 30, 2022 and December 31, 2021, the profile of financial assets used to manage the Group's liquidity risk is as follows:

	June 30, 2022 (Unaudited)				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Over 12 Months**	**Total**
Loans and receivables:					
Current:					
Cash and cash equivalents	**₱ 34,794,619**	**₱–**	**₱–**	**₱–**	**₱ 34,794,619**
Short-term investments		**–**	**–**	**–**	**–**
Accounts and Notes Receivables:					
Accounts Receivables	**7,178,638**	**953,815**	**–**	**–**	**8,132,453**
Notes Receivables	**15,352,130**	**–**	**–**	**–**	**15,352,130**
Interest Receivables	**2,629,155**	**–**	**–**	**–**	**2,629,155**
Noncurrent:					
Receivables:					
Accounts Receivables	**–**	**–**	**–**	**2,111,569**	**2,111,569**
Notes Receivables	**–**	**–**	**–**	**14,772,312**	**14,772,312**
Interest Receivables	**–**	**–**	**–**	**2,193,228**	**2,193,228**
Derivative assets	**107,945**	**–**	**–**	**–**	**107,945**
Other financial assets at amortized cost	**–**	**–**	**–**	**33,170,411**	**33,170,411**
Financial assets at FVOCI:					
Quoted	**–**	**–**	**–**	**383,552**	**383,552**
Unquoted	**–**	**–**	**–**	**690**	**690**
	₱60,062,487	**₱953,815**	**₱–**	**₱52,631,762**	**₱113,648,064**

	December 31, 2021 (Audited)				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
Current:					
Cash and cash equivalents	₱26,445,429	₱–	₱–	₱–	₱26,445,429
Short-term investments	68,310	–	–	–	68,310
Accounts and Notes Receivables:					
Accounts Receivables	5,481,520	1,124,498	–	–	6,606,018
Notes Receivables	24,278,081	–	–	–	24,278,081
Interest Receivables	2,425,198	–	–	–	2,425,198
Noncurrent:					
Receivables:					
Accounts Receivables	–	–	–	2,093,042	2,093,042
Notes Receivables	–	–	–	9,586,187	9,586,187
Interest Receivables	–	–	–	1,512,085	1,512,085
Derivative assets	–	241,744	–	–	241,744
Other financial assets at amortized cost	–	–	–	26,085,959	26,085,959
Financial assets at FVOCI:					
Quoted	–	–	–	353,678	353,678
Unquoted	–	–	–	1,190	1,190
	₱58,698,538	₱1,366,242	₱–	₱39,632,141	₱99,696,921

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 June 30, 2022 and December 31, 2021, 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 FVOCI.

Commodity Price Risk

<u>Cash flow hedges</u>

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 and Chief Finance Officer 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 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						
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
As at June 30, 2022							
Foreign exchange forward contracts							
Notional amount ($000)	**$–**	**$7,404**	**$–**	**$–**	**$–**	**$–**	**$7,404**
Average forward rate ($/₱)	**–**	**48.72**	**–**	**–**	**–**	**–**	
Coal							
Notional amount (in Metric Tons)	**–**	**–**	**9,000**	**–**	**–**	**1,950**	**10,950**
Notional amount (in $000)	**$–**	**$–**	**$1,955**	**$–**	**$–**	**($28)**	**$1,927**
Average hedged rate ($ per Metric ton)	**–**	**–**	**121.50**	**–**	**–**	**260.00**	**–**
As at December 31, 2021							
Foreign exchange forward contracts							
Notional amount ($000)	$–	$360	$270	$181	$273	$–	$1,084
Average forward rate ($/₱)	–	48.23	48.38	48.37	48.72	–	–

There were no additional fuel and coal commodity swap contracts entered into and the remaining coal contracts in 2021 were all settled as at December 31, 2021. The Group had fuel oil hedges entered in 2020 which were all settled also as at December 31, 2020.

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 June 30, 2022				
Foreign exchange forward contracts	**$7,404**	**₱47,143**	**Other current assets**	**47,143**
Commodity swap contracts – Coal	**1,955**	**107,945**	**Other current assets**	**80,959**
Commodity swap contracts – Coal	**(28)**	**(1,230)**	**Other noncurrent liabilities**	**(922)**
As at December 31, 2021				
Foreign exchange forward contracts	$1,084	241,744	Other current assets	241,744
Commodity swap contracts - Coal	–	–	Other current assets	–

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 June 30, 2022			
Highly probable forecast purchases	**₱10,310**	**(₱46,260)**	**₱–**
Highly probable forecast purchases	**47,143**	–	–
Coal purchase	**80,959**	–	–
Coal purchase	**(922)**	–	–
As at December 31, 2021			
Highly probable forecast purchases	(₱47,029)	₱6,228	₱–
Highly probable forecast purchases	241,744	–	–

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 June 30, 2022						
Foreign exchange forward contracts	**₱–**	**₱47,143**	**Other income (expense)**	**₱–**	**₱–**	**₱–**
Foreign exchange forward contracts	**10,310**	**–**	**Unrealized fair value gains on derivative instruments designated as hedges**	**–**	**–**	**–**
Commodity swap contracts - Coal	**80,959**	**–**	**Unrealized fair value gains on derivative instruments designated as hedges**	**–**	**–**	**–**
Commodity swap contracts - Coal	**(922)**	**–**	**Unrealized fair value gains on derivative instruments designated as hedges**	**–**	**–**	**–**
As at December 31, 2021						
Foreign exchange forward contracts	₱–	₱241,744	Other income (expense)	₱–	₱–	₱–
Foreign exchange forward contracts	(47,029)	–	Unrealized fair value gains on derivative instruments designated as hedges	–	–	–

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 rechallenged 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 is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to 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.

The Group monitors capital using a gearing ratio of debt to equity and net debt to equity.

Debt consists of short-term and long-term debts of the Group. Net 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 as capital.

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Short-term debt (Note 15)	**₱7,900,000**	₱–
Long-term debt (Note 15)	**47,513,504**	41,137,275
Total debt	**55,413,504**	41,137,275
Less:		
Cash and cash equivalent (Note 5)	**34,794,619**	26,388,448
Short-term investments (Note 13)	**50,000**	68,310
Restricted cash	**–**	56,981
Net debt	**20,568,885**	14,623,536
Total equity	**134,583,327**	117,968,762
Debt to equity	**41,17%**	34.87%
Net debt to equity	**15.28%**	12.40%

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.

27. 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 June 30, 2022 and December 31, 2021:

	June 30, 2022 (Unaudited)			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Financial assets at FVTPL	**₱1,407,677**	**₱–**	**₱1,407,677**	**₱–**
Financial assets at FVOCI	**384,242**	**190**	**384,052**	**–**
Other financial assets at amortized cost	**33,170,411**	**–**	**–**	**30,679,488**
Derivative asset*	**107,945**	**–**	**107,945**	**–**
Refundable deposits**	**103,536**	**–**	**–**	**106,485**
Trade receivables***	**2,123,834**	**–**	**–**	**2,143,938**
Receivables from third parties****	**39,507**	**–**	**–**	**39,507**
	₱37,337,152	**₱190**	**₱1,899,674**	**₱32,969,418**

	June 30, 2022 (Unaudited)			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Liabilities				
Notes payable	**₱20,309,993**	**₱–**	**₱–**	**₱19,424,567**
Long-term debt	**25,627,680**	**–**	**–**	**20,820,440**
Deposit payables and other liabilities*****	**90,098**	**–**	**–**	**99,216**
Derivative liability	**48,373**	**–**	**–**	**48,373**
Lease liabilities	**2,804,264**	**–**	**–**	**3,036,578**
	₱48,880,408	**₱–**	**₱–**	**₱43,429,174**

** Included under "Other current assets" account.*
*** Included under "Other noncurrent assets" account.*
**** Included under "Receivables" and "Other noncurrent assets" accounts and pertain to FIT adjustments and multilateral agreement with PEMC*
***** Included under "Receivables"*
****** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.*

	December 31, 2021 (Audited)			
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Financial assets at FVTPL	₱406,739	₱–	₱406,739	₱–
Financial assets at FVOCI	354,868	21	354,847	–
Other financial assets at amortized cost	26,085,959	–	–	25,515,486
Derivative asset*	241,744	–	241,744	–
Refundable deposits**	165,164	–	–	167,953
Trade receivables***	2,052,268	–	–	2,081,941
Receivables from third parties****	75,752	–	–	75,752
	₱29,382,494	₱21	₱1,003,330	₱27,841,132
Liabilities				
Notes payable	₱20,195,054	₱–	₱–	₱20,447,789
Long-term debt	20,942,221	–	–	20,906,144
Deposit payables and other liabilities*****	174,581	–	–	203,399
Derivative liability	241,744	–	241,744	–
Lease liabilities	2,696,252	–	–	3,369,737
	₱44,249,852	₱–	₱241,744	₱44,927,069

** Included under "Other current assets" account.*
*** Included under "Other noncurrent assets" account.*
**** Included under "Receivables" and "Other noncurrent assets" accounts and pertain to FIT adjustments and multilateral agreement with PEMC*
***** Included under "Receivables" and "Other noncurrent assets" accounts.*
****** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.*

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 market prices have been used to determine the fair values of quoted financial assets at FVOCI.

For unquoted financial assets at FVTPL and FVOCI, management uses the discounted cash flow 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.

Other Financial Assets at Amortized Cost
This includes investments 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 5.56% to 5.89% and 4.40% to 7.10% as at June 30, 2022 and December 31, 2021 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 4.52% and 4.40% as at June 30, 2022 and December 31, 2021 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.

28. **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 Group is organized into the following business units:

- Philippines, which includes:
  1. Retail Electricity Supply (RES) or 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 way of energy generation
  4. Project development expenses
  5. Leasing, bulk water supply, and
  6. Petroleum and exploration

- International represents the operations of ACRI, which is the holding company for all offshore investments. This includes earnings from the international renewable investments, as well as project development expenses and overhead expenses for the various renewable power projects in the pipeline

- Parent and Others represents operations of the Parent Company (excluding RES / CO) and ACE Shared Services, Inc. This also includes interest expense incurred by ACEN Finance Limited interest expense

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. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group’s internal reports to assess performance of the Group.

Revenue earned from a single external customer amounted to ₱9,010.76 million and ₱3,444.28 million for the six-month period ended June 30, 2022 and 2021, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arise 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 six-month period ended June 30, 2022, and 2021 and assets and liabilities as at June 30, 2022 and December 31, 2021:

	For the six months ended June 30, 2022			
	Philippines	**International**	**Parent and Others**	**Consolidated**
Revenues				
Revenue from sale of electricity	**₱15,875,524**	**₱–**	**₱–**	**₱15,875,524**
Rental income	**34,363**	**–**	**–**	**34,363**
Dividend income	**–**	**3,635**	**–**	**3,635**
Other revenues	**14,267**	**12,836**	**27,890**	**54,993**
	15,924,154	**16,471**	**27,890**	**15,968,515**
Costs and expenses				
Costs of sale of electricity	**14,629,399**	**–**	**–**	**14,629,399**
General and administrative expenses	**299,574**	**315,798**	**33,490**	**648,862**
	14,928,973	**315,798**	**33,490**	**15,278,261**
Interest and other finance charges	**(441,492)**	**(60,468)**	**(762,414)**	**(1,264,374)**
Equity in net income of associates and joint ventures	**348,144**	**114,556**	**–**	**462,700**
Other income - net	**122,141**	**2,203,535**	**744,116**	**3,069,792**
Net income (loss) before income tax	**1,023,974**	**1,958,296**	**(23,898)**	**2,958,372**
(Provision for) benefit from income tax	**(24,559)**	**21,163**	**(2,793)**	**(6,189)**
Segment net income (loss)	**₱999,415**	**₱1,979,459**	**(₱26,691)**	**₱2,952,183**
Other disclosures				
Depreciation and amortization	**1,060,696**	**54**	**54,177**	**1,114,927**
Capital expenditures	**7,071,591**	**–**	**–**	**7,071,591**
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	**33,364**	**–**	**–**	**33,364**

	As at June 30, 2022			
Operating assets	**₱48,299,475**	**₱63,520,533**	**₱93,343,669**	**₱205,163,677**
Operating liabilities	**(₱26,144,053)**	**(₱23,839,369)**	**(₱20,596,928)**	**₱70,580,350**
Other disclosures:				
Investments in associates and joint ventures	**₱10,373,385**	**₱20,317,906**	**₱–**	**₱30,691,291**
Pension & other employment benefits	**52,544**	**–**	**42,260**	**94,804**

	For the six months ended June 30, 2021 (Unaudited)			
	Philippines	International	Parent and Others	Consolidated
Revenues				
Revenue from sale of electricity	₱13,319,362	₱–	₱–	₱13,319,362
Rental income	29,530	–	–	29,530
Dividend income	–	6,549	–	6,549
Other revenues	8,635	15,306	35,492	59,433
	13,357,527	21,855	35,492	13,414,874

(Forward)

	For the six months ended June 30, 2021 (Unaudited)			
	Philippines	International	Parent and Others	Consolidated
Costs and expenses				
Costs of sale of electricity	10,384,349	–	–	10,384,349
General and administrative expenses	804,182	166,759	250,278	1,221,219
	11,188,531	,166,759	250,278	11,605,568
Interest and other finance charges	(453,310)	(36,842)	(313,516)	(803,668)
Equity in net income of associates and joint ventures	649,822	286,232	–	936,054
Other income (expense) - net	231,030	1,800,244	209,545	2,240,819
Net income (loss) before income tax	2,596,538	1,904,730	(318,757)	4,182,511
(Provision for) benefit from income tax	(131,011)	10,252	55,435	(65,324)
Segment net income (loss)	₱2,465,527	₱1,914,982	(₱263,322)	₱4,117,187
Other disclosures:				
Depreciation and amortization	921,604	14	44,182	965,800
Capital expenditures	1,463,317	203	193,410	1,656,930
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	139,673	–	–	139,673

	As at December 31, 2021 (Audited)			
Operating assets	₱64,282,801	₱90,206,147	₱16,672,440	₱171,161,388
Operating liabilities	₱20,313,914	₱21,165,660	₱11,713,052	₱53,192,626
Other disclosures:				
Investments in associates and joint ventures	₱7,762,008	₱13,596,293	₱–	₱21,358,301
Pension & other employment benefits	48,499	–	31,923	80,422

<u>Seasonality of Operations</u>

The operations subject to seasonality and cyclicality are the wind farms of Guimaras Wind Corporation and NorthWind Power Development Corporation. 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”). Solar projects are not subject to seasonality and cyclicality. This information is provided to allow for a better understanding of the results; however, management has concluded that this is not ’highly seasonal’ in accordance with PAS 34.

29. Supplemental Cash Flows Information

The non-cash investing activities of the Group for the six-month period ended June 30, 2022 and 2021 are as follow:

	For the six-month period Ended June 30 (Unaudited)	
	2022	2021
Non-cash additions to property, plant and equipment	**₱114,149**	₱166,343
Set-up of ROU assets from new lease agreements	**153,243**	1,166,148
Reclassifications to (from):		
Other current assets	**389,990**	–
Property, plant and equipment	**172,575**	253,211
Investments in associates and joint ventures	**111,107**	–
Noncurrent assets held for sale	**58,585**	14,890
Creditable withholding taxes	**(276,616)**	–
Investments in other financial assets at amortized cost	**(44,911)**	(192,491)
Investment properties	**–**	(438,375)
Acquired through business combinations:		
Other noncurrent assets	**158,132**	–
Property, plant and equipment	**202**	–

Movements in the Group's liabilities from financing activities for the six-month period ended June 30, 2022 and 2021 are as follows:

	January 1, 2022 (Audited)	Availments/ Proceeds	Payments	Others	June 30, 2022 (Unaudited)
Current portion of:					
Short-term loans	**₱–**	**₱11,137,020**	**(₱3,237,020)**	**₱–**	**₱7,900,000**
Long-term loans	**824,488**	**–**	**(7,157,799)**	**7,372,061**	**1,038,750**
Lease liabilities	**536,950**	**–**	**(155,171)**	**(129,216)**	**252,563**
Interest payable	**448,919**	**–**	**(912,357)**	**1,027,318**	**563,880**
Due to stockholders	**16,585**	**–**	**(3,011,252)**	**3,011,252**	**16,585**
Noncurrent portion of:					
Notes payable	**20,195,054**	**–**	**–**	**1,690,770**	**21,885,824**
Long-term loans	**20,117,733**	**11,920,000**	**–**	**(7,448,803)**	**24,588,930**
Lease liabilities	**2,159,302**	**–**	**–**	**392,399**	**2,551,701**
Other noncurrent liabilities	**2,736,920**	**1,815,136**	**–**	**151,172**	**4,703,228**
Total liabilities from financing activities	**₱47,035,951**	**₱24,872,156**	**(₱14,473,599)**	**₱6,066,953**	**₱63,501,461**

	January 1, 2021 (Audited)	Availments/ Proceeds	Payments	Others	June 30, 2021 (Unaudited)
Current portion of:					
Short-term loans	₱4,635,000	₱3,000,000	(₱7,635,000)	₱–	₱–
Long-term loans	707,782	–	(1,847,701)	1,808,813	668,894
Lease liabilities	285,001	–	(140,122)	236,682	381,561
Interest payable	265,313	–	(804,655)	671,512	132,170
Due to stockholders	18,272	–	(2,350,888)	2,349,201	16,585
Noncurrent portion of:		–	–		
Long-term loans	21,546,373	848,276	–	(1,790,826)	20,603,823
Lease liabilities	1,631,628	–	–	776,075	2,407,703
Other noncurrent liabilities	1,695,048	200,539	–	3,579	1,899,166
Total liabilities from financing activities	₱30,784,417	₱4,048,815	(₱12,778,366)	₱4,055,036	₱26,109,902

30. **Provisions and Contingencies**

Tax assessments:

On August 20, 2014, ACEN distributed cash and property dividends in the form of shares in ACEX 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. As at August 4, 2022, the CIR's motion for reconsideration has not been resolved by the CTA *en banc*.

Claims for tax refund

a. On May 19, 2022, 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 ₱16,149,514.98, 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 27 June 2022, the Company 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.

b. In 2018, SACASOL filed a Petition for Review with the CTA regarding the disallowed claim of 2014 and 2015 input VAT amounting to ₱62.64 million. On February 3, 2020, SACASOL filed a Memorandum with the CTA on the pending case. CTA Third Division denied the Petition of SACASOL on Feb. 3, 2021. A Motion for Reconsideration, Supplement to the Motion for Reconsideration with Ad Cautelam Motion to Admit Additional Evidence, and Second Supplement to the Motion for Reconsideration with Ad Cautelam Motion to Admit Additional Evidence were filed in 2021. As of December 13, 2021, CTA Third Division denied the MR. As of February 2, 2022, SACASOL elevated and filed a Petition for Review before the CTA En Banc.

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 August 17, 2021, the PEMC Board cleared CIP and found NO breaches from January to December 2015. 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. The PEMC hopes to finish all investigations in 2022.

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 PEMC and directed PEMC to submit its plan of action for the refund scheme. The Group monitors PEMC's action relative to the ERC's Decision and Order.

31. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at June 30, 2022.

ACEN's Php-denominated ASEAN Green Fixed Rate 5-year Bond
On July 6, 2022, ACEN's Executive Committee authorized the establishment of up to ₱30,000.00 million debt securities (the "Debt Securities") to be offered and issued in one or more tranches under a debt securities program (the "Debt Securities Program")

ACEN filed with the Securities and Exchange Commission a registration statement for a three (3) year shelf registration of the Debt Securities Program.

The Executive Committee also authorized ACEN (1) to offer and issue, out of the Debt Securities to be shelf registered, up to ₱10,000.00 million Php-denominated ASEAN Green Fixed Rate 5-year Bonds (the "Bonds") as first tranche of the Debt Securities Program, and (2) to apply for the listing of the Bonds with the Philippine Dealing & Exchange Corp.

The Debt Securities has received PRS Aaa, the highest possible rating awarded by the Philippine Rating Services Corporation ("PhilRatings") to any issuance of debt securities. The bonds further diversify ACEN's funding sources, complementing the Company's U.S. dollar-denominated green bond issuances, bank lines, and project financing.

Execution of a Loan and Security Agreement between ACEN, NAREDCO, and CREC4
On July 14, 2021, pursuant to their Shareholders' Agreement, NAREDCO entered into a Loan and Security Agreement with ACEN and CREC4 for ACEN's extension to NAREDCO of a loan in the amount of up to ₱1,140.00 million from ACEN. NAREDCO has agreed to secure the Loan with parcels of land where the Lal-lo Solar Power Project will be located as well as CREC4's shares in NAREDCO.

Amendments to Articles of Incorporation and By-Laws
On July 20, 2022, the SEC approved the proposed amendments to the ACEN's Articles of Incorporation pertaining to (1) change in the corporate name of the ACEN to "ACEN CORPORATION", (2) removal of oil exploration, mining, and related activities from the Primary Purpose and Secondary Purposes, and specification of retail electricity supply and provision of guarantees, and (3) change in the principal office of the Corporation.

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, align with the Revised Corporation Code and good corporate governance practices, and geared towards the digitalization of certain governance processes, the importance of which has been highlighted by the current circumstances.

The Company's Amended Articles of Incorporation and By-Laws are effective July 20, 2022.

ACEN approves the final tranche of its energy transition financing
On July 25, 2022, ACEN, at the special board meeting, approved the divestment of all its shares in its wholly-owned subsidiary, SLTEC, through energy transition financing. The 244 MW coal plant in Calaca, Batangas, is the only coal plant under ACEN's portfolio. Subject to regulatory approval, the shares will be acquired by ETM Philippines Holdings, Inc. ("EPHI") and The Insular Life Assurance Company, Ltd. ("InLife") for an aggregate value of ₱3,700.00 million. ACEN will use the proceeds from the divestment to invest in more renewable energy projects.

EPHI is a vehicle company that allows financial investors to invest in energy transition by accelerating the retirement of coal-fired power plants, and to fund the development of new clean energy technologies. ACEN approved the provision of bridge financing to EPHI to facilitate its investment in SLTEC while providing prospective financial investors a vehicle to participate in energy transition.

ANNEX B

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial position and results of operations of ACEN CORPORATION (formerly AC Energy Corporation or ACEN) and its subsidiaries collectively referred to as “the Group”, should be read in conjunction with the unaudited interim consolidated financial statements as at June 30, 2022, for the six-month period ended June 30, 2022 and 2021 and the audited consolidated financial statements as at December 31, 2021. The unaudited interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (“PAS”) 34, *Interim Financial Reporting*.

Corporate Updates:

- On July 6, 2022, ACEN’s Executive Committee approved the offer and issuance of up to ₱10 billion in fixed-rate green bonds with a five-year tenor, as the first tranche of a shelf registration program of up to ₱30 billion in debt securities. The offering will be the Group’s debut peso bond issue, allowing it to diversify its funding sources by tapping into the Philippine debt capital markets. The bonds are intended to comply with ASEAN Green Bond Standards, and proceeds will be used for the construction of the Arayat-Mexico Solar Farm expansion, Cagayan Solar Phase 1, and San Marcelino Solar Phase I. The offering has received a rating of PRS Aaa, the highest possible rating awarded by Philippine Rating Services Corporation (PhilRatings).

- On 26 July 2022, ACEN’s Board of Directors approved the divestment of all of its shares in wholly owned subsidiary, SLTEC. This is the final tranche of the implementation of the energy transition mechanism (ETM) for the only coal asset in ACEN’s portfolio. In the first tranche of the ETM, SLTEC earlier signed a ₱13.7 billion Omnibus Loan and Security Agreement, which refinanced its previous ₱9.8 billion loan and is intended to fund the partial redemption of ₱3.5 billion of capital in SLTEC held by ACEN. Subject to regulatory approval, ACEN’s remaining shares in SLTEC will be acquired by ETM Philippines Holdings, Inc. (EPHI) and Insular Life for an aggregate value of ₱3.7 billion. A total of ₱7.2 billion in proceeds is expected from this ETM transaction.

- To help achieve its capacity expansion targets and return to a robust growth trajectory, ACEN recently entered into new partnerships and joint ventures:

    - In March 2022, ACE Endevor formed a joint venture company with CleanTech Renewable Energy 4 Corporation to develop, own and operate a 133-MW solar farm and transmission line in Lal-lo, Cagayan, Philippines.
    - In April 2022, ACEN and ib vogt, a German-based developer of tracking solar farms, have agreed to set up a platform to fund the construction and operation of large-scale solar power projects throughout Asia, subject to regulatory approvals. The JV targets a minimum operational capacity of 1,000MW over the coming years, and will focus on late-stage, shovel-ready projects in Indonesia, Vietnam, Malaysia, Laos, Bangladesh, and other countries in the region.
    - In April 2022, ACEN also announced the board approval of the company’s plans to enter the United States renewable energy market through a newly formed strategic partnership with UPC Solar & Wind Investments LLC (UPC) and Pivot Power Management (PPM), to pursue opportunities to acquire operating wind projects in the US and explore strategies for extending their useful life through preventative maintenance and

repowering. The transaction is subject to usual and customary conditions precedent to closing.

- In May 2022, ACEN announced that it agreed to work together with the Puri Usaha Group in a platform for the joint development of groundbreaking renewable energy projects in Indonesia focusing on large-scale solar power plants, battery energy storage system and green hydrogen projects, subject to applicable regulatory approvals and execution of definitive documentation. The proposed joint venture entity is Suryagen Capital Pte. Ltd. The Suryagen platform covers the Batam, Bintan and Karimun (BBK) islands as well as East Nusa Tenggara province where the majority of the projects that the Puri Usaha Group have been developing are located, with the aim to begin the construction of its first project by 2023

Operating Highlights:

- ACEN currently has ~4,040 MW of pro forma attributable capacity in the Philippines and across the region, of which ~3,500 MW, or 88%, is renewable. This puts the Group in a strong position to reach its 5,000-MW RE target earlier than 2025, towards its vision of becoming the largest listed renewables platform in Southeast Asia.

    - In May 26, 2022, the Company announced start of construction for the 42 MW Arayat Mexico Solar Expansion in partnership with Citicore. This brings the total capacity of the Arayat Solar plant to 114 MW.
    - In June 23, 2022, notice to proceed was issued for the construction of the 133 MW Cagayan Solar plant with CleanTech.
    - In July 28, 2022, the Company announced the start of construction for the 70 MW Caparispisan Wind Project, an expansion of the currently operating 81 MW North Luzon Renewables Project.

- Attributable output increased by 11% to 2,482 gigawatt-hours (GWh) in the first half of 2022. Output grew as a result of new operating capacity from Vietnam wind farms and Philippine and India solar farms, but this was offset by the effects of the SLTEC outages, as well as curtailment in the Visayas as a result of transmission line damages from Typhoon Odette.

- Renewables' share of ACEN's total attributable output increased by 52% from new renewable capacity built, bringing RE's share to 68% of total energy production.

Financial Highlights:

- The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to **₱2,183.09 million** for the six-month period ended June 30, 2022 compared to **₱2,690.36 million** net income in the same period last year.

The tables below summarize the impact of operations on the Group's consolidated revenues, costs and expenses for the year ended June 30, 2022 and 2021.

Revenues

In thousand Pesos	Apr - Jun **2022**	Apr - Jun 2021	Jan – Jun **2022**	Jan – Jun 2021	Apr - Jun **Inc (Dec)**	%	Jan - Jun **Inc (Dec)**	%
Revenue from sale of electricity	**8,517,146**	7,630,587	**15,875,524**	13,319,362	**886,559**	12	**2,556,162**	19
Rental income	**17,310**	15,867	**34,363**	29,530	**1,443**	9	**4,833**	16
Dividend income	**–**	–	**3,635**	6,549	**–**	–	**(2,914)**	(44)
Other revenues	**31,453**	40,576	**54,993**	59,433	**(9,123)**	(22)	**(4,440)**	(7)

- **Revenue from sale of electricity** registered 19% growth from last year mainly driven by revenue contribution from 600MWdc Palauig Solar Farm and 120MWdc Alaminos Solar Farm that started operations April 2021 and June 2021, respectively; revenues generated by merchant plants at higher WESM prices this 2022 vs. 2021; higher dispatch and dependable capacity from diesel plants. The growth is partly offset by SLTEC outages, retail energy supply (RES) customer contract buy-out fee; curtailment of Visayas plants especially during the first quarter of the year; and lower wind resource and plant availability from wind plants this June YTD.
- **Rental income** increased mainly coming from BCHC.
- **Dividend Income** came from UPC Sidrap, which is recognized as financial asset at FVOCI.
- **Other revenue** consists of management fees earned by ACEN from its joint venture and bulk water sales.

Costs and Expenses

In thousand Pesos	Apr - Jun **2022**	Apr - Jun 2021	Jan - Jun **2022**	Jan - Jun 2021	Apr - Jun **Inc (Dec)**	%	Jan – Jun **Inc (Dec)**	%
Cost of sale of electricity	**6,761,264**	5,950,905	**14,629,399**	10,384,349	**810,359**	14	**4,245,050**	41
General and administrative expenses	**363,893**	826,449	**648,862**	1,221,219	**(462,556)**	(56)	**(572,357)**	(47)

- **Costs of sale of electricity** increased largely on higher costs of purchased power due to elevated spot market prices during a major preventive maintenance outage of the SLTEC thermal plant in the first quarter of 2022. Other operating costs also increased such as fuel cost with increasing oil prices as well as repairs following SLTEC outages. The Group registered lower gross profit margin for the period ended June 30, 2022 of P1,246.12 million vs. P2,935.01 million gross profit contribution from same period last year with lower supply amidst increasing WESM prices as well as the P605.00 million buy-out fees.
- **General and administrative expenses** drop in GAE with higher capitalized development management expenses in 2022 vs. last year.

Other Income and Expenses

In thousand Pesos	Apr - Jun 2022	2021	Jan – Jun 2022	2021	Apr - Jun Inc (Dec)	%	Jan - Jun Inc (Dec)	%
Interest and other finance charges	**(760,060)**	(374,989)	**(1,264,373)**	(803,668)	**385,071**	103	**460,705**	57
Equity in net income of associates and joint ventures	**118,226**	359,645	**462,700**	936,054	**(241,419)**	(67)	**(473,354)**	(51)
Other Income	**1,849,987**	1,226,367	**3,069,792**	2,240,819	**623,620**	51	**828,973**	37

- **Interest and other finance charges** higher due to increased volume of currently held long-term and short-term loans from period to period with additional availments during the first half of the year.
- **Equity in net income of associates and joint ventures** decreased mainly driven by ₱235.18 million from Philwind/NLR ; ₱171.68 million from ACRI ; ₱104.30 million from NIBH which was disposed effective June 30, 2021 ; ₱60.24 million from Ingrid ; partly cushioned by increase of ₱119.70 million from Greencore share in earnings.
- **Other income** is mainly comprised of interest and other financial income from investments in redeemable preferred shares of associates and joint ventures, and from development loans and advances to associates and joint ventures. registered an increase vs. last year with higher interest income mainly coming from international loan receivables and investments in convertible loans and redeemable preferred shares. This also includes net forex gains as of June 2022 accounted for as follows: ₱275.05 million in ACEN Parent mainly from unrealized revaluation gains of USD denominated receivables; ₱272.63 million realized forex hedge gains from BWPC.

Provision for (benefit from) income tax

In thousand Pesos	Apr - Jun 2022	2021	Jan – Jun 2022	2021	Apr - Jun Inc (Dec)	%	Jan - Jun Inc (Dec)	%
Current	**147,276**	(47,253)	**188,999**	87,948	**194,529**	412	**101,051**	115
Deferred Income tax	**301,890**	(15,800)	**(182,810)**	(22,624)	**317,690**	2,011	**(160,186)**	(708)

- The increase in **provision for income tax - current** due to higher taxable income for the year.
- **Deferred income tax benefit** increased mainly driven by ACEN and SLTEC set-up of DTA on NOLCO.

Material changes in Consolidated Statements of Financial Position accounts

In thousand pesos	June 30, 2022	December 31, 2021	Increase (Decrease) Amount	%
Current Assets				
Cash and cash equivalents	**₱34,794,619**	₱26,445,429	₱8,349,190	32%
Accounts and notes receivable	**26,113,738**	33,309,297	(7,195,559)	(22%)
Fuel and spare parts	**1,772,861**	1,490,559	282,302	19%
Financial assets at fair value through profit or loss (FVTPL)	**42,263**	–	42,263	–
Current portion of:				
Input value added tax (VAT)	**1,702,138**	1,173,169	528,969	45%
Creditable withholding taxes	**1,114,088**	837,472	276,616	33%
Other current assets	**943,843**	812,579	131,264	16%
Noncurrent assets held for sale	**70,052**	203,464	(133,412)	(66%)
Noncurrent Assets				
Investments in:				
Associates and joint ventures	**30,691,291**	21,358,301	9,332,990	44%
Other financial assets at amortized cost	**33,170,411**	26,085,959	7,084,452	27%
Financial assets at FVTPL	**1,365,414**	406,739	958,675	236%
Financial assets at fair value to other comprehensive income (FVOCI)	**384,242**	354,868	29,374	8%
Plant, property and equipment	**42,329,994**	36,038,563	6,291,431	17%
Right-of-use assets	**2,073,979**	2,135,479	(61,500)	(3%)
Accounts and notes receivable - net of current portion	**19,077,108**	13,191,314	5,885,794	45%
Goodwill and other intangible assets	**2,377,133**	2,375,980	1,153	0%
Net of current portion:				
Input VAT	**1,178,800**	524,733	654,067	125%
Creditable withholding tax	**748,737**	726,804	21,933	3%
Deferred income tax assets – net	**753,154**	512,366	240,788	47%
Other noncurrent assets	**4,459,812**	3,178,312	1,281,500	40%

- Increase in **Cash and cash equivalents** were attributable to issuance of shares to UPC and its entities and additional loans availed by the Group during the year. This was partly offset by the Group's acquisition and additional investments in various subsidiaries and joint ventures totaling to ₱7,485.35 million (i.e. NLR, BWPC, UPC PH development entities , NEFIN Holding Limited and Batangas Clean Energy, Inc.(BCEI)).
- Decrease in **Accounts and notes receivable** mainly attributable to settlement of development loan to a related party, partially neutralized by increase in trading revenues driven by new operating capacity and power supply deals.
- **Fuel and spare parts** went up as a result of ACEN and SLTEC's purchases of spare parts and other direct materials in preparation for maintenance works, coupled with the SLTEC's purchases of coal which have not yet been consumed as of June 30, 2022
- Increase in **current portion of input VAT** mainly driven by input tax from purchases of various materials needed for construction and maintenance of various plants and services procured.
- **Creditable withholding tax** went up parallel to increased revenue, driven by new operating capacity and power supply deals.
- **Other current assets** increased primarily due to the Group's prepaid insurance, prepaid taxes, and advances to its contractors ₱296 million . The increase is partially offset by last year's derivative asset on forward contracts (₱133.80 million) and decreases in short term investments
- **Assets held for sale** decreased from last year with the disposal of Power Barges 101, 102 and 103 during the first half of 2022.

- **Investments in associates and joint ventures** increased mainly due to additional investment in UPC-ACE Australia (₱4,070.41 million) and NLR (₱2,385.27 million). There are also new joint venture investments reported during the period such as BCEI, NEFIN Holding Limited, and UPC Australia (HK) Limited. Accumulated equity in net earnings increased for the period largely coming from PhilWind/NLR (₱288.09 million) and Salak-Darajat (₱560.43 million) but reduced by ₱249.59 million total dividend payout coming from PhilWind/NLR.
- **Investments in other financial assets at amortized cost** include investments in redeemable preferred shares of, and convertible loans extended to associates and joint ventures. These increased with additional subscriptions into redeemable preferred shares of various international projects, as well as additional loan facilities extended.
- **Noncurrent financial assets at FVTPL** pertains to Compulsorily Convertible Debentures (CCDs) from Masaya Solar. Masaya Solar is currently constructing the 420MWp solar farm in the Central Indian state of Madhya Pradesh.
- **Noncurrent financial assets at FVOCI** are largely the investment in UPC Sidrap and also include golf club shares and listed equity instruments.
- **Plant, property and equipment** increased mainly due to increase in capitalization for the construction of Solar Plant and Transmission Lines in Marcelino, Zambales (₱786 million), and Wind Farm in Balaoi and Caunayan Pagudpud, Ilocos Norte (₱4.42 billion) The Group also had ₱373.82 million capitalized borrowing costs from project companies during the current period.
- **Right-of-use asset's** decrease came from amortizations of leases.
- **Receivables - net of current portion** increased primarily due to non-current portion of loans and interest receivable of ACRI.
- **Goodwill & other intangible assets** increased mainly due to goodwill arising from control acquisition over various UPC PH development entities ₱71.44 million and offset by amortizations of other intangibles for the period.
- Majority of the balance of **Deferred tax asset** came from recognition on accrued expenses, NOLCO, MCIT and lease liabilities.
- **Input VAT non-current** increased due to reclassification of input vat of Endevor entities from current to non-current.
- **Other non-current assets** include various advances to contractors for the ongoing project developments and investment properties. Increase is mainly attributable to capitalization of developmental costs and increase in advances by the Group to its contractors.

In thousand pesos	June 30, 2022	December 31, 2021	Increase (Decrease) Amount	%
Current Liabilities				
Accounts payable and other current liabilities	**₱7,229,647**	₱6,280,829	₱948,818	15%
Short-term loans	**7,900,000**	–	7,900,000	–
Current portion of:				
Long-term loans	**1,038,750**	824,488	214,262	26%
Lease liabilities	**252,563**	536,950	(284,387)	(53%)
Income and withholding taxes payable	**192,960**	169,920	23,040	14%
Due to stockholders	**16,585**	16,585	–	–
Noncurrent Liabilities				
Notes payable	**21,885,824**	20,195,054	1,690,770	8%
Long-term loans - net of current portion	**24,588,930**	20,117,733	4,471,197	22%
Lease liabilities - net of current portion	**2,551,701**	2,159,302	392,399	18%
Deferred tax income liabilities - net	**125,359**	74,422	50,937	68%
Other noncurrent liabilities	**4,798,031**	2,817,342	1,980,689	70%
Equity				
Capital Stock	**39,659,272**	38,338,527	1,320,745	3%
Additional paid-in capital	**107,281,657**	98,043,831	9,237,826	9%
Other equity reserves	**(56,719,084)**	(56,604,532)	(114,552)	(0%)
Unrealized fair value loss on equity instruments at FVOCI	**(91,596)**	(90,089)	1,507	2%
Unrealized fair value gain on derivative instruments designated as hedges – net of tax	**33,777**	6,228	27,549	442%
Remeasurement loss on defined benefit plans – net of tax	**(25,191)**	(24,436)	755	3%
Accumulated share in other comprehensive gain of associates and joint ventures	**45,315**	29,723	15,592	52%
Cumulative translation adjustments	**5,816,249**	(359,910)	6,176,159	1,716%
Retained earnings	**8,591,440**	8,707,301	(115,861)	(1%)
Treasury shares	**(28,657)**	(28,657)	–	–
Non-controlling interests	**30,020,145**	29,950,776	69,369	0%

- **Accounts payable and other current liabilities** increased mainly on output tax (current and deferred), trade payables and accrued expenses.
- **Short-term loans** are outstanding loans lent by banks such as BDO (₱2,000.00 million), RCBC (₱2,900.00 million), BPI (₱1,000.00 million), and HSBC (₱2,000.00 million)
- **Current portion of long-term loans** increased due to reclassifications of currently maturing principal within 12-month period, offset by repayments during the period.
- **Current portion of lease liability** decreased due to lease payments during the period.
- Increase in **income and withholding taxes payable** was mainly due to income tax provision for the period and increase in expanded withholding tax payable.
- **Notes payable** pertains to 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 to the new loans availed by ACEN and SLTEC (₱4,700.00 million and ₱7,220.00 million, respectively). The increase was offset by the principal payments made by ACEN (₱73.51 million), Guimaras Wind (₱66.94 million) and SLTEC's prepayment of loans (₱6,940.00 million).
- **Lease Liabilities-net of current portion** increased mainly due to interest expense recognized during the period.
- Majority of the balance of **deferred income tax liabilities** came from recognition on unrealized foreign exchange gains and right-of-use assets of the Group as at period ended.

- **Other non-current liabilities** include Deposit for future stock subscription of Insular life in SLTEC amounting to ₱1,000.00 million. This account also includes ₱1,123.51 million trade payables in relation to a Multilateral Agreement signed by the Group, PEMC and other WESM participants as well as contract liabilities, pension and other employment benefits, and asset retirement obligations related to solar operations.
- **Capital stock and additional paid in capital** increased by 1.320.75 million shares at ₱7.87 and ₱8.29 per share from share issuance to UPC international and Philippine development entities, respectively.
- The movement in **other equity reserves** pertain to the impact of the share issuance to UPC Philippine development entities, mainly BWPC. Excess of consideration from acquisitions of non-controlling interest in BWPC amounted ₱114.49 million.
- The increase in **unrealized FV loss on equity instruments at FVOCI** came from mark-to-market loss for UPC Sidrap for the current period.
- **Unrealized fair value gain on derivative instruments designated as hedges** increased due to fuel hedge valuation.
- **Remeasurement loss on defined benefit plan** increased parallel to various actuarial loss and loss on return on plan assets.
- The increase in **accumulated share in other comprehensive gain of associates and joint ventures** came from share in Investment Derivatives in UPC Renewables.
- **Retained earnings'** net decreased resulting from ₱2.30 billion dividends during the current period.
- **Treasury shares** has no movement during the period.
- **Non-controlling interests** are mainly comprised of redeemable preferred shares (RPS) of ACEN Cayman held by AC Energy Finance International Limited. Non-controlling interests' share in net income amounted to ₱769.10 million, which was offset by dividends totaling ₱712.30 million. The Group also acquired the non-controlling interest in BWPC and Solarace4 with carrying amounts of (₱16.87) million and ₱1.74 million respectively.

Key Performance Indicators

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

Key Performance Indicator	Formula	30-Jun-22 (Unaudited)	31-Dec-21 (Audited)	Increase (Decrease) Amount	Increase (Decrease) %
Liquidity Ratios					
Current Ratio	Current assets / Current liabilities	**4.00**	8.21	(4.21)	(51%)
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**3.66**	7.64	(3.98)	(52%)
Solvency Ratios					
Debt/Equity ratio	Total liabilities / Total equity	**0.52**	0.45	0.07	16%
Asset-to-equity ratio	Total assets / Total equity	**1.52**	1.45	0.07	5%
Interest Coverage Ratio	Earnings before interest & tax (EBIT) / Interest expense	**3.34**	5.61	(2.27)	(40%)
Net bank Debt to Equity ratio	Short & long-term loans - Cash & Cash Equivalents / Total Equity	**0.15**	0.12	0.03	25%
Profitability Ratios					
Return on equity*	Net income after tax attributable to equity holders of the Parent Company / Average stockholders' equity	–	–	–	–
Return on assets*	Net income after taxes / Average total assets	–	–	–	–
Asset Turnover	Revenues / Average total assets	**8.49%**	16.67%	(8.18%)	(49%)

**Computed on annual basis.*

Current ratio & Acid test ratio

Current ratio & acid test ratio decreased with increase in accounts payable and availment of short-term loans, which significantly outpaced the increase in cash and other current assets.

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 paid-in capital and 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

Lower net income before interest and taxes coupled with higher interest expense following additional loan availments yield to lower interest coverage ratio for the current period.

Net bank debt to equity ratio

Increased from year-end 2021 due to additional availments of short-term and long-term loans.

Asset turnover

Asset turnover increased due to lower net revenues and increase in average total assets of the Group during the period.

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 balance sheet date.

- 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 reporting period.

- There were no material events that had occurred subsequent to the balance sheet date except for the events after the reporting period disclosed in the Interim Condensed Consolidated Financial Statements.

- ACEN has material commitments to invest in capital expenditure projects mainly in the following:

  - 288MW solar project in Buguey and Lal-lo, Cagayan and the proposed 275MW 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, ACE Endevor 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, ACE Endevor and Citicore;
  - 500MW solar power project in San Marcelino, Zambales through Santa Cruz Solar;
  - 2x20 MW Alaminos Battery Energy Storage System (BESS) Project through 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 the 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, operation of priority-dispatch variable renewable energy, and community quarantines 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. Several capital raising activities are also set for 2022.

- 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 cyclicality 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").

ACEN CORPORATION ("ACEN" or the "Company")

(For Q2 2022)

1. April 04, 2022 – Press Release on ib vogt and ACEN to set up 1,000 MW asset platform for solar in Asia.
2. April 04, 2022 – Company's Definitive Information Statement for the 2022 Annual Stockholders' Meeting.
3. April 05, 2022 – Press Release on ACEN and Citicore energize solar plant in Pampanga.
4. April 06, 2022 – Material Information/Transactions - ACEN Executive Committee approval of sponsor documents for SLTEC Refinancing.
5. April 11, 2022 – Material Information/Transactions - ACEN and SLTEC signing of Amended and Restated Omnibus Loan and Security Agreement, Administration and Management Agreement, and Operations and Maintenance Agreement.
6. April 11, 2022 – Press Release on ACEN pioneers energy transition financing to enable more renewables.
7. April 19, 2022 – Public Ownership Report for the period ending 31 March 2022
8. April 19, 2022 – Disbursements of the Proceeds and Progress Report in connection with the proceeds generated from the Company's Stock Rights Offering
9. April 19, 2022 – Disbursements of the Proceeds and Progress Report in connection with the proceeds generated from the Company's Follow-On Offering
10. April 19, 2022 – List of Top 100 Stockholders for the period ending 31 March 2022
11. April 19, 2022 – Disposition of Power Barge 103
12. April 19, 2022 – Acquisition of 500,000 shares from the Company's Follow-on Public Offering of Common shares, which were listed on 14 May 2021
13. April 22, 2022 – Amendment of Public Ownership Report for the period ending 31 March 2022
14. April 26, 2022 – Results of the 2022 Annual Stockholders' Meeting
15. April 26, 2022 – Results of the 2022 Organizational Meeting of Board of Directors
16. April 26, 2022 – Submission of SEC Form 23-B of Alan T. Ascalon to report the acquisition of 117,747 shares of the Company through the Employee Stock Ownership Plan (ESOWN)
17. April 26, 2022 – Submission of SEC Form 23-B of John Philip S. Orbeta to report the acquisition of 3,646,458 shares of the Company through the ESOWN
18. April 26, 2022 – Submission of SEC Form 23-A of Mr. Dean L. Travers as newly appointed director of the Company
19. April 26, 2022 – Press Release on ACEN enters partnership to repower wind farms in the US
20. April 27, 2022 – Clarification of the news article in Manila Bulletin (Online Edition) on April 26, 2022 entitled, "ACEN sets P900-B capital for massive RE pipeline"
21. April 28, 2022 – Submission of SEC Form 23-B of Jose Maria Eduardo P. Zabaleta to report the acquisition of 1,329,024 shares of the Company through the ESOWN
22. April 29, 2022 – Notice of Q1 2022 Analyst and Investor Briefing on 11 May 2022
23. May 04, 2022 – Annual Report for the fiscal year ended 31 December 2021
24. May 05, 2022 – Submission of 23-B to report the one (1) share held in trust by Dean Travers (as nominee director) in favor of Arran Investment Pte Ltd
25. May 11, 2022 – Material Information/Transactions - Q1 2022 Earnings of AC Energy Corporation and Subsidiaries
26. May 11, 2022 – Press Release on ACEN Reports P405 Million Net Income for First Quarter of 2022
27. May 13, 2022 – Matters approved at the regular board meeting held on 12 May 2022:
    a. Appointment of Mr. Juan Martin L. Syquia as the Company's Deputy Chief Finance Officer effective 16 May 2022;

b. Additional term loan facilities of up to ₱6 billion to support the Company's growth plans; and
c. Issuance of corporate guarantees in support of the Company's Australia projects for an aggregate of up to AUD360 million.

28. May 13, 2022 – Appointment of Mr. Juan Martin L. Syquia as Deputy Chief Finance Officer
29. May 13, 2022 – Submission of SEC Form 23-A of Mr. Juan Martin L. Syquia
30. May 13, 2022 – Change in Number of Issued and Outstanding Shares due to additional Issuance of Common Shares
31. May 13, 2022 – Public Ownership Report for the period ending 21 April 2022
32. May 13, 2022 – Submission of Form 23-B to report the sale by AC Energy and Infrastructure Corporation ("ACEIC") of 1,861,000,000 shares to its parent company, Ayala Corporation ("AC"), pursuant to a regular block sale.
33. May 16, 2022 - Material Information/Transactions - ACEN partners with the Puri Usaha group to invest in Suryagen, a renewable energy developer in Indonesia
34. May 16, 2022 – Press Release on ACEN partners with the Puri Usaha group to invest in Suryagen, a renewable energy developer in Indonesia
35. May 17, 2022 – Quarterly Report for period ended 31 March 2022
36. May 24, 2022 – Material Information/Transactions - New South Wales supports battery energy storage development of ACEN Australia's New England Solar Farm
37. May 24, 2022 – Press Release on New South Wales supports battery energy storage development of ACEN Australia's New England Solar Farm
38. May 26, 2022 – Material Information/Transactions - Omnibus Agreement among AC Energy Corporation, ACE Endevor, Inc, Greencore Power Solutions 3, Inc., and Citicore Solar Energy Corporation
39. May 30, 2022 – Notice on Revised Corporate Governance Manual availability
40. May 30, 2022 – 2021 Integrated Annual Corporate Governance Report
41. May 31, 2022 – 2022 General Information Sheet
42. June 03, 2022 – Matters approved at the special board meeting held on 3 June 2022:
    d. Cancellation of (a) the property-for-shares swap between the Company and ACE Enexor, Inc. and (b) the Deed of Assignment dated 29 December 2021, as amended on 31 January 2022, that was executed to implement the property-for-shares swap, as previously disclosed under Disclosure Report No. C06940-2021 dated 19 October 2021, Disclosure Report No. C08737-2021 dated 31 December 2021, and Disclosure Report No. C00724-2022 dated 9 February 2022; and
    e. The withdrawal of (a) the request for confirmation of valuation in relation to the property-for-shares swap and currently pending with the Securities and Exchange Commission, and (b) the application for a certificate authorizing registration (CAR) that is pending with the Bureau of Internal Revenue in relation to the property-for-shares swap.
43. June 03, 2022 – Material Information/Transactions - Deed of Cancellation between AC Energy Corporation and ACE Enexor, Inc.
44. June 03, 2022 – Update on Corporate Actions/Material Transactions/Agreements - Cancellation of the Property-for-Shares Swap between AC Energy Corporation and ACE Enexor, Inc.
45. June 06, 2022 – Press Release on ACEN and ENEX unwind property-for-share swap agreement
46. June 17, 2022 – Submission of SEC Form 23-B to report the disposal of 200,000 shares of Mr. Ronald F. Cuadro
47. June 30, 2022 – Notice of Briefing on First Half 2022 Results for Analysts and Investors on 9 August 2022