COVER SHEET

0 6 9 - 0 3 9 2 7 4
S.E.C. Registration Number

A C E N   C O R P O R A T I O N

(Company's Full Name)

3 5 T H   F L O O R   A Y A L A   T R I A N G L E
G A R D E N S   T O W E R   2   P A S E O   D E   R O X A S
C O R   M A K A T I   A V E   M A K A T I   C I T Y
(Business Address: No. Street City/Town/Province)

R A I S S A   V I L L A N U E V A
Contact Person

7 7 3 0 6 3 0 0
Company Telephone Number

1 2 (Month) 3 1 (Day)
Calendar Year

S E C   F O R M
2 0 - I S
FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

ACEN CORPORATION

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

AND

INFORMATION STATEMENT
(SEC Form 20-IS)
Pursuant to Section 20 of the Securities Regulation Code

Annual Stockholders' Meeting
9:00 A.M.
23 April 2025
Makati City
remote communication via
https://conveneagm.com/ph/ACEN2025ASM

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **ACEN CORPORATION** will be conducted by remote communication *via* https://conveneagm.com/ph/ACEN2025ASM on **Wednesday, 23 April 2025** at **9:00 o'clock in the morning** with the following

A G E N D A[1]

1. Call to Order

2. Certification of Notice and Quorum

3. Matters for Approval of the Stockholders
    a. Minutes of Previous Meeting
    b. Ratification of the Acts of the Board of Directors and Officers
    c. Amendment of the Second Article of the Articles of Incorporation to Expand the Scope of the Company's Investment Business
    d. Amendment of the Seventh Article of the Articles of Incorporation to increase the authorized capital stock from Php 48.4 billion to Php 58.4 billion and create additional common shares
    e. Election of Directors (Including Independent Directors)
    f. Appointment of External Auditor and Fixing of its Remuneration
    g. Approval of the 2024 Audited Financial Statements, including noting of Annual Report

4. Consideration of Such Other Business as May Properly Come Before the Meeting

5. Presentation of Management and Open Forum

6. Adjournment

The deadline for nomination of directors is **17 March 2025.**

Only stockholders of record as of **28 March 2025** are entitled to notice of, and to vote at, this meeting.

Pursuant to the Corporation's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on 10 March 2025, has approved that the Annual Stockholders' Meeting be held in a fully virtual format; hence, stockholders may only attend the meeting by appointing the Chairman of the meeting as their proxy, by remote communication, or by voting *in absentia*.

Duly accomplished proxies should be submitted on or before 5:00 PM of **10 April 2025** to the Office of the Corporate Secretary at the 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City or by email to **corpsec.acen@acenrenewables.com**. Validation of proxies is set for **14 April 2025** starting at 9:00 AM.

Stockholders may participate by remote communication or vote *in absentia* subject to validation procedures. Stockholders intending to participate by remote communication should notify the Corporation on or before **10 April 2025**. The procedures for participation in the meeting through remote communication and for voting *in absentia* will be set forth in the Information Statement.[2]

[1] See page 3 for the explanation for each agenda item.
[2] Stockholders should notify the Corporation at corpsec.acen@acenrenewables.com of their preference to receive hard copies of the Information Statement and other ASM materials on or before 21 March 2025.

Stockholders of record as of 28 March 2025 owning at least 5% of the total outstanding capital stock of the Corporation may submit proposals on items for inclusion in the agenda on or before **16 April 2025**.[3]

All communications should be sent by email to corpsec.acen@acenrenewables.com on or before the designated deadlines.

Makati City, 10 March 2025.

MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

[3] The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Corporation's internal guidelines.

EXPLANATION OF AGENDA ITEMS

Call to Order
The Chairman will formally open the meeting at approximately 9:00 o'clock in the morning.

Certification of Notice and Quorum (and Rules of Conduct and Procedures)
The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 5, 6 and 7 of the By-laws and Sections 57 and 23 of the Revised Corporation Code which allow attendance *via* remote communication and voting *in absentia* by the stockholders, the Corporation has set up a designated online web address, https://conveneagm.com/ph/ACEN2025ASM, which may be accessed by the stockholders to register and vote electronically *in absentia* on the matters for resolution at the meeting.[4] A stockholder participating by remote communication or voting *in absentia,* electronically or by proxy, shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

(i) Stockholders may attend the meeting by remote communication through the online web address (URL) provided. Questions and comments may be sent *via* e-mail prior to or during the meeting at corpsec.acen@acenrenewables.com and shall be limited to the Items in the Agenda.
(ii) Each of the proposed resolutions will be shown on the screen in the venue and during the livestreaming as the same is taken up at the meeting.
(iii) Stockholders must notify the Corporation on or before 10 April 2025 of their intention to participate in the Meeting by remote communication through corpsec.acen@acenrenewables.com to be included in determining quorum, together with the stockholders who voted *in absentia* and by proxy.
(iv) Stockholders shall only be allowed to cast their votes through Convene AGM (the "Voting System") or by submitting a duly accomplished proxy form. The Voting System will be open for stockholder registration from 10 April 2025 to 18 April 2025.
(v) Stockholders registered and successfully validated in the Voting System may cast their votes through the said system at any time prior to and until the end of the meeting.
(vi) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting, except for the amendments to the Articles of Incorporation which require the affirmative vote of stockholders representing at least 2/3 of the outstanding capital stock.
(vii) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes. Each outstanding share of stock entitles the registered stockholder to one (1) vote.
(viii) The Office of the Corporate Secretary will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of initial voting during the meeting.
(ix) The meeting proceedings shall be recorded in audio and video format.

Matters for Stockholders Approval

1. Approval of Minutes of Previous Meeting

The minutes of the meeting held on 24 April 2024 is available at the Corporation's website, https://www.acenrenewables.com/wp-content/uploads/2024/05/ACEN-Minutes-of-2024-ASM-for-approval-at-2025-ASM.pdf

[4] The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

35F Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Avenue
Makati City, Philippines 1226

2. Ratification of the Acts of the Board of Directors and Officers

The actions of the Board and its Committees were those taken and adopted since the annual stockholders' meeting on 24 April 2024 until 22 April 2025. They include the approval of agreements, projects, investments, treasury-related matters, and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of the officers were those taken to implement the resolutions of the Board or its Committees or made in the general conduct of business. These Board and Committee actions are listed and detailed in the Information Statement.

3. Amendment to the Second Article of the Articles of Incorporation to Expand the Scope of the Company's Investment Business

Approval by the stockholders representing at least two thirds (2/3) of the outstanding capital stock will be sought to amend the Second Article of the Articles of Incorporation to allow the Company to engage and/or invest in businesses "in support of or related to" the power generation business of the Company.

4. Amendment to the Seventh Article of the Articles of Incorporation to Increase the Authorized Capital Stock from Php 48.4 billion to Php 58.4 billion

Approval by the stockholders representing at least two thirds (2/3) of the outstanding capital stock will be sought to amend the Seventh Article of the Articles of Incorporation to increase the authorized capital stock from Php 48.4 billion to Php 58.4 billion and create additional common shares.

5. Election of Directors (Including Independent Directors)

The eleven (11) nominees for directors have been evaluated and determined by the Corporate Governance and Nomination Committee of the Board to have all the qualifications and competence necessary for the effective performance of the Board's roles and responsibilities, and none of the disqualifications to serve as members of the Board, shall be presented for election to the stockholders. The profiles of the nominees to the Board will be provided in the Information Statement.

6. Election of External Auditor and Fixing of its Remuneration

The Audit Committee of the Board will endorse to the stockholders the election of the external auditor for the ensuing fiscal year as well as its proposed remuneration. The external auditor conducts an independent verification of the Corporation's financial statements and provides an objective assurance on the accuracy of its financial statements. The profile of the external auditor will be provided in the Information Statement.

7. Approval of the 2024 Audited Financial Statements and Noting of Annual Report

The Audited Financial Statements as of 31 December 2024 (AFS), as approved by the Board upon the recommendation of the Audit Committee, will be included in the Information Statement to be sent to the stockholders at least 15 business days prior to the meeting and posted in the Corporation's website.

Consideration of Such Other Business as May Properly Come Before the Meeting
Stockholders may email questions or comments prior to or during the meeting at the following email address: **corpsec.acen@acenrenewables.com.** The Chairman will take up agenda items received from stockholders on or before 16 April 2025 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Corporation's internal guidelines.[5]

Presentation of Management and Open Forum
The President and Chief Executive Officer, Mr. John Eric T. Francia will report on the performance of the Corporation in 2024 and the outlook for 2025.

[5] SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings": https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-specialstockholders-meetings/.

The Corporation’s annual report and sustainability report for 2024, integrated into one report titled *Integrated Report*, will contain the “Message from the Chairman” and the “Report of the President”. Copies of the 2024 Integrated Report will be posted on the Corporation’s website, https://www.acenrenewables.com/disclosures/2024-ir/.

The Chairman will open the floor for comments and questions by the stockholders.

PROXY AND VOTING INSTRUCTION

1. IDENTIFICATION

This Proxy, when properly executed, will be voted in the manner herein directed by the stockholder(s) in connection with the Annual Stockholders' Meeting of **ACEN CORPORATION** to be held on 23 April 2025 at 9:00 o'clock in the morning.

2. INSTRUCTIONS

The undersigned stockholder of **ACEN CORPORATION** (the "Corporation") hereby appoints the Chairman of the meeting of the stockholders, as *attorney-in-fact* and *proxy,* to represent and vote all shares registered in his/her/its name at the annual meeting of the stockholders of the Corporation on 23 April 2025 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the approval of the resolution on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statements and as recommended by the Chairman.

1. Approval of minutes of previous meeting
   Resolution No. S-01-2025 - RESOLVED, to approve the minutes of the annual stockholders' meeting held on 24 April 2024.

   ❑ For ❑ Against ❑ Abstain

2. Ratification of the acts of the Board of Directors and Officers
   Resolution No. S-02-2025 - RESOLVED, to ratify each and every act and resolution, from 24 April 2024 to 22 April 2025 (the "Period"), of the Board of Directors (the "Board") and the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act of the officers of the Corporation, during the Period, performed in accordance with the resolutions of the Board, the Executive Committee and other Board committees as well as with the By-laws of the Corporation.

   ❑ For ❑ Against ❑ Abstain

3. Amendment to the Second Articles of the Articles of Incorporation to Expand the Scope of the Company's Investment Business
   Resolution No. S-03-2025 - RESOLVED, as approved by the Board of Directors, to approve the amendment of the Second Article of the Articles of Incorporation, such that the amended portions of the Articles of Incorporation shall read as follows (*xxx* are ellipses to denote portions of the provision that are not subject of the amendment, and hence, were redacted for brevity):

AMENDED ARTICLES OF INCORPORATION
OF
ACEN CORPORATION

xxx

SECOND: That the purposes for which said Corporation is formed are:

PRIMARY PURPOSE

To engage generally in the business of, and/or investing in, electric power development and generation <u>and/or any other business in support of and/or in relation thereto</u>, to engage in retail electricity supply, and to provide guarantees or similar security arrangements.

xxx

❑ For ❑ Against ❑ Abstain

4. Amendment to the Seventh Article of the Articles of Incorporation to Increase the Authorized Capital Stock from Php 48.4 billion to Php 58.4 billion and create additional common shares

Resolution No. S-04-2025 - RESOLVED, as approved by the Board of Directors, to increase the authorized capital stock of the Corporation from FORTY-EIGHT BILLION FOUR HUNDRED MILLION PESOS (PHP48,400,000,000.00) divided into FORTY-EIGHT BILLION THREE HUNDRED MILLION (48,300,000,000) common shares with a par value of One Peso (P1.00) per share, and ONE HUNDRED MILLION (100,000,000) preferred shares with a par value of One Peso (P1.00) per share ***to*** FIFTY-EIGHT BILLION FOUR HUNDRED MILLION PESOS (PHP58,400,000,000.00) divided into FIFTY-EIGHT BILLION THREE HUNDRED MILLION (50,300,000,000) common shares with a par value of One Peso (PHP1.00) per share and ONE HUNDRED MILLION (100,000,000) preferred shares with a par value of One Peso (P1.00) per share and for this purpose, to amend the Seventh Article of the Articles of Incorporation, such that, as amended, the Seventh Article shall read as follows as (*xxx* are ellipses to denote that portions of the provision not subject of the amendment, and hence, were redacted for brevity):

> SEVENTH**:** That the authorized capital stock of the Corporation is FIFTY-EIGHT BILLION FOUR HUNDRED MILLION PESOS (P58,400,000,000.00) Philippine Currency, divided into:
> 1. FIFTY-EIGHT BILLION THREE HUNDRED MILLION (58,300,000,000) common shares with a par value of One Peso (P1.00) per share, and
> 2. ONE HUNDRED MILLION (100,000,000) preferred shares with a par value of One Peso (P1.00) per share, provided that the preferred shares shall have the following features: xxx

RESOLVED, **FURTHER**, to approve and authorize the registration under the Securities Regulation Code with the Securities and Exchange Commission and listing with the Philippine Stock Exchange of the shares that will be issued out of the increase in the authorized capital stock, and to authorize any two (2) of the "Class A" Attorneys-in-Fact of the Corporation to sign and execute any and all documents, and to perform any and all acts, as may be necessary or required to implement the registration and/or listing of the shares to be issued.

❑ For ❑ Against ❑ Abstain

5. Election of directors

	No. of Votes
Cezar P. Consing	____________
Gerardo C. Ablaza, Jr.	____________
John Eric T. Francia	____________
Jaime Alfonso Antonio E. Zobel de Ayala	____________
Jaime Z. Urquijo	____________
Nicole Goh Phaik Khim	____________
Dean L. Travers	____________
Independent Directors:	
Jesse O. Ang	____________
Ma. Lourdes Heras-de Leon	____________
Christopher Paul Beshouri	____________
David John Nicol	____________

Resolution No. S-05-2025 - RESOLVED, to elect the following as directors of the Corporation to serve as such beginning 23 April 2025 until their successors are elected and qualified:

Cezar P. Consing
Gerardo C. Ablaza, Jr.
John Eric T. Francia
Jaime Alfonso Antonio E. Zobel de Ayala
Jaime Z. Urquijo
Nicole Goh Phaik Khim
Dean L. Travers
Jesse O. Ang *(independent director)*
Ma. Lourdes Heras-de Leon *(independent director)*
Christopher Paul Beshouri *(independent director)*
David John Nicol *(independent director)*

6. Appointment of External Auditors and Fixing of its Remuneration
Resolution No. S-06-2025 - RESOLVED, as endorsed by the Board of Directors, to approve the appointment of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year ending 31 December 2025 for an audit fee of PhP2,902,500.00, exclusive of value-added tax and out-of-pocket expenses.

❏ For ❏ Against ❏ Abstain

7. Approval of the Audited Financial Statements and Noting of Annual Report
Resolution No. S-07-2025 - RESOLVED, to approve the consolidated audited financial statements of the Corporation and its subsidiaries, and parent company financial statements of the Corporation as of 31 December 2024, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co., and to note the Corporation's Annual Report consisting of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders.

❏ For ❏ Against ❏ Abstain

8. Other Matters
At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

❏ For ❏ Against

A scanned copy of this Proxy and Voting Instruction should be received by the Corporate Secretary at corpsec.acen@acenrenewables.com on or before **10 April 2025**, the deadline for submission of Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory/ies to appoint the Proxy and sign this form.

3. REVOCABILITY OF PROXY

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. The Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Corporation's secured online voting system (the "Voting System") before or during the Annual Stockholders' Meeting of the Corporation on 23 April 2025. Shares represented by an unrevoked Proxy will be voted as authorized by the stockholder.

4. PERSON MAKING THE SOLICITATION

The Corporation is not soliciting proxy.

5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon. The Corporation has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Corporation.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SIGNATURE OF STOCKHOLDER / AUTHORIZED SIGNATORY OVER PRINTED NAME	NUMBER OF SHARES
	DATE

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement
of
ACEN CORPORATION
(the "Company", "Corporation" or "ACEN")
Pursuant to Section 20 of the Securities Regulation Code (the "Code" or "SRC")

1. **Check the appropriate box:**

    ____ Preliminary Information Statement
    X Definitive Information Statement

2. **Name of registrant as specified in its charter:** ACEN CORPORATION

3. **Province, country or other jurisdiction of incorporation or organization:** Philippines

4. **SEC Identification Number:** 39274

5. **BIR Tax Identification Code:** 000-506-020-000

6. **Address of principal office:** 35F, Ayala Triangle Gardens Tower 2 Paseo de Roxas corner Makati Avenue, Makati City 1226

7. **Registrant's telephone number:** (632) 7 730 6300

8. **Date, time and place of the meeting of stockholders:**

    Date - 23 April 2025
    Time - 9:00 A.M.
    Place - Makati City
    To be conducted virtually through
    https://conveneagm.com/ph/ACEN2025ASM

9. **Approximate date on which the Information Statement is first to be sent or given to stockholders:**

    24 March 2025

Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

a. Shares of stock as of 28 February 2025

Title of each class	Par value	No. of shares	Amount
Common Shares	Php1.00	39,677,394,773	Php39,677,394,773.00
Preferred Shares - Series A	Php1.00	8,341,500	Php8,341,500.00
Preferred Shares - Series B	Php1.00	16,658,500	Php16,658,500.00
Treasury Shares	Php1.00	14,500,000	Php14,500,000.00
Total Issued Shares		39,716,894,773	

b. Debt securities as of 28 February 2025 -

₱10.00 billion in bonds registered with Philippine SEC and listed in PDEX.

11. **Are any or all of registrant's securities listed in a stock exchange?**

__✔__ Yes ______ No

As of 28 February 2025, a total of 39,677,394,773 common shares, 8,341,500 preferred A ("ACENA") shares, 16,658,500 preferred B ("ACENB") shares are listed in the Philippine Stock Exchange ("PSE"). A total of 14,500,000 common shares are held in Treasury by the Company.

* * *

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders (hereafter, the "annual stockholders' meeting" or "meeting")

a. Date - 23 April 2025
Time - 9:00 A.M.
Place - Makati City; to be conducted virtually through

https://conveneagm.com/ph/ACEN2025ASM

b. Approximate date when the Information Statement is first to be sent to stockholders: 24 March 2025

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Dissenter's right of appraisal

Under Section 80, Title X of the Revised Corporation Code of the Philippines ("Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

(a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;

(c) In case of merger or consolidation; and

(d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

Section 81 of the Revised Corporation Code provides:

> Section 81. How Right is Exercised. - The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders' shares, or the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom, shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the share to the corporation.

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

Item 3. Interest of certain persons in or opposition to matters to be acted upon

None of the Directors or Executive Officers of the Company have any personal involvement or interest, either direct or indirect, in the matters to be acted upon.

No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting securities and principal holders thereof

a. **Number of shares outstanding as of 28 February 2025:**

Common Shares	39,677,394,773
Preferred Shares Series A (ACENA)	8,341,500
Preferred Shares Series B (ACENB)	16,658,500

Number of votes per share:

One (1) vote per share for common shares.

One (1) vote per share for Preferred Shares Series A and Preferred Shares Series B on matters where holders of non-voting shares are entitled to vote under Section 6 of the Revised Corporation Code.

b. All **stockholders of record** as of 28 March 2025 (the "Record Date") are entitled to notice and to vote at the annual stockholders' meeting.

1. **Manner of voting**

Sections 6 to 8 of Article II of the Company's By-Laws provide:

> "6. QUORUM. - Except in cases where the applicable law requires a greater number, the owners of a majority of the shares issued and outstanding participating either in person, by proxy, through remote communication or *in absentia*, electronically or otherwise, shall, constitute a quorum for the transaction of business at any meeting of the stockholders, including for the election of directors.
>
> 7. VOTE - At every meeting of the stockholders of the Company, every stockholder entitled to vote shall be entitled to one vote for each share of stock standing in his name on the books of the Company; provided that the share has not been declared as delinquent. In the case of election of directors, every stockholder entitled to vote shall be entitled to accumulate his votes in accordance with the provision of law in such case made and provided.

Any stockholder entitled to vote may vote in person, through remote communication, in absentia, or be represented by proxy at any regular or special stockholders' meetings, subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time.

> "8. PROXIES. - Proxies shall be in writing and signed by the stockholder and in accordance with the existing laws, rules and regulations of the Securities and Exchange Commission. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than seven (7) business days prior to the date of the stockholders' meeting. Validation of proxies shall be conducted at least five (5) business days prior to the date of the stockholders' meeting."

On 10 March 2025, the Board of Directors ("Board") of the Company, in the exercise of its authority under the By-Laws, delegated authority to the Chairman to approve the manner of holding the 2025 annual stockholders' meeting, including logistics and other arrangements, as may be relevant and necessary, to be determined at a later date and to be communicated to the stockholders through the Notice of Meeting and Definitive Information Statement. On the same date, the Chairman approved the holding of the annual stockholders' meeting for the year 2025 in a fully virtual format, including all the necessary and related arrangements thereto, subject to applicable rules and regulations of the Securities and Exchange Commission ("SEC"). Stockholders may vote on matters for resolution at the meeting by appointing the Chairman of the Meeting as their proxy or electronically *in absentia* using the online web address, https://conveneagm.com/ph/ACEN2025ASM subject to validation procedures. A stockholder voting electronically *in absentia* as well as a stockholder who participates by remote communication shall be deemed present for purposes of quorum. The detailed instructions for electronic voting *in absentia* are attached as **Annex "A"**.

Holders of common shares have cumulative voting right with respect to the election of the Company's Directors. Each stockholder may vote the number of common shares of stock standing in his or her own name in the books of the Company as of the record date of the meeting. A stockholder may: (a) vote such number of common shares for as many persons as there are directors to be elected; (b) cumulate said common shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the common shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit: The total number of votes cast shall not exceed the number of common shares owned by the stockholders as shown in the books of the Company multiplied by the whole number of directors to be elected. The eleven (11) nominees for directors receiving the highest number of votes shall be declared elected.

For the other items in the Agenda, (a) each holder of common shares shall be entitled to one (1) vote per share, while (b) holders of Preferred Shares Series A and Preferred Shares Series B, pursuant to Section 6 of the Revised Corporation Code, shall be entitled to one (1) vote per share only for the proposed amendments to the Articles of Incorporation. Such items will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting, except for the proposed amendments of the Articles of Incorporation, which will require the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock. Each of the proposed resolution will be shown on the screen as the same is taken up at the meeting.

The Office of the Corporate Secretary will tabulate all votes received and an independent third party[1] will validate the results. The Corporate Secretary shall report the results of voting during the meeting.

c. **Foreign Ownership**

As of 28 February 2025, the Company has 9,871,145,738 outstanding shares owned by foreigners or 24.86% of the total outstanding capital stock.

d. **Security ownership of certain record and beneficial owners and management**

(i) **Security ownership of certain record and beneficial owners (of more than 5%) as of 28 February 2025**

Title of class of voting shares	**Name and address of record owner and relationship with Issuer**	**Name of beneficial owner and relationship with record owner**	**Citizenship**	**No. of shares held**	**Percent of outstanding voting shares**
Common	AC Energy and Infrastructure Corporation ("ACEIC") 35th Floor, Ayala Triangle Gardens Tower 2, Paseo De Roxas corner Makati City Stockholder and Parent Company	ACEIC is fully owned by Ayala Corporation. Its beneficial owners are the following, being members of the Board of Directors of ACEIC: Jaime Augusto Zobel de Ayala, Cezar P. Consing, Gerardo C. Ablaza, Jr., John Eric T. Francia,	Filipino	22,991,075,773 (direct) 114,530,918 (indirect)	58.23%

[1] The Company engaged SGV (Company's External Auditor) to validate the votes.

		and Alberto M. de Larrazabal. all with addresses at 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City ACEIC has appointed Jaime Augusto Zobel de Ayala, or in his absence, Cezar P. Consing, as proxy to vote on ACEIC's behalf.			
Common	Arran Investment Pte Ltd Singapore	Investor of the Company. Arran's shares are lodged under PCD Nominee Corp. Arran is a Singaporean company that is ultimately controlled by the Government of Singapore that provides investment services.	Singaporean	6,689,521,680 (indirect)	16.86%
Common	PCD Nominee Corporation 29/F BDO Equitable Tower, 8751 Paseo de Roxas,	PCD is a private institution which holds shares on behalf of various trading participants.	Filipino Various Accounts	6,446,489,081	16.24%

	Makati City Stockholder				
Common	PCD Nominee Corporation 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	PCD is a private institution which holds shares on behalf of various trading participants.	Non-Filipino Various Accounts	9,727,106,967[2]	24.51%

(ii) **Security ownership of directors and management as of 28 February 2025**

None of the directors and officers individually owns five (5) per cent or more of the outstanding capital stock of ACEN. The table below shows the securities owned by the directors and officers of the Company as of 28 February 2025:

A. Directors:

Title of Class of Outstanding Shares	Name of Beneficial Owner	Citizenship	Amount of Beneficial Ownership	Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	Cezar P. Consing	Filipino	1 551,842	Direct Indirect	0%
Common	Gerardo C. Ablaza, Jr.	Filipino	0 3,878,513	Direct Indirect	0.01%
Common	John Eric T. Francia	Filipino	0 113,867,902	Direct Indirect	0.29%
Common	Jaime Alfonso Antonio E. Zobel de Ayala	Filipino	1 110,910	Direct Indirect	0%
Common	Jaime Z. Urquijo	Filipino	0 173,198	Direct Indirect	0%
Common	Nicole Goh Phaik Khim	Malaysian	0 1	Direct Indirect	0%
Common	Dean L. Travers	Australian	0 1	Direct Indirect	0%
Common	Jesse O. Ang	Filipino	1 0	Direct Indirect	0%

[2] Arran's 6,689,521,680 indirect shares are lodged with the PCD (Non-Filipino).

Preferred Shares Series A			1,000	Indirect	
Common	Maria Lourdes Heras-de Leon	Filipino	1 0	Direct Indirect	0%
Common	Garry K. Lester	Australian	1	Direct Indirect	0%
Common	Melinda L. Ocampo	Filipino	1 24,000	Direct Indirect	0%

B. Officers

Title of Class of Outstanding Shares	**Name of Beneficial Owner**	**Citizenship**	**Amount of Beneficial Ownership**	**Nature of Beneficial Ownership**	**% of Total Outstanding Shares**
Common	John Eric T. Francia *President and CEO*	Filipino	0 113,867,902	Direct Indirect	0.29%
Common Preferred Shares Series B	John Philip S. Orbeta *Group Chief Administrative Officer, Group Chief Human Resources Officer, and Group Chief Risk Officer*	Filipino	1 14,057,427 10,000	Direct Indirect Indirect	0.04%
Common	Jonathan P. Back *Group Chief Finance Officer and Group Chief Strategy Officer*	British	0 0	Direct Indirect	0%
Common	Patrice R. Clausse *Group Chief Investment Officer*	Luxembourgeoise	0 33,840,298	Direct Indirect	0.09%

Common	Jose Maria Eduardo P. Zabaleta *Group Chief Operating Officer & Group Chief Development Officer*	Filipino	0 5,175,177	Direct Indirect	0.01%
Common	Ma. Cecilia T. Cruzabra *Group Treasurer*	Filipino	141,474 280,000	Direct Indirect	0%
Common	Ma. Franchette M. Acosta *Corporate Secretary*	Filipino	0 0	Direct Indirect	0%
Common	Dodjie D. Lagazo *Group General Counsel, Group Compliance Officer, and Assistant Corporate Secretary*	Filipino	0 8,880,948	Direct Indirect	0.02%
Common	Raissa C. Villanueva *Assistant Corporate Secretary*	Filipino	0 387,397	Direct Indirect	0%
Common	Alan T. Ascalon *Data Privacy Officer*	Filipino	560,173 1,096,979	Direct Indirect	0%
Common	Kyla Kamille U. Samson *Group Controller*	Filipino	0 199,800	Direct Indirect	0%
Common	Mae Christine L. Go *Group Chief Audit Executive*	Filipino	0 2,799	Direct Indirect	0%

C. CEO and Four Most Highly Compensated

Title of Class of Outstanding Shares	Name of Beneficial Owner	Citizenship	Amount of Beneficial Ownership	Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	John Eric T. Francia	Filipino	0	Direct	0.29%
	President and CEO		113,867,902	Indirect	
Common	John Philip S. Orbeta	Filipino	1	Direct	0.04%
	Group Chief Administrative Officer, Group Chief Human Resources Officer, and Group Chief Risk Officer		14,057,427	Indirect	
Common	Patrice R. Clausse	Luxembourgeoise	0	Direct	0.09%
	Group Chief Investment Officer		33,840,298	Indirect	
Common	Jose Maria Eduardo P. Zabaleta	Filipino	0	Direct	0.01%
	Group Chief Operating Officer & Group Chief Development Officer		5,175,177	Indirect	
Common	Jonathan P. Back	British	0	Direct	0%
	Group Chief Finance Officer and Group Chief Strategy Officer		0	Indirect	

No director or member of the Company's management owns five percent (5%) or more of the Company's outstanding capital stock.

(iii) **Voting trust holders of 5% or more**

The Company knows of no person holding more than five percent (5%) of common shares under a voting trust or similar agreement.

(iv) **Changes in control**

No change of control in the Company has occurred.

e. **Foreign-owned shares as of 28 February 2025**

Security	Shares Owned by Filipinos	Shares Owned by Foreigners
Common	29,806,467,795 (75.12%)	9,870,926,978 (24.88%)
Series A Preferred Shares	8,269,970 (99.14%)	71,530 (0.86%)
Series B Preferred Shares	16,511,270 (99.12%)	147,230 (0.88%)

Item 5. Directors and executive officers

Article IV, Section 5, of the Company's By-laws provides:

Meetings - (a) The Board of Directors shall designate the days that it shall hold regular meetings, which shall be at least six (6) times a year, at such time and place as the Board of Directors may prescribe (b) The Board of Directors shall meet as soon as practicable after the annual meeting of stockholders for the purposes of organization, election of officers and the transaction of other business.

The Board held seven (7) board meetings for the year 2024. The attendance of the directors at the meetings of the Board held in 2024 is as follows:

Directors	No. of Meetings Attended/Held	Percent Present
Cezar P. Consing	7/7	100%
Gerardo C. Ablaza, Jr.	6/6[3]	100%
John Eric T. Francia	7/7	100%
Jaime Alfonso Antonio E. Zobel de Ayala	7/7	100%
Jaime Z. Urquijo	6/6[3]	100%
Nicole Goh Phaik Khim	7/7	100%
Dean L. Travers	7/7	100%
Jesse O. Ang	7/7	100%
Maria Lourdes Heras - de Leon	7/7	100%
Garry K. Lester	7/7	100%
Melinda L. Ocampo	7/7	100%

All the directors were also present during the annual stockholders' meeting on 24 April 2024. The non-executive directors held a separate meeting on 10 July 2024.

The Board has established committees to assist in exercising its authority in monitoring the performance of the business of the Company. The committees, as mentioned below, provide

[3] Messrs. Ablaza and Urquijo were elected to the Board of Directors on 24 April 2024.

organized and focused means for the Board to achieve specific goals and address issues, including those related to corporate governance.

As of 28 February 2025, the board committees and their members are as follows:

	Executive Committee	Personnel and Compensation Committee	Corporate Governance and Nomination Committee	Audit Committee	Board Risk Management and Related Party Transactions Committee	Sustainability Committee
Cezar P. Consing*	C	M				
Gerardo C. Ablaza, Jr.*	M					
John Eric T. Francia	M					
Jaime Alfonso Antonio E. Zobel de Ayala*						
Jaime Z. Urquijo*	M					C
Nicole Goh Phaik Khim*				M	M	
Dean L. Travers*						
Jesse O. Ang***	M	C	C			
Maria Lourdes Heras - de Leon**		M				M
Garry K. Lester**			M	C	M	
Melinda L. Ocampo**			M	M	C	M

C - Chairman
M - Member

**Non-executive Director*
***Non-executive and Independent Director*
****Lead Independent Director*

The attendance of the directors at the committee meetings held in 2024 is as follows:

	Executive Committee Meetings Attended /Held	Personnel and Compensation Committee Meetings Attended /Held	Corporate Governance and Nomination Committee Meetings Attended /Held	Audit Committee Meetings Attended /Held	Board Risk Management and Related Party Transactions Committee Meetings Attended /Held	Sustainability Committee Meetings Attended /Held
Cezar P. Consing	7/7	1/1				
Gerardo C. Ablaza, Jr.	5/5[4]					
John Eric T. Francia	7/7					
Jaime Alfonso Antonio E. Zobel de Ayala	2/2[5]					
Jaime Z. Urquijo	5/5[4]					2/2
Nicole Goh Phaik Khim				7/7	2/2	
Dean L. Travers						
Jesse O. Ang	7/7	1/1	4/4			
Maria Lourdes Heras - de Leon		1/1				2/2
Garry K. Lester			4/4	7/7	2/2	
Melinda L. Ocampo			4/4	7/7	2/2	2/2

[4] Messrs. Ablaza and Urquijo were appointed members of the Executive Committee on 24 April 2024.
[5] Mr. Jaime Alfonso Antonio E. Zobel de Ayala's term as member of the Executive Committee ended on 24 April 2024.

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairman, and the directors. The assessment criteria or metrics include board composition; board roles, functions and processes; information management; representation of shareholders; management of the Company's performance; senior executives' talent management and succession planning; dynamics and relationships; and corporate governance practices. The aggregated results are presented to the Board during the meeting immediately following the end of the assessment process. The performance assessment of the Board and the directors is conducted by an independent third-party consultant every three years. In 2024, Aon Singapore Pte. Ltd. conducted the Board evaluation covering the year 2023. The third-party evaluation was conducted through (1) an evaluation questionnaire answered by each director; and (2) interviews with the President & CEO, lead independent director and Corporate Secretary.

a. **Information required of directors and executive officers**

i. **Directors and executive officers**

The following persons have been nominated to the Board for election at the annual stockholders' meeting and have accepted their respective nominations:

Nominees	Citizenship	Age	Date of First Election to the Board	Number of Listed Companies Where the Nominee Serves as a Director
Cezar P. Consing	Filipino	65	19 April 2021	5
Gerardo C. Ablaza, Jr.	Filipino	71	17 September 2019	5
John Eric T. Francia	Filipino	53	17 September 2019	2
Jaime Alfonso Antonio E. Zobel de Ayala	Filipino	34	24 April 2023	3
Jaime Z. Urquijo	Filipino	36	24 April 2024	3
Nicole Goh Phaik Khim	Malaysian	40	19 April 2021	1
Dean L. Travers	Australian	55	25 April 2022	1
Jesse O. Ang	Filipino	65	24 April 2023	1
Maria Lourdes Heras - de	Filipino	70	24 April 2023	1

Leon				
Christopher Paul Beshouri	American	62	-	0
David John Nicol	Australian	65	-	0

In addition, Mr. Lester and Ms. Ocampo are incumbent directors (not nominated for re-election in the annual stockholders' meeting for 2025):

Incumbent Directors	Citizenship	Age	Date of First Election to the Board	Number of Listed Companies Where the Nominee Serves as a Director
Garry K. Lester	Australian	60*	24 April 2023	1
Melinda L. Ocampo	Filipino	68	17 September 2019	2

** As of 24 March 2025*

Except for Ms. Nicole Goh Phaik Khim and Mr. Dean L. Travers, who were nominated by Arran Investment Pte Ltd., Mr. Cezar P. Consing, Mr. Gerardo C. Ablaza, Jr., Mr. John Eric T. Francia, Mr. Jaime Alfonso Antonio E. Zobel de Ayala, and Mr. Jaime Z. Urquijo were formally nominated as regular directors to the Corporate Governance and Nomination Committee of the Board by ACEIC. Ms. Maria Lourdes Heras-de Leon, Mr. Jesse O. Ang, Mr. Christopher Paul Beshouri, and Mr. David John Nicol are all being nominated as independent directors in accordance with Securities Regulation Code ("**SRC**") Rule 38 (Requirements on Nomination and Election of Independent Directors). The Corporate Governance and Nomination Committee evaluated the qualifications of all the nominees and prepared the final list of nominees in accordance with the By-Laws and the Charter of the Board of the Company.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

The Board of ACEN is responsible for the overall management and direction of the Company. The Board meets quarterly, or as often as required, to review and monitor the Company's financial position and operations and decide on such other matters as may be required by law to be decided by the Board. The Company's directors are elected at the annual stockholders' meeting to hold office for one year until their respective successors have been elected and qualified. Mr. Cezar P. Consing, Chairman of the Board of the Company, owns 0.00% of the Company's outstanding capital stock. No director holds more than two percent (2%) of the Company's outstanding capital stock.

A summary of the qualifications of the incumbent directors, who are also nominees for directors for election at the stockholders' meeting, and of the incumbent officers is set forth in **Annex "B"**. The certifications on the qualifications of the nominees for independent directors are attached herewith as **Annex "B-1"**, **"B-2"**, **"B-3"** and **"B-4"**.

The officers of the Company are elected annually by the Board during its organizational meeting, usually held immediately after its annual meeting.

ii. **Significant employees**

The Company considers all its employees to be significant partners and contributors to the business. Notwithstanding the foregoing, other than the directors and executive officers of the Company, no other employee has significant influence on ACEN's major and/or strategic planning and decision-making.

iii. **Family relationships**

Mr. Jaime Alfonso Antonio E. Zobel de Ayala and Mr. Jaime Z. Urquijo are cousins. Other than the aforementioned, there are no known family relationships between the current members of the Board and key officers.

iv. **Involvement in certain legal proceedings**

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

v. **Trainings and Continuing Education Programs for the Directors and Key Officers**

The Company recognizes the value of providing relevant training to its directors and key officers. It has set aside an annual budget to allow them to attend continuing professional development programs, applicable courses, conferences, and seminars. In 2024, the directors and key officers of the Company attended an in-person seminar on Corporate Governance for at least four (4) hours, as follows:

Topic: Building Businesses that Enable People to Thrive
Date: 5 November 2024
Venue: Fairmont, Makati and *via* remote communication
Time: 1:00 p.m. to 6:00 p.m.
Attendees:

1. Mr. Cezar P. Consing
2. Mr. Gerardo C. Ablaza, Jr.
3. Mr. John Eric T. Francia
4. Mr. Garry K. Lester
5. Ms. Melinda L. Ocampo
6. Ms. Nicole Goh Phaik Khim
7. Mr. Jaime Alfonso Antonio E. Zobel de Ayala

8. Mr. Jaime Z. Urquijo
9. Ms. Maria Franchette M. Acosta
10. Mr. Dodjie D. Lagazo
11. Ms. Raissa C. Villanueva
12. Mr. John Philip S. Orbeta
13. Mr. Jonathan P. Back
14. Ms. Ma. Cecilia T. Cruzabra
15. Ms. Kyla Kamille U. Samson
16. Ms. Mae Christine L. Go
17. Mr. Alan T. Ascalon

Topic: Masterclass The Fourth Series: Session 5 – Who is Responsible for Your Corporate Culture
Date: 29 November 2024
Venue: Zoom meetings
Time: 4:00 p.m. to 6:00 p.m.

Attendee:

18. Ms. Ma. Lourdes Heras-de Leon

The aforementioned seminars were administered by or in partnership with the Institute of Corporate Directors, an SEC-accredited training provider.

b. **Certain relationships and related transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Board Risk Management and Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the Committee approved threshold value – of ₱50.0 million or five (5) percent of the total assets, whichever is lower.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

To date, there have been no complaints received by the Company regarding related-party transactions. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2024.

For further information on the Group's related party transactions, see Note 22 to ACEN's 2024 Audited Consolidated Financial Statements included in this Report. Except for those discussed in the said 2024 Audited Consolidated Financial Statements, no other transaction, other than as appropriately disclosed by the Parent Company, was undertaken by the Group involving any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Parent Company's outstanding shares (direct or indirect) or any member of his immediate family. The Parent Company's employees are required to promptly disclose any business and family-related transactions with the Parent Company to ensure that potential conflicts of interest are reviewed and disclosed as appropriate.

c. **Ownership structure and parent company**

The parent company of ACEN is ACEIC. As of 28 February 2025, AEIC owns 58.23% of the outstanding voting shares of the Company.

d. **Resignation of directors**

No director has resigned from or has declined to stand for re-election to the Board since the date of the annual meeting of stockholders in 2024 due to any disagreement with the Company relative to its operations, policies and practices.

Item 6. Compensation of directors and executives

a. **Executive compensation**

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
(1) John Eric T. Francia (CEO) (2) John Philip S. Orbeta (Group Chief Human Resources Officer, Group Chief Risk Officer, Group Chief Administrative Officer) (3) Jose Maria Eduardo P. Zabaleta (Group Chief Development Officer and Group Chief Operating Officer) (4) Patrice R. Clausse (Group Chief Investment Officer) (5) Jonathan Back Group Chief Finance Officer	2024			
CEO and Most Highly Compensated Executive Officers	Actual 2023	Php102,500,000	Php52,762,212	Php4,827,783
	Actual 2024	Php114,500,000	Php61,400,000	Php7,790,828
	Projected 2025	Php120,500,000.00	Php61,600,000	Php7,954,555
All other officers as a group unnamed	Actual 2023	Php79,234,000	Php35,507,380	Php6,407,102
	Actual 2024	Php30,459,000	Php11,800,000	Php4,105,192
	Projected 2025	Php32,415,620	Php15,212,379	Php4,362,714

****All Other Officers includes the CEO & Most Highly Compensated Officers*

The total annual compensation consists of basic pay and other taxable income (guaranteed bonus and performance-based bonus).

The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

b. **Compensation of Directors**

Article IV, Section 4, of the Company's By-laws provides:

> "Section 14 - Directors shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for their services. In no case shall the total yearly compensation of Directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year.
>
> The Personnel and Compensation Committee of the Board of Directors shall have the responsibility of recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay Directors for work required in a company of the Corporation's size and scope. No Director shall be involved in deciding his own remuneration during his incumbent term."

i. **Standard arrangement**

On 8 March 2022, the Board, upon the recommendation of its Personnel and Compensation Committee in order to make the level of remuneration more commensurate with their responsibilities, approved a resolution fixing the current remuneration of non-executive directors, as follows:

Fee Structure	Retainer Fee	For Board	For Committees
Non-Executive and Independent Directors	P1,000,000.00 per annum	P200,000.00 per meeting attended	P100,000.00 per meeting attended
Chairman of the Board	P2,000,000.00 per annum		
Chairman of the Audit Committee	Php1,500,000.00 per annum		

Directors who hold executive or management positions do not receive directors' fees. The compensation of executive directors is included in the compensation table in Item 6 (a) above.

ii. **Other arrangements**

Aside from the compensation received as herein stated, the Company has no other arrangement with regard to the remuneration of its existing non-executive and independent directors for services provided as a director.

The Company's Personnel and Compensation Committee is chaired by Mr. Jesse O. Ang, with Mr. Cezar P. Consing and Ms. Ma. Lourdes Heras-de Leon as members. Majority of the members of the Personnel and Compensation Committee are independent directors.

In accordance with the requirement of Sections 29 and 49 of the Revised Corporation Code relating to an annual report of the total compensation of each director, below is a table showing the gross compensation received by the non-executive and independent directors in 2024. Executive Directors do not receive compensation as directors.

	Retainer Fee	Board Meetings	Committee Meetings	Total
Cezar P. Consing	2,000,000.00	1,600,000.00	900,000.00	4,500,000.00
Gerardo C. Ablaza, Jr.	1,000,000.00	1,200,000.00	400,000.00	2,600,000.00
Jaime Alfonso Antonio E. Zobel de Ayala	1,000,000.00	1,600,000.00	300,000.00	2,900,000.00
Jaime Z. Urquijo	1,000,000.00	1,200,000.00	600,000.00	2,800,000.00
Nicole Goh Phaik Khim	1,000,000.00	1,600,000.00	1,000,000.00	3,600,000.00
Dean L. Travers	1,000,000.00	1,600,000.00	N/A	2,600,000.00
Jesse O. Ang	1,000,000.00	1,600,000.00	1,200,000.00	3,800,000.00
Maria Lourdes Heras - de Leon	1,000,000.00	1,600,000.00	300,000.00	2,900,000.00
Garry K. Lester	1,500,000.00	1,800,000.00	1,500,000.00	4,800,000.00
Melinda L. Ocampo	1,000,000.00	1,600,000.00	1,600,000.00	4,200,000.00

c. **Employment contracts and termination of employment and change-in-control arrangements**

The above-named executive officers are covered by letters of appointment stating their respective job functions, among others.

d. **Warrants and options outstanding**

At the Annual Stockholders' Meeting held on 19 April 2021, stockholders approved the allocation of 960 million common shares to the Employee Stock Ownership Plan (the "Plan") out of the unsubscribed portion of ACEN's capital stock, to be available to qualified employees upon achievement of the Group's goals and the determination of any variable compensation of the grantee. The foregoing Plan replaces the Company's Stock Grants and Stock Options Plan, which does not have any remaining life.

Under the Plan, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the Plan's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under the Plan are exercisable in three (3) annual tranches. Any availment is payable within a maximum period of ten (10) years. On 4 March 2022, the SEC confirmed that the Plan is an exempt transaction under Section 10.2 of the Securities Regulation Code.

There were no grants and availments during 2020.

In 2021, a total of 8,188,097 shares at a subscription price of Php 6.96 per share were granted under the Plan, of which 8,188,097 shares were issued in 2022, resulting to an adjustment of 900 shares in the grants.

On 19 August 2022, a total of 32,622,666 shares at a subscription price of Php 6.50 per share were granted under the Plan.

There were no grants and availments during 2023 and 2024.

Total expense arising from the equity-settled share-based payment transaction (included under General and administrative expenses) amounted to nil, Php 31.16 million and Php Php3.55 million in 2023, 2022 and 2021, respectively.

There are no proposed adjustments or amendments to the Plan.

Item 7. Independent public accountants

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

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

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

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

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

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

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

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

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

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

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

	2024	**2023**
	(amounts exclusive of VAT and OPE)	
Total Audit Fees*	Php11.85 million	Php10.41 million
Non-audit services fees:**		
Other assurance services	Php5.509 million	Php7.50 million
Tax services	1.75 million	0.25 million
All other services	1.07 million	0. 11 million
Total Non-audit Services Fees	Php8.32 million	Php7.86 million
TOTAL	Php 20.17 million	Php 18.27 million

**Agreed audit fees*

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

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

Non-audit fees. Include assurance services that are directly related to the review of quarterly financial statements and integrated reports, review of consolidated comparative financial statements for the issuance of preferred shares, tax compliance advisory services, transfer pricing documentation and study, and other tax activities. This also includes all other services relating to hedge accounting and derivate instruments, annual stockholders' meeting validation, agreed-upon procedures on the increase in authorized capital stocks, training, and other services.

The Audit Committee has reviewed the nature of non-audit services rendered by SGV & Co., including the corresponding fees, and concluded that these are not in conflict with the audit functions of the external auditors.

The Audit Committee has an existing policy to review and approve the audit and non-audit services rendered by the Company's external auditor. Said policy does not allow the

Company and its subsidiaries to engage the external auditors for non-audit services expressly prohibited by the SEC. This is to ensure that the external auditor maintains the highest level of independence from the Company, both in fact and appearance.

Item 8. Compensation Plans

No matter or action relating to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or issuance of securities other than for exchange

No matters or actions concerning authorization or issuance of securities will be taken up during the meeting. To be taken up during the meeting is the Amendment of the Articles of Incorporation to increase the authorized capital stock and create additional common shares, as detailed in Item 17.

Item 10. Modification or Exchange of Securities

The Company will not be presenting any matter or act involving the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class during the meeting.

Item 11. Financial and other information

The Management's Discussion and Analysis (MD&A) or Plan of Operations, including the market price of shares, dividends, and other data related to the Company's financial information, and ACEN's audited financial statements as of 31 December 2024 are attached hereto as **Annexes "D"** and **"E"**, respectively. The schedules required under Part IV(C) of Revised SRC Rule 68 will be included in the Annual Report (Form 17-A).

Item 12. Mergers, consolidations, acquisitions and similar matters

There is no proposed merger, consolidation, sale or liquidation of the Company that will be presented during the meeting.

Item 13. Acquisition or disposition of property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company requiring stockholders' approval under the Revised Corporation Code.

Item 14. Restatement of accounts

As used herein and in other sections of this Information Statement, unless the context otherwise requires, "Group" refers to ACEN (as the Parent Company) and its subsidiaries where the Parent Company has control as defined in the Philippine Financial Reporting Standards (PFRSs) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The Group has no restatement of accounts for the year 2024.

Please also refer to Note 2 of 2024 Audited Consolidated Financial Statements for the Summary of Material Accounting Policy information and new Accounting Standards, Interpretations and Amendments.

Please also refer to Note 3 of 2024 Audited Consolidated Financial Statements for the Summary of Significant Accounting Policies, estimates and assumptions.

D. OTHER MATTERS

Item 15. Action with respect to reports

a. Approval of the minutes of the 2024 annual stockholders' meeting held on 24 April 2024, covering the following matters presented for resolution of the stockholders, which were all duly approved by at least a majority of the stockholders present and represented in the meeting, unless otherwise stated:

   (i) Minutes of the 2023 annual stockholders' meeting;
   (ii) Ratification of the acts and resolutions of the Board of Directors and Management during the preceding year;
   (iii) Amendment of the Second Article of the Articles of Incorporation to Remove "distribution" from the Primary Purpose *(approved by stockholders representing at least 2/3 of the outstanding capital stock)*;
   (iv) Election of incumbent Directors, including the independent directors;
   (v) Appointment of the SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2024 and fixing of its remuneration
   (vi) Audited Financial Statements for the calendar year 31 December 2023, including noting of the Annual Report

   The minutes of the 2024 Annual Stockholders Meeting had been uploaded to the Company's website within five (5) days from the date of the meeting and may be viewed through the following link: https://www.acenrenewables.com/storage/2024/10/ACEN-Minutes-of-2024-ASM-for-approval-at-2025-ASM.pdf

In addition, the minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
3. The matters discussed and resolutions reached;
4. A record of the voting results for each agenda item; and
5. A list of the directors, officers and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting.
6. Information on the stockholders who participated in the meeting and their voting rights.
7. A description of the Company's performance including business strategy and other affairs as presented in the Annual Report of Officers.
8. All other matters taken up related to good governance and the protection of minority stockholders.

b. Approval of the audited financial statements, including noting of annual report of management for the year ending 31 December 2024. The report will cover the performance of the Company in 2024 and the outlook for 2025, as set forth in **Annex "E"**, Management Discussion and Analysis and Plan of Operations.

Item 16. Matters Not Required to be Submitted

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

Item 17. Amendment of Charter, By-laws or Other Documents

The following matters or actions related to the amendment of the Company's Articles of Incorporation will be presented to the stockholders during the meeting. These amendments will require the affirmative vote of stockholders as of the record date owning at least two-thirds (2/3) of the outstanding capital stock of the Company.

a. Amendment of the Articles of Incorporation to expand the scope of ACEN's investment business.

b. Amendment of the Articles of Incorporation to increase the authorized capital stock and create additional common shares.

The Board of Directors of the Company approved the amendments at its meeting on 10 March 2025.

The proposed amendment of the Primary Purpose is meant to enable the Company to engage and/or invest in businesses in support of or related to its power generation business. The proposed increase in the authorized capital stock is to allow the Company to raise additional capital through the issuance of primary common shares beyond the current number of unissued common shares of the Company, whether by way of stock rights offering, follow on offering, or private placement.

The proposed amendments of the Articles of Incorporation shall read as follows *(amended portions underlined)*:

SECOND: That the purposes for which said Corporation is formed are:

PRIMARY PURPOSE

To engage generally in the business of, and/or investing in, electric power development and generation and any other business in support of and/or in relation thereto, to engage in retail electricity supply, and to provide guarantees or similar security arrangements.

SECONDARY PURPOSE

xxx

SEVENTH: That the authorized capital stock of the Corporation is FIFTY-EIGHT BILLION FOUR HUNDRED MILLION PESOS (P58,400,000,000.00) Philippine Currency, divided into:

1. FIFTY-EIGHT BILLION THREE HUNDRED MILLION (58,300,000,000) common shares with a par value of One Peso (P1.00) per share, and
2. ONE HUNDRED MILLION (100,000,000) preferred shares with a par value of One Peso (P1.00) per share, provided that the preferred shares shall have the following features: xxx

Item 18. Other proposed actions

a. Election of the members of the Board of Directors, including the independent directors, for the ensuing year.

b. Ratification of all acts of the Board of Directors and officers beginning 24 April 2024 until 22 April 2025.

The matters acted upon or approved by the Board of Directors, its Committees, and Management include –

1. Appointment of the Chairman and Vice-Chairman of the Board and members of the Board Committees
2. Appointment of Officers
3. Updating of Attorneys-in-Fact for Operational, Regulatory, Commercial and Banking Transactions
4. Declaration of cash dividends
5. Issuance of Corporate Guarantees
6. Amendment of Articles of Incorporation to remove "distribution" from the primary purpose.
7. Schedule, mode of conduct, and agenda of the 2024 stockholders meeting.
8. The Company's Procurement Policy
9. The updated use of proceeds of preferred shares issuance
10. 2023 Key Results Areas Performance

11. Assignment of advances from subsidiaries to ACEN, conversion of ACEN group advances to ENEX into equity, and subscription by ACEN to additional equity in ENEX
12. Issuance of letters of support in favor of various ACEN subsidiaries
13. Schedule of 2025 dividend declaration and payment dates for the Company's preferred shares.
14. The Company's 2025 Business Plan and Budget.
15. Capital allocation and disbursement of funds to subsidiaries for investments and capital expenditures for various projects; and
16. Implementation of strategic business initiatives through the execution of relevant agreements.

c. Appointment of external auditor and fixing of its remuneration.

Item 19. Voting procedures

a. **Vote required**

The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of the matters presented to the stockholders for resolution, except for the proposed amendments of the Articles of Incorporation which will require the affirmative vote of stockholders representing no less than two-thirds (2/3) of the outstanding capital stock. The election of directors is by plurality of votes.

b. **Method of Voting**

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. As explained in Item 20 below, stockholders will only be allowed to vote by appointing the Chairman of the meeting as their proxy or electronically *in absentia.*

In the case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary at 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, Philippines 1226 or by email at corpsec.acen@acenrenewables.com on or before 10 April 2025.

A stockholder may vote electronically *in absentia* using the online web address, https://conveneagm.com/ph/ACEN2025ASM, subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by the Committee of Inspectors of Proxies and Ballots of the Company and the results will be validated by an independent third party.

Item 20. Participation of Shareholders by Remote Communication

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on 10 March 2025, approved the holding of the meeting in a fully virtual format. Stockholders may only attend the meeting by remote communication, as set forth below, and by voting in absentia, as provided in Item 4(b) and Item 19 above, or voting through the Chairman of the meeting as their proxy.

The live webcast of the meeting shall be accessible through the following online web address: https://conveneagm.com/ph/ACEN2025ASM to stockholders who registered in the Ayala Group Voting System (the "Voting System"). A Meeting livestreaming access button will be available on the Stockholder's dashboard in the Voting System on the date set for the Meeting as indicated in the Company's Notice of Meeting. To enable the Company to identify the stockholders participating by remote communication and record their presence for purposes of quorum, the stockholders shall inform the Company by email to corpsec.acen@acenrenewables.com on or before 10 April 2025, of their participation in the meeting by remote communication.

Stockholders may email questions or comments prior to or during the meeting to the following email address: corpsec.acen@acenrenewables.com

The detailed instructions for participation through remote communication are set forth in **Annex A (II).**

Item 21. Acceptance of Stockholder Proposals on Agenda Item

Stockholders of record as of 28 March 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before 16 April 2025.[6]

In line with ACEN's commitment to promote responsible business, the Company intends to distribute copies of this Definitive Information Statement (the "**DIS**") through a Quick Response Code ("**QR Code**") and soft copy distribution *via* email or link to the Company's website. The detailed instructions to access information through electronic means and the use thereof is attached hereto as **Annex "A"**.

[6] The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

Upon the written request of the stockholders, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the following:

Office of the Corporate Secretary
ACEN CORPORATION
35th Floor Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue
Makati City
corpsec.acen@acenrenewables.com

Attention: Ms. Maria Franchette M. Acosta
Corporate Secretary

Mr. Dodjie D. Lagazo
Assistant Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 24 March 2025.

ACEN CORPORATION

by:

MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

LIST OF ANNEXES

A. Requirements and Procedure for Voting in Absentia and Participation by Remote Communication

B. Directors and Key Officers

C. Minutes of the Previous Annual Stockholders' Meeting dated 24 April 2024

D. Management's Discussion and Analysis (MD&A) and Plan of Operations

E. Audited Financial Statements for the year ended 31 December 2024

ANNEX "A"

2025 ANNUAL STOCKHOLDERS' MEETING
OF
ACEN CORPORATION
(THE "MEETING")

REQUIREMENTS AND PROCEDURE FOR
ELECTRONIC VOTING IN ABSENTIA
AND
PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication shall be allowed only through complete registration and successful validation in ConveneAGM (the "Voting System").

I. *ELECTRONIC VOTING IN ABSENTIA*

1. Stockholders as of 28 March 2025 ("Stockholders") have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration and successful validation in the Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.

2. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.

3. Otherwise, Stockholders may access the link https://conveneagm.com/ph/ACEN2025ASM to create an account and register in the Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed and validated, the digital ballot will be available for the Stockholders to cast their votes.

4. All registered accounts shall be subject to validation requirements set forth in Item 5 below. The deadline for registration to vote *in absentia* is 18 April 2025. Registered stockholders may vote until the end of the meeting. The Voting System will be open for registration on **10 April 2025**.

5. The following are needed for registration:

   5.1 For individual Stockholders –

   5.1.1 A scanned-copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
   5.1.2 A valid and active e-mail address;
   5.1.3 A valid and active contact number;

   5.2 For Stockholders with joint accounts –

   A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

   5.3 For Stockholders under Broker accounts –

   5.3.1 A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

5.3.2 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.3.3 A valid and active e-mail address;
5.3.4 A valid and active contact number;

5.4 For corporate Stockholders –

5.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.4.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;
5.4.3 A valid and active e-mail address of the Stockholder's representative;
5.4.4 A valid and active contact number of the Stockholder's representative.

Important Note:

• Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically *in absentia*, but may still vote by submitting a duly accomplished proxy form, on or before 10 April 2025.

6. The validation process in the Voting System will be completed by the Company no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's Dashboard in the Voting System will indicate the status of registration.

   Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.

7. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Voting System and the registered Stockholder may vote as follows:

   7.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all shares of the registered Stockholder.

   7.2 For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

   The votes cast electronically *in absentia* will have equal effect as votes cast by proxy.

   Stockholders may still cancel or change their votes until the end of the voting period.

8. The Office of the Corporate Secretary will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of 28 March 2025 ("Stockholders") intending to participate by remote communication should notify the Company by email on or before 10 April 2025. Together with the notification, Stockholders should provide validation requirements as follows:

   1.1 For individual Stockholders –

   1.1.1 A scanned–copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
   1.1.2 A valid and active contact number;

   1.2 For Stockholders under Broker accounts –

   1.2.1 A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
   1.2.2 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
   1.2.3 A valid and active contact number;

   1.3 For corporate Stockholders –

   1.3.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
   1.3.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;
   1.3.3 A valid and active contact number of the Stockholder's representative.

2. After successful validation, Stockholders will receive an email from ConveneAGM with instructions to sign up for the Meeting livestream. Validated Stockholders who attended the meeting remotely shall be included in the determination of quorum at the Meeting, together with the Stockholders who voted *in absentia* and by proxy. Access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of the Meeting.

3. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to corpsec.acen@acenrenewables.com.

4. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to corpsec.acen@acenrenewables.com.

For any clarifications, please contact our Office of the Corporate Secretary through corpsec.acen@acenrenewables.com.

ANNEX B
DIRECTORS AND KEY OFFICERS

The write-ups below include positions held as of 31 December 2024 and in the past five years, and personal data as of 31 December 2024, of directors and executive officers, unless otherwise stated.

Board of Directors

Cezar P. Consing	Chairman, Executive Committee Member
Gerardo C. Ablaza, Jr.	Vice-Chairman, Executive Committee Member
John Eric T. Francia	President and CEO, Executive Committee Member
Jaime Alfonso Antonio E. Zobel de Ayala	
Jaime Z. Urquijo	Executive Committee Member
Nicole Goh Phaik Khim	
Dean L. Travers	
Jesse O. Ang	Lead Independent Director, Executive Committee Member
Maria Lourdes Heras-de Leon	Independent Director
Garry K. Lester	Independent Director
Melinda L. Ocampo	Independent Director

Cezar P. Consing,
Chairman, Non-Executive Director

Committee memberships:
- ***Executive Committee (Vice-Chairman)***
- ***Member, Personnel and Compensation Committee***

Mr. Consing, Filipino, 65, has been a director of the Company since 19 April 2021 and Vice-Chairman of the Board since 28 September 2022. He holds the following positions in publicly listed companies: President & CEO of Ayala Corporation, and the Vice Chairman of the Bank of the Philippine Islands, Ayala Land, Inc., and Globe Telecom, Inc. He has been a member of the Ayala Group Management Committee since April 2013. In addition, he holds various positions in the Ayala Group's unlisted companies, including Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp., and AC Mobility Holdings Incorporated. He is also the Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc., and serves as a Director of Asiacom Philippines, Inc. and ACEN International, Inc. He is the Chairman of the Philippine Dealing System and the College of St. Benilde. He is a member of the Trilateral Commission and serves on the boards of trustees for the Philippine-American Educational (Fulbright) Foundation, the Philippines-Japan Economic Cooperation Committee, and the Manila Golf Club Foundation. Mr. Consing was President & CEO of Bank of the Philippine Islands from 2013-2021. He was a Partner & Co-Head for Asia of the Rohatyn Group from 2004 to 2013. He was an investment banker with J.P. Morgan & Co. from 1985-2004. For seven years, Mr. Consing was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for Bank of the Philippine Islands from 1981 to 1985. Mr. Consing has previously served as Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He has previously served as an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad and First Gen Corporation. He served as a board director of the Asian Youth Orchestra, the US-Philippines Society, La Salle Greenhills, Endeavor Philippines, and International Care Ministries.

Mr. Consing received an A.B. Economics degree (Accelerated Program), Magna Cum Laude, and the gold medal for Economics, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

Gerardo C. Ablaza, Jr.
Vice-Chairman, Non-Executive Director

Committee memberships:
- ***Executive Committee (Vice-Chairman)***

Mr. Ablaza, Filipino, 71, has been a director of the Company since 24 April 2024. He holds the following positions in publicly listed companies: Chairman of ENEX Energy Corp., and director of Advanced Info Services, PLC (Thailand), iPeople, Inc., and Roxas and Company Inc. He is also a director in other Philippine corporations operating in the fields of retail banking, property development, education, infrastructure, and health. He is also a member of the Board of Trustees in a number of non-profit foundations engaged in social initiatives, namely Ayala Foundation, BPI Foundation, and Gawad Kalinga Foundation. He previously served as director of the Company from 1 July 2019 until 18 March 2021.

Gerry retired from full-time executive work in 2017, after performing various corporate executive roles over a period of 43 years. His experience spanned a variety of industries: FMCG, agribusiness, retail banking, telecommunication and water distribution. He served as President and CEO of Manila Water Company (PLC) from June 2010 to April 2017. Prior to this, Gerry was the Chief Operating Officer of Globe Telecom, Inc. in 1997, and its President and CEO from 1998 to April 2009.

He graduated as Summa Cum Laude and obtained his degree in Liberal Arts (Honors Accelerated Program), Major in Mathematics from the De La Salle University.

John Eric T. Francia
Executive Director, President and Chief Executive Officer

Committee memberships:
- ***Executive Committee***

Mr. Francia, Filipino, 53, was elected as director and President and Chief Executive Officer of the Company on 9 May 2019, effective 15 May 2019. He is concurrently the President and Chief Executive Officer of ACEIC. He is also a Senior Managing Director and member of the Management Committee of AC. He is the Vice Chairman of publicly listed company, ENEX Energy Corp. (PSE: ENEX) (“ENEX”).

Under his leadership, Ayala established its energy platform from a standing start in 2011, to become one of the largest renewable energy platforms in the region, with 4,800 MW of attributable renewables capacity across Asia Pacific. Mr. Francia also led pioneering initiatives in early coal retirement, including the successful completion of the world’s first market-based Energy Transition Mechanism. He is also a director of various Ayala Group companies including AC Infrastructure, AC Health, AC Logistics, Air 21 Holdings, Inc., AC Ventures, Philwater Holdings, Inc., Michigan Holdings, Inc. Ayala Aviation, Purefoods International Limited, AC Mobility Holdings Incorporated, Liveit Investments Limited, AI North America, Inc., and PFIL North America, Inc.

He earned a Master’s Degree in Management Studies at the University of Cambridge in the United Kingdom, graduating with First Class Honors. He received his undergraduate degree in Humanities and Political Economy from the University of Asia & the Pacific, graduating magna cum laude.

Jaime Alfonso Antonio E. Zobel de Ayala
Non-Executive Director

Mr. Zobel de Ayala, Filipino, 34, has been a director of the Company since 28 September 2022. He also serves as director in publicly listed companies AyalaLand Logistics Holdings Corp. and Globe Telecom, Inc. He is the Chief Executive Officer of ACMobility, a platform for mobility solutions including automotive distribution, dealership, aftersales services, and electric vehicle infrastructure. He is also a director of AC Industrials, Isuzu Philippines, and BPI Capital Corporation, among others. He has been appointed as a member of the Inter-Agency Investment Promotion Coordination Committee (IIPCC), as the sole private sector representative of the National Capital Region of the Republic of the Philippines. Prior to his role in ACMobility, he was the Co-Head of the Strategic Development Group and Head of Business Development and Digital Ventures of Ayala Corporation.

He graduated from Harvard University, Cambridge, Massachusetts, USA, with Primary Concentration in Government in 2013 and his Masters of Business Administration from Columbia Business School in New York 2019.

Jaime Z. Urquijo
Non-Executive Director

Committee memberships

- ***Sustainability Committee (Chairman)***
- ***Executive Committee***

Mr. Urquijo, Filipino, 36, has been a director of the Company since 24 April 2024. He holds the following positions in publicly listed companies: Chief Sustainability and Risk Officer (CSRO) of Ayala Corporation, and director of Integrated Micro-electronics, Inc. and Bank of the Philippine Islands. He also serves as director of BPI/MS Insurance, AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., and Chairman of Klima 1.5 Corp. He is Vice Chairman of the Board of Trustees and Chairman of the Executive Committee of Ayala Foundation, a member of the Board of Trustees and Chief Executive Officer of WeAreAyala Business Club, Inc., and an Independent Advisor to the Board of Directors of Ayala Land Inc. He is also part of the board of WWF Philippines, the European Chamber of Commerce of the Philippines (ECCP), Makati Central Estate Association, Inc. (MACEA), and the Hero Foundation.

Jaime was previously Vice President for Business Development of the Company, during which he led initiatives to expand the group's portfolio of assets in the Philippines, Vietnam, Myanmar, and Indonesia. Prior to this, Jaime served as the Head of Business Development for AF Payments, Inc., which created the Beep Card payment system, the country's first interoperable public transport payment card. Prior to joining the Ayala Group, Jaime was an associate at JP Morgan in New York. Jaime received his Bachelor of Arts degree in Political Science from the University of Notre Dame in the US and his Master's in Business Administration from INSEAD in France.

Nicole Goh Phaik Khim
Non-Executive Director

Committee memberships:

- ***Audit Committee***
- ***Board Risk Management and Related Party Transactions Committee***

Ms. Goh**,** Malaysian, 40, director of the Company since 18 March 2021, is Head, Asia China at GIC Infrastructure. She has coverage responsibility for the Asia-Pacific region with prior experience investing in the US and Europe. GIC was established in 1981 as a private company, wholly-owned by the Government of Singapore, to manage the foreign reserves of Singapore. It is one of the world's largest global investors, with well over US$100 billion of assets in more than 40 countries worldwide.

Ms. Goh has been a member of GIC's infrastructure practice since 2008. She has an MSc in Management Science & Engineering from Stanford University and a BSc in Mathematics with Statistics for Finance from Imperial College London.

Dean L. Travers
Non-Executive Director

Mr. Travers, Australian, 55, director of the Company since 25 April 2022, has occupied senior executive roles in the energy sector for more than 25 years and is experienced in multi-disciplinary projects covering global markets, mergers and acquisitions, deal structuring and project development. He has been active in Europe, North America, Asia and Australia leading teams developing conventional and renewable energy projects for ENGIE, a global electricity utility and energy service company. Prior to leaving ENGIE in 2019, he occupied positions of Senior Vice President Business Development, Indonesia, and General Manager, ENGIE Renewables Australia, which was responsible for the development of 2GW of wind and solar projects. Dean is currently active in the clean energy and climate tech sectors in Australia and Southeast Asia. He is a member of the board of Australian Renewable Energy Agency (ARENA) and a partner with NEXCatalyst, a climate tech impact fund focused on Indonesia, Vietnam and the Philippines.

Mr. Travers is a member of the Australian Institute of Corporate Directors (GAICD), and holds a doctorate (PhD) in Electrical Engineering, a Bachelor of Engineering (BE) and a Bachelor of Science (BSc) from the University of NSW.

Jesse O. Ang
Non-Executive and Independent Director

Committee Memberships:

- ***Personnel and Compensation Committee (Chairman)***
- ***Corporate Governance and Nomination Committee (Chairman)***
- ***Executive Committee***

Mr. Ang, Filipino, 65, has been an independent director of the Company since 24 April 2023. He is currently an independent director of Integrated Micro-Electronics, Inc. (a publicly listed company), BPI Capital Corporation, BPI Wealth Corporation (formerly, BPI Asset Management and Trust Company), BPI AIA Life Assurance Corporation, BPI/MS Insurance Corporation and BPI Wealth Hong Kong (formerly, BPI International Finance Limited) (based in Hong Kong). He was formerly an independent director of BPI Securities Corporation (August 2022 - February 2023); part of the Philippine office of the International Finance Corporation (2000-2018) of which he was Head (Resident Representative) from 2007-2015; CFO of the Philippine International Air Terminals Company (1998-2000); Director for Global Structured Finance, New York City branch of Australia New Zealand Bank (1994-1998); Vice President for Trade and Commodity Finance, New York City branch of Generale Bank (1988-1994); Assistant Vice President in the Asia Division, Irving Trust Company in New York City (1985-1988); Budget Analyst for the Philippine National Oil Company (1982-1983); and Lecturer at the Department of Industrial Engineering of the University of the Philippines - Diliman (1981-1982). Mr. Ang received his BS Industrial Engineering degree from the University of the Philippines in 1981 and his Master of Business Administration from the Wharton School, University of Pennsylvania in 1985.

Maria Lourdes Heras-de Leon,
Non-Executive and Independent Director

Committee Memberships:

- ***Personnel and Compensation Committee***
- ***Sustainability Committee***

Ms. Heras de-Leon, Filipino, 70, has been an independent director of the Company since 24 April 2023. She previously served as Managing Director and Member of the Management Committee of AC (2011-2015) and President of Ayala Foundation, Inc. (2011-2015). She was also Vice President for Policy, Government, and Public Affairs of Chevron Geothermal Philippines Holdings (1997-2011), where she led corporate affairs for Chevron's geothermal and natural gas interests and activities in the Philippines. Ms. Heras-de Leon has held various leadership positions in Greater Houston Partnership and First City National Bank of Texas. She was a former trustee of Assumption Antipolo, Museo de La Salle, Word Wildlife Fund-Philippines, and Asia Society Philippines. She also served on the Advisory Board of Texas Children's Hospital and Asia Society Texas. Ms. Heras-de Leon holds a Bachelor of Arts degree in Asian Studies from the University of British Columbia and a Master of Business Administration from the Thunderbird School of Global Management.

Garry K. Lester
Non-Executive and Independent Director

Committee Memberships:

- ***Audit Committee (Chairman)***
- ***Board Risk Management and Related Party Transactions Committee***
- ***Corporate Governance and Nomination Committee***

Mr. Lester FCA, Australian, 59, has served as independent director and chairman of the audit committee of the Company since 24 April 2023 for an agreed two-year term. He was formerly managing director with leading independent investment banking firm Evercore Inc. and held senior executive positions with J.P. Morgan & Co, The Rohatyn Group and KPMG, where he advised on important cross border M&A deals across a broad spectrum of industries including power generation and renewable technologies.

Mr. Lester previously served as non-executive director on various boards of banking, financial and investment companies during his career and has been licensed by relevant Securities, Futures and Investment Ordinances as a professional corporate adviser and investment manager in multiple jurisdictions including: U.S., Australia, Hong Kong and Singapore.

Mr. Lester holds a Bachelor of Commerce Degree with First Class Honours (1988) and a Master of Financial Management Degree (1990), both from the University of Queensland and is a Chartered Accountant Fellow with Chartered Accountants Australia and New Zealand.

Melinda L. Ocampo
Non-Executive Director and Independent Director

Committee Memberships:

- ***Board Risk Management and Related Party Transactions Committee (Chairperson)***
- ***Audit Committee***
- ***Corporate Governance and Nomination Committee***
- ***Sustainability Committee***

Ms. Ocampo, Filipino, 68, has been an independent director of the Company since 17 September 2019. She is also an independent director of publicly listed company ENEX Energy Corp. since 25 April 2022. She currently serves as consultant to the Ricardo Energy and Environment Consulting Firm, a United Kingdom-based company, for a project entitled, "*The Philippines Grid Diagnostic and Roadmap for Smart Grid Development*." Said project is under the funding support of the United Nations Office for Project Services, with the main task of establishing and developing governance issues to implement the project. Ms. Ocampo served as President of the Philippine Electricity Market Corporation ("PEMC"), a nonstock, non-profit private organization that governs the country's wholesale electricity spot market, from 27 March 2009 until 31 July 2017. Her experience includes developing energy policies and programs as Undersecretary of the Department of Energy from May 2005 to December 2007. She was also involved in electric utility system regulation, planning and technical feasibility of electric power generation, transmission and distribution systems including granting of electric franchises to both electric cooperatives and private distribution utilities. She has extensive knowledge of energy regulation including petroleum and electricity pricing and competition rules and has provided consulting services to legislators on electricity pricing, particularly on the power purchased adjustments. She was also a consultant in the World Bank's project on Electric Cooperatives system loss reduction program and to the USAID under the Asia Foundation in its project to introduce the open access and competition in the coverage of Philippine Economic Zone (PEZA). She was a board member (February 1996 to June 1998) and Chairman (August 1998 to August 2001) of the Energy Regulatory Board (now Energy Regulatory Commission). She served as a division chief (October 1979 to November 1988) and a director (December 1988 to February 1996) of the National Electrification Administration. In 1977, she obtained her Bachelor of Science degree in Commerce, Major in Accounting, from the Republic Central Colleges, in Angeles City, Pampanga. She received her MBA from the University of the Philippines, Diliman, Quezon City. She is a certified public accountant.

Nominees to the Board of Directors for election at the stockholders' meeting

All of the above, except for Mr. Lester and Ms. Ocampo (not nominated for re-election in the annual stockholders' meeting for 2025), are being nominated for re-election at the stockholders' meeting.

Mssrs. Christopher Paul Beshouri and David John Nicol are also being nominated to the Board of Directors.

Mr. Christopher Paul Beshouri, American, 62, previously served as Chief Strategy Officer and Executive Director at Aboitiz Equity Ventures and Aboitiz Power from 2018 to 2024.

He also served as President & Chief Executive Officer – Philippines at McKinsey & Co. (Philippines) from 1997 to 2013, Group President & Chief Operating Officer at Vicsal Development Corp. from 2013 to 2018, Director at GT Capital Holdings, Inc. from 2013 to 2017, and Director at the United States Treasury from 1989 to 1997.

Mr. Beshouri also worked as a Financial Auditor at Catholic Relief Services, Inc. in 1988.

Mr. Beshouri obtained his undergraduate degree (dual major) in Economics and Public Policy Studies from Michigan State University, and his Masters of Public Affairs from Princeton University.

Mr. David John Nicol, Australian, 65, was previously the Chief Strategy Officer of Monde Nissin Corp. (Manila), where he currently serves as an advisor.

He was also Chief Financial Officer, Executive Director, and Executive Vice President at Metro Pacific Investments Corporation (Manila) from 2010 to 2020, and Chief Executive Officer (after being Chief Financial Officer) at Berli Jucker PCL (Bangkok) from 1994 to 2002.

Mr. Nicol is a UK Chartered Accountant and practiced in audit and business advisory at PriceWaterhouse Coopers from 1981 to 1991 in London, New York, and Hong Kong.

Mr. Nicol received his Bachelor of Science degree in Operational Research (Management Sciences) from Lancaster University.

The certifications on the qualifications of the nominees for independent directors are attached, followed by the certification that no directors or officers are connected with any government agencies or its instrumentalities.

ACEN Group Management Committee Members / Senior Leadership Team

John Eric T. Francia[1]	President and Chief Executive Officer
John Philip S. Orbeta	Group Chief Administrative Officer, Group Chief Human Resources Officer, and Group Chief Risk Officer
Maria Franchette M. Acosta	Corporate Secretary
Dodjie D. Lagazo	Group General Counsel, Group Compliance Officer, and Assistant Corporate Secretary
Raissa C. Villanueva	Assistant Corporate Secretary
Alan T. Ascalon	Data Protection Officer
Ma. Cecilia T. Cruzabra	Group Treasurer
Jose Maria Eduardo P. Zabaleta	Group Chief Operating Officer and Group Chief Development Officer
Patrice R. Clausse	Group Chief Investment Officer
Jonathan Paul Back	Group Chief Financial Officer and Group Chief Strategy Officer
Kyla Kamille U. Samson	Controller
Mae Christine L. Go	Group Chief Audit Executive

John Philip S. Orbeta, Filipino, 63, Group Chief Administrative Officer and Group Chief Human Resources Officer since 25 August 2021 and Group Chief Risk Officer since 18 October 2021. He served as Managing Director and member of the AC Management Committee since May 2005 and the Ayala Group Management Committee since April 2009. He was AC's Chief Human Resources Officer (CHRO) and Group Head for Corporate Resources, covering Strategic Human Resources, Information & Communications Technology, Knowledge Management, and Corporate Support Services from January 2008 until September 2021. He is also a Director of ACEN Global Development Group, Inc. (formerly, ACE Endevor, Inc.) and ACEN Shared Services, Inc. (formerly, ACE Shared Services, Inc.), Mr. Orbeta is also the Chairman of Ayala Multipurpose Cooperative. He sits on the Board of HCX Technology Partners. He also serves as Trustee of Ayala Young Leaders Alumni Association, Inc., World Archery Philippines, La Salle University Ozamis, and National Mission Council of De La Salle Philippines, Inc. He served as President and CEO of Automobile Central Enterprise, Inc. (ACEI), Iconic Dealership, Inc. (IDI), Honda Cars Makati, Inc. (HCMI), and Isuzu Automotive Dealership, Inc. (IADI) from Jan 2013 until December 2016. He was the Chairman and President of HCX Technology Partners, Inc. from September 2016 until November 2021 and President of Ayala Retirement Fund Holdings, Inc. (July 2021 – February 2022). He was Chairman of Ayala Group HR Council (October 2005 – September 2021), Ayala Aviation Corporation (August 2010 – October 2021), Ayala Group Corporate Security Council (January 2011 – October 2021), Ayala Business Clubs (January 2008 – November 2021), and Vice-Chairman of Ayala Group Club, Inc. (February 2015 – November 2021). He was a Director of Honda Cars Cebu, Inc. (August 2016 – August 2017), Isuzu Cebu, Inc. (August 2016 – August 2017), BPI Family Savings Bank, Inc. (May 2013 – June 2020), Ayala Foundation, Inc. (Mach 2013 – December 2021), Ayala Healthcare Holdings, Inc. (Y2016-February 2022), Healthway Medical, Inc. (Y2020 – February 2022), and the Generika Group of Companies (August 2018 – December 2021). Mr. Orbeta served as a Director and Chairman of the Audit Committee of the ALFM group of funds from April 2012 to December 2021 which included the ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Money Market Fund, Inc., Philippine Stock Index Fund, Corp. as well as the ALFM Global Multi-Asset Income Fund, Inc. (April 2018 – December 2021), ALFM Retail Corporate Fixed Income Fund, Inc. (June 2019 – December 2021), ALFM Fixed Income Feeder Fund, Inc. (August 2019 – December 2021). Mr. Orbeta was also a Trustee of De La Salle University Dasmarinas Cavite and the De La Salle Health Sciences Institute, from December 2013 to September 2019, and the Weather Philippines Foundation, Inc. (October 2015 – June 2020). He was also a Board of Governors of the Management Association of the Philippines from Jan 2019 until December 2020.

Prior to joining AC, he was the Vice President and Global Practice Director of the Human Capital Consulting Group at Watson Wyatt Worldwide (now Willis Towers Watson), overseeing the firm's practices in executive compensation, strategic rewards, data services, and organization effectiveness around the world. He was also a member of Watson Wyatt's Board of Directors. He graduated with a degree in A.B. Economics from the Ateneo

[1] Member, Board of Directors

de Manila University in 1982 and has taken advanced management programs at the Harvard Business School, IMD and INSEAD.

Maria Franchette M. Acosta, Filipino, 52, Corporate Secretary of the Company since 11 March 2024. She is also the Corporate Secretary, Corporate Governance Group Head and Chief Legal Officer of Ayala Corporation. She is also the Corporate Secretary of publicly listed companies Integrated Micro-electronics, Inc., Ayala Land, Inc., AREIT, Inc., and Globe Telecom, Inc. She has been a practicing lawyer for 24 years, with 18 years in the Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department.

Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is consistently recognized among Asia Business Law Journal's top 100 lawyers in the Philippines. Ms. Acosta graduated from New York University with a Master of Laws in 2003 and ranked 3rd in the Philippine Bar Examination. She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

Dodjie D. Lagazo, Filipino, 45, Assistant Corporate Secretary of the Company since 20 April 2020 and Group General Counsel since 23 April 2023 and Group Compliance Officer since 1 January 2024. He is also an Executive Director of the Company. He previously served as Director and member of AG Counselors Corporation's Management Committee from January 2014 to July 2017. He is also the Assistant Corporate Secretary of ACEIC and the Corporate Secretary of ENEX, a publicly listed company, and other various AC Energy subsidiaries and affiliates. Mr. Lagazo received his undergraduate degree in Political Science from the University of the Philippines, Diliman, graduating *magna cum laude*. He then completed his Bachelor of Laws degree in the College of Law of the University of the Philippines, Diliman.

Raissa C. Villanueva, Filipino, 39, Assistant Corporate Secretary of the Company since 23 April 2024. She is Assistant Vice President for Legal, Governance, and Compliance of ACEN and heads its Governance unit. She is also the Corporate Secretary and Assistant Corporate Secretary of various ACEN subsidiaries. She was a Senior Counsel at Ayala Group Legal. Prior to joining the Ayala Group, she was Primary Counsel at Energy Development Corporation. Before this, she practiced law as legislative officer at the Office of Senator Pia Cayetano and as associate in Leynes Lozada Marquez Offices. She received her undergraduate degree in Business Administration from the University of the Philippines, Diliman, graduating cum laude. She then completed her Juris Doctor in the College of Law of the University of the Philippines, Diliman.

Alan T. Ascalon, Filipino, 50, Data Protection Officer of the Company since 20 April 2020, and Vice President for Legal, Governance and Compliance. He is also Assistant Corporate Secretary of ENEX, a publicly listed company. He was the Assistant Legal Counsel of PHINMA, Inc. from 2005 to 2008. Prior to joining the Company, he worked as Senior Associate at SGV & Co Tax Division from 2002 to 2005, junior associate at Ponce Enrile Cayetano and Manalastas Law Offices from 2001-2002, and as law clerk with the Supreme Court from 2000 to 2001. He graduated from the University of the Philippines with a Bachelor of Arts degree in Journalism in 1996 and a Bachelor of Laws degree in 2000. He completed the Management Development Program of the Asian Institute of Management.

Ma. Cecilia T. Cruzabra, Filipino, 59, Group Treasurer of the Company since 23 April 2023. She is also the Treasurer and Chief Finance Officer of ACEIC, and ACEN International, Inc. Prior to joining the Company, she was the CFO of MWCI from 2018 to September 2021, and was the treasurer of AC from 2014 to 2018.

Cecile has over 37 years of career experience in research, treasury and finance, having worked at Makati Business Club, Sun Hung Kai Securities, Metro Pacific Corporation, Steniel Manufacturing Corporation, Globe Telecom, Inc., Altimax Broadcasting Co. Inc. and Bethlehem Holdings, Inc. She also previously taught finance at the De La Salle Graduate School of Business and the Asian Institute of Management and also taught Economics at the Ateneo de Manila University.

Cecile completed her master's degree in Business Administration from the Asian Institute of Management. She graduated with a degree in B.A. in Economics (Honors Program) from the Ateneo de Manila University.

Jose Maria Eduardo P. Zabaleta, Filipino, 51, Group Chief Operating Officer of the Company since 1 January 2024 and Group Chief Development Officer since 20 April 2020. He is also the President of ACEN Global Development Group, Inc., and member of the ACEN Executive Management Committee.

Prior to joining ACEN, he was co-founder and Chief Executive Officer of Bronzeoak Philippines, a pioneer and leader in clean technology energy development in the Philippines. Bronzeoak's energy businesses were integrated into AC Energy in early 2017. He has a BS Management Honors degree from Ateneo de Manila University, and a Masters in Business Administration from the Fuqua School of Business, Duke University, USA.

Patrice R. Clausse, Luxembourgeoise, 45, is the Group Chief Investment Officer of the Company since 1 January 2024 and is concurrently the President and Chief Executive Officer of ACEN International, Inc. He joined AC in May 2010 as an advisor to the Strategy and Business Development team and became a founding member of the AC Energy management in 2011 where he led the business development and operations teams. Currently, he is heading ACEN's International business, with focus on Southeast Asia and Australia.

Patrice is a member of the Board of Directors/Management & Advisory Committee of AC Energy International Projects. Prior to joining Ayala, he was a management consultant with McKinsey & Company in London as well as with Marakon Associates (part of Charles River Associates).

Patrice also holds a Master of Business Administration degree from Harvard Business School where he graduated with high distinction as Baker Scholar. He also received his Master's and Bachelor's degrees in Manufacturing Engineering from Cambridge University (UK).

Jonathan Paul Back, British, 58, Group Chief Financial Officer of the Company since 1 January 2024 and Group Chief Strategy Officer since 18 January 2023. He is also a director of ACEN Global Development Group, Inc. and ACEN Technical Services, Inc. He is a lawyer and banker with over 25 years of experience in the legal, investment banking, and private investment sectors with significant experience in equity capital markets, corporate finance, and in advising on large infrastructure, power, and telecom projects.

Mr. Back was previously a director and the Executive Chairman of BPI International Finance Ltd., the Hong Kong banking subsidiary of BPI and concurrently, co-head of Wealth Management and head of international businesses of BPI. He was also a director of Schools Relief Initiative Ltd., a Hong Kong based charity supporting education in Southern Sri Lanka. Previously, Mr. Back served as an Executive Director in Goldman Sachs, Hong Kong (Corporate Finance and Equity Capital Markets) and Managing Director and Head of Asian Equity Capital Markets in JP Morgan, Hong Kong.

Mr. Back holds a Bachelor of Civil Laws degree from the University of Oxford, where he graduated with First Class Honours. He also received first class honours in the solicitors final exam.

Kyla Kamille U. Samson, Filipino, 36, Group Controller since 9 November 2022. She worked in SyCip Gorres Velayo & Co. from July 2010 to June 2021, where she rose to the position of Assurance Senior Director in October 2019. She graduated in 2009 from De La Salle University – Manila with a degree in Bachelor of Science in Accountancy.

Mae Christine L. Go, Filipino, 43, Group Chief Audit Executive since 16 November 2023. She has been with the Ayala Group since January 2013 and is currently a Senior Manager in the Internal Audit Department of AC. She served as Group Head of the Internal Audit Department of Liveit Investments Limited Philippine ROHQ, an Ayala subsidiary, from January 2013 to August 2015. She also worked under the Finance Group and Facilities Management Group of Ayala Property Management Corporation from July 2005 to May 2008.

Prior to joining the Ayala Group, Ms. Go was a Group Internal Audit Manager of Shang Properties, Inc. from July 2008 to January 2013, and was an Accountant of Philam Properties Corporation from May 2002 to July 2005.

Ms. Go obtained her degree of Bachelor of Science in Accountancy from the De La Salle University. She is also a Certified Internal Auditor of the Institute of Internal Auditors.

CERTIFICATION

I, Maria Franchette M. Acosta, of legal age, Filipino, and with office address at the 39th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, 1226, Corporate Secretary of ACEN CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal address at the 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, 1226 (the "Corporation") do hereby certify that, except for Mr. Jaime Alfonso Antonio Zobel de Ayala, none of the directors and key officers of the Corporation holds any position in the Philippine government or any government agency.

This Certification is being issued for any legal purpose it may serve.

March 6, 2025.

MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

SUBSCRIBED AND SWORN before me this MAR 06 2025 day of ___ at MAKATI CITY City, by affiant who is personally known to me or identified through competence evidence of identity by means of Passport No. [redacted] issued on [redacted] at DFA Manila.

Doc No. 228;
Page No. 47;
Book No. IV;
Series of 2025.

KATRINA ISABEL L. LOPEZ
NOTARY PUBLIC
ROLL NO. 74992
MAKATI CITY, PHILIPPINES

KATRINA ISABEL L. LOPEZ
Notary Public for Makati City
Appointment No [redacted]
PTR No [redacted]
IBP No [redacted]
MCLE Compliance No. VI [redacted]
35th Floor Ayala Tri [redacted]
Makati Avenue corner [redacted]

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Notary Public's copy.

ANNEX "B1"

REPUBLIC OF THE PHILIPPINES}
MAKATI CITY } S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Jesse O. Ang,** Filipino, of legal age, and a resident of [redacted], [redacted], after having duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **ACEN CORPORATION** (the "Corporation"), and have been an Independent Director of the said company since 24 April 2023.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
BPI Capital Corporation	Independent Director	July 2018 – present
BPI Wealth Corporation *(formerly, BPI Asset Management and Trust Corporation)*	Independent Director	July 2018 – present
BPI AIA Life Assurance Corporation	Independent Director	April 2019 – present
BPI MS Insurance Corporation	Independent Director	June 2019 – present
BPI Wealth Hong Kong *(formerly, BPI International Finance Limited)*	Independent Director	January 2020 – present
ACEN International, Inc.	Independent Director	June 2023 - present
Integrated Micro-Electronics, Inc.	Independent Director	April 2024 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other relevant issuances of the Securities and Exchange Commission ("SEC").

4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2 of the Securities Regulation Code (where applicable).

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other relevant issuances of the SEC.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from my receipt of knowledge of any such changes.

IN WITNESS WHEREOF, I have signed this Certification this FEB 2 6 2025, in Makati City.

Jesse O. Ang

SUBSCRIBED AND SWORN to before me this FEB 2 6 2025 in MAKATI CITY, affiant personally appeared before me and exhibited to me his Philippine Identification Card No. [redacted] issued on [redacted] by Philippine Statistics Authority.

Doc. No. 67 ;
Page No. 15 ;
Book No. IV ;
Series of 2025.

KATRINA ISABEL L. LOPEZ
NOTARY PUBLIC
ROLL NO. 74992
MAKATI CITY, PHILIPPINES

KATRINA ISABEL L. LOPEZ
Notary Public for Makati City
Appointment [redacted]
Attorne[redacted]
PTR No. [redacted]ty
IBP No [redacted]
MCLE Compliance No. [redacted]-14-2025
35th Floor Ayala [redacted]2
Makati Avenue corn[redacted]i City

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Notary Public's copy.

ANNEX "B2"

REPUBLIC OF THE PHILIPPINES}
MAKATI CITY } S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Maria Lourdes Heras-de Leon**, Filipino, of legal age, and a resident of [redacted], after having duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **ACEN CORPORATION** (the "Corporation"), and have been an Independent Director of the said company since 24 April 2023.

2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations:

Company/Organization	Position/Relationship	Period of Service
Allegrita Properties Corporation	Member, Board of Directors	January 2019 – present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other relevant issuances of the Securities and Exchange Commission ("SEC").

4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2 of the Securities Regulation Code (where applicable).

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other relevant issuances of the SEC.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from my receipt of knowledge of any such changes.

[*Signature page follows.*]

IN WITNESS WHEREOF, I have signed this Certification this FEB 2 8 2025, in Makati City.

Maria Lourdes Heras-de Leon

SUBSCRIBED AND SWORN to before me this FEB 2 8 2025 in Makati City, affiant personally appeared before me and exhibited to me her Philippine Passport No [redacted] issued by DFA Manila and valid until [redacted]

Doc. No. 174;
Page No. 36;
Book No. IV;
Series of 2025.

KATRINA ISABEL L. LOPEZ
NOTARY PUBLIC
ROLL NO. 74992
MAKATI CITY, PHILIPPINES

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Notary Public's copy.

KATRINA ISABEL L. LOPEZ
Notary Public for Makati City
Appointment No. [redacted]
PTR No. [redacted]
IBP No. [redacted]
MCLE Compliance No. VII-[redacted]
35th Floor Ayala Tri[redacted]
Makati Avenue corner P[redacted]

ANNEX "B3"

REPUBLIC OF THE PHILIPPINES}
MAKATI CITY } S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CHRISTOPHER PAUL BESHOURI**, American, of legal age, and a resident of [redacted] after having duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **ACEN CORPORATION** (the "Corporation").

2. I am currently not affiliated with any company or organization (including Government Owned and Controlled Corporations).

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other relevant issuances of the Securities and Exchange Commission ("SEC").

4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2 of the Securities Regulation Code (where applicable).

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other relevant issuances of the SEC.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from my receipt of knowledge of any such changes.

IN WITNESS WHEREOF, I have signed this Certification this MAR 06 2025, in Makati City.

CHRISTOPHER PAUL BESHOURI

SUBSCRIBED AND SWORN to before me this MAR 06 2025 in Makati City, affiant personally appeared before me and exhibited to me his Philippine Driver's License No. [redacted] expiring on [redacted]

Doc. No. 270;
Page No. 47;
Book No. IV;
Series of 2025.

KATRINA ISABEL L. LOPEZ
NOTARY PUBLIC
ROLL NO. 74992
MAKATI CITY, PHILIPPINES

KATRINA ISABEL L. LOPEZ
Notary Public for Makati City
Appointment No[redacted]
PTR No.
IBP No.
MCLE Complia
35th Floor Ayala T
Makati Avenue corner

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Notary Public's copy.

ANNEX "B4"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **David John Nicol**, Australian, of legal age and a resident of [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of ACEN CORPORATION.

2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Monde Nissin Corporation	Project employee serving as Business and Strategy Advisor to the CEO	4 years and one month to date

3. I am currently not affiliated with any Government-Owned and Controlled Corporations.

4. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ACEN CORPORATION, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

5. I am not related to any director/officer/substantial shareholder of ACEN CORPORATION and its subsidiaries and affiliates.

6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of ACEN CORPORATION of any changes in the abovementioned information within five days from its occurrence.

Done, this ________ day of FEB 12 2025, at MAKATI CITY.

David John Nicol
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of FEB 12 2025 at MAKATI CITY, affiant personally appeared before me and exhibited to me his Australian Passport No. [redacted] issued in Australia and expiring on [redacted]

Doc. No. 462;
Page No. 94;
Book No. III;
Series of 2025.

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Makati Avenue corner Pa [redacted]

ACEN

For approval at the 2025 annual stockholders' meeting

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
24 April 2024 at 9:00 AM
Conducted virtually *via* http://ayalagroupshareholders.com

Stockholders present and represented:[1] The complete list is attached as Annex A

Total Outstanding Shares	39,702,394,773
Total Outstanding Voting Shares	39,677,394,773
Percentage of Shares Present vis-à-vis Total Outstanding Shares	31,624,059,099 or 79.65%
Percentage of Shares Present vis-à-vis Total Outstanding Voting Shares Represented	31,624,059,099 or 79.70%

Directors Present:

Delfin L. Lazaro	*Chairman of the Board* *Chairman, Executive Committee*
Cezar P. Consing	*Vice Chairman of the Board* *Vice Chairman, Executive Committee* *Member, Personnel and Compensation Committee*
John Eric T. Francia	*Member, Executive Committee*
Jaime Alfonso Antonio E. Zobel de Ayala	*Member, Executive Committee*
Nicole Goh Phaik Khim	*Member, Audit Committee* *Member, Board Risk Management and Related Party Transactions Committee*
Dean L. Travers	
Jesse O. Ang (lead independent director)	*Chairman, Corporate Governance and Nomination Committee* *Chairperson, Personnel and Compensation Committee* *Member, Executive Committee*
Maria Lourdes Heras-de Leon (independent director)	*Member, Personnel and Compensation Committee* *Member, Sustainability Committee*
Garry Kenneth Lester (independent director)	*Chairman, Audit Committee* *Member, Board Risk Management and Related Party Transactions Committee* *Member, Corporate Governance and Nomination Committee*
Melinda P. Ocampo (independent director)	*Chairperson, Board Risk Management and Related Party Transactions Committee* *Member, Audit Committee* *Member, Corporate Governance and Nomination Committe*

[1] As validated by SyCip Gorres Velayo & Co.

ACEN

1. Call to Order

After the invocation and national anthem, the Chairman, Mr. Delfin L. Lazaro, called the meeting to order at 9:00 AM. He stated that pursuant to the Corporation's By-Laws and after giving the stockholders the opportunity to request for a physical meeting in the notice dated 11 March 2024, the annual stockholders' meeting would be held in a fully virtual format. Nevertheless, the Corporation strived to ensure the convenient and full participation by the stockholders in the meeting through the Ayala Group Voting System and through questions sent to the Office of the Corporate Secretary e-mail address. The Chairman introduced each of his co-presenters, namely: Mr. John Eric T. Francia (CEO and President), Ms. Maria Franchette M. Acosta (Corporate Secretary), and Mr. Dodjie D. Lagazo (Assistant Corporate Secretary). The Chairman also acknowledged the other members of, and nominees to, the Board, other officers of the Corporation, and representatives of the Corporation's external auditor, SyCip Gorres Velayo & Co. ("**SGV**"), who joined the meeting through the live webcast.

The Chairman noted that the meeting would have two parts:

a. During the first part, the Secretary informed the stockholders about compliance with the requirements for the meeting, whether the meeting was duly convened, and the voting results on the six (6) matters on the agenda submitted for stockholders' approval, and
b. During the second part, management reported on the performance in 2023 and information for 2024, the Corporation's continuing role in energy transition, followed by a question and answer with the stockholders, wherein the Assistant Corporate Secretary read the questions or comments received before 9:30 a.m.

2. Notice of Meeting

The Secretary, Ms. Acosta, certified that on 27 March 2024, the Notice of the Annual Stockholders' Meeting (the "**Notice**") was distributed to all stockholders by posting on the Corporation's website and by disclosure to the Philippine Stock Exchange. In addition, on 2 April 2024, the Notice, together with a link to the Information Statement, was emailed to all stockholders with email addresses on record. Finally, on 2 April 2024 and 3 April 2024, the Notice was published in the BusinessWorld and the Philippine Star. Accordingly, the Secretary certified that the stockholders have been duly notified pursuant to the Corporation's By-Laws and the rules of the Securities and Exchange Commission.

The Secretary added that adequate information was provided to the stockholders on matters submitted for their approval, the voting procedures, and other matters submitted for their approval, the voting procedures and other matters that the Corporation is required to provide information under the Securities Regulation Code and the Revised Corporation Code. The Secretary also reported that during the meeting, stockholders present through the live webcast could also send their questions or comments to corpsec.acen@acenrenewables.com.

3. Determination of Quorum

The Secretary certified that there was a quorum for the meeting with stockholders owning at least 31,624,059,099 shares representing 79.65% of the 39,702,394,773 total outstanding shares, being present through their appointment of the Chairman as proxy, or by participating by remote communication or in the live webcast of the meeting, or by electronic voting.[2]

The mode of attendance of the stockholders deemed present and the respective percentages of the outstanding shares are set forth below:[3]

Mode of Attendance	% of Total Outstanding Shares	Number of Shares
Appointment of the Chairman as proxy	**79.62%**	31,610,805,772
Voting *in absentia*	**0.02%**	6,727,154
Remote Communication	**0.02%**	6,526,173

[2] Based on preliminary tabulation.
[3] As validated by SGV.

Additionally, there were 248 viewers of the live webcast of the meeting.

4. Approval of the Minutes of the Previous Meeting

The Secretary noted that there were six (6) matters on the agenda for voting by the stockholders. She explained that the stockholders voted on the proposed resolutions either by appointing the Chairman as proxy, pursuant to the voting instructions of stockholders, or by electronic ballot *via* the voting in absentia system (VIASH) or the Ayala Group Voting System. Stockholders could cast their votes beginning 15 April 2024 and could continue to do so until the end of the meeting through electronic voting *via* the Ayala Group Voting System.

The Corporation tabulated the votes cast as of 17 April 2024, after the end of the proxy validation process, and based on this partial tabulation, votes were cast by stockholders owning 31,617,532,926 shares representing 99.98% of the total voting shares represented in the meeting, and 79.62% of the total outstanding voting shares. All voting results reported at the meeting would refer to such preliminary tabulation, with the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, to be reflected in the minutes of meeting.

The Secretary then proceeded with the approval of the minutes of the annual stockholders' meeting held on 24 April 2023.

The Secretary presented Resolution No. S-2024-01, as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

Resolution No. S-2024-01

RESOLVED, to approve the minutes of the annual stockholders' meeting held on 24 April 2023.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the independent validator of the voting results, the final votes for the adoption of Resolution No. S-2024-01 providing for the approval of the minutes of the previous meetings were as follows:

	For	Against	Abstain
Number of voted shares	31,568,932,504	0	43,815,422
% of Total Outstanding Voting Shares Represented	99.83%	0.00%	0.11%

The Secretary noted that the stockholders may continue to access the minutes through the link provided to them with the meeting materials, or through the website of the Corporation.

5. Ratification of the Acts of the Board of Directors and Officers

The Secretary explained that stockholders' ratification was being sought for all the acts and resolutions of the Board, the Executive Committee, and other Board Committees exercising powers delegated by the Board, which were adopted from 24 April 2023 until 23 April 2024, as well as for all the acts of the Corporation's officers performed to implement the resolutions of the Board or its Committees, or in connection with the Corporation's general conduct of its business. The acts and resolutions of the Board were reflected in the minutes of the meetings and included the following:

(i) appointment of new officers and Chairman of the Board,
(ii) appointment of signatories,
(iii) treasury transactions,
(iv) investments, and
(v) matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

The Secretary presented Resolution No. S-2024-02 as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

Resolution No. S-2024-02

> **RESOLVED,** to ratify each and every act and resolution from 24 April 2023 to 23 April 2024 (the "Period") of the Board of Directors (the "Board"), the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed in accordance with the resolutions of the Board, the Executive Committee, and other Board committees as well as with the By-laws of the Corporation.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes for the ratification of the acts of the Board of Directors and officers of the Corporation, and for the adoption of Resolution No. S-2024-02 were as follows:

	For	Against	Abstain
Number of voted shares	31,472,859,816	93,995,900	45,892,210
% of Total Outstanding Voting Shares Represented	99.52%	0.30%	0.15%

6. Amendment of Articles of Incorporation

At the request of the Chairman, the President presented the proposed amendment of the Articles of Incorporation of the Corporation to remove "distribution" from the Primary Purpose of the Corporation.

The President explained that the proposed amendment was meant to: (a) underscore the Corporation's focus on its core business of renewable energy generation, and (b) clarify the regulatory requirements applicable to the Corporation considering the actual business that it is engaged in.

The Secretary presented Resolution No. S-2024-03, as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

Resolution No. S-2024-03

> **RESOLVED**, as approved by the Board of Directors under Resolution No. B-2024-006, to approve the amendment of the Second Article of the Articles of Incorporation to remove "distribution" from the Primary Purpose, such that the amended portions of the Articles of Incorporation shall read as follows:

AMENDED ARTICLES OF INCORPORATION
OF
ACEN CORPORATION
(formerly AC Energy Corporation)

xxx

SECOND: That the purposes for which said Corporation is formed are:

PRIMARY PURPOSE

To engage generally in the business of, and/or investing in, electric power development <u>and</u> generation, to engage in retail electricity supply, and to provide guarantees or similar security arrangements.

xxx

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes for the adoption of Resolution No. S-2024-03 providing for the amendment of the Second Article of the Articles of Incorporation of the Corporation were as follows:

	For	Against	Abstain
Number of voted shares	31,474,935,778	93,996,926	43,815,222
% of Total Outstanding Shares	79.28%	0.24%	0.11%

7. Election of Directors (Including Independent Directors)

The Secretary explained that the Corporate Governance and Nomination Committee of the Board has determined that the eleven (11) duly nominated stockholders, including the nominees for Independent Directors, were qualified to serve as directors of the Corporation for the ensuring term, thus:

Nominated as regular directors:
Gerardo C. Ablaza, Jr.
Cezar P. Consing
Jaime Alfonso E. Zobel de Ayala
John Eric T. Francia
Jaime Z. Urquijo
Nicole Goh Phaik Khim
Dean L. Travers

Nominated as independent directors:
Jesse O. Ang
Maria Lourdes Heras-de Leon
Garry K. Lester
Melinda L. Ocampo

The Secretary noted that all nominees had given their consent to their respective nominations.

The Corporate Secretary reported that based on the tabulation of votes, each of the eleven (11) nominees had garnered at least 31,416,328,714 votes. She thus certified that each nominee had received enough votes for election to the Board and that the following Resolution No. S-2024-05 for the election of the eleven (11) nominees to the Board had been approved:

Resolution No. S-2024-05

RESOLVED, to elect the following as directors of the Corporation to serve as such effective upon the end of the annual stockholders' meeting held on 24 April 2024, until their successors are elected and qualified:

Gerardo C. Ablaza, Jr.
Cezar P. Consing
Jaime Alfonso E. Zobel de Ayala
John Eric T. Francia
Nicole Goh Phaik Khim
Dean L. Travers
Jaime Z. Urquijo
Jesse O. Ang *(Independent Director)*
Maria Lourdes Heras-de Leon *(Independent Director)*
Garry K. Lester *(Independent Director)*
Melinda L. Ocampo *(Independent Director)*

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes received by the nominees based on the total cumulative votes received were as follows:

	For	% of Total Outstanding Voting Shares Represented	Against	% of Total Outstanding Voting Shares Represented	Abstain	% of Total Outstanding Voting Shares Represented
Gerardo C. Ablaza, Jr.	31,435,565,644	9.04%	14,934,405	0.00%	162,244,077	0.05%
Cezar P. Consing	31,493,202,943	9.05%	6,632,030	0.00%	112,912,153	0.03%
Jaime Alfonse E. Zobel de Ayala	31,418,277,768	9.03%	4,920,185	0.00%	189,556,873	0.05%
John Eric T. Francia	31,563,090,322	9.07%	2,826,670	0.00%	46,826,134	0.01%
Nicole Goh Phaik Khim	31,490,987,129	9.05%	14,933,290	0.00%	106,822,407	0.03%
Dean L. Travers	31,539,689,056	9.07%	4,919,070	0.01%	68,134,900	0.02%
Jaime Z. Urquijo	31,502,256,895	9.06%	14,933,290	0.00%	95,553,841	0.03%
Jesse O. Ang	31,551,873,091	9.07%	2,564,915	0.01%	58,309,020	0.02%
Maria Lourdes Heras-de Leon	31,558,931,804	9.07%	10,000,000	0.00%	43,815,222	0.01%
Garry K. Lester	31,457,887,191	9.04%	2,564,915	0.00%	152,304,920	0.04%
Melinda L. Ocampo	31,554,448,006	9.07%	0	0.00%	53,309,020	0.02%
Total		***99.63%***		***0.02%***		***0.31%***

8. Election of External Auditor and Fixing of Its Remuneration

The Secretary informed the stockholders that the Audit Committee and the Board had endorsed the election of SGV as the Corporation's external auditor for the current fiscal year for an audit fee of Pesos: Two Million Seven Hundred Thousand (Php2,700,000.00), exclusive of value-added tax and out of pocket expenses.

The Secretary presented the following Resolution No. S-2024-05 for the election of the Corporation's external auditor and the fixing of its remuneration, and reported that there were enough votes received for the approval of said resolution:

Resolution No. S-2024-05

> **RESOLVED,** as endorsed by the Board of Directors, to appoint SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year ending 31 December 2024 for an audit fee of Two Million Seven Hundred Thousand Pesos (Php2,700,000.00), exclusive of value-added tax and out-of-pocket expenses.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes on the election of SGV as external auditor of the Corporation, the approval of its audit fee and the adoption of Resolution No. S-2024-05 were as follows:

	For	Against	Abstain
Number of voted shares	31,369,729,411	189,203,293	53,815,222
% of Total Outstanding Voting Shares Represented	99.20%	0.60%	0.17%

9. Approval of 2023 Audited Financial Statements, including the Noting of the Annual Report

The Secretary proceeded with the presentation of the sixth and final matter for voting by the stockholders, which is the approval of the: (1) consolidated audited financial statements of the Corporation and its subsidiaries, and (2) the parent company financial statements of the Corporation, as of 31 December 2023, as audited by its external auditor, SGV, and the noting of the Corporation's Annual Report.

The Secretary explained that the financial statements were part of the Definitive Information Statement and the

Annual Report can be accessed from the Corporation's website.

The Secretary presented Resolution No. S-2024-06, as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

Resolution No. S-2024-06

> **RESOLVED**, to approve the consolidated financial statements of the Corporation and its subsidiaries, and parent company financial statements of the Corporation, as of 31 December 2023, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co., and to note the Corporation's Annual Report consisting of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes for the approval of the 2023 consolidated audited financial statements of the Corporation and its subsidiaries and the noting of the annual report, together with the approval of Resolution No. S-2024-06, were as follows:

	For	Against	Abstain
Number of voted shares	31,566,855,716	0	45,892,210
% of Total Outstanding Voting Shares Represented	99.82%	0.00%	0.12%

10. Other Matters

After confirming with the Secretary that there were no other matters that required consideration by the stockholders, the Chairman proceeded to Part II of the meeting.

11. Presentation of Management

Message from the Chairman

The Chairman reported that 2023 turned out to be another strong year for the Corporation. There was significant growth in financial performance, with the addition of over 700 MW of attributable renewables capacity in 2023. With over 4.7 GW of attributable capacity, ACEN is poised to achieve its original 2025 goal of 5 GW of renewables capacity nearly two years ahead of schedule. Progress towards the new 2030 aspiration of 20 GW has continued at a steady pace.

The Chairman noted that the accelerating shift to a low-carbon future had nurtured several tailwinds for the growth of renewables. Within ACEN, the Corporation has a deep development pipeline to take on these opportunities. Equally important, the Corporation has a talented and motivated team to execute and deliver.

The Chairman expressed belief that the Corporation is in a strong position to continue its healthy trajectory, and that it was the right time for him to transition the Chairmanship of the Board and step down as Director.

The Chairman shared that it had been a privilege to serve on the Board. He further thanked his fellow directors and all ACEN employees for their active engagement, excellent work, and untiring commitment.

In closing, the Chairman expressed his appreciation for the Corporation's partners, customers, stockholders, and the rest of its stakeholder community for their trust in ACEN.

Report of the President

The President acknowledged his fellow stockholders and colleagues on the Board and management.

The President shared that 2023 saw some reprieve from the global energy crisis, with fuel prices coming off from historic highs. He reported that energy demand continued to grow, and the imperative to transition from fossil fuels to clean energy remained intact.

The Corporation continued to execute on its renewables expansion across its key markets in the Philippines, Australia, Vietnam, India, Indonesia, Laos and the U.S. ACEN currently has around 4.7 GW of renewables capacity in operations and under construction. In addition, the Corporation has signed agreements or won competitive tenders worth over 1 GW of capacity. The President emphasized that this effectively surpassed the Corporation's goal of reaching 5 GW of renewables by 2025, or almost two years ahead of schedule.

Attributable output from ACEN's renewable energy plants increased 32% in 2023 to 4,474 GWh. As a result, attributable EBITDA for the year grew 31% to ₱18.8 billion.

Reported net income for 2023 stood at ₱7.4 billion. This represented a decline versus 2022 reported net income of ₱13 billion, which included around ₱8.6 billion in net non-cash items. Taking out all non-cash items, ACEN's profitability increased 150% year over year, driven by nearly three-fold increase in core operating earnings.

The Philippines continued to be the Corporation's core market, accounting for about 40% of its generation portfolio. Philippine renewables output increased by 35% to 1,145 GWh with the commissioning of new solar and wind farms. The Corporation's retail electricity business, ACEN RES, also grew by 54% to 218 MW. The significant increase in capacity resulted in a stronger net seller position for the Philippine business, amidst elevated electricity prices, which resulted in a robust financial performance.

Overseas, Australia is the Corporation's largest market, comprising around 20% of its generation portfolio capacity. The Corporation successfully commenced operations of its first project in Australia, the 521 MW New England Solar farm, one of the largest solar farms in Australia. Construction progress was also underway for the 520 MW Stubbo solar farm, which was around halfway to completion.

Large construction projects in the Philippines, Australia and India faced execution challenges, mostly related to grid connection, extreme weather and right of way issues. However, many of these plants successfully commenced full operations by the end of 2023. In fact, six new projects worth 1.6 GW have recently started operations and were expected to deliver close to full year output in 2024.

The President reported that ACEN had over 3.3 GW of capacity in operations and under commissioning, and about 1.5 GW of capacity under construction. Management is expected to continue this rapid expansion through 2024 as the Corporation worked towards its aspiration to reach 20 GW of renewables capacity by 2030.

To support the strong growth trajectory, the Corporation successfully raised ₱25 billion of perpetual preferred shares in 2023. This included a fixed for life coupon with no step up, the first of its kind in the country. This additional equity further strengthened the Corporation's balance sheet and allowed it to leverage the growth momentum.

Meanwhile, ACEN continued to play a leading role in the energy transition in the region. In addition to scaling up renewables, the President reported that the Corporation was also pioneering efforts in early coal retirement.

At the COP28 in Dubai held in December 2023, ACEN, together with the Rockefeller Foundation's Coal to Clean Credit Initiative ("**CCCI**") and the Monetary Authority of Singapore (MAS), announced an exciting collaboration to implement the world's first coal-to-clean credit pilot project.

The President reported that the initiative would help road test the new methodology being developed by CCCI, and hopefully jumpstart the market for transition credits. The President explained that Transition Credits were high-integrity carbon credits that were granted to projects that enable the early retirement of coal plants and their replacement with clean energy, while ensuring a just transition.

This initiative complemented ACEN's Energy Transition Mechanism for the 246 MW SLTEC coal plant, which targeted a retirement date of 2040 or after 25 years of plant operations. The transition credit initiative would potentially accelerate the transition of coal to cleaner technology by 10 years or as early as 2030. If successful, the transition credit initiative could be scaled up and replicated by other coal fired power plants - not only in the Philippines but across the globe.

Before ending his report, the President acknowledged some key transitions in the board.

The President thanked the Chairman and Mr. Almendras, director, both of whom have served as former energy secretaries of the Republic. The President stressed that the Corporation was very fortunate to benefit from their wisdom and support. As leaders who understood the critical importance of energy security, both the Chairman and Mr. Almendras were strong advocates of ACEN's aggressive renewables expansion in the Philippines, including its investments in large scale infrastructure to enable giga scale renewable projects that move the needle for the Corporation and the country. The President further noted that the Chairman and Mr. Almendras have consistently provided guidance on balancing growth with strong risk management and a robust balance sheet.

On behalf of all his colleagues, the President thanked the Chairman and Mr. Almendras for having consistently championed and guided ACEN throughout the years.

The President also welcomed the Corporation's incoming directors, Mr. Gerardo C. Ablaza, Jr. and Mr. Jaime Z. Urquijo, both of whom have previously been with ACEN board and management, respectively.

The President further thanked Atty. Solomon M. Hermosura for the latter's exceptional contributions as Corporate Secretary, and welcomed his successor, Atty. Maria Franchette M. Acosta.

The President closed his report by thanking the Board for its guidance, the ACEN management team and all its employees for their engagement and rigor, and the Corporation's business partners, stockholders, and stakeholders for their continued trust and support.

The President then introduced a video presentation which underpinned the Corporation's journey towards effectively surpassing its 5GW target.

12. Question and Answer

The Assistant Corporate Secretary, Mr. Lagazo, read aloud the questions and comments received together with the names of the stockholders who sent them.

Loraine Genevieve Montenegro (stockholder): ***"Your growth path to 2030 is quite ambitious. How will you fund your capacity expansion moving forward?"***

President: "Currently, we are approximately at 5 GW of renewables which means that the gap between today and our aspiration of 20 GW is around 15 GW or 15,000 MW.

At current costs, approximately the capital cost for renewables is roughly $1 million per MW; it's over $1 million for wind, under $1 million for solar, so roughly speaking, we would be needing around $5 billion of capital to reach our 20 GW goal.

We do expect around 60% of the funding or $9 billion to come from debt financing both from bilateral loans or the debt capital markets. There is quite strong liquidity within those sources.

40% roughly will come from equity funding, or about $6 billion, and this will come in the form of: (1) reinvestment of operating cash flows from the operating plants, (2) proceeds from targeted value realization and capital recycling activities, and (3) potential equity issuances over time.

We do have quite a strong balance sheet; we ended the year in 2023 with a strong cash position of almost Php 40 billion in cash, as well as a robust debt-to-equity-ratio standing at about .23 net debt-to-equity ratio, so we have a lot of room to expand our balance sheet to support our aggressive growth."

Aaron Jarveen O. Ho (stockholder): *"**What accounts for ACEN's recent share price performance?**"*

President: "Obviously, we have seen a decline in the share price performance of ACEN over the last 12 or so months.

I think, there are really two (2) drivers for this: one is macro and the other one is micro in nature.

On the macro level, ACEN is a growth company and growth companies, globally, have been significantly affected by the rise in interest rates. If you look at global renewable energy companies that represent growth, these have declined in market values; we have seen market values decline by 50+% globally among renewable energy companies. There has also been renewed investor interest into fossil fuel-based companies with stronger profits, given the elevated fossil fuel prices.

That being said, we believe that our sector still goes through cycles in the sector. Once interest rates taper or become reduced, these are opportunities for the growth to accelerate and again, clearly, not a lot of fossil fuel-fired capacity is being built. Coal plants, for example, are already under moratorium in markets like Philippines and Indonesia, so the way to go moving forward is accelerating and scaling renewable energy so we will stay on the course.

Secondly, on the micro level, the Company has been challenged as I mentioned in my message earlier, with delays in the execution of these large-scale renewable projects in Australia, Philippines, and India. These are projects that can scale up to more than 1,000 MW and what we are experiencing really is the challenge of building and connecting these large projects into the transmission. There can be challenging right-of-way issues and the conservativeness of the grid operator to incorporate these large renewables into the system takes time.

But having said that, as we mentioned, we are over the hump on many of these large-scale projects; we continue to develop others but we are now in a strong position, having started the construction of several of these projects and as I mentioned, we have started six (6) projects worth 1.6 GW earlier this year or late last year and we expect additional contribution of over 3,000 GW hours of output from these newly-commissioned plants.

It has been a challenging and rocky execution and getting to commercial operations, but we are here for these large-scale projects, and the ability to expand on these large-scale, upfront transmission infrastructure is an opportunity for us to amortize all these upfront investments."

John Fernand F. Magcanlas (stockholder): *"**We heard about your new partnership to introduce Transition Credits. Why are you doing this and how will this impact your business?**"*

Chairman: "I think you answered part of that in your talk, but maybe you [the President] can explain a little bit more."

President: "Yes, Mr. Chair. I think the angle that I did not cover in my talk is as we are now focused on renewable energy, we see this opportunity to build on what we have done on the energy transition mechanism structure of SLTEC. We see an opportunity to further accelerate the timeline for coal retirement or transition date from 2040 to 2030.

The transition credits will actually be a mechanism to fund at least two (2) major things: one is there will be a replacement of the foregone cash flows from the coal plant. ACEN remains as an offtaker of SLTEC, as you recall, and the foregone cashflows of SLTEC's operations as well as ACEN's offtake arrangement will be replaced by the transition credits, so there will be compensation and the ability to pay down the debt and equity holders and any residual equity that goes to ACEN can be recycled to invest in renewable energy.

The second use of funds from the transition credits is actually to help ACEN replace the foregone energy output of SLTEC, and help ACEN to install new replacement capacity. A lot of this capacity will come in the form of solar farms and wind farms; we estimate that to replace 246 MW of baseload coal plant, we would need to put up around 1,000 MW of solar and 250 MW of wind.

Now, we are not going to stop there in terms of replacing the output with solar and wind on an intermittent or variable output basis, because that will have a lot of implications and make the grid even more challenging. It has some hidden cost to the grid so therefore, what transition credits allow us to do is we will have a de facto financial support or subsidy from these transition credits or carbon credits to allow ACEN to accelerate the build-out or scale-up of battery storage to be incorporated in various renewable energy power plants like solar plants.

Battery storage today is still quite expensive; it is going to increase the price of electricity and therefore, the transition credits will allow us to do battery storage in an affordable manner. It will really help accelerate our long-term strategy, and "hybridize" our renewable energy plants, whether it is solar or wind, by incorporating energy storage and effectively have a dispatchable or reliable power that we can provide to our customers as well as use the grid efficiently and effectively.

Chairman: "I think you will also be able to address the potential impact of displaced employees of coal plants?"

President: "That is correct, Mr. Chair. Those are the third and fourth uses of proceeds of the transition credits, which is to allow us to have a just transition, which is to ensure that the communities and the workers are taken care of and to ensure that no one gets left behind. That is an integral part of the transition credits design. Last but not the least is the ability to do proper decommissioning of the coal plant, to ensure that this does not get repowered at some future date.

So obviously, we are doing this as part of the fight against climate change. The backdrop of all this is that International Energy Agency (IEA) has a position that in order for the world to reach the goal of keeping global warming at or below 1.5ºC, we need, globally, coal plants to reduce emissions by 55% between 2022 and 2030. Now, that is a very tall order, especially for countries in Southeast Asia where we have a very large coal fleet, and we have among the youngest coal fleet at less than fifteen (15) years of age in a growing economy and growing power demand.

Just the other day, to illustrate, Philippines, in Luzon alone, power demand reached about 13.9 GW in the system, which represented around 11% peak growth versus last year which stood at around 12.5 GW. There is definitely strong growth in markets like the Philippines and the rest in Southeast Asia, so it is quite challenging to accelerate the retirement of coal plants without mechanisms like transition credits to help ensure just transition."

13. Adjournment

The Chairman thanked the stockholders for their questions and active participation in the meeting and announced that the link to the audio and video recording of the meeting will be posted on the Corporation's website. Stockholders could raise any issue, clarification, and concern about the meeting by sending an e-mail to corpsec.acen@acenrenewables.com.

There having been no other comments or questions from the stockholders, the Chairman adjourned the meeting.

MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

DODJIE D. LAGAZO
Assistant Corporate Secretary

RAISSA C. VILLANUEVA
Assistant Corporate Secretary

ATTESTED BY:

DELFIN L. LAZARO
Chairman of the Board of Directors and of the Meeting

35F Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Avenue
Makati City, Philippines 1226

ACEN

ANNEX "A"
ATTENDANCE OF STOCKHOLDERS

Stockholder

By Proxy	No. of Shares
AC Energy and Infrastructure Corporation	22,945,721,773
Ayala Corporation	115,313,437
HSBC OBO MLA ACCOUNT - MNL CNC NOM 24/0469 (HSCB10 account)	7,352,288,022
Sun Life Grepa Financial, Inc. - Standard Chartered Bank account no. SCBK1000058	18,362,575
Various non-resident foreign corporations - Standard Chartered Bank account no. SCBK1000000	912,403,199
CITIBANK, N.A., PHILIPPINE BRANCH - CITIFAOPHILAMCiti – CITIOMNIFOR	42,708,634
CITIBANK, N.A., PHILIPPINE BRANCH - CITIFAOGICCiti – CITIMNILOC	134,120,668
CITIBANK, N.A., PHILIPPINE BRANCH - CITIOMNIFORCiti – CITIFAOSUNLIFE	61,342,481
CITIBANK, N.A., PHILIPPINE BRANCH - CITIOMNILOC	28,544,983
Sub-Total	**31,610,805,772**

By voting in absentia	
AP Securities, Incorporated, represented by [redacted]	1,264,099
[redacted]	1,026
[redacted]	2
[redacted]	5,000
[redacted]	94,000
Alan T. Ascalon	560,173
[redacted]	200
[redacted]	27
[redacted]	9,000
[redacted]	5,900
[redacted]	7,727
AP Securities, Incorporated, represented by [redacted]	4,050,000
[redacted]	730,000
Sub-Total	**6,727,154**

35F Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Avenue
Makati City, Philippines 1226

Directors and Officers

Delfin L. Lazaro	1
Cezar P. Consing	1
Jaime Alfonso Zobel de Ayala	1
Jesse O. Ang	1
Maria Lourdes Heras-de Leon	1
Garry K. Lester	1
Melinda L. Ocampo	1
Dodjie D. Lagazo	6,526,166
Sub-Total	**6,526,173**

ANNEX D
Management's Discussion and Analysis (MD&A) or Plan of Operations

BUSINESS AND GENERAL INFORMATION

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

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

The Company manages diversified portfolio power plants with renewable and conventional sources. As of 31 December 2024, the Company had an attributable capacity of 6,896 MW from owned projects in operation, under construction and committed[2] across the region, which includes strategic investments in renewable and conventional power generation projects.

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

DESCRIPTION OF PRINCIPAL BUSINESSES

POWER BUSINESS

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

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

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

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

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

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

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

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
North Luzon Renewables	Renewable	Wind	Philippines	Operating	**81**	81%	66
Guimaras Wind	Renewable	Wind	Philippines	Operating	**54**	100%	54
Northwind Power	Renewable	Wind	Philippines	Operating	**52**	100%	52
Islasol	Renewable	Solar	Philippines	Operating	**80**	60%	48
Sacasol	Renewable	Solar	Philippines	Operating	**45**	100%	45
Montesol	Renewable	Solar	Philippines	Operating	**18**	100%	18
Alaminos Solar	Renewable	Solar	Philippines	Operating	**120**	100%	120
Palauig 1 Solar	Renewable	Solar	Philippines	Operating	**63**	100%	63
Arayat-Mexico Solar[1]	Renewable	Solar	Philippines	Operating	**116**	50%	58
ACEN RE Tech Hub	Renewable	Solar	Philippines	Operating	**4**	100%	4
Maibarara Geothermal	Renewable	Geothermal	Philippines	Operating	**32**	25%	8
Bulacan Power	Thermal	Diesel	Philippines	Operating	**48**	100%	48
CIP II	Thermal	Diesel	Philippines	Operating	**20**	100%	20
Alaminos Battery Storage	Renewable	Battery	Philippines	Operating	**40**	100%	40
Sitara Solar	Renewable	Solar	India	Operating	**140**	80%	112
Paryapt Solar	Renewable	Solar	India	Operating	**70**	80%	56
Salak & Darajat Geothermal[2]	Renewable	Geothermal	Indonesia	Operating	**663**	15%	99
Ninh Thuan Solar	Renewable	Solar	Vietnam	Operating	**405**	74.5	302
Khanh Hoa & Dak Lak	Renewable	Solar	Vietnam	Operating	**80**	80%	64
SUPER (Solar NT) First Phase Closing[3]	Renewable	Solar	Vietnam	Operating	**287**	49%	141
Mui Ne Wind	Renewable	Wind	Vietnam	Operating	**84**	50%	42
Quang Binh Wind	Renewable	Wind	Vietnam	Operating	**252**	80%	202

Ninh Thuan Wind (BIM Wind)	Renewable	Wind	Vietnam	Operating	**88**	82.15	72
Lac Hoa & Hoa Dong Wind	Renewable	Wind	Vietnam	Operating	**60**	80%	48
Masaya Solar	Renewable	Solar	India	Operating	**420**	80%	336
Capa Wind (Amihan)	Renewable	Wind	Philippines	Operating	**70**	81%	57
SanMar Solar 1 & 2	Renewable	Solar	Philippines	Operating	**385**	100%	385
Pangasinan Solar (Sinocalan)	Renewable	Solar	Philippines	Operating	**60**	100%	60
Cagayan North Solar (CleanTech/NAREDCO)	Renewable	Solar	Philippines	Operating	**133**	80%	106
NEFIN	Renewable	Rooftop Solar	Various[4]	Operating	**105**	71%	74
Pagudpud Wind (Bayog/Balaoi)	Renewable	Wind	Philippines	Under Construction	**160**	100%	160
Palauig 2 Solar	Renewable	Solar	Philippines	Under Construction	**300**	100%	300
SanMar Solar 3	Renewable	Solar	Philippines	Under Construction	**200**	100%	200
New England Solar Farm (NESF) Phase 1	Renewable	Solar	Australia	Under Construction	**522**	100%	522
Stubbo Solar	Renewable	Solar	Australia	Under Construction	**520**	100%	520
Monsoon Wind	Renewable	Wind	Lao PDR	Under Construction	**600**	24%	146
Stockyard Wind	Renewable	Wind	United States	Under Construction	**136**	80%	109
Chestnut Flats Wind	Renewable	Wind	United States	Under Construction	**38**	80%	32
Maharashtra C&I Hybrid – Solar	Renewable	Solar	India	Under Construction	**124**	80%	99
Maharashtra C&I Hybrid – Wind	Renewable	Wind	India	Under Construction	**29**	80%	24
New England Bess (2hr) – Section 1	Renewable	Battery	Australia	Under Construction	**50**	100%	50
Quezon North 1 WPP	Renewable	Wind	Philippines	Under Construction	**345**	100%	345
Quezon North 2 WPP	Renewable	Wind	Philippines	Under Construction	**208**	100%	208
Salak Unit 7 Expansion	Renewable	Geothermal	Indonesia	Under Construction	**40**	15%	6
Solarscape Solar	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32
Dayasinar Solar	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32
Sonagazi Solar	Renewable	Solar	Bangladesh	Under Construction	**68**	80%	54
NEFIN	Renewable	Rooftop Solar	Various[4]	Under Construction	**34**	80%	27

						Grand Total	**5,667**

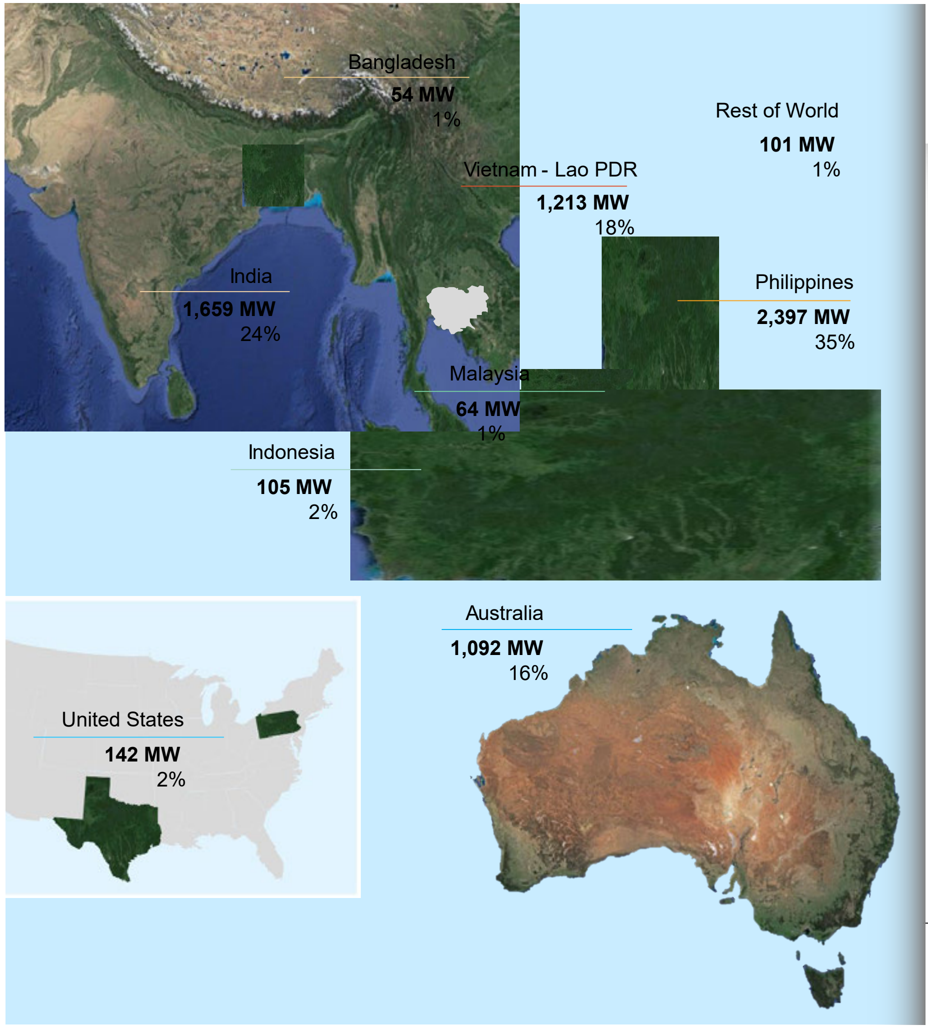
Notes:
1. Includes 44-MW expansion under construction.
2. Includes Salak Binary Plant under construction
3. Phases 2, 3, and 4 of the Solar NT acquisition are subject to completion of conditions precedent.
4. Comprises of Mainland China, Hong Kong, Malaysia, Thailand, Taiwan, and Singapore.

Renewable Energy Portfolio

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

The charts below show the breakdown of the Company's power project portfolio per country, technology, and status (in terms of Net Attributable Capacity [3] as of 31 December 2024):

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

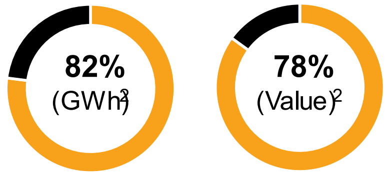


Generation Portfolio 31 December 2024

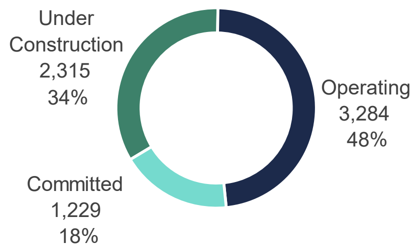
Total Attributable Renewables Capacity[1]

6,828 MW

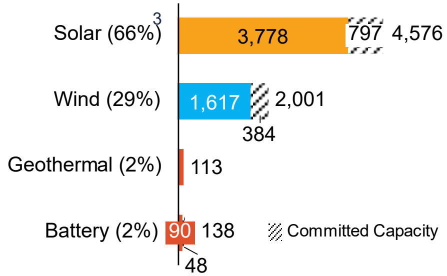
Contracted Output



Project Status



RE Technology



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

Renewable Energy Projects in Operation in the Philippines

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

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

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

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

Maibarara Geothermal

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

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

MonteSol

Background. In 2015, ACEIC entered into a subscription and shareholders' agreement with Visayas Renewables Corp. ("VRC") for the development, construction, and operation of the MonteSol Project, a solar power farm located in Bais City, Negros Oriental. This project is owned and operated by Monte Solar Energy Inc. ("MonteSol").

The first phase of the project was for an 18 MWdc solar power plant with a total project cost of ₱1.3 billion, which was completed in February 2016 and is currently dispatching its full capacity to partially meet the energy requirements of Dumaguete City and Cebu City. The Company believes that there is further potential for the expansion of the initial 18 MWdc solar power plant to up to 40 MWdc.

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

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

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

Northwind Power

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

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

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

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

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

North Luzon Renewables

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

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

IslaSol

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

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

SacaSol

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

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

Palauig 1 Solar

Palauig 1 Solar is a standalone solar farm that is capable of supplying daytime power to the Luzon grid throughout the year. It has a designed capacity of 63 MWdc that can power approximately 30,000 houses in the region and can reduce annual carbon emission by at least 50,000MT of CO_2 of greenhouse gases.

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

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

Alaminos Solar

Alaminos Solar is a greenfield solar farm that is capable of supplying daytime power to the local grid throughout the year. It is the second largest solar power plant in the Philippines and can generate enough power to supply clean energy to approximately 80,000 homes while avoiding 111,034.37 MT CO_2 of greenhouse gases. The Alaminos solar farm is notable for its pioneering Sustainability Hub where ACEN has started to integrate the circular approach.

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

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

Alaminos Battery Energy Storage System Project

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

Bataan Solar (Bataan RE Tech Hub)

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

Background. It is the holder of Solar Energy Service Contract No. 2017-06-410, pursuant to which it has the exclusive right to explore, develop, and utilize solar energy resources within a certain area in the Municipality of Mariveles in the Province of Bataan. The Company began the construction of the Bataan RE Tech Hub in September

2020. The renewable energy laboratory shall be used to study state-of-the-art PV modules and other emerging technologies that may be incorporated by the Company in its upcoming projects.

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

Arayat-Mexico Solar Farm

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

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

Capa Wind

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

On 29 July 2022, ACEN, through its subsidiary Capa Wind, signed an agreement with Siemens Gamesa Renewable Energy Technology (SGRE) for the supply and installation of fourteen units of wind turbines for the construction of the next wind project of ACEN in Caparispisan, Pagudpud, Ilocos Norte. Once completed, the wind project can produce over 220 GWh of renewable energy per year and eliminate over 130,000 tonnes of CO_2 emissions annually.

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

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

Pangasinan Solar

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

Once operational, Pangasinan Solar is expected to generate 94 GWh of renewable energy per year, enough to power an estimated 55,000 homes and avoid approximately 58,369 metric tons of CO_2 emissions annually. The project also aims to boost Pangasinan's local economy with the creation of an estimated 1,000 jobs during the plant's construction phase.

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

SanMar Solar

SanMar Solar, a 585 MWdc solar farm located in San Marcelino, Zambales, is one of the largest solar projects in the country as of 31 December 2023. The solar farm's three phases are capable of producing over 871 GWh of renewable energy per year and eliminating 287,796 tonnes of CO_2 emissions annually.

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

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

Cagayan North Solar

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

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

The 133 MW solar farm is expected to produce 188 GWh of renewable energy annually, enough to power 75,000 households while avoiding approximately 112,405 MT of CO_2 emissions annually. It began generating power in January 2024.

Renewable Energy Projects in Operation in Australia

New England Solar

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

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

Renewable Energy Projects in Operation in Vietnam

Khanh Hoa Solar Plant and Dak Lak Solar Plant

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

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

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

Ninh Thuan Solar Farm

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

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

Mui Ne Wind Farm (Phase 1)

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

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

Mui Ne Wind Farm (Phase 2)

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

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

Ninh Thuan Wind Farm

Background. The Company commenced construction of an 88 MW wind farm located in Ninh Thuan Province, Vietnam under its partnership with the BIM Group (the "Ninh Thuan Wind Farm") in 2020. It is expected to produce 327 GWh per year once fully operational, enough to power around 50,000 homes per year with renewable energy that can help avoid 298,551 tons of CO_2 annually.

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

Quang Binh Wind Farm

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

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

Lac Hoa Wind & Hoa Dong Wind Farm

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

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

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

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

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

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

Renewable Energy Projects in Operation in Indonesia

Salak-Darajat Geothermal Projects

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

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

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

Renewable Energy Projects in Operation in India

Sitara Solar

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

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

Paryapt Solar

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

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

Masaya Solar

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

The Masaya Solar project is located in the Khandwa District, State of Madhya Pradesh, and is set to produce 691 GWh of renewable energy per year while avoiding approximately 635,720 MT of CO_2 emissions annually. The project will also create approximately 500 jobs during its construction stage. Once completed, the Masaya Solar farm will be UPC-AC Energy Solar's third and largest solar project in India to date.

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

Renewable Energy Projects in Operation in the United States

Chestnut Flats Wind

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

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

Renewable Energy Projects Under Construction in the Philippines

Pagudpud Wind

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

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

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

Palauig 2 Solar

ACEN further boosted its renewable energy portfolio the Philippines, with the construction of the 300 MW Palauig 2 Solar farm located in Zambales, an area with one of the country's highest irradiance zones and solar energy potential.
In proximity to ACEN's operating 63 MW Palauig 1 Solar project, the cost of the new development, including the construction of the 1,200 MW transmission line, is estimated at ₱16 billion. 540 MWp high-efficiency solar panels will be supplied by module manufacturer, Seraphim.

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

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

Quezon North Wind

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

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

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

Renewable Energy Projects under Construction in Australia

Stubbo Solar

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

The 520 MWdc (400 MWac) solar project is located within the Central-West Orana Renewable Energy Zone in the Mid-Western Regional Council region and will connect to the existing 330 kV network between Wollar and Wellington. The project will produce enough clean, renewable energy to power more than 185,000 average Australian homes.

The project's development approval also includes provisions for a 200 MWh battery energy storage system, allowing for the project to later be adapted to dispatch energy when it is most needed during peak hours and provide important grid stability services.

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

Renewable Energy Projects Under Construction in Vietnam & Lao PDR

Monsoon Wind

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

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

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

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

Renewable Energy Projects under Construction in India

Maharashtra C&I Hybrid Solar & Wind

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

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

Renewable Energy Projects Under Construction in the United States of America

Stockyard Wind

In March 2023, ACEN, through its joint-venture company, UPC Power Solutions LLC, signed a Purchase and Sale Agreement with US-based GlidePath Power Solutions LLC ("GlidePath") for the acquisition of a portfolio of eight operating wind projects. Collectively known as Stockyard Wind, the assets have a total net dependable capacity of 136 MW, located in northern Texas, USA. The resulting strong-growth U.S. platform leverages the combined expertise of ACEN and its partners, Pivot Power Management and UPC Solar & Wind Investments. The wind assets are expected to generate approximately 360 GWh of wind energy per year, enough to power around 24,000 households and avoid ~127,000 metric tons of CO_2 emissions.

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

Renewable Energy Projects Under Construction in Malaysia

Solarscape and Dayasinar Solar

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

Renewable Energy Projects Under Construction in Bangladesh

Sonagazi Solar

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

Conventional Energy Portfolio

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

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

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

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

One Subic Power

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

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

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

Bulacan Power

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

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

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

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

Other Businesses

Retail Electricity Supply Business

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

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

Bulk Water Supply Business

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

Land Lease and Development

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

Solienda

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

San Julio Land

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

Manapla Sun Power

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

SOURCES AND AVAILABILITY OF RAW MATERIALS

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

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

TRANSACTIONS WITH RELATED PARTIES

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

INTELLECTUAL PROPERTY

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

Trademark	Date of Registration	Term
Gigawind (with logo)	10 March 2022	10 years (until 10 March 2032)
CampMak (tradename only)	10 March 2022	10 years (until 10 March 2032)
Energy Storage (with logo)	7 April 2022	10 years (until 7 April 2032)
Renewable Energy TechHub An AC Energy Research Center (with logo)	7 April 2022	10 years (until 7 April 2032)
Bulacan Thermal (with logo)	7 April 2022	10 years (until 7 April 2032)
La Union Thermal (with logo)	7 April 2022	10 years (until 7 April 2032)
Subic Thermal (with logo)	7 April 2022	10 years (until 7 April 2032)
Ingrid Power Pililla (with logo)	7 April 2022	10 years (until 7 April 2032)
ACEN (with logo)	23 April 2022	10 years (until 23 April 2032)
Gigasol (with logo)	23 April 2022	10 years (until 23 April 2032)
Giga Storage (tradename only)	10 June 2022	10 years (until 10 June 2032)
ENEX (tradename only)	25 August 2022	10 years (until 25 August 2032)
ACEN RES (tradename only)	31 July 2023	10 years (until 31 July 2033)
ACEN RES Recharge (tradename only)	25 August 2023	10 years (until 25 August 2033)
ACEN RES Renewable Energy Solutions (tradename only)	5 October 2023	10 years (until 5 October 2033)
ACEN RES Renewable Energy Solutions (with logo)	5 October 2023	10 years (until 5 October 2033)
SanMar Solar Renewable Energy from ACEN (with logo)	24 December 2023	10 years (until 24 December 2033)
Palauig 1 Solar Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
Palauig 2 Solar Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
Guimaras Wind Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
IslaSol Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
MonteSol Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
NorthWind Renewable Energy from ACEN (with logo)	6 January 2024	10 years (until 6 January 2034)
Pagudpud Wind Renewable Energy from ACEN	6 January 2024	10 years (until 6 January 2034)
North Luzon Renewables (with logo)	3 February 2024	10 years (until 3 February 2034)
ACEN RES Powered by Renewable Energy (tradename only)	23 March 2024	10 years (until 22 March 2034)
ACEN RES Powered by Renewable Energy (with logo)	23 March 2024	10 years (until 22 March 2034)
Alaminos Solar Renewable Energy from ACEN (with logo)	18 May 2024	10 years (until 17 May 2034)

Capa Wind Renewable Energy from ACEN (with logo)	18 May 2024	10 years (until 17 May 2034)
SaCaSol Renewable Energy from ACEN (with logo)	18 May 2024	10 years (until 17 May 2034)
ACEN Tech Hub Renewable Energy Research Center (with logo)	18 May 2024	10 years (until 17 May 2034)
Pangasinan Solar Renewable Energy from ACEN	8 June 2024	10 years (until 7 June 2034)
Gigasol (tradename only)	10 October 2024	10 years (until 10 October 2034)
Gigawind (tradename only)	10 October 2024	10 years (until 10 October 2034)
Alaminos Energy Storage Renewable Energy from ACEN (with logo)	17 October 2024	10 years (until 17 October 2034)
ACES (with logo; in full color and reverse color)	19 October 2024	10 years (until 19 October 2034)
Palauig Solar 1 Renewable Energy from ACEN	23 November 2024	10 years (until 23 November 2034)
Palauig Solar 2 Renewable Energy from ACEN (with logo)	23 November 2024	10 years (until 23 November 2034)
Palauig Solar Renewable Energy from ACEN (with logo)	23 November 2024	10 years (until 23 November 2034)

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

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

<u>FUTURE PROJECTS</u>

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

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

In GW	Current
Philippines	2.4
Australia	1.1
Vietnam-Lao PDR	1.2
India	1.7

Indonesia and other markets[4]	0.5
Total	4.6.8

DISTRIBUTION OF PRODUCT

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

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

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

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

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

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

COMPETITION

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

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

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

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

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

RESEARCH AND DEVELOPMENT

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

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

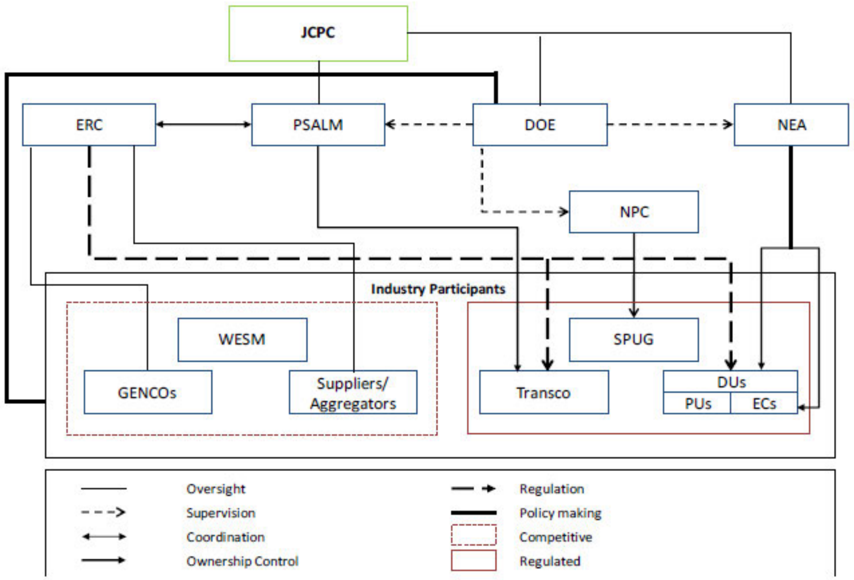
REGULATORY FRAMEWORK

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

Regulation of the Philippine Power Industry

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

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



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

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

With a view to implementing the EPIRA's objectives, the DOE, in consultation with the relevant government agencies, electric power industry participants, non-government organizations and electricity consumers, promulgated the Implementing Rules and Regulations of the EPIRA (the "EPIRA IRR") on 27 February 2002.
The EPIRA IRR governs the relations among, and respective responsibilities of, the different electric power industry participants as well as the particular governmental authorities involved in implementing the structural reforms in the industry, namely the DOE, National Power Corporation ("NPC"), National Electrification Administration ("NEA"), ERC and PSALM.

Primary Regulatory Agencies

Energy Regulatory Commission

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

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

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

Department of Energy

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

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

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

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

Joint Congressional Energy Commission

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

Reorganisation of the Electric Power Industry

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

The Generation Sector

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

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

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

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

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

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

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

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

Requirement of Public Offering for Generation Companies

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

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

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

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

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

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

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

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

The Transmission Sector

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

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

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

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

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

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

The Distribution Sector

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

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

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

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

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

The Supply Sector

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

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

Competitive Market Devices

Wholesale Electricity Spot Market

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

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

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

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

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

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

Retail Competition and Open Access

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

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

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

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

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

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

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

- **DOE Circular No. DC2015-06-0010 –** Providing Policies to Facilitate the Full Implementation of Retail Competition and Open Access (RCOA) in the Philippine Electric Power Industry;

- **ERC Resolution No. 05, Series of 2016 –** A Resolution Adopting the 2016 Rules Governing the Issuance of Licenses to Retail Electricity Suppliers (RES) and Prescribing the Requirements and Conditions Therefor;

- **ERC Resolution No. 10, Series of 2016 –** A Resolution Adopting the Revised Rules for Contestability;

- **ERC Resolution No. 11, Series of 2016 –** A Resolution Imposing Restrictions on the Operations of Distribution Utilities and Retail Electricity Suppliers in the Competitive Retail Electricity Market;

- **ERC Resolution No. 28, Series of 2016 –** Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016 entitled Revised Rules for Contestability; and

- **ERC Resolution No. 1122, Series of 2020 –** A Resolution Prescribing the Timeline for the Implementation of the Retail Competition and Open Access (RCOA).

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

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

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

Unbundling of Rates and Removal of Cross Subsidies

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

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

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

Implementation of the PBR

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

Reduction of Taxes and Royalties on Indigenous Energy Resources

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

Government Approval Process

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

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

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

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

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

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

The Energy Efficiency and Conservation Act

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

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

The following acts are prohibited under the EEC:

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

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

The Renewable Energy Act of 2008

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

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

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

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

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

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

Feed-In Tariff

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

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

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

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

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

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

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

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

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

Renewable Portfolio Standards

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

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

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

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

Green Energy Auction Program

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

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

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

Green Energy Option Program

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

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

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

Competitive Selection Process

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

Energy Virtual One Stop Shop Law

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

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

The Philippine Energy Research and Policy Institute Act

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

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

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

Petroleum

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

Section 2, Article XII of the 1987 Constitution

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

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

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

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

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

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

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

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

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

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

Environmental Matters

Philippine Clean Water Act

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

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

Philippine Clean Air Act

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

- increasing oil and gas exploration;
- strengthening of the PNOC to spearhead the development of indigenous energy resources and building global partnerships and collaborative undertakings;

- pursuing the development of renewable energy such as geothermal, wind, solar, hydropower, and biomass, and the vigorous utilization of the cleaner development mechanism and the emerging carbon market;
- expanding the use of natural gas; and
- adopting energy efficiency promotion strategies.

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

The Philippine Environmental Impact Statement System

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

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

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

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

Characteristics of the project or undertaking

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

Location of the project

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

Nature of the potential impact

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

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

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

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

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

Environmental Compliance

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

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

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

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

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

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

Other Regulations on Water Pollution

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

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

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

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

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

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

The Toxic Substances and Hazardous and Nuclear Waste Control Act

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

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

Ecological Solid Waste Management Act

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

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

Code on Sanitation of the Philippines

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

Strategic Environmental Plan for Palawan Act

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

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

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

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

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

Philippine Natural Gas Industry Development Act

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

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

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

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

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

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

Other Applicable Regulations

Foreign Investment Act

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

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

Data Privacy Act

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

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

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

The Philippine Competition Act

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

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

Local Government Code

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

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

Revised Corporation Code of the Philippines

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

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

- The Code allows the creation of a "One Person Corporation" ("OPC"), which is a corporation composed of a single stockholder, provided that, only natural person, trust, or an estate may form such. No minimum authorized capital stock is also required for an OPC, unless provided for under special laws;

- Material contracts between the Corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same;

- The right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws or by a majority of the board of directors. However, as to corporations vested with public interest, the right to vote through such modes, may be exercised notwithstanding the absence of a provision in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option; and,

- In case of transfer of shares of listed companies, the Commission may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Commission.

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

<u>Real Property Valuation and Assessment Reform Act (RPVARA)</u>

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

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

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

Regulation Background

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

- Law No. 30 of 2009 on Electricity, as recently amended by Law No. 11 of 2020 on Job Creation ("Law on Electricity");
- Law No. 32 of 2009 on Environmental Protection and Management, as recently amended by Law No. 11 of 2020 on Job Creation ("Law on Environment");
- Law No. 25 of 2007 on Investment, as recently amended by Law No. 11 of 2020 on Job Creation ("Law on Investment");
- Law No. 40 of 2007 on Limited Liability Company, as recently amended by Law No. 11 of 2020 on Job Creation ("Law on Company");
- Law No. 41 of 1999 on the Forestry, as amended by Law No. 19 of 2004 and partly revoked by Law No. 18 of 2013 and, as recently amended by Law No. 11 of 2020 on Job Creation ("Law on Forestry");
- Law No. 2 of 2017 on Construction Services, as recently amended by Law No. 11 of 2020 on Job Creation;
- Government Regulation No. 21 of 2021 on Implementation of Spatial Layout;
- Government Regulation No. 22 of 2021 on Implementation of Environmental Protection and Management;
- Government Regulation No. 23 of 2021 on Forestry Implementation ("Government Regulation 23");
- Government Regulation No. 25 of 2021 on Implementation in Energy and Mineral Resources Field;
- Minister of Energy and Mineral Resources ("MEMR") Regulation No. 39 of 2018 regarding Electronically Integrated Business Licensing Services in the Field of Electricity ("MEMR Regulation 39-2018");
- Government Regulation No. 14 of 2012 on Power Supply Business Activities, as amended by Government Regulation No. 23 of 2014 ("Government Regulation 14");
- MEMR Regulation No. 50 of 2017 regarding the Utilization of Renewable Energy Sources for Electricity Supply, as amended lastly by MEMR Regulation No. 4 of 2020 ("MEMR Regulation 50-2017");
- MEMR Regulation No. 001 of 2006 on the Procedure of Purchase of Electricity and/or Lease of Network in Procurement of Electricity for Public Interest, as amended by MEMR regulation No. 004 of 2007 and partly revoked by MEMR Regulation No. 19 of 2017 and MEMR Regulation 50-2017;
- MEMR Regulation No. 27 of 2018 on Compensation for Land, Buildings and/or Plants Located under Electrical Transmission Network Free Spaces;
- Presidential Regulation No. 1044 of 2021 on Line of Business on Investment ("Investment List");
- Head of National Land Agency (*Badan Pertanahan Nasional* – "BPN") Regulation No. 17 of 2019 regarding Location Permits, as amended by Head of BPN Regulation No. 13 of 2020 ("Head of BPN Regulation 17-2019");
- Minister of Environment and Forestry ("MOEF") Regulation No. P.38/MENLHK/SETJEN/KUM.1/7/2019 on Types of Planned Businesses and/or Activities Subject to Mandatory Environmental Impact Assessment ("Regulation 38-2019");
- MOEF Regulation No. P.26/MENLHK/SETJEN/KUM.1/7/2018 regarding the Guidelines on the Preparation and Assessment as well as Evaluation of Environmental Documents in the Implementation of Electronically Integrated Business Licensing Services; and

- MOEF Regulation No. P.27/MENLHK/SETJEN/KUM.1/7/2018 regarding the Guidelines on the Borrow and Use of Forestry Area, as amended by MOEF Regulation P.7/MENLHK/SETJEN/KUM.1/2/2019 ("MOEF Regulation 27-2018").

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

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

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

Company Registration

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

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

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

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

- electricity generation of equal to or more than 1MW (which generally allows for foreign ownership up to 100%).

Operational Licenses

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

IUPTL

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

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

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

Operational Feasibility Certificate

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

Environmental and Forestry Licenses

Environmental Approval

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

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

Forestry Area Utilization Approval, if applicable

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

Land Arrangements

Location Permit

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

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

Land rights applicable to a WFPP

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

Electricity Tariffs and Power Purchase Agreements with PLN

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

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

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

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

Relevant laws and regulations

General (applicable to all power projects)

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

Grid-connected wind power projects

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

Environment; Firefighting and Fire Prevention

- Law on Environmental Protection No. 55/2014/QH13 dated 23 June 2014 passed by the National Assembly (to be replaced by Law on Environmental Protection No. 72/2020/QH14 dated 17 November 2020 as from 1 January 2022) ("Law on Environmental Protection")

- Decree No. 18/2015/ND-CP dated 14 February 2015 on environmental protection planning, strategic environmental assessment, environmental impact assessment and environmental protection plans (as amended by Decree No. 40/2019/ND-CP dated 13 May 2019)
- Law on Firefighting and Fire Prevention No. 27/2001/QH10 dated 29 June 2001 passed by the National Assembly (as amended by Law No. 40/2013/QH13 dated 22 November 2013)
- Decree No. 136/2020/NP-CP dated 24 November 2020 providing guidelines for the amended Law on Firefighting and Fire Prevention No. 40/2013/QH13 ("Decree 136")

Enterprise Registration Certificate

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

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

Inclusion in power master plan

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

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

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

In-principle approval for investment

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

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

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

Investment Registration Certificate

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

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

Land Clearance and Compensation Process; Land Lease

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

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

1/500 Master Plan

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

Construction permit

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

Land use right certificate

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

Feasibility Study and Technical design approval

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

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

Electricity contracts and licenses

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

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

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

Environment impact assessment

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

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

Fire Prevention and Firefighting design approval and implementation

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

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

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

Electricity generation and connection approvals

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

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

Registration as a Participant with AEMO

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

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

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

License for generation of electricity in Tasmania

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

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

Connection to transmission network

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

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

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

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

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

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

Central Regulatory Framework

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

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

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

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

Forecasting and Scheduling

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

Tariff Determination

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

Introduction of the Basic Customs Duty

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

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

SC Order for Protection of the Great Indian Bustard

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

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

Regulatory Framework in Gujarat

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

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

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

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

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

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

Gujarat Solar Policy

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

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

Deviation Settlement Mechanism

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

Interconnectivity

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

Regulatory Framework in Rajasthan

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

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

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

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

Rajasthan Solar Policy

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

Deviation Settlement Mechanism

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

Interconnectivity

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

Applicable Permits and Consents

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

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

S.no.	Consents and approvals	Particulars
	No-objection certificate from the CGWA	If the project company needs to withdraw ground water for the solar project, then a no-objection certificate ("NOC") should be obtained from the Central Ground Water Authority. The requirements for the NOC would depend on whether the project falls within a notified area or a non-notified area.
	Connection Agreement	The project company is also required to submit an application to the STU/Discom to connect to the state grid. Thereafter, a connection agreement is required to be executed between the generating project company and the relevant transmission licensee prior to the physical interconnection of the solar power project with the state grid.
	Approval of the design and specification of	The Electricity Act, among others, requires the CEIG to certify that any equipment and plant for generation, transmission, distribution or use of energy meets the required safety regulations. This approval is necessary to be obtained prior to the energization of the solar power project.
	Approval for synchronization	Prior to synchronization of the solar power project, the project company is required to secure the approval of the transmission company /the state load despatch centre and GEDA/SECI, as the case maybe, as per the requirements of the PPA.
	Commissioning Certificate	The project company is also required to obtain a commissioning certificate from GEDA or RRECL, as applicable, before it can deliver power. Generally, the commissioning certificate will allow to ascertain the specific date on which the respective units have been commissioned.
	Authorization under Hazardous & Other Wastes (Management and Trans-boundary Movement) Rules, 2016 ("Hazardous Waste Rules").	The Ministry of Environment, Forest and Climate Change issued an office memorandum dated 7 July 2017, which provides that the disposal of PV cells attracts the provisions of the Hazardous Waste Rules. From a reading of the Hazardous Waste Rules, it seems that any entity, including a solar project engaging in disposal of the PV cells will be required to obtain an authorisation of the relevant state pollution control board prior to such disposal of PV cells.
(B) Additional Permits Apart from the permits mentioned in (A) above, the following permits may also need to be obtained in respect of a solar power project, depending on other variable factors affecting the projects, such as the geographical location of the project, the number of workmen deployed or such other factually relevant circumstances affecting the project related activities.		
2.	IEC Code	In the event that any of the equipment, including spares, for the projects is imported into India or to export any equipment out of India, the project company must obtain an import export code from the

S.no.	Consents and approvals	Particulars
		Ministry of Commerce and Industry, GoI, in accordance with the provisions of Foreign Trade (Development and Regulations) Act, 1992.
	Crossing approvals	If any transmission line forming part of the projects crosses over a village road, national highway, state road (including state highways), river or nallah, then a crossing approval / NOC of the relevant sanctioning authority (such as, Gram Panchayat, National Highway Authority of India, Ministry of Railways or the relevant State Authority) is required to be obtained.
	Approval for storing explosives	If the solar power producer stores or brings fuel oil, explosives and inflammable liquids, gases and chemicals at the project site, it must obtain a license under the Explosives Act, 1884, Explosives Rules, 2008, the Petroleum Act, 1934 and the Petroleum Rules, 2002.
	Height clearance from the Airports Authority of India ("AAI")	A clearance is required from AAI if a power project is situated within 20 kilometres or less from an Aerodrome Reference Point ("ARP") of a Visual Flight Rules ("VFR") airport, and 56 kilometres or less from the ARP of an Instrument Flight Rules ("IFR") airport.
	NOC from Ministry of Defence if the project is located near an International border or an air force base	The Aircraft Act, 1934 and the Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015 ("MoCA Rules") provide that an NOC for height clearance is required to be obtained for constructing or erecting any structure within a radius of 20 kilometres from the ARP of the civil and defence aerodromes as listed out in the MoCA Rules. Further, the MoCA Rules provide that no structure higher than the height specified in Schedule II of the MoCA Rules is required to be constructed or erected within a radius of 20 km from the ARP.
	Approvals under Factories Act, 1948 ("Factories Act")(1) Registration under the Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") Registration under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("BOCW Act") and payment of cess under	If the project company employs 10 or more workers during the operations of the solar project, then it would qualify as a factory under the Factories Act, requiring it to secure the relevant approvals from the Chief Inspector of Factories of the relevant state, including approval of the site and building plan, license to operate factory and certificate of stability. A certificate of registration under the CLRA and the rules framed thereunder must be obtained from the Labour Department of the relevant state by the principal employer of every establishment, if 20 or more workmen were employed on any day of the preceding 12 months at the factory (which is employing contract labour). The registration requirement with the Labour Department of the relevant state under the BOCW Act may apply to the project company if it employs or had employed 10 or more building workers on any

S.no.	Consents and approvals	Particulars
	the Building and Other Construction Workers Welfare Cess Act, 1996 (“Cess Act”) Registration under the Inter-State Migrant Workmen (Regulation of Employment and Condition of Service) Act, 1979 (“Migrant Workers Act”)	day of the preceding 12 months. Further, the entity to whom the BOCW Act applies is also required to remit ‘cess’ to authorities at the rate of 1 percent of the ‘cost of construction’. Registration under the Migrant Workers Act and the rules framed thereunder is required to be obtained by project company from the Labour Department of the relevant state if 5 or more inter-state migrant workmen are employed by it in Gujarat or Rajasthan, as the case may be, on any day of the preceding 12 months by the solar power producer or its contractor,
	Permission from the gram panchayat; *i.e.* the village council	Under Section 104 of the Gujarat Panchayats Act, 1993, no person can construct a building within the limits of the village without taking prior permission from the panchayat. While the Rajasthan Panchayati Raj Act, 1994 does not specifically provide for any approval required from the gram panchayat to construct a building on any land within the jurisdiction of the gram panchayat, there appears to be a requirement in practice to obtain permission from the relevant gram panchayat before undertaking any construction activities on land which falls within the jurisdiction of the gram panchayat.

Note:
(1) The Code on Social Security, 2020; Industrial Relations Code, 2020; and Occupational Safety, Health and Working Conditions Code, 2020, has been recently passed by the Indian Parliament, consolidating and amalgamating various employment laws in India. These codes are yet to come into force and when they do, certain employment law requirements associated with engaging contract workers, inter-state migrant workers, building and other construction workers would vary in India. The notes here will therefore need to be revisited as and when the new codes come into force.

Real Estate Regulations

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

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

Forest Lands

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

Laws applicable to acquisition of land in Gujarat

Tenancy Laws

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

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

Conversion of agricultural land for non-agricultural purposes

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

Ceiling Restrictions

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

Government Land

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

Gujarat Solar Policy

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

Gujarat Wasteland Allotment Policy for Renewable Parks

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

Laws applicable to acquisition of land in Rajasthan

Rajasthan Tenancy Act and Rajasthan Revenue Act

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

Ceiling Limits

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

Conversion of Agricultural Lands

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

Rajasthan Solar Policy

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

Land Tax

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

Demand and Supply Targets for Energy Outlook 2020-2040 [5]

	Scenario Assumptions	
	Reference Scenario *(Business as Usual)*	**Clean Energy Scenario** *(Alternative Scenario)*
Energy Demand	▪ Supports an accelerated economic expansion post-COVID19 (i.e., High GDP scenario). ▪ Maintains current blending schedule for biofuels (2.0 percent biodiesel and 10.0 percent bioethanol) until 2040. ▪ 5.0 percent penetration rate of electric vehicles for road transport (motorcycles, cars, jeepneys) by 2040. ▪ Current efforts on energy efficiency and conservation (EEC) as a way of life continues until 2040.	▪ 10.0 percent penetration rate of electric vehicles for road transport (motorcycles, cars, jeepneys) by 2040. ▪ 1.5 percent increase in aggregate natural gas consumption from the Transport and Industry sectors between 2020 and 2040. ▪ 5.0 percent blending for biodiesel starting 2022. ▪ Up to 5.0 percent energy savings on oil products and electricity by 2040.
Energy Supply	▪ Present development trends and strategies continue. ▪ Existing power plant as of December 2019 and committed power projects as of September 2020. ▪ 35.0 percent RE share in generation mix by 2040. ▪ 25.0 percent reserve margin. ▪ 70.0 percent load factor for the total Philippines. ▪ Indigenous production targets: Coal - 282 million metric tons (MMT) at 14.8 MMT/year; Oil - 64 million barrels (MMB) at 3.4 MMB/year; Natural Gas - 4 trillion standard cubic feet (SCF) at 4.8 billion SCF/year. ▪ LNG imports to come in starting 2022 at 349 billion SCF/year to augment supply from Malampaya gas field.	▪ Assumptions under the Reference, as well as the following: ▪ Up to 50.0 percent RE share in generation mix by 2040; and ▪ Achieve at least 12.0 percent reduction in the greenhouse gas (GHG) emission for the country's Nationally Determined Contribution (NDC).

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

The Renewable Energy Act of 2008

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

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

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

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

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

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

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

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

Renewable Portfolio Standards (RPS)

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

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

FIT System

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The powers and functions of the REMB are as follows:

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

and develop renewable energy technology development strategies; and

- Perform other functions that may be necessary for the effective implementation of the RE Law and the accelerated development and utilization of renewable energy resources in the country.

Environmental Laws

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

Human Capital

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

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

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

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

INTEGRATING SUSTAINABILITY

ACEN has deepened its commitment to sustainable development and continues to find areas where we can contribute and help solve global issues. We go beyond metrics and regulatory compliance – we aim to deliver value that would benefit society and would impact our employees, customers, suppliers, partners and shareholders meaningfully.

Embedding sustainability across our strategy has established a strong foundation to the entire organization, influencing our thinking and decision- making.

We've made important progress over the last year through our Environmental, Social, and Governance (ESG) initiatives. To make our sustainability efforts more strategic and focused, and drive the sustainability performance of our organization, we have identified key ESG issues that are material to ACEN and to what matters to our stakeholders. We have established a baseline of our ESG data, including climate that helped us develop our metrics and targets in assessing risks and opportunities.

Our ESG roadmap sets out clear targets to achieve our Net Zero greenhouse gas emissions by 2050 and sustainable development ambitions. These targets are aligned with the UN Sustainable Development Goals (SDGs). The roadmap uses metrics to track our progress toward achieving our goals.

ENVIRONMENTAL: NET ZERO BY 2050

As ACEN aspires to be a Net Zero company by 2050, we recognize our role to help conserve the environment and prevent the continued decline in biodiversity and risk to the natural resources which we all depend on.

Our commitment to the environment is built on three focus areas: Climate Change, Biodiversity, and Resource Efficiency. Through these three focus areas, we aim to manage our key environmental impacts, help address the urgent issue of climate change and use resources responsibly.

Our Net Zero roadmap completion

In December 2022, we announced the completion of a robust Net Zero roadmap that includes near-term emission reduction targets aligned with the GHG Protocol and the latest climate-science and long-term targets that are consistent with the deep decarbonization of the power sector. ACEN is the first energy company in Southeast Asia to take this critical step towards achieving Net Zero, providing an accountable and transparent framework for monitoring progress.

ACEN recognises that to reach the Net Zero outcome for the power sector, it will need to rely on both emissions reduction and neutralization of residual emissions.

As part of its transition plan, ACEN aims to deliver reduction-led decarbonization by 2040, with an interim target for 2030, and a Net Zero status (including neutralization) by 2050. This 2050 goal is in line with the broader Ayala group net zero target, while ACEN will continue to explore opportunities to further accelerate these targets in the future.

In 2024, ACEN's generation portfolio has grown to 6.8 GW of attributable renewable energy capacity spanning operational, under-construction, and committed projects across the Philippines, Australia, Vietnam, India, Indonesia, Lao PDR, the USA, Malaysia, and Bangladesh.

Energy Transition Mechanism

Accelerating further our Net Zero aims, in November 2022, we completed the full divestment of the South Luzon Thermal Energy Corporation coal plant using the Energy Transition Mechanism (ETM) framework, the first market-based implementation in the world. This landmark transaction will enable the early retirement of the 246 MW SLTEC coal plant in Batangas, Philippines. Under the structure, the coal plant will be retired by 2040 and transitioned to a clean technology, thereby reducing its operating life of up to 50 years by half. This will help avoid or reduce up to 50 million metric tons of carbon emissions. The transaction generated ₱7.2 billion in proceeds for ACEN, which will be reinvested into renewable energy projects.

Aligning with TCFD

Since 2021, ACEN has been a supporter of the Task Force for Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board to develop voluntary, consistent, climate-related financial disclosures to improve transparency on climate risks and opportunities. These disclosures revolve around four thematic areas: governance, strategy, risk management, and metrics and targets.

We recognize that in order to effectively address the impact of climate change, it is imperative that we gain a better understanding of our exposure and the financial implications of climate-related risks and opportunities to our business. This would allow us to better integrate climate-related factors into our risk management, strategic planning, capital allocation, and overall decision-making processes.

Biodiversity

Biodiversity is important to us. We all depend on our natural resources, and the continued decline and degradation of our environment has been alarming.

While we scale up our renewables development to help other industry sectors catch up with the energy transition, we are mindful of our own environmental impact. Guided by our Environmental, Social & Governance Policy and Management System, we assess future projects by identifying their direct impact on biodiversity.

We reference best-practice mitigation hierarchy guidelines to shape the biodiversity plans we develop in our sites. Furthermore, mitigation measures will be designed to achieve no net loss, including identifying and protection of set-asides, and/or restoring habitat during and/or after operations. We develop a biodiversity plan, not only to mitigate potentially significant impacts, but most importantly, to enhance biodiversity that will also create a meaningful impact to our host communities.

SOCIAL: INVESTING IN PEOPLE

We invest in our people and communities. We recognize that access to energy is essential and our aim is to build and provide more clean energy for the society and for economic growth. We also rely significantly on our ability to effectively and efficiently engage with them as we work towards our sustainable goals. We create meaningful ways to ensure a functional and productive society as we commit to drive positive change for people and the planet.

Human capital: Our people and culture

At ACEN, we prioritize our goal to attract, retain and grow the best talent in each aspect of our business, as the quest for a Net Zero world is a tall order indeed. ACEN 2030 is an aggressive goal and we believe that we have the right elements to succeed. We have a strong balance sheet, robust pipeline, strong partnerships and most importantly, a highly energized organization.

We put our people first – we provide a safe, supportive and inclusive environment for our people, a workplace where they can feel a complete sense of ownership and belongingness, and where their opinions matter. We believe in fostering an inclusive culture where everyone feels they are heard, treated fairly and with respect. We create programs and benefits that support the development of the entire organization, ensure a safe work environment and a diverse culture for our employees.

Social investments

As ACEN continues to scale up its renewables expansion across the region, we also commit to invest in the socio-economic progress of the communities where we operate. We collaborate with local governments, state agencies and conservation groups in establishing programs that can be a force for good through livelihood creation, large-scale infrastructure development, improved community health and safety awareness and disaster response, and innovative waste management approach – with the objective to create tangible, long-term value for our communities.

GOVERNANCE: INTEGRATING SUSTAINABILITY

To complement good ESG metrics, transparency is important to help our investors make decisions, and assess both risks and opportunities. We have been aligning our disclosures and policies with the different ESG frameworks and data providers.

We have established our baseline data and set our directions across our organization, our aim is to deliver our strategy and report on our progress.

Our environmental and social initiatives are embedded across our organization to drive forward initiatives that are important to us and our aspiration to be a Net Zero GHG emissions company by 2050. In parallel, our Corporate Governance System provides a clear organizational structure guided by an active Board of Directors, visionary management, strong core values and adequate policies and controls to ensure the integration of sustainability across the organization.

The Board approved the creation of a Sustainability Committee, which is responsible for the oversight of sustainability issues and climate-related risks and opportunities. The Sustainability Committee regularly reviews our sustainability strategy, culture and values, and performance. Dedicating a committee to sustainability reinforces the commitment of the Board towards climate governance and oversight over the business as we move towards a low carbon portfolio.

At the executive level, the ESG Committee advises on ESG-related matters in policymaking as well as monitors our performance on key ESG and climate-related metrics. Furthermore, the Risk and Health & Safety Committee provides an oversight function towards operational safety and sustainability-related risks. We also facilitated capacity building and awareness campaigns on ESG for our senior leaders to further embed sustainability into decision-making.

At the corporate level, the Sustainability team performs sustainability and climate oversight functions. This is headed by the Senior Vice President and Head of Corporate Communications and Sustainability who has oversight in terms of managing sustainability initiatives and the company’s climate-related risks and opportunities, as well as climate-related disclosures.

At the project level, project development leads proactively work to mitigate the physical effects of climate change in the planning and design of new projects. The Sustainability team works closely with the project development teams to assess and manage environmental and social risks and issues. For operating plants, plant managers, HSSE leads, sustainability officers, pollution control officers work closely with the Sustainability team to address any environmental and social issues.

ACEN's aspiration to be a leading renewable energy provider is driven by its goal to create value that would benefit society, as well as its employees and shareholders. Sustainability is at the core of our business, and it is integrated into the way we do things.

More information on the Company's sustainability efforts can be viewed at https://www.acenrenewables.com/sustainability/esg/.

A copy of the Company's 2023 Integrated Report may be accessed *via* https://www.acenrenewables.com/wp-content/uploads/2024/04/ACEN-Integrated-Report-2023-_vF-0824.pdf .

A copy of the Company's Integrated Report for the year 2024 will be provided to stockholders of record *via*https://www.acenrenewables.com/disclosures/2024-ir/.

RISK FACTORS RELATED TO THE BUSINESS

Risks Relating to the Company and its Businesses

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

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

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

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

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

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

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

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

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

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

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

- adverse changes in tax law;
- changes in the timing of tariff increases or in the calculation of tariff incentives;
- change in existing subsidies and other changes in the regulatory determinations under the relevant concessions;
- other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business; or
- other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with the Company's existing financial and business planning.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grid curtailments may limit the generation capacity of power projects.

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

The Company enters into transactions with related parties.

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

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

The Company is exposed to credit and collection risks.

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

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

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

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

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

The Company may be adversely affected by WESM price fluctuations.

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

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

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

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

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

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

With sanctions and conflict cutting thermal raw material supply in both countries, market expectations of oil and gas production from Russia, as well as coal production from Ukraine have similarly been reduced. Global market prices of petroleum and coal products in general subsequently began to rise, with Newcastle coal (ICE commodity symbol:

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[6] BBC News. <https://www.bbc.com/news/58888451>
[7] U.S. Energy Information Administration. <https://www.eia.gov/international/analysis/country/UKR>

NEWC) reaching US$336.00 per metric ton[8] and Brent Crude Oil reaching US$118.05 per barrel.[9] As a result, since the Philippines remains mostly dependent on thermal energy, spot market prices remain elevated. Should the war in Ukraine continue, high power prices may adversely impact ACEN's trading position, if it continues to be a net buyer on the WESM. However, with the completion of new projects in its aggressive RE expansion, the company believes that it may achieve a net seller position with an RE portfolio that may be able to take elevated power prices in the merchant market without the higher costs associated with raw materials for thermal resources.

Risks Relating to the Philippines

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Investors may face difficulties enforcing judgments against the Company.

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

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

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

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

Properties

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

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

Source: Audited consolidated financial statements as of 31 December 2024

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

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

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

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

<u>Unpaid Property, Plant and Equipment</u>

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

<u>Borrowing Cost Capitalized</u>

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

Mortgaged Property, Plant and Equipment

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

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

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

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

Contractual Commitments

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

Lease Commitments

Lease with Laguna Lake Development Authority (LLDA)

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

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

New England Solar Farm Stage 2

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

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

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

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

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

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

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

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

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

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

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

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

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

Palauig 2 Solar
On September 26, 2024, the Group executed a lease contract over the property of the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and lessee under such terms and conditions as may acceptable to them. The initial rent is based on a fixed rate per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payment commencing from July 1, 2025 shall be done in advance on a quarterly basis. This lease is part of the sale and leaseback transaction of the Group and its affiliate, AREIT, Inc.

Market for Registrant's Common Equity and Related Stockholders' Matters

Market Price

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

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

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

Source: Philippine Stock Exchange

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

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

Dividends

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

	Dividend			
Date of Declaration	**Type**	**Rate (in PHP)**	**Amount (in thousands PHP) ***	**Record Date**
7 August 2023	Cash	0.04 per common share	1,587,096	22 August 2023

3 November 2023	Cash	Php 17.835 per Series A Preferred Share	148,749	17 November 2023
3 November 2023	Cash	Php 20.00 per Series B Preferred Shares	333,170	17 November 2023
8 February 2024	Cash	Php 17.835 per Series A Preferred Share	140,542	23 February 2024
8 February 2024	Cash	Php 20.00 per Series B Preferred Shares	322,141	23 February 2024

Dividend policy

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

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

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

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

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

a. dividends at the rate of ¼ of 7.1330% per annum equivalent to Php 17.835 per share on the Company's outstanding Series A Preferred Shares to the stockholders on record as of 17 November 2023, and
b. dividends at the rate of ¼ of 8% per annum equivalent to Php 20.00 per share on the Company's outstanding Series B Preferred Shares to the stockholders on record as of 17 November 2023.

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

a. dividends at the rate of ¼ of 7.1330% per annum equivalent to Php 17.835 per share on the Company's outstanding Series A Preferred Shares to the stockholders on record as of 23 February 2024, and
b. dividends at the rate of ¼ of 8% per annum equivalent to Php 20.00 per share on the Company's outstanding Series B Preferred Shares to the stockholders on record as of 23 February 2024.

Recent Issuances of Securities Constituting an Exempt Transaction

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

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

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

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

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

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

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

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

1. UPC Philippines Wind Partners Ltd. – 19,059,423
2. Wind City Inc. – 142,668,634

3. Estanyol Holdings Ltd. – 153,493,200
4. Tenggay Holdings Ltd. – 70,525,763
5. Alan Kerr - 4,248,813

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

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

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

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

Stockholders

Common Shares

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

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

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

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

Preferred Shares - Series A

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

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

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

Preferred Shares - Series B

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

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

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

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

PLAN OF OPERATION

Financial Performance

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

2024

Corporate Highlights:

- On January 3, 2024, transaction closing was achieved by ACEN Investments HK Limited, a subsidiary of ACRI, and Barito Renewables for the acquisition of three late-stage wind development assets with a combined potential capacity of 320 MW. The assets are located in South Sulawesi, Sukabumi and Lombok provinces. The transaction was originally disclosed on December 15, 2023.

- On January 23, 2024, ACEN, together with its joint venture partners PivotGen and UPC Solar & Wind Investments, completed a purchase agreement with EDF Renewables North America for the lessee interests in the 38 MW Chestnut Flats operating wind project near Altoona, Pennsylvania. The purchase was made via the joint venture entity UPC Power Solutions. EDF Renewables will continue to provide asset management, operations, and maintenance services. This represents ACEN's second project in North America, following the Stockyard Wind portfolio in 2023.

- In February 2024, ACEN Australia Pty Ltd. (ACEN Australia), a subsidiary of ACEN, announced that it secured a total of AUD 150 million in green term loans from Australia and New Zealand Banking Group (ANZ) and Westpac Banking Corporation, with each bank providing AUD 75 million. The green term loans represent ACEN's commitment to the Australian market, where 1 GW is already in operation and under construction, with an additional development pipeline of more than 8 GW in renewables.

- In March 2024, ACEN Australia signed a cooperation agreement with Marubeni Corporation for the joint development of a 200 MW/400 MWh (2-hour) Battery Energy Storage System (BESS) in New South Wales, Australia. The signing ceremony for the Agreement took place at the Philippine Business Forum held in Melbourne.

- In March 2024, ACEN announced its second partnership with BrightNight to advance the development, construction, and operation of the latter's renewable power portfolio in the Philippines. The partnership plans to develop and construct 1 GW of renewable energy projects in the Philippines with an estimated capital deployment of USD1.2 billion over the next five years. This is BrightNight and ACEN's second partnership and builds on the success of the one established in India in March 2023, which has already produced the 100 MW Maharashtra Hybrid Solar-Wind project.

- ACEN in March 2024 secured a "B" rating for its climate change disclosure through CDP, a global non-profit that runs the world's leading environmental disclosure platform. This rating puts ACEN two levels higher than last year's, underscoring ACEN's dedication to decarbonization and adherence to the highest environmental standards. Since beginning its disclosures with CDP in 2022, ACEN has actively participated in the Climate Change questionnaire, contributing to the world's most comprehensive inventory of self-reported environmental data. The company's ongoing efforts align with the increasing demand for environmental transparency from financial institutions, customers, and policymakers.

- On April 3, 2024, ACEN's wholly owned subsidiary, ACEN Renewables International Pte. Ltd. (ACRI), together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT UPC Sidrap Bayu Energi, held through UPC Sidrap HK Limited and UPC Renewables Asia III Limited, to PT Barito Wind Energy. PT UPC Sidrap Bayu Energi is the legal entity that owns the 75 MW Sidrap Wind farm in South Sulawesi, Indonesia. The transaction was first disclosed on December 7,

2023. ACEN's parent company AC Energy and Infrastructure Corporation, through ACRI, originally invested in the Sidrap Wind farm, Indonesia's first, in 2017.

- On April 15, 2024, ACRI signed a US$150 million green term loan facility with Sumitomo Mitsui Banking Corporation, Singapore Branch (SMBC), for financing investments in renewable energy projects across the region. The green term loan has a tenure of five years and SMBC acts as both lender and green loan coordinator.

- On April 17, 2024, ACEN and the Rockefeller Foundation announced that the first Coal to Clean Credit Initiative (CCCI) pilot project under consideration in the Philippines could avoid up to 19 million tons of carbon dioxide (CO2) emissions. An assessment by the Rocky Mountain Institute (RMI), a technical partner of the Rockefeller Foundation, explored the climate impact of leveraging carbon finance to close the South Luzon Thermal Energy Corporation (SLTEC) coal plant in 2030 – ten years ahead of its scheduled retirement – and replacing it with clean power and battery storage, while supporting the livelihoods of workers affected by the plant's early transition. ACEN executed the world's first market-based Energy Transition Mechanism (ETM) on SLTEC in 2022. Announced during Financing Asia's Transition Conference, RMI's analysis applied CCCI's draft methodology, currently under review by Verra, to assess SLTEC's eligibility for carbon financing. It found that the project meets the eligibility criteria of the draft methodology and that decommissioning by 2030 would not be possible without carbon finance. It found that a carbon credit-backed retirement as early as 2030 could yield positive financial, social, and climate outcomes when compared to a 2040 retirement.

- On July 17, 2024, wholly owned ACEN subsidiaries participated in Meralco's Competitive Selection Process (CSP) for 500 MW of renewable energy supply, winning two 10-year contracts inclusive of renewable energy certificates (RECs). Gigasol 3, Inc. (Gigasol 3) secured 10 MW starting February 2025 with a further 129 MW starting in February 2026, all at tariffs of P8.1819/kWh. Santa Cruz Solar Energy, Inc. (SCSEI) won a further 21 MW starting February 2026 at P8.1998/kWh. On December 3, 2024, the Energy Regulatory Commission granted provisional authority to Gigasol 3 to implement their power supply agreement at the applicable fixed rate of P5.1908/kWh without escalation or adjustment. However, no formal notice of the fixed rate of P5.1908/kWh was given to Gigasol 3.

- On August 16, 2024, ACEN, GenZero and Keppel Ltd. (Keppel) signed a Memorandum of Understanding (MOU) to jointly explore the origination and utilization of Transition Credits (TCs) to accelerate the retirement of the South Luzon Thermal Energy Corporation (SLTEC) coal-fired power plant (CFPP) in Batangas, the Philippines, and replace it with a clean energy dispatch facility. When completed, this project is expected to be one of the first converted CFPPs in the world to generate TCs. This pioneering initiative reflects the shared commitment of the partners to accelerate the orderly and just transition to clean energy in Southeast Asia. Under the MOU, the parties will jointly undertake a development study to explore utilizing TCs to facilitate the project's implementation and achievement of the early retirement goal. The origination and sale of TCs will help accelerate the decommissioning of the 246 MW SLTEC CFPP located in Calaca, Batangas by 10 years (i.e. 2030) and support just transition initiatives.

- On August 22, 2024, ACEN and PT Barito Renewables Energy Tbk ("Barito Renewables") announced a partnership designed to accelerate the development of wind renewable energy projects across Indonesia. This strategic partnership will be executed through ACEN's subsidiary, ACEN Indonesia Investment Holdings Pte. Ltd., and Barito Renewables' subsidiary, PT Barito Wind Energy. It builds on the 2024 acquisition of three strategically located late-stage wind development assets in South Sulawesi, Sukabumi, and Lombok, which collectively offer a potential capacity of 320 MW of wind energy, supplemented by cutting-edge battery energy storage solutions.

- On September 30, 2024, ACEN was honored with 4 Golden Arrows by the Institute of Corporate Directors at the 2024 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards. ACEN secured this highest award for the second consecutive year. The company was among 111 publicly listed companies that were recognized, and was one of 13 with four Golden Arrows.

- On October 7, 2024, the Company's Board approved investment into, and commencement of construction of, the first two phases of the Quezon North Wind power project, previously called the Isla Wind Power Project, through a wholly-owned subsidiary, Giga Ace 6, Inc. (Giga Ace 6). Quezon North Wind is expected to become the country's largest wind farm, with a combined capacity of the first two phases reaching up to 553 MW. The first phase, totaling 345 MW, is a GEAP-committed project.

- On December 16, 2024, ACEN was named a winner at the Philippine Department of Energy (DOE)'s Sustainability Energy Awards, via its 81 MW North Luzon Renewables (NLR) wind farm in Pagudpud, Ilocos Norte. The DOE's awards program aims to honor exceptional efforts in promoting renewable energy innovation, best practices, and impactful achievements. ACEN's project was recognized under the category of Renewable Energy Projects in On-Grid Areas for its outstanding role in fostering a secure, reliable, clean, and resilient energy sector. NLR generates approximately 205,000 MWh of clean energy annually, powering around 50,000 homes and avoiding 144,000 metric tons of carbon emissions each year. Beyond compliance, North Luzon Renewables wind project has demonstrated how renewable energy can create positive environmental and social impact for host communities.

- Throughout the fourth quarter of 2024, ACEN Renewable Energy Solutions (ACEN RES), the Philippine commercial and industrial (C&I)/retail arm of ACEN, signed several significant Philippine customers, transitioning them to 100% renewable energy usage. These include Cebu Pacific, the Philippines' leading airline, and Globe Telecom, the leading telecommunications company in the country, which shifted 20 of its facilities to ACEN RES. AC Health, Ayala's healthcare solutions arm, through its Healthway Medical Network, also transitioned six of its Qualimed Hospitals to renewable energy via ACEN RES.

Operating Highlights:

- ACEN as of December 31, 2024, has 6,828MW (megawatts) of attributable renewable capacity from projects that are operational, under construction, and committed in the Philippines and internationally. This puts the Group in a strong position to reach its 20GW (gigawatts) renewable target by 2030.

- The operating status split of the 6,828MW net attributable renewable capacity is:

    - 48% or 3,284MW operating
    - 34% or 2,315MW under construction; and
    - 18% or 1,299MW committed

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

- The geographical split of the 6,828MW net attributable renewable capacity is:

    - 35% or 2,397MW - Philippines
    - 16% or 1,092MW - Australia
    - 18% or 1,212MW - Vietnam – Lao PDR
    - 24% or 1,659W - India
    - 1.5% or 105MW - Indonesia
    - 2% or 142MW - United States of America
    - 3% or 220MW – Others, primarily rooftop solar from the NEFIN partnership across several countries in Southeast Asia

- The technology split of the 6,828MW net attributable renewable capacity is:

    - 67% or 4,576MW - Solar (with 797MW committed capacity)
    - 29% or 2,001MW - Wind (with 384MW committed capacity)
    - 2% or 138MW - Battery (with 48MW committed capacity)
    - 2% or 113MW – Geothermal

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

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

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
Salak Unit 7 Expansion	Renewable	Geothermal	Indonesia	Under Construction	**40**	15%	6
Salak Binary Plant	Renewable	Geothermal	Indonesia	Under Construction	**15**	15%	2
NEFIN	Renewable	Rooftop Solar	Various[4]	Under Construction	**34**	80%	27
Sonagazi Solar	Renewable	Solar	Bangladesh	Under Construction	**68**	80%	55
Dayasinar Solar	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32
Solarscape	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32
					Subtotal		**5,599**
					Committed Capacity		**1,229**
					Grand Total		**6,828**

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

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

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

- Philippine spot market position:

    - The Philippine business contracts its capacity through the Feed-in-Tariff (FIT) program, Retail Electricity Supply (RES) with commercial and industrial customers and Power Purchase Agreement (PPA) with a limited number of industrial customers. Any supply that is not sold to the contracted customers are sold to the Wholesale Electricity Spot Market (WESM) and are referred to as uncontracted sales. The spot market position reflects the difference between the contracted and uncontracted volumes.

    - The Philippines achieved a 1,132GWh net seller position for the year ended December 31, 2024, with a total demand of 3,856GWh and total supply (both from third party and ACEN's generated supply) of 4,988GWh. In the prior year (December 31, 2023), the Philippines achieved a 617GWh net seller position, with a total demand of 3,814GWh and total supply of 4,431GWh. Increased generation in 2024 and the termination of the baseload and mid-merit contract with Meralco in November 2024 resulted in a higher net seller position year-over-year.

    - The Philippines achieved a 469GWh net seller position for the fourth quarter with total demand of 788GWh and total supply of 1,258GWh.

        - For the third quarter, the Philippines reached a 52GWh net seller position with a total demand of 1,024GWh and total supply of 1,078GWh. Scheduled preventive maintenance in the third quarter of 2024 of a third-party supplier (none in the fourth quarter 2024) resulted in a higher net seller position quarter-over-quarter. In addition, the termination of the contract with Meralco increased the output sold to the spot market.

        - For the fourth quarter of 2023, the Philippines reached a 205GWh net seller position with total customer demand of 983GWh and total supply of 1,189GWh. Similar with the year-over-year movement, the increase in the net seller position is due to increased generation and the termination of the Meralco contract.

- Overall, contracted capacity for the year ended December 31, 2024 is at 78% compared to the prior year which was at 91%. New capacity in the Philippines and Australia in 2024 resulted in increased capacity that is sold to the spot market (i.e., increased merchant capacity). New capacity in other markets is contracted. The movement of contracted capacity also reflects the result of the termination of the baseload and mid-merit Meralco contracts in November 2024.

- Construction updates as of December 31, 2024 are:

    - Philippines

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

Project Name	Capacity	Location	Completion	Estimated Annual Output (in GWh)	Target Completion
					Phase 2 Q4 2027

[1] *Phase 1 only*

- International

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

Financial Highlights:

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

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

- Attributable generation output year-over-year growth of +24% with full or near-full operationalization of San Marcelino Solar Phases 1 and 2, Pagudpud Wind, Cagayan North Solar, Arayat-Mexico Solar, New England Solar Farm 1 and SUPER (Solar NT) (First Phase Closing). All are subsidiaries except for Arayat-Mexico Solar and SUPER (Solar NT) which are investments in joint ventures by the Group.

- The Philippine business continues to strengthen its net seller merchant position at 917GWh following the contribution of new merchant renewable capacity and termination of the baseload and mid-merit Meralco contract. The increase in merchant volume was tempered by the lower Wholesale Electricity Spot Market (WESM) price environment compared to the prior year. The Philippine business was further improved by revenues from the Reserve Market and Ancillary Services Procurement Agreement (ASPA) firm contracts.

- Several value realizations (i.e, various forms of divestments) occurred during the year:

    - A gain was recognized in the second quarter of 2024 amounting to US$22.65 million (₱1,329.85 million) from the divestment from PT Sidrap Bayu Energi. This was an investment of the Group in Sidrap Wind, an Indonesian wind plant with an attributable capacity of 56MW. The last tranche of the gain in relation to this divestment was recognized in the fourth quarter of 2024 amounting to US$6.60 million (₱385.48 million). Regulatory approval was needed prior to the recognition of this gain.

- A gain was recognized in the third quarter of 2024 amounting to ₱1,035.33 million from the disposal of 2,759,135sqm land located in Zambales, Philippines in exchange for 199,109,438 primary common shares of AREIT.

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

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

- In addition to the gains from the divestment from Sidrap and the asset exchange with AREIT, the Group recognized non-recurring gains of US$6.97 million (₱389.18 million) due to the early extinguishment of a convertible loan investment with The Blue Circle Ptd. Ltd (TBC). This effectively reduced the Group's capital deployed in the Dai Phong and Hong Phong 1 Wind projects in Vietnam.

- Overhead expenses (general and administrative expenses in the consolidated statement of income) grew year-over-year due to a ramp up in development as execution continues for long-term goals and start of operation of new capacities.

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

Revenues

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

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

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

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

- **Rental income** is mainly from land leases with third parties.

- **Dividend income** is from investments of the Group wherein it does not hold voting interest. This also includes a partial gain from the divestment in Sidrap Wind that was upstreamed to the Group through dividends declared by the intermediate holding company.

- **Other revenue** consists of management fees earned by ACEN from its joint ventures and bulk water sales.

Costs and Expenses

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

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

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

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

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

Equity in Net Income of Associates and Joint Venture

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

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

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

Other Income (Charges)

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

- **Interest and other finance income** from:
  - **Cash in banks and short-term deposits** decreased following the deployment of funds raised during financing activities in 2023. Funds were deployed to projects under construction.
  - **Accounts and notes receivable** increased mainly from the additional loan extended to the BIM Projects in Q2 2024.
  - **Investment in redeemable preferred shares and convertible loans** decreased following a change in the features of investments in India that requires declaration of dividends prior to recognition of income (previously, income was recognized without the need for a dividend declaration). The decrease was offset by the higher interest recognized on existing redeemable preferred shares that have a compounding feature wherein interest earned is added back to the principal resulting to a larger base earning interest.

- **Interest and other finance charges** increased following availments of long-term loans from local banks by ACEN Cayman of US$180.00 million (₱10,123.20 million) and US$140.00 million (₱ 7,873.60 million) at 5.3980% and 5.3060%, respectively, in January 2024. The proceeds of the long-term loans were used to redeem US$352.00 million redeemable preferred shares in ACEN Cayman held by AC Energy Finance International Limited. The start of commercial operations of new capacities caused the interest and other finance charges associated with the debt used to fund the projects to become a current item incurred in the profit and loss, whereas previously these costs were capitalized. This resulted in higher interest and other finance charges year-over-year.

- **Other income** increased mainly from the recognized gain amounting to ₱1,035.33 million from the sale and leaseback transaction with AREIT, US$16.40 million (₱962.90 million) from the divestment of Sidrap Wind, and non-recurring gains of US$6.97 million (₱389.18 million) from the early extinguishment of a convertible loan with The Blue Circle.

Provision for (benefit from) income tax

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

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

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

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

Material changes in Consolidated Statements of Financial Position accounts

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

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

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

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

**RWEI was subsequently acquired as a subsidiary during the year*

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

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

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

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

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

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

- **Accounts payable and other current liabilities** decreased from the settlement of payables
- **Short-term loans** are outstanding loans from local banks. These were availed to bridge working capital requirements of the Parent Company.
- **Current portion of long-term loans** movement is mainly due to the payment timing schedule.
- **Current portion of lease liabilities** movement is mainly due to the payment timing schedule of leased assets.
- The increase in **income and withholding taxes payable** was mainly due to withholding taxes payable from various purchases in the Philippines.
- **Notes payable** pertains to the ₱10,000.00 million 5-year Green Bonds by ACEN and the US$400.0 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds (the Bonds) issued and listed in SGX-ST.
- **Long-term loans - net of current portion** increased due to the new loan availed by ACE Cayman of US$320.00 million and borrowings made by ACEN International to fund India projects. The US$320.00 million loan was used to pay the US$352.00 million green bonds that were infused by the Group through subscription to redeemable preferred shares issued by ACEN Cayman to AC Energy Finance Limited (ACEFIL). The difference between the redeemable preferred shares and loan proceeds was funded by cash on hand of the Group.

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

Key Performance Indicators

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

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

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

Current ratio & Acid test ratio

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

Debt/Equity ratio & Asset-to-equity ratio

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

Interest coverage ratio

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

Net bank debt to equity ratio

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

Asset turnover

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

Material events and uncertainties

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

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

2023

Corporate Highlights:

- On 1 February 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH’s remaining 4,766 ordinary shares in UPC-ACE Australia, which completes the second and final tranche of ACRI’s acquisition of ACEN Australia. The acquisition transformed the previously UPC Renewables Australia Pty. Ltd. joint venture into ACEN Australia Pty. Ltd., the Group’s first wholly owned development and operating platform outside of the Philippines.

- In March 2023, ACEN signed a partnership with BrightNight, a US-based renewable power company, to develop, construct, and operate at least 1.2 GW of large-scale hybrid wind-solar and round-the-clock renewable power projects in India.

- That same month, ACEN, through joint venture company UPC Power, signed a Purchase and Sale Agreement with GlidePath for the acquisition of a portfolio of eight operating wind projects totaling 136 MW in northern Texas, USA, subject to regulatory approvals. This milestone marks ACEN’s anticipated entry into the fast-growing American renewables market as it expands its geographic footprint beyond the Asia Pacific region. On 1 June 2023, regulatory approval from the U.S. FERC was received.

- ACEN recently announced the completion of a robust Net Zero roadmap that includes near-term emission reduction targets aligned with the GHG Protocol and the latest climate-science and long-term targets that are consistent with the deep decarbonization of the power sector. This makes ACEN the first energy company in Southeast Asia to take this critical step towards achieving Net Zero, providing an accountable and transparent framework for monitoring progress.

- In September 2023, ACEN issued ₱25,000.00 million in perpetual preferred shares, which were listed on the Philippine Stock Exchange (PSE) in A and B series. This was the largest preferred share offering in the country since 2016. Series B was also the first-ever Philippine peso-denominated fixed-for-life equity instrument listed on the PSE.

Operating Highlights:

- As of 31 December 2023, ACEN now carries over 4,772 MW (megawatts) in attributable capacity, 99% of which is from renewables. Of this, 37% is now fully operational, 28% is already partially operating and 35% remains under construction. During the year, several new solar and wind farms were added to the company's growing portfolio. These include the 60 MW Pangasinan Solar and 300 MW Palauig 2 Solar in the Philippines in January, the 136 MW Stockyard Wind in Texas in the United States in March, the 600 MW Monsoon Wind in Sekong and Attapeu, Lao PDR in April, and the first phase of ACEN's acquisition of SUPER Energy's Solar NT platform in Vietnam in June.

- Several plants also commenced or ramped up operations. As a result, total attributable renewables output across ACEN's facilities worldwide rose 32% to 4,474 GWh, driven by production from new partially operational plants as well as stronger wind resources in some markets.

- Philippine renewables generation stood at 1,137 GWh for 2023, up 34% year over year. Stronger wind resources at ACEN's wind farms, as well as the start of commissioning for the 160 MW Pagudpud Wind, the first and second phases of SanMar Solar totaling 385 MW, and the 44 MW second phase of Arayat-Mexico Solar, drove the increased energy output in the company's home market.

Outside the Philippines, ACEN delivered 3,328 GWh in attributable generation, 31% higher year over year. Alongside the ongoing partial commissioning for the 420 MW Masaya Solar in India and near-full capacity and operational completion for the 521 MW New England Solar, the stronger wind regime across ACEN's wind farms in Vietnam and Indonesia, as well as high geothermal reliability, drove stronger output in the international business.

Financial Highlights:

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

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

Revenues

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

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

Costs and Expenses

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

- **Cost of sale of electricity** movement was caused by lower coal prices and spot market prices for Wholesale Electricity Spot Market purchases.
- **General and administrative expenses** includes provision for impairment of loans from development loans (UPC Solar) (₱1,140.27 million), provision for impairment of investments at amortized cost from redeemable preferred shares (UPC-ACE Solar) (₱878.43 million) and convertible loans (Vietnam Wind) (₱982.54 million) made in 2023. This also reflects increase in manpower to complement renewable scape up and impact of ACEN Australia consolidation starting November 2022.

Other Income and Expenses

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

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

Provision for (benefit from) income tax

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

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

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

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

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

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

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

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

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

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

Material changes in Consolidated Statements of Financial Position accounts

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

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

Wind, NEFIN Solar, Beacon Capital Holdings Limited and UPCAPH amounting to ₱3,900.35 million and loan extensions of ₱1,807.64 million, these are offset by loan repayments of ₱2,341.77 million and impairment provisions of ₱1,860.97 million.

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

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

- **Accounts payable and other current liabilities** increased due to increased power purchases.
- **Short-term loans** are outstanding loans from local banks (Php 1,500.00 million).
- **Current portion of long-term loans** driven mainly by maturing amortization.
- **Current portion of lease liabilities** driven mainly by lease payment due in 2024.
- Decrease in **income and withholding taxes payable** was mainly due to settlement of income tax with the internal revenue regulator.
- **Notes payable** pertains to the ₱10,000.00 million 5-year Green Bonds by ACEN and the US$400.00 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds (the Bonds) issued and listed in SGX-ST
- **Long-term loans - net of current portion** increased due to the new loan availed to support ongoing construction Philippine and International projects. The increase was partially offset by reclassification to current portion following amortization schedule.
- **Lease liabilities-net of current portion** increased mainly due to new leases related to the construction of floating solar projects along with interest expense recognized during the year.
- Majority of the balance of **deferred income tax liabilities** came from recognition on capitalized borrowing costs, unrealized foreign exchange gain and right-of-use assets of the Group as at year ended.
- **Other non-current liabilities** include contract liabilities and asset retirement obligations related to solar operations.
- Increase in **Additional Paid-in capital** is related to the 25,000,000 redeemable preferred shares issuance issue price of ₱1,000.00 per share with par value of ₱1.00 per share. This is equivalent to ₱24,975.00 million increase is offset by issue cost of ₱171.55 million.

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

Key Performance Indicators

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

Key Performance Indicator	Formula	31-Dec-23 (Audited)	31-Dec-22 (Audited)	Increase (Decrease) Amount	Increase (Decrease) %
Liquidity Ratios					
Current Ratio	Current assets / Current liabilities	**3.57**	3.96	(0.39)	(10%)
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**3.38**	3.68	(0.30)	(8%)
Solvency Ratios					
Debt/Equity ratio	Total liabilities / Total equity	**0.64**	0.56	0.08	15%
Asset-to-equity ratio	Total assets / Total equity	**1.64**	1.56	0.08	5%
Interest Coverage Ratio	Statutory Earnings before interest & tax (EBIT) / Interest expense	**2.37**	2.14	0.23	11%
Net bank Debt to Equity ratio	Short & long-term loans - Cash & Cash Equivalents / Total Equity	**0.23**	0.19	0.04	21%
Profitability Ratios					
Return on Equity	Net income after tax attributable to equity holders of the Parent Company	**6.05%**	12.69%	(6.64%)	(52%)

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

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

Current ratio & Acid test ratio

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

Debt/Equity ratio & Asset-to-equity ratio

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

Interest coverage ratio

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

Net bank debt to equity ratio

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

Return on Equity

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

Return on Common Equity

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

Return on Asset

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

Material events and uncertainties

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

COMPLIANCE PROGRAM

Corporate Governance

The Board of Directors, officers and employees of the Company commit themselves to the principles and best practices embodied in its Corporate Governance Manual (the "CG Manual"). The Company believes that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore exert every effort to ensure adherence thereto within the organization.

The CG Manual establishes corporate governance practices that are founded on internationally recognized rigorous standards, systems and processes designed to ensure the Company's progress and stability, that an effective system of check and balance is in place and that a high standard of accountability and transparency to all stakeholders is enforced.

The Company's CG Manual conforms to the SEC's requirements for manuals on corporate governance. It defines primarily the roles and responsibilities of the Board and Management. More importantly, it includes a statement of their respective liabilities in the event of non-compliance with or violation of any of the provisions of the Revised Manual. It also establishes, among others, policies on (a) independent directors, (b) Board committees, (c) conflicts of interest, (d) internal and external audit procedures and practices, including risk management, (e) whistleblowing, (f) stockholders' rights and interests and (g) management's responsibility to communicate and inform stakeholders on matters related to the Company's affairs. The principles embodied in the CG Manual lay the foundation for the appropriate supervision and proper management of the Company to safeguard shareholders and other stakeholders' interests and to ensure the Company's long-term growth and sustainability. In line with this, ACEN endeavors to fully comply with the CG Manual, through among others, the following:

i. The Company annually assesses its compliance with the SEC Code of Corporate Governance for Publicly Listed Companies (the "Code") and its CG Manual through the Integrated Annual Corporate Governance Report submitted to the SEC.

ii. The Board conducts and accomplishes an annual Board Performance Self-Assessment exercise to measure or determine the level of compliance of the Board of Directors and top-level management with the CG Manual. The Group Compliance Officer reports the results to the Corporate Governance Nomination Committee and Board, as far as practicable, in the next meetings after the assessment. Every three years, the board assessment is conducted by an independent third party. In 2024, the Company's Board and Board Committee evaluation for year 2023 was facilitated by Aon Singapore Pte. Ltd (Aon) and covered the Board's performance across several criteria, including board composition, board roles, functions and processes, information management, representation of shareholders and ESG factors, managing company's performance, senior executive's talent management and corporate governance practices related to strategy, policy, risk and accountability. The evaluation was conducted through a questionnaire answered by each director, and interviews with the President & CEO and each director. AON recommended three (3) areas for the Board to focus on, namely: (a) Human Capital Management, (b) Director Development and Management, and (c) Board and Management Relationship.

iii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance.

iv. The Company strives to fully adhere to the leading practices and principles of good corporate governance contained in the CG Manual.

v. The Company periodically reviews and updates its By-Laws, Board Charter and CG Manual as further steps to ensure adherence to prevailing principles and practices of good corporate governance.

vi. The Board ensures the presence and adequacy of internal control mechanisms for good governance in accordance with the CG Manual. The minimum internal control mechanisms for the Board's oversight responsibility include, but are not limited to:

(1) Ensuring the presence of organizational and procedural controls, supported by an effective management information system and risk management reporting system;

(2) Reviewing conflict-of-interest situations and providing appropriate remedial measures for the same;

(3) Appointing a CEO with the appropriate ability, integrity and experience to fill the role, as well as defining the CEO's duties and responsibilities;

(4) Reviewing proposed senior management appointments;

(5) Ensuring the selection, appointment and retention of qualified and competent management; reviewing the Company's personnel and human resources policies, compensation plan and the management succession plan;

(6) Institutionalizing the internal audit function; and

(7) Ensuring the presence of, and regularly reviewing, the performance and quality of external audit.

viii. The Company adopts necessary policies to promote stronger corporate governance practices. In line with the increasing stakeholder focus on diversity in the boardroom, the Company remains committed to having qualified directors with a diverse mix of expertise, experience, skills. With respect to gender, there are three (3) female directors currently serving on the Board, occupying 27% of the total Board seats. Further, to ensure the protection of shareholder interests and the integrity of its related party transactions, the Company regularly reviews and updates its Related Party Transactions Policy in compliance with SEC Memorandum Circular No. 10, Series of 2019.

Compliance Officer

The Board designates a Compliance Officer who reports to the Chairman of the Board. As required of publicly-listed companies, the appointment of Compliance Officer is properly disclosed to the SEC. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

The Company's Group Compliance Officer's duties include ensuring proper on boarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others), monitor, review, evaluate and ensure compliance by the Company, its officers and directors with the relevant laws, with the Code, rules and regulations and all governance issuances of regulatory agencies, appear before the SEC upon summon on matters in relation to compliance with the Code, ensure the integrity and accuracy of all documentary submissions to regulators, determine violation/s of the Code and recommend to the Board the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation, identify possible areas of compliance issues and work towards the resolution of the same, develop and establish, subject to approval of the Board, a monitoring and evaluation system to determine compliance with the Manual, which system shall provide for a procedure that fulfils the requirements of due process, ensure the attendance of board members and key officers to relevant trainings and perform such other duties and responsibilities as may be provided by the SEC.

Integrated Annual Corporate Governance Report (I-ACGR)

SEC MC No. 15, Series of 2017 was released in December 2017 which mandates all publicly-listed companies to submit an Integrated Annual Corporate Governance Report ("I-ACGR") on or before May 30 of the following year for every year that the company remains listed in the PSE, covering all relevant information for the preceding year.

The I-ACGR supersedes the ACGR last submitted for the year 2017 to the SEC and the Compliance Report on Corporate Governance last submitted for the year 2017 to the PSE. For the fiscal year 2022, the Company submitted its I-ACGR on 31 May 2023. For the fiscal year 2023, the Company submitted its I-ACGR on 29 May 2024.

As of 31 December 2024, the Company has substantially complied with the principles and best practices contained in the Manual. There were no sanctions imposed on any director, officer or employee for non-compliance of the Manual. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance. On 7 March 2023, the Board approved revisions to the Manual given newly created roles, and the expansion of existing roles, within the Company, with a view of further strengthening the senior management team of the Company. The Manual was further revised on 15 December 2023 to align the titles and functions of the key officers of the Company with certain organizational changes.

Integrated Report

The Company adheres to the International Integrated Reporting Framework set by the International Integrated Reporting Council as a means to present its business model, risk and opportunities, strategy, performance, and outlook. A copy of the Company's 2023 Integrated Report may be accessed *via* https://www.acenrenewables.com/wp-content/uploads/2024/04/ACEN-Integrated-Report-2023-_vF-0824.pdf.

A copy of the Company's Integrated Report for the year 2024 will be provided to stockholders of record *via* https://www.acenrenewables.com/disclosures/2024-ir/ .

Annex "E"

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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C O M P A N Y   N A M E

ACEN 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
AAFS	SEC	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec.aceph@acenergy.com.ph	(632) 7730-6300	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,521	03/31	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	alan.ascalon@acenrenewables.com	(632) 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.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of ACEN CORPORATION and its Subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit

procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill arising from Acquisition of UPC-AC Energy Australia HK Ltd.

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2024, the Group has goodwill amounting to ₱21,498.03 million arising from its acquisition of UPC-AC Energy Australia HK Ltd. (UPC-ACE Australia), which is considered significant to the consolidated financial statements.

The impairment testing of goodwill is a key audit matter because it requires management to make significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the estimated future cash flows of the related cash-generating units, forecasted revenue growth rate, earnings before interest, taxes, depreciation and amortization (EBITDA) margins and the discount rate used in calculating the present value of future cash flows.

The Group's disclosures are included in Note 10 to the consolidated financial statements.

Audit Response
We sent instructions to the statutory auditors of ACRI to perform an audit on the relevant financial information of ACRI for the purpose of the Group's consolidated financial statements. These audit instructions cover their scope of work, risk assessment procedures, audit strategy and reporting responsibilities. We discussed with ACRI statutory auditors about their key audit areas, planning and execution of audit procedures, significant areas of estimation and judgment, and results of their work for the year ended December 31, 2024.

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We reviewed the working papers of the statutory auditor of ACRI, specifically, we reviewed the procedures performed in evaluating the methodology and assumptions used by management. These assumptions include revenue growth rates, EBITDA margins and discount rate. We compared the key assumptions used, such as forecasted revenue growth rates and gross margin, prices in the energy spot market against the historical performance of the cash generating unit and industry outlook and other relevant external data. We also performed stress testing on key assumptions, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill. We involved our internal specialist in evaluating the parameters used in the determination of the discount rate against market data.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in the determination of the recoverable amounts of goodwill.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Benjamin N. Villacorte.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

Benjamin N. Villacorte
Partner
CPA Certificate No. 111562
Tax Identification No. 242-917-987
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028
PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025

ACEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Notes	December 31 **2024**	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 25	**₱25,158,358**	₱39,696,662
Current portion of:			
Accounts and notes receivable	5	**22,763,923**	26,065,692
Input value added tax (VAT)		**2,793,187**	2,059,734
Creditable withholding taxes		**360,841**	102,984
Financial assets at fair value through profit or loss (FVTPL)	26	**5,704,353**	1,938,497
Fuel and spare parts - at cost		**974,526**	964,053
Other current assets	11	**1,376,921**	750,493
Total Current Assets		**59,132,109**	71,578,115
Noncurrent Assets			
Investment in:			
Associates and joint ventures	6	**42,735,003**	30,098,617
Redeemable preferred shares and convertible loans	7	**17,828,524**	21,633,799
Financial assets at FVTPL	26	**921,787**	1,932,975
Financial assets at fair value through other comprehensive income (FVOCI)	26	**12,116,639**	5,799,323
Property, plant and equipment	8	**121,852,460**	88,928,251
Right-of-use assets	9	**8,454,956**	8,213,704
Goodwill and other intangible assets	10	**25,599,005**	23,165,368
Net of current portion:			
Accounts and notes receivable	5	**17,809,515**	12,689,042
Input VAT		**3,042,624**	3,120,200
Creditable withholding taxes		**3,681,895**	2,513,774
Deferred income tax assets - net	21	**3,316,975**	2,122,081
Other noncurrent assets	11	**13,050,739**	13,138,251
Total Noncurrent Assets		**270,410,122**	213,355,385
TOTAL ASSETS		**₱329,542,231**	₱284,933,500

(Forward)

	Note	December 31 2024	2023
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	12	**₱14,408,806**	₱16,145,386
Short-term loans	13, 25	**5,600,000**	1,500,000
Current portion of:			
Long-term loans	13, 26	**7,456,367**	1,289,104
Lease liabilities	9, 26	**1,889,401**	850,953
Income and withholding taxes payable		**302,541**	241,667
Due to stockholders	22	**13,138**	16,585
Total Current Liabilities		**29,670,253**	20,043,695
Noncurrent Liabilities			
Notes payable	13, 26	**33,056,481**	32,003,794
Noncurrent portion of:			
Long-term loans	13, 26	**87,399,527**	44,485,573
Lease liabilities	9, 24, 26	**12,609,041**	7,505,848
Pension and other employee benefits		**329,025**	368,827
Deferred income tax liabilities - net	21	**1,454,664**	805,902
Other noncurrent liabilities	14	**7,580,040**	6,344,004
Total Noncurrent Liabilities		**142,428,778**	91,513,948
Total Liabilities		**172,099,031**	111,557,643
Equity			
Common shares	1, 15	**39,691,895**	39,691,895
Redeemable preferred shares	1, 15	**25,000**	25,000
Additional paid-in capital	1, 15	**132,295,689**	132,295,689
Other equity reserves	15	**(59,450,345)**	(59,450,345)
Unrealized fair value loss on equity instruments at FVOCI		**(3,074,292)**	(268,000)
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		**(592,720)**	588,519
Remeasurement loss on defined benefit plans - net of tax		**(64,414)**	(32,821)
Accumulated share in other comprehensive loss of associates and joint ventures	6	**(167,097)**	(85,483)
Cumulative translation adjustments	15	**8,590,223**	5,864,713
Retained earnings	15	**30,320,264**	24,871,807
Treasury shares	15	**(28,657)**	(28,657)
Total equity attributable to equity holders of the Parent Company		**147,545,546**	143,472,317
Non-controlling interests	15	**9,897,654**	29,903,540
Total Equity		**157,443,200**	173,375,857
TOTAL LIABILITIES AND EQUITY		**₱329,542,231**	₱284,933,500

See accompanying Notes to Consolidated Financial Statements.

ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Figures)

		Years Ended December 31		
	Notes	**2024**	2023	2022
REVENUES				
Revenue from sale of electricity	16	**₱36,134,274**	₱36,181,426	₱34,995,488
Dividend income		**515,961**	–	3,635
Rental income		**69,597**	68,857	68,469
Other revenues		**580,570**	248,850	170,959
		37,300,402	36,499,133	35,238,551
COSTS AND EXPENSES				
Costs of sale of electricity	17			
Cost of purchased power		**22,043,543**	27,272,520	24,599,882
Depreciation and amortization		**2,023,059**	1,207,418	1,918,307
Fuel		**1,018,764**	1,522,458	4,957,516
Others		**2,273,213**	1,727,686	2,707,534
		27,358,579	31,730,082	34,183,239
General and administrative expenses	18			
Personnel costs, management, and professional fees		**3,133,250**	2,606,677	1,184,267
Provision for impairment		**1,135,006**	2,996,657	1,325,181
Depreciation and amortization		**569,218**	366,052	260,101
Others		**2,145,290**	1,501,498	1,132,268
		6,982,764	7,470,884	3,901,817
		34,341,343	39,200,966	38,085,056
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	6	**1,190,966**	1,765,239	937,834
OTHER INCOME (CHARGES)				
Interest and other financial income	20			
Cash in banks and short-term deposits	4	**989,573**	1,586,517	285,195
Accounts and notes receivable	5	**2,428,544**	2,346,536	1,879,078
Investments in redeemable preferred shares and convertible loans	7	**2,916,233**	3,137,338	3,474,911
		6,334,350	7,070,391	5,639,184
Interest and other finance changes	19	**(3,292,071)**	(1,930,265)	(2,357,531)
Other income - net	20			
Gain on disposal of assets		**2,638,008**	1,062,030	613,565
Remeasurement gain		–	3,433,328	10,921,026
Others		**1,112,085**	690,082	1,028,217
		3,750,093	5,185,440	12,562,808
		6,792,372	10,325,566	15,844,461
INCOME BEFORE INCOME TAX		**10,942,397**	9,388,972	13,935,790
PROVISION FOR (BENEFIT FROM) INCOME TAX	21	**829,920**	282,298	(662,098)
NET INCOME		**₱10,112,477**	₱9,106,674	₱14,597,888
Net Income Attributable To:				
Equity holders of the Parent Company		**₱9,360,006**	₱7,396,140	₱13,055,119
Non-controlling interests		**752,471**	1,710,534	1,542,769
		₱10,112,477	₱9,106,674	₱14,597,888
Net income attributable to equity holders of Parent Company		**₱9,360,006**	₱7,396,140	₱13,055,119
Less cumulative preferred share dividends		**1,927,679**	642,560	–
Net income attributable to common shareholders of Parent Company		**₱7,432,327**	₱6,753,580	₱13,055,119
Basic/Diluted Earnings Per Share	23	**₱0.19**	₱0.17	₱0.33

See accompanying Notes to Consolidated Financial Statements.

ACEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Per Share Figures)

	Notes	Years Ended December 31 **2024**	2023	2022
NET INCOME		**₱10,112,477**	₱9,106,674	₱14,597,888
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
Cumulative translation adjustments		**2,760,717**	(1,508,828)	7,780,911
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		**(1,181,239)**	261,843	362,555
		1,579,478	(1,246,985)	8,143,466
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		**(2,806,292)**	(153,434)	(24,477)
Remeasurement (loss) gain on defined benefit plans - net of tax		**(31,593)**	11,089	(25,265)
		(2,837,885)	(142,345)	(49,742)
		(1,258,407)	(1,389,330)	8,093,724
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES	6			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
Cumulative translation adjustment		**(166,434)**	(71,365)	–
Interest rate swap		**69,807**	14,596	–
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		**(2,891)**	4,111	45,224
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods				
Remeasurement gain (loss) on defined benefit plans - net of tax		**17,904**	(27,031)	7,628
		(81,614)	(79,689)	52,852
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		**(1,340,021)**	(1,469,019)	8,146,576
TOTAL COMPREHENSIVE INCOME		**₱8,772,456**	₱7,637,655	₱22,744,464
Total Comprehensive Income Attributable To:				
Equity holders of the Parent Company		**₱7,984,778**	₱5,850,972	₱21,188,277
Non-controlling interests		**787,678**	1,786,683	1,556,187
		₱8,772,456	₱7,637,655	₱22,744,464

See accompanying Notes to Consolidated Financial Statements.

ACEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company														
	Common Shares (Note 15)	Additional Paid-in Capital - Common Shares (Note 15)	Redeemable Preferred Shares (Note 15)	Additional Paid-in Capital – Redeemable Preferred Shares (Note 15)	Other Equity Reserves (Note 15)	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on derivative instruments designated as hedge – net of tax	Remeasurement Gain (Loss) On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 6)	Cumulative Translation Adjustments (Note 15)	Retained Earnings (Note 15)	Treasury Shares (Note 15)	Total	Non-controlling Interests (Note 15)	Total Equity
Balances at January 1, 2024	**₱39,691,895**	**₱107,492,243**	**₱25,000**	**₱24,803,446**	**(₱59,450,345)**	**(₱268,000)**	**₱588,519**	**(₱32,821)**	**(₱85,483)**	**₱5,864,713**	**₱24,871,807**	**(₱28,657)**	**₱143,472,317**	**₱29,903,540**	**₱173,375,857**
Net income	–	–	–	–	–	–	–	–	–	–	**9,360,006**	–	**9,360,006**	**752,471**	**10,112,477**
Other comprehensive income (loss)	–	–	–	–	–	**(2,806,292)**	**(1,181,239)**	**(31,593)**	**(81,614)**	**2,725,510**	–	–	**(1,375,228)**	**35,207**	**(1,340,021)**
Total comprehensive income (loss)	–	–	–	–	–	**(2,806,292)**	**(1,181,239)**	**(31,593)**	**(81,614)**	**2,725,510**	**9,360,006**	–	**7,984,778**	**787,678**	**8,772,456**
Dividends declared	–	–	–	–	–	–	–	–	–	–	**(3,911,549)**	–	**(3,911,549)**	**(684,751)**	**(4,596,300)**
Capital infusion of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	**20,428**	**20,428**
Capital redemption of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	**(20,129,241)**	**(20,129,241)**
	–	–	–	–	–	–	–	–	–	–	**(3,911,549)**	–	**(3,911,549)**	**(20,793,564)**	**(24,705,113)**
Balances at December 31, 2024	**₱39,691,895**	**₱107,492,243**	**₱25,000**	**₱24,803,446**	**(₱59,450,345)**	**(₱3,074,292)**	**(₱592,720)**	**(₱64,414)**	**(₱167,097)**	**₱8,590,223**	**₱30,320,264**	**(₱28,657)**	**₱147,545,546**	**₱9,897,654**	**₱157,443,200**
Balances at January 1, 2023	₱39,691,895	₱107,492,243	₱–	₱–	(₱56,585,740)	(₱114,566)	₱326,676	(₱43,910)	(₱5,794)	₱7,449,690	₱19,551,839	(₱28,657)	₱117,733,676	₱31,859,767	₱149,593,443
Net income	–	–	–	–	–	–	–	–	–	–	7,396,140	–	7,396,140	1,710,534	9,106,674
Other comprehensive income (loss)	–	–	–	–	–	(153,434)	261,843	11,089	(79,689)	(1,584,977)	–	–	(1,545,168)	76,149	(1,469,019)
Total comprehensive income (loss)	–	–	–	–	–	(153,434)	261,843	11,089	(79,689)	(1,584,977)	7,396,140	–	5,850,972	1,786,683	7,637,655
Dividends Declared	–	–	–	–	–	–	–	–	–	–	(2,069,015)	–	(2,069,015)	(1,882,833)	(3,951,848)
Issuance of capital stock	–	–	25,000	24,975,000	–	–	–	–	–	–	–	–	25,000,000	–	25,000,000
Share issuance costs	–	–	–	(171,554)	–	–	–	–	–	–	–	–	(171,554)	–	(171,554)
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	(2,864,605)	–	–	–	–	–	–	–	(2,864,605)	(1,860,077)	(4,724,682)
Others	–	–	–	–	–	–	–	–	–	–	(7,157)	–	(7,157)	–	(7,157)
	–	–	25,000	24,803,446	(2,864,605)	–	–	–	–	–	(2,076,172)	–	19,887,669	(3,742,910)	16,144,759
Balances at December 31, 2023	₱39,691,895	₱107,492,243	₱25,000	₱24,803,446	(₱59,450,345)	(₱268,000)	₱588,519	(₱32,821)	(₱85,483)	₱5,864,713	₱24,871,807	(₱28,657)	₱143,472,317	₱29,903,540	₱173,375,857

See accompanying Notes to Consolidated Financial Statements.

	Attributable to Equity Holders of the Parent Company														
	Common Shares (Note 15)	Additional Paid-in Capital - Common Shares (Note 15)	Redeemable Preferred Shares (Note 15)	Additional Paid-in Capital – Redeemable Preferred Shares (Note 15)	Other Equity Reserves (Note 15)	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on derivative instruments designated as hedge – net of tax	Remeasurement Gain (Loss)) On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive (Loss) of Associates and Joint Ventures (Note 6)	Cumulative Translation Adjustments	Retained Earnings (Note 15)	Treasury Shares (Note 15)	Total	Non-controlling Interests (Note 15)	Total Equity
Balances at January 1, 2022	₱38,338,527	₱98,043,831	₱–	₱–	(₱56,604,532)	(₱90,089)	₱6,228	(₱24,436)	₱29,723	(₱359,910)	₱8,707,301	(₱28,657)	₱88,017,986	₱29,950,776	₱117,968,762
Net income	–	–	–	–	–	–	–	–	–	–	13,055,119	–	13,055,119	1,542,769	14,597,888
Other comprehensive income (loss)	–	–	–	–	–	(24,477)	320,448	(25,265)	52,852	7,809,600	–	–	8,133,158	13,418	8,146,576
Total comprehensive income (loss)	–	–	–	–	–	(24,477)	320,448	(25,265)	52,852	7,809,600	13,055,119	–	21,188,277	1,556,187	22,744,464
Dividends declared	–	–	–	–	–	–	–	–	–	–	(2,298,950)	–	(2,298,950)	(1,504,247)	(3,803,197)
Issuance of capital stock	1,320,746	9,237,832	–	–	–	–	–	–	–	–	–	–	10,558,578	–	10,558,578
Grants through Employee Stock Ownership Plan	32,622	210,580	–	–	–	–	–	–	–	–	–	–	243,202	–	243,202
Change due to loss of control	–	–	–	–	–	–	–	5,791					5,791	–	5,791
Business combination	–	–	–	–	–	–	–	–	(88,369)	–	88,369	–	–	–	–
Non-controlling interest arising from a business combination	–	–	–	–	–	–	–	–	–	–	–	–	–	1,947,104	1,947,104
Effects of common control business combination	–	–	–	–	121,830	–	–	–	–	–	–	–	121,830	(105,192)	16,638
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	(110,463)	–	–	–	–	–	–	–	(110,463)	15,139	(95,324)
Others	–	–	–	–	7,425	–	–	–	–	–	–	–	7,425	–	7,425
	1,353,368	9,448,412	–	–	18,792	–	–	5,791	(88,369)	–	(2,210,581)	–	8,527,413	352,804	8,880,217
Balances at December 31, 2022	₱39,691,895	₱107,492,243	₱–	₱–	(₱56,585,740)	(₱114,566)	₱326,676	(₱43,910)	(₱5,794)	₱7,449,690	₱19,551,839	(₱28,657)	₱117,733,676	₱31,859,767	₱149,593,443

See accompanying Notes to Consolidated Financial Statements

ACEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

		Years Ended December 31		
	Notes	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱10,942,397**	₱9,388,972	₱13,935,790
Adjustments for:				
Interest and other finance charges	19	**3,292,071**	1,930,265	2,357,531
Depreciation and amortization	17, 18	**2,592,277**	1,573,470	2,178,408
Pension and other employee benefits		**131,352**	302,920	(19,463)
Interest and other financial income	20	**(6,334,350)**	(7,070,391)	(5,639,184)
Equity in net income of associates and joint ventures	6	**(1,190,966)**	(1,765,239)	(937,834)
Dividend income		**(515,961)**	–	(3,635)
Unrealized foreign exchange (gains) losses - net		**(357,635)**	22,705	(100,538)
Employee stock ownership plan expense		–	–	31,161
Provision for (reversal of):				
Expected credit losses	5, 18	**1,223,402**	1,124,734	(13,755)
Impairment loss on:				
Redeemable preferred shares and convertible loans	7, 18	**(93,694)**	1,860,969	1,284,409
Property, plant and equipment, net	8, 18, 20	**3,557**	4,569	41,444
Advances to contractors, net	11, 18, 20	**1,741**	6,385	(1,256)
Probable losses on deferred exploration costs	10, 18	–	–	584
Loss (gain) on:				
Disposal of investment, net	2, 6, 20	**(1,213,494)**	(1,062,030)	(613,565)
Sale and leaseback	2, 20	**(1,035,334)**	–	–
Early redemption of convertible loan	20	**(389,182)**	–	–
Settlement of derivatives	20	**(137,863)**	31,268	(297,342)
Sale of property, plant and equipment	20	**(46,647)**	3,872	7,049
Sale of financial asset at FVTPL	20	**(61,603)**	(49,929)	–
Fair value adjustment on financial asset at FVTPL	20	**147,216**	262,383	124,513
Discount on long-term receivables	20	**31,146**	33,594	82,508
Remeasurement gain on investments	2, 20	–	(3,433,328)	(10,921,026)
Settlement of development loan	5, 20	–	(515,000)	–
Recovery of tax credit certificate on real property tax	20	–	(8,538)	–
Sale of inventories and by-product		–	–	(32,953)
Unrealized commodity swaps		–	–	(1,647)
Bargain purchase		–	–	(138)
Sale of noncurrent assets held for sale		–	–	8,400
Write-off of FVOCI		–	–	500
Operating income before working capital changes		**6,988,430**	2,641,651	1,469,961
Decrease (increase) in:				
Accounts receivable		**5,593,330**	201,862	(998,413)
Fuel and spare parts		**(10,473)**	(157,067)	(139,581)
Other current assets and CWT		**(418,029)**	(1,154,082)	(1,945,311)
Increase (decrease) in accounts payable and other current liabilities		**(448,639)**	583,600	3,772,606
Cash generated from operations		**11,704,619**	2,115,964	2,159,262
Interest received		**1,074,933**	1,492,833	202,706
Income and withholding taxes paid		**(1,049,934)**	(421,764)	(66,062)
Net cash flows from operating activities		**11,729,618**	3,187,033	2,295,906
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	8	**(32,694,306)**	(25,803,451)	(20,717,831)
Investment in financial assets at FVTPL		**(21,860,599)**	(6,672,399)	(912,534)
Investments in associates and joint venture, net	6	**(11,835,030)**	(4,592,106)	(2,996,379)
Receivables	5, 22	**(4,893,482)**	(8,825,351)	(20,319,739)
Investments in redeemable preferred shares	7	**(1,665,068)**	(2,433,046)	(3,571,739)
Investment in financial assets at FVOCI		**(965,031)**	(5,496,726)	–
Investments in subsidiaries, net of cash acquired	2, 24	**(569,802)**	53,165	(4,033,180)
Other intangible assets	10	**(298,342)**	(85,653)	(1,471)
Subscription deposits	7	**(228,144)**	(1,467,305)	(180,448)
Short-term investments	11	**(161,966)**	528	67,782

(Forward)

	Notes	Years Ended December 31 2024	2023	2022
Convertible loan		**₱–**	(₱1,807,639)	(₱2,807,214)
Proceeds from:				
Sale of investments in financial asset at FVTPL		**18,164,305**	4,131,285	–
Collection of receivables	5, 22	**4,265,040**	17,111,928	25,251,588
Redemption of financial assets at FVOCI		**2,920,617**	–	–
Redemption of redeemable preferred shares	7	**1,389,659**	323,987	–
Redemption of financial assets at FVTPL		**587,989**	–	–
Redemption of convertible loan	7	**389,265**	2,341,774	14,508
Change due to loss of control, net of cash surrendered	2	**208,727**	3,945,443	5,494,611
Sale of property, plant and equipment		**63,682**	13,408	3,933
Return of capital from a joint venture	6	**–**	228,312	–
Divestment of investment in associate		**–**	–	734,672
Sale of noncurrent assets held for sale		**–**	–	193,525
Dividends received from:				
Investments in associates and joint ventures	6	**1,786,093**	1,362,464	2,222,356
Financial assets at FVOCI		**515,961**	–	3,635
Interest received		**2,480,022**	4,544,222	4,200,750
Increase in other noncurrent assets		**(3,597,857)**	(1,771,430)	(6,984,890)
Net cash flows used in investing activities		**(45,998,267)**	(24,898,590)	(24,338,065)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Availment of long-term debts	13, 28	**47,292,421**	17,586,442	23,012,509
Availment of short-term debts	13, 28	**25,600,000**	9,000,000	23,259,020
Capital infusion of non-controlling interest in a subsidiary	2, 15	**20,428**	–	–
Issuance of capital stock		**–**	25,000,000	10,558,578
Issuance of notes payable		**–**	–	10,000,000
Payments of:				
Short-term loans	13, 28	**(17,300,000)**	(10,400,000)	(20,359,020)
Capital redemption of non-controlling interest in a subsidiary	15	**(20,129,241)**	–	–
Interest on short-term and long-term loans	28	**(7,446,873)**	(3,065,790)	(1,955,949)
Cash dividends	15, 28	**(4,599,747)**	(3,951,848)	(3,803,197)
Long-term loans	13, 28	**(1,701,273)**	(541,690)	(7,387,050)
Lease liabilities	9, 28	**(536,537)**	(523,233)	(93,035)
Debt issue cost	13	**(531,777)**	(55,125)	(390,065)
Interest on lease liabilities	9, 28	**(344,663)**	(250,092)	(198,050)
Acquisition of non-controlling interest in a subsidiary	15	**–**	(4,724,682)	(95,324)
Stock issuance costs		**–**	(171,554)	–
Increase (decrease) in other noncurrent liabilities		**(42,835)**	(1,002,976)	(1,040,364)
Net cash flows from financing activities		**20,279,903**	26,899,452	31,508,053
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(549,558)**	(121,244)	(1,281,312)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(14,538,304)**	5,066,651	8,184,582
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**39,696,662**	34,630,011	26,445,429
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱25,158,358**	₱39,696,662	₱34,630,011

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

ACEN CORPORATION, ("ACEN" or "the Parent Company") incorporated on September 8, 1969 and registered with the Philippine Securities and Exchange Commission ("SEC"), is engaged in the business of, and/or investing in, electric power development and generation, retail electricity supply, and providing guarantees or similar security arrangements. The Parent Company is a licensed Retail Electricity Supplier ("RES"). As a RES, the Parent Company is allowed to supply electricity to the contestable market pursuant to the Electric Power Industry Reform Act ("EPIRA"). Other activities of the Parent Company include investing in various operating companies and financial instruments. ACEN and its subsidiaries are referred to as "the Group".

The direct parent company (or intermediate parent company) of ACEN is AC Energy and Infrastructure Corporation ("ACEIC"), a wholly owned subsidiary of Ayala Corporation ("AC"). AC is a publicly listed company which is 47.57% owned by Mermac, Inc. (ultimate parent company), and the rest by the public. AC is a listed entity incorporated in the Philippines.

As at December 31, 2024 and 2023, ACEIC owns 58.23% and 58.16%, respectively, of ACEN's total outstanding shares of stock. This is based on direct and indirect ownership of ACEIC.

On July 20, 2022, the SEC approved the: (1) proposed amendments to ACEN's Articles of Incorporation for the change in corporate name and principal office. On the same date, the SEC approved the corresponding amendment to ACEN's By-Laws to reflect the change in corporate name.

On March 3, 2022, Bureau of Internal Revenue (BIR) Certificate of Registration was updated.

Amendment of Articles of Incorporation
On March 7, 2023, during the regular meeting, the Parent Company's Board of Directors (BOD) approved the amendment to the Seventh Article of the Articles of Incorporation to reclassify 100.00 million unissued Common Shares into Redeemable Preferred Shares, with par value of ₱1.00 per share.

On April 24, 2023, during the annual special stockholder's meeting, the stockholders representing at least 2/3 of the Parent Company's authorized capital stock approved the amendment.

On June 9, 2023, the SEC approved ACEN Amended Articles of Incorporation.

On March 11, 2024, the Board of Directors (BOD) of the Group approved the amendment of the Parent Company's Articles of Incorporation to remove "distribution" from the primary purpose. The proposed amendment was approved by the Parent Company's stockholders on April 24, 2024 during the annual stockholders meeting. This was approved by the SEC on May 22, 2024.

The consolidated financial statements were approved and authorized for issuance by the BOD on March 10, 2025.

2. Material Accounting Policy Information

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), equity instruments at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousands ('000), except par values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:
- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiaries to bring its accounting policies in line with the Parent Company's accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resulting gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

NCI represents the interests in the subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the NCI in the subsidiary.

The consolidated financial statements comprise the Parent Company and the following subsidiaries of the Group:

		Percentage of Ownership (%)			
		2024		2023	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
ACEN International, Inc. (“ACEN International”)	International investment holding	**100.00**	–	100.00	–
ACEN Renewables International Pte. Ltd.(“ACRI”) [a]	International investment holding	–	**100.00**	–	100.00
ACEN Cayman Limited (“ACEN Cayman”) [b]	International investment holding	–	**100.00**	–	100.00
ACEN Investments HK Limited (“ACEN HK”) [c]	International investment holding	–	**100.00**	–	100.00
UPC-AC Energy Australia (HK) Ltd. (“UPC-ACE Australia”)	Power generation	–	**100.00**	–	100.00
ACEHI Netherlands B.V.*	Investment holding	–	–	–	75.76
ACEN Finance Limited (“ACEN Finance”) [b]	Investment holding	**100.00**	–	100.00	–
Bulacan Power Generation Corporation (“Bulacan Power”)	Power generation	**100.00**	–	100.00	–
CIP II Power Corporation (“CIPP”)	Power generation	**100.00**	–	100.00	–
Guimaras Wind Corporation (“Guimaras Wind”)	Wind power generation	**100.00**	–	100.00	–
One Subic Oil Distribution Corporation	Distribution of petroleum products	**100.00**	–	100.00	–
One Subic Power Generation Corporation (“One Subic Power”)	Power generation	**16.94**	**83.06**	16.94	83.06
ENEX Energy Corp. (“ENEX”)	Oil, gas, and geothermal exploration	**75.92**	**0.40**	75.92	0.40
Palawan55 Exploration & Production Corporation (“Palawan55”)	Oil and gas exploration	**30.65**	**52.93**	30.65	52.93
Buendia Christiana Holdings Corp. (“BCHC”)	Investment holding	**100.00**	–	100.00	–
ACEN Shared Services, Inc. (“ACES;” formerly ACE Shared Services, Inc.)	Shared services	**100.00**	–	100.00	–
Giga Ace 1, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 2, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 3, Inc. (“Giga Ace 3”)	Power generation	**100.00**	–	100.00	–
Giga Ace 4, Inc. (“Giga Ace 4”)	Power generation	**100.00**	–	100.00	–
Giga Ace 5, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 6, Inc.	Power generation	**0.83**	**99.17**	100.00	–
Giga Ace 7, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 8, Inc. (“Giga Ace 8”)	Power generation	**100.00**	–	100.00	–
Giga Ace 9, Inc. (“Giga Ace 9”)	Power generation	**100.00**	–	100.00	–
Giga Ace 10, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 11, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 12, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 14, Inc.	Power generation	**100.00**	–	100.00	–
Giga Ace 15, Inc.	Power generation	**100.00**	–	100.00	–
Negros Island Solar Power, Inc. (“ISLASOL”)	Solar power generation	–	**60.00**	–	60.00
San Carlos Solar Energy, Inc. (“SACASOL”)	Solar power generation	–	**100.00**	–	100.00
Monte Solar Energy, Inc. (“MONTESOL”)	Solar power generation	**96.00**	**4.00**	96.00	4.00
ACEN Global Development Group, Inc. (“AGDGI;” formerly ACE Endevor, Inc.)	Investment holding and management	**93.12**	**6.88**	92.40	7.60
Visayas Renewables Corp. (”VRC”)	Investment holding	–	**100.00**	–	100.00
San Julio Land Development Corporation	Leasing and land development	–	**100.00**	–	100.00
LCC Bulk Water Supply, Inc.	Water supply and distribution	–	**100.00**	–	100.00
MCV Bulk Water Supply Inc.	Water supply and distribution	–	**100.00**	–	100.00
SCC Bulk Water Supply Inc.	Water supply and distribution	–	**100.00**	–	100.00

(Forward)

Subsidiaries	Principal Activities	Percentage of Ownership (%) 2024 Direct	2024 Indirect	2023 Direct	2023 Indirect
HDP Bulk Water Supply Inc.	Water supply and distribution	**–**	**100.00**	–	100.00
Ingrid2 Power Corp.	Advisory/Consultancy	**–**	**100.00**	–	100.00
Ingrid3 Power Corp. (“Ingrid3”)	Advisory/Consultancy	**–**	**100.00**	–	100.00
Ingrid4 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Ingrid5 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Ingrid6 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Solienda Inc.	Leasing and land development	**–**	**100.00**	–	100.00
Gigasol 1, Inc.	Power generation	**–**	**100.00**	–	100.00
Gigasol 2, Inc.	Power generation	**–**	**100.00**	–	100.00
Gigasol 3, Inc. (“Gigasol 3”)	Power generation	**–**	**100.00**	–	100.00
Gigasol 4, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 5, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 6, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 7, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 8, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 9, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 10, Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind1 Inc.	Power generation	**75.00**	**25.00**	75.00	25.00
GigaWind2 Inc.	Power generation	**–**	**100.00**	–	100.00
GigaWind3 Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind4 Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind5 Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind6 Inc. [d]	Power generation	**100.00**	**–**	100.00	–
GigaWind7 Inc. [e]	Power generation	**100.00**	**–**	100.00	–
SolarAce1 Energy Corp. (“SolarAce1”)	Power generation	–	**100.00**	–	100.00
SolarAce2 Energy Corp. (“SolarAce2”)	Power generation	**–**	**100.00**	–	100.00
SolarAce3 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
SolarAce4 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
AC Subic Solar, Inc.	Power generation	**75.00**	**25.00**	–	100.00
AC Laguna Solar, Inc.	Power generation	**75.00**	**25.00**	–	100.00
AC La Mesa Solar, Inc.	Power generation	**–**	**100.00**	–	100.00
Bataan Solar Energy, Inc. (“BSEI”)	Power generation	**–**	**100.00**	–	100.00
Santa Cruz Solar Energy, Inc. (“SCSE”)	Power generation	**95.00**	**5.00**	–	100.00
Pagudpud Wind Power Corp. (“PWPC”)	Investment holding	**–**	**100.00**	–	100.00
Bayog Wind Power Corp. (“BWPC”)	Power generation	**99.96**	**0.04**	40.00	60.00
Manapla Sun Power Development Corporation (“MSPDC”)	Leasing and land development	**36.37**	**63.63**	36.37	63.63
ACE Renewables Philippines, Inc.	Investment holding	**100.00**	**–**	100.00	–
NorthWind Power Development Corporation (“NorthWind”)	Wind power generation	**32.21**	**67.79**	51.73	48.27
Viage Corporation	Investment holding	**100.00**	**–**	100.00	–
ACTA Power Corporation	Coal power generation	**100.00**	**–**	100.00	–
UAC Energy Holdings Pty Ltd	Investment holding	**–**	**100.00**	–	100.00
Buduan Wind Energy Co, Inc.	Power generation	**–**	**100.00**	–	100.00
Caraballo Mountains UPC Asia Corporation	Power generation	**–**	**100.00**	–	100.00
Pangasinan UPC Asia Corporation	Power generation	**–**	**100.00**	–	100.00
Sapat Highlands Wind Corporation	Power generation	**–**	**100.00**	–	100.00
UPC Mindanao Wind Power Corp.	Power generation	**–**	**100.00**	–	100.00
Itbayat Island UPC Asia Corporation	Power generation	**–**	**100.00**	–	100.00
Laguna Central Renewables, Inc.	Power generation	**–**	**100.00**	–	100.00
ACEN Technical Services, Inc. (Formerly Laguna West Renewables, Inc.)	Shared services	**–**	**100.00**	–	100.00
Suyo UPC Asia Corporation	Power generation	**–**	**100.00**	–	100.00
Natures Renewable Energy Devt. Corporation (“NAREDCO”)	Power generation	**92.74**	**3.56**	92.74	3.56
Sinocalan Solar Power Corp. (Sinocalan)	Power generation	**100.00**	**–**	100.00	–
Adlao Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Zephyrus Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Aeolus Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Agueo Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Amman Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Aryaman Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Belenos Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Paivatar Energy Corporation [f, **]	Power generation	**60.00**	**–**	100.00	–
Laonsina Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–
Electryone Energy Corporation [f]	Power generation	**100.00**	**–**	100.00	–

(Forward)

		Percentage of Ownership (%)			
		2024		2023	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
Abagat Energy Corporation [g]	Power generation	**100.00**	–	100.00	–
Alinaga Energy Corporation [g]	Power generation	**100.00**	–	100.00	–
Amaterasu Energy Corporation [g]	Power generation	**100.00**	–	100.00	–
Banawag Energy Corporation [g]	Power generation	**100.00**	–	100.00	–
Liadlaw Energy Corporation [g]	Power generation	**100.00**	–	100.00	–
Oxylus Energy Corporation [g]	Power generation	**100.00**	–	100.00	–
ACEN Operational Services, Inc. (formerly Paddak Energy Corporation) [h]	Power generation	**100.00**	–	100.00	–
Paros Energy Corporation [h]	Power generation	**100.00**	–	100.00	–
Silak Energy Corporation [h]	Power generation	**100.00**	–	100.00	–
Vayu Energy Corporation [h]	Power generation	**100.00**	–	100.00	–
YMP Telecom Power Inc.	Industrial instrumentations	–	**100.00**	–	100.00
YMP Industrial Power Inc.	Industrial instrumentations	–	**100.00**	–	100.00
Real Wind Energy, Inc.	Power generation	**100.00**	–	–	–
Aventus Capital Corporation [i]	Power generation	**100.00**	–	–	–
Aventus Solar Farm Inc. [i]	Power generation	**100.00**	–	–	–
Aventus Wind Farm Inc. [i]	Power generation	**100.00**	–	–	–
Energies by Nature Inc. [i]	Power generation	**100.00**	–	–	–
Global 1.5C Energies Inc. [i]	Power generation	**100.00**	–	–	–
Paseo De Roxas Energy Corporation [i]	Power generation	**100.00**	–	–	–

[*] *No longer a subsidiary in 2023 and accounted as joint venture (see Note 2)*
[**] *No longer a subsidiary in 2024 and accounted as joint venture (see Note 2, 6)*
[a] *Incorporated in Singapore*
[b] *Incorporated in Cayman Islands*
[c] *Incorporated in Hong Kong*
[d] *Incorporated on March 16, 2022*
[e] *Incorporated on June 23, 2022*
[f] *Incorporated on June 15, 2023*
[g] *Incorporated on November 21, 2023*
[h] *Incorporated on November 22, 2023*
[i] *Incorporated on October 24, 2024*

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries, associates and joint ventures is the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interests.

The following are the significant transactions of the Group in 2024:

Completion of investments in Unlimited Renewables Holdings, B.V. (URH)
On January 2, 2024, the Group through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI) completed its investment in URH by infusing US$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. ("UPCI") and US$2.69 million (₱151.02 million) for subscription of 2,674 ordinary shares of URH (Note 6).

ACEN and Barito enter new partnership in Indonesia wind projects
On December 15, 2023, ACEN (through ACEN Investments HK Limited ("ACEN HK"), a subsidiary of ACRI) and Barito Renewables (through PT Barito Wind Energy ("Barito Wind")) signed a Sale and Purchase Agreement (SPA) with UPC Renewables Asia Pacific Holdings for the acquisition of late-stage wind development assets in Indonesia.

On January 3, 2024, with all conditions having been satisfied under the SPA, transaction Closing was achieved by the parties and ACEN HK has completed the acquisition of shares in the three late-stage wind development assets, with a combined potential capacity of 320 Megawatt (MW), that are located in South Sulawesi (Sidrap 2), Sukabumi and Lombok provinces in Indonesia, at an acquisition price that is less than 10% of the book value of ACEN (see Note 6).

Following the signing of the respective Share Transfer Deeds, Barito Wind will own 51% of the three development assets, while ACEN HK will own the remaining 49%. Total investment cost amounted to US$5.82 million (₱341.27 million) and accounted for as investment in associates and joint venture (see Note 6) and development loans amounting to US$12.02 million (₱695.05 million) (see Note 22).

Issuance of Corporate Guarantee in support of ACEN Cayman
On January 12, 2024, ACEN as Guarantor to its subsidiary, ACEN Cayman, executed Parent Company Guarantees in favor of ACEN Cayman's lenders: (a) Philippine National Bank for US$140.00 million, and (b) Rizal Commercial Banking Corporation for US$180.00 million. This loan obtained by ACEN Cayman shall be used to redeem the redeemable preferred shares held by AC Energy Finance International Limited ("ACEFIL") in ACEN Cayman; the proceeds will in turn be used by ACEFIL to redeem its maturing green bonds.

Following redemption of the redeemable preferred shares held by ACEFIL using the proceeds from ACEN Cayman lenders, non-controlling interest will be reduced by US$352.00 million (₱20,129.24 million). The difference between redeemable preferred shares redeemed and proceeds from ACEN Cayman lenders of US$32.00 million will be from cash on hand of ACRI.

Proceeds from ACEN Cayman lenders will be classified as liabilities in the consolidated statements of financial position.

Issuance of Corporate Guarantee in support of the Australia Projects
On February 26, 2024, ACEN, as the Guarantor to its subsidiary ACEN Australia Pty Ltd. ("ACEN Australia"), executed Facility Agreements with ACEN Australia, and each of Australia and New Zealand Banking Group Limited ("ANZ"), and Westpac Banking Corporation ("WBC"). Each bank is providing a green term loan facility with a limit of AUD 75 million. ANZ and WBC also entered into an Accession Letters to include ANZ and WBC as Lenders under the Common Provisions Agreement dated 18 August 2022, as amended through an Amending Deed on 6 January 2023 (with ACEN Australia, DBS Bank Ltd., Australia Branch, MUFG Bank, Ltd., Sydney Branch, Clean Energy Finance Corporation, Bank of China (Hong Kong) Limited, Bank of China (Hong Kong) Limited – Manila Branch, CTBC Bank Co., Ltd, Singapore Branch, CTBC Bank (Philippines) Corporation, Standard Chartered Bank, Australia Branch, and ACEN as Guarantor to ACEN Australia).

Investment in Paivatar Energy Corporation (Paivatar)
On March 7, 2024, ACEN, and its wholly-owned subsidiary, Paivatar, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.

BrightNight APAC subscribed for 0.42 million common shares with ₱1.00 par value and 0.56 million redeemable preferred shares with ₱100.00 par value. Total subscription amounted to ₱56.39 million for 40% and 50% voting and economic interest, respectively. Further to the transaction, BrightNight Philippines B.V. (BrightNight PH), an affiliate of BrightNight APAC, assigned ownership investment in Jord Energy Corp and Renovable Earth Corp. in favor of Paivatar.

The Group's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.

Paivatar accounts have been classified in the Group's consolidated financial statement as at September 30, 2024 as follows:

a. Balance sheet accounts were deconsolidated
b. Income statement accounts for the period January 1 to February 29, 2024 are included in the consolidated statement of income

The net assets of Paivatar as at March 7, 2024 and proceeds from divestment are as follow:

Assets	
Cash and cash equivalents	₱62,375
Accounts and notes receivable - net of current portion	32
Investment in joint ventures	77,090
Input VAT - net of current portion	4
	139,501
Liabilities	
Accounts payable and other current liabilities	1,013
Total identifiable net assets	138,488
Less BrightNight APAC investment	56,331
Net assets attributable to ACEN	82,157
Fair value of retained interest (see Note 6)	82,275
Gain on deconsolidation (see Note 20)	₱118

The gain on deconsolidation is reported under disposal of investment (Note 20).

After BrightNight APAC's subscription, the Group have diluted interest and partially divested in Paivatar. The deconsolidation resulted in a gain of ₱0.12 million which is recognized under "Other income - net" account in the consolidated statements of income (Note 20).

Net cash outflow on deconsolidation is as follows:

Cash consideration	₱–
Less cash surrendered with the subsidiary [(a)]	62,375
Net cash outflow	(₱62,375)

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

Disposition of land by Buendia Christiana Holdings Corp. ("BCHC") in exchange for shares of AREIT, Inc. ("AREIT") via property-for-share swap, and lease out to Giga Ace 8, Inc. ("GA08")

On March 19, 2024, AREIT, Inc. (AREIT) and the Group executed a Deed of Exchange, for the subscription by the Group to 199,109,438 primary common shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines.

On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the Bureau of Internal Revenue, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the Philippine Stock Exchange (see Note 20).

Investment in Real Wind Energy, Inc. (RWEI)
On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (“MEM”), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM’s receivables from RWEI (see Note 24).

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. (“Maraj”), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI (see Note 10).

Additional subscription by ACEN to shares in North Luzon Renewable Energy Corp (NLR) and Philippine Wind Holdings Corp. (PhilWind)
On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million (see Note 6).

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 (“RPS A-3”) at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million (see Note 6).

Sale of shares indirectly owned by ACRI in PT UPC Sidrap Bayu Energi
On April 2, 2024, upon fulfillment of conditions precedent, ACRI, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT Sidrap Bayu Energi (“SBE”), held through UPC Sidrap (HK) Limited (“Sidrap (HK)”) and UPC Renewables Asia III Limited (“Asia IIII”), to Sunedison Sidrap B.V. (external party) (See Note 20).

Subscription by ACEN to shares in ENEX Energy Corp.
On April 30, 2024, ACEN signed a subscription contract with its subsidiary, ENEX Energy Corp. (ENEX), for the subscription by ACEN to 30,000,000 non-voting Preferred Shares at par value of ₱1.00 per non-voting Preferred Share of ENEX, for a total subscription price of ₱30.00 million, to be issued out of the increase of ENEX’s authorized capital stock (ACS) and creation of the non-voting Preferred Shares.

This will be used to fund the operational requirements of ENEX, and transaction costs for the creation and issuance of the Preferred Shares.

On June 26, 2024, ENEX signed a subscription agreement with ACEN for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million, to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.

Acquisition of a 49% stake in BIM Energy Holding Corporation (“BIMEH”)
The Company’s affiliate, ACEN Vietnam Investments Pte. Ltd. ("ACEV") signed a share purchase agreement (“SPA”) with Huntington Renewable Investments Limited ("HRIL") to acquire a 49% stake in BIM Energy Holding Corporation (“BIMEH”) for a purchase price of US$70.50 million.

The acquisition will allow ACEN to increase its pipeline projects in Vietnam. BIMEH currently has ownership interest in the following operating renewable energy assets: Ninh Thuan Solar (405MW) and Ninh Thuan Wind (88MW) (see Note 6).

Sale of ACEN Axedale Solar Farm Pty. Ltd.
On December 12, 2024, ACEN Australia Pty. Ltd completed the sale of 100% of the outstanding capital stock of ACEN Axedale Solar Farm Pty. Ltd. (“Axedale”) to FRV Solar Holdings B.V. (“FRV”, a third party) for a purchase price of ₱214.77 million (AU$6.00 million) and a contingent consideration of up to ₱227.30 million (AU$6.35 million) payable upon financial close completion. As at December 31, 2024, the Group estimated the contingent consideration to be at ₱53.25 million (AU$1.49 million) and recorded as other receivables under current assets.

This transaction was accounted for as a loss of control transaction which resulted in the deconsolidation of the assets and liabilities of Axedale in the Group’s consolidated financial statements as at the date of loss of control.

The net assets of Axedale as at December 12, 2024 and proceeds from divestment are as follow:

	In PHP	In AU$
Assets		
Accounts and notes receivable	₱11,812	$333
Right-of-use assets	10,732	300
Property, plant and equipment	231,001	6,453
	253,545	7,086
Liabilities		
Accounts payable and other current liabilities	11,705	330
Current portion of lease liabilities	9,550	266
	21,255	596
Cumulative translation adjustments	(1,133)	–
Total identifiable net assets	231,157	6,490
Less:		
Cash consideration received	214,771	6,000
Contingent consideration	53,245	1,488
Gain on deconsolidation (see Note 20)	₱36,859	$998

The gain on deconsolidation is reported under disposal of investment (Note 20).

The amount of the contingent consideration represents the Group’s best estimate of the final capital expenditures that the buyer (or FRV) will incur upon completion of the financial close. The Group has taken into account assumptions that reflect uncertainties regarding the final agreed capital and other contractual clauses.

Net cash inflow on deconsolidation is as follows:

	In PHP	In AU$
Cash consideration	₱214,771	$6,000
Less cash surrendered with the subsidiary [(a)]	–	–
Net cash inflow	₱214,771	$6,000

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

The following were the changes in the Group structure in 2023:

Acquisition by ACEN of the effective ownership interest of UPC Renewables Asia Pacific Holdings Pte Limited ("UPCAPH") and Mr. Anton Rohner ("Rohner") in ACEN Australia Pty. Ltd. ("ACEN Australia"; formerly, UPC Renewables Australia Pty. Ltd.)

On February 1, 2023, ACEN Renewables International (ACRI) and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH's remaining 4,766 ordinary shares in UPC-ACE Australia, which completes the second and final tranche of ACRI's acquisition of ACEN Australia.

The acquisition results in the full ownership by ACEN of the 521 MW New England solar farm and the 520 MW Stubbo solar farm in Australia, as well as the development pipeline of ACEN Australia spanning New South Wales (NSW), Tasmania, Victoria, and South Australia (see Notes 15 and 24).

Investment in UPC Philippines
On March 31, 2023, the Group finalized the accounting for the acquisition of UPC Philippine companies. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱118.36 million (see Note 10).

Sale of shares in ACEHI Netherlands B.V.
On July 10, 2023, ACRI completed the sale of 2,424 ordinary shares representing 24.24% of the outstanding capital stock of ACEHI Netherlands B.V. ("ACEHI Netherlands"), to Star Energy Oil & Gas Pte Ltd. ("SEOG", a third party) for $69.81 million which is a commercially agreed price between a willing buyer and seller. ACEHI Netherlands is a Dutch holding company that has a 19.80% ownership interest in the Salak and Darajat geothermal power plants in Indonesia, a 655.5 MW power plant in West Java, Indonesia. On the other hand, SEOG is part of the Star Energy group, which is ACEN's current partner for the Salak and Darajat geothermal power plants in Indonesia.

The sale transaction resulted in the Group's loss of control over ACEHI Netherlands.

The Group's 75.76% retained interest in ACEHI Netherlands will be accounted for as a joint venture starting July 10, 2023 where both ACRI and SEOG are equally represented in the Board and all matters shall be approved unanimously by both shareholders. The Group's indirect interest in Salak and Darajat (Indonesia) decreased from 19.80% to 15.00% (see Note 6).

ACEHI Netherlands accounts are classified in the Group's consolidated financial statement as follows:
a. Statement of financial position accounts as at September 30, 2023 were deconsolidated.
b. Income statement accounts for the period January 1 to June 30, 2023 were included in the consolidated statement of income.

The net assets of ACEHI Netherlands as at June 30, 2023 and proceeds from divestment are as follow:

	In US$	In PHP
Assets		
Cash	$73	₱4,121
Investment in Associate	169,446	9,586,397
Accumulated equity in Associate	38,728	2,174,109
	208,247	11,764,627
Liabilities		
Accounts payable and other current liabilities	51	2,895
Total identifiable net assets	208,196	11,761,732
Percentage sold to SEOG		24.24%
Net assets sold to SEOG	50,467	2,851,044
Currency translation adjustment	–	36,490
Less cash consideration	69,811	3,949,564
Gain on disposal of investment (Note 20)	$19,344	₱1,062,030

After the sale to SEOG, the Group has partially divested its interest in ACEHI Netherlands. The deconsolidation resulted in a gain which is recognized under “Other income – net” account in the consolidated statements of income (see Note 20).

The Group remeasured its 75.76% retained interest in ACEHI Netherlands using the fair market value of the sale transaction with SEOG and resulted in a remeasurement gain. The remeasurement gain was calculated using the transaction price on the 24.24%-interest sale to SEOG. The transaction price represents the fair value of the interest sold and negotiated on an arm's length basis between unrelated, ready, willing, and able parties. It is also based on a discounted cash flows on inputs and assumptions of ACRI. The testing of the inputs and assumptions behind the revaluation gain were finalized as of December 31, 2023.

	In US$	In PHP
Retained interest (75.76%)	$157,729	₱8,910,688
Fair value of retained interest	218,188	12,344,016
Remeasurement gain (Note 20)	$60,459	₱3,433,328

Net cash inflow on acquisition is as follows:

	In US$	In PHP
Cash consideration	$69,811	₱3,949,564
Less cash surrendered with the subsidiary[a]	73	4,121
Net cash inflow	$69,738	₱3,945,443

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

Belenos Energy Corporation (Belenos) Share Purchase Agreement and Facility Agreement
On December 22, 2023, Belenos, a wholly owned subsidiary of ACEN, signed a Share Purchase Agreement for the acquisition of YMP Telecom Power Inc. (YMP Telecom) and its affiliate, YMP Industrial Power Inc. (YMP Industrial), through purchase of 100% of the outstanding shares held by Yoma Micro Power (S) Pte. Ltd. (see Note 24).

On the same date, ACEN, as the lender, signed a Facility and Security Agreement for ACEN to provide a credit facility in the aggregate amount of up to ₱200 million in favor of YMP Telecom, as the borrower, for the purpose of funding development costs of certain energy efficiency and its renewable energy projects.

Material partly-owned subsidiaries with material economic ownership interest
The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Group. Management determined material partly-owned subsidiaries as those with balance of NCI greater than 5% of the total NCI and those subsidiaries which type of activities engaged in, are important to the Group as at the end of the year.

The principal place of business of the subsidiaries are as follows:

ISLASOL
The registered office address and principal place of business of ISLASOL are Emerald Arcade, F.C. Ledesma St., San Carlos City, Negros Occidental.

ACEN Cayman
The registered office of ACEN Cayman is maintained by Maples Corporate Services Limited of PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

UPC-AC Energy Australia (HK) Limited (UPC-ACE Australia)
UPC-ACE Australia, a subsidiary of ACRI, is a company incorporated and domiciled in Hong Kong, with principal address Suite 1201, 12th Floor, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong. Following second and final tranche of ACRI's acquisition of ACEN Australia, the acquisition of 20% ownership interest resulted to 100% interest in UPC-ACE Australia (Note 15).

The summarized financial information of these subsidiaries is provided below. This information is based on the amounts before intercompany eliminations.

2024	ISLASOL	ACEN Cayman
Proportion of equity interests held by NCI	40.00%	99.99%
Voting rights held by NCI	34.02%	–
Accumulated balances of NCI	₱1,096,214	₱9,014,707
Net income allocated to NCI	103,280	686,173
Comprehensive income allocated to NCI	103,280	716,870
Dividends paid to NCI	–	684,751

2023	ISLASOL	ACEN Cayman
Proportion of equity interests held by NCI	40.00%	99.99%
Voting rights held by NCI	34.00%	–
Accumulated balances of NCI	₱1,313,376	₱28,791,389
Net income allocated to NCI	113,915	1,660,608
Comprehensive income allocated to NCI	113,915	1,889,786
Dividends paid to NCI	–	1,882,833

Summarized financial information of these subsidiaries are as follows:

2024	ISLASOL	ACEN Cayman
	(In Thousands)	
Statements of financial position		
Current assets	**₱766,273**	**₱506,489**
Noncurrent assets	**2,376,643**	**29,929,003**
Current liabilities	**254,180**	**329,886**
Noncurrent liability	**1,550,248**	**18,301,601**
Statements of comprehensive income (loss)		
Revenues	**686,229**	**1,810,604**
Cost and expenses	**(312,497)**	**–**
Other income	**(170,304)**	**(959,083)**
Provision for (benefit from) income tax	**10,464**	**–**
Profit (loss) attributable to:		
Equity holders of the Parent	**89,684**	**165,348**
Non-controlling interests	**103,280**	**686,173**
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent	**89,684**	**165,348**
Non-controlling interests	**103,280**	**716,870**
Statements of cash flows		
Operating activities	**516,056**	**(164,078)**
Investment activities	**157,080**	**1,206,454**
Financing activities	**(1,545,080)**	**(684,752)**
Net increase (decrease) in cash and cash equivalents	**(₱871,944)**	**₱357,624**

2023	ISLASOL	ACEN Cayman
	(In Thousands)	
Statements of financial position		
Current assets	₱1,754,627	₱10,590
Noncurrent assets	2,735,005	30,619,610
Current liabilities	360,373	–
Noncurrent liability	1,886,904	–
Statements of comprehensive income (loss)		
Revenues	731,172	1,650,064
Cost and expenses	(476,067)	(338)
Other income	9,129	3,647
Provision for (benefit from) income tax	41,878	–
Profit (loss) attributable to:		
Equity holders of the Parent	108,441	(7,235)
Non-controlling interests	113,915	1,660,608
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent	108,441	(7,212)
Non-controlling interests	113,915	1,889,786
Statements of cash flows		
Operating activities	553,796	221,304
Investment activities	(11,654)	1,650,064
Financing activities	(62,631)	(1,875,309)
Net increase (decrease) in cash and cash equivalents	₱479,511	(₱3,941)

2022	ISLASOL	UPC-ACE Australia	ACEN Cayman
		(In Thousands)	
Statements of financial position			
Current assets	₱1,111,093	₱771,997	₱234,037
Noncurrent assets	2,531,400	24,590,707	31,277,680
Current liabilities	(176,574)	(9,825,777)	–
Noncurrent liability	(4,260,882)	(5,297,215)	–
Statements of comprehensive income (loss)			
Revenues	650,196	–	–
Cost and expenses	410,834	(362,929)	–
Other income (expenses)	2,553	(235,899)	–
Provision for (benefit from) income tax	490	259,553	–
Profit (loss) attributable to:			
Equity holders of the parent	159,490	(344,889)	(29,017)
Non-controlling interests	81,936	(51,752)	1,528,770
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent	159,490	(325,115)	(29,020)
Non-controlling interests	81,936	(51,108)	1,499,431
Statements of cash flows			
Operating activities	447,009	3,387,349	(539)
Investment activities	(12,781)	(10,935,711)	1,529,342
Financing activities	(812,970)	4,455,262	(1,529,339)
Net increase (decrease) in cash and cash equivalents	(₱378,742)	(₱3,093,100)	(₱536)

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective as at January 1, 2024. Unless otherwise indicated, adoption of the new standard did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability’s classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The adoption of future accounting standards is not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Material Accounting Policies
The accounting policies set out below have been applied consistently to all periods presented in the Group's consolidated financial statements, unless otherwise indicated.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the Group elects to measure the NCI in the acquiree using the proportionate share of the acquiree's fair value of identifiable assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group report in the consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. However, the measurement period shall not exceed one year from the acquisition date.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in the consolidated statement of income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Business Combination of Entities under Common Control
Combination of entities under common control are accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- The consolidated statement of income, comprehensive income and cash flows reflect the result of the combining entities in full, irrespective of when the combination takes place.

- Comparative financial information are presented as if the entities had always been combined, or on date the common control existed on the combining entities, whichever comes earlier.
- The effects of any intercompany transactions are eliminated to the extent possible.

Remeasurement of Previously Held Interest
In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss.

In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

The Group remeasures all identifiable assets that it had rights to, and liabilities that it had obligations for, relating to the previously held interest, immediately before it obtains control. The Group remeasures its previously held interests in all identifiable assets and liabilities, regardless of whether it recognized those assets and liabilities in its financial statements before obtaining control.

The Group derecognizes its investment asset in an entity in its consolidated financial statements when it achieves control.

Presentation of Consolidated Financial Statements
The Group has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (consolidated statement of income) and a second statement beginning with profit or loss and displaying components of OCI (consolidated statement of comprehensive income).

Fair Value Measurement
The Group measures financial assets at FVTPL, FVOCI and derivative financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Investment properties
- Quantitative disclosures of fair value measurement hierarchy (see Note 26)
- Financial instruments (including those carried at amortized cost, (see Note 25)

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or,
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described in Note 26, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Financial Instruments – Classification and Measurement

Classification of Financial Assets
Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at FVTPL
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual Cash Flows Characteristics
If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business Model
The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial Assets at Amortized Cost
A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in "Other income-net" in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in "Provision for impairment" in the consolidated statement of income.

As at December 31, 2024 and 2023, the Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, accounts and other receivable, development loans, debt replacements, other loan and interest receivable under Accounts and notes receivable, Redeemable preferred shares and convertible loans and deposits under Other Noncurrent Assets (see Notes 4, 5, 7, and 11).

Financial Assets at FVOCI
<u>Debt instruments</u>
A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As at December 31, 2024 and 2023, the Group does not have debt instruments at FVOCI.

Equity instruments
The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:

- the Group's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Group; and
- the amount of the dividend can be measured reliably.

As at December 31, 2024 and 2023, the Group's investments in quoted and unquoted equity securities and golf club shares are classified as financial asset at FVOCI.

Financial Assets at FVTPL
Financial assets at FVTPL are measured at fair value unless these are measured at amortized cost or at FVOCI. Included in this classification are debt instruments with contractual terms that do not represent solely payments of principal and interest (SPPI). Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the consolidated statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

As at December 31, 2024 and 2023, the Group has Compulsorily Convertible Debentures, listed equity instrument and Unit Investment Trust Funds (UITFs) accounted as FVTPL.

Derivative financial instruments and hedge accounting
Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, interest rate swaps, forward commodity contracts and commodity options, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges
The change in the fair value of a hedging instrument is recognized in the consolidated statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of income.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in consolidated statement of income.

The Group entered into a commodity options derivative financial instrument, specifically, a 20-year Long-Term Energy Supply Agreement ("LTESA") for its New England Solar and Stubbo Solar projects at the New South Wales Government's first renewable energy and storage auction to manage it exposure from electricity spot prices (see Notes 3, 11 and 14). In 2024, LTESA was classified as cash flow hedge wherein changes in the fair value were recognized in other comprehensive income.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses cross currency swap and forward currency contracts for its exposures to volatility in exchange rates and interest rates. The ineffective portion relating to cash flow hedges is recognized as other expense.

The Group designates the entire forward currency contracts (including the forward element) as a hedging instrument. The Group uses a rollover strategy for the forward currency contracts.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

The Group entered into fuel and coal swap contracts as well as LTESA cash flow hedge as a hedge of its exposure to price risk on its purchases (see Note 25).

Classification of Financial Liabilities

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and

- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As at December 31, 2024 and 2023, the Group has not designated any financial liability at FVTPL.

The Group's accounts payable and other current liabilities (excluding derivative liability and statutory payables), due to stockholders, short-term and long-term loans, deposit payables and other noncurrent liabilities are classified as financial liabilities measured at amortized cost under PFRS 9 (see Notes 12, 13, 14 and 25).

<u>Derecognition of Financial Assets and Financial Liabilities</u>

Financial Assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or,
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of Contractual Cash Flows
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased

or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a ‘new’ financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Financial liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

There are no offsetting of financial assets and financial liabilities or any similar arrangements that warrants disclosure in the Group’s consolidated financial statements as at December 31, 2024 and 2023.

Impairment of Financial Assets
PFRS 9 introduces the single, forward-looking “expected loss” impairment model, replacing the “incurred loss” impairment model under PAS 39.

The Group recognizes ECL on debt instruments that are measured at amortized cost and FVOCI. No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three (3) stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL
For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired
For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL – credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Loss Allowance
For accounts and other receivable, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognized a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The investments are considered to be low credit risk investments as the counterparties have investment grade ratings. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

For all debt financial assets other than accounts and other receivable, ECLs are recognized using general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Determining the Stage for Impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off policy
The Group writes-off a financial asset and any previously recorded allowance, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Fuel and Spare Parts
Fuel and spare parts are stated at the lower of cost or net realizable value (NRV). Cost is determined using the moving average method. NRV is the current replacement cost of fuel and spare parts.

Previously, the Group determined the cost using the first-in, first-out method. In 2021, the Group elected to change accounting policy on the inventory costing from first-in, first-out (FIFO) method to moving average method applied retrospectively. The restatements have no material impact on the Group's total assets, total liabilities and equity as at the beginning of earliest period presented.

Property, Plant and Equipment
Property, plant and equipment, except land, is stated at cost, net of accumulated depreciation and impairment losses. Such cost includes the cost of replacing a part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred.

Land is stated at cost, net of accumulated impairment losses, if any.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The depreciation of property and equipment, except land, begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases when the assets are fully depreciated or at the earlier of the date that the item is classified as held for sale (or included in the disposal group that is classified as held for sale) in accordance with PFRS 5, and the date the item is derecognized.

The estimated useful lives used in depreciating the Group's property, plant and equipment are as follows:

Category	In Years
Land improvements	40
Buildings and improvements	6-25
Machinery and equipment:	
Wind towers and equipment	25
Power plant	20
Others	10-40
Tools and other miscellaneous assets	5-10
Transportation equipment	3-5
Office furniture, equipment and others	3-10

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. These are adjusted prospectively, if appropriate.

Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized.

Construction in progress includes cost of construction and other direct costs and is stated at cost less any impairment in value. Construction in progress is not depreciated until such time as the relevant assets are completed and ready for operational use.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii) Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance ed lease payments or a change in the assessment to purchase the underlying asset.

Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the ease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.e

iii) Short-term leases and leases of low-value assets
The Group has elected to use the two exemptions proposed by the standard on the following contracts:

a. Lease contracts for which the lease terms ends within 12 months from the date of initial application
b. Lease contracts for which the underlying asset is of low value

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option to renew the lease contract for an additional term subject to the mutual agreement with the lessors. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate used by the

Group is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign Currency Denominated Transactions and Balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized as "Foreign exchange gain - net" under "Other income - net" in the consolidated statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair values are determined. The gains or losses arising on translation of non-monetary items measured at fair value are treated in line with the recognition of the gains or losses on the change in fair values of the items (i.e., translation differences on items which the fair value gains or losses are recognized in OCI or in profit or loss are also recognized in OCI or in profit or loss, respectively).

The functional currency of ACEN Cayman, ACRI, ACEN Finance and ACEN HK is the US Dollar (US$). As of the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date and their statement of income accounts are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognized in the consolidated statement of comprehensive income and reported as a separate component of equity as "Cumulative Translation Adjustments" (Note 15).

Interests in Joint Arrangements
Joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Investments in Associates and Joint Ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in the net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is collectively assessed for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in profit or loss of the associate or the joint venture is shown in the consolidated statement of income outside operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate or joint venture.

If the Group's share in losses of an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

The consolidated financial statements include additional information about associates and joint ventures that are material to the Group (see Note 6). Management determined material associates and joint ventures as those associates and joint ventures where the Group's carrying amount of investments is greater than 5% of the total investments and advances in associates and joint ventures as at the end of the year.

Investment Properties
Investment properties are carried at cost, including transaction costs, net of accumulated depreciation. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized either when disposed of or when permanently withdrawn from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Leasehold and water rights
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

The useful lives of leasehold and water rights are assessed as finite. The amortization expense on leasehold and water rights are recognized as “Depreciation and amortization” under “Cost of sale of electricity” account in the consolidated statement of income.

Deferred Exploration Costs
The Group follows the full cost method of accounting for exploration costs determined based on each SC area. Under this method, all exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities, net of any allowance for impairment losses.

Expenditures for mineral exploration and development work on mining properties are also deferred as incurred, net of any allowance for impairment losses. These expenditures are provided with an allowance when there are indications that the exploration results are negative. These are written-off against the allowance when the projects are abandoned or determined to be unproductive. When the exploration work results are positive, the net exploration costs, and subsequent development costs are capitalized and amortized from the start of commercial operations.

Development Costs
Development expenditures on an individual project are recognized as an asset when the Group can demonstrate:

- The technical feasibility of completing the asset to be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in expenses. During the period of development, the asset is tested for impairment annually. Development costs is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Advances for Land Acquisitions
Advances for land acquisitions are carried at cost less impairment losses, if any and is classified as current or non current based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for. Advances for land acquisition is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Impairment of Non-financial Assets
The Group assesses at each reporting date, whether there is an indication that an asset may be impaired in accordance with PAS 36. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the entire life of the CGUs. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth (5^{th}) year.

Impairment losses are recognized in the consolidated statement of income in the expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.
The following assets have specific characteristics for impairment testing:

Property, Plant and Equipment and Investment Properties
For property, plant and equipment and investment properties, the Group assesses for impairment based on impairment indicators such as evidence of internal obsolescence or physical damage.

Investments in Associates and Interest in a Joint Venture
The Group determines at the end of each reporting period whether there is any objective evidence that the investments in associates and interest in a joint venture are impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the investments in associates and interests in joint ventures, and their carrying amounts.

Goodwill
Goodwill is tested for impairment annually and more frequently when circumstances indicate that the carrying value may be impaired.. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relate. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Development Costs
Development costs are tested for impairment when circumstances indicate that the carrying value may be impaired.

Right-of-Use Assets and Leasehold and water rights
Right of use assets and leasehold and water rights with finite useful lives are tested for impairment when circumstances indicate that the carrying value may be impaired.

Deferred Exploration Costs
Deferred exploration costs are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- When a service contract where the Group has participating interest in is permanently abandoned; and,
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented, and disclosed in accordance with PAS 36, *Impairment of Assets*.

Contract Liability
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liability is recognized as revenue when the Group performs under the contract.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as “Other income” in the consolidated statement of income.

Asset Retirement Obligation
The Group is legally required under a lease agreement to dismantle certain machinery and equipment and restore the leased site at the end of the lease contract term. The Group recognizes the fair value of the liability for this obligation and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment accounts, which are being depreciated on a straight-line basis over the shorter of the useful life of the related asset or the lease term. The liability is subsequently carried at amortized cost using the EIR method with the related interest expense recognized in the consolidated statement of income.

Pensions and Other Post-employment Benefits

Defined Benefit Plan

ACEN Retirement Plan for Plants is a hybrid retirement plan which has funded defined benefit features and matching defined contribution features covering all regular and permanent employees. Benefits under the defined benefit features of the plan are based on the employee's final plan salary and years of service. The defined benefit provisions of the ACEN Retirement Plan for Plants is patterned from the Phinma Jumbo Retirement Plan, which is the former retirement plan of the Group.

Effective January 1, 2020, the matching defined contribution features of the plan covers all regular and permanent employees. Starting on the date of membership of an employee in the Plan, the Group shall contribute to the retirement fund a percentage of the member's salary as defined when a Member opts to contribute to the plan. Benefits are based on the percentage of the total amount of contributions and investment returns credited to the personal retirement account (PRA) of the member at the time of separation. The Retirement Plan meets the minimum retirement benefit specified under Republic Act 7641.

The retirement fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

The hybrid retirement plan currently covers for participating entities: ACEN, Bulacan Power, CIPP, Guimaras Wind, and any subsidiary and affiliate of ACEN that may subsequently adopt and participate in the Plan.

One Subic Power, NorthWind, ACES, BWPC and ISLASOL currently operate their separate and distinct funded, noncontributory, defined benefit retirement plan with separately administered funds. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as "The Philippine Retirement Law", which provides for qualified employees to receive a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of R.A. 7641. The cost of providing benefits is determined using the projected unit credit method.

The Defined Benefit Obligation (DBO)/Actuarial Accrued Liability (AAL) is the actuarial present value of expected future payments required to settle the obligation resulting from employee service in current and prior periods. The calculation of the DBO/AAL assumes that the plan continues to be in effect and that estimated future events (including salary increases, turnover and mortality) occur. DBO differs from AAL only in the use of discount rate to compute the present value of expected future payments. The discount rate for DBO is based on the single weighted average discount rate which is based on the bootstrapped PHP-BVAL rates as mandated by PAS 19 at various tenors for intermediate durations were interpolated. The rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate while the expected rate of return on plan assets is used as the discount rate in computing AAL for funding.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which these occur. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.

Past service costs are recognized in the consolidated statement of income on the earlier of:
- the date of the plan amendment or curtailment; or,
- the date that the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset at the beginning of the period, unless there is a plan amendment, curtailment or settlement during the reporting period. The calculation also takes into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The Group recognizes the following changes in the net defined benefit obligation under "Cost of sale of electricity" and "General and administrative expenses" accounts in the consolidated statement of income:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

Employee Leave Entitlement
Employee entitlements to annual leave are recognized as a liability when these are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Other long-term benefits
Vacation and sick leaves are recognized as a liability when these are accrued to the employees. Unused vacation and sick leave credits shall be converted to cash upon separation of employee. Leave expected to be settled wholly before twelve months after the end of the annual reporting period is reclassified to short-term benefits.

<u>Capital Stock</u>
Capital stock represents the portion of the paid-in capital representing the total par value of the shares issued.

Capital stock is measured at par value for all shares issued. When the shares are sold at premium, the difference between the proceeds and the par value is recognized as additional paid-in capital. Direct costs incurred related to the equity issuance are deducted from equity, net of any related tax benefits. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

<u>Additional Paid-in Capital (APIC)</u>
APIC represents the amount paid in excess of the par value of the shares issued. An entity typically incurs various costs in issuing or acquiring its own equity instruments. Those costs, net of tax, might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. In accordance with PAS 32, *Financial Instruments: Presentation,* the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Accounted also in the APIC are dividends declared by the transferee entities in the common control transaction with ACEIC between October 10, 2019 to June 20, 2020 which the Parent Company has beneficial economic interests already based on the Deed of Assignment. These are accounted for as equity contributions from ACEIC and are recorded as APIC.

Treasury Shares
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the acquisition, reissuance or retirement of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Share options exercised during the reporting period are satisfied with treasury shares.

Stock Options and Grants
Stock option and grants are accounted for in accordance with PFRS 2, that is, the cost of stock option awards is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the binomial method. The cost of such awards is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. The cumulative expense that is recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of the period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of the award are modified, the minimum expense recognized is the expense if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

Where the stock option is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the preceding paragraph.

If the outstanding options are dilutive, its effect is reflected as additional share dilution in the computation of diluted earnings per share.

Other Equity Reserves
Other equity reserves are made up of equity transactions other than capital contributions such as share in equity transactions of associates and joint ventures and difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

Retained Earnings
Retained earnings include all current and prior period results of operations as reported in the consolidated statement of income, net of any dividend declaration and adjusted for the effects of changes in accounting policies as may be required by PFRS's transitional provisions.

Other Comprehensive Income (OCI)

OCI are items of income and expense that are not recognized in determining the profit or loss for the year in accordance with PFRS. OCI includes remeasurement gain (loss) on retirement plan, net of related taxes, unrealized fair value gain (loss) on equity instruments at FVOCI, unrealized fair value gain (loss) on derivative instruments designated as hedges, net of related taxes, and cumulative translation adjustments.

Cash Dividend and Non-cash Dividend to Equity Holders of the Parent Company

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the distribution is authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded acting as principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Sale of electricity is consummated whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenue from sale of electricity is based on sales price. Sales of electricity using bunker fuel are composed of generation fees from spot sales to the WESM and supply agreements with third parties and are recognized monthly based on the actual energy delivered.

Starting December 27, 2014, sales of electricity to the WESM using wind and solar are based on the Feed in Tariff (FIT) rate under the FIT System and are recognized monthly based on the actual energy delivered. Meanwhile, revenue from sale of electricity through ancillary services to National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided. Revenue from sale of electricity through Retail Supply Contract (RSC) is composed of generation charge from monthly energy supply with various contestable customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

The Group identified the sale of electricity (power generation, trading and ancillary services) where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The Group concluded that the revenue should be recognized overtime since the customers simultaneously receives and consumes the benefits as the Group supplies electricity.

Retail supply also qualifies as a series of distinct services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

For power generation and trading and retail supply, the Group uses the actual kwh dispatched which are also billed on a monthly basis.

For ancillary services, the Group determined that the output method is the best method in measuring progress since actual energy is supplied to customers. The Group recognizes revenue based on contracted and actual kilowatt hours (kwh) dispatched which are billed on a monthly basis.

Amounts Reimbursed to Customers
Certain revenue contracts with customers provide for the sale of any unutilized electricity to the WESM. The proceeds are recorded as reduction in "Revenue from sale of electricity" in the consolidated statement of income.

Rental Income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature.

Dividend Income
Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders of the investees approve the dividend.

Other revenues
Other revenues include management fees and revenue from water distributions. Management fees are recognized for services rendered when earned. Revenue from water distributions arise from water supply contracts which include production and water fees and are recognized per cubic meter based on actual consumption.

Claims on business interruptions and property damage
Income is recognized when an acknowledgment for the proposed claims is received from insurers. The income arises from unplanned shutdown of an insured property which resulted to business interruptions and property damage.

Other Income
Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Costs and Expenses
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized when incurred.

Taxes
Current Income Tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Deferred Income Tax
Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, including carryforward benefits of unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) which can be deducted against future RCIT due to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from unused NOLCO can be utilized, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the consolidated statement of income.

Creditable Withholding Taxes (CWT)
CWTs are carried at the amount withheld by the customers for services provided by the Group. CWTs are recognized when payments are received from customers and the related withholding taxes were made. CWTs can be utilized as credits against the Group's income tax liability provided these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation and may also be reduced by impairment losses, if any. CWTs, which are expected to be utilized as payment for income taxes within 12 months are classified as current, otherwise, these are classified as noncurrent assets.

Value-added Tax (VAT)
Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and,
- When receivables and payables are stated with the amount of VAT included

The amount of VAT recoverable from the taxation authority is recognized as "Input VAT", while VAT payable to taxation authority is recognized as "Output VAT". Output VAT is recorded based on the amount of sale of electricity billed to third parties. Any amount of output VAT not yet collected as at reporting period are presented under "Accounts payable and other current liabilities" account in the consolidated statement of financial position.

Government Grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants do not include government assistance whose value cannot be reasonably measured.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets require setting up the grant as deferred income or deducting it from the carrying amount of the asset.

Expiry at maturity is a form of settlement even though there is no additional exchange of consideration.

Earnings (Loss) Per Share
Basic earnings (loss) per share is computed based on weighted average number of issued and outstanding common shares during each year after giving retroactive effect to stock dividends declared during the year. Diluted earnings (loss) per share is computed as if the stock options were exercised as at the beginning of the year and as if the funds obtained from exercise were used to purchase common shares at the average market price during the year. Outstanding stock options will have a dilutive effect under the treasury stock method only when the fair value of the underlying common shares during the period exceeds the exercise price of the option. Where the outstanding stock options have no dilutive effect and the Group does not have any potential common share nor other instruments that may entitle the holder to common shares, diluted earnings (loss) per share is the same as basic earnings (loss) per share.

Segment Reporting
The Group's operating businesses are organized and managed separately according to its geographic areas of operations, with each segment representing a strategic business unit that serves different markets.

Previously, the operating businesses are organized and managed separately according to its related services. Financial information on operating segments and the restatement following a change in composition of reportable segments are presented in Note 27 to the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. If it is probable that an outflow of resources embodying economic benefits will occur and the liability's value can be measured reliably, the liability and the related expense are recognized in the consolidated financial statements.

Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it is virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the consolidated financial statements.

Events After the Reporting Period
Post year-end events that provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. **Significant Accounting Judgment, Estimates and Assumptions**

The preparation of the accompanying consolidated financial statements in conformity with PFRSs requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated taking into consideration the Group's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances including the impact of COVID-19.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Accounting for Long Term Energy Service Agreements (LTESA)
The Group, through ACEN Australia, entered into LTESA with New South Wales (NSW) Australian Government that gives the generator the right, but not the obligation, to enter into a strip of two-year electricity swap contracts ("Swaptions").

In 2024, LTESA contract was designated as hedging instrument because of the following:

a. It is previously assessed as derivative that is measured at fair value through profit or loss
b. It was not a written option at the inception on the basis that the fair value of the LTESA contract at inception is in a significant asset position.

LTESA meet the definition of a derivative instrument as their value changes with reference to changes in the Australia's National Electricity Market (NEM) spot price of energy, no upfront cost to enter into the contract and the value of the contracts will be settled in the future (see Notes 11 and 14).

The Group uses commodity options derivative financial instruments to hedge its commodity price risks. Potential sources of hedge ineffectiveness in the hedging relationship were as follows:

a. Credit risk
b. Fixed price CPI escalation
c. Changes in generation forecast
d. Annual payment cap
e. Clawback mechanism

In the event the swaptions are not exercised, the net profit or loss impact will be a non-cash item given no exchange of cash occurred at inception and will occur over the life of the arrangement.

The Group also assessed the transaction is accounted as government grant since the LTESA was granted by the NSW Australian Government to support its initiative on promoting renewable energy and providing long-term revenue certainty for investors and developers of clean energy projects through the electricity swap contracts.

Assessment of Joint Control over Joint Ventures
The Group's investments in joint ventures are structured in separate incorporated entities (see Note 6). The investments in ACEHI Netherlands B.V. (ACEHI Netherlands), Philippine Wind Holdings Corp. ("PhilWind"), North Luzon Energy Corp. (NLR), UPC Power Solutions LLC (UPC Power), BIM Renewable Energy Joint Stock Company (BIMRE), Monsoon Wind B.V. (Monsoon Wind), Paivatar Energy Corporation (Paivatar), BIM Wind Energy Joint Stock Company (BIM Wind), BIM Energy Joint Stock Company (BIME JSC) and Unlimited Renewables Holdings, B.V. (URH) are accounted for as investments in joint venture since the fundamental business and operational matters requires unanimous consent from all parties (see Note 6).

Even though the Group holds various percentage of ownership in interests on these arrangements, their respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identifies. In addition, the Group considers the number of its Board seats in its incorporated entity. Further, the Group and the parties to the agreement only have rights to the net assets of the joint venture through the term of the contractual agreements. Considering these factors, management assessed that it has joint control over the entity.

Write-off of Claims from Philippine Electricity Market Corporation (PEMC) Multilateral Agreements
In December 2013, there were elevated WESM prices because of a Malampaya outage. As a result, the ERC issued an Order imposing administered/regulated pricing, which was lower than the WESM rate at that time. ACEN was a net buyer and already paid these higher WESM prices to PEMC for purchased power. In July 2022, the Supreme Court declared the administered / regulated pricing void and upheld the December 2013 Meralco rate hike for recovery of costs. In October 2022, the Supreme Court denied all Motion of Reconsiderations. As of March 11, 2024, the ERC has not yet issued guidance on the method of implementation of these adjustments.

In 2022, with the Supreme Court's denial, the management deemed to write off the Group's claims from PEMC Multilateral Agreements which include noncurrent receivable amounting to ₱1,185.60 million (see Note 5), booked as additional cost of purchased power for the net buyer position, while noncurrent payable amounting ₱115.07 million booked as additional revenue for the net seller position.

While it is probable that an outflow and inflow of resources embodying economic benefits will be required to settle the transaction, a reliable estimate cannot be made yet since ERC has yet to instruct IEMOP to recalculate the rates and issue adjustments.

Determination of Transaction Price from Sale of Electricity
The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. For the years ended Deceember 31, 2024 and 2023, and since 2021, while waiting for the approval of the 2021 FIT rates, management assessed that the approved 2020 FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy.

Recognition of Deferred Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries
The Group did not recognize deferred tax liabilities on the temporary differences arising from undistributed earnings, cumulative translation adjustment, and OCI accounts of its foreign subsidiaries since management believes that the timing of the reversal of these taxable temporary differences can be controlled by the Group and the management does not expect reversal of these temporary differences in the foreseeable future.

Classification as Financial Assets at Amortized Cost
Financial assets at amortized cost include redeemable preferred shares and convertible loans which the Group has assessed as debt instruments. These are held by the Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows which are reflective of basic lending arrangements (see Notes 5 and 7).

Classification of Preferred Shares as Equity Instrument
The Parent Company's redeemable preferred shares is classified as equity instrument since it has the option but not contractual obligation to redeem in whole or in part of the shares. The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company. There is no contractual obligation on the issued preferred shares that would require to deliver cash or other financial asset or financial liability to the holders of the instrument (see Note 15).

Management's Use of Estimates
The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair Value Measurement of Commodity Options
In the estimation of fair value of the LTESA Swaptions, a commodity option hedge instrument, the Group used option pricing techniques which resulted in a Day 1 derivative asset, even if no premium was paid (see Note 11).

Remeasurement of Retained Interests in a Loss of Control Transaction
In the determination of fair value of the retained interest in ACEHI Netherlands, Management determined the appropriate techniques and inputs for fair value measurements. The remeasurement gain was calculated using the transaction price on the 24.24%-interest sale to SEOG. The transaction price represents the fair value of the interest sold and negotiated on an arm's length basis between unrelated, ready, willing, and able parties. It was also based on a discounted cash flows based on inputs and assumptions of ACRI to establish the fair value of retained interests (see Note 2).

Remeasurement of Previously-Held Equity Interest in a Business Combination
In business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

The fair value of previously held interest is based on the transaction price stated on the SPA which is a commercial agreement between the parties involved who are not considered as related parties and negotiated on an arm's length basis.

In 2022, the Group remeasured its interest in UPC-ACE Australia, previously a joint venture, to fair value as a result of its step-acquisition upon obtaining control (see Note 20).

Purchase Price Allocation and Goodwill Impairment Assessment
The Group made several acquisitions in 2024 and 2023 accounted for using the acquisition method which require extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities at acquisition date. It also requires the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisitions have resulted in goodwill. See Notes 10 and 24 for related balances.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred; the Group re-assesses whether it has correctly identified all the assets acquired, and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

The Group performs impairment testing annually and the Group estimates the recoverable amount as the higher of the fair value less costs to sell and value-in-use. This requires an estimation of the recoverable amount which is the fair value less costs to sell or value-in-use of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows for the cash generating unit and to choose a suitable discount rate in order to calculate the present value of cash flows (see Note 10).

Measurement of Expected Credit Losses
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If in a subsequent period, asset quality improves and any previously assessed significant increase in credit risk also reverses since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

As at December 31, 2024 and 2023, the Group assessed that for its financial assets such as cash and cash equivalents, there has been no SICR since origination and is assessed as low credit risk based on published information of comparable entities. For accounts and other receivable, the Group used provision matrix in estimating its ECL. A broad range of forward-looking information were considered as economic inputs, such as GDP growth, inflation rates, unemployment rates, interest rates and BSP statistical indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. While these model inputs including forward-looking information are revised, the ECL models, and definitions of default remain consistent with prior periods (see Notes 5 and 7).

Fair Value Measurement of Financial Assets at FVTPL and FVOCI
In the estimation of fair value of investments recorded as financial assets at FVTPL and FVOCI, management needs to determine the appropriate techniques and inputs for fair value measurements. The Group uses the discounted cash flow technique for unquoted instruments, published net asset value (NAV) for investments in Unit Investment Trust Funds (UITFs) and quoted prices for publicly traded shares in estimating the fair value of the financial assets at FVTPL and FVOCI.

Impairment Assessment of Non-financial Assets
The Group reviews investments in associates and joint venture, investment properties, property, plant and equipment, right-of-use assets, and intangible assets for impairment of value. Impairment for goodwill is assessed at least annually. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Group has evaluated the conditions and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. In doing this, the Group has reviewed the key assumptions in its previous annual impairment assessment to assess whether any changes to the assumptions within that impairment assessment would result in an impairment loss as at December 31, 2024. Except for the matters discussed in Notes 8 and 9, based on the Group's review of key assumptions, management has assessed that there were no significant changes in the assumptions used and therefore no impairment losses were recognized in 2024 and 2023 (see Notes 6, 8, 9 and 11).

Recognition of Deferred Tax Assets
The Group reviewed its business and operations including its estimated impact on macroeconomic environment, the market outlook and the Group's operations. As such, the Group assessed its ability to generate sufficient taxable income in the future that will allow realization of net deferred tax assets.

As a result, the carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. The Group assessed that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized (see Note 21).

Assessment of Contingencies
The Group is currently involved in various legal proceedings and assessments for local and national taxes (see Note 29). The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The final settlement of these may result in material adverse impact on the Group's consolidated financial statements. The Group also invokes limited disclosures on certain matters due to their prejudicial nature.

4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	**₱6,603,902**	₱13,769,005
Cash equivalents	**18,554,456**	25,927,657
	₱25,158,358	₱39,696,662

Cash in banks earn interest at the respective bank deposit rates for its peso and dollar accounts.

Cash equivalents are made for varying periods between one day and three months depending on the immediate cash requirements for the Group and earn interest at the respective short-term deposit rates.

Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures (the "Escrow Requirement"). As of December 31, 2024, the Group has fully disbursed the cash from the escrow account which held the proceeds from the issuance of preferred shares in 2023. As of December 31, 2023, cash in bank includes ₱8,827.83 million restricted cash in an escrow account.

Interest income earned on cash and cash equivalents in 2024, 2023 and 2022 at the range of,1.5% to 6.25%, 0.06% to 6.25%, and 1.25% to 5.55%, respectively, amounted to ₱989.57 million, ₱1,586.52 million and ₱285.20 million, respectively (see Note 20).

5. Accounts and Notes Receivable

This account consists of:

	2024	2023
Accounts and other receivable	**₱10,553,381**	₱12,406,056
Notes receivable (Note 22)		
Bridge financing	**14,122,756**	13,440,859
Development loans	**4,515,678**	5,863,298
Other loans	**4,940,313**	2,130,751
Accrued interest receivable	**8,950,155**	6,206,348
	43,082,283	40,047,312
Less allowance for expected credit losses	**2,508,845**	1,292,578
	40,573,438	38,754,734
Less noncurrent portion	**17,809,515**	12,689,042
Current portion	**₱22,763,923**	₱26,065,692

Accounts and other receivable

This account consists of:

	2024	2023
Trade receivables		
Third party		
IEMOP	**₱3,415,260**	₱6,459,485
National Transmission Corporation ("TransCo")	**1,758,707**	1,915,230
RES Buyer	**1,477,713**	519,629
NGCP	**413,361**	91,670
PEMC	**30,562**	10,262
Others	**189,760**	423,084
Other receivables		
Third party	**1,419,608**	1,600,430
Related party (Note 22)	**1,848,410**	1,386,266
	10,553,381	12,406,056
Allowance for expected credit losses	**155,379**	152,312
	10,398,002	12,253,744
Less noncurrent portion	**1,765,706**	1,971,453
Current portion	**₱8,632,296**	₱10,282,291

Trade Receivables
Trade receivables are uncollected portion of energy generated by the Group and delivered to the grid and energy sold to bilateral customers. These are the trade receivables from IEMOP, TransCo and RES buyer. This consists of interest-bearing and noninterest-bearing receivables and are generally collectible within thirty (30) to sixty (60) days.

a. Trade Receivables from TransCo
   Noncurrent trade receivables consist of Feed-In Tariff (FIT) system adjustment that is expected to be realized beyond 12 months after the end of the reporting period.

   In 2020, the Group recognized receivables from TransCo for retroactive FIT adjustments approved by the Energy Regulatory Commission (ERC) for the years 2016-2020, recoverable for a period of five years. FIT system adjustments are discounted using the PHP BVAL reference rates – Government Securities with imputed credit spread on top of the BVAL. The PHP credit spread was derived as the difference between comparable government-owned and controlled companies' rate less risk-free rate.

   The ERC's February 2021 supplemental letter, stated that, pending the approval of the adjustments of 2021 FIT rates, the original approved rates shall be used for the 2021 generation billing. As of December 31, 2024, ERC has not yet approved TransCo's proposed FIT rate adjustment for the years 2021-2024 and accordingly, the Group bills for its collections using the original approved rates.

The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. From 2021 to 2024, while waiting for the ERC's approval of the adjusted FIT rates, management assessed that the ERC approved 2020 FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy.

Total FIT revenue adjustment recognized in 2024, 2023 and 2022 by the Group amounted to ₱269.26 million, ₱309.30 million and ₱295.34 million, respectively.

As of December 31, 2024 and 2023, the noncurrent portion of the receivable from TransCo amounted to ₱949.32 million and ₱1,129.43 million, respectively, while the current portion amounted to ₱809.39 million and ₱785.80 million, respectively. Interest accretion on receivable from TransCo amounted to ₱46.23 million, ₱37.41 million and ₱16.60 million, in 2024, 2023 and 2022, respectively.

b. Trade Receivables from NGCP
Receivables from NGCP are from Ancillary Services Procurement Agreements (ASPA), facilitating contingency and dispatchable reserves for the Luzon Grid. The Group has executed ASPAs with NGCP wherein power plant will provide contingency and dispatchable reserves to NGCP tp ensure reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five (5) years upon the effectivity of the provisional or final approval issued by the ERC.

c. Trade Receivables from PEMC Multilateral Agreements
In December 2013, an outage of the Malampaya gasfield caused WESM prices to be elevated. As a result, ERC issued an Order imposing Administered/Regulated Pricing, which was lower than the WESM rates at the time. The receivables from PEMC Multilateral Agreements is the refundable amount from the PEMC arising from recalculation of November and December 2013 spot prices as directed by the ERC. In 2014, ACEN, PEMC, and other WESM participants signed a Multilateral Agreement pending the resolution of cases filed by WESM participants in the Supreme Court. On various dates in 2014 to 2016, ACEN Group recorded collections in relation to the Multilateral Agreement amounting to ₱1,123.51 million. Collections are presented as "Trade payables" under "Accounts payable and Other Current Liabilities".

In 2022, the Supreme Court declared the administered regulated pricing void and upheld the December 2013 Meralco hike for recovery costs. In October 2022, the Supreme Court denied all Motions for Reconsideration.

In 2022, the Group reversed its receivables amounting to ₱1,185.60 million and recorded additional cost of purchased power of equivalent amount. The unpaid cost of purchased power is presented as "Trade payables" under accounts payable and other current liabilities.

As of March 10, 2025, the ERC has not yet issued guidance on the method of implementation of these adjustments.

Notes receivable
This account consists of:

	2024	2023
Bridge financing - related party (Note 22)	**₱14,122,756**	₱13,440,859
Development loan:		
Third party	–	3,721,365
Related party (Note 22)	**4,515,678**	2,141,933
Other loans:		
Third party	**1,847,737**	1,742,382
Related party (Note 22)	**3,092,576**	388,369
	23,578,747	21,434,908
Allowance for expected credit losses (Note 18)	**856,872**	812,633
	22,721,875	20,622,275
Less noncurrent portion	**14,095,488**	6,745,824
Current portion	**₱8,626,387**	₱13,876,451

Bridge financing (previously referred to as debt replacement)
Bridge financing facilities are provided to related parties to fund investment requirements for renewable power plants while under construction and undergoing implementation or release of project financing from financial institutions (see Note 22).

a. Greencore Power Solutions 3, Inc. (Greencore 3) (Joint Venture)

On February 4, 2021, the Group, Citicore Solar Energy Corporation (CSEC), ACEN Global Development Group Inc. (AGDGI) (formerly ACE Endevor, Inc.) and Greencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱2,680.00 million in order to finance a 50MW solar power plant in Mexico, Pampanga (Arayat Phase 1).

On February 9, 2022, the Omnibus Agreement was amended to increase the loan facility to ₱2,860.00 million and extended the maturity from March 1, 2023, to June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023, to June 30, 2024 and increase the fixed interest rateon all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024 to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025.

On February 24, 2025, the Omnibus Agreement was again amended to extend the maturity date from January 31, 2025 to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 1 amounts to ₱2,700.30 million and ₱2,595.70 million, respectively.

On May 25, 2022, the Group, CSEC, AGDGI and Greencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱1,990.00 million in order to finance a 30MW solar power plant in Mexico, Pampanga (Arayat Phase 2). The maturity of the loan is on June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023 to June 30, 2024 and increase the fixed interest rate on all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024, to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025.

On February 24, 2025, the Omnibus Agreement was amended to extend the maturity date from January 31, 2025 to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 2 amounts to ₱1,958.78 million and ₱1,878.84 million, respectively.

b. Wind Power Hoa Dong (Hoa Dong) and Wind Power Lac Hoa (Lac Hoa) (Joint Venture)

On April 4, 2022, the Group entered into an interest-bearing loan facility with Hoa Dong and Lac Hoa to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects. The interest-bearing loan has a total facility of US$41.59 million for Hoa Dong and US$47.41 million for Lac Hoa and bears an annual fixed rate payable. Principal is payable in full at first calendar quarter of a year after July 1, 2024, in case of third-party financing or in tranches every first calendar quarter of the fourth period or every end of the calendar quarter, until full payment of the loan in case of no third-party refinancing.

As at December 31, 2024 and 2023, the outstanding balance of the interest-bearing loan receivables from Hoa Dong amounted to US$41.59 million (₱2,405.71 million) and US$41.59 million (₱2,302.78 million), respectively.

As at December 31, 2024 and 2023, the outstanding balance of the interest-bearing loan receivables from Lac Hoa amounted to US$47.41 million (₱2,742.49 million) and US$47.41 million (₱2,625.15 million), respectively.

c. Asian Wind Power 1 HK (Asia Wind 1) (Joint Venture)

In 2020, the Group and Asia Wind 1 entered into an interest-bearing debt replacement facility to provide bridge financing during the construction of Dai Phong Wind Project in Vietnam for an aggregate principal amount of US$61.00 million. The loan is repayable on the earlier of 12 months from commissioning date or upon project financial close. The debt replacement facility maturity date was amended multiple times in 2022 and 2023. On September 27, 2023, the debt replacement facility maturity date was amended to September 29, 2035.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US$26.59 million (₱1,538.10 million) and US$26.59 million (₱1,472.29 million), respectively.

d. Asian Wind Power 2 HK (Asia Wind 2) (Joint Venture)

In 2020, the Group entered into an interest-bearing Pref B Facility with Asian Wind 2 to provide bridge financing to fund the construction of a 42MW wind project in Vietnam, for an aggregate principal amount of US$54.00 million. The loan is repayable on the earlier of Project Financial Close, or 5 business days from the date from drawdown of Debt Replacement Facility, or the 25th anniversary from drawdown date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US$20.07 million (₱1,160.66 million), and US$20.91 million (₱1,157.89 million), respectively.

e. NEFIN Limited (NEFIN) (Joint Venture)

On January 6, 2022, the Group and NEFIN Limited entered into an interest-bearing debt replacement facility to NEFIN Limited to provide bridge financing and partially fund the development and construction of NEFIN rooftop solar projects. The loan is repayable on the earlier of 24 months from first issuance date or upon securing project financing or debt financing of NEFIN Limited.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US$16.67 million (₱964.22 million) and US$14.30 million (₱791.51 million), respectively.

f. Ingrid Power Holdings, Inc. (Ingrid) (Joint venture)

On December 27, 2022, the Group and Ingrid entered into a facility agreement amounting to ₱1,250.00 million in order to fund working capital requirements in relation to the operation of its 150MW Pililia diesel power plant in Pililia Rizal. The loan bears an annual fixed interest rate and is payable upon maturity.

Promissory notes executed in relation to the facility agreement were made on:

Date	Amount	Original Maturity Date	Extended Maturity Date
December 28, 2022	₱200,000,000	June 27, 2023	August 30, 2023
January 11, 2023	₱300,000,000	July 10, 2023	October 31, 2023
January 27, 2023	₱300,000,000	July 26, 2023	June 30, 2024

As at December 31, 2024 and 2023, the outstanding bridge loan amounted to nil and ₱300.00 million, respectively.

g. Vietnam Wind Energy Limited (Vietnam Wind) (Joint Venture)

In 2020, the Group and Vietnam Windentered into an interest-bearing facility with an aggregate principal of US$10.00 million, to provide bridge financing to fund the construction of a 60MW wind project in Vietnam. The loan is repayable 20 years from relevant drawdown date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US$5.12 million (₱296.15 million) and US$5.10 million (₱283.48 million), respectively.

Other bridge financing loans carrying amount as at December 31, 2024 and 2023 amounted to ₱356.35 million and ₱33.21 million, respectively.

Bridge Financing loans bear interest ranging from 7.00% to 15.00% per annum for both years ended December 31, 2024 and 2023, respectively.

Development Loans
Development loan facilities are provided to related parties and third parties to fund the development of renewable power plant projects.

a. UPC-AC Energy Solar Limited (UPC-ACE Solar) (Joint Venture)

   In 2019, the Group and UPC-ACE Solar entered into an interest-bearing loan agreement with an aggregate amount of US$20.00 million to fund development of projects across India, Taiwan, and Korea. The loan is repayable 10 years from first utilization date.

   As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US$14.78 million (₱856.87 million) and US$14.57 million (₱806.69 million) respectively.

b. Yoma Strategic Investments (Yoma) (Affiliate)

   In 2019, the Group and Yoma, signed a term sheet, which includes an interest-bearing loan for the development of Yoma Micro Power. The interest-bearing loan has a total facility of US$25.00 million and bears an annual fixed interest and payable upon maturity. The loan is covered by a Guarantee Agreement between the Group (as “Lender”) and Yoma (as “Guarantor”). The Guarantee Agreement stands as security for the prompt and complete payment, where the Guarantor irrevocably and unconditionally undertakes that in case of default, the Guarantor shall pay the Lender the guaranteed obligations as if the Guarantor instead of the Borrower were expressed to be the principal obligor without any further proof or condition and without any investigation or enquiry. The loan was repayable upon maturity on June 30, 2023.

   In February 2024, the loan was amended to extend its maturity date to 10 years, with a 5-year grace period. The outstanding interest prior to the amendment, amounting to US$3.14 million (₱181.55 million), was capitalized as part of the principal.

   As at December 31, 2024 and 2023, the receivable amounts to US$27.16 million (₱1,570.82 million) and US$24.02 million (₱1,329.82 million), respectively.

c. Huntington Renewables Investment Limited (Huntington) (Third Party)

   On December 18, 2023, the Group and Huntington entered into term loan facility agreement, to fund the acquisition of a stake in a renewable energy holding company in Vietnam, with an aggregate principal amount of US$64.50 million. The loan is repayable on June 21, 2024.

   As at December 31, 2024 and 2023, the outstanding receivable amounted to nil and US$64.50 million (₱3,571.37 million), respectively.

d. Provincia Investments Corporation (Provincia) (Third Party)

   In 2021, the Group and Provincia entered into an interest-bearing term loan facility to fund its various acquisitions of project sites for solar power projects. The interest-bearing loan has a total facility of ₱1,000.00 million and bears annual fixed interest rate and payable upon maturity. On July 2, 2021, Provincia made an initial drawdown amounting ₱150.00 million. The principal and interest of the loan are payable on July 2, 2026.

On January 25, 2023, the Group, Provincia and Solar Philippines Power Project Holdings, Inc. (Solar PH) entered into definitive agreements whereby ACEN received 500 million shares of SP New Energy Corporation ("SPNEC"), a listed company which is an affiliate of Solar PH (which SPNEC shares had a market value of approximately ₱660.00 million as of January 24, 2023) as (a) pre-payment for part of the development loan principal, (b) payment of interest, (c) consideration for the arrangement and security amendment by which the Group released its pledge over shares owned by Solar PH in SPNEC, and (d) allow further drawdown by Provincia from the existing ₱1,000.00 million loan facility.

As at December 31, 2023, Provincia drew additional ₱150.00 million from its development loan facility.

The Group recognized ₱515.00 million gain from the partial settlement of development loan in 2023 (see Note 20).

The SPNEC shares held by the Group for trading purposes amounted to ₱501.82 million and is classified as financial assets at fair value through profit or loss in the consolidated statements of financial position.

In 2024, all SPNEC shares were sold. The Group recognized (loss) gain on sale of SPNEC shares amounting to (₱50.38) million and ₱37.34 million for the years ended December 31, 2024 and 2023, respectively (Note 20).

On September 9, 2024, Provincia prepaid the loan including the principal of ₱150.00 million and outstanding interest of ₱52.17 million.

As at December 31, 2024 and 2023, the outstanding receivable amounted to nil and ₱150.00 million, respectively.

e. ACEN-Silverwolf Pte. Ltd (ACEN-Silverwolf) (Joint Venture)

On May 31, 2023, the Group and ACEN-Silverwolf entered into an interest-bearing loan agreement with an aggregate amount of USD$2.00 million to fund renewable energy projects located in Taiwan and Malaysia.

As at December 31, 2024 and 2023, the outstanding receivable amounted to US$0.26 million (₱14.83 million) and US$0.10 million (₱5.42 million), respectively.

f. UPC Power Solutions LLC (Joint Venture)

On September 1, 2023, the Group and UPC Power Solutions entered into an interest-bearing loan agreement with a facility amount of US$120.00 million to fund the development of various wind electric energy generating projects in the United States. The loan is repayable on May 13, 2028.

As at December 31, 2024, the outstanding receivable amounted to US$23.82 million (₱1,378.10 million).

g. PT UPC Lombok Timur Bayu Energi (PT Lombok) (Associate)

On January 3, 2024 the Group and PT UPC Lombok Timur Bayu Energi entered into an interest-bearing loan agreement with a facility amount of US$5.00 million to fund the development of a wind power project in East Lombok, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US$0.98 million (₱56.82 million).

h. PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap) (Associate)

On January 3, 2024the Group and PT UPC Sidrap Bayu Energi Tahap Dua entered into an interest-bearing loan agreement with a facility amount of US$8.00 million to fund the development of wind power project in Sidrap, South Sulawesi, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US$6.67 million (₱386.02 million).

i. PT UPC Sukabumi Bayu Energi (PT Sukabumi) (Joint Venture)

On January 3, 2024, the Group and PT UPC Sukabumi Bayu Energi entered into an interest-bearing loan agreement with a facility amount of US$5.00 million to fund the development of a wind power project in Sukabumi, West Java, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US$4.36 million (₱252.21 million).

Development loans bear interest ranging from 4.00% to 15.00% per annum and 4.00% to 10.85% per annum for the years ended December 31, 2024 and 2023, respectively.

Other Loans
Other loans receivable from third parties include long term loan receivables for land acquisitions. These are interest bearing and mature 1-2 years after drawdown.

a. Cleantech Renewable Energy 50 Corporation (Cleantech) (Third Party)

On July 14, 2022, the Group and Cleantech Renewable Energy 50 Corporation entered into an interest-bearing loan agreement amounting to ₱266.93 million with an interest rate of 9.76%. Principal and interest of the loan is payable upon maturity on July 14, 2032.

As at December 31, 2024 and 2023, the outstanding receivable amounted to ₱266.93 million.

b. BIM Group Joint Stock Company (BIM Group JSC)

On February 26, 2024, the Group and BIM Group JSC entered into an interest-bearing loan agreement with a facility amount of US$35.00 million for capital contributions to BIM Foods Joint Stock Company and other business activities relevant to its business plan. The loan is repayable in December 2029.

As at December 31, 2024, the outstanding receivable amounted to US$35.00 million (₱2,024.58 million).

Other loans carrying amount as at December 31, 2024 and 2023 amounted to ₱2,648.81 million and ₱1,863.82 million, respectively.

Other loans bear interest ranging from 3.00 % to 14.00 % per annum and from 3.00% to 12.00% per annum for the years ended December 31, 2024 and 2023, respectively.

Accrued interest receivable:

This account consists of:

	2024	2023
Bridge financing:		
Related party (Note 22)	**₱2,057,313**	₱1,446,884
Development loans:		
Third party	–	107,832
Related party (Note 22)	**527,057**	198,534
Investment in redeemable preferred shares and convertible loans - Related party (Note 22)		
Redeemable preferred shares	**4,733,771**	3,473,000
Convertible loans	**1,350,236**	761,760
Other loans:		
Third party	**101,723**	26,487
Related party (Note 22)	**129,532**	33,788
Trade receivables		
Third party	**48,513**	148,995
Related party (Note 22)	**2,010**	9,068
	8,950,155	6,206,348
Allowance for expected credit losses	**1,496,594**	327,633
	7,453,561	5,878,715
Less noncurrent portion	**1,948,321**	3,971,765
Current portion	**₱5,505,240**	₱1,906,950

Allowance for expected credit loss (ECL)
In determining the ECL, the Group has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.

For the year ended December 31, 2024, the Group recognized additional allowance for expected credit losses amounting to:

1. US$1.00 million (₱55.85 million) on principal from development loan with UPC-AC Energy Solar Limited (UPC-ACE Solar);
2. US$1.85 million (₱103.43 million) on accrued interest of development loan with UPC-ACE Solar;
3. US$15.63 million (₱898.57 million) on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) (see Note 7); and
4. Allowance provided to other receivables amounted to ₱10.20 million.

Total additional allowance for expected credit losses for the year ended December 31, 2024 amounted to ₱1,223.40 million.

For the year ended December 31, 2023, the Group recognized additional allowance for expected credit losses amounting to:

1. US$13.98 million (₱812.63 million) on principal from development loan with UPC-ACE Solar; and
2. US$6.05 million (₱327.63 million) on accrued interest of development loan with UPC-ACE Solar.

Total additional provision for expected credit losses for the year ended December 31, 2023 amounted to ₱1,140.26 million.

Interest income

The Group earns interest income from its accounts and notes receivable amounting to:

	2024	2023	2022
Bridge Financing			
Related Party:			
Greencore 3	**₱698,588**	₱495,884	₱228,241
Lac Hoa	**262,956**	343,065	96,629
Hoa Dong	**230,826**	301,196	86,371
Asia Wind 1	**152,817**	283,695	269,291
Asia Wind 2	**118,041**	224,807	199,560
NEFIN	**78,142**	47,487	26,480
Vietnam Wind	**50,076**	37,355	59,043
Ingrid	**35,063**	76,405	12,367
BIM Wind	**–**	130,266	380,250
BIMRE	**–**	–	10,370
Others	**14,613**	–	–
	1,641,122	1,940,160	1,368,602
Development Loans			
Related Party:			
UPC-ACE Solar	**106,179**	102,677	95,725
UPC Power Solutions LLC	**84,500**	–	–
Yoma	**66,204**	53,314	52,427
URH	**23,118**	–	–
PT Sidrap	**11,071**	–	–
PT Sukabumi	**7,044**	–	–
ACEN-Silverwolf	**1,115**	–	–

	2024	2023	2022
PT Lombok	**886**	–	–
UPC-ACE Australia	**–**	14,664	7,087
ACEIC	**–**	–	107,000
TBC	**–**	–	60,390
Third Party:			
Huntington	**188,529**	6,472	–
Provincia	**19,119**	15,260	12,000
AMI Renewables (Quang Binh)	**1,241**	–	
BEHS Joint Stock Company (BEHS)	**–**	35,456	49,887
BIME	**–**	11,261	9,982
UPCAPH	**–**	3,116	60,203
Others	**–**	1,962	–
	509,006	244,182	454,701
Other Loans			
Related Party:			
BrightNight India B.V. (BrightNight)	**65,064**	29,677	–
Infineum 4 Energy, Inc. (Infineum 4)	**9,359**	3,833	1,876
Third Party:			
BIM Group JSC	**97,916**	–	–
Cleantech	**26,486**	51,986	–
Others	**13,179**	–	15,802
	212,004	85,496	17,678
Accounts and other Receivables			
Third Party	**66,412**	76,698	38,096
	₱2,428,544	₱2,346,536	₱1,879,077

6. Investments in Associates and Joint Ventures

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

	Percentage of ownership		Carrying amount	
	2024	2023	**2024**	2023
Investments in associates:				
BIM Energy Holding Corporation (BIMEH)	**49.00**	–	**₱5,551,931**	₱–
Solar NT Holdings Pte. Ltd. (SUPER)	**49.00**	49.00	**2,387,257**	2,558,351
Maibarara Geothermal, Inc. (MGI)	**25.00**	25.00	**981,295**	909,694
PT Puri Prakarsa Batam	**40.00**	40.00	**177,249**	166,026
PT UPC Lombok Timur Bayu Energi (PT Lombok)	**49.00**	–	**171,332**	–
PT UPC Sukabumi Bayu Energi (PT Sukabumi)	**49.00**	–	**75,466**	–
PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap 2)	**49.00**	–	**56,536**	–
Others	**various**	various	**8,056**	8,056
			9,409,122	3,642,127

(Forward)

	Percentage of ownership		Carrying amount	
	2024	2023	**2024**	2023
Interests in joint ventures:				
ACEHI Netherlands B.V. (ACEHI Netherlands)	**75.76**	75.76	**₱13,036,527**	₱12,667,764
Philippine Wind Holdings Corporation (PhilWind)	**69.81**	69.81	**6,714,355**	5,987,605
BrightNight India, B.V. (BrightNight)	**50.00**	50.00	**3,775,622**	160,904
North Luzon Renewable Energy Corp. (NLR)	**33.30**	33.30	**3,198,595**	2,492,401
BIM Renewable Energy Joint Stock Company (BIMRE)	**30.00**	30.00	**1,952,540**	1,861,039
UPC Power Solutions LLC (UPC Power)	**83.33**	83.33	**1,804,121**	562,624
Ingrid Power Holdings, Inc. (Ingrid)	**50.00**	50.00	**1,342,835**	968,535
Greencore Power Solutions 3, Inc. (Greencore 3)	**50.00**	50.00	**367,484**	434,936
Monsoon Wind B.V. (Monsoon Wind)	**25.00**	25.00	**296,498**	163,339
Paivatar Energy Corporation	**60.00**	–	**232,807**	–
BIM Wind Energy Joint Stock Company (BIM Wind)	**30.00**	30.00	**142,538**	209,217
BIM Energy Joint Stock Company (BIME JSC)	**30.00**	30.00	**124,343**	120,082
NEFIN Limited (NEFIN)	**50.00**	50.00	**118,815**	419,280
Unlimited Renewables Holdings, B.V. (URH)	**80.00**	–	**74,372**	–
Others	**various**	various	**144,429**	408,764
			33,325,881	26,456,490
			₱42,735,003	₱30,098,617

The details and movements of investments in associates and joint ventures accounted for under the equity method are as follows:

	2024	2023
Acquisition costs:		
Balance at beginning of year	**₱28,081,331**	₱22,557,032
Additions	**12,486,024**	4,592,106
Conversion from subscription deposits and redeemable preferred shares (Note 7)	**1,695,449**	1,859
Reclassification to receivables	**(891,755)**	–
Acquisition of control (Note 24)	**(568,719)**	–
Disposal / divestment (Note 20)	**(77,174)**	(2,260,215)
Gain from remeasurement (Note 2)	**–**	3,433,328
Conversion from financial assets at FVTPL	**–**	276,297
Return of capital	**–**	(228,312)
Cumulative translation adjustment	**1,157,979**	(290,764)
Balance at end of year	**41,883,135**	28,081,331
Accumulated equity in net earnings (losses):		
Balance at beginning of year	**2,104,328**	2,216,754
Equity in net income of associates and joint ventures	**1,190,966**	1,765,239
Dividends received	**(1,786,093)**	(1,362,464)
Divestment	**–**	(515,201)
Balance at end of year	**1,509,201**	2,104,328
Accumulated share in other comprehensive income (loss):		
Balance at beginning of year	**(85,483)**	(5,794)
Cumulative translation adjustment	**(166,434)**	(71,365)
Interest rate swap	**69,807**	14,596
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax	**(2,891)**	4,111

(Forward)

	2024	2023
Remeasurement gain (loss) on defined benefit plans - net of tax	**₱17,904**	(₱27,031)
Balance at end of year	**(167,097)**	(85,483)
Accumulated impairment losses		
Balance at beginning of year	**(1,559)**	(1,559)
Loss on write-down from disposal of investment in joint venture (Note 20)	**(488,677)**	–
Balance at end of year	**(490,236)**	(1,559)
Total investments	**₱42,735,003**	₱30,098,617

Capital call and subscription deposit conversion
During the years ended December 31, 2024 and 2023, the Group made investments equivalent to its proportionate share in the following investee companies:

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

**RWEI was subsequently acquired as a subsidiary during the year (see Note 2)*

Dividends
The Group received dividends amounting to:

	2024	2023
ACEHI Netherlands	**₱1,399,303**	₱–
PhilWind	**284,334**	471,002
BIMRE	**73,466**	161,367
NLR	**28,990**	74,319
Salak-Darajat	**–**	655,776
	₱1,786,093	₱1,362,464

Investment in Associates

a. BIM Energy Holding Corporation (BIMEH)

On November 26, 2024, the Group entered into a Share Purchase Agreement with Huntington Renewable Investments Limited ("HRIL"), for the acquisition of 49% of the issued and paid-up capital of BIM Energy Holding Corporation ("BIMEH") for a purchase price of US$70.50 million. The purchase price was paid in tranches, with US$35.00 million paid on November 26, 2024 and $35.50 million paid on December 3, 2024.

On December 18, 2023, the Group entered into a Reservation Agreement amounting to US$24.50 million as part of the total consideration for the transaction.

With the final purchase price completed in November and December 2024, the acquisition of the renewable energy holding company in Vietnam was completed on December 3, 2024.

The acquisition resulted in a notional goodwill amounting to VND 20,680.00 million (US$1.66 million), based on the provisional fair values of the underlying net assets of BIMEH.

BIMEH develops renewable energy projects in Vietnam. Its principal place of business and country of incorporation is in Vietnam.

As of December 31, 2024, the Group infused a total of US$96.72 million (₱5,594.93 million), of which US$24.50 million (₱1,417.20 million) was reclassified from Beacon Capital Holdings Limited subscription deposits (see Note 7).

b. Solar NT Holdings Pte. Ltd. (SUPER)

On January 28, 2022, the Group, through its wholly-owned subsidiary ACEV and Super Solar Energy Company Limited through its wholly-owned subsidiary Super Energy Group (Hong Kong) Co., Limited ("Super HK"), executed the Share Purchase Agreement for the 49% acquisition of interest in SUPER. The sale is subject to conditions precedent and has a transaction value of US$ 165.00 million. SUPER has direct and indirect subsidiaries which operate nine solar farms in Vietnam with total generating capacity of 837MW. Super Solar Energy Company Limited is a premier renewable energy developer and investor, based in Thailand. The principal place of business and country of incorporation of SUPER is in Singapore.

On June 26, 2023, ACEV completed the first phase of the secondary share acquisition and executed the amended and restated Share Purchase Agreement and Shareholders Agreement. US$51.00 million (₱2,815.20 million) out of the US$165.00 million consideration was paid on the same date and the remaining phases of the transaction are expected to be completed within the year.

c. Maibarara Geothermal, Inc. (MGI)

MGI was incorporated in 2010 and operates a 32MW geothermal power plant in Sto. Tomas, Batangas. The principal place of business and country of incorporation is in the Philippines.

d. PT Puri Prakarsa Batam

On March 10, 2022, the Group, through ACRI, entered into a Framework Agreement with Puti Puri Usaha Kencana ("PUK"), PT Trisurya Mitra Bersama ("TMB"), PT Griya Usaha ("GU"), PT Suryagen Griya Intitama, and PT Puri Energi Kencana, to jointly develop projects in

Indonesia. The principal place of business and country of incorporation of PT Puri Prakarsa Batam is in Indonesia.

On August 30, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Indonesia Investments Holdings Pte. Ltd., TMB and PT Puri Prakarsa Batam ("PPB"), executed a shareholders' agreement to jointly develop a 660MW photovoltaic project located in Pulau Luma Besar, Indonesia.

e. PT Lombok

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Lombok. On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Lombok operates a wind power project in East Lombok, Indonesia with a total project capacity of 80MW. The principal place of business and country of incorporation of PT Lombok is in Indonesia.

f. PT Sukabumi

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Sukabumi. On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Sukabumi is developing a wind power project in Sukabumi, West Java, Indonesia with a total project capacity of 150MW.

g. PT Sidrap 2

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Sidrap . On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Sidrap 2 operates a wind power project in Sidrap, South Sulawesi, Indonesia with a total project capacity of 70MW. The principal place of business and country of incorporation of PT Sidrap 2 is in Indonesia.

h. The Blue Circle (TBC)

In 2018, the Group acquired 25% interest in The Blue Circle, a regional development and operations company that has a platform of wind projects in Southeast Asia. The principal place of business and country of incorporation is in Singapore.

In September 2022, the Group disposed its 25% interest in TBC to Jetfly Asia Pte. Ltd. for a total consideration of \$12.77 million (₱734.67 million) which resulted to a gain on divestment of same amount since the carrying amount is nil (Note 20).

Interest in Joint Ventures

a. ACEHI Netherlands B.V. (ACEHI Netherlands)

In 2017, the Group acquired an interest in Salak-Darajat, an investment holding company incorporated in Netherlands, with assets and operations in Salak and Darajat geothermal fields in West Java, Indonesia, with a combined capacity of 637MW of steam and power through ACEHI Netherlands B.V.(ACEHI Netherlands). The principal place of business and country of incorporation is in Indonesia.

On July 3, 2023, ACRI signed a share purchase agreement with SEOG, for the sale by ACRI of its 24.24% equity share in ACEHI Netherlands to SEOG.

Upon completion of the transaction, ACEHI Netherlands' Board of Directors consists of equal representations from both shareholders. Furthermore, all matters relating to ACEHI Netherlands, shall be approved unanimously by both shareholders, thereby making ACRI lose control over ACEHI Netherlands, and reclassifying it as a joint venture. Previously this was consolidated by the Group.

The carrying amount of the 24.24% investment that was divested amounted to US$41.08 million (₱2,260.15 million). Following deconsolidation of ACEHI Netherlands, the investment of the Group in Salak and Darajat previously presented under "Investments in associates" is reclassified to "Investment in joint ventures" through ACEHI Netherlands.

b. Philippine Wind Holdings Corporation (PhilWind) and North Luzon Renewable Energy Corp. (NLR)

In 2013, ACEN signed an Investment Framework Agreement and Shareholder's Agreement with UPC Philippines Wind Holdco I BV and the Philippine Investment Alliance for Infrastructure fund (PINAI) to develop a 81MW wind power project in Ilocos North through NLR.

The principal place of business and country of incorporation of PhilWind and NLR is in the Philippines.

In 2020, ACEN purchased all the shares of PINAI in PhilWind for ₱2,573.30 million through its wholly owned subsidiary, Giga Ace 1. Giga Ace 1 was incorporated in 2019 and is engaged in the power generation business, both from renewable and non-renewable energy sources.

On March 18, 2022, ACEN and UPC Philippines Holdco I BV executed a Deed of Absolute Sale of Shares covering 16,668 common shares and 740 preferred shares representing 33% ownership in NLR for ₱2,385.27 million.

PhilWind directly and indirectly owns 67.00% of NLR through its 38.00% direct interest and 28.70% indirect interest through its 100.00% owned subsidiary, Ilocos Wind Energy Holdings Co., Inc.

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR's authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱495.40 million.

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 ("RPS A-3") at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million, to be issued out of the increase of PhilWind's authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱504.46 million.

The additional subscription in NLR and PhilWind will be used by NLR as additional funding for the construction and completion of the 70MW wind farm in Pagudpud, Ilocos Norte (wind project referred to as Capa Wind 2).

c. BrightNight India, B.V. (BrightNight)

On March 10, 2023, the Group signed a Shareholder's Agreement with US-based renewable power company BrightNight to develop, construct and operate large-scale hybrid wind-solar and round-the- clock renewable power projects in India with over 1,200MW pipeline. The principal place of business and country of incorporation is in the Netherlands.

The Group has joint control over BrightNight India B.V. by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

In 2024 and 2023, total subscriptions to Brightnight's Class B Redeemable Preferred Shares amounted to US$5.30 million (₱289.86 million) and US$60.89 million (₱3,559.29 million), respectively.

d. BIM Renewable Energy Joint Stock Company (BIMRE) and BIM Energy JSC (BIM E)

In 2018, the Group entered into a 30-70 joint venture agreement with BIM Group to develop, construct, and operate a 300MW Solar Farm in Ninh Thuan Province, Vietnam, through BIMRE and BIM E. The principal place of business and country of incorporation is in Vietnam.

BIMRE and BIM E are currently operating a 375MW and 30MW wind power plant, respectively.

The Group has joint control over BIM RE, BIM E and BIM Wind Energy Joint Stock Company by virtue of the requirement for unanimous consent from both Shareholders over key decision areas and material transactions through various reserved matters.

e. UPC Power Solutions LLC (UPC Power)

On May 13, 2022, the group through its subsidiary ACEN USA LLC, entered into a Limited Liability Company Agreement (LLCA) with UPC Solar & Wind Investments LLC and Pivot Power Management to pursue opportunities and acquire operating wind projects in the USA and explore strategies for extending their useful life through preventive maintenance and repowering. The partnership resulted to 83.33% ownership interest in UPC Power Solutions LLC. The principal place of business and country of incorporation is in the United States of America.

The Group has joint control over UPC Power Solutions LLC because all fundamental decisions and matters require unanimous approval of all partners.

f. Ingrid Power Holdings, Inc. (Ingrid)

In 2021, the Group executed a subscription agreement with Axia Power Holdings Philippines Corp. for a 50% interest in Ingrid Power Holdings, Inc. to develop, construct, and operate a 150MW diesel power plant in Pililia, Rizal. The principal place of business and country of incorporation is in the Philippines.

The Group has joint control over Ingrid by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserve matters.

g. Greencore Power Solutions 3, Inc. (Greencore 3)

On February 21, 2022, the Group entered into a 50-50 joint venture with Citicore Renewable Energy Corporation ("CREC") to develop, construct, and operate a 50MW (Phase 1) and 44MW (Phase 2) solar power plant in Arayat and Mexico, Pampanga. The principal place of business and country of incorporation is in the Philippines.

The Group has joint control over Greencore 3 by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

h. Monsoon Wind B.V. (Monsoon Wind)

On February 24, 2023, the Group signed a Shareholder's Agreement with Mitsubishi Corporation (MC) for the development, construction, and operations of Monsoon Wind Power Project, a 600MW wind power plant in Southern Lao PDR. Investment resulted to 50% ownership interest in Monsoon Wind. The principal place of business and country of incorporation is in the Netherlands.

The Group has joint control over Monsoon Wind by virtue of the requirement for simple majority from both shareholders over key decision areas and material transactions through various reserved matters.

In connection with the MC and the Group's investment in the project, the parties also agreed to infuse funding into Impact Wind Investment Limited (Impact Wind) pursuant to the Party B Financing Bond Subscription and Shareholder's Agreement executed on February 24, 2023 (see Note 7).

i. Paivatar Energy Corporation

On March 7, 2024, ACEN signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines. The transaction diluted ACEN's ownership of the then wholly-owned subsidiary (see Note 2). The principal place of business and country of incorporation is in the Philippines.

The Group's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.

j. NEFIN Limited (NEFIN) and NEFIN Asset Management Pte. Ltd.

On January 6, 2022, the Group entered into a 50-50 joint venture with Canis Majoris Holding Limited ("NEFIN") to invest in NEFIN Limited and NEFIN Asset Management Pte. Ltd. NEFIN is a leading solar photovoltaic developer and investor in carbon neutrality solutions and the joint venture company will develop, construct and operate rooftop solar projects across Asia. The principal place of business and country of incorporation is in Hong Kong.

k. Unlimited Renewables Holdings, B.V. (URH)

On December 21, 2023, the Company entered into a joint venture with UPC India Pte. Ltd. to invest in Unlimited Renewables Holdings, B.V ("URH") for the purposes of developing certain Indian renewable energy and energy storage projects.

l. Real Wind Energy Inc. (RWEI)

On March 22, 2024, the Group and Modern Energy Management Pte. Ltd. (MEM) signed an Asset and Share Purchase Agreement and Deed of Absolute Sale wherein the Group purchased from MEM the 40% of issued and outstanding shares in Real Wind Energy Inc. RWEI is currently developing wind energy projects in Real, Quezon.

On August 1, 2024, ACEN acquired additional shares representing 60% ownership, thereby acquiring control over RWEI (see Note 24).

The summarized financial information of materialassociates and joint ventures of the Group, and the reconciliation with the carrying amounts of the investments in the consolidated financial statements are shown below:

2024 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH	BrightNight	UPC Power
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate	Joint venture	Joint Venture	Joint Venture
Functional currency	PHP₱	PHP₱	PHP₱	VND (in billions)	US$	PHP₱	PHP₱	US$	VND (in billions)	USD	USD
Dividends received	**₱284.33**	**₱28.99**	**₱–**	**₫32.12**	**$24.56**	**₱–**	**₱–**	**$–**	**₫–**	**$**	**$**
Summarized Statements of Financial Position:											
Cash and cash equivalents	**₱382.43**	**₱360.50**	**₱829.07**	**₫119.07**	**$74.46**	**₱1,090.60**	**₱392.71**	**₱14.71**	**₫669.26**	**$36.35**	**$8.70**
Other current assets	**2,182.06**	**1,461.77**	**1,136.38**	**956.80**	**225.96**	**122.71**	**372.84**	**11.68**	**1,164.39**	**2.80**	**18.25**
Noncurrent assets	**20,312.38**	**10,344.36**	**964.85**	**4,858.26**	**2,466.38**	**4,594.72**	**4,698.09**	**198.67**	**14,635.07**	**34.15**	**61.86**
Total assets	**22,876.87**	**12,166.63**	**2,930.30**	**5,934.13**	**2,766.80**	**5,808.03**	**5,463.64**	**225.06**	**16,468.72**	**73.30**	**88.81**
Accounts and other payables	**396.56**	**126.07**	**643.95**	**27.12**	**25.94**	**212.39**	**320.03**	**5.10**	**5.44**	**3.82**	**4.91**
Short-term loans	**–**	**–**	**62.50**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Lease liabilities - current portion	**1.04**	**1.04**	**6.69**	**–**	**1.25**	**–**	**1.39**	**–**	**–**	**–**	**–**
Long-term loan - current portion	**600.68**	**486.13**	**–**	**477.55**	**39.00**	**4,659.08**	**438.77**	**27.00**	**659.44**	**–**	**24.17**
Other current liabilities	**343.39**	**147.82**	**46.04**	**6.32**	**16.44**	**118.58**	**–**	**0.49**	**35.24**	**2.60**	**7.23**
Lease liabilities - net of current portion	**38.63**	**38.63**	**14.87**	**–**	**3.42**	**–**	**–**	**0.06**	**–**	**5.51**	**22.06**
Long-term loan - net of current portion	**8,953.60**	**5,863.88**	**–**	**3,378.92**	**952.24**	**–**	**739.10**	**115.91**	**5,848.37**	**0.06**	**–**
Other noncurrent liabilities	**2,112.10**	**1,368.54**	**2.16**	**629.03**	**646.13**	**103.66**	**22.26**	**9.06**	**3,015.00**	**6.01**	**1.06**
Total Liabilities	**12,446.00**	**8,032.11**	**776.21**	**4,518.94**	**1,684.42**	**5,093.71**	**1,521.55**	**157.62**	**9,563.49**	**18.00**	**59.43**
Equity	**₱10,430.87**	**₱4,134.52**	**₱2,154.09**	**₫1,415.19**	**$1,082.38**	**₱714.32**	**₱3,942.09**	**$67.44**	**₫6,905.23**	**$55.30**	**$29.38**
Share in equity	**₱3,449.74**	**₱2,014.40**	**₱1,057.13**	**₫497.24**	**$222.79**	**₱367.48**	**₱981.29**	**$40.67**	**₫3,383.56**	**$27.65**	**$24.48**
Notional goodwill	**3,264.62**	**1,184.20**	**285.71**	**363.00**	**2.58**	**–**	**–**	**0.60**	**20.68**	**–**	**19.30**
Carrying value of investments in functional currency	**₱6,714.36**	**₱3,198.60**	**₱1,342.84**	**₫860.24**	**$225.37**	**₱367.48**	**₱981.29**	**$41.27**	**3,404.24**	**27.65**	**43.78**
Carrying value of investments in Philippine Peso	**₱6,714.36**	**₱3,198.60**	**₱1,342.84**	**₱1.96**	**₱12,472.93**	**₱367.48**	**₱981.29**	**₱2,337.42**	**₱5.49**	**₱3,781.62**	**₱1,626.16**
CTA	**–**	**–**	**–**	**(0.01)**	**563.60**	**–**	**–**	**49.84**	**0.06**	**(6.00)**	**177.96**
Carrying value of investments in reporting currency	**₱6,714.36**	**₱3,198.60**	**₱1,342.84**	**₱1.95**	**₱13,036.53**	**₱367.48**	**₱981.29**	**₱2,387.26**	**₱5.55**	**₱3,775.62**	**₱1,804.12**

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH	BrightNight	UPC Power
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate	Joint venture	Joint Venture	Joint Venture
Functional currency	PHP₱	PHP₱	PHP₱	VND (in billions)	US$	PHP₱	PHP₱	US$	VND (in billions)	USD	USD
Summarized Statements of Comprehensive Income:										**$**	**$**
Revenue	**₱2,767.41**	**₱2,084.44**	**₱3,651.78**	**₫1,235.03**	**$338.14**	**₱785.96**	**₱1,128.41**	**$36.24**	**₫151.82**	**$0.69**	**$9.14**
Depreciation and amortization	**365.63**	**365.48**	**143.15**	**282.38**	**39.92**	**145.62**	**311.68**	**15.74**	**(36.93)**	**0.32**	**3.37**
Interest income	**102.29**	**87.89**	**6.71**	**22.71**	**7.78**	**0.31**	**22.20**	**0.02**	**–**	**–**	**–**
Interest expense	**389.75**	**389.75**	**44.03**	**590.80**	**43.44**	**651.68**	**102.78**	**14.36**	**(50.81)**	**3.11**	**1.56**
Income tax expense	**149.81**	**103.29**	**103.23**	**23.30**	**83.87**	**20.44**	**22.77**	**(0.35)**	**0.22**	**–**	**–**
Other cost and expense	**649.11**	**560.52**	**2,565.37**	**99.37**	**40.57**	**105.54**	**412.67**	**12.81**	**294.43**	**5.40**	**17.09**
Net income (loss)	**1,315.40**	**753.29**	**802.71**	**261.89**	**138.12**	**(137.01)**	**300.71**	**(6.30)**	**(55.09)**	**(8.14)**	**(12.88)**
Other comprehensive (loss) income	**(0.74)**	**(0.74)**	**(0.08)**	**(5.78)**	**2.59**	**0.00**	**(13.58)**	**(2.22)**	**–**	**–**	**–**
Total comprehensive income (loss) at functional currency	**₱1,314.66**	**₱752.55**	**₱802.63**	**₫256.11**	**$140.71**	**(₱137.01)**	**₱287.13**	**($8.52)**	**(₫55.09)**	**($8.14)**	**($12.88)**
Group's share in total comprehensive income (loss) at functional currency	**₱506.62**	**₱239.78**	**₱374.34**	**₫78.57**	**$20.64**	**(₱67.45)**	**₱75.00**	**($4.18)**	**(₫16.53)**	**($4.07)**	**($10.73)**
Total comprehensive income (loss) in Philippine Peso	**₱1,314.66**	**₱752.55**	**₱802.63**	**₱0.23**	**₱8,211.29**	**(₱137.01)**	**₱287.13**	**(₱576.49)**	**(₱0.13)**	**(₱56.78)**	**(₱743.93)**
Group's share in total comprehensive income (loss) in Philippine Peso	**₱506.62**	**₱239.78**	**₱374.34**	**₱0.07**	**₱1,204.47**	**(₱67.45)**	**₱75.00**	**(₱282.83)**	**(₱0.04)**	**(₱28.39)**	**(₱619.75)**

2023 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate
Functional currency	PHP₱	PHP₱	PHP₱	VND (in billions)	US$	PHP₱	PHP₱	US$
Dividends received	₱471.00	₱74.32	₱–	₫ 67.95	$11.88	₱–	₱–	$–
Summarized Statements of Financial Position:								
Cash and cash equivalents	₱575.31	₱320.23	₱162.44	₫233.12	$248.94	₱744.53	₱565.01	₱12.85
Other current assets	2,746.70	1,655.31	856.20	738.50	95.10	206.83	365.57	12.80
Noncurrent assets	16,257.43	9,689.02	1,084.21	5,136.81	2,628.10	4,828.05	4,610.36	224.32
Total assets	19,579.44	11,664.56	2,102.85	6,108.43	2,972.14	5,779.41	5,540.94	249.97
Accounts and other payables	675.07	630.43	398.69	9.92	5.38	225.94	298.71	4.92
Short-term loans	–	–	300.00	–	–	4,474.54	–	–
Lease liabilities - current portion	1.04	1.04	8.48	–	0.81	–	1.31	–
Long-term loan - current portion	494.16	485.80	–	–	44.00	–	399.53	12.40
Other current liabilities	376.08	175.85	–	487.87	34.86	–	–	0.38
Lease liabilities - net of current portion	40.01	40.01	29.41	–	1.10	–	–	0.06
Long-term loan - net of current portion	9,018.69	6,350.55	–	3,685.76	989.96	–	1,173.33	147.54
Other noncurrent liabilities	160.84	158.60	1.28	657.77	648.18	235.25	12.38	9.03
Total Liabilities	10,765.89	7,842.28	737.86	4,841.32	1,724.29	4,935.73	1,885.26	174.33
Equity	₱8,813.55	₱3,822.28	₱1,364.99	₫1,267.11	$1,247.85	₱843.68	₱3,655.68	$75.64
Share in equity	₱2,722.98	₱1,308.20	₱682.83	₫452.74	$226.20	₱434.94	₱909.69	$45.60
Notional goodwill	3,264.62	1,184.20	285.71	363.00	2.58	–	–	0.60
Carrying value of investments in functional currency	₱5,987.60	₱2,492.40	₱968.54	₫815.74	$228.78	₱434.94	₱909.69	$46.20
Carrying value of investments in Philippine Peso	₱5,987.60	₱2,492.40	₱968.54	₱1.87	₱12,865.62	₱434.94	₱909.69	₱2,543.98
CTA	–	–	–	(0.01)	(197.86)	–	–	14.37
Carrying value of investments in reporting currency	₱5,987.60	₱2,492.40	₱968.54	₱1.86	₱12,667.76	₱434.94	₱909.69	₱2,558.35

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate
Functional currency	PHP₱	PHP₱	PHP₱	VND (in billions)	US$	PHP₱	PHP₱	US$
Summarized Statements of Comprehensive Income:								
Revenue	₱3,178.18	₱2,439.14	₱616.11	₫1,310.37	$398.42	₱953.98	₱1,106.40	$34.87
Depreciation and amortization	365.26	365.26	143.1	282.98	43.788	0.31	296.46	16.54
Interest income	118.66	69.33	9.64	28.37	5.827	0.21	22.23	0.09
Interest expense	408.4	408.4	84.96	564.84	44.864	290.36	106.97	15.9
Income tax expense	145.69	145.68	1.81	45.28	90.298	73.61	26.8	0.17
Other cost and expense	420.16	355.66	776.67	59.34	73.75	153.07	312.97	10.27
Net income (loss)	1,720.01	1,094.81	(400.07)	329.56	139.89	436.42	340.97	(8.10)
Other comprehensive (loss) income	(2.18)	(2.18)	(0.11)	–	(2.78)	–	2.18	(1.44)
Total comprehensive income (loss) at functional currency	₱1,717.83	₱1,092.63	(₱400.18)	₫329.56	$137.11	₱436.42	₱343.15	($9.54)
Group's share in total comprehensive income (loss) at functional currency	₱678.87	₱260.40	(₱200.09)	₫98.87	$23.61	₱218.21	₱86.34	($4.90)
Total comprehensive income (loss) in Philippine Peso	₱1,717.83	₱1,092.63	(₱400.18)	₱0.78	₱7,630.86	₱–	₱343.15	(₱501.84)
Group's share in total comprehensive income (loss) in Philippine Peso	₱678.87	₱260.40	(₱200.09)	₱0.23	₱1,312.90	₱218.21	₱86.34	(₱276.87)

2022 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	Salak-Darajat	MGI
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Associate	Associate
Functional currency	PHP₱	PHP₱	PHP₱	VND (in billions)	US$	PHP₱
Dividends received	₱542.32	₱30.46	₱–	₫66.98	$26.53	₱–
Summarized Statements of Comprehensive Income:						
Revenue	₱2,170.93	₱2,222.16	₱3,328.21	₫1,204.47	$371.77	₱972.92
Depreciation and amortization	358.32	367.47	141.35	282.98	42.36	270.71
Interest income	31.21	22.60	0.19	18.78	1.93	12.75
Interest expense	273.26	272.51	17.93	331.09	0.40	149.99
Income tax expense	122.58	121.03	29.82	18.38	98.64	15.40
Other cost and expense	398.28	461.94	3,222.91	271.37	109.61	377.64
Net income (loss)	987.28	976.61	(83.99)	281.87	118.83	146.43
Other comprehensive income	–	–	–	–	0.29	–
Total comprehensive income (loss) at functional currency	₱987.28	₱976.61	(₱83.99)	₫281.87	$119.12	₱146.43
Group's share in total comprehensive income (loss) at functional currency	₱556.39	₱51.39	(₱42.03)	₫83.95	$23.91	₱38.32
Total comprehensive income (loss) in Philippine Peso	₱987.28	₱976.61	(₱83.99)	₱0.65	₱6,641.61	₱146.43
Group's share in total comprehensive income (loss) in Philippine Peso	₱556.39	₱51.39	(₱42.03)	₱0.19	₱1,306.48	₱38.32

7. Investments in Redeemable Preferred Shares and Convertible Loans

The Group's investments in redeemable preferred shares and convertible loans are shown below:

	2024	2023
Redeemable preferred shares		
AMI AC Renewables Corporation (AAR)	**₱7,254,017**	₱6,943,641
Impact Wind Investments Limited (Impact Wind)	**2,734,487**	1,419,454
BIM Wind Joint Stock Company (BIM Wind)	**2,327,794**	2,232,294
NEFIN Limited (NEFIN)	**2,007,222**	1,713,369
BIM Renewable Energy Joint Stock Company (BIMRE)	**1,410,647**	1,350,290
BIM Energy Joint Stock Company (BIME)	**246,140**	235,610
UPC-AC Energy Solar Limited (UPC-ACE Solar)	–	4,323,868
UPC Renewables Asia III Ltd. (UPC Asia III)	–	1,210,630
	15,980,307	19,429,156
Subscription deposits		
Beacon Capital Holdings Limited	–	1,356,565
UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)	–	110,740
	–	1,467,305
Convertible loans		
Vietnam Wind Energy Limited (Vietnam Wind)	**2,112,850**	2,113,578
Asian Wind Power 1 HK Ltd (Asian Wind 1)	**940,803**	900,549
Asian Wind Power 2 HK Ltd (Asian Wind 2)	**907,414**	868,589
	3,961,067	3,882,716
	19,941,374	24,779,177
Allowance for expected credit losses	**2,112,850**	3,145,378
Balance at end of year	**₱17,828,524**	₱21,633,799

<u>Investments in redeemable preferred shares and subscription deposits</u>

The rollforward analysis of this account follows:

			2024
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	**₱19,429,156**	**₱1,467,305**	**₱20,896,461**
Additions	**1,665,068**	**228,144**	**1,893,212**
Redemption (Note 20)	**(1,389,659)**	–	**(1,389,659)**
Reclassification to:			
Financial asset at FVOCI	**(3,861,101)**	–	**(3,861,101)**
Investment in joint venture (Note 6)	–	**(1,695,449)**	**(1,695,449)**
Receivables	**(12,147)**	–	**(12,147)**
Cumulative translation adjustment	**148,990**	–	**148,990**
	15,980,307	–	**15,980,307**
Allowance for impairment	–	–	–
Balances at end of year	**₱15,980,307**	**₱–**	**₱15,980,307**

			2023
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	₱17,357,156	₱432,867	₱17,790,023
Additions	2,433,046	1,467,305	3,900,351
Conversion	176,219	(176,222)	(3)
Redemption	(74,752)	(249,236)	(323,988)
Reclassification			
Financial asset at FVOCI	(353,340)	–	(353,340)
Investment in joint venture	(1,859)	–	(1,859)
Cumulative translation adjustment	(107,314)	(7,409)	(114,723)
	19,429,156	1,467,305	20,896,461
Allowance for impairment	878,429	–	878,429
Balances at end of year	₱18,550,727	₱1,467,305	₱20,018,032

Investments in redeemable preferred shares

a. AMI AC Renewables Corporation (AAR)

Redeemable Class A and Class B preference shares in AAR are entitled to dividends at a fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

AAR owns a combined 80 MW of solar farms in Khan Hoa and Dak Lak Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US$125.40 million (₱7,254.02 million), and US$125.40 million (₱6,943.64 million), respectively.

b. Impact Wind Investments Limited (Impact Wind)

In February 2023, the Group entered into a Party B Financing Bond Subscription Agreement with Mitsubishi Corporation, and Monsoon Wind B.V. to subscribe to Party B Financing to fund the construction of the 600MW Monsoon Wind Project (see Note 6). The financing has an aggregate total amount of US$80.40 million of which US$65.00 million is allocated to the Group. The Party B Financing has a fixed interest rate, payable until March 31, 2043.

In 2024 and 2023, total subscriptions amounted to US$21.64 million (₱1,235.74 million) and US$27.01 million (₱1,497.57 million) with redemption of US$1.38 million (₱74.75 million), respectively.

As at December 31, 2024 and 2023, the carrying amount is US$47.27 million (₱2,734.49 million), and US$25.64 million (₱1,419.45 million), respectively.

c. BIM Wind Joint Stock Company (BIM Wind)

On December 21, 2021, the Group converted deposit for future equity in BIM Wind into 300,000 redeemable preference shares. The redeemable preference shares are non-voting shares entitled to dividends at a fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations.

BIM Wind owns and operates an 88 MW wind project in the Province Ninh Thuan, Vietnam. In 2023, the Group converted its subscription deposits to redeemable preferred shares for a total of $3.14 million (₱176.22 million) .

As at December 31, 2024 and 2023, the carrying amount is US$40.24 million (₱2,327.79 million), and US$40.32 million (₱2,232.29 million), respectively.

d. NEFIN Limited (NEFIN)

In 2022, the Group entered into a Shareholder's Agreement with NEFIN Limited to subscribe to the latter's Construction Equity Redeemable Preference Shares which are non-voting shares entitled to a fixed, cumulative compounding dividend annually and are not entitled to any additional dividends. The shares are redeemable only by cash at the issuer's option.

NEFIN installs utility-scale rooftop solar projects, commercial and industrial renewable energy systems.

In 2024, US$3.50 million (₱202.46 million) was collected while US$0.26 million (₱12.15 million) was reclassified to receivables.

For the year ended December 31, 2024 and 2023, total subscriptions amounted to US$7.47 million (₱433.48 million) and US$10.45 million (₱582.13 million), respectively.

As at December 31, 2024 and 2023, the carrying amount is US$34.70 million (₱2,007.22 million), and US$30.94 million (₱1,713.37 million), respectively.

e. BIM Renewable Energy Joint Stock Company (BIMRE)

On November 4, 2019, the Group converted deposit for future equity in BIMRE into 3,437,000 redeemable Class A preference shares and 3,437,000 redeemable Class B preference shares.The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of the operations of the project which is expected in 20 years from commercial operations. In 2020, the Group converted its subscription deposit to 928,093 Redeemable Class A and 928,093 Redeemable Class B shares.

BIMRE owns 300 MW of solar farms in Ninh Thuan Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US$23.39 million (₱1,410.65 million), and US$24.39 million (₱1,350.29 million), respectively.

f. BIM Energy Joint Stock Company (BIME)

On November 4, 2019, the Group also converted deposit for future equity in BIME into 343,700 redeemable Class A preference shares and 343,700 redeemable Class B preference shares. The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis but no earlier than the 13th year (for Class A) and

7th year (for Class B) from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.
BIME owns 30 MW of solar farms in Ninh Thuan Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US$4.26 million (₱246.14 million), and US$4.26 million (₱235.61 million), respectively.

g. UPC-AC Energy Solar Limited (UPC-ACE Solar)

In 2021 and 2020, the Group entered into different Share Subscription Agreement with UPC-ACE Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations.

UPC-ACE Solar owns and operate the 50MW Paryapt Solar Plant located in Gujarat Province and 100MW Sitara Solar Plant located in Rajastan Province in India. Both projects achieved commercial operations in April 2021 and May 2021, respectively. UPC-ACE Solar also owns Masaya Solar, a 420MW operating solar farm in the Central Indian state of Madhya Pradesh.

On March 31, 2023, the Group subscribed to redeemable Class B preference shares of UPC-ACE Solar amounting to US$6.50 million (₱353.34 million) which was subsequently reclassified to financial assets at FVOCI. The unquoted equity investments represent investment in the India Projects that are engaged in wind power generation and operation.

In 2024, investment in UPC-ACE Solar's Redeemable Preference Share Class A (classified as investment in redeemable preferred shares and convertible loans) with a net carrying amount of US$59.46 million (₱2,922.27 million) was reclassified to investments in financial assets at fair value through other comprehensive income (FVOCI) due to change in business model. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payable upon discretion of the board, and (c) no fixed redemption date. Prior to reclassification, the investment has an allowance for expected credit losses amounting to US$16.54 million (₱938.83 million), of which US$1.05 million (₱59.71 million) was recognized in the consolidated statement of income.

As at December 31, 2024, the fair value of the investments in UPC-ACE Solar's Redeemable Preference Share Class A and B using a discount rate of 10.9% was US$59.99 million (₱3,469.88 million). Unrealized fair value loss on equity instruments at FVOCI for the year ended December 31, 2024 amounted to US$43.04 million (₱1,864.41 million) was recognized in the statement of comprehensive income.

For the years ended December 31, 2024 and 2023, the Group provided ECL provision amounting to US$1.05 million (₱59.71 million) and US$15.47 million (₱878.43 million), respectively (see Note 18).

As at December 31, 2024 and 2023, the carrying amount is nil, and US$62.23 million (₱3,445.44 million), respectively.

h. UPC Renewables Asia III Ltd. (UPC Asia III)

Redeemable Class A preference shares in UPC Asia III are non-voting shares and are redeemable at the holder's option within 30 days from the earlier of July 15, 2035 or the date as soon as funds are realized by UPC Asia III or its subsidiaries. The shares are entitled to dividends at fixed, cumulative and compounding rate annually, commencing from January 11, 2017.

UPC Asia III owns a 75 MW Wind Farm in South Sulawesi, Indonesia.

On June 29, 2024, the Group redeemed RPS Class A from UPC Asia III, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of date of the resolution. The redemption resulted to a gain of US$25.92 million (₱1,520.55 million) (see Note 20).

As at December 31, 2024 and 2023, the carrying amount is nil, and US$21.86 million (₱1,210.63 million), respectively.

<u>Subscription Deposits</u>

a. Beacon Capital Holdings Limited

On December 18, 2023, the Group entered into a Reservation Agreement with Beacon Capital Holdings Limited and Huntington Renewable Investments Limited, to acquire a 49% equity stake in BIM Energy Holdings, BIM Group's holding company for renewable projects in Vietnam. The transaction is subject to condition precedents, including regulatory approval in Vietnam. As part of the transaction, the Group provided a reservation deposit amounting to US$24.50 million (₱1,356.57 million).

In November 2024, the reservation fee amounting to US$24.50 million (₱1,356.57 million) was reclassified as part of Investment in BIM Energy Holding Corporation, an associate (see Note 6).

b. UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)

On December 13, 2023, the Group entered into an agreement with UPC Renewables Asia Pacific Holdings Pte Ltd, for the 49% acquisition of 3 late-stage development projects in Indonesia, with a combined potential capacity of 320MW. The projects are located in South Sulawesi, Sukabumi, and Lombok. As part of the transaction, the Group provided a subscription deposit amounting to $2.00 million.

In 2024, total subscriptions amounted to US$3.78 million (₱228.14 million).

In 2024, the subscription deposits to UPCAPH amounting to ₱338.88 million (US$5.78 million) was reclassified as subscription to PT Lombok, PT Sidrap 2 and PT Sukabumi, accounted as associates and joint ventures (see Note 6).

As at December 31, 2024 and 2023, the carrying amount is nil and US$2.00 million (₱110.74 million).

Convertible loans

The roll forward analysis of this account follows:

	2024	2023
Balance at beginning of year	**₱3,882,716**	₱4,755,293
Additions	**–**	1,807,639
Redemptions	**–**	(2,341,774)
Cumulative translation adjustment	**78,351**	(338,442)
	3,961,067	3,882,716
Allowance for impairment (Note 18)	**2,112,850**	2,266,949
Balance at end of year	**₱1,848,217**	₱1,615,767

a. Vietnam Wind Energy Limited (Vietnam Wind)

On April 17, 2020, the Group entered into an agreement with Vietnam Wind, to make available a convertible term loan facility in an aggregate amount of US$38.00 million (₱1,841.67 million). The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preferred shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends, redeemable at the issuer's option. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years after the drawdown date.

As at December 31, 2024 and 2023, the outstanding loan amounted to US$38.00 million (₱2,112.85 million and ₱2,113.58 million) for both years ended, and are fully impaired.

b. Asian Wind Power 1 HK Ltd (Asian Wind 1)

On April 12, 2019, AC Energy Vietnam Investments 2 Pte. Ltd. Entered into an agreement with Asian Wind 1 to make available a convertible term loan facility in aggregate principal amount not exceeding US$26.00 million (₱1,260.09 million). The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 25 years after the drawdown date.

On September 29, 2023, Asian Wind 1 repaid the outstanding convertible loan facility amounting to US$26.00 million (₱1,318.77 million).

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 1 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US$16.26 million (₱920.15 million), payable on July 31, 2040. The Group has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years from commissioning date.

As at December 31, 2024 and 2023, the outstanding loan US$16.26 million (₱940.80 million) and US$16.26 million (₱900.55 million), respectively.

c. Asian Wind Power 2 HK Ltd (Asian Wind 2)

On March 25, 2020, the Group entered into an agreement with Asian Wind 2, to make available a convertible term loan facility in an aggregate amount not exceeding US$23,000,000. The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A redeemable preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 25 years after the drawdown date.

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 2 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US$15.69 million (₱887.49 million), payable on October 31, 2041. The Group, from time to time, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years from commissioning date.

On September 29, 2023, Asian Wind 2 repaid the outstanding convertible loan facility amounting to US$21.29 million (₱1,023.00 million).

As at December 31, 2024 and 2023, the outstanding loan US$15.69 million (₱907.41 million) and US$15.69 million (₱868.59 million), respectively.

Allowance for expected credit losses (ECL)

In determining the ECL, the Group has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.

For the years ended December 31, 2024 and 2023, the Group recognized allowance for impairment of US$1.06 million (₱60.40 million) and US$15.47 million (₱878.43 million), in redeemable preferred shares in UPC-ACE Solar, respectively (Note 18).

For the years ended December 31, 2024 and 2023, the Group recognized reversal of allowance for impairment loss of US$2.77 million (₱154.10 million) and provision of US$17.73 million (₱982.54 million) in convertible loan to Vietnam Wind, respectively (Note 18).

Investments in redeemable preferred shares and convertible loans bear interest ranging from 8.8% to 14.0% per annum and 8.0% to 14.0% per annum for the year ended December 31, 2024 and 2023, respectively.

Interest income
The Group earns interest income from its investments in redeemable preferred shares and convertible loans amounting to (Note 20):

	2024	2023	2022
Redeemable preferred shares			
AAR	**₱933,952**	₱907,287	₱842,187
UPV Solar	**335,018**	554,893	427,498
BIM Wind	**367,901**	383,421	510,227
UPC Asia III	**68,276**	256,680	231,016
BIMRE	**197,764**	180,476	175,757
NEFIN	**179,273**	128,350	33,724
Impact Wind	**209,644**	67,283	–
BIME	**44,024**	31,562	30,736
	2,335,852	2,509,952	2,251,145
Convertible loans			
Vietnam Wind	**353,556**	277,924	–
Asian Wind 1	**116,916**	178,097	206,486
Asian Wind 2	**109,909**	171,365	170,195
UPC-ACE Australia	–	–	847,085
	580,381	627,386	1,223,766
	₱2,916,233	₱3,137,338	₱3,474,911

8. Property, Plant and Equipment

The roll forward of this account follows:

	2024							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	**₱1,884,063**	**₱775,693**	**₱21,470,430**	**₱241,464**	**₱3,621,833**	**₱324,648**	**₱68,765,540**	**₱97,083,671**
Transfer from other noncurrent assets	**1,568**	**283,793**	**625,416**	**75,053**	**58,295**	**98,951**	**36,680,279**	**37,823,355**
Capitalization of borrowing cost	**–**	**–**	**2,634,809**	**–**	**–**	**–**	**–**	**2,634,809**
Transfer to advances for land acquisition	**45,761**	**–**	**–**	**–**	**–**	**–**	**–**	**45,761**
Transfer to advances to supplier	**–**	**–**	**–**	**–**	**–**	**–**	**(1,868,438)**	**(1,868,438)**
Reclassifications	**(1,607)**	**1,656,029**	**35,084,050**	**5,720**	**5,022,477**	**16,736**	**(41,783,405)**	**–**
Others	**(500,761)**	**–**	**(4,963)**	**(13,132)**	**10,118**	**(773)**	**(243,802)**	**(753,313)**
Cumulative translation adjustments	**(635)**	**(32)**	**(2,072,182)**	**(1,704)**	**(3,714)**	**(2,229)**	**(814,202)**	**(2,894,698)**
Balance at end of year	**1,428,389**	**2,715,483**	**57,737,560**	**307,401**	**8,709,009**	**437,333**	**60,735,972**	**132,071,147**
Accumulated depreciation								
Balance at beginning of year	**52,799**	**172,707**	**6,629,493**	**84,785**	**535,855**	**178,953**	**–**	**7,654,592**
Depreciation (Notes 17 and 18)	**11,421**	**101,444**	**1,735,810**	**62,625**	**107,006**	**91,555**	**–**	**2,109,861**
Others	**–**	**–**	**(2,564)**	**(11,604)**	**–**	**(466)**	**–**	**(14,634)**
Reclassification	**–**	**–**	**266,708**	**–**	**(266,565)**	**(143)**	**–**	**–**
Cumulative translation adjustments	**–**	**(27)**	**(45,107)**	**131**	**12,206**	**(2,720)**	**–**	**(35,517)**
Balance at end of year	**64,220**	**274,124**	**8,584,340**	**135,937**	**388,502**	**267,179**	**–**	**9,714,302**
Accumulated impairment loss								
Balance at beginning of year	**–**	**–**	**81,071**	**–**	**–**	**–**	**419,757**	**500,828**
Reclassification	**–**	**–**	**310,567**	**–**	**–**	**–**	**(310,567)**	**–**
Others (Note 18)	**–**	**–**	**185**	**–**	**–**	**–**	**3,372**	**3,557**
Balance at end of year	**–**	**–**	**391,823**	**–**	**–**	**–**	**112,562**	**504,385**
Net Book Value	**₱1,364,169**	**₱2,441,359**	**₱48,761,397**	**₱171,464**	**₱8,320,507**	**₱170,154**	**₱60,623,410**	**₱121,852,460**

	2023							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	₱1,630,642	₱746,608	₱21,225,288	₱171,700	₱1,581,570	₱200,112	₱39,903,473	₱65,459,393
Additions	269,189	29,085	339,128	84,962	88,100	115,213	25,255,883	26,181,560
Capitalization of borrowing cost	–	–	1,852,968	–	–	–	–	1,852,968
Transfer to/from other noncurrent assets	(15,682)	–	506	–	–	–	3,016,519	3,001,343
Transfer from advances to contractors	–	–	–	–	–	–	500,669	500,669
Others	–	–	9,737	(23,667)	–	9,705	12,892	8,667
Reclassification	–	–	(1,956,535)	8,482	1,956,025	(378)	(7,594)	–
Cumulative translation adjustments	(86)	–	(662)	(13)	(3,862)	(4)	83,698	79,071
Balance at end of year	1,884,063	775,693	21,470,430	241,464	3,621,833	324,648	68,765,540	97,083,671
Accumulated depreciation								
Balance at beginning of year	41,588	107,284	5,856,960	48,433	401,776	108,865	–	6,564,906
Depreciation (Notes 17 and 18)	11,211	65,423	838,702	47,020	72,659	70,623	–	1,105,638
Others	–	–	(66,614)	(9,925)	61,420	(759)	–	(15,878)
Cumulative translation adjustments	–	–	445	(743)	–	224	–	(74)
Balance at end of year	52,799	172,707	6,629,493	84,785	535,855	178,953	–	7,654,592
Accumulated impairment loss								
Balance at beginning of year	–	–	81,071	–	–	–	415,188	496,259
Provision for impairment loss (Note 18)	–	–	–	–	–	–	4,569	4,569
Balance at end of year	–	–	81,071	–	–	–	419,757	500,828
Net Book Value	₱1,831,264	₱602,986	₱14,759,866	₱156,679	₱3,085,978	₱145,695	₱68,345,783	₱88,928,251

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

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

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

**Projects that are currently under testing and commissioning as of December 31, 2024 and 2023.*
***Excluding transmission line with % completion of 55% as of December 31, 2024*

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC to AREIT shares in exchange for a 276-hectare parcel of land located in Zambales, Philippines. Total cost of the land disposed during the transaction amounted to ₱500.76 million (see Note 20).

<u>Unpaid Property, Plant and Equipment</u>
As at December 31, 2024 and 2023, unpaid property, plant and equipment acquisitions amounted to ₱1,006.93 million and ₱378.11 million , respectively (see Note 28).

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

<u>Mortgaged Property, Plant and Equipment</u>
NorthWind's Land, Wind Turbine Generator, Building and Machinery with carrying value of ₱1,686.80 million and ₱1,853.11 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for a long-term loan (see Note 13).

Guimaras Wind's wind farm with carrying value of ₱3,274.29 million and ₱3,374.16 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).

MONTESOL's solar power plant with a carrying value of ₱803.50 million and ₱849.97 million as at December 31, 2024 and 2023, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).

SACASOL's solar power plant with a carrying value of ₱2,346.19 million and ₱2,494.44 million as at December 31, 2024 and 2023, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).

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

Depreciation
Total depreciation charged to operations amounted to ₱1,751.38 million, ₱934.09 million and ₱1,668.05 million in 2024, 2023 and 2022, respectively. The amount charged to "General and administrative expenses" account amounted to ₱358.48 million, ₱171.54 million and ₱170.78 million in 2024, 2023 and 2022, respectively (see Notes 17 and 18).

Others
The Group has no significant property, plant and equipment which are temporarily idle as at December 31, 2024 and 2023.

The Group's fully depreciated property, plant and equipment which are still in use as at December 31, 2024 and 2023 amounted to ₱2,324.56 million and ₱2,058.59 million, respectively.

9. Right-of-Use Assets and Lease Liabilities

The roll forward of these accounts follows:

	2024						
	Right-of-Use Assets						
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Lease Vehicle	Total	Lease Liabilities
As at January 1, 2024	**₱997,494**	**₱2,768,970**	**₱1,127,076**	**₱3,320,164**	**₱–**	**₱8,213,704**	**₱8,356,801**
New lease agreements (Note 20)	**547,629**	–	**108,676**	–	**41,270**	**697,575**	**6,507,081**
Acquired through business combination (Note 24)	–	–	–	**102**	–	**102**	–
Remeasurements	**(5,223)**	**(62,109)**	**345,831**	**(48,174)**	–	**230,325**	**(112,127)**
Amortization expense (Notes 17 and 18)	**(10,704)**	**(77,262)**	**ar(190,138)**	**(42,834)**	**(1,891)**	**(322,829)**	–
Capitalized interest (amortization)	**(66,613)**	**(30,422)**	**(157,224)**	**(1,779)**	**(3,367)**	**(259,405)**	**454,790**
Disposal	–	–	**(10,732)**	–	–	**(10,732)**	**(9,550)**
Reclassifications	–	–	**29,709**	**(29,709)**		–	–
Interest expense (Note 19)	–	–	–	–	–	–	**344,663**
Payments	–	–	–	–	–	–	**(881,200)**
Foreign exchange adjustments	–	–	**(93,784)**	–	–	**(93,784)**	**(162,016)**
As at December 31, 2024	**1,462,583**	**2,599,177**	**1,159,414**	**3,197,770**	**36,012**	**8,454,956**	**14,498,442**
Less current portion	–	–	–	–	–	–	**1,889,401**
Noncurrent portion	**₱1,462,583**	**₱2,599,177**	**₱1,159,414**	**₱3,197,770**	**₱36,012**	**₱8,454,956**	**₱12,609,041**

	2023					
	Right-of-Use Assets					
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Total	Lease Liabilities
As at January 1, 2023	₱159,478	₱1,966,849	₱921,258	₱679,062	₱3,726,647	₱4,465,021
New lease agreements	856,214	535,823	381,739	2,357,117	4,130,893	3,913,668
Remeasurement	19	376,324	(4,685)	337,924	709,582	384,807
Amortization expense (Notes 17 and 18)	(11,150)	(101,735)	(143,415)	(51,684)	(307,984)	–
Capitalized interest (amortization)	(17,640)	(8,291)	(27,446)	(66,521)	(119,898)	208,695
Reclassifications	10,573	–	–	(10,573)	–	–
Interest expense (Note 19)	–	–	–	–	–	250,092
Payments	–	–	–	–	–	(773,325)
Foreign exchange adjustments	–	–	(375)	74,839	74,464	(92,157)
As at December 31, 2023	997,494	2,768,970	1,127,076	3,320,164	8,213,704	8,356,801
Less current portion	–	–	–	–	–	850,953
Noncurrent portion	₱997,494	₱2,768,970	₱1,127,076	₱3,320,164	₱8,213,704	₱7,505,848

There was no indicator of impairment identified on the right-of-use asset of the Group as at December 31, 2024 and 2023.

Lease Commitments

Lease with Laguna Lake Development Authority (LLDA)

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

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

New England Solar Farm Stage 2

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

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

Stubbo Solar

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

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

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

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

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

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

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

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

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

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

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

Palauig 2 Solar
On September 26, 2024, the Group executed a lease contract over the property of the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and lessee under such terms and conditions as may acceptable to them. The initial rent is based on a fixed rate per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payment commencing from July 1, 2025 shall be done in advance on a quarterly basis. This lease is part of the sale and leaseback transaction of the Group and its affiliate, AREIT, Inc. (see Note 20).

There was no indicator of impairment identified on the right-of-use asset of the Group as at December 31, 2024 and 2023.

10. Goodwill and Other Intangible Assets

The rollforward of this account follows:

	2024				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	**₱21,164,218**	**₱140,411**	**₱185,347**	**₱2,387,064**	**₱23,877,040**
Acquired from business combination (Note 24)	**1,375,051**	–	–	–	**1,375,051**
Additions	–	–	–	**298,342**	**298,342**
Cumulative translation adjustment	**919,831**	–	–	–	**919,831**
Balance at end of year	**23,459,100**	**140,411**	**185,347**	**2,685,406**	**26,470,264**
Accumulated amortization:					
Balance at beginning of year	–	–	**56,997**	**568,614**	**625,611**
Amortization (Notes 17 and 18)	–	–	**8,287**	**151,300**	**159,587**
Balance at end of year	–	–	**65,284**	**719,914**	**785,198**
Allowance for impairment:					
Balance at beginning and end of year	–	**86,061**	–	–	**86,061**
Net book value	**₱23,459,100**	**₱54,350**	**₱120,063**	**₱1,965,492**	**₱25,599,005**

	2023				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	₱21,190,542	₱143,212	₱185,347	₱2,301,466	₱23,820,567
Acquired from business combination (Note 24)	218,201	–	–	–	218,201
Additions	–	55	–	85,598	85,653
Recoveries from consortium partner	–	(2,856)	–	–	(2,856)
Cumulative translation adjustment	(244,525)	–	–	–	(244,525)
Balance at end of year	21,164,218	140,411	185,347	2,387,064	23,877,040
Accumulated amortization:					
Balance at beginning of year	₱–	₱–	₱48,877	₱416,886	₱465,763
Amortization (Notes 17 and 18)	–	–	8,120	151,728	159,848
Balance at end of year	–	–	56,997	568,614	625,611
Allowance for impairment:					
Balance at beginning and end of year	–	86,061	–	–	86,061
Net book value	₱21,164,218	₱54,350	₱128,350	₱1,818,450	₱23,165,368

Goodwill

In 2024, additions to goodwill came from the acquisition of a controlling interest in Real Wind Energy, Inc. (see Note 24).

In 2023, additions to goodwill came from the acquisition of a controlling interest in YMP Telecom Power, Inc. (see Note 24).

The considerations paid for these combinations effectively included amounts in relation to the benefits of expected synergies and future market growth. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Impairment Testing of Goodwill

The Group performs its impairment test annually and when circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the related cash-generating unit (CGU). The value in use calculation requires the Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

The CGU of the Group are comprised of:

- Philippines
  a. Operating plants – ISLASOL and One Subic Power
  b. Development – Sinocalan, YMP Telecom Power, Inc.
  c. Pre-Development – Real Wind Energy, Inc. and various UPC Philippines entities namely
     i. Buduan Wind Energy Co., Inc.
     ii. Caraballo Mountains UPC Asia Corporation,
     iii. Pangasinan UPC Asia Corporation,
     iv. Sapat Highlands Wind Corporation,
     v. UPC Mindanao Wind Power Corp.,
     vi. Itbayat Island UPC Asia Corporation,
     vii. Laguna Central Renewables, Inc.,
     viii. Laguna West Renewables, Inc.,
     ix. Suyo UPC Asia Corporation, and
     x. SolarAce 4 Energy Corp. (“SolarAce 4")

- International – ACEN Australia

The goodwill arising from the acquisitions in Sinocalan, YMP, UPC-ACE Australia and UPC Philippines are from the established capabilities of its assembled workforce which include:

- Pre-development and development - involving site acquisition, permitting and studies to get the project to a shovel ready state;
- Construction - including sourcing of investors as well as managing the construction of power plants; and
- Operations - covering management of power plants in lieu of hiring third party operators and management

Further, the above acquisition included projects in its pipeline with a view of development projects (new and from the pipeline) for the Group. Through this acquisition, the Group is able to have the capability to develop projects end-to-end from permits and feasibility studies, all the way to construction and operations.

Currently, the assembled workforce oversees the pre-development and development of several potential sites for its projects within the Philippines and Australia.

Key assumptions used in the value-in-use calculations
The recoverable amount is based on the value in use calculations using cash flow projections from the financial budget approved by ACEN management covering the period the CGU is expected to be operational. Based on management assessment, there is no impairment loss to be recognized on goodwill as of December 31, 2024 and 2023 despite reduction in forecasted tariff prices for contracted and merchant renewable power plant. The pre-tax discount rate used is the weighted average cost of capital of comparable entities. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

- Philippines
  - Operating plants
    - Forecasted revenue growth (**2024: 4%-24%**;2023: 2%-10%)
    - EBITDA margin (**2024: 13%-43%**;2023: 2%-10%)
    - Discount rate (**2024: 10.17%**;2023: 10.08%)
  - Development
    - Forecasted revenue growth (**2024: 1%-3%**; 2023: 2%-10%)
    - EBITDA margin (**2024: 69%-71%**; 2023: 2%-10%)
    - Discount rate (**2024: 10.17%**; 2023: 8.48%)

- International – UPC-ACE Australia
  - Forecasted revenue growth (**2024: 2%-7%;** 2023: 2%-10%)
  - EBITDA margin (**2024: 63%-82%**; 2023: 63%-82%)
  - Discount rates (**2024: 7.59%- 9.06%;** 2023: 7.18%-8.32%)

The pre-tax discount rates used in the updated analysis range from 10.17% - 14.52% for Philippines and 7.59% - 8.52% for International which is based on weighted average cost of capital of comparable entities. The growth rate ranges from (2.24%) - 9.97%. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

- Forecasted revenue growth - Revenue forecasts are management's best estimates considering factors such as historical/industry trends, tariffs, target market analysis, government regulations and other economic factors.

  EBITDA margin - This is a measure of a firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation and changes in net working capital and maintenance capital expenditures in arriving at the free cash flow.

- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognized on goodwill as at December 31, 2024 and 2023.

Other Intangible Assets
Intangible assets amounting to ₱2,191.81 million arising from an identifiable Feed-in-Tariff (FIT) contract with remaining life of 13 years was recognized from the acquisition of SACASOL in 2020. This is amortized over a straight-line basis over its remaining life from 2020. The carrying amount as at December 31, 2024 and 2023 amounted to ₱1,471.90 million and ₱1,623.20 million, respectively.

11. **Other Assets**

Other current assets

This account consists of:

	2024	2023
Prepaid expenses	**₱722,209**	₱340,170
Advances to suppliers and contractors	**369,283**	262,358
Derivative asset	**157,662**	177,828
Short-term investments	**161,966**	–
Other current assets	**108**	2,703
	1,411,228	783,059
Less allowance for impairment loss (Note 18)	**34,307**	32,566
	₱1,376,921	₱750,493

Short-term investments include time deposit that have maturity of more than 90 days as at year ended.

Other noncurrent assets

This account consists of:

	2024	2023
Derivative assets (Notes 14 and 24)	**₱4,394,107**	₱6,269,689
Advances to suppliers and contractors	**5,651,193**	1,649,900
Advances for land acquisition	**2,015,292**	1,247,725
Development costs	**646,410**	3,649,457
Others	**343,737**	321,480
	₱13,050,739	₱13,138,251

Derivative assets include the 20-year Long Term Energy Supply Agreements (LTESA) secured by ACEN Australia for its solar projects at the New South Wales (NSW) Government's first renewable energy and storage auction. LTESAs for ACEN Australia's 720 MW New England Solar Project (NESF 1 and NESF 2) and 400 MW Stubbo Solar Project (Stubbo) were secured through the NSW Consumer Trustee's inaugural tender for renewable generation and long duration storage.

LTESA gives the generator the right, but not the obligation, to enter into a strip of two-year electricity swap contracts from July 1, 2026 to June 30, 2047 (referred to as “Swaptions”). If a Swaption is exercised the swap would settle based on the difference between the LTESA fixed price (subject to annual CPI escalation) and the Australia’s National Electricity Market (NEM) spot rate for each MWh of energy produced. The generator receives spot from Australian Energy Market Operator (AEMO), then pays spot to the Scheme Financial Vehicle (SFV) and receives fixed from SFV.

The LTESA contract comprises of a series of ten consecutive swaptions that would deliver a two-year swap if exercised. Each swaption must be exercised in the period of 6-12 months ahead of the swap effective date. If none of the swaptions are exercised then no cash is exchanged between the SFV and the generator over the life of the arrangement, and the claw back mechanism will come into effect. If SFV has been the net payer under the LTESA; and dispatch weighted average price is above its repayment threshold price per contract, then NESF or Stubbo must pay SFV the repayment amount. The repayment money is capped at the amount previously received by NESF or Stubbo during the swaption.

Maturity date of LTESA for NESF and Stubbo is on June 30, 2046 and June 30, 2047, respectively.

Advances to suppliers consist of advance payments for construction costs which will be capitalized to property, plant and equipment once fully rendered by the suppliers.

Advances for land acquisition pertain to partial payments to landowners and service providers related to the acquisition of various property for future renewable projects.

Development costs include expenditures related to the development phase of renewable power plant projects. These include direct expenses that will be reclassified as part of property, plant and equipment upon achievement of certain milestones (e.g. start of construction). These costs are not depreciated or amortized until such time as the relevant assets are completed and available for use. Development cost amounting to ₱5,305.76 million (US$90.53 million) relating to New England Solar Farm 1 was reclassified to property, plant, and equipment upon commercial operations on May 1, 2024.

12. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Accrued expenses	**₱3,433,122**	₱2,782,479
Nontrade payables	**2,886,668**	4,285,756
Trade payables	**2,451,894**	3,095,742
Due to related parties (Note 22)	**2,469,137**	3,195,376
Accrued interest expenses	**1,527,809**	853,578
Output VAT - net	**828,215**	1,294,739
Retention payable	**454,413**	388,404
Accrued director’s and annual incentives	**213,112**	191,792
Derivative liability	**40,308**	10,563
Others	**104,128**	46,957
	₱14,408,806	₱16,145,386

Nontrade payables consist of obligations to third party vendors arising from transactions other than in the regular course of business and are noninterest bearing which are normally settled within the next year. The account also includes those owed to employees, and refundable deposits.

Accrued expenses include billings not yet received from suppliers for construction costs. These are accrual of project costs such as equipment charges, materials, labor, overhead and provision for repair and maintenance. Accrued expenses include construction costs, insurance, sick and vacation leave accruals, and accruals for incentive pay and operating expense such as security fees, plant repairs and maintenance.

Accounts payable and accrued expenses are noninterest-bearing and are normally settled on thirty (30) to sixty (60)-day terms. Other current liabilities are non-interest bearing and are normally settled within one year.

Trade payables pertain to payables to contractors and suppliers for the services rendered and materials used for operations of the power plants.

Output VAT represents VAT recognized as at year-end based on sales of electricity billed to third parties and are normally settled within one month.

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

Short-term Loans

This account consists of:

	2024	2023
As at beginning of year	**₱1,500,000**	₱2,900,000
Availments	**25,600,000**	9,000,000
Payments	**(17,300,000)**	(10,400,000)
Refinance to long-term loans	**(4,200,000)**	–
As at end of year	**₱5,600,000**	₱1,500,000

Interest rates of short-term loans from local banks ranges from 5.40% to 6.38% and 5.52% to 6.50% in 2024 and 2023, respectively.

Total interest expense recognized on short-term loans for the years ended December 31, 2024, 2023 and 2022 amounted to ₱231.54 million, ₱174.58 million and ₱179.92 million, respectively (see Note 19).

Cross-currency swap
On October 13, 2023, ACEN signed a ₱5,000.00 million term loan agreement with a local bank. An amendment was made on August 5, 2024 to allow for the facility to be drawn in US Dollars, Sterling and Euros. Further, a second amendment was made on October 28, 2024 to extend the availability period of the loan to the earliest of i) March 31, 2025, ii) date the commitment is fully drawn, or iii) date the commitment is terminated.

On August 1, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of August 6, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱3,200.00 million at a fixed PHP interest rate.

On August 6, 2024, ACEN drew an equivalent of ₱3,200.00 million with USD notional value of US$54.86 million. Maturity date is on July 24, 2029. This was used to refinance the 3,200.00 million short-term loan that matured on August 6, 2024.

On December 16, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of December 18, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱1,000.00 million at a fixed PHP interest rate.

On December 18, 2024, the Parent Company drew an equivalent of ₱1,000.00 million with USD notional value of US$17.05 million. Maturity date is on April 24, 2030. This was used to refinance the ₱1,000.00 million short-term loan that matured on December 18, 2024.

Long-term Loans

This account consists of:

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
ACEN								
₱1,500.00 million Loan A	₱1,175.00 million	January 11, 2017	July 11, 2029	6.50% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**₱515,827**	₱611,313
₱5,000.00 million Loan B	₱5,000.00 million	November 15, 2019	November 14, 2029	5.0505% to 7.1314% per annum Fixed at 5.0505% for the first 5 years; repricing on the succeeding five (5) years based on the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**4,736,842**	4,789,473
₱7,000.00 million Loan C	₱500.00 million ₱1,000.00 million ₱1,000.00 million	July 15, 2020 August 24, 2020 June 10, 2022	July 15, 2030 July 15, 2030 July 15, 2030	5.00% per annum 5.00% per annum 5.066% to 6.9273% per annum Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**6,823,000**	₱6,907,000

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
	₱2,000.00 million	November 15, 2022	July 15, 2030	7.1720% per annum: repricing on the 3rd and 6th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
	₱2,500.00 million	January 13, 2023	July 15, 2030	6.4580% to 6.9273% per annum Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
₱4,500.00 million Loan D	₱805.00 million ₱2,000.00 million ₱1,695.00 million	March 30, 2021 February 28, 2022 April 11, 2022	March 30, 2031 March 30, 2031 March 30, 2031	7.00% - 7.25% per annum Floating interest rate repriced on every succeeding semi-annual period.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**4,432,500**	₱4,477,500
₱10,000.00 million Loan E	₱3,000.00 million ₱3,000.00 million	December 13, 2022 January 27, 2023	December 13, 2032 December 13, 2032	6.2481% - 6.9698% per annum 6.5826% - 6.9698% per annum Floating interest rate repriced on every succeeding semi-annual period.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**6,000,000**	6,000,000

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
₱10,000.00 million Loan F	₱250.00 million	August 17, 2023	August 17, 2033	7.0891% per annum for the first 2 years; repricing for the 2nd, 4th, 6th, and 8th anniversaries is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	**244,750**	250,000
₱5,000.00 million Loan G	₱500.00 million ₱3,200.00 million (\$54.86 million) ₱1,000.00 million (\$17.04 million)	October 24, 2023 August 6, 2024 December 18, 2024	October 24, 2033 July 24, 2029 April 30, 2030	6.000 – 6.6102% per annum Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown. 5.1280% per annum 5.3310% per annum	Principal and interest payable quarterly Principal and interest payable quarterly Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**4,670,797**	₱500,000
₱20,000.00 million Loan H	₱500.00 million ₱500.00 million ₱1,500.00 million	December 22, 2023 September 11, 2024 December 18, 2024	December 22, 2033 December 22, 2033 December 22, 2033	6.3859% - 6.5947% per annum 6.3859% - 6.5947% per annum 6.5295% - 6.5947% per annum	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	**2,500,000**	500,000

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
				Floating repriced every succeeding quarterly period. Option to convert floating interest to fixed up to 12 months from initial drawdown already expired. On 5 December 2024, there is a one-time option to convert floating interest to fixed, or vice versa, subject to at least one (1) banking day prior written notice.				
₱5,500.00 million Loan I	₱509.09 million ₱2,290.91 million	October 24, 2024 October 24, 2024	October 24, 2034 October 24, 2034	6.0733% per annum 6.7233% per annum Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	**2,800,000**	–
₱5,500.00 million Loan J	₱2,800.00 million	October 24, 2024	October 24, 2034	5.8900% per annum Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is an agreed base rate, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**2,800,000**	–

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
NorthWind								
₱2,300.00 million Loan	₱2,300.00 million	May 29, 2020	May 29, 2032	Fixed at a rate of 5.1250% for ten (10) years to be repriced after the 10th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus an agreed spread	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Based on the stand-alone balances of the borrower. Tested semi-annually	**1,607,010**	1,777,670
Guimaras Wind								
₱4,300.00 million Loan	₱4,300.00 million	February 14, 2014	February 14, 2029	6.8421%-8.1665% fixed rate	Principal and interest payable semi-annually	Minimum DSCR of 1.2x, a maximum Debt to equity ratio of 70:30. Based on the stand-alone balances of the borrower. Tested semi-annually	**820,392**	987,746
Monte Solar Energy, Inc. ("MONTESOL")								
₱600.00 million Loan	₱600.00 million	September 20, 2023	September 20, 2035	Fixed at a rate of 7.1542% for two (2) years to be repriced one business day prior to the 2nd and 7th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus an agreed spread, divided by the Interest Premium Factor, or (b) five hundred seventy-five basis points (5.50%), divided by the Interest Premium Factor, whichever is higher	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Distribution DSCR of 1.2 times. Based on the standalone balances of the Borrower. Tested semi-annually	**549,996**	₱600,000
San Carlos Solar Energy Inc. ("SACASOL")								
₱1,400.00 million Loan	₱1,400.00 million Loan	May 22, 2024	May 22, 2034	Floating at a rate of 6.8182 – 7.3232% for three (3) months to be repriced one banking	Principal and interest payable quarterly	• On each calculation date, maintain a Debt Service Coverage Ratio of at least 1.10x	**1,330,000**	–

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
				day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher		• From initial borrowing date, maintain a Net Debt to Equity Ratio of a maximum of 70:30 • From initial borrowing date, maintain a Dividend DSCR of at least 1.20x, based on standalone balances of the borrower. Tested semi-annually		
ACEN International, Inc. (ACEN International)								
₱7,000.00 million Loan	₱198.00 million ₱285.00 million ₱164.47 million ₱1,209.00 million ₱22.00 million ₱187.80 million	January 22, 2024 February 16, 2024 April 24, 2024 June 21, 2024 July 19, 2024 September 17, 2024	January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031	6.6082%-7.4635% per annum; repricing for the 36th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN International consolidated balances. Tested semi-annually	**4,166,274**	–

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
	₱2,100.00 million	November 06, 2024	January 31, 2031					
ACEN Renewables International Pte. Ltd (ACRI)								
AU$75.00 million	AU$12.00 million AU$34.00 million AU$21.50 million AU$7.50 million	April 17, 2024 June 18, 2024 September 16, 2024 November 11, 2024	December 7, 2028 December 7, 2028 December 7, 2028 December 7, 2028	5.82%-5.92% per annum	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net DE Ratio of 3.00:1.00. Based on ACRI consolidated Net debt and Total Equity expressed in Singaporean Dollars. Tested quarterly together with the financial statements.	**2,684,638**	–
US$150.00 million	US$25.00 million US$10.00 million AU$6.00 million (US$3.94 million)	September 16, 2024 October 15, 2024 November 18, 2024	April 15, 2029 April 15, 2029 April 15, 2029	Floating at rate of 6.53% per annum; with Interest Rate Swap (“IRS”) fixed at 5.00% (weighted average of multiple IRS placements) until maturity	Interest is payable quarterly from date of availment; Principal amortization is payable every 6 months after the grace period.	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested semi-annually together with the financial statements.	**2,239,346**	–
US$100.00 million	US$20.00 million	September 23, 2024	December 07, 2028	Floating at rate of 6.49% per annum; with Interest Rate Swap (“IRS”) fixed at 5.04% until maturity	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested quarterly together with the financial statements.	**1,156,900**	
US$150.00 million	US$5.00 million	October 4, 2024	July 4, 2029	Floating at rate 6.23% per annum.	Interest is payable quarterly from date of availment;	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity.	**289,225**	–

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
					Principal amortization is payable in 2028 and 2029 after the grace period.	Tested semi-annually together with financial statements		
ACEN Cayman Limited								
$140.00 million Loan	$140.00 million	January 23, 2024	January 23, 2027	5.3980% per annum	Principal payable on maturity date; interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**8,098,300**	–
$180.00 million Loan	$180.00 million	January 19, 2024	January 19, 2029	5.3060% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	**10,307,979**	–
ACEN Australia Pty Ltd. (“ACEN Australia”)								
AU$277.00 million Loan	AU$2.64 million AU$70.00 million AU$0.86 million AU$10.00 million AU$20.00 million AU$30.00 million	January 11, 2023 February 3, 2023 May 3, 2023 June 20, 2023 October 26, 2023 December 20, 2023	January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028	5.0350%-6.3025% per annum	Principal Repayment on Termination Date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	**9,915,264**	4,950,760

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
	AU$23.00 million	March 20, 2024	January 6, 2028					
	AU$29.50 million	June 20, 2024	January 6, 2028					
	AU$10 million	July 15, 2024	January 6, 2028					
	AU$13 million	September 30, 2024	January 6, 2028					
	AU$7.75 million	September 16, 2024	January 6, 2028					
	AU$0.7 million	September 16, 2024	January 6, 2028					
	AU$2.68 million	September 16, 2024	January 6, 2028					
	AU$16.13 million	October 17, 2024	January 6, 2028					
	AU$16.40 million	November 18, 2024	January 6, 2028					
	AU$20.83 million	December 18, 2024	January 6, 2028					
	AU$3.52 million	December 19, 2024	January 6, 2028					
AU$204.54 million Loan	AU$157.78 million	February 11, 2021	December 22, 2025	2.903% per annum	Principal Repayment based on agreed schedule. Interest	Default DSCR Ratio of 1.15x, 12 months backward and forward looking. Secured by Property	**6,481,930**	7,560,254

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
	AU$6.125 million AU$0.699 million AU$6.00 million AU$0.610 million AU$18.00 million AU$2.50 million AU$2.406 million AU$5.00 million AU$2.844 million AU$0.953 million AU$0.931 million	January 23, 2023 February 22. 2023 March 16, 2023 March 22, 2023 April 24, 2023 May 18, 2023 June 22, 2023 September 4, 2023 September 22, 2023 October 23, 2023 November 22, 2023	December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025 December 22, 2025		payments 3 or 6 months or any such shorter period agreed.	Based on ACEN consolidated balances. Tested quarterly after conversion to operation term facility.		
AU$140 million Loan	AU$28.36 million AU$11.00 million	September 16, 2022 January 23, 2023	September 16, 2027 September 16, 2027	4.8683%-6.0704% per annum	Principal Repayment on Termination Date. Interest payments 3 or 6 months, or	Net DE Ratio of 3.0x. Based on ACEN consolidated balances.	**5,011,324**	2,810,380

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
	AU$14.42 million AU$5.00 million AU$2.00 million AU$15.00 million AU$23.00 million AU$ 18.20 million AU$21.50 million AU$1.52 million	March 16, 2023 May 18, 2023 June 20, 2023 September 4, 2023 February 21, 2024 April 18, 2024 May 20, 2024 July 15, 2024	September 16, 2027 September 16, 2027 September 16, 2027 September 16, 2027 September 16, 2027 September 16, 2027 September 16, 2027 September 16, 2027		any other period greater than 1 month agreed with Lender.	Tangible Net worth of AU$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.		
AU$100 million Loan	AU$34.54 million AU$0.344 million AU$9.00 million AU$0.504 million	August 18, 2022 February 21, 2023 April 12, 2023 May 22, 2023	August 18, 2027 August 18, 2027 August 18, 2027 August 18, 2027	5.2494%-6.2375% per annum	3 or 6 months with automatic rollover but not to exceed the maturity date	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	**2,412,293**	1,646,345

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
	AU$23.00 million	January 22, 2024	August 18, 2027					
AU$75.00 million Loan	AU$0.38 million AU$5.00 million AU$7.00 million AU$15.00 million AU$15.00 million AU$24.60 million	October 27, 2022 May 18, 2023 August 18, 2023 September 19, 2023 November 20, 2023 April 18, 2024	October 28, 2027 October 28, 2027 October 28, 2027 October 28, 2027 October 28, 2027 October 28, 2027	6.4275% per annum	Principal Repayment on Termination Date. Interest payments 6 months, or any other period greater than 1 month as agreed with Lender.	Net DE Ratio of 3.0x. Based on ACEN consolidated year-end balances. Tangible Net worth of AU$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	**2,397,382**	1,571,556
AU$75.00 million	AU$0.45 million AU$5.0 million AU$1.5 million	February 26, 2024 April 03, 2024 June 20, 2024	February 26, 2028 February 26, 2028 February 26, 2028	6.0463%-6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	**248,776**	–
AU$75.00 million	AU$0.30 million AU$5.0 million	February 26, 2024 April 03, 2024 June 20,	February 26, 2028 February 26, 2028	6.0525%-6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU$150 million at ACEN Australia Pty Ltd level.	**243,407**	–

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	**2024**	2023
	AU$1.5 million	2024	February 26, 2028		any other period greater than one month as agreed.	Tested semi annually together with the financial statements.		
Totals							**₱95,484,152**	₱45,939,997
Less unamortized debt issue cost							**628,258**	165,320
							94,855,894	45,774,677
Less current portion							**7,456,367**	1,289,104
Long-term loans, net of current portion							**₱87,399,527**	₱44,485,573

The roll forward of this account follows:

	2024	2023
As at beginning of year	**₱45,939,997**	₱28,905,691
Availment	**47,292,421**	17,586,442
Refinance from short-term loans	**4,200,000**	–
Assumed through business combination	**55,427**	–
Payment	**(1,701,273)**	(541,690)
Loan assignment	**(24,639)**	–
Foreign exchange adjustment	**(29,203)**	–
Cumulative translation adjustments	**(248,578)**	(10,446)
	95,484,152	45,939,997
Less unamortized debt issue costs	**628,258**	165,320
As at end of year	**₱94,855,894**	₱45,774,677

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

	2024	2023
As at beginning of year	**₱165,320**	₱134,403
Additions	**531,777**	55,125
Amortization/accretion (Note 19)	**(68,839)**	(24,208)
As at end of year	**₱628,258**	₱165,320

ACEN

The long-term loans of the Parent Company also contain prepayment provisions as follows:

Description	Prepayment Provision
Loan A	Prepayment is at the option of the issuer exercisable on an interest payment date. The amount payable to the bank shall consist of accrued interest or other charges on the loan up to prepayment date, plus the principal amount of the loan, and applicable break-funding cost. Transaction cost is minimal.
Loan B	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan C	The loan facility contains a prepayment provision which allows the Parent Company to make an optional prepayment, wholly or partially, starting the fifth (5th) anniversary of the initial drawdown date and on every interest payment date thereafter. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan D	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, starting on the 4th interest payment date. The amount payable to the bank shall consist of any accrued interest on the

Description	Prepayment Provision
	outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan E	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan starting twenty-four (24) months from the drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan F	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan on or after the third (3rd) anniversary of the drawdown date. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan G	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, beginning on the first (1st) anniversary from the initial drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan H	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from the initial drawdown date. If prepayment is made in a non-interest payment date, it shall be subject to payment of accrued interest thereon and a 2% prepayment penalty of the relevant principal amount prepaid.
Loan I	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.
Loan J	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.

The prepayment options on all long-term loans were assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

NorthWind Power Development Corporation ("NorthWind")

On May 29, 2020, NorthWind entered into an Omnibus Loan and Security Agreement with a local bank for a long-term loan facility amounting to ₱2,300.00 million. The proceeds of the loan were used to fully repay its senior loan. The loan shall be repaid in 24 sculpted semi-annual amortizations as set forth in the agreement. The interest rate is fixed for the initial period of ten (10) years to be repriced after the 10^{th} anniversary at a rate equivalent to (a) the 2-year base fixed rate plus a spread per annum.

The loan facility contains a prepayment provision which allows NorthWind to make optional prepayment, wholly or partially, at any time during the term of the loan. The amount payable to the local bank shall be the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any additional taxes, including additional gross receipts tax ("GRT") as a result of such prepayment, and prepayment penalty as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by NorthWind's Land, Wind Turbine Generator, Building and Machinery and Equipment (see Note 8).

Guimaras Wind Corporation ("Guimaras Wind")
On December 18, 2013, Guimaras Wind entered into a ₱4,300.00 million Term Loan Facility with local banks. The proceeds were used to partially finance the 54 MW San Lorenzo Wind Farm. The loan facility is divided into two tranches amounting to ₱2,150.00 million for each of Tranche A and Tranche B.

Both tranches have a term of 15 years with semi-annual interest payments starting on the date on which the loan is made. The Tranche A's interest is to be fixed at the higher of 10-year PDS Treasury Fixing (PDST-F) plus a spread of 1.625% or a minimum interest rate of 6.25% for the first 10 years, to be repriced at higher of existing rate or 5-year PDST-F plus a spread of 1.25% for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread of 1.625% or a minimum interest rate of 6.5%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. In 2013, the Group did not recognize any derivative liability arising from the bifurcated interest floor rate since the fair value is not significant.

The loan facility also contains a prepayment provision which allows Guimaras Wind to make optional prepayment for both Tranche A and Tranche B in the amount calculated by the facility agent as accrued interest and other charges on the loan up to the prepayment date plus the higher of (a) the principal amount of the loan being prepaid, or (b) the amount calculated as the present value of the remaining principal amortizations and interest payments on the loan being prepaid, discounted at the comparable benchmark tenor. In addition, Guimaras Wind is allowed to prepay the Tranche A loan, without penalty or breakfunding cost, on the interest re-pricing date. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

Under the loan facility agreement, Guimaras Wind must maintain a debt service account into which will be paid the maximum interest forecasted to be due and payable for the next two following payment dates that will fall within the construction period and the amount of debt service after the construction period. The funds in the debt service reserves can be used by Guimaras Wind provided that 30 days prior to payment, the fund is replenished. Debt service reserves are included in the consolidated statement of financial position under "Cash and cash equivalents" (see Note 4).

The loan facility is secured by Guimaras Wind's wind farm (see Note 8).

In addition, as a security for the timely payment, discharge, observance and performance of the obligations, ACEN entered into a Pledge Agreement covering the subscriptions of stocks of ACEN and its nominees.

Monte Solar Energy, Inc. ("MONTESOL")
On August 17, 2023, the MONTESOL entered into an Omnibus Loan and Security Agreement ("OLSA") with a local bank for a long-term loan facility amounting to ₱600.00 million. The proceeds of the loan shall be used to partially finance MONTESOL's permanent working capital requirements and for other general corporate purposes. The loan shall be repaid in twenty-four (24) straight-line semi-annual amortizations. The interest rate is fixed for the initial two (2) years, to be repriced one business day prior to the 2nd and 7th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus a spread of ninety basis points (0.90%), or (b) five hundred seventy-five basis points (5.75%), whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows MONTESOL to make voluntary prepayments, whether in full or in part, at any point during the term of loan. The amount payable in respect of any prepayment of the loan shall be comprised of: (i) any accrued interest on the principal amount of the loan to be prepaid; (ii) the principal amount of the loan to be prepaid; (iii) prepayment penalty as set forth in the OLSA; and (iv) any additional taxes, including additional GRT, resulting from such prepayment. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

On December 4, 2023, the repricing floor rate was amended from five hundred seventy-five basis points (5.75%) to five hundred fifty basis points (5.50%).

San Carlos Solar Energy, Inc. ("SACASOL")
On May 17, 2024, SACASOL entered into an Omnibus Loan and Security Agreement ("OLSA") with a local bank for a long-term loan facility of up to ₱1,400.00 million. The proceeds of the loan shall be used for (i) general corporate funding requirements and (ii) for upstreaming to SACASOL's shareholders through payment of dividends, advances, and/or preferred share redemption. The loan shall be repaid in 40 straight-line quarterly amortizations. The interest rate is floating at a rate of 7.3232% for three (3) months to be repriced one banking day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows SACASOL to make voluntary prepayments, whether in full or in part, commencing at the end of the second (2nd) year from initial advance date (May 22, 2024) and on any interest payment date thereafter, together with accrued interest thereon up to and including the date immediately preceding the date of prepayment, subject to the payment of applicable prepayment penalty, at least 30 days prior written notice to the lender, and in multiples of ₱50.00 million.

The long-term loan facility is guaranteed by ACEN.

ACEN Renewables International Pte. Ltd (ACRI)

Total unamortized debt issue costs from the ACRI loan facilities amounted to US$3.47 million (₱200.55 million) as of December 31, 2024. The corporate and syndicated loan facilities prices off an interest ranging from 5.89% to 6.58% per annum (2023 : 5.80% to 6.43%).

Loan covenants
The Group has complied with all its long-term loan covenants as at December 31, 2024 and 2023.

Interest expense
Total interest expense recognized on long-term loans amounted to ₱3,436.95 million, 1,608.53 million and ₱2,040.89 million for the years ended December 31, 2024, 2023 and 2022 respectively (see Note 19).

Notes payable
The roll forward of this account follows:

	2024	2023
Principal		
Balance at beginning and end of year	**₱30,383,600**	₱30,383,600
Debt issue cost		
Balance at beginning of year	**134,704**	198,773
Amortization (Note 19)	**(24,743)**	(64,069)
Balance at end of year	**109,961**	134,704
Cumulative translation adjustments	**2,782,842**	1,754,898
	₱33,056,481	₱32,003,794

Medium Term Note (MTN) Programme
On August 31, 2021, ACEN Finance established its Medium-Term Note Programme with an aggregate amount of US$1,500.00 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN finance under its MTN Programme; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

Senior guaranteed undated fixed-for-life notes under the MTN Programme

On September 8, 2021, ACEN Finance issued US$400.00 million (₱20,383.60 million) senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds is used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework.

On September 9, 2021, the Notes were listed with the Singapore Exchange Securities Trading platform (SGX-ST).

The net proceeds from the Bonds are used to finance or refinance, in whole or in part, new or existing Eligible Green Projects, in accordance with ACEN's Green Bond Framework (GBF), which sets out well-defined guidelines for the use of proceeds for renewable energy (RE) projects, with comprehensive monitoring and reporting commitments. These RE developments can be located in the Philippines and offshore.

For the years ended December 31, 2024, 2023 and 2022 total interest expense and other financing charges recognized amounted to ₱954.65 million (US$16.66 million), ₱936.54 million (US$16.84 million) and ₱906.45 million (US$16.62 million), respectively.

Redemption at the option of the issuer
Subject to applicable law, ACEN Finance may redeem the Notes (in whole but not in part) on the First Redemption Date as specified in the applicable Pricing Supplement; or any Interest Payment Date falling after the First Redemption Date, by giving notice, at redemption price equal to the principal amount of the Notes plus any accrued but unpaid interest.

The redemption option was assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
For as long as the senior guaranteed undated fixed-for-life notes remain outstanding, ACEN Finance Limited and ACEN are required to comply with certain covenants including the creation and permission to subsist only the liens created in respect of the limited recourse project financing of any project company and maintain a maximum net debt to equity ratio of 2.5 to 1.0 based on ACEN consolidated financials. These were complied with by the Group as at December 31, 2024 and December 31, 2023.

<u>ACEN Fixed-Rate ASEAN Green Bonds due 2027</u>

On September 22, 2022, the Parent Company (the Issuer) issued unsecured-fixed rate Peso Green Bonds with an aggregate principal amounting to ₱10,000.00 million. The proceeds of the issuance were used to finance investments in various solar power plants. The issue cost amounted to ₱126.28 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Peso Green Bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This is the first tranche offered out of the shelf registration of Peso Green Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Peso Green Bonds is payable quarterly on March 22, June 22, September 22, and December 22.

For the years ended December 31, 2024, 2023 and 2022, the total interest expense recognized on the Peso Green Bonds amounted to ₱605.43 million, ₱605.09 million and ₱166.45 million, respectively.

Redemption at the option of the Issuer

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding PHP Green Bonds before the relevant Maturity on any one of the following Interest Payment Dates indicated below, or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

1. 12th to 15th Interest Payment Date at Call Option Price of 101.00%
2. 16th to 19th Interest Payment Date at Call Option Price of 100.50%

The redemption option was assessed to be an embedded derivative that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Peso Green Bonds provide for the Issuer to comply with covenants including incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; effecting any consolidation or merger with other entities where ACEN is not the surviving corporation in such merger or consolidation; and certain other covenants. The Peso Green Bonds require the Issuer to maintain, for as long as any of the Peso Green Bonds remain outstanding, a Net Debt to Total Equity Ratio of not more than 3.0:1.0. These were complied with for the years ended December 31, 2024 and 2023.

The prepayment option on all long-term loans was assessed to be an embedded derivative that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Compliance with covenants
The Group has complied with the covenants required by the notes payable as at December 31, 2024, and 2023.

14. **Other Noncurrent Liabilities**

This account consists of:

	2024	2023
Unearned revenues (Note 11)	**₱5,097,153**	₱5,184,182
Asset retirement obligations	**1,110,865**	757,245
Other payables (Note 24)	**710,000**	–
Derivative liability	**251,356**	12,437
Provision for employee benefits / long service leave	**245,259**	39,694
Contract liabilities	**57,237**	60,609
Deposit payable	**39,711**	65,016
Retention payable	**28,178**	6,932
Nontrade payable	**3,535**	133,351
Others	**36,746**	84,538
	₱7,580,040	₱6,344,004

Asset retirement obligations (ARO) are from ISLASOL, SACASOL and MONTESOL and include restoration provision for the New England solar farm.

Movements in the provision for asset retirement obligations are as follows:

	2024	2023
Balance at beginning of year	**₱757,245**	₱176,056
Additions	**331,075**	502,725
Interest accretion (7.14% -7.22%)	**22,545**	26,984
Remeasurement	**–**	51,480
Balance at end of year	**₱1,110,865**	₱757,245

As at December 31, 2024, and 2023, ARO was discounted at the rate of 7.14% to 7.22%. ARO on solar power plants is expected to be settled during the years of 2039 to 2041.

Nontrade payables are payables from over-remittance of business interruption claims and environmental laws compliance.

Contract liabilities consist of the deferred connection fee related to ISLASOL and the deferred rental income from ISLASOL, SACASOL, MSPDC and Solienda.

15. Equity

Capital Stock
This account consists of:

Class of share	Common	Redeemable Preferred	Total
Authorized shares	48,300,000,000	100,000,000	48,400,000,000
Par value	₱1	₱1	₱1
Balances at January 1, 2023	39,691,894,773	–	39,691,894,773
Issuance of new shares	–	25,000,000	25,000,000
Balances at December 31, 2023 and 2024	**39,691,894,773**	**25,000,000**	**39,716,894,773**

The issued and outstanding shares are held by a number of equity holders below:

	2024
Common shares	**4,511**
Redeemable preferred shares	**10**

The following table presents the track record of registration of capital stock:

Year Approval	No. of shares Registered	No. of shares Issued	Par Value
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00
2007	–	552,528,364	1.00
2008	–	4,713,558	1.00
2009	–	304,419	1.00
2010	–	2,022,535	1.00
2011	2,200,000,000	1,165,237,923	1.00
2012	4,200,000,000	2,027,395,343	1.00
2013	–	6,603,887	1.00
2014	–	1,283,332	1.00
2016	–	20,751,819	1.00
2017	–	3,877,014	1.00
2019	–	2,632,000,000	1.00
2020	16,000,000,000	6,185,182,288	1.00
2021	24,000,000,000	24,623,380,967	1.00
2022	–	1,361,556,596	1.00
Total	48,400,000,000	39,691,894,773	

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

Additional Paid-in Capital

The roll forward of this account follows:

	Additional Paid-In Capital (Amount)		
Class of share	Common	Redeemable Preferred	Total
Balances at January 1, 2023	₱107,492,243,548	₱–	₱107,492,243,548
Issuance of capital stock	–	24,975,000,000	24,975,000,000
Share issuance cost	–	(171,554,704)	(171,554,704)
Balances at December 31, 2023 and 2024	**₱107,492,243,548**	**₱24,803,445,296**	**₱132,295,688,844**

Series A Preferred Shares and Series B Preferred Shares

On March 7, 2023, the Board of Directors of the Parent Company approved the establishment of a 50,000,000 preferred shares shelf program and the issuance, offer, sale, registration, and listing of up to 25,000,000 preferred shares and on July 25, 2023, adopted resolutions containing the specific terms and conditions of the preferred shares. On August 3, 2023, the SEC issued the Certificate of Filing of Enabling Resolution. The Parent Company's shelf registration is for up to 50,000,000 preferred shares with a par value of ₱1.00 per preferred share to be offered in one or more tranches, which may be comprised of one or more series per tranche, at the discretion of the Parent Company, and to be registered with the Securities and Exchange Commission.

On September 1, 2023, the Parent Company issued and listed on the Main Board of the PSE the first tranche of 25,000,000 preferred shares at an issue price of ₱1,000.00 per share and a par value of ₱1.00 per share, for total proceeds of ₱25,000.00 million. The issuance is comprised of two series of preferred shares: 8,341,500 Series A Preferred Shares and 16,658,500 Series B Preferred Shares. The proceeds from the Series A Preferred shares amounted to ₱8,341.50 million and the proceeds from the Series B Preferred shares amounted to ₱16,658.50 million.

The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company.

Dividends on the Series A Preferred Shares are payable quarterly at an initial dividend rate of 7.1330% per annum, subject to the dividend payment conditions under the terms of the Series A Preferred Shares. The Series A Preferred Shares dividend rate is subject to a dividend rate re-setting on the fifth year according to the terms of the Series A Preferred Shares.

Dividends on the Series B Preferred Shares are payable quarterly at a fixed dividend rate of 8.0000% per annum, subject to the dividend payment conditions under the terms of the Series B Preferred Shares. The Series B Preferred Shares dividend rate is fixed and will not be subject to dividend rate re-setting.

The Series A Preferred Shares may be redeemed at the option of the Parent Company starting on the third year. The Series B Preferred Shares may be redeemed at the option of the Parent Company starting on the seventh year.

Subscription by Sellers of UPC-ACE Australia and UPC Australia and Sellers of UPC Philippines
On March 21, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at a price of ₱7.871 per share:

UPCAPH	869,119,204
Anton Rohner ("Rohner") (Collectively UPC-ACE Australia and UPC Australia sellers)	61,630,796
Total ACEN shares to be issued	930,750,000
Subscription price per share	₱7.871
Total subscription price	₱7,325,933,250

On March 22, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at a price of ₱8.2889 per share:

Estanyol Holdings Ltd.	₱153,493,200
Wind City Inc.	142,668,634
Tenggay Holdings Ltd.	70,525,763
UPC Philippines Wind Partners Ltd	19,059,423
Alan Kerr (collectively, the "UPC Philippines Group")	4,248,813
Total ACEN shares subscribed	389,995,833
Subscription price per share	8.2889
Total subscription price	₱3,232,636,460

The subscription by Sellers of UPC-ACE Australia and UPC Australia and Sellers of UPC Philippines to ACEN shares was approved by the BOD of ACEN on October 18, 2021.

The issuance and listing of the ACEN common shares were approved by ACEN's stockholders on December 15, 2021. On March 8, 2022, the BOD of ACEN approved a revised list of subscribers constituting the UPC Philippines, including a re-allocation of some of the shares for subscription, which was presented to the stockholders for approval during the 2022 annual stockholders' meeting of ACEN on April 25, 2022.

Employee Stock Ownership Plan ("ESOWN")

At the Annual Stockholders' Meeting held on April 19, 2021, stockholders approved the allocation of 960 million common shares to the Employee Stock Ownership Plan ("ESOWN") out of the unsubscribed portion of ACEN's capital stock, to be available to qualified employees upon achievement of the Group's goals and the determination of any variable compensation of the grantee. This replaces ACEN's Stock Grants and Stock Options Plan which does not have any remaining life.

Under ESOWN, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the ESOWN's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under ESOWN are exercisable in three annual tranches. Any availment is payable within a maximum period of ten years.

The SEC granted the Plan's request for exemption from registration pursuant to Section 10.2 of the Securities Regulation Code (SRC) on March 4, 2022.

In 2021, stock options totaling 8,188,997 shares at a subscription price of ₱6.96 per share were granted under ESOWN, of which 8,188,097 shares were issued in 2022, resulting to an adjustment of 900 shares in the grants.

On August 19, 2022, ACEN issued 32,622,666 common shares to various employees of the Group through the ESOWN.

There were no grants and availments in both years ended December 31, 2024 and 2023.

Total expense arising from the equity-settled share-based payment transaction (included under General and Administrative Expenses) amounted to nil for the two years ended December 31, 2024 and 2023 (₱31.16 million in 2022).

Cumulative Translation Adjustments
This account pertains to cumulative translation adjustments of subsidiaries with functional currency other than the Group's presentation currency (see Note 2). Exchange differences arising from translation of foreign operations for the period ended December 31, 2024 and 2023 follows:

	2024	2023
ACRI	**($153,113)**	($153,098)
ACEN Cayman	**(64,747)**	(52,907)
Others	**(20)**	(23)
Consolidations and eliminations	**40,603**	25,955
	($177,277)	($180,073)
Attributable to:		
Equity holders of the Parent	**($177,886)**	($181,448)
Non-controlling interest	**609**	1,375
	($177,277)	($180,073)

Retained Earnings
Retained earnings represent the Group's accumulated earnings, net of dividends declared. The balance includes accumulated earnings of subsidiaries, joint venture and associates, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

Retained earnings not available for dividend declaration are included in the Group's retained earnings to the extent of (a) accumulated equity in undistributed net earnings of consolidated subsidiaries, and associates and joint ventures accounted for under equity method amounting to ₱48,479.92 million and ₱41,459.53 million as at December 31, 2024 and 2023, respectively and (b) the cost of treasury shares amounting to ₱28.66 million as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, deferred tax liabilities have not been recognized on undistributed earnings of, and cumulative translation adjustment of, foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group. Management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative translation adjustment amounted to US$869.63 million (₱46,524.67 million) and US$669.84 million (₱25,246.02 million) as at December 31, 2024 and 2023, respectively.

Dividends

Cash dividends consist of the following:

Approval Date	Record Date	Payment Date	Dividend Per Share	Amounts Common Shares	Preferred Shares ACENA	ACENB
2024						
June 26	July 11	July 25	**₱0.0500**	**₱1,983,869**	**₱–**	**₱–**
February 8	February 23	February 29	**17.8325**	**–**	**148,750**	**–**
			20.0000	**–**	**–**	**333,170**
May 6	May 20	June 3	**17.8325**	**–**	**148,750**	**–**
			20.0000	**–**	**–**	**333,170**
August 5	August 19	September 2	**17.8325**	**–**	**148,750**	**–**
			20.0000	**–**	**–**	**333,170**
November 4	November 18	December 2	**17.8325**	**–**	**148,750**	**–**
			20.0000	**–**	**–**	**333,170**
				₱1,983,869	**₱595,000**	**₱1,332,680**
2023						
August 7	August 22	September 18	₱0.0400	₱1,587,095	₱–	₱–
November 3	November 17	November 30	₱17.8325	–	148,750	–
			₱20.0000	–	–	333,170
				₱1,587,095	₱148,750	₱333,170

Non-controlling Interest (NCI)

The roll forward of this account is as follows:

	2024	2023
Balance at beginning of year	**₱29,903,540**	₱31,859,767
Net income attributable to NCI	**752,471**	1,710,534
Cumulative translation adjustments	**35,207**	76,149
Capital infusion of NCI in a subsidiary (Note 2)	**20,428**	–
Capital redemption of NCI in a subsidiary	**(20,129,241)**	–
Dividends	**(684,751)**	(1,882,833)
Acquisition of NCI	–	(1,860,077)
Balance at end of year	**₱9,897,654**	₱29,903,540

On January 23, 2024, ACEN Cayman through unanimous approval of its BOD redeemed US$352.00 million (₱19,808.80 million) worth of redeemable preferred shares held by AC Energy Finance International Limited (ACEFIL). The redeemable preferred shares were subscribed by ACEFIL at par value of US$1.00 each. Redemptions were made to the following shares:

a. 280,000,000 Class A1 redeemable preferred shares with par value of US$1.00 each;
b. 12,000,000 Class A1-2 redeemable preferred shares with par value of US$1.00 each; and
c. 60,000,000 Class A3 redeemable preferred shares with par value of US$1.00 each.

Dividends

	in US$	In PHP
2024		
ACEN Cayman Limited ("ACEN Cayman")	**$11,978**	**₱684,751**
2023		
ACEN Cayman Limited ("ACEN Cayman")	$34,026	₱1,882,833

On various dates in 2024 and 2023, the BOD of ACEN Cayman Limited declared dividends to the shareholder of redeemable preferred shares for a total of $11.98 million (₱684.75 million) and $34.03 million (₱1,882.83 million), respectively, which was paid during the year of declaration.

Acquisition of non-controlling interest in UPC-ACE Australia
On February 1, 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH's remaining 4,766 ordinary shares in UPC-ACE Australia, which completed the second and final tranche of ACRI's acquisition of ACEN Australia.

	In US$	In PHP
Total consideration paid on February 1, 2023	$85,391	₱4,724,682
Carrying amount of NCI	33,618	1,860,077
Excess of consideration	$51,773	₱2,864,605

The acquisition of 20% ownership interest resulted to 100% interest in UPC-ACE Australia. The excess of consideration over the carrying amount of the non-controlling interest is recognized under equity reserves.

Other Equity Reserves
This account consists of:

	2024	2023
Effect of:		
Common control business combinations	**(₱53,269,303)**	(₱53,269,303)
Purchase of:		
20% in UPC-ACE Australia shares	**(2,864,605)**	(2,864,605)
20% in South Luzon Thermal Energy Corporation	**(2,229,587)**	(2,229,587)
32% in NorthWind	**(723,974)**	(723,974)
34% in MSPDC	**(261,728)**	(261,728)
Various interest in other subsidiaries	**(119,486)**	(119,486)
Others	**18,338**	18,338
	(₱59,450,345)	(₱59,450,345)

Capital Management
The primary objective of the Group's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or issue long-term debts.

No changes were made in the objectives, policies, or processes for the years ended December 31, 2024 and 2023. The Group considers its total equity as capital.

The loan agreements on long-term debt of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guarantees, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as at December 31, 2024 and 2023.

16. **Revenue from Sale of Electricity**

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

	2024	2023	2022
Revenue from power supply contracts	**₱22,107,562**	₱24,969,946	₱22,834,849
Revenue from power generation and trading	**14,026,712**	11,211,480	12,160,639
	₱36,134,274	₱36,181,426	₱34,995,488

Power Supply Agreement with MERALCO
On September 9, 2019, the Parent Company won the bid to supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval of Energy Regulatory Commission (ERC). Provisional ERC approval was on January 31, 2020 and the final approval was on May 13, 2020.

On September 11, 2019, the Parent Company won the bid to supply MERALCO a mid-merit demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of ERC. Provision ERC approval was on January 31, 2020 and the final approval was on June 1, 2020.

On November 2, 2024, the Parent Company terminated its 200MW baseload and 110MW mid-merit power supply agreements ("PSA") with MERALCO. The termination was premised on the occurrence of Change in Circumstances ("CIC") resulting in losses and the Parties having failed, despite earnest efforts and good faith negotiations, to agree on a satisfactory solution to amend the PSA to restore the Parent Company's commercial position prior to the CIC.

No fee was paid in relation to the termination of the PSAs with MERALCO.

Gigasol 3 Mid-Merit PSA
On July 17, 2024, Gigasol 3 Inc. ("Gigasol 3") won the bid to supply MERALCO a mid-merit renewable energy supply of 139 MW from February 26, 2025 to February 25, 2036 subject to the approval of ERC.

On September 23, 2024, Gigasol 3 and ACEN filed with the ERC a joint application for the approval of the PSA. Under the PSA, Gigasol 3 will supply, at a fixed rate, 139 MW mid-merit renewable energy capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval. Gigasol 3 shall supply 10 MW to MERALCO beginning February 26, 2025, which will increase to 139MW beginning February 26, 2026.

The application is pending to date.

SCSE Mid-Merit PSA
On July 17, 2024, Santa Cruz Solar Energy Inc. ("SCSE") won the bid to supply MERALCO a mid-merit renewable energy supply of 21 MW from February 26, 2026 to February 25, 2036 subject to the approval of ERC.

On September 27, 2024, SCSE and ACEN filed with the ERC a joint application for the approval of the PSA. Under the PSA, SCSE will supply, at a fixed rate, 21 MW mid-merit renewable energy capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval.

The application is pending to date.

Ancillary Services Procurement Agreements ("ASPA") with NGCP

One Subic Power
One Subic Power participated in NGCP's Competitive Selection Process for the procurement of ancillary services. On June 19, 2023, One Subic Power and NGCP filed an application for the approval of the Ancillary Services Procurement Agreement (ASPA) with the ERC. Under the ASPA, One Subic Power shall provide, on a firm arrangement, dispatchable reserve (DR) services for a period of five (5) years.

On August 22, 2023, One Subic Power received ERC's Notice of Resolution (NOR) dated August 15, 2023 granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, One Subic Power filed a Motion for Reconsideration on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution of the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, One Subic Power and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, One Subic Power moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.

Bulacan Power
Bulacan Power participated in NGCP's Competitive Selection process for the procurement of ancillary services. On June 13, 2023, Bulacan Power and the National Grid Corporation of the Philippines (NGCP) filed an application for the approval of the ASPA, with the ERC. Under the ASPA, Bulacan Power shall provide, on a firm arrangement, dispatchable reserve ("DR") services for a period of five (5) years.

On August 22, 2023 Bulacan Power received a Notice of Resolution ("NOR") from ERC granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, Bulacan Power filed a Motion for Reconsideration ("MR") on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution of the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, Bulacan Power and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, Bulacan Power moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.

CIPP
On April 19, 2023, CIPP received a Notice of Award to provide Ancillary Services to the Luzon Grid for specific hourly intervals for five (5) years. On May 2, 2023, NGCP and CIPP executed an ASPA and submitted the same to ERC on June 20, 2023 for approval with prayer for the issuance of provisional authority.

On September 17, 2024, CIPP submitted to ERC its Compliance showing the VOM Breakdown for 2022-2023.

On October 22, 2024, CIPP received the Order of ERC in the instant case which was promulgated on May 22, 2024. ERC granted NGCP and CIPP with Interim Relief to implement the ASPA, subject to the interim rates and conditions, and without prejudice to the evaluation of the compliance of NGCP with the AS-CSP, pursuant to DOE's Circular No. DC2021-10-0031. On November 7, 2024, CIPP filed with ERC a Motion For Reconsideration With Very Urgent Motion for Re-Evaluation of Interim Approved Rates.

On December 19, 2024, CIPP filed a Manifestation on Material Adverse Change with Urgent Motion for Resolution of the MR, to inform ERC that on December 2, 2024, NGCP and CIP already commenced good faith negotiations pursuant to the ASPA to address the Material Adverse Change. CIPP also urged ERC to urgently resolve CIPP's MR, approve the Capacity Payment Rate as applied, and allow the indexation of the VOM rate to ensure that the CIPP Plant may viably and sustainably operate to provide DR services to NGCP.

On January 31, 2025, CIPP sent to NGCP a Notice of Termination of the ASPA effective upon NGCP's receipt of the Notice. The decision to terminate is based on Sec. 13.3 of the ASPA which allows CIPP to terminate the ASPA in case of a Material Adverse Change ("MAC") that includes changes which result or may result in diminution of the rate under Schedule 3, including the effect of the ERC approval for the ASPA. In its letter dated February 3, 2025, NGCP acknowledged receipt of the Notice.

Feed-in-Tariff ("FIT")

San Lorenzo Wind
On June 10, 2015, the San Lorenzo Wind Project ("SLWP") under Guimaras Wind Corporation ("Guimaras Wind") was issued a Certificate of Endorsement ("COE") for FIT Eligibility by the Department of Energy ("DOE").

On December 1, 2015, Guimaras Wind received its Certificate of Compliance ("COC") from the ERC which entitles Guimaras Wind to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the SLWP's FIT Rate starting 2020 shall be ₱8.59/kWh.

MONTESOL
On June 13, 2016, the DOE, through its issuance of the COE, certified MONTESOL's Solar Farm Project as an eligible project under the FIT system.

On December 28, 2016, MONTESOL received another provisional authority to operate by the ERC dated December 8, 2016. This allowed MONTESOL to be entitled to a FIT rate of ₱8.69 for a period of twenty (20) years from March 11, 2016.

On February 6, 2017, MONTESOL received the COC from ERC and accordingly, measured its revenue from energy sales using the FIT rate.

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the CPI and foreign exchange variations through DCF Model per Renewable Energy technology, covering the years 2016, 2017, 2018, 2019 and 2020. MONTESOL accrued the retroactive net revenue adjustment based on the adjusted FIT rates for the years 2016 (₱8.69/kWh), 2017 (₱8.71/kWh), 2018 (₱9.04/kWh), 2019 (₱9.41/kWh) and 2020 (₱9.82/kWh).

SACASOL
On January 7, 2014, the BOI approved SACASOL's registration as an RE developer of 22 MW solar power plants (Phases 1A & 1B) under the Renewable Energy Act of 2008 (the Act).

On December 20, 2014, the BOI approved SACASOL's registration as an RE developer of 23MW solar power plants (Phases 1C & 1D) under the Act.

Pursuant to Section 7 of the RE Act and Section 5 of its IRR, the ERC adopts and promulgates the FIT Rules. All RE plants shall be deemed eligible upon issuance by the ERC of a COC authorizing them to operate as FIT-eligible RE plants. Eligible RE plants shall be entitled to the appropriate FITs as established.

On June 4, 2014, the DOE issued the COE for FIT eligibility to endorse the 13MW Phase 1A solar power plant of SACASOL as an eligible project under the FIT system pursuant to the provisions of the RE Act.

On February 9, 2015, the ERC granted the COC to Phase 1A solar power plant with a capacity of 13MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from May 15, 2014 until May 14, 2034. On the same date, ERC granted the COC to Phase 1B solar power plant with a capacity of 9MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from August 16, 2014 to August 15, 2034.

On September 11, 2015, the DOE issued the COE for FIT eligibility to endorse the 23MW Phases 1C and 1D solar power plants of SACASOL as an eligible project under the FIT system pursuant to the provisions of the Act.

On May 4, 2016, ERC granted the COC to Phases 1C and 1D solar power plants with a capacity of 23MW, which entitles SACASOL to the FIT rate of ₱8.69/kWh from September 6, 2015 to September 5, 2035.

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, SACASOL's FIT Rate starting 2020 shall be ₱11.28/kWh for Phase 1A and 1B and ₱10.12/kWh for Phase 1C and 1D solar power plants.

NorthWind
On July 31, 2007, NorthWind and the DOE entered into Negotiated Commercial Contract ("NCC") covering the contract area located in Bangui, Ilocos Norte. As a holder of a valid and existing NCC, NorthWind is deemed provisionally registered as a RE Developer under RA 9513. The provisional authority shall subsist until the issuance by the DOE of a Certificate of Registration ("COR").

On February 26, 2013, the DOE granted NorthWind a COR under Wind Energy Service Contract No. 2012-07-058. The COR served as the basis for its application with the BOI for the grant of incentives under RA 9513. The approval granted an income tax holiday ("ITH") incentive of seven (7) years starting September 2014.

On October 10, 2014, the DOE granted NorthWind a COE for FIT Eligibility (COE-FIT No. 2014-10-001) for its Phase III expansion project. The endorsement was the basis for the ERC to issue a FIT COC on April 13, 2015.

The tariff on the generation of the original twenty (20) turbines (Phases I & II) was a FIT rate specific to NorthWind of ₱5.76/kWh, as approved by the ERC in its decision dated June 30, 2014. In an Order dated November 7, 2017, the ERC granted NorthWind an increase of ₱0.20/kWh, in connection with a Motion for Partial Reconsideration of the Decision dated June 30, 2014, in ERC Case No. 2011-060RC filed by NorthWind on December 5, 2014, thereby increasing the FIT rate specific to Phases I & II from ₱5.76/kWh to ₱5.96/kWh.

The FIT rate specific to NorthWind's Phase I & II is lower than the national FIT rate and is valid for twenty (20) years, less the actual years of operation as provided for under the FIT Rules.

The tariff on the six (6) turbines (Phase III) is at ₱8.53/kWh, subject to adjustments as may be approved by the ERC under the FIT rules. The FIT period on the six (6) turbines is from October 10, 2014 to October 8, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, NorthWind's rate starting 2020 was ₱6.52/kWh and ₱8.90/kWh for Phase I & 11 and Phase III, respectively.

Feed-in-Tariff ("FIT") adjustment
On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index (CPI) and foreign exchange variations through Discounted Cash Flows (DCF) Model per Renewable Energy technology, covering for the years 2016, 2017, 2018, 2019 and 2020. The resolution was published in a newspaper of general circulation in the country on November 17, 2020.

Renewable energy subsidiaries under the FIT system which include Guimaras Wind, MONTESOL, SACASOL, and NorthWind, accrued the retroactive net revenue adjustment amounting to ₱791.48 million. This will be recovered for a period of five (5) years.

On February 19, 2021, ERC clarified in its letter to TransCo, the Administrator of the FIT system, by specifying the timing and manner of billing of the FIT Adjustment. Actual recovery of arrears shall be for a period of five (5) years. Billing for January 2016 generation period shall start in December 2020, and payment schedule shall start in January 2021, following the five-year recovery period. Moreover, pending the approval of the 2021 FIT-All rate and adjustment of FIT rates, the original approved FIT rates shall be used for the 2021, 2022 and 2023 generation billing. Revenue in 2021, 2022, 2023 and 2024 was based on 2020 approved FIT rates in the absence of the FIT rates for the said years. Currently, there is a moratorium on interest on the delayed payments. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

Pre-termination fees
Revenues from the power supply contract in 2022 were reduced by pre-termination fees of ₱605.00 million.

17. **Costs of Sale of Electricity**

This account consists of:

	2024	2023	2022
Costs of purchased power	**₱22,043,543**	₱27,272,520	₱24,599,882
Depreciation and amortization (Notes 8, 9 and 10)	**2,023,059**	1,207,418	1,918,307
Fuel	**1,018,764**	1,522,458	4,957,516
Others	**2,273,213**	1,727,686	2,707,534
Repairs and maintenance	**693,732**	499,277	712,770
Taxes and licenses	**571,748**	452,821	643,370
Salaries and directors' fees	**251,714**	225,486	402,938
Transmission costs	**181,368**	96,973	129,206
Insurance	**153,372**	137,187	444,825
Contractor's fee	**129,602**	102,679	149,984
Rent	**107,039**	53,844	54,572
Transportation and travel	**18,893**	22,150	18,142
Filing fees	**15,187**	5,942	12,025
Communication	**13,136**	18,494	18,068
Pension and other employee benefits	**11,420**	8,928	17,333
Others	**126,002**	103,905	104,301
	₱27,358,579	₱31,730,082	₱34,183,239

Power Purchase Agreement and Administration and Management Agreement with South Luzon Thermal Energy Corporation (SLTEC)

On October 26, 2011, ACEN entered into a Power Purchase Agreements (PPAs) with SLTEC, wherein SLTEC shall, from Commercial Operations Date and for the duration of the Electricity Supply Period, make available to ACEN all of its Net Dependable Capacity and supply the Net Available Output at the Delivery Point, in accordance with the Electricity Delivery and Dispatch Procedures. ACEN, on behalf of SLTEC, will sell or trade the Commissioning Power, subject to coordination between SLTEC and ACEN on the price/offer, trading volumes and remittance of payment, provided that all costs relating thereto shall be for the exclusive account of SLTEC. ACEN shall pay the electricity fees at the price determined, exclusive of value-added tax which shall be passed on SLTEC to ACEN.

On May 20, 2019, ACEN and SLTEC amended the PPAs to revise the PPA Capacity Fee for both Units 1 and 2 and to extend the term of the PPAs for an additional period of 10 years.

On August 26, 2019, ACEN and SLTEC terminated the PPAs, and on October 4, 2019, ACEN and SLTEC entered into an Administration and Management Agreement (the "Old AMA") in place of the PPAs. The Old AMA is effective from August 26, 2019 and shall terminate on April 23, 2040 and February 20, 2041 for the Unit 1 and Unit 2, respectively. ACEN and SLTEC terminated the Old AMA, and on April 11, 2022, entered into a new Administration and Management Agreement (the "New AMA").

The New AMA is effective from April 11, 2022 and shall terminate on December 25, 2040 ("Cooperation Period"). Under the New AMA, ACEN shall have the exclusive right to administer, control, and manage the entire capacity of the Power Plant for the entire duration of the Cooperation Period. ACEN shall likewise have the exclusive right to direct, trade, dispatch, sell or otherwise deal with the Net Output whether to the WESM for both energy and reserve markets, bilateral contracts with contestable customers, distribution utilities, or qualified third parties, as well as contract for or offer related ancillary services to NGCP.

On April 11, 2022, ACEN entered into an Operations and Maintenance Agreement ("O&M Agreement") with SLTEC, wherein ACEN shall provide operation, maintenance, and administrative services to SLTEC to ensure the proper and efficient operation and maintenance of the power plant. The O&M Agreement is valid for a period of five (5) years effective from April 11, 2022 and shall automatically renew for successive five (5) year terms from April 11, 2022 until December 25, 2040.

Power Purchase and Supply Agreement with Maibarara Geothermal, Inc. (MGI)
On April 26, 2016, the Parent Company, entered into two 20-year Electricity Supply Agreements (ESA) with Maibarara Geothermal Incorporated for the supply of 32MW from its two generating units. The contract is valid until June 25, 2039.

Power Purchase and Supply Agreement with GNPower Dinginin Ltd. Co. (GNPD)
On April 22, 2016 and October 25, 2022, ACEN entered into two Power Purchase and Sale Agreement with GNPD for the supply of 80M and 43MW, respectively.

GNPD is a joint venture among Aboitiz Power Corporation, Power Partners Ltd. Co., and ACEIC. ACEIC, which has a 57.83% ownership in ACEN, has an effective 20% economic interest in GNPD.

Power Purchase with Shell Energy Philippines, Inc. (SEPH)
On July 25, 2023, ACEN entered into a Short-Term Power Purchase Agreement with SEPH for a 30MW contracted capacity for a period of 45 calendar days from supply start date or until September 8, 2023.

Power Supply Agreement with Energy Logics Philippines, Inc.
On April 1, 2024, ACEN signed a Power Supply Agreement (PSA) with Energy Logics Philippines, Inc. (ELPI) to purchase supply of electricity at the contracted capacity of 15 MW. The supply delivery commenced on April 1, 2024 and is for a term of three years.

18. **General and Administrative Expenses**

This account consists of:

	2024	2023	2022
Personnel costs, management, and professional fees	**₱3,133,250**	₱2,606,677	₱1,184,267
Salaries and directors' fees	**2,042,734**	1,453,570	739,212
Management and professional fees	**970,584**	1,075,700	419,312
Retirement Cost	**119,932**	77,407	25,743
Provision for impairment - net of reversals (Notes 5, 7, 8 and 11)	**1,135,006**	2,996,657	1,325,181
Depreciation and amortization (Notes 8, 9 and 10)	**569,218**	366,052	260,101
Others	**2,145,290**	1,501,498	1,132,268
Taxes and licenses	**683,070**	394,528	533,466
Software, licenses and other IT cost	**243,245**	108,951	87,357
Contractor's fee	**212,473**	118,874	65,058
Insurance, dues and subscriptions	**208,483**	82,865	59,968
Corporate social responsibilities	**140,268**	92,543	82,765
Transportation and travel	**115,064**	130,879	67,973
Meeting and conferences	**51,038**	42,544	25,185
Training and commitment fees	**49,739**	39,528	13,968
Rent	**42,344**	39,807	30,487
Advertisements	**39,699**	39,646	22,950
Building maintenance and repairs	**38,655**	67,638	31,730
Office supplies	**21,866**	20,530	12,897
Communication	**21,782**	13,817	11,327
Utilities	**21,342**	96,350	34,829
Others	**256,222**	212,998	52,308
	₱6,982,764	₱7,470,884	₱3,901,817

19. **Interest and Other Finance Charges**

This account consists of:

	2024	2023	2022
Interest expense on:			
Long-term loans (Note 13)	**₱3,436,952**	₱1,608,533	₱2,040,892
Notes payable (Note 13)	**1,560,073**	1,541,631	325,126
Lease obligations (Note 9)	**344,663**	250,092	198,050
Short-term loans (Note 13)	**231,544**	174,583	179,919
Amortization of debt issue cost (Note 13)	**93,582**	88,278	169,361
Bank charges and interest expense on asset retirement obligation	**260,066**	120,116	191,959
	5,926,880	3,783,233	3,105,307
Capitalized interest (Note 8)	**2,634,809**	1,852,968	747,776
	₱3,292,071	₱1,930,265	₱2,357,531

20. **Interest and Other Financial Income and Other Income - Net**

Interest and Other Financial Income
Interest and other financial income arises from cash in banks and short-term deposits, investments in redeemable preferred shares of associates and joint ventures, and from bridge financing (debt replacement) and development loans and advances extended to associates and joint ventures.

The details of interest and other financial income are as follows:

	2024	2023	2022
Interest income on:			
Cash in banks and short-term deposits (Note 4)	**₱989,573**	₱1,586,517	₱285,196
Accounts and notes receivables (Note 5)			
Bridge financing (debt replacement)	**1,641,122**	1,940,160	1,368,602
Development loans	**509,006**	244,182	454,701
Accounts and other receivable	**66,412**	76,698	38,096
Other loans	**212,004**	85,496	17,678
Investments in redeemable preferred shares and convertible loans (Note 7)			
Redeemable preferred shares	**2,335,852**	2,509,952	2,251,145
Convertible loans	**580,381**	627,386	1,223,766
	₱6,334,350	₱7,070,391	₱5,639,184

Other income account consists of:

	2024	2023	2022
Gain on disposal of assets	**₱2,638,008**	₱1,062,030	₱613,565
Disposal of investment - net (Notes 2 and 6)	**1,213,492**	1,062,030	613,565
Sale and leaseback (Note 2)	**1,035,334**	–	–
Early redemption of convertible loan	**389,182**	–	–
Remeasurement gain on investments (Note 6)	–	3,433,328	10,921,026
Others	**1,112,085**	690,082	1,028,217
Foreign exchange gain - net	**517,195**	51,824	122,880
Guarantee fee income	**210,573**	91,229	410,181
Gain (loss) on settlement of derivatives	**137,863**	(31,268)	297,342
Gain on sale of financial asset at FVTPL	**61,603**	49,929	–
Consultancy fee	**54,235**	–	–
Gain (loss) on sale of property, plant and equipment	**46,647**	(3,872)	(7,049)
Discount on long-term receivables	**31,146**	33,594	82,508
Fair value adjustment on financial asset at FVTPL	**(147,216)**	(262,383)	(124,513)
Gain on settlement of development loans	–	515,000	–
Claims on insurance	–	45,591	72,993
Others	**200,039**	200,438	173,875
	₱3,750,093	₱5,185,440	₱12,562,808

Gain on disposal of investment - net

On March 29, 2024, ACRI, together with its joint venture partners, signed a Share Purchase Agreement with PT Barito Wind Energy (“BWE”), for the sale of PT Sidrap Bayu Energi (“SBE”), through sale of ownership of UPC Renewables Asia III Limited (“UPC Asia IIII”), UPC Sidrap (HK) Limited (“Sidrap (HK)”) and Sunedison Sidrap B.V. (external party) in SBE.

On April 2, 2024, the sale transaction was completed upon receipt of total consideration of US$101.90 million, Subsequently, on October 3, 2024, additional proceeds amounting to US$6.4 million were received following the completion of the net working capital adjustments. Out of the total proceeds of US$108.3 million, US$59.31 million (₱3,474.50 million) is allocated to ACRI.

UPC Asia III and Sidrap (HK) upstreamed the proceeds of sales allocated to ACRI through shareholder loans amounting to US$56.61 million and US$2.69 million, respectively.

UPC Asia III and Sidrap (HK) recognized gain on sales of SBE shares amounting to US$62.50 million and US$18.33 million, respectively.

On June 29, 2024, the Board of Directors of UPC Asia III approved the redemption of Redeemable Class A Preferred Shares (“RPS Class A”), accounted as investment in redeemable preferred shares, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of the date of the resolution (see Note 7). On December 13, 2024, the redemption of the RPS Class A was completed.

On December 27, 2024, Sidrap (HK) declared dividends to ACRI amounting to $2.29 million. The dividends were offset against the existing shareholder loan of Sidrap (HK) to ACRI.

Management determined that the sale of the SBE shares resulted in a write-down of the investment in the joint venture (UPC Asia III) and investment in Sidrap (HK), accounted as financial assets at fair value through other comprehensive income, due to the absence of the underlying asset.

The series of transactions resulted in net gain of US$26.31 million (₱1,543.47 million), through various forms as follows:

Transactions	In US$	In PHP
UPC Asia III's gain on sale of Sidrap shares		
ACRI's share in divestment gain, accounted as part of equity in net income of joint venture	$6,250	₱366,950
Gain (loss) related to redemption of UPC Asia III's shares		
Gain on redemption of investment in redeemable preferred shares (Note 7)	$25,921	₱1,520,550
Loss on write-down from disposal of investment in joint venture (Note 6)	(8,324)	(488,677)
Gain on offsetting intercompany balances	2,464	144,642
Gain on disposal of investment - net	$20,061	₱1,176,515
	$26,311	₱1,543,465

As at December 31, 2024, ACRI's investments in Redeemable preferred shares (UPC Asia III) (see Note 7), interest in joint venture (UPC Asia III) and financial asset at FVOCI (Sidrap HK) are all nil. The remaining shareholder loans from UPC Asia III and from Sidrap HK are all settled.

Gain on disposal of assets - Sale and leaseback

On March 19, 2024, AREIT, Inc. (AREIT) and the Group executed a Deed of Exchange, for the subscription by the Group to 199,109,438 primary common shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines (referred to as the “Property”) valued at ₱6,769.72 million (referred to as “Transaction”) at ₱34.00 per share (referred to as the “Transaction Price”). The valuation of the Property subject of the Transaction required the approval of the Philippine SEC. Under the Deed of Exchange, all rights and obligations over the Property and the AREIT shares accrues to each of AREIT and the Group, respectively, from the first day of the quarter of the SEC approval. AREIT is a subsidiary of Ayala Land, Inc., an affiliate of the Group.

On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the Bureau of Internal Revenue, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the Philippine Stock Exchange. Beginning July 1, 2024, dividends declared by AREIT accrue to the Group. Following AREIT's declaration of ₱0.56 regular cash dividends per common share on July 12, 2024, the Group recognized other income amounting to ₱111.50 million presented under "Other Income – net" in the consolidated statements of income.

On September 26, 2024, Giga Ace 8, Inc. (a wholly owned subsidiary of ACEN) and AREIT executed a contract of lease over the Property for the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and the lessee under such terms and conditions as may be acceptable to them. The initial rent is ₱173.54 per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payments commencing from July 1, 2025 are done in advance on a quarterly basis (see Note 9).

The rent payment for the period beginning on the Rent Commencement Date to June 30, 2025 is ₱478.82 million, exclusive of VAT.

The right-of-use asset and lease liability amounted to ₱6,356.84 million, which is equivalent to 85% of the total fair value of the AREIT shares received from the Transaction.

The investment in AREIT are equity shares that are not held for trading by the Group. This is classified as fair value through other comprehensive income and presented under "Financial assets at fair value through other comprehensive income" in the consolidated statements of financial position.

The closing price of AREIT shares was ₱37.50 on September 25, 2024. The cost of the Property amounted to ₱500.76 million (see Note 8) resulting in a gain from the Transaction of ₱6,965.84 million which was recognized in BCHC's financial statements.

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

The Group accrued ₱111.50 million dividend income for the fourth quarter of 2024.

<u>Gain on early redemption of convertible loan</u>

On September 27, 2023, the Group entered into a Framework Agreement with The Blue Circle Pte. Ltd (TBC) to effectively reduce the Group's capital deployed in Dai Phong and Hong Phong 1 Wind projects in Vietnam. This was to effectively make the projects effectively a true 50-50 joint venture in terms of funding. Salient points of the agreement are as follows:

- 50% of outstanding principal and accrued interest of bridge loan facility to be repaid at carrying value.
- 50% of outstanding principal and accrued interest long-term convertible facility to be repaid at a premium of US$7.00 million (₱398.18 million).
- Premium to be paid via redemption of common shares of ACEN Vietnam Investments 2 Pte. Ltd. (ACEV2), which was subject to regulatory approval coming from Vietnam Competition Commission. ACEV2 is the subsidiary of the Group that entered into a joint venture agreement with TBC to construct the Vietnam wind projects.

Principal and accrued interest of bridge loan and long-term convertible loan facility was repaid September 2023. The cost of common shares redeemed amounted to US$0.002 million.

On March 6, 2024, the Vietnam Competition Commission issued its approval of shares redemption and transfer of common share ownership and, consequently, the gain on early redemption of the convertible loan was recognized amounting to US$6.97 million (₱389.18 million). The transfer of common share ownership occurred on March 22, 2024.

In thousands	In US$	In PHP
Total consideration	$38,921	₱2,173,391
Carrying value of convertible loan and accrued interest	31,952	1,784,209
Gain on early redemption of convertible loan	$6,969	₱389,182

ACRI Guarantee Agreement and guarantee fee income

ACRI serves as a guarantor for the following borrowings entered into by its related parties which ACRI unconditionally and irrevocably guaranteed. Fees are charged for these guarantee agreements. ACRI assessed that the expected credit loss from its guaranteed obligation of the related parties is nil.

During the year ended December 31, 2024, the Group has entered into various guarantee agreements with banks for a total of US$307.0 million, for projects in India, Vietnam and Australia, of which US$303.5 million is outstanding as of year-end. The purpose of the guarantees is to secure various Standby Letter of Credit (SBLC) and guarantee agreements of the projects as follows:

a. Construction SBLCs and guarantees - US$7.2 million;
b. Bid and performance bonds - US$30.90 million;
c. Performance connection - US$63.4 million;
d. SBLC loans - US$32.8 million; and
e. Loan guarantees - US$169.3 million

For the years ended December 31, 2024 and 2023, the Group recognized corresponding guarantee fee income amounting to $2.85 million (₱163.82 million) and to $1.65 million (₱91.23 million), respectively.

Settlement of Derivatives

Settlement of derivatives pertain to maturities of foreign exchange forward contracts entered into by ACEN with various banks and settlement of fuel and coal hedge contracts (Note 25).

Fair value adjustment on financial asset at FVTPL
Fair value loss on financial assets at FVTPL is comprised of the loss on unlisted shares Masaya Solar Energy Private Limited. The fair value is determined using a discount rate of 10.9% for the years ended December 31, 2024 and 2023.

21. **Income Taxes**

a. Provision for (benefit from) income tax consists of:

	2024	2023	2022
Current			
Regular corporate income tax	**₱800,558**	₱447,967	₱404,363
Minimum corporate income tax	**91,937**	44,363	10,962
Deferred	**(62,575)**	(210,032)	(1,077,423)
	₱829,920	₱282,298	(₱662,098)

b. The components of the Group's net deferred income tax assets (liabilities) as at December 31 are as follows:

Net deferred tax assets

	2024	2023
Income tax reported in consolidated statements of income		
Deferred income tax assets:		
NOLCO	**₱2,440,577**	₱2,145,431
Lease liability	**2,328,438**	545,437
Accrued expenses	**383,556**	134,635
MCIT	**124,181**	88,800
Pension and other employee benefits	**40,941**	21,920
Unamortized discount on long-term receivable	**39,021**	41,723
Asset retirement obligation	**36,572**	19,704
Allowance for doubtful accounts and expected credit losses	**28,739**	30,854
Impairment of Input VAT	**24,945**	1,653
Unrealized foreign exchange loss	**6,388**	16,310
Allowance for inventory obsolescence	**1,526**	1,528
Unamortized past service costs	**1,002**	1,129
Others	**450,282**	46,771
	5,906,168	3,095,895

(Forward)

	2024	2023
Deferred income tax liabilities:		
Right-of-use assets	**₱1,645,146**	₱374,944
Excess of fair value over cost of power plant	**851,776**	–
Long-term payable	**86,969**	–
Unrealized foreign exchange gain	**35,545**	68,602
Accrual of bonuses	–	60,059
Unamortized debt issue costs	–	52,757
Asset retirement obligation	–	12,917
Others	**16,913**	532
	2,636,349	569,811
	3,269,819	2,526,084

	2024	2023
Income tax reported in consolidated statements of other comprehensive income		
Deferred tax asset:		
Derivative liability on hedging	**34,465**	2,641
Remeasurement gain (loss) on defined benefit obligation	**12,660**	13,807
Unrealized fair value gains on financial asset at FVOCI	**31**	–
Derivative liability on forward contracts	–	14,851
	47,156	31,299
Deferred tax liabilities -		
Derivative asset on hedging	–	435,302
Total deferred income tax assets – net	**₱3,316,975**	₱2,122,081

Net deferred tax liabilities

	2024	2023
Income tax reported in consolidated statement of income		
Deferred income tax assets:		
Unrealized foreign exchange loss	**₱108**	₱–
Unearned revenue	**(12,214)**	(2,223)
Lease liability	–	70,950
Others	**(96,603)**	81,451
	(108,709)	150,178

(Forward)

	2024	2023
Deferred income tax liabilities:		
Unamortized capitalized borrowing costs	**₱688,122**	₱485,292
Right-of-use assets	**437,504**	78,886
Excess of fair value over cost of power plant	**204,781**	–
Unrealized foreign exchange gain	**22,959**	22,462
Others	**24,987**	369,440
	1,378,353	956,080
	(1,487,062)	(805,902)
Income tax reported in consolidated statements of other comprehensive income		
Deferred tax asset:		
Remeasurement gain (loss) on defined benefit obligation	**26,006**	–
Unrealized fair value gains on financial asset at FVOCI	**6,392**	–
	32,398	–
Total deferred income tax liabilities - net	**(₱1,454,664)**	(₱805,902)

The Group's temporary differences and unused NOLCO for which no deferred income tax assets were recognized in the consolidated statements of financial position as follows:

	2024	2023
NOLCO	**₱1,899,386**	₱4,691,482
Accrued expenses	**47,749**	220,851
Allowance for probable losses	**40,575**	18,469
Allowance for credit losses	**20,000**	20,000
Unrealized foreign exchange loss	**3,696**	3,281
Excess MCIT	**2,571**	27,374
Allowance for impairment loss on property and equipment	**–**	3,969,107

NOLCO amounted to ₱1,899.39 million and ₱4,691.48 million, as at December 31, 2024 and 2023, respectively. DTAs on various deductible temporary differences and unused NOLCO have not been recognized as management believes it is not probable that sufficient future taxable income will be available against which the related deferred income tax assets can be used.

Temporary differences on asset retirement cost and PFRS 16 adoption are expected to reverse during the income tax holiday period of ISLASOL, SACASOL, and MONTESOL.

As at December 31, 2024 and 2023, NOLCO totaling ₱9,392.09 million and ₱7,872.80 million, respectively, can be claimed as deduction from regular taxable income and MCIT amounting to ₱106.93 million and ₱20.70 million, respectively, can be credited against future RCIT. The movement in NOLCO and MCIT is shown in the tables below:

Year Incurred	NOLCO Beginning	Additions	Application	Expiration	Ending	Expiry Date
2016[(a)]	₱129,030	₱116,549	(₱17,644)	(₱227,935)	₱–	2023
2017[(a)]	–	470,941	–	(48,077)	422,864	2020
2018	422,864	1,449,379	–	(16,177)	1,856,066	2021
2019	1,856,066	1,080,806	–	(9,691)	2,927,181	2022
2020[(b)]	2,927,181	620,811	(2,596,669)	(470,941)	480,382	2025
2021[(b)]	480,382	431,693	(3,890)	–	908,185	2026
2022	908,185	5,047,595	(127,027)	(431,961)	5,396,792	2025
2023	5,396,792	2,796,612	(320,601)	–	7,872,803	2026
2024	7,872,803	1,519,285	–	–	9,392,088	2027

(a)NOLCO from renewable entities which can be carried over for the next 7 consecutive taxable years per RE Act of 2008
(b)RR-15-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five(5) consecutive years

Year Incurred	MCIT Beginning	Additions	Application	Expiration	Ending	Expiry Date
2019	₱9,539	₱748	₱–	(₱351)	₱9,936	2022
2020	9,936	2,648	(8,325)	(4,259)	–	2023
2021	–	23,885	–	–	23,885	2024
2022	23,885	–	–	(541)	23,344	2025
2023	23,344	–	–	(2,649)	20,695	2026
2024	20,695	86,239	–	–	106,934	2027

The reconciliation between the effective income tax rates and the statutory income tax rate follows:

	2024	2023	2022
Applicable statutory income tax rates	**25.00%**	25.00%	25.00%
Increase (decrease) in tax rate resulting from:			
Net income under tax holiday	**(17.38)**	(10.53)	(1.78)
Income of foreign subsidiary exempt from tax	**(13.20)**	(19.38)	(27.06)
Equity in net income of associates and joint ventures	**(2.72)**	(4.70)	(1.60)
Financial income subject to final tax	**(2.26)**	(4.22)	(0.46)
Dividend income exempt from tax	**(1.18)**	(0.01)	(0.01)
Nondeductible expenses	**3.83**	0.47	(7.33)
Movement in temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized and others	**15.49**	16.38	8.49
Effective income tax rates	**7.58%**	3.01%	(4.75%)

a. 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.

b. R.A. No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted.

The TRAIN changes the existing tax law and includes several provisions that generally affected businesses on a prospective basis. In particular, management assessed that amendment of Section 148 – Excise tax on manufactured oil and other fuels – which increases the excise tax rates of lubricating oil, diesel fuel oil and bunker fuel oil, among others that are used for the power plants, may have material impact to the operations of the Group. Management has considered the impact of TRAIN in managing the operation hours of its power plants.

c. Guimaras Wind is a duly registered renewable energy developer under Renewable Energy (RE) Act of 2008, It is entitled to income tax holiday (ITH) for the first seven years of its commercial operations on all its registered activities starting 2015. Under the RE Act, Guimaras Wind can avail a corporate tax rate of 10% after the ITH period. Since Guimaras Wind will avail the 10% after the ITH, the deferred tax asset expected to be reversed after the ITH period was set up at 10%.

d. ISLASOL is duly registered with the provisions of the Omnibus Investments Code of 1987 on March 29, 2017 which entitled ISLASOL to the incentive to avail ITH for seven years from March 2016, date of actual commercial operation under the administration of BOI. After 7 years of ITH, ISLASOL pays a corporate tax of ten percent (10%) on its net taxable income.

e. SACASOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 on April 7, 2016 which entitled SACASOL to the incentive to avail ITH for seven years from May 2014, date of actual commercial operations under administration of BOI. After 7 years of ITH, SACASOL pays a corporate tax of ten percent (10%) on its net taxable income.

f. MONTESOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 on October 15, 2015 which entitled MONTESOL to the incentive to avail ITH for seven years from March 2016, date of actual commercial operations under administration of BOI. After 7 years of ITH, SACASOL pays a corporate tax of ten percent (10%) on its net taxable income.

Base Erosion and Profit Shifting (BEPS)

The Organisation for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which include a minimum 15% tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years.

Pillar Two legislation has been implemented in some of the jurisdictions in which subsidiaries of ACEN (the “Group”) operate. Some of the Pillar Two legislations became effective for reporting periods beginning on January 1, 2024. Given this, the Group has assessed the applicable Pillar Two tax legislation in all the countries in which subsidiaries of the Group operate to determine whether a Pillar Two ‘top-up’ tax liability needs to be recognised.

The relevant Pillar Two Rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two tax legislation provides for a transitional Country-by-Country Reporting ("CbCR") safe harbor ("TCSH") that applies for the first three fiscal years following the entry into force of the relevant Pillar Two tax legislation; the TCSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting) under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TCSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

ACEN and its fully consolidated subsidiaries are among the constituent entities of the Ayala Group of companies that is covered for BEPS Pillar Two calculations. Under the Pillar Two Rules, the results of all the constituent entities present in a jurisdiction are blended, and based on the assessment performed, most of the jurisdictions where the Ayala Group operates would benefit from the TCSH. Under the Guidelines, jurisdictions that pass any of the TSH test criteria are not subject to detailed Pillar Two calculations and the top-up tax is deemed to be zero.

Of the jurisdictions covered in the assessment only four did not meet any of the TCSH tests, and only British Virgin Islands and Singapore are relevant to this report. The Ayala Group has provisionally calculated the potential top-up tax exposure based on the full Pillar Two regime. However, as Singapore's legislation on Pillar Two will only be effective in 2025 and none of the intermediate parent entities of the British Virgin Islands and Singapore entities have effective Income Inclusion Rule (IIR) in place, there is no top-up tax payable for entities incorporated in British Virgin Islands and Singapore in the current period.

For 2024, the Group has also applied the amendment to IAS 12 which allows for temporary mandatory relief from accounting for the deferred tax impacts of the top-up tax and allows for recognition of the top-up tax as current tax expense as incurred.

22. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements and electricity supply.

ACEN served as the guarantor for the US$400.00 million senior undated fixed-for-life (non-deferrable) Notes with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par, issued by ACEN Finance on September 8, 2021, under its medium-term note (MTN) Programme. Proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework (see Note 13).

The balances as at December 31, 2024 and 2023 and transactions for the years ended December 31, 2024, 2023 and 2022 are as follows:

a. Transactions with ACEIC, the intermediate parent company

	Amount/ Volume			Outstanding Balance Receivable (Payable)		Terms / Conditions
Nature	**2024**	2023	2022	**2024**	2023	
Interest receivable interest income	**₱–**	₱–	₱107,000	**₱–**	₱–	Non-interest bearing; due and demandable
Management fee income	**52,640**	8,634	24,919	**48,533**	1,580	Unsecured; no impairment
Management fee (expense)	**41,753**	249,557	26,041	**(15,303)**	(280,247)	Non-interest bearing; due and demandable
Transfer of Employee	–	176,633	–	**176,633**	176,633	Non-interest bearing; due and demandable
Due from related parties	–	4,458	–	**147,620**	172,030	Non-interest bearing; due and demandable
Due to related parties	–	–	–	**(75,399)**	(77,806)	Non-interest bearing; due and demandable

b. Notes Receivables

	Amount/ Volume			Outstanding Balance		
Related Party	**2024**	2023	2022	**2024**	2023	**Terms / Conditions**
Development loans						
Associates						
PT UPC Sidrap Bayu Energi Tahap Dua	**₱386,018**	₱–	₱–	**₱386,018**	₱–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Sukabumi Bayu Energi	**252,208**	–	–	**252,209**	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Lombok Timur Bayu Energi	**56,823**	–	–	**56,823**	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
Joint Ventures						
UPC Power Solutions LLC	**486,346**	–	–	**1,378,101**	–	Payable in 2028; interest bearing; unsecured; no impairment
UPC-AC Energy Solar Limited (UPC-ACE Solar)	**–**	–	401,436	**856,874**	806,694	Due in 2024; interest bearing; unsecured; with impairment
ACEN-Silverwolf	**9,175**	5,415	–	**14,832**	5,415	Due in 2026; interest bearing; unsecured; no impairment
Affiliate						
Yoma Strategic Investments Ltd ("Yoma")	**181,328**	–	–	**1,570,821**	1,329,824	Due in 2033; interest bearing; unsecured; no impairment
	₱1,371,898	₱5,415	₱401,436	**₱4,515,678**	₱2,141,933	

Related Party	Amount/ Volume 2024	2023	2022	Outstanding Balance 2024	2023	Terms / Conditions
Development loans						
Bridge Financing						
Joint Ventures						
Greencore 3	**₱184,539**	₱248,591	₱2,147,546	**₱4,659,075**	₱4,474,536	Due in 2024; interest bearing; unsecured; no impairment
Lac Hoa	–	–	2,643,403	**2,742,492**	2,625,150	Due in 2024; interest bearing; unsecured; no impairment
Hoa Dong	–	–	2,318,792	**2,405,713**	2,302,780	Due in 2024; interest bearing; unsecured; no impairment
Asian Wind 1	–	–	–	**1,538,099**	1,472,288	Due in 2035; interest bearing; unsecured; no impairment
Asian Wind 2	–	–	2,737,160	**1,160,660**	1,157,895	Due 2045 interest bearing; unsecured; no impairment
NEFIN Solar	**183,022**	220,649	574,834	**964,218**	791,514	Due in 2024; interest bearing; unsecured; no impairment
AMI Greenergy Investment JSC	**311,553**	–	–	**311,553**	–	Due in 2028; interest bearing; unsecured; no impairment
Vietnam Wind	–	224,279	754,669	**296,154**	283,482	Due in 20 years from date of drawdown; interest bearing; unsecured; no impairment
PT Dewata ACEN Renewables Indonesia	**10,094**	33,214	–	**44,792**	33,214	Due in 2024; interest bearing; unsecured; no impairment
Ingrid	–	600,000	650,000	–	300,000	Due in 2024; interest bearing; unsecured; no impairment
	₱689,208	₱1,326,733	₱11,826,404	**₱14,122,756**	₱13,440,859	
Other Loans						
Joint Venture						
Bim Group Joint Stock Company	**₱2,024,575**	₱–	₱–	**₱2,024,575**	₱–	Due in 2029; interest bearing; unsecured; no impairment
BrightNight	**197,432**	310,542	–	**517,213**	310,543	Due in 20 years; interest bearing; unsecured; no impairment
URH	**454,927**	–	–	**462,662**	–	Due in 2025; interest bearing; unsecured; no impairment
Infineum 4 Energy, Inc.	**10,300**	34,360	43,466	**88,126**	77,826	Due in 2024; interest bearing; unsecured; no impairment
Ingrid	–	–	450,000	–	–	Due in 2023; interest bearing; unsecured; no impairment
	₱2,687,234	₱344,902	₱493,466	**₱3,092,576**	₱388,369	

Except for the discussion above, the movement in the notes receivable from related parties are revaluation of US$ denominated notes receivable to Philippine Peso for the three years ended December 31, 2024, 2023 and 2022.

c. Interest Income and Receivable

This account consists of:

Related Party	Amount/Volume 2024	2023	2022	Outstanding Balance Receivable (Payable) 2024	2023	Terms
Investment in redeemable preferred shares and convertible loans (Note 7)						
Redeemable preferred shares	**₱2,335,852**	₱2,509,952	₱2,251,145	**₱4,733,771**	₱3,473,000	various dates
Convertible loans	**580,381**	627,386	1,223,766	**1,350,236**	761,760	various dates
	₱2,916,233	₱3,137,338	₱3,474,911	**₱6,084,007**	₱4,234,760	
Development Loans (Note 5)						
Joint Ventures						
UPC-ACE Solar	**₱106,179**	₱102,677	₱95,725	**₱442,677**	₱–	various dates
ACEN-Silverwolf	**1,115**	–	–	**1,338**	206	various dates
UPC Power Solutions LLC	**84,500**	–	–	–	–	various dates
URH	**23,118**	–	–	–	–	various dates
UPC-ACE Australia	**–**	14,664	7,087	–	–	various dates
Associates						
PT Sidrap	**11,071**	–	–	**11,125**	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Sukabumi	**7,044**	–	–	**7,033**	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Lombok	**886**	–	–	**842**	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
AMI Renewables (Quang Binh)	**1,241**	–	–	–	–	various dates
TBC	–	–	60,390	–	–	various dates
Affiliate						
Yoma	**66,204**	53,314	52,427	**64,042**	198,328	various dates
	₱301,358	₱170,655	₱215,629	**₱527,057**	₱198,534	
Bridge Financing (Note 5)						
Joint Ventures						
Lac Hoa	**₱262,956**	₱343,065	₱96,629	**₱723,817**	₱387,030	various dates
Hoa Dong	**230,826**	301,196	86,371	**637,054**	439,074	various dates
Vietnam Wind	**50,076**	37,355	59,043	**537,426**	465,726	various dates
Asian Wind 1	**152,817**	283,695	269,291	**134,143**	–	various dates
AMI Greenergy Investment JSC	**10,189**	–	–	**10,255**	–	various dates
Asian Wind 2	**118,041**	224,807	199,560	**9,672**	–	various dates
PT Dewata ACEN Renewables Indonesia	**4,424**	–	–	**4,946**	472	various dates
NEFIN Solar	**78,142**	47,487	26,480	–	63,448	various dates
Greencore 3	**698,588**	495,884	228,241	–	57,797	30-day, non-interest bearing
Ingrid	**35,063**	76,405	12,367	–	33,337	30-day, non-interest bearing
BIM Wind	–	130,266	380,250	–	–	various dates
BIMRE	–	–	10,370	–	–	various dates
	₱1,641,122	₱1,940,160	₱1,368,602	**₱2,057,313**	₱1,446,884	
Other Loans						
BrightNight	**₱65,064**	₱29,677	₱–	**₱94,138**	₱29,693	30-day, non-interest bearing
Others	**9,359**	3,833	1,876	**35,394**	4,095	30-day, non-interest bearing
	₱74,423	₱33,510	₱1,876	**₱129,532**	₱33,788	
Trade Receivables						
Affiliates	**₱–**	₱–	₱–	**₱2,010**	₱9,068	30-day, non-interest bearing

d. Loans Payable

Related Party	Interest Expense 2024	2023	2022	Outstanding Balance Receivable (Payable) 2024	2023	Terms
BPI						
Amortization of DIC / Interest payable	**₱3,502**	₱2,232	₱6,454	**(₱55,551)**	(₱16,521)	30 days, unsecured
Long-term loans	**166,199**	110,257	339,442	**(4,899,772)**	(2,367,909)	10 years, interest bearing
Short-term loans	**51,677**	66,492	25,317	–	(1,500,000)	30 days, interest bearing

e. Financial asset at FVTPL

Related Party	Amount/Volume 2024	2023	2022	Outstanding Balance 2024	2023	Terms
BPI Wealth – A Trust Corporation (BPI Wealth)						
Peso	**₱17,702,350**	₱5,055,000	₱–	**₱3,977,816**	₱1,436,676	Redeemable (On Demand)
Foreign	**4,158,249**	300,794	–	**1,726,537**	–	Redeemable (On Demand)
	₱21,860,599	₱5,355,794	₱–	**₱5,704,353**	₱1,436,676	

The Group holds investments in a Unit Investment Trust Fund (UITF) with BPI Wealth – A Trust Corporation (BPI Wealth).

f. Right of Use Assets / Lease Liabilities

The Group entered into lease agreements with Ayala Land, Inc, (ALI) and Fort Bonifacio Development Corporation (FBDC), affiliates, for the use of its office units and parking spaces. Lease with FBDC ended on March 31, 2023. In 2024, the Group entered into lease agreements with AREIT for the use of land and easement rights and BPI Tokyo Century Rental Corporation (BPI TCR) for the use of vehicles.

Related Party	Amortization / Interest Expense 2024	2023	2022	Right-of-use assets / (Lease Liabilities) 2024	2023	Terms
LI						
Right of use assets (Note 9)	**₱137,339**	₱144,988	₱114,880	**₱1,174,001**	₱1,448,350	10 years, unsecured
Lease liabilities (Note 9)	**81,496**	65,517	41,550	**(1,420,785)**	(1,639,935)	10 years, unsecured
REIT						
Right of use assets (Note 9)	**–**	–	–	**535,118**	–	25years, unsecured
Lease liabilities (Note 9)	**–**	–	–	**(6,472,722)**	–	25 years, unsecured
PI TCR						
Right of use assets (Note 9)	**421**	–	–	**3,621**	–	2 years, unsecured
Lease liabilities (Note 9)	**114**	–	–	**(3,769)**	–	2 years, unsecured
BDC						
Right of use assets (Note 9)	**–**	–	9,227	–	–	3 years, unsecured
Lease liabilities (Note 9)	**–**	–	182	–	–	3 years, unsecured

g. Other Related Party Transactions

	Amount/Volume			Outstanding Balance Receivable (Payable)		
	2024	2023	2022	**2024**	2023	**Terms**
Management fee income	**₱473,639**	₱138,970	₱46,148	**₱101,661**	₱112,513	30-days, unsecured
Rental income	**17,337**	13,009	17,337	**2,530**	4,214	30-days, unsecured
Revenue from power supply contracts	**606,060**	–	33,721	–	–	30-days, unsecured
Cost of sale of electricity	**1,115,485**	569,485	911,744	**(105,187)**	(103,650	30-days, unsecured
Due from related parties	**–**	–	–	**1,140,059**	738,206	On demand, Unsecured
Due to related parties	**–**	–	–	**(2,273,247)**	(2,733,673	On demand, Unsecured

Management fee income pertains to service fees billed by the Group to its related parties under common control and joint venture and associates for providing a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/ bookkeeping services, human resources management, manpower related services and other related functions.

Rental income pertains to revenue from sublease agreement with Ingrid for a parcel of land in Brgy.Malaya, Pililla,Rizal.

The Parent Company purchases the entire net electricity output of MGI.

The amount due from a related company pertains mostly to advances including those for project development or reimbursement of expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

The amount due to a related parties pertains to advances, including those for development cost, utilities expense, professional services and other miscellaneous expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

h. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱298.65 million and ₱301.17 million for years ended December 31, 2024 and 2023 respectively, pertain to housing, car, salary and other loans granted to the Group's officers and employees.

i. Payable to Directors and Stockholders

	Amount/Volume			Outstanding Balance Receivable (Payable)		
	2024	2023	2022	**2024**	2023	**Terms / Conditions**
Accrued director's and annual incentives						
Directors' fee and annual incentives	**₱31,696**	₱36,700	₱29,812	**(₱1,200)**	(₱2,000)	On demand, Unsecured
Due to stockholders						
Cash dividends	**3,911,549**	2,069,015	2,298,950	**(13,138)**	(16,585)	On demand, Unsecured

Key Management Compensation

Compensation of key management personnel of the Group are as follows:

	2024	2023	2022
Short-term employee benefits	**₱76,443**	₱59,802	₱54,431
Post-employment benefits	**8,164**	27,750	4,132
	₱84,607	₱87,552	₱58,563

Identification, Review and Approval of Related Party Transactions
All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

23. Earnings Per Share

Basic and diluted EPS are computed as follows:

	2024	2023	2022
	(In Thousands, Except for Number of Shares and Per Share Amounts)		
Net income attributable to equity holders of Parent Company	**₱9,360,006**	₱7,396,140	₱13,055,119
Less cumulative preferred share dividends	**1,927,679**	642,560	–
(a) Net income attributable to common shareholders of Parent Company	**₱7,432,327**	₱6,753,580	₱13,055,119
Common shares outstanding at beginning of year (Note 15)	**39,677,394,773**	39,677,394,773	38,324,027,174
Weighted average number of:			
Shares issued during the year	**–**	–	1,043,557,948
(b) Weighted average common shares outstanding	**39,677,394,773**	39,677,394,773	39,367,585,122
Basic/Diluted earnings per share (a/b)	**₱0.19**	₱0.17	₱0.33

For the years ended December 31, 2024, 2023 and 2022, except for ESOWN, the Parent Company does not have any material potential common shares or other instruments that may entitle the holder to common shares. Consequently, diluted earnings per share is the same as basic earnings per share for the years ended December 31, 2024, 2023 and 2022.

24. Business Combinations

2024 Business Combinations

Investment in Real Wind Energy, Inc. (RWEI)
On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (“MEM”), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM’s receivables from RWEI. The total cost of the transaction is ₱568.72 million (US$10.00 million) which is comprised of the acquisition cost for the shares amounting to US$8.76 million and assigned receivables of US$1.24 million. This is classified as an investment in a joint venture since the fundamental business and operational matters require unanimous consent from all parties.

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. (“Maraj”), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI. The total transaction cost is ₱741.98 million which is comprised of the acquisition cost for the shares amounting to ₱31.98 million and ₱710.00 million earnout.

As a result, the Group acquired control over RWEI.

The fair value of the identifiable assets and liabilities, net of eliminations, at August 1, 2024 acquisition date were:

Assets	
Cash and cash equivalents	₱901
Input value added tax (VAT)	2,362
Other current assets	1
Property, plant and equipment	10,118
Right-of-use assets (Note 9)	102
Accounts and notes receivable – net of current portion	60
Deferred income tax assets - net	3,830
Other noncurrent assets	10,686
	28,060

(Forward)

Liabilities	
Accounts payable and other current liabilities	₱31,314
Income and withholding taxes payable	5,447
Noncurrent portion of long-term loans (see Note 13)	55,428
Other noncurrent liabilities	219
	92,408
Total identifiable net liabilities	(64,348)
Less cost of acquisition	741,984
Fair value of previously held interest (see Note 6)	568,719
Goodwill arising on acquisition (see Note 10)	₱1,375,051

RWEI is a special purpose vehicle for the development and operation of a 500MW wind energy project located in Real, Quezon. The RWEI project is strategically located close to another ACEN wind project spanning Laguna and Quezon. This new acquisition presents opportunities for synergies through the joint use of logistical routes, transmission lines, and substation infrastructure.

The cost of the business combination is made up as follows:

Cash consideration	₱31,984
Earnout consideration (Note 14)	710,000
Fair value of equity interest in RWEI before business combination	568,719
Total consideration	₱1,310,703

The earnout remains unpaid and is payable upon achievement of certain milestones which is beyond 12 months from December 31, 2024 (this is presented under "Other noncurrent liabilities" in the consolidated statements of financial position) (Note 14).

Net cash outflow on acquisition is as follows:

Total cash consideration paid in cash	₱570,703
Less cash acquired with the subsidiary[(a)]	(901)
Net cash outflow	₱569,802

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

If the acquisition had taken place at the beginning of 2024, revenue reduction for the year ended December 31, 2024, would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱33.53 million.

Initial accounting for the acquisition of RWEI has only been provisionally determined as the acquisition occurred close to the end of the reporting period. At the date of finalization of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized and they have therefore only been provisionally determined based on the management's best estimate of the likely values.

2023 Business Combinations

Investment in YMP Telecom Power Inc.
On December 22, 2023, Belenos Energy Corporation ("Belenos"), a wholly owned subsidiary of ACEN, signed a Share Purchase Agreement for the acquisition of YMP Telecom Power Inc. (YMP Telecom) and its affiliate, YMP Industrial Power Inc. (YMP Industrial), through purchase of 100% of the outstanding shares held by Yoma Micro Power (S) Pte. Ltd. in each of these companies for the purpose of building and operating solar-powered solutions for telecommunication towers and commercial and industrial solar power solutions in the Philippines.

The following are the fair values of the identifiable assets and liabilities of YMP Telecom and YMP Industrial as at the date of acquisition:

Assets	
Cash and cash equivalents	₱188,165
Accounts and notes receivable - net	12,453
Other current assets	2,424
Property, plant and equipment	41,825
	244,867
Liabilities	
Accounts payable and other current liabilities	327,531
Deferred income tax liabilities - net	537
	328,068
Total identifiable net liabilities	(83,201)
Less cost of acquisition	21,000
Goodwill arising on acquisition (see Note 10)	₱104,201

Goodwill comprises the fair value of expected synergies arising from the acquisition. This is presented under Goodwill in the consolidated statements of financial position. None of the goodwill recognized is expected to be deductible for income tax purposes.

Consideration transferred was paid in cash on the transaction date.

Net cash inflow on acquisition is as follows:

Cash consideration	₱21,000
Less cash acquired with the subsidiary[(a)]	(188,165)
Net cash inflow	₱167,165

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

If the acquisition had taken place at the beginning of 2023, revenue contribution for the year ended December 31, 2023, would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱52.80 million.

On December 22, 2024, the Group finalized the accounting for the acquisition YMP Telecom and YMP Industrial. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱104.20 million.

Investment in Sinocalan
On November 29, 2022, ACEN, Sungrow, and Havilah signed an agreement for the sale and purchase of Sungrow's and Havilah's shares and/or subscription rights in Sinocalan to ACEN.

In 2022, ACEN's acquisition of control in Sinocalan resulted to a goodwill amounting to ₱114.00 million.

Sinocalan is the developer of the proposed ~60MWp solar power plant in San Manuel, Pangasinan.

Net cash outflow on acquisition in 2023 is as follows:

	2023
Cash consideration*	₱114,000
Less Cash acquired with the subsidiary[(a)]	–
Net cash outflow	₱114,000

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

25. Financial Risk Management Objectives and Policies

Objectives and Investment Policies
The funds of the entities are held directly by the Group and are managed by the Corporate Finance and Treasury Group ("CFT").

All cash investments of the Group are carried and governed by the following principles, stated in order of importance:
- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash. Under no circumstance will yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

The CFT manages the funds of the Group and invests them in highly liquid instruments such as short-term deposits, marketable instruments, corporate promissory notes and bonds, government bonds, and trust funds denominated in Philippine peso and U.S. dollar. It is responsible for the sound and prudent management of the Group's financial assets that finance the Group's operations and investments in enterprises.

CFT focuses on the following major risks that may affect its transactions:
- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations ("CPIR") focuses on the following major risks that may affect its transactions:
- Market risk
- Equity price risk

Commercial Operations ("CO") focuses on commodity price risk.

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Group.

Risk Management Process

Foreign Exchange Risk
The Group defines foreign exchange risk as the risk of realizing reduced operating cash flows and/or increasing the volatility of future earnings from movements in foreign exchange. The risk is measured based on potential downside impact of market volatility to operating cash flows and target earnings.

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:

- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:

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

Cash flow hedges
The Group manages its foreign exchange risk by hedging future cash flows that are expected to occur within the next 12 months.

On August 1, 2024, the Group entered into a cross-currency swap agreement to hedge its exposure to variable cash flows due to foreign exchange movements on its US$54.86 million loan due to mature in 2029 *(see Note 13)*. There is an economic relationship between the hedged item and the hedging instrument as the terms of the foreign currency-denominated fixed-rate loan match the terms of the cross-currency swap (i.e., notional amount, maturity, payment dates).

On December 16, 2024, the Group entered into forward currency contracts with a notional amount of ₱1,000.00 million to hedge its exposure to variability in future cash flows due to foreign exchange movements on its highly probable forecasted EPC payments.

The Group has established a hedge ratio of 1:1 or 100% for its hedging relationships as the underlying risk of the cross-currency swap and forward currency contract is identical to the hedged risk components. In assessing the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

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

	2024 U.S. Dollar (US$)	2023 U.S. Dollar (US$)
Financial Assets		
Cash and cash equivalents	**$217,123**	$288,622
Other receivables	**410,969**	370,703
	628,092	659,325
Financial Liabilities		
Accounts payable and other current liabilities	**(157,654)**	(173,920)
Notes payable and loans-term loans	**(1,284,670)**	(722,412)
	(1,442,324)	(896,332)
Net foreign currency-denominated assets (liabilities)	**($814,232)**	($237,007)
Peso equivalent	**(₱47,236,913)**	(₱13,168,109)

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱58.01 to US$1.00 as at December 31, 2024 and ₱55.56 to US$1.00 as at December 31, 2023.

The following tables demonstrate the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Group's profit before tax (due to the changes in the fair value of monetary assets and liabilities) in periods presented. The possible changes are based on the survey conducted by management among its banks. There is no impact on the Group's equity other than those already affecting the profit or loss. The effect on profit before tax already includes the impact of derivatives.

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate	US$
December 31, 2024	(₱0.50)	**407,117**
	(1.00)	**814,233**
	0.50	**(407,117)**
	1.00	**(814,233)**
December 31, 2023	(₱0.50)	118,504
	(1.00)	237,007
	0.50	(118,504)
	1.00	(237,007)

For subsidiaries with functional currency in US$, financial assets and liabilities are translated into Philippine peso, presentation currency of the Group using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated investments in associates and joint ventures, accounts and other payables, and notes payable with US$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average rate for the period. Assets and liabilities of ACEN Cayman Limited, ACEN HK and ACEN Finance which are in US$ functional currency was likewise translated to the Group's presentation currency.

The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments". See below for the carrying amounts.

	2024	
	Peso	**US$**
Cash and cash equivalents	**₱8,488,339**	**$146,743**
Receivables	**23,283,035**	**402,507**
Investments in:		
Associates and joint ventures	**26,072,280**	**450,727**
Redeemable preferred shares and convertible loans	**17,828,524**	**308,212**
Financial asset at FVTPL	**5,825,491**	**100,709**
	81,497,669	**1,408,898**
Accounts payable and other current liabilities	**8,928,542**	**154,353**
Notes payable	**74,311,732**	**1,284,670**
Net foreign currency position	**(₱1,742,605)**	**($30,125)**

	2023	
	Peso	US$
Cash and cash equivalents	₱13,762,449	$248,554
Receivables	20,149,499	363,906
Investments in:		
Associates and joint ventures	19,083,118	344,647
Redeemable preferred shares and convertible loans	21,633,799	390,713
Financial asset at FVTPL	7,731,998	139,642
	82,360,863	1,487,462
Accounts payable and other current liabilities	9,629,365	173,909
Notes payable	39,999,949	722,412
Net foreign currency position	₱32,731,549	$591,141

The following are the sensitivity rates used in reporting foreign currency risk internally to key management personnel. The sensitivity rates represent management's assessment of the reasonably possible change in foreign exchange rates.

		Increase (decrease) in Peso per foreign currency	**Effect on income before income tax**
December 31, 2024	**US$**	($0.50)	**15,063**
		(1.00)	**30,125**
		0.50	**(15,063)**
		1.00	**(30,125)**
December 31, 2023	US$	($0.50)	(295,571)
		(1.00)	(591,141)
		0.50	295,571
		1.00	591,141

Credit or Counterparty Risk
The Group defines Credit or Counterparty Risk as the risk of sustaining a loss resulting from a counterparty's default to a transaction entered with the Group.

Credit or counterparty risk is managed through the following:
- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the Board.
- Discussions are done on every major investment by CFT before it is executed subject to the Group's Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and CFT Finance Managers supervise major transaction executions.
- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the receivables of the Group, its exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	2024					
	Neither Past Due nor Impaired					
	Class A	Class B	Class C	Past Due but not Impaired	Past Due Individually Impaired	Total
Trade and other receivables						
Current:						
Trade receivables	**₱370,925**	**₱726,358**	**₱2,058,805**	**₱3,008,784**	**₱67,887**	**₱6,232,759**
Due from related parties	**8,151,746**	**46,036**	**13,075**	**5,919,117**	**1,036,5 23**	**15,166,497**
Others	**1,464,215**	**115,826**	**–**	**889,036**	**87,192**	**2,556,269**
Noncurrent	**ws**					
Trade receivables	**374,727**	**–**	**–**	**677,877**	**–**	**1,052,604**
Due from related parties	**14,712,892**	**188,276**	**91,550**	**902,881**	**1,317,243**	**17,212,842**
Receivables from third parties	**626,654**	**–**	**–**	**234,658**	**–**	**861,312**
	₱25,701,159	**₱1,076,496**	**₱2,163,430**	**₱11,632,353**	**₱2,508,845**	**₱43,082,283**

	2023					
	Neither Past Due nor Impaired					
	Class A	Class B	Class C	Past Due but not Impaired	Past Due Individually Impaired	Total
Trade and other receivables						
Current:						
Trade receivables	₱4,399,914	₱819,759	₱281,793	₱2,521,277	₱50,196	₱8,072,939
Due from related parties	6,028,005	234	5,032	5,685,385	–	11,718,656
Others	5,175,257	1,397	8,302	1,139,336	84,864	6,409,156
Noncurrent						
Trade receivables	–	–	–	132,295	1,157,518	1,289,813
Due from related parties	10,626,653	102,868	89,307	799,583	–	11,618,411
Receivables from third parties	696,762	–	–	241,574	–	938,336
	₱26,926,591	₱924,258	₱384,434	₱10,519,450	₱1,292,578	₱40,047,311

The Group uses the following criteria to rate credit risk as to class:

Class	Description
Class A	Customers with excellent paying habits
Class B	Customers with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, short-term investments, financial assets at FVOCI and derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group's assessments of the credit quality of its financial assets are as follows:

- Cash and cash equivalents, short-term investments and derivative assets were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.
- Listed and unlisted financial assets at FVOCI were assessed as high grade since these are investments in instruments that have a recognized foreign or local third-party rating or instruments which carry guaranty or collateral.

There are no significant concentrations of credit risk within the Group.

Maximum exposure to credit risk of financial assets not subject to impairment
The gross carrying amount of financial assets not subject to impairment also represents the Group's maximum exposure to credit risk which mainly pertains to financial assets at FVOCI amounting to ₱12,460.21 million and ₱5,799.32 million as at December 31,2024 and 2023, respectively.

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

	2024	2023
Financial Assets at Amortized Cost (Portfolio 1)		
Cash and cash equivalents	**₱25,158,358**	₱39,696,662
Short-term investments	**161,966**	–
Under "Receivables" account		
Current:		
Trade receivables	**6,164,872**	8,022,743
Due from related parties	**14,129,974**	11,718,656
Others	**2,469,077**	6,324,293
Noncurrent:		
Trade receivables	**1,052,604**	164,971
Due from related parties	**15,895,599**	11,585,735
Receivables from third parties	**861,312**	938,336
Redeemable preferred shares and convertible loans	**17,828,524**	21,633,799
Under "Other Noncurrent Assets" account	–	
Deposits	**189,683**	161,373
	₱83,911,969	₱100,246,568

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

	2024				
		Lifetime ECL			
Grade	**12-month Stage 1**	**Stage 2**	**Stage 3**	**Simplified Approach**	**Total**
High	**₱85,066,706**	**₱–**	**₱–**	**₱–**	**₱85,066,706**
Standard	**–**	**–**	**–**	**1,354,108**	**1,354,108**
Substandard	**–**	**–**	**–**	**–**	**–**
Default	**–**	**–**	**–**	**–**	**–**
Gross carrying amount	**85,066,706**	**–**	**–**	**1,354,108**	**86,420,814**
Less loss allowance	**2,508,845**	**–**	**–**	**–**	**2,508,845**
Carrying amount	**₱82,557,861**	**₱–**	**₱–**	**₱1,351,599**	**₱83,911,969**

	2023				
		Lifetime ECL			
Grade	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	Total
High	₱99,387,084	₱–	₱–	₱459,036	₱ 99,846,120
Standard	42,282	–	–	1,536,887	1,579,169
Substandard	–	–	–	–	–
Default	–	113,857	–	–	113,857
Gross carrying amount	99,429,366	113,857	–	1,995,923	101,539,146
Less loss allowance	1,292,578	–	–	–	1,292,578
Carrying amount	₱98,136,788	₱113,857	₱–	₱1,995,923	₱ 100,246,568

Simplified Approach

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

	2024					
		Days Due				
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	**0.52%**	**1.61%**	**2.61%**	**4.49%**	**13%**	
Estimated total gross carrying amount at default	**₱4,050,731**	**₱732,185**	**₱185,229**	**₱280,475**	**₱802,418**	**₱6,051,038**
Expected credit loss	**₱20,923**	**₱11,775**	**₱4,843**	**₱12,583**	**₱105,255**	**₱155,379**

	2023					
		Days Due				
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0.64%	1.72%	2.12%	4.67%	6.04%	
Estimated total gross carrying amount at default	₱3,472,406	₱735,036	₱268,369	₱284,065	₱1,629,354	₱6,389,230
Expected credit loss	₱22,272	₱12,671	₱5,678	₱13,278	₱98,413	₱152,312

Liquidity Risk
Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity risk is managed through:
- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Group.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Group's plans. Average duration of investments does not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

	2024					
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than 1 Year to 5 Years**	**More than 5 Years**	**Total**
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	**₱3,826,863**	**₱1,457,421**	**₱54,278**	**₱1,107**	**₱2,647**	**₱5,342,316**
Retention payable	**381,034**	**43,817**	**29,562**	**28,178**	**–**	**482,591**
Accrued expenses [a]	**1,957,807**	**1,454,176**	**21,139**	**–**	**–**	**3,433,122**
Accrued interest	**717,947**	**809,862**	**–**	**–**	**–**	**1,527,809**
Due to related parties	**1,848,831**	**557,923**	**62,383**	**15**	**–**	**2,469,152**
Others	**104,128**	**–**	**–**	**741,512**	**–**	**845,640**
Derivative Liability	**7,974**	**32,334**	**–**	**227,865**	**–**	**268,173**
Short-term loans	**150,000**	**5,450,000**	**–**	**–**	**–**	**5,600,000**
Due to stockholders	**13,138**	**–**	**–**	**–**	**–**	**13,138**
Lease liabilities [b]	**–**	**187,550**	**1,297,586**	**2,509,292**	**13,778,179**	**17,772,607**
Long-term loans [c]	**–**	**1,007,580**	**9,675,972**	**69,483,863**	**33,620,855**	**113,788,270**
Notes payable	**–**	**–**	**–**	**35,713,475**	**–**	**35,713,475**
Other noncurrent liabilities [d]	**–**	**–**	**–**	**5,136,864**	**–**	**5,136,864**
	₱9,007,722	**₱11,000,663**	**₱11,140,920**	**₱113,842,171**	**₱47,401,681**	**₱192,393,157**

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

	2023					
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	Total
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱4,786,861	₱2,545,347	₱49,290	₱133,351	₱–	₱7,514,849
Retention payable	80,542	1,446	306,416	6,932	–	395,336
Accrued expenses [a]	3,522,924	1,521	303,245	159	–	3,827,849
Accrued interest	–	–	–	–	–	–
Due to related parties	2,245,231	725,675	224,470	15	–	3,195,391
Others	41,219	814	4,924	84,523	–	131,480
Derivative Liability	–	10,563	–	12,437	–	23,000
Short-term loans	–	1,500,000		–	–	1,500,000
Due to stockholders	16,585	–	–	–	–	16,585
Lease liabilities [b]	–	159,857	1,183,734	3,467,918	12,590,733	17,402,242
Long-term loans [c]	–	593,851	1,535,146	20,934,687	34,828,021	57,891,705
Notes payable	–	–	–	33,949,492	–	33,949,492
Other noncurrent liabilities [d]	–	–	–	5,249,198	–	5,249,198
	₱10,693,362	₱5,539,074	₱3,607,225	₱63,838,712	₱47,418,754	₱131,097,127

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

As at December 31, 2024 and 2023, the profile of financial assets used to manage the Group's liquidity risk is as follows:

	2024				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Over 12 Months**	**Total**
Loans and receivables:					
Current:					
Cash and cash equivalents	**₱25,158,358**	**₱–**	**₱–**	**₱–**	**₱25,158,358**
Short-term investments	–	–	**161,966**	–	**161,966**
Accounts and Notes Receivables:					
Accounts and other receivable	**6,198,281**	**966,925**	**1,604,776**	–	**8,769,982**
Notes receivable	**3,354,991**	**114,352**	**5,157,044**	–	**8,626,387**
Interest receivable	**6,310,965**	**248,191**	–	–	**6,559,156**
Noncurrent:					
Receivables:					
Accounts and other receivable	–	–	–	**1,783,399**	**1,783,399**
Notes receivable	–	–	–	**14,952,360**	**14,952,360**
Interest receivable	–	–	–	**2,390,998**	**2,390,998**
Derivative assets	–	–	**157,662**	**4,394,107**	**4,551,769**
Investment in redeemable preferred shares and convertible loans	–	–	–	**19,941,374**	**19,941,374**
Financial assets at FVOCI:					
Quoted	**7,556,202**	–	–	–	**7,556,202**
Unquoted	–	–	–	**4,560,437**	**4,560,437**
	₱48,578,797	**₱1,329,468**	**₱7,081,448**	**₱48,022,675**	**₱105,012,388**

	2023				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
Current:					
Cash and cash equivalents	₱39,696,662	₱–	₱–	₱–	₱39,696,662
Short-term investments	–	–	–	–	–
Accounts and Notes Receivables:					
Accounts and other receivable	7,451,131	1,204,573	1,761,647	–	10,417,351
Notes receivable	8,872,038	26,249	4,978,164	–	13,876,451
Interest receivable	1,806,672	15,519	84,759	–	1,906,950
Noncurrent:					
Receivables:					
Accounts and other receivable	–	–	–	1,988,705	1,988,705
Notes receivable	–	–	–	7,558,457	7,558,457
Interest receivable	–	–	–	4,299,398	4,299,398
Derivative assets	–	–	177,828	6,269,689	6,447,517
Investment in redeemable preferred shares and convertible loans	–	–	–	21,633,799	21,633,799
Financial assets at FVOCI:					
Quoted	–	–	–	–	–
Unquoted	–	–	–	300	300
	₱57,826,503	₱1,246,341	₱7,002,398	₱41,750,348	₱107,825,590

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2024 and 2023, the Group has fixed rate financial instruments measured at fair value.

The Group's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate. The Group generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans. Specific interest rate risk policies are as follows:

Market Risk
Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes. Interest rate, foreign exchange rates and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets at FVTPL and financial assets at FVOCI.

Commodity Price Risk

Cash flow hedges
The Group defines Commodity Price Risk as the risk of realizing reduced profit margins and/or increasing the volatility of future earnings that are affected by the pricing variability and uncertainty in coal and fuel supply and any associated foreign exchange risk. The risk is measured based on potential downside impact of market volatility to target earnings.

To manage Commodity Price Risk, the Group develops a Coal and Fuel Hedging Strategy aimed to:

- Manage the risk associated with unexpected increase in coal and fuel prices which affect the target Profit & Loss of the Group
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for hedge accounting

Only the Group's Chief Executive Officer, Chief Finance Officer and Philippine Chief Operating Officer (PH COO) are authorized to make coal and bunker fuel oil hedging decisions for the Group. All executed hedges go through a stringent approval process to justify the tenor, price and volume of the hedge to be undertaken.

Monitoring and assessment of the hedge effectiveness and Coal and Fuel Hedging Strategy are reviewed periodically by the Commercial Operations. Continuation, addition, reduction and termination of existing hedges are decided by the Head of CO and any material change in permissible hedging instrument, counterparties and limits are elevated to the BOD for approval.

The Group purchases coal and bunker fuel oil on an ongoing basis for its operating activities in the thermal energy power generators, composed of SLTEC (by virtue of the AMA) and other diesel power plants (CIPP, One Subic Power, Bulacan Power). The increased volatility in coal and fuel oil price over time led to entering in commodity swap contracts. The forecasted volumes are determined based on each plant's projected operating capacity, plant availability, required monthly consumption and storage capacity.

These contracts are expected to reduce the volatility attributable to price fluctuations. Hedging the price volatility of forecast coal and bunker fuel oil purchases is in accordance with the risk management strategy outlined by the Board.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity swap contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following foreign exchange and commodity swap contracts:

	Maturity						
	< 1 month	**1-3 months**	**4-6 months**	**7-9 months**	**10-12 months**	**>12 months**	**Total**
As at December 31, 2024							
Foreign exchange forward contracts							
Notional amount ($000)	**$10,000**	**$19,301**	$–	$–	$–	$–	**$29,301**
Average forward rate ($/₱)	**56.36**	**58.39**	–	–	–	–	
Coal							
Notional amount (in Metric Tons)	**1,200**	–	–	–	–	–	**1,200**
Notional amount (in $000)	**($17)**	$–	$–	$–	$–	$–	**($17)**
Average hedged rate ($ per Metric ton)	**$104.76**	$–	$–	$–	$–	$–	
As at December 31, 2023							
Foreign exchange forward contracts							
Notional amount ($000)	$17,161	15,159	$6,560	$–	$–	$–	$38,880
Average forward rate ($/₱)	55.47	55.42	55.43	–	–	–	
Coal							
Notional amount (in Metric Tons)	1,200	–	–	–	–	–	1,200
Notional amount (in $000)	($95)	$–	$–	$–	$–	$–	($95)
Average hedged rate ($ per Metric ton)	$168.22	$–	$–	$–	$–	$–	

The impact of the hedging instruments on the consolidated statements of financial position are as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As at December 31, 2024				
Foreign exchange forward contracts	**$17,147**	**15,089**	Other current assets	**15,089**
Foreign exchange forward contracts	**$12,154**	**(7,974)**	Accounts payable and other current liabilities	**(7,974)**
Commodity swap contracts – Coal	**$1,200**	**(925)**	Other noncurrent liabilities	**(925)**
As at December 31, 2023				
Foreign exchange forward contracts	$17,161	(10,563)	Accounts payable and other current liabilities	(10,563)
Commodity swap contracts – Coal	$1,200	(5,277)	Other noncurrent liabilities	(3,958)

The impact of hedged items on the consolidated statements of financial position are as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at December 31, 2024			
Highly probable forecast purchases	**₱15,089**	**₱–**	**₱–**
Highly probable forecast purchases	**(7,974)**	**–**	**–**
Coal purchase	**(925)**	**–**	**–**
As at December 31, 2023			
Highly probable forecast purchases	(₱10,563)	₱–	₱–
Coal purchase	(3,958)	–	–

The effect of the cash flow hedge in the consolidated statements of comprehensive income are as follows:

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at December 31, 2024						
Foreign exchange forward contracts	**₱66,166**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Foreign exchange forward contracts	**₱24,664**	–	–	–	–	–
Commodity swap contracts - Coal	**(694)**	–	–	–	–	–
As at December 31, 2023						
Foreign exchange forward contracts	**(₱10,563)**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Commodity swap contracts - Coal	**(3,958)**	–	–	–	–	–

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Enterprise risk assessments are refreshed on an annual basis. Risk assessments at the plant level are also conducted for operational risks. Insurance coverage is also reviewed annually by the Insurance Committee.
- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and 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 policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or acquire long-term debts.

Statutory debt consists of short-term and long-term debts of the Group. Net statutory debt includes short-term and long-term debts less cash and cash equivalents, short-term investments and restricted cash. The Group considers its total equity (including redeemable preferred shares) as capital.

	2024	2023
Short-term debt (Note 13)	**₱5,600,000**	₱1,500,000
Long-term debt (Note 13)	**127,912,375**	77,778,471
Total statutory debt	**133,512,375**	79,278,471
Less:		
Cash and cash equivalent (Note 4)	**25,158,358**	30,868,829
Short-term investments (Note 11)	**161,966**	–
Restricted cash (Note 4)	–	8,827,833
Net statutory debt	**108,192,051**	39,581,809
Total equity	**157,443,200**	173,375,857
Debt to equity	**84.80%**	45.73%
Net debt to equity	**68.72%**	22.83%

The Group closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keep the compliance of these covenants into consideration. The Group is not subject to externally imposed capital requirements.

26. **Fair Values**

The table below presents the carrying values and fair values of the Group's financial assets and financial liabilities, by category and by class, as at December 31, 2024 and 2023:

	2024			
		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	**₱6,626,140**	**₱–**	**₱6,626,140**	**₱ –**
Financial assets at FVOCI	**12,116,639**	**7,556,203**	**–**	**4,560,436**
Investment in redeemable preferred shares and convertible loans	**17,828,524**	**–**	**–**	**18,579,456**
Derivative asset*	**4,551,769**	**–**	**157,662**	**4,394,107**
Refundable deposits**	**189,683**	**–**	**–**	**199,973**
Trade receivables***	**1,758,707**	**–**	**–**	**1,623,888**
Receivables from third parties****	**30,562**	**–**	**–**	**30,562**
	₱43,102,024	**₱7,556,203**	**₱6,783,802**	**₱29,388,422**
Liabilities				
Notes payable	**₱33,056,481**	**₱–**	**₱–**	**₱34,030,004**
Long-term debt	**94,855,894**	**–**	**–**	**91,038,771**
Deposit payables and other liabilities*****	**39,711**	**–**	**–**	**44,442**
Derivative liability******	**291,664**	**–**	**40,308**	**251,356**
Lease liabilities	**14,498,442**	**–**	**–**	**13,741,296**
	₱142,742,192	**₱–**	**₱40,308**	**₱139,105,869**

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

	2023			
		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	₱3,871,472	₱501,822	₱3,369,650	₱–
Financial assets at FVOCI	5,799,323	–	–	5,799,323
Investment in redeemable preferred shares and convertible loans	21,633,799	–	–	21,633,799
Derivative asset*	6,447,517	–	1,284,709	5,162,808
Refundable deposits**	167,101	–	–	161,373
Trade receivables***	738,798	–	–	779,816
Receivables from third parties****	10,262	–	–	10,262
	₱38,668,272	₱501,822	₱	₱33,547,381
Liabilities				
Notes payable	₱32,003,794	₱–	₱–	₱29,589,780
Long-term debt	44,485,573	–	–	44,224,717
Deposit payables and other liabilities*****	65,016	–	–	65,016
Derivative liability	23,000	–	23,000	–
Lease liabilities	7,505,848	–	–	8,820,127
	₱84,083,231	₱–	₱23,000	₱82,699,640

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

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investment, Receivables, Accounts Payable and Other Current Liabilities and Due to Stockholders
The carrying amounts of cash and cash equivalents, short-term investment, receivables, accounts payable and other current liabilities and due to stockholders approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial Asset at FVTPL and FVOCI
Quoted financial assets at FVOCI and FVTPL, specifically for publicly traded shares held by the Group, were measured using market prices and classified as Level 1.

In 2023, the Group, acquired equity shares of SP New Energy Corporation (“SPNEC”), a publicly listed company. The SPNEC shares held by the Group for trading purposes and accounted as financial asset at FVTPL and classified as Level 1. The carrying amount of SPNEC shares amounted to nil and ₱501.82 million as at December 31, 2024 and 2023, respectively.

In 2024, the Group acquired equity shares of AREIT via property-for share swap (see Note 20). The AREIT shares are accounted as financial asset at FVOCI and classified as Level 1. The carrying amount of AREIT shares amounted to ₱7,556.20 million and nil as at December 31, 2024 and 2023, respectively.

Other quoted financial assets at FVTPL held by the Group consist of investments in unit investment trust funds (UITFs) were measured using the funds’ net asset value (NAV) and classified as Level 2. The carrying amount of the Group’s UITF amounted to ₱5,704.35 million and ₱1,436.68 million as at December 31, 2024 and 2023, respectively.

Unquoted financial assets at FVTPL and FVOCI, specifically debt and equity instruments held by the Group were measured using the DCF technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity which is a related party investment company, management estimates the amount and timing of the future cash inflow arising from redemption of preferred shares.

Financial assets at FVTPL classified as Level 2 consists of Compulsorily Convertible Debentures of Masaya Solar Energy Private Limited. The carrying amount of financial assets at FVTPL amounted to ₱921.79 million and ₱1,932.98 million as at December 31, 2024 and 2023, respectively.

Financial assets at FVOCI classified as Level 3 consists of investments in Redeemable Preference Share in UPC-ACE Solar, BrightNight and PT Puri Prakarsa Batam and IBV ACEN Renewables Asia Pte. The carrying amount of financial assets at FVOCI amounted to ₱4,560.44 million and ₱5,799.32 million as at December 31, 2024 and 2023, respectively.

Investment in redeemable preferred shares and convertible loans
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

Noncurrent trade receivables, Receivables from third parties, Refundable Deposits, Deposits Payable and Other Liabilities
Estimated fair value is based on present value of future cash flows discounted using the prevailing BVAL rates that are specific to the tenor of the instruments’ cash flows at the end of the reporting period.

Long-Term Loans
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 3.02% to 8.52 % and 1.03% to 8.88% as at December 31, 2024 and 2023, respectively.

Notes Payable
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows is 6.15% and 6.07%as at December 31, 2024 and 2023, respectively.

Derivative asset and liability
The fair value of the derivative asset and liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period. The following table gives information about how the fair values of derivative asset are determined (in particular, the valuation technique(s) and inputs used).

Derivative asset	**Valuation technique**
Long-term Energy Supply Agreement	Discounted cash flow. Valuation requires the use of long dated energy valuation volumes and long dated energy and LGC price curves
Interest rate swaps	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparts

There were no significant unobservable inputs used in the valuation of the derivative assets on Long-term Energy Supply Agreement and interest rate swaps.

There were no transfers between levels in the fair value hierarchy in 2024 and 2023.

27. Operating Segment Information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For management purposes, the Group is organized into the following business units:

- Philippines, which includes:
  1. Retail Electricity Supply (RES) and Commercial Operations (CO)
  2. Renewables - generation, transmission, distribution, and supply of electricity using renewable sources such as solar, wind, and geothermal resources

3. Thermal - generation, transmission, distribution, and supply of electricity using conventional methods of energy generation
4. Project development
5. Leasing
6. Bulk water supply - arising from previously owned biomass project (ACEN legacy projects)
7. Petroleum and exploration - pursued via 75.92% owned subsidiary, ENEX Energy Corp.

- International represents the operations of ACRI, which is the holding company for all offshore investments, which includes businesses from Australia, Vietnam, Indonesia, India and rest of the world. This includes earnings from the operations of ACEN Australia, international renewable investments, as well as project development expenses, financing activities, and overhead expenses for the various renewable power projects in the pipeline.
- Parent and Others represents operations of the Parent Company (excluding Commercial Operations) including its financing entities such as ACEN Finance Limited and ACEN Cayman Ltd.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on (1) operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statement referred to by management as “Core Operating Earnings” and (2) selected attributable financial information, specifically attributable earnings before interest, taxes, depreciation, and amortization (EBITDA) and attributable debt of renewable energy projects.

Statutory EBITDA is the sum of the consolidated (1) revenues, (2) cost and expenses excluding depreciation and amortization and provision for impairment, (3) equity in net income of associates and joint ventures and (4) other income - net (excluding gain on previously held interest, unrealized foreign exchange gain/loss, fair value loss on financial asset at FVTPL).

Attributable EBITDA is the sum of (1) statutory EBITDA, and (2) nonconsolidated operating projects’ EBITDA multiplied by ACEN’s economic interest less (1) equity in net income of associates and joint ventures, and (2) less interest and other financial income from Investment in redeemable preferred shares and convertible loans (this is presented under other income (charges) in the consolidated statements of income). This is not equivalent to the statutory EBITDA of the Group.

Operating projects’ EBITDA follows the same definition as statutory EBITDA.

Nonconsolidated projects are investments in associates and joint ventures and investment in redeemable preferred shares and convertible loans of the Group.

Statutory net debt is the sum of consolidated (1) short-term loans, (2) long-term loans, and (3) notes payable less consolidated cash and cash equivalents.

Attributable net debt is the sum of (1) statutory net debt and (2) nonconsolidated operating projects’ net debt which is debt less cash multiplied by ACEN’s economic interest.

Statutory and attributable net debt includes recourse and non-recourse debt. Nonconsolidated operating projects' net debt excludes intercompany loans wherein the Group is the lender. These are bridge financing, development loans and investment in redeemable preferred shares and convertible loans in the consolidated statements of financial position of the Group.

Revenue earned from a single external customer amounted to ₱9,298.26 million, ₱13,328.00 million and ₱11,880.00 for the years ended December 31, 2024, 2023 and 2022, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arising from sales in the Philippine Segment.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results are shown net of transfers between operating segments. Those transfers are eliminated in consolidation.

The following tables regarding operating segments present revenue and income information for the years ended December 31, 2024, 2023 and 2022, and assets and liabilities as at December 31, 2024 and December 31, 2023:

	For the Year Ended December 31, 2024			
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	**₱33,881,066**	**₱2,253,208**	**₱–**	**₱36,134,274**
Dividend income	**115,483**	**400,478**	**–**	**515,961**
Rental income	**69,597**	**–**	**–**	**69,597**
Other revenues	**13,026**	**68,299**	**499,245**	**580,570**
	34,079,172	**2,721,985**	**499,245**	**37,300,402**
COSTS AND EXPENSES				
Costs of sale of electricity				
Cost of purchased power	**21,973,613**	**69,930**	**–**	**22,043,543**
Depreciation and amortization	**1,479,786**	**543,273**	**–**	**2,023,059**
Fuel	**1,018,764**	**–**	**–**	**1,018,764**
Others	**2,273,213**	**–**	**–**	**2,273,213**
	26,745,376	**613,203**	**–**	**27,358,579**
General and administrative expenses				
Personnel costs, management and professional fees	**230,115**	**1,400,206**	**1,502,929**	**3,133,250**
Provision for impairment	**15,472**	**1,119,506**	**28**	**1,135,006**
Depreciation and amortization	**186,023**	**86,227**	**296,968**	**569,218**
Others	**827,037**	**935,460**	**382,793**	**2,145,290**
	1,258,647	**3,541,399**	**2,182,718**	**6,982,764**
	28,004,023	**4,154,602**	**2,182,718**	**34,341,343**
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	**1,014,048**	**176,918**	**–**	**1,190,966**
OTHER INCOME (CHARGES)				
Interest and other financial income				
Cash in banks and short-term deposits	**440,096**	**270,855**	**278,622**	**989,573**
Accounts and notes receivable	**859,500**	**1,564,581**	**4,463**	**2,428,544**
Investment in redeemable preferred shares and convertible loans	**–**	**2,916,233**	**–**	**2,916,233**
	1,299,596	**4,751,669**	**283,085**	**6,334,350**
Interest and other finance charges	**(483,662)**	**(1,069,203)**	**(1,739,206)**	**(3,292,071)**
Other income - net				

(Forward)

	For the Year Ended December 31, 2024			
	Philippines	International	Parent and Others	Consolidated
Gain on disposal of assets	**₱1,035,334**	**₱1,602,674**	**₱–**	**₱2,638,008**
Others	**1,112,085**	**–**	**–**	**1,112,085**
	2,147,419	**1,602,674**	**–**	**3,750,093**
	2,963,353	**5,285,140**	**(1,456,121)**	**6,792,372**
INCOME (LOSS) BEFORE INCOME TAX	**10,052,550**	**4,029,441**	**(3,139,594)**	**10,942,397**
PROVISION FOR (BENEFIT FROM) INCOME TAX	**689,323**	**(392,494)**	**533,091**	**829,920**
SEGMENT NET INCOME (LOSS)	**₱9,363,227**	**₱4,421,935**	**(₱3,672,685)**	**₱10,112,477**
Other disclosures:				
Depreciation and amortization	**₱1,665,809**	**₱629,500**	**₱296,968**	**₱2,592,277**
Capital expenditures	**17,681,623**	**17,204,277**	**–**	**34,885,900**
Provision for impairment of property, plant and equipment, advances to contractors	**5,298**	**–**	**–**	**5,298**
Statutory EBITDA	**10,776,813**	**6,638,330**	**(1,382,015)**	**16,033,128**
Attributable EBITDA	**11,880,337**	**14,013,999**	**(1,382,015)**	**24,512,321**
Statutory Cash	**13,609,500**	**1,115,251**	**10,433,607**	**25,158,358**
Statutory Debt	**4,284,052**	**6,481,930**	**122,746,393**	**133,512,375**
Statutory Net Debt (Cash)	**(9,325,448)**	**5,366,679**	**112,312,786**	**108,354,017**
Attributable Cash	**15,302,651**	**5,672,505**	**10,433,607**	**31,408,763**
Attributable Debt	**11,926,674**	**58,545,270**	**122,746,393**	**193,218,337**
Attributable Net Debt (Cash)	**(3,375,977)**	**52,872,765**	**112,312,786**	**161,809,574**

	As at December 31, 2024			
Operating assets	**₱94,108,461**	**₱85,483,747**	**₱150,391,969**	**₱329,984,177**
Operating liabilities	**₱27,538,255**	**₱69,487,404**	**₱75,049,881**	**₱172,075,540**
Investments in associates and joint ventures	**₱12,887,100**	**₱29,847,903**	**₱–**	**₱42,735,003**

The reconciliation of statutory and attributable EBITDA, cash, debt follows:

	For the Year Ended December 31, 2024			
	Philippines	International	Parent and Others	Consolidated
Revenues	₱34,079,172	₱2,721,985	₱499,245	₱37,300,402
Cost and expenses (exc. Depreciation and amortization and provision for impairment)	(26,322,742)	(2,405,596)	(1,885,723)	(30,614,061)
Equity in net income of associates and joint ventures	1,014,048	176,918	–	1,190,966
Interest and other financial income				
Accounts and notes receivable	859,500	1,564,581	4,463	2,428,544
Investments in redeemable preferred shares and convertible loans	–	2,916,233	–	2,916,233
Other income - net	1,146,835	1,664,209	–	2,811,044
Statutory EBITDA	₱10,776,813	₱6,638,330	(₱1,382,015)	₱16,033,128

	For the Year Ended December 31, 2024			
	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱10,776,813	₱6,638,330	(₱1,382,015)	₱16,033,128
Nonconsolidated operating projects' EBITDA	2,117,572	10,468,820	–	12,586,392
Equity in net income of associates and joint ventures	(1,014,048)	(176,918)	–	(1,190,966)
Interest and other financial income from Investments in redeemable preferred shares and convertible loans	–	(2,916,233)	–	(2,916,233)
Attributable EBITDA	₱11,880,337	₱14,013,999	(₱1,382,015)	₱24,512,321

	As at December 31, 2024			
	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱–	₱–	₱ 5,600,000	₱5,600,000
Long-term loans	4,284,052	6,481,930	84,089,912	94,855,894
Notes payable	–	–	33,056,481	33,056,481
Statutory debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory cash and cash equivalent	13,609,500	1,115,251	10,433,607	25,158,358
Statutory net debt (cash)	(₱9,325,448)	₱5,366,679	₱112,312,786	₱108,354,017

	As at December 31, 2024			
	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱9,325,448)	₱5,366,679	₱112,312,786	₱108,354,017
Statutory debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory cash and cash equivalents	13,609,500	1,115,251	10,433,607	25,158,358
Nonconsolidated operating projects'				
Attributable debt	7,642,622	52,063,340	–	59,705,962
Attributable cash	1,693,151	4,557,254	–	6,250,405
Gross attributable debt	11,926,674	58,545,270	122,746,393	193,218,337
Attributable net debt (cash)	(₱3,375,977)	₱52,872,765	₱112,312,786	₱161,809,574

As of December 31, 2024, with recourse, limited recourse and non-recourse statutory debt amount to ₱62,488.66 million, ₱7,845.63 million and ₱12,398.14 million, respectively. These amounts exclude statutory debt of the Parent Company.

Some of the international attributable debt is covered by guarantees (see Note 20).

	For the Year Ended December 31, 2023			
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱35,350,698	₱830,728	₱–	₱36,181,426
Rental income	68,857	–	–	68,857
Other revenues	9,400	36,498	202,952	248,850
	35,428,955	867,226	202,952	36,499,133
COSTS AND EXPENSES				
Costs of sale of electricity				
Costs of power purchased	27,272,520	–	–	27,272,520
Depreciation and amortization	1,207,418	–	–	1,207,418
Fuel	1,522,458	–	–	1,522,458

(Forward)

Others	1,727,686	–	–	1,727,686
	31,730,082	–	–	31,730,082
General and administrative expenses				
Personnel costs, management and professional fees	238,719	1,288,922	1,079,036	2,606,677
Provision for impairment	(4,579)	3,001,236	–	2,996,657
Depreciation and amortization	107,926	53,457	204,669	366,052
Others	428,363	319,164	753,971	1,501,498
	770,429	4,662,779	2,037,676	7,470,884
	32,500,511	4,662,779	2,037,676	39,200,966
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	1,023,766	752,124	(10,651)	1,765,239
OTHER INCOME (CHARGES)				
Interest and other financial income				
Cash in banks and short-term deposits	189,899	959,297	437,321	1,586,517
Accounts and notes receivable	693,150	1,640,242	13,144	2,346,536
Investments in redeemable preferred shares and convertible loans	–	3,137,338	–	3,137,338
	883,049	5,736,877	450,465	7,070,391
Interest and other finance charges	(408,353)	(53)	(1,521,859)	(1,930,265)
Other income (expense) – net				
Gain on disposal of assets	–	1,062,030	–	1,062,030
Remeasurement gain	–	3,433,328	–	3,433,328
Others	690,082	–	–	690,082
	690,082	4,495,358	–	5,185,440
	1,164,778	10,232,182	(1,071,394)	10,325,566
INCOME (LOSS) BEFORE INCOME TAX	5,116,988	7,188,753	(2,916,769)	9,388,972
PROVISION FOR (BENEFIT FROM) INCOME TAX	937,785	(320,730)	(334,757)	282,298
SEGMENT NET INCOME (LOSS)	₱4,179,203	₱7,509,483	(₱2,582,012)	₱9,106,674
Other disclosures:				
Depreciation and amortization	₱1,315,344	₱53,457	₱204,668	₱1,573,469
Capital expenditures	13,243,269	12,012,614	–	25,255,883
Provision for impairment of property, plant and equipment, advances to contractors	10,954	–	–	10,954
Statutory EBITDA	6,249,919	5,964,269	(1,673,325)	10,540,863
Attributable EBITDA	7,174,278	13,294,402	(1,662,674)	18,806,006
Statutory Cash	14,743,597	1,507,428	23,445,637	39,696,662
Statutory Debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory Net Debt (Cash)	(11,392,740)	17,031,867	33,942,682	39,581,809
Attributable Cash	15,524,271	6,593,490	23,445,637	45,563,398
Attributable Debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable Net Debt	(4,563,414)	65,429,822	33,942,682	94,809,090

	As at December 31, 2023			
Operating assets	₱41,772,249	₱85,942,408	₱157,218,845	₱284,933,501
Operating liabilities	18,550,582	32,530,461	60,476,601	111,557,644
Investments in associates and joint ventures	10,882,646	19,215,972	–	30,098,617

The reconciliation of statutory and attributable EBITDA, cash, debt follows:

	For the Year Ended December 31, 2023			
	Philippines	International	Parent and Others	Consolidated
Revenues	₱35,428,956	₱867,226	₱202,951	₱36,499,133
Cost and expenses (exc. depreciation and amortization and provision for impairment)	(30,717,499)	(1,633,953)	(2,485,327)	(34,836,779)
Equity in net income of associates and joint ventures	1,023,766	752,124	(10,650)	1,765,240
Other income – net (excluding gain on previously held interest, unrealized foreign exchange gain/loss, fair value loss on financial asset at FVTPL)	514,696	5,978,872	619,701	7,113,269
Statutory EBITDA	₱6,249,919	₱5,964,269	(₱1,673,325)	₱10,540,863

	For the Year Ended December 31, 2023			
	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱6,249,919	₱5,964,269	(₱1,673,325)	₱10,540,863
Nonconsolidated operating projects' EBITDA	1,948,125	11,078,225	–	13,026,350
Equity in net income of associates and joint ventures	(1,023,766)	(752,124)	10,651	(1,765,239)
Interest and other financial income from other financial assets at amortized cost	–	(2,995,968)	–	(2,995,968)
Attributable EBITDA	₱7,174,278	₱13,294,402	(₱1,662,674)	₱18,806,006

	As at December 31, 2023			
	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱–	₱–	₱1,500,000	₱1,500,000
Long-term loans	3,350,857	18,539,295	23,884,525	45,774,677
Notes payable	–	–	32,003,794	32,003,794
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809

	As at December 31, 2023			
	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Nonconsolidated operating projects'				
Attributable debt	7,610,000	53,484,017	–	61,094,017
Attributable cash	780,674	5,086,062	–	5,866,736
Gross attributable debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable net debt (cash)	(₱4,563,414)	₱65,429,822	₱33,942,682	₱94,809,090

As of December 31, 2023, with recourse, limited recourse and non-recourse statutory debt amount to ₱33,051.12 million, ₱9,172.04 million and ₱1,768.54 million, respectively. These amounts exclude statutory debt of the Parent Company.

Some of the international attributable debt is covered by guarantees (see Note 20).

	For the year ended December 31, 2022			
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱34,995,488	₱–	₱–	₱34,995,488
Rental income	68,469	–	–	68,469
Dividend income	–	3,635	–	3,635
Other revenues	79,282	28,586	63,091	170,959
	35,143,239	32,221	63,091	35,238,551
COSTS AND EXPENSES				
Costs of sale of electricity				
Costs of power purchased	24,599,882	–	–	24,599,882
Depreciation and amortization	1,918,307	–	–	1,918,307
Fuel	4,957,516	–	–	4,957,516
Others	2,707,534	–	–	2,707,534
	34,183,239	–	–	34,183,239
General and administrative expenses				
Personnel costs, management and professional fees	168,064	468,168	548,035	1,184,267
Provision for impairment	42,776	1,281,822	583	1,325,181
Depreciation and amortization	30,754	16,673	212,674	260,101
Others	414,035	64,276	653,957	1,132,268
	655,629	1,830,939	1,415,249	3,901,817
	34,838,868	1,830,939	1,415,249	38,085,056
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	783,095	154,739	–	937,834
Interest and other financial income				
Cash in banks and short-term deposits	28,451	231,431	25,313	285,195
Accounts and notes receivable	295,526	1,572,126	11,426	1,879,078
Investments in redeemable preferred shares and convertible loans	–	3,474,911	–	3,474,911
	323,977	5,278,468	36,739	5,639,184
Interest and other finance charges	(1,101,532)	(1,067,837)	(188,162)	(2,357,531)
Other income (expense) – net				
Gain on disposal of assets	(121,107)	734,672	–	613,565
Remeasurement gain	–	10,921,026	–	10,921,026
Others	1,028,217	–	–	1,028,217
	907,110	11,655,698	–	12,562,808
	129,555	15,866,329	(151,423)	15,844,461
INCOME (LOSS) BEFORE INCOME TAX	1,217,021	14,222,350	(1,503,581)	13,935,790
PROVISION FOR (BENEFIT FROM) INCOME TAX	(338,523)	(81,862)	(241,713)	(662,098)
SEGMENT NET INCOME (LOSS)	₱1,555,544	₱14,304,212	(₱1,261,868)	₱14,597,888

Adjustments and Eliminations
Interest on parent loans and other financial income, including fair value gains and losses on financial assets, are not allocated to individual segments as the underlying instruments are managed on a group basis. Likewise, certain operating expenses and finance-related charges are managed on a group basis and are not allocated to operating segments. Allocable operating expenses have been allocated as applicable.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Other income - Net includes interest and other financial income from investments in redeemable preferred shares of associates and joint ventures and from development loans and advances to these associates and joint ventures, guarantee fee income, reversal of allowance for impairment of advances to contractors and impairment of investments in joint ventures, tax credits on real property taxes, gain (loss) on derivatives, gain on sale of by-product, claims on insurance, foreign exchange gain (loss), gain (loss) on sale of property, plant and equipment, mark-to market gains, fees on advisory services, and other miscellaneous income (expense) which are allocated to operating segments.

Capital expenditures consist of additions to property, plant and equipment. Investments and advances consist of investments and cash advances to the Group's associates and joint ventures.

28. **Supplemental Cash Flows Information**

The non-cash investing activities of the Group for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Non-cash additions to property, plant and equipment	**₱1,006,933**	₱378,109	₱1,466,936
Set-up of ROU assets from new lease agreements	**697,575**	2,714,723	282,104
Reclassifications to (from):			
Financial assets at FVOCI	**2,922,268**	–	–
Property, plant and equipment	**2,299,440**	3,502,012	186,683
Investments in associates and joint ventures	**1,695,449**	278,156	148,975
Investment in redeemable preferred shares and convertible loans	**(4,629,864)**	(355,199)	(59,782)
Other noncurrent assets	**(2,299,440)**	(3,574,135)	(936,776)
Creditable withholding taxes	**(257,857)**	837,419	(337,737)
Financial assets at FVTPL	**–**	(276,297)	–
Noncurrent assets held for sale	–	–	(1,539)
Changes due to business combinations (Note 24):			
Other noncurrent assets	**10,686**	–	1,323,653
Property, plant and equipment	**10,118**	41,825	14,712,729
Right-of-use assets	**102**	–	1,323,557
Investment in redeemable preferred shares and convertible loans	–	–	(12,951,246)

(Forward)

	2024	2023	2022
Investments in associates and joint ventures	**₱–**	₱–	(₱4,578,944)
Goodwill and other intangible assets	–	–	103,672
Changes due to loss of control (Note 2):			
Input VAT - net of current portion	**(4)**	–	(4,973)
Property, plant and equipment	–	–	(14,221,341)
Other noncurrent assets	–	–	(319,293)
Creditable withholding taxes	–	–	(117,954)

Movements in the Group's liabilities from financing activities for the years ended December 31, 2024 and 2023 are as follows:

	January 1, 2024	Availments/ Proceeds	Payments	Others	December 31, 2024
Current portion of:					
Short-term loans	**₱1,500,000**	**₱25,600,000**	**(₱17,300,000)**	**(₱4,200,000)**	**₱5,600,000**
Long-term loans	**1,289,104**	–	**(1,701,273)**	**7,868,536**	**7,456,367**
Lease liabilities	**850,953**	–	**(881,200)**	**1,919,648**	**1,889,401**
Interest payable	**862,164**	–	**(7,446,873)**	**8,123,444**	**1,538,735**
Due to stockholders	**16,585**	–	**(4,599,747)**	**4,596,300**	**13,138**
Noncurrent portion of:					
Notes payable	**32,003,794**	–	–	**1,052,687**	**33,056,481**
Long-term loans	**44,485,573**	**47,292,421**	–	**(4,378,467)**	**87,399,527**
Lease liabilities	**7,505,848**	–	–	**5,103,193**	**12,609,041**
Other noncurrent liabilities	**6,344,004**	–	**(42,835)**	**1,278,871**	**7,580,040**
Total liabilities from financing activities	**₱94,858,025**	**₱72,892,421**	**(₱31,971,928)**	**₱21,364,212**	**₱157,142,730**

	January 1, 2023	Availments/ Proceeds	Payments	Others	December 31, 2023
Current portion of:					
Short-term loans	₱2,900,000	₱9,000,000	(₱10,400,000)	₱–	₱1,500,000
Long-term loans	719,385	–	(541,690)	1,111,409	1,289,104
Lease liabilities	258,562	–	(773,325)	1,365,716	850,953
Interest payable	483,090	–	(3,065,790)	3,444,864	862,164
Due to stockholders	16,585	–	(3,951,848)	3,951,848	16,585
Noncurrent portion of:					
Notes payable	32,093,314	–	–	(89,520)	32,003,794
Long-term loans	28,051,903	17,586,442	–	(1,152,772)	44,485,573
Lease liabilities	4,206,459	–	–	3,299,389	7,505,848
Other noncurrent liabilities	827,643	–	(1,002,975)	6,519,336	6,344,004
Total liabilities from financing activities	₱69,556,941	₱26,586,442	(₱19,735,628)	₱18,450,270	₱94,858,025

	January 1, 2022	Availments/ Proceeds	Payments	Others	December 31, 2022
Current portion of:					
Short-term loans	₱–	₱23,259,020	(₱20,359,020)	₱–	₱2,900,000
Long-term loans	824,488	–	(7,387,050)	7,281,947	719,385
Lease liabilities	536,950	–	(291,085)	12,697	258,562
Interest payable	448,919	–	(1,955,949)	1,990,120	483,090
Due to stockholders	16,585	–	(3,801,730)	3,801,730	16,585
Noncurrent portion of:					
Notes payable	20,195,054	10,000,000	–	1,898,260	32,093,314
Long-term loans	20,117,733	23,012,509	–	(15,078,339)	28,051,903
Lease liabilities	2,159,302	–	–	2,047,157	4,206,459
Other noncurrent liabilities	2,736,920	–	(1,040,364)	(868,913)	827,643
Total liabilities from financing activities	₱47,035,951	₱56,271,529	(₱34,835,198)	₱1,084,659	₱69,556,941

Others includes the amortization of debt issue costs, interest expense, capitalized borrowing costs, foreign exchange gains/losses and the effect of reclassification of non-current portion to current due to passage of time.

29. Provisions and Contingencies

Tax assessments:
On August 20, 2014, ACEN distributed cash and property dividends in the form of shares in ENEX after securing SEC's approval of the registration and receipt of CAR from the BIR.

On October 22, 2014, ACEN received from the BIR a Formal Letter of Demand ("FLD"), assessing ACEN for a total donor's tax due of ₱157.75 million inclusive of penalty and interest up to September 30, 2014.

On November 21, 2014, ACEN and its independent legal counsel filed an administrative protest in response to the FLD, on the following grounds:
1. The dividend distribution is a distribution of profits by ACEN to its stockholders and not a "disposition" as contemplated under Revenue Regulations Nos. 6-2008 and 6-2013 which would result in the realization of any capital gain of ACEN;
2. ACEN did not realize any gain or increase its wealth as a result of the dividend distribution; and,
3. There was no donative intent on the part of ACEN.

On May 27, 2015, ACEN received from the BIR a Final Decision on Disputed Assessment ("FDDA") denying the protest.

On June 25, 2015, ACEN filed with the Court of Tax Appeals ("CTA") a Petition for Review seeking a review of the FDDA and requesting the cancellation of the assessment.

In its decision dated September 28, 2018, the CTA Third Division granted ACEN's petition and ordered the cancellation and withdrawal of the FLD (the "CTA Third Division Decision"). On January 18, 2019, the CTA denied the Commissioner of Internal Revenue's ("CIR") motion for reconsideration ("CTA Resolution"). On February 22, 2019, the CIR filed a petition for review with the CTA *en banc* seeking the reversal of the CTA Third Division's Decision and CTA Resolution. On

July 21, 2020, the CTA *en banc* upheld the CTA Third Division Decision and denied the CIR's petition. The CIR filed a motion for reconsideration dated August 26, 2020. In response, ACEN filed its Comment/ Opposition. On October 13, 2021, CTA *en banc* issued a resolution stating that the Motion for Reconsideration and Motion to Release Surety Bond are now submitted for resolution.

As at March 10, 2025, the CIR's motion for reconsideration has not been resolved by the CTA *en banc*.

On May 15, 2023, the ACEN received a Letter of Authority from the BIR covering taxable year 2021. Pursuant thereto, assessment notices were served for various internal revenue taxes inclusive of increments which ACEN accordingly responded to and was the subject of a settlement last February 13, 2025.

<u>Claims for tax refund</u>

a. On May 19, 2022, Guimaras Wind Corporation ("Guimaras Wind") received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind 's Petition for Review for lack of merit. The CTA En Banc affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind 's claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16,149,514, out of the total amount claimed of ₱335,759,253, representing Guimaras Wind's excess and unutilized input value-added tax for Q3 and Q4 of 2014 and Q1 and Q2 of 2015. Guimaras Wind filed its Motion for Reconsideration (MR) to the CTA En Banc on June 3, 2022.

   On June 27, 2022, Guimaras Wind received a Resolution from the CTA En Banc directing Guimaras Wind to file its Comment to the MR filed by the Commissioner of Internal Revenue within five (5) days from receipt of the said Resolution. Consequently, Guimaras Wind complied with the Resolution and filed its Comment to the CTA En Banc on July 4, 2022.

   On January 17, 2023, the CTA En Banc issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division's Decision limiting Guimaras Wind's entitlement to refund to a reduced amount of ₱16,149,514.

   The CTA En Banc held that the Certificate of Endorsement (COE) from the DOE and the Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) are both required in order for Guimaras Wind to properly avail of VAT zero-rating incentives. The CTA En Banc also rejected Guimaras Wind's position that its application for COC should be deemed "provisionally approved" six months from the filing of its application for a COC with the ERC.

   On February 3, 2023, Guimaras Wind filed a Motion for Extension of Time to File Petition for Review on Certiorari with the Supreme Court (SC). On March 6, 2023, the Company filed the Petition.

   On January 24, 2024, the SC Third Division issued a Resolution requiring Guimaras Wind to file a Comment to the Petition for Review filed by the Commissioner of Internal Revenue within ten (10) days from receipt of the notice. Guimaras Wind filed the Comment on February 10, 2024.

On April 16, 2024, Guimaras Wind received the CIR's MOTEX to file their Comment dated April 3, 2024. On December 19, 2024, Guimaras Wind received a copy of the SC Third Division's Notice which notifies Guimaras Wind and CIR that it issued a Resolution dated August 7, 2024, requiring Guimaras Wind to file a Reply to the Comment within ten (10) days from notice, or until January 2, 2025. Guimaras Wind filed the Reply on said date.

Awaiting for the decision or resolution as of date from the SC's Third Division.

b. On April 12, 2017, San Carlos Solar Energy Inc. ("SACASOL") filed a Petition for Review with the CTA regarding the disallowed claim of 2015 input VAT amounting to ₱40.62 million. On February 3, 2021, the CTA denied SACASOL's Petition for Review on the ground that SACASOL failed to establish that its sales qualify for VAT zero-rating because SACASOL did not present any proof that it was issued a DOE Certificate of Endorsement ("COE"), on a per transaction basis. On February 26, 2021, SACASOL filed a Motion for Reconsideration ("MR"), on the basis that there is no legal requirement for the COE to be on a per transaction basis for the VAT zero-rating of SACASOL's sales, and the VAT zero-rated sales were never disputed considering the partial grant by the BIR of SACASOL's claim for unutilized input VAT attributable to VAT zero-rated sales.

   On May 6 and 20, 2021, SACASOL filed Supplemental Motions to admit additional evidence which included a DOE letter and certification confirming that a COR on a per transaction basis is not required for purposes of VAT zero-rating of RE Sales of RE Developers and such document is not actually being issued by the DOE. On September 22, 2021, CTA Third Division issued a resolution denying the Motion for Reconsideration.

   On February 2, 2023, SACASOL filed a Petition for Review before the CTA En Banc.

   On April 27, 2023 CTA En Banc denied SACASOL Petition for Review on the basis of jurisdictional grounds. The CTA En Banc denied the Petition on the ground that the CTA Third Division purportedly has no jurisdiction to entertain the judicial claim for refund for being filed beyond the 120+30 day mandatory and jurisdictional period. The CTA En Banc counted the 120-day period from November 3, 2016 - the date when SACASOL filed its administrative claim for refund, and noted that the BIR only had until March 3, 2017 to decide the said claim. The CTA En Banc then held that since SACASOL did not receive an adverse decision from the BIR by March 3, 2017, the law considers the administrative claim as denied. According to the Decision, SACASOL had 30 days from March 3, 2017 or until April 3, 2017 to seek judicial redress. Since the Petition was only filed on April 12, 2017, the CTA is deprived of jurisdiction to hear the case.

   On May 19, 2023, SACASOL filed its MR on the ground that (i) Sec112(c) does not require that the BIR acts and the taxpayer receives the decision within the 120 days; and (ii) SACASOL should be able to file the judicial claim within 30 days from receipt of the decision, as long the decision was made within the 120-day period.

On January 12, 2024, SACASOL received CTA EN Banc Resolution denying the and reiterated its earlier ruling that CTA has no jurisdiction for failure of SACASOL to file its judicial claim for refund within the 120+30 days period from the filing of its administrative claim. The CTA En Banc ruled that the issues in the MR were already addressed, discussed and found wanting in its earlier Decision. On March 4, 2024, SACASOL filed its Petition for Review with the Supreme Court. On February 5, 2025, BIR filed its Comment with the Supreme Court.

As of March 10, 2025, SACASOL has not received any orders from the Supreme Court relating to the case.

Provisions and Contingencies

NorthWind Power Development Corporation ("NorthWind") is a party to several cases involving the assessment and collection by the Provincial Treasurer of Ilocos Norte of real property tax ("RPT") on the wind turbine generators, civil works, equipment, machinery, and transmission lines of NorthWind located in the Municipality of Bangui. NorthWind was assessed RPT at a rate of two percent (2%) or an aggregate amount of ₱147.23 million for years 2017 to 2021. NorthWind paid under protest the RPT thereon and filed a protest questioning the imposition of 2% tax rate on its Renewable Energy ("RE") facilities. Under Republic Act 9513 or the RE Law, realty and other taxes on civil works, equipment, machinery, and other improvements of a Registered RE Developer actually and exclusively used for RE facilities shall not exceed 1.5% of their original cost less accumulated normal depreciation or net book value. All protests filed by NorthWind to the Provincial Treasurer from 2017 to 2023 were denied.

As ofMarch 10, 2025, the 2017 to 2025 RPT protest, regarding an aggregate amount of ₱251.54 million, is still pending decision with the Local Board of Assessment Appeals of Ilocos Norte.

Compliance with Must Offer Rule

On October 4, 2018, CIPP, One Subic Power, Bulacan Power and the Parent Company received a letter from PEMC for pending investigation of trading intervals covering periods from 2014 to 2018. The scope of the investigation covers possible non-compliance with the Must Offer Rule (MOR) and with the Real-Time Dispatch (RTD) or System Operator Instructions.

On October 28, 2020 and August 17, 2021, the PEMC Board cleared CIP and found no breaches from August 2014 to December 2015. On June 3, 2022, the PEMC Board cleared One Subic Power and found no breaches for the period May- December 2014 period. In the May 2022 meeting, PEMC met with trading participants with pending investigations and discussed a shortened process in the investigation while at the same time ensuring due process for all participants. The shortened process will adopt the current PEMC process of frequently flagging the trading participant of the intervals under investigation and requesting for immediate replies and dispensing with lengthy discussions in its investigation reports.

On July 7, 2023, the PEMC Board issued a Notice on Investigation Report which approves the imposition of penalty amounting to ₱700,000 against One Subic Power for breach of MOR. The said breaches were broken down as follows: four breaches in 2014, one breach in 2015, one breach in 2016, and one breach in 2019.

In the May 5, 2023 PEM Board Action letter, the PEM Board cleared Bulacan Power of 10,821 trading intervals, and released its findings and found NO breaches for Bulacan Power for said trading intervals during the January 2015-December 2015 and January 2016-December 2016 investigation periods.

As for CIP II, no breach was found for all the trading intervals from 2014-2021. The PEMC Board issued a Certification dated 24 July 2023 certifying that the investigation cases have been closed and finally disposed of by PEMC.

Refund of Market Transaction Fee from PEMC

On July 9, 2020, the ERC issued its Decision on ERC Case 2015-160 RC ordering PEMC to refund the over collection in the Market Transaction Fee (MTF) in 2016 and 2017. The ERC determined the over collection by getting the variance between the MTF collected in 2016 and 2017, and the ERC-Approved Budget of PEMC for the same period. The total refund was determined at ₱433.20 million which shall be apportioned among all the Luzon and Visayas participants. The ERC has directed PEMC to implement the refund over twelve (12) months beginning the next billing month upon receipt of the relevant Decision.

The PEMC filed a motion for reconsideration with the ERC. In an Order promulgated on June 11, 2021, the ERC resolved to deny the motion for reconsideration filed by the. The market level fee approved by the ERC in its Decision of July 2020 was implemented by the Independent Electricity Market Operator of the Philippines for the WESM market fee collection for the calendar year 2021.

30. **Reclassification**

The consolidated statements of income for the years ended December 31, 2023 and 2022 have been reclassified to conform to the year ended December 31, 2024.

The following consolidated statements of income accounts were expanded to present additional components and/or reclassified as follows:

1. Cost of sale of electricity - expanded to present its components:
    a. Cost of purchased power;
    b. Depreciation and amortization;
    c. Fuel; and
    d. Others
2. General and administrative expenses - expanded to present its components:
    a. Personnel cost, management and professional fees;
    b. Provision for impairment;
    c. Depreciation and amortization; and
    d. Others
3. Other income (charges) - previously referred to as Other Income - Net
    a. Interest and other financial income - previously presented under Other Income – net was expanded to present its components:
        i. Cash in bank and short-term deposits

  ii. Accounts and other receivables
  iii. Investments in redeemable preferred shares and convertible loans

b. Interest and other finance charge - previously presented as a separate line item in the consolidated statement of income
c. Other Income - net - was expanded to present its components:
   i. Gain on disposal of assets; and
   ii. Others

The changes did not result to any change in the consolidated net income after tax of the Group for the years ended December 31, 2023 and 2022.

	2023	2022
COSTS AND EXPENSES		
Costs of sale of electricity		
Cost of purchased power	₱27,272,520	₱24,599,882
Depreciation and amortization	1,207,418	1,918,307
Fuel	1,522,458	4,957,516
Others	1,727,686	2,707,534
	31,730,082	34,183,239
General and administrative expenses		
Personnel costs, management and professional fees	2,606,677	1,184,267
Provision for impairment	2,996,657	1,325,181
Depreciation and amortization	366,052	260,101
Others	1,501,498	1,132,268
	7,470,884	3,901,817
	₱39,200,966	₱38,085,056
OTHER INCOME (CHARGES)		
Interest and other financial income		
Cash in banks and short-term deposits	₱1,586,517	₱285,195
Accounts and notes receivable	2,346,536	1,879,078
Investment in redeemable preferred shares and convertible loans	3,137,338	3,474,911
	7,070,391	5,639,184
Interest and other finance changes	(1,930,265)	(2,357,531)
Other income - net		
Gain on disposal of assets	1,062,030	613,565
Remeasurement gain	3,433,328	10,921,026
Others	690,082	1,028,217
	5,185,440	12,562,808
	₱10,325,566	₱15,844,461

Previously, these accounts were presented in the consolidated statement of income for the years ended December 31, 2023 and 2022 as follow:

COSTS AND EXPENSES		
	2023	2022
Costs of sale of electricity	₱31,730,082	₱34,183,239
General and administrative expenses	7,470,884	3,901,817
	39,200,966	38,085,056
INTEREST AND OTHER FINANCE CHANGES	(1,930,265)	(2,357,531)
OTHER INCOME - NET*	12,255,831	18,201,992

**Other income - net is the sum of interest and other financial income and other income – net.*

The consolidated statement of income for the years ended December 31, 2023 and 2022 has been updated to include an additional disclosure on net income attributable to common shareholders of the Parent Company to align with the consolidated statement of income for the year ended December 31, 2024.

Since the redeemable preferred shares amounting to ₱25,000.00 million were issued on September 1, 2023, net income attributable to equity holders of the Parent Company amounting to ₱6,753.45 million and ₱13,055.12 million are the net income attributable to common shareholders of the Parent Company for the years ended December 30, 2023 and 2022, respectively.

The redeemable preferred shares are the issuance of the Group of Series A Preferred Shares amounting to ₱8,341.50 million and Series B Preferred Shares amounting to ₱16,658.50 million with dividend rate of 7.1330% and 8.000% per annum, respectively.

31. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at December 31, 2024:

Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) Series B Preferred Shares (ACENB)
On February 3, 2025, the BOD of ACEN approved the declaration of the first quarter of 2025 cash dividends on the ACEN’s outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on March 3, 2025.

Acquisition of shares of Negros Island Solar Power, Inc. ("ISLASOL") from Asian Energy Impact Trust Plc ("AEIT")
On March 6, 2025, the Parent Company executed a Share Purchase Agreement and Deed of Absolutes Sale with AEIT involving the sale by AEIT of 7,371 Redeemable Preferred Shares E ("RPS E") of ISLASOL in favor of the Parent Company for a total purchase price of 141.27 million. The acquisition resulted to the Parent Company owning 100% of ISLASOL, which was previously 60% owned. As of March 10, 2025, transfer of certificate authorizing registration from the Bureau of Internal Revenue is still in process.

Amendment of Articles of Incorporation
On March 10, 2025, the BOD approved the following amendments to our Articles of Incorporation:

a. Second Article to expand the scope of the Parent Company's investment business
b. Seventh Article to increase the authorized capital stock of the Parebt Company from ₱48.40 billion to ₱58.40 billion and create additional common shares

The proposed amendments will be presented to our stockholders for approval at their annual meeting on April 23, 2025.

Item 6: Management's Discussion and Analysis or Plan of Operations

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

2024

Corporate Highlights:

- On January 3, 2024, transaction closing was achieved by ACEN Investments HK Limited, a subsidiary of ACRI, and Barito Renewables for the acquisition of three late-stage wind development assets with a combined potential capacity of 320 MW. The assets are located in South Sulawesi, Sukabumi and Lombok provinces. The transaction was originally disclosed on December 15, 2023.

- On January 23, 2024, ACEN, together with its joint venture partners PivotGen and UPC Solar & Wind Investments, completed a purchase agreement with EDF Renewables North America for the lessee interests in the 38 MW Chestnut Flats operating wind project near Altoona, Pennsylvania. The purchase was made via the joint venture entity UPC Power Solutions. EDF Renewables will continue to provide asset management, operations, and maintenance services. This represents ACEN's second project in North America, following the Stockyard Wind portfolio in 2023.

- In February 2024, ACEN Australia Pty Ltd. (ACEN Australia), a subsidiary of ACEN, announced that it secured a total of AUD 150 million in green term loans from Australia and New Zealand Banking Group (ANZ) and Westpac Banking Corporation, with each bank providing AUD 75 million. The green term loans represent ACEN's commitment to the Australian market, where 1 GW is already in operation and under construction, with an additional development pipeline of more than 8 GW in renewables.

- In March 2024, ACEN Australia signed a cooperation agreement with Marubeni Corporation for the joint development of a 200 MW/400 MWh (2-hour) Battery Energy Storage System (BESS) in New South Wales, Australia. The signing ceremony for the Agreement took place at the Philippine Business Forum held in Melbourne.

- In March 2024, ACEN announced its second partnership with BrightNight to advance the development, construction, and operation of the latter's renewable power portfolio in the Philippines. The partnership plans to develop and construct 1 GW of renewable energy projects in the Philippines with an estimated capital deployment of USD1.2 billion over the next five years. This is BrightNight and ACEN's second partnership and builds on the success of the one established in India in March 2023, which has already produced the 100 MW Maharashtra Hybrid Solar-Wind project.

- ACEN in March 2024 secured a "B" rating for its climate change disclosure through CDP, a global non-profit that runs the world's leading environmental disclosure platform. This rating puts ACEN two levels higher than last year's, underscoring ACEN's dedication to decarbonization and adherence to the highest environmental standards. Since beginning its disclosures with CDP in 2022, ACEN has actively participated in the Climate Change questionnaire, contributing to the world's most comprehensive inventory of self-reported environmental data. The company's ongoing efforts align with the increasing demand for environmental transparency from financial institutions, customers, and policymakers.

- On April 3, 2024, ACEN's wholly owned subsidiary, ACEN Renewables International Pte. Ltd. (ACRI), together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT UPC Sidrap Bayu Energi, held through UPC Sidrap HK Limited and UPC Renewables Asia III Limited, to PT Barito Wind Energy. PT UPC Sidrap Bayu Energi is the legal entity that owns the 75 MW Sidrap Wind farm in South Sulawesi, Indonesia. The transaction was first disclosed on December 7, 2023. ACEN's parent company AC Energy and Infrastructure Corporation, through ACRI, originally invested in the Sidrap Wind farm, Indonesia's first, in 2017.

- On April 15, 2024, ACRI signed a US$150 million green term loan facility with Sumitomo Mitsui Banking Corporation, Singapore Branch (SMBC), for financing investments in renewable energy projects across the region. The green term loan has a tenure of five years and SMBC acts as both lender and green loan coordinator.

- On April 17, 2024, ACEN and the Rockefeller Foundation announced that the first Coal to Clean Credit Initiative (CCCI) pilot project under consideration in the Philippines could avoid up to 19 million tons of carbon dioxide (CO_2) emissions. An assessment by the Rocky Mountain Institute (RMI), a technical partner of the Rockefeller Foundation, explored the climate impact of leveraging carbon finance to close the South Luzon Thermal Energy Corporation (SLTEC) coal plant in 2030 – ten years ahead of its scheduled retirement – and replacing it with clean power and battery storage, while supporting the livelihoods of workers affected by the plant's early transition. ACEN executed the world's first market-based Energy Transition Mechanism (ETM) on SLTEC in 2022. Announced during Financing Asia's Transition Conference, RMI's analysis applied CCCI's draft methodology, currently under review by Verra, to assess SLTEC's eligibility for carbon financing. It found that the project meets the eligibility criteria of the draft methodology and that decommissioning by 2030 would not be possible without carbon finance. It found that a carbon credit-backed retirement as early as 2030 could yield positive financial, social, and climate outcomes when compared to a 2040 retirement.

- On July 17, 2024, wholly owned ACEN subsidiaries participated in Meralco's Competitive Selection Process (CSP) for 500 MW of renewable energy supply, winning two 10-year contracts inclusive of renewable energy certificates (RECs). Gigasol 3, Inc. (Gigasol 3) secured 10 MW starting February 2025 with a further 129 MW starting in February 2026, all at tariffs of P8.1819/kWh. Santa Cruz Solar Energy, Inc. (SCSEI) won a further 21 MW starting February 2026 at P8.1998/kWh. On December 3, 2024, the Energy Regulatory Commission granted provisional authority to Gigasol 3 to implement their power supply agreement at the applicable fixed rate of P5.1908/kWh without escalation or adjustment. However, no formal notice of the fixed rate of P5.1908/kWh was given to Gigasol 3.

- On August 16, 2024, ACEN, GenZero and Keppel Ltd. (Keppel) signed a Memorandum of Understanding (MOU) to jointly explore the origination and utilization of Transition Credits (TCs) to accelerate the retirement of the South Luzon Thermal Energy Corporation (SLTEC) coal-fired power plant (CFPP) in Batangas, the Philippines, and replace it with a clean energy dispatch facility. When completed, this project is expected to be one of the first converted CFPPs in the world to generate TCs. This pioneering initiative reflects the shared commitment of the partners to accelerate the orderly and just transition to clean energy in Southeast Asia. Under the MOU, the parties will jointly undertake a development study to explore utilizing TCs to facilitate the project's implementation and achievement of the early retirement goal. The origination and sale of TCs will help accelerate the decommissioning of the 246 MW SLTEC CFPP located in Calaca, Batangas by 10 years (i.e. 2030) and support just transition initiatives.

- On August 22, 2024, ACEN and PT Barito Renewables Energy Tbk ("Barito Renewables") announced a partnership designed to accelerate the development of wind renewable energy projects across Indonesia. This strategic partnership will be executed through ACEN's subsidiary, ACEN Indonesia Investment Holdings Pte. Ltd., and Barito Renewables' subsidiary, PT Barito Wind Energy. It builds on the 2024 acquisition of three strategically located late-stage wind development assets in South Sulawesi, Sukabumi, and Lombok, which collectively offer a potential capacity of 320 MW of wind energy, supplemented by cutting-edge battery energy storage solutions.

- On September 30, 2024, ACEN was honored with 4 Golden Arrows by the Institute of Corporate Directors at the 2024 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards. ACEN secured this highest award for the second consecutive year. The company was among 111 publicly listed companies that were recognized, and was one of 13 with four Golden Arrows.

- On October 7, 2024, the Company's Board approved investment into, and commencement of construction of, the first two phases of the Quezon North Wind power project, previously called the Isla Wind Power Project, through a wholly-owned subsidiary, Giga Ace 6, Inc. (Giga Ace 6). Quezon North Wind is expected to become the country's largest wind farm, with a combined capacity of the first two phases reaching up to 553 MW. The first phase, totaling 345 MW, is a GEAP-committed project.

- On December 16, 2024, ACEN was named a winner at the Philippine Department of Energy (DOE)'s Sustainability Energy Awards, via its 81 MW North Luzon Renewables (NLR) wind farm in Pagudpud, Ilocos Norte. The DOE's awards program aims to honor exceptional efforts in promoting renewable energy innovation, best practices, and impactful achievements. ACEN's project was recognized under the category of Renewable Energy Projects in On-Grid Areas for its outstanding role in fostering a secure, reliable, clean, and resilient energy sector. NLR generates approximately 205,000 MWh of clean energy annually, powering around 50,000 homes and avoiding 144,000 metric tons of carbon emissions each year. Beyond compliance, North Luzon Renewables wind project has demonstrated how renewable energy can create positive environmental and social impact for host communities.

- Throughout the fourth quarter of 2024, ACEN Renewable Energy Solutions (ACEN RES), the Philippine commercial and industrial (C&I)/retail arm of ACEN, signed several significant Philippine customers, transitioning them to 100% renewable energy usage. These include Cebu Pacific, the Philippines' leading airline, and Globe Telecom, the leading telecommunications company in the country, which shifted 20 of its facilities to ACEN RES. AC Health, Ayala's healthcare solutions arm, through its Healthway Medical Network, also transitioned six of its Qualimed Hospitals to renewable energy via ACEN RES.

Operating Highlights:

- ACEN as of December 31, 2024, has 6,828MW (megawatts) of attributable renewable capacity from projects that are operational, under construction, and committed in the Philippines and internationally. This puts the Group in a strong position to reach its 20GW (gigawatts) renewable target by 2030.

- The operating status split of the 6,828MW net attributable renewable capacity is:

    - 48% or 3,284MW operating
    - 34% or 2,315MW under construction; and
    - 18% or 1,229MW committed

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

- The geographical split of the 6,828MW net attributable renewable capacity is:
    - 35% or 2,397MW - Philippines
    - 16% or 1,092MW - Australia
    - 18% or 1,212MW - Vietnam – Lao PDR
    - 24% or 1,659W - India
    - 1.5% or 105MW - Indonesia
    - 2% or 142MW - United States of America
    - 3% or 220MW – Others, primarily rooftop solar from the NEFIN partnership across several countries in Southeast Asia

- The technology split of the 6,828MW net attributable renewable capacity is:
    - 67% or 4,576MW - Solar (with 797MW committed capacity)
    - 29% or 2,001MW - Wind (with 384MW committed capacity)
    - 2% or 138MW - Battery (with 48MW committed capacity)
    - 2% or 113MW – Geothermal

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

Plant	**Class**	**Technology**	**Geography**	**Status**	**Net Dependable Capacity (MW)**	**Approx. Economic Interest**	**Attributable Capacity (MW)**
North Luzon Renewables	Renewable	Wind	Philippines	Operating	**81**	81%	66
Guimaras Wind	Renewable	Wind	Philippines	Operating	**54**	100%	54
Northwind Power	Renewable	Wind	Philippines	Operating	**52**	100%	52
Islasol	Renewable	Solar	Philippines	Operating	**80**	60%	48
Sacasol	Renewable	Solar	Philippines	Operating	**45**	100%	45
Montesol	Renewable	Solar	Philippines	Operating	**18**	100%	18
Alaminos Solar	Renewable	Solar	Philippines	Operating	**120**	100%	120
Palauig 1 Solar	Renewable	Solar	Philippines	Operating	**63**	100%	63
Arayat-Mexico Solar[1]	Renewable	Solar	Philippines	Operating	**116**	50%	58
ACEN RE Tech Hub	Renewable	Solar	Philippines	Operating	**4**	100%	4
Maibarara Geothermal	Renewable	Geothermal	Philippines	Operating	**32**	25%	8
Alaminos Battery Storage	Renewable	Battery	Philippines	Operating	**40**	100%	40
Sitara Solar	Renewable	Solar	India	Operating	**140**	80%	112
Paryapt Solar	Renewable	Solar	India	Operating	**70**	80%	56
Salak & Darajat Geothermal[2]	Renewable	Geothermal	Indonesia	Operating	**648**	15%	97
Ninh Thuan Solar	Renewable	Solar	Vietnam	Operating	**405**	74.5%	302
Khanh Hoa & Dak Lak	Renewable	Solar	Vietnam	Operating	**80**	80%	64
SUPER (Solar NT) First Phase Closing[3]	Renewable	Solar	Vietnam	Operating	**287**	49%	141
Mui Ne Wind	Renewable	Wind	Vietnam	Operating	**84**	50%	42
Quang Binh Wind	Renewable	Wind	Vietnam	Operating	**252**	80%	202
Ninh Thuan Wind (BIM Wind)	Renewable	Wind	Vietnam	Operating	**88**	82.15%	72
Lac Hoa & Hoa Dong Wind	Renewable	Wind	Vietnam	Operating	**60**	80%	48
Masaya Solar	Renewable	Solar	India	Operating	**420**	80%	336
NEFIN	Renewable	Rooftop Solar	Various[4]	Operating	**105**	71%	74
Pagudpud Wind (Bayog/Balaoi)	Renewable	Wind	Philippines	Under Construction	**160**	100%	160
Capa Wind (Amihan)	Renewable	Wind	Philippines	Operating	**70**	81%	57
Palauig 2 Solar	Renewable	Solar	Philippines	Under Construction	**300**	100%	300

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
SanMar Solar 1 & 2	Renewable	Solar	Philippines	Operating	**385**	100%	385
SanMar Solar 3	Renewable	Solar	Philippines	Under Construction	**200**	100%	200
Cagayan North Solar (CleanTech/NAREDCO)	Renewable	Solar	Philippines	Operating	**133**	80%	106
Pangasinan Solar (Sinocalan)	Renewable	Solar	Philippines	Operating	**60**	100%	60
New England Solar Farm (NESF) Phase 1	Renewable	Solar	Australia	Operating	**522**	100%	522
Stubbo Solar	Renewable	Solar	Australia	Under Construction	**520**	100%	520
Monsoon Wind	Renewable	Wind	Lao PDR	Under Construction	**600**	24%	146
Stockyard Wind	Renewable	Wind	United States	Under Construction	**136**	80%	109
Chestnut Flats Wind	Renewable	Wind	United States	Operating	**38**	85%	32
Maharashtra C&I Hybrid – Solar	Renewable	Solar	India	Under Construction	**124**	80%	99
Maharashtra C&I Hybrid – Wind	Renewable	Wind	India	Under Construction	**29**	80%	24
New England BESS (2hr) – Section 1	Renewable	Battery	Australia	Under Construction	**50**	100%	50
Quezon North 1 WPP	Renewable	Wind	Philippines	Under Construction	**345**	100%	345
Quezon North 2 WPP	Renewable	Wind	Philippines	Under Construction	**208**	100%	208
Salak Unit 7 Expansion	Renewable	Geothermal	Indonesia	Under Construction	**40**	15%	6
Salak Binary Plant	Renewable	Geothermal	Indonesia	Under Construction	**15**	15%	2
NEFIN	Renewable	Rooftop Solar	Various[4]	Under Construction	**34**	80%	27
Sonagazi Solar	Renewable	Solar	Bangladesh	Under Construction	**68**	80%	55
Dayasinar Solar	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32
Solarscape	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32
					Subtotal		**5,599**
					Committed Capacity		**1,229**
					Grand Total		**6,828**

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

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

- Attributable generation output reached 5,772GWh (gigawatt hours) which is +24% higher year-over-year driven by production from newly operational plants.
    - The Philippines' attributable generation output reached 1,826GWh which is +59% higher year-over-year from the commissioning of San Marcelino Solar Phases 1 and 2 (345MW), Pagudpud Wind (160MW), Cagayan North Solar (106 MW attributable capacity at 80% ownership) and Arayat Mexico Solar (22MW attributable capacity at 50% ownership)

    - International attributable generation output is +13% higher year-over-year from the ramping-up of New England Solar Farm 1 (522MW) in Australia and Masaya Solar (336MW attributable capacity at 80% ownership) in India, in addition to new capacity from Solar NT (141MW attributable capacity at 49% ownership) in Vietnam.

- Attributable generation output reached 1,485GWh for the fourth quarter (three-month period ended December 31, 2024). This is +18% higher than the third quarter (three-month period ended September 30, 2024) with generation output of 1,256GWh and +11% higher than fourth quarter of the prior year (three-month period ended December 31, 2023) with generation output of 1,341GWh.

    - The Philippines' attributable generation output reached 445GWh, which is +32% higher than the third quarter mainly due to higher wind regime and seasonality. This is higher by +18% than the fourth quarter of the prior year due to the contributions of San Marcelino Solar Phases 1 and 2, which began testing and commissioning in December 2023, and Pagudpud Wind, which began testing and commissioning in March 2023. Overall growth in the fourth quarter of 2024 was tempered by wind turbines in Northern Luzon (i.e., Pagudpud Wind) being offline due to damage caused by a typhoon.

    - International attributable generation output reached 1,040GWh, which is +17% higher than third quarter mainly due to seasonality in Australia and higher wind regime in Vietnam. This is +7% higher than the fourth quarter of the prior year due to the contribution of New England Solar Farm 1 which reached full operating capacity in 2024 compared with the prior year when it was ramping up its capacity (commercial operations was reached on April 2024).

- Philippine spot market position:

    - The Philippine business contracts its capacity through the Feed-in-Tariff (FIT) program, Retail Electricity Supply (RES) with commercial and industrial customers and Power Purchase Agreement (PPA) with a limited number of industrial customers. Any supply that is not sold to the contracted customers are sold to the Wholesale Electricity Spot Market (WESM) and are referred to as uncontracted sales. The spot market position reflects the difference between the contracted and uncontracted volumes.

    - The Philippines achieved a 1,132GWh net seller position for the year ended December 31, 2024, with a total demand of 3,856GWh and total supply (both from third party and ACEN's generated supply) of 4,988GWh. In the prior year (December 31, 2023), the Philippines achieved a 617GWh net seller position, with a total demand of 3,814GWh and total supply of 4,431GWh. Increased generation in 2024 and the termination of the baseload and mid-merit contract with Meralco in November 2024 resulted in a higher net seller position year-over-year.

    - The Philippines achieved a 469GWh net seller position for the fourth quarter with total demand of 788GWh and total supply of 1,258GWh.

        - For the third quarter, the Philippines reached a 52GWh net seller position with a total demand of 1,024GWh and total supply of 1,078GWh. Scheduled preventive maintenance in the third quarter of 2024 of a third-party supplier (none in the fourth quarter 2024) resulted in a higher net seller position quarter-over-quarter. In addition, the termination of the contract with Meralco increased the output sold to the spot market.

- For the fourth quarter of 2023, the Philippines reached a 205GWh net seller position with total customer demand of 983GWh and total supply of 1,189GWh. Similar with the year-over-year movement, the increase in the net seller position is due to increased generation and the termination of the Meralco contract.

- Overall, contracted capacity for the year ended December 31, 2024 is at 78% compared to the prior year which was at 91%. New capacity in the Philippines and Australia in 2024 resulted in increased capacity that is sold to the spot market (i.e., increased merchant capacity). New capacity in other markets is contracted. The movement of contracted capacity also reflects the result of the termination of the baseload and mid-merit Meralco contracts in November 2024.

- Construction updates as of December 31, 2024 are:

  - Philippines

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

[1] *Phase 1 only*

  - International

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

Financial Highlights:

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

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

- Attributable generation output year-over-year growth of +24% with full or near-full operationalization of San Marcelino Solar Phases 1 and 2, Pagudpud Wind, Cagayan North Solar, Arayat-Mexico Solar, New England Solar Farm 1 and SUPER (Solar NT) (First Phase Closing). All are subsidiaries except for Arayat-Mexico Solar and SUPER (Solar NT) which are investments in joint ventures by the Group.

- The Philippine business continues to strengthen its net seller merchant position at 917GWh following the contribution of new merchant renewable capacity and termination of the baseload and mid-merit Meralco contract. The increase in merchant volume was tempered by the lower Wholesale Electricity Spot Market (WESM) price environment compared to the prior year. The Philippine business was further improved by revenues from the Reserve Market and Ancillary Services Procurement Agreement (ASPA) firm contracts.

- Several value realizations (i.e, various forms of divestments) occurred during the year:

    - A gain was recognized in the second quarter of 2024 amounting to US$22.65 million (₱1,329.85 million) from the divestment from PT Sidrap Bayu Energi. This was an investment of the Group in Sidrap Wind, an Indonesian wind plant with an attributable capacity of 56MW. The last tranche of the gain in relation to this divestment was recognized in the fourth quarter of 2024 amounting to US$6.60 million (₱385.48 million). Regulatory approval was needed prior to the recognition of this gain.

    - A gain was recognized in the third quarter of 2024 amounting to ₱1,035.33 million from the disposal of 2,759,135sqm land located in Zambales, Philippines in exchange for 199,109,438 primary common shares of AREIT.

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

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

- In addition to the gains from the divestment from Sidrap and the asset exchange with AREIT, the Group recognized non-recurring gains of US$6.97 million (₱389.18 million) due to the early extinguishment of a convertible loan investment with The Blue Circle Ptd. Ltd (TBC). This effectively reduced the Group's capital deployed in the Dai Phong and Hong Phong 1 Wind projects in Vietnam.

- Overhead expenses (general and administrative expenses in the consolidated statement of income) grew year-over-year due to a ramp up in development as execution continues for long-term goals and start of operation of new capacities.

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

Revenues

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

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

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

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

- **Rental income** is mainly from land leases with third parties.

- **Dividend income** is from investments of the Group wherein it does not hold voting interest. This also includes a partial gain from the divestment in Sidrap Wind that was upstreamed to the Group through dividends declared by the intermediate holding company.

- **Other revenue** consists of management fees earned by ACEN from its joint ventures and bulk water sales.

Costs and Expenses

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

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

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

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

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

Equity in Net Income of Associates and Joint Venture

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

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

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

Other Income (Charges)

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

- **Interest and other finance income** from:
  - **Cash in banks and short-term deposits** decreased following the deployment of funds raised during financing activities in 2023. Funds were deployed to projects under construction.
  - **Accounts and notes receivable** increased mainly from the additional loan extended to the BIM Projects in Q2 2024.
  - **Investment in redeemable preferred shares and convertible loans** decreased following a change in the features of investments in India that requires declaration of dividends prior to recognition of income (previously, income was recognized without the need for a dividend declaration). The decrease was offset by the higher interest recognized on existing redeemable preferred shares that have a compounding feature wherein interest earned is added back to the principal resulting to a larger base earning interest.

- **Interest and other finance charges** increased following availments of long-term loans from local banks by ACEN Cayman of US$180.00 million (₱10,123.20 million) and US$140.00 million (₱7,873.60 million) at 5.3980% and 5.3060%, respectively, in January 2024. The proceeds of the long-term loans were used to redeem US$352.00 million redeemable preferred shares in ACEN Cayman held by AC Energy Finance International Limited. The start of commercial operations of new capacities caused the interest and other finance charges associated with the debt used to fund the projects to become a current item incurred in the profit and loss, whereas previously these costs were capitalized. This resulted in higher interest and other finance charges year-over-year.

- **Other income** increased mainly from the recognized gain amounting to ₱1,035.33 million from the sale and leaseback transaction with AREIT, US$16.40 million (₱962.90 million) from the divestment of Sidrap Wind, and non-recurring gains of US$6.97 million (₱389.18 million) from the early extinguishment of a convertible loan with The Blue Circle.

Provision for (benefit from) income tax

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

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

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

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

Material changes in Consolidated Statements of Financial Position accounts

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

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

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

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

**RWEI was subsequently acquired as a subsidiary during the year*

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

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

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

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

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

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

- **Accounts payable and other current liabilities** decreased from the settlement of payables
- **Short-term loans** are outstanding loans from local banks. These were availed to bridge working capital requirements of the Parent Company.
- **Current portion of long-term loans** movement is mainly due to the payment timing schedule.
- **Current portion of lease liabilities** movement is mainly due to the payment timing schedule of leased assets.
- The increase in **income and withholding taxes payable** was mainly due to withholding taxes payable from various purchases in the Philippines.
- **Notes payable** pertains to the ₱10,000.00 million 5-year Green Bonds by ACEN and the US$400.0 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds (the Bonds) issued and listed in SGX-ST.
- **Long-term loans - net of current portion** increased due to the new loan availed by ACE Cayman of US$320.00 million and borrowings made by ACEN International to fund India

projects. The US$320.00 million loan was used to pay the US$352.00 million green bonds that were infused by the Group through subscription to redeemable preferred shares issued by ACEN Cayman to AC Energy Finance Limited (ACEFIL). The difference between the redeemable preferred shares and loan proceeds was funded by cash on hand of the Group.

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

Key Performance Indicators

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

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

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

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

Current ratio & Acid test ratio

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

Debt/Equity ratio & Asset-to-equity ratio

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

Interest coverage ratio

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

Net bank debt to equity ratio

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

Asset turnover

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

Material events and uncertainties

- There were no events that triggered direct or contingent financial obligations that were material to the Group. There were no contingent assets or contingent liabilities since the last annual financial reporting.
- There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Parent Company with unconsolidated entities or other persons created during the financial reporting period.
- There were no material events that had occurred subsequent to the financial reporting close except for the events after the reporting period disclosed in Note 30 of the unaudited Interim Condensed Consolidated Financial Statements.
- ACEN has material commitments to invest in capital expenditure projects mainly in the following:

    - 288MWdc solar project in Buguey and Lal-lo, Cagayan and the proposed 300MWdc expansion of Gigasol Palauig solar project in Zambales;
    - 120MWdc solar power project in Alaminos, Laguna through Solarace1;
    - 150MW diesel plant in Pililla, Rizal through Ingrid, a joint venture of ACEN, ACEN Global Development Group, Inc. (Formerly: ACE Endevor, Inc.) and APHPC;
    - 60MWdc solar power project in Palauig, Zambales through Gigasol3;
    - 50MWac (72MWdc) solar power project in Arayat and Mexico, Pampanga through Greencore 3, a joint venture of ACEN, ACEN Global Development Group, Inc. (Formerly: ACE Endevor, Inc.) and Citicore;
    - 500MWdc solar power project in San Marcelino, Zambales through Santa Cruz Solar;

  - 2x20 MW Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4, Inc. (Giga Ace 4);
  - 160MW wind farm in Balaoi, Pagudpud, Ilocos Norte through BWPC, in partnership with UPC Renewables;
  - Investment into 4MW renewable energy laboratory in Bataan through BSEI;
  - 521MWdc New England Solar Farm (NESF) and adjacent 50MW battery energy storage system located near Uralla in New South Wales through UPC-ACE Australia, a joint venture of ACEN and UPC Renewables Australia;
  - Various Vietnam wind farms:
    - 252MW wind farm in Quang Binh through AMI Renewables Energy Joint Stock Company
    - 88MW wind farm in Ninh Thuan through BIM Energy Joint Stock Co.("BIME")
    - 40MW second phase of the Mui Ne Wind Farm in Binh Thuan through the partnership with the Blue Circle.
    - 60MW Lac Hoa & Hoa Dong wind farm in Soc Trang through a joint venture with UPC
- Funding of up to U.S.$100 million for new technology investments in the Philippines. Refer to Notes to Consolidated Financial Statements for details.
- Any known trends, events, or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations
  - The results of operations of ACEN and its subsidiaries depend to a significant extent, on the performance of the Philippine economy.
  - The current highly competitive environment and operation of priority-dispatch variable renewable energy resulted in lower demand for electricity and have driven market prices of electricity downward.
  - Movements in the WESM prices could have a significant favorable or unfavorable impact on the Group's financial results.
- Any known trends or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way
  - The Group is developing a line-up of renewable energy projects as part of its growth aspiration. The capital expenditures shall be funded by a combination of equity and debt.
- There were no significant elements of income or loss that did not arise from continuing operations that had a material effect on the financial condition or results of operations.
- There were no operations subject to seasonality and 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").

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited the accompanying financial statements of ACEN CORPORATION and Subsidiaries (the Group), as at December 31, 2024 and for the year then ended, on which we have rendered the attached report dated March 10, 2025.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the above Group has 2,572 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

Benjamin N. Villacorte
Partner
CPA Certificate No. 111562
Tax Identification No. 242-917-987
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028
PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, included in this Form 17-A and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

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**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. This has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

Benjamin N. Villacorte
Partner
CPA Certificate No. 111562
Tax Identification No. 242-917-987
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028
PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025

SyCip Gorres Velayo & Co.
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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

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Partner
CPA Certificate No. 111562
Tax Identification No. 242-917-987
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March 10, 2025

ACEN CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FORM 17-A, ITEM 7

**These schedules are either not required, not applicable or the information required to be presented is included in the Company's consolidated financial statements or notes to consolidated financial statements.*

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule A. Financial Assets
December 31, 2024
(Amounts in Thousands)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial assets at fair value through profit or loss (FVTPL)		₱6,626,140	₱6,626,140	₱–
Financial assets at fair value through other comprehensive income (FVOCI)		12,116,640	12,116,640	–
Investments in other financial assets at amortized cost				
Redeemable preferred shares				
Investment in AAR		7,254,017	10,814,892	933,952
Investment in UPC- ACE Solar		–	–	335,018
Investment in BIM Wind		2,327,794	1,021,644	367,901
Investment in NEFIN		2,007,222	2,007,221	179,273
Investment in Impact Wind		2,734,487	2,734,487	209,644
Investment in BIMRE		1,410,647	1,108,653	197,764
Investment in UPC Asia III		–	–	68,276
Investment in BIME		246,140	194,007	44,023
Subscription deposits				
Investment in Beacon Capital Holdings Limited		–	–	–
Investment in UPCAPH		–	–	–
Convertible loans				
Investment in Vietnam Wind		2,112,850	–	353,556
Investment in Asian Wind 1		940,803	355,586	116,916
Investment in Asian Wind 2		907,414	342,966	109,909
		19,941,374	18,579,456	2,916,232
Allowance for expected credit losses		2,112,850	–	–
		17,828,524	18,579,456	2,916,232
Loans and receivables				
Cash and cash equivalents		25,158,358	25,158,358	989,573
Short-term investments		161,966	161,966	–
Trade and other receivables		17,851,563	17,986,382	66,412
Long-term receivables		22,721,874	22,721,874	2,362,167
		65,893,761	66,028,580	3,418,152
Derivative assets		4,551,769	4,551,769	–
		₱107,016,834	**₱107,902,585**	**₱6,334,384**

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2024
(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Current	Non Current	Balance at End of Year
			Amount Collected	Amount Written-Off			
Not Applicable:	The Company has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2024 equal to or above the established threshold of the Rule.						

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule C.1 Accounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2024
(Amounts in Thousands)

Name and Designation of Creditor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non-Current	Balance at End of Period
Subsidiaries:							
Giga Ace 3, Inc.	₱–	₱1,867,281	(₱606,456)	₱–	₱1,260,825	₱–	₱1,260,825
ACEN Global Development Group, Inc.	1,580,431	3,528,238	(3,969,216)	–	1,139,453	–	1,139,453
Giga Ace 4, Inc.	1,400	318,286	(7)	–	319,679	–	319,679
Buendia Christiana Holdings Corp.	22,068	1,275,284	(1,104,806)	–	192,546	–	192,546
Santa Cruz Solar Energy, Inc.	–	1,945,936	(1,793,220)	–	152,716	–	152,716
Gigasol 2, Inc.	35,179	1,250,548	(1,137,077)	–	148,650	–	148,650
Gigasol 3, Inc.	131,997	–	(1)	–	131,996	–	131,996
ACEN Shared Services, Inc.	162,538	619,736	(674,132)	–	108,142	–	108,142
Bulacan Power Generation Corporation	63,209	1,052,741	(1,016,485)	–	99,465	–	99,465
ACEN Technical Services, Inc.	–	326,819	(245,784)	–	81,035	–	81,035
SolarAce1 Energy Corp.	65,321	38	(5,272)	–	60,087	–	60,087
CIP II Power Corporation	22,361	664,132	(633,486)	–	53,007	–	53,007
Giga Ace 2, Inc.	–	367,329	(317,304)	–	50,025	–	50,025
San Julio Land Development Corporation	–	224,873	(193,787)	–	31,086	–	31,086
ACE Enexor, Inc.	–	13,437	–	–	13,437	–	13,437
YMP Industrial Power Inc.	–	10,432	(3,206)	–	7,226	–	7,226
ACE Renewables Philippines, Inc.	11,527	161,177	(168,083)	–	4,621		4,621
Giga Ace 5, Inc.	–	10,182	(7,485)	–	2,697	–	2,697
AC Energy International, Inc.	1,108,372	16,522	(1,122,427)	–	2,467		2,467
One Subic Power Generation Corporation	72,930	836,977	(908,907)	–	1000	–	1000
Northwind Power Development Corporation	895	29,448	(30,079)	–	264	–	264
Bayog Wind Power Corp.	1,487	2,298	(3,542)	–	243	–	243
San Carlos Solar Energy, Inc.	3,074	1,197,353	(1,200,353)	–	74		74
Negros Island Solar Power, Inc.	5,514	49	(5,534)	–	29	–	29
Others	4,067	964,801	(925,019)	–	43,849	–	43,849
	₱3,292,370	**₱16,683,917**	**(₱16,071,668)**	**₱–**	**₱3,904,619**	**₱–**	**₱3,904,619**

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule C.2. Accounts Payable from Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2024
(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Paid	Deductions: Amount Written-Off	Current	Non-current	Balance at End of Period
Subsidiaries:							
Santa Cruz Solar Energy Inc	₱1,182,564	₱6,569,398	(₱2,591,731)	₱–	₱5,160,231	₱–	₱5,160,231
Natures Renewable Energy Development Corporation	5,924	2,712,901	(145,550)	–	2,573,275	–	2,573,275
SolarAce1 Energy Corp.	3,391,130	2,170,743	(3,048,843)	–	2,513,030	–	2,513,030
Bayog Wind Power Corp.	492,564	2,024,672	(1,110,417)	–	1,406,819	–	1,406,819
Gigasol 3, Inc.	1,475,183	846,857	(1,203,930)	–	1,118,110	–	1,118,110
Negros Island Solar Power, Inc.	6,422	2,529,672	(1,548,120)	–	987,974	–	987,974
One Subic Power Generation Corporation	75,095	3,712,375	(3,258,042)	–	529,428	–	529,428
Giga Ace 6, Inc.	103,160	3,579,421	(3,155,946)	–	526,635	–	526,635
San Carlos Solar Energy, Inc.	(3,032)	3,692,438	(3,235,602)	–	453,804	–	453,804
Gigasol 2, Inc.	1,038,400	758,525	(1,466,906)	–	330,019	–	330,019
Giga Ace 4, Inc.	392,346	597,336	(686,380)	–	303,302	–	303,302
Northwind Power Development Corporation	15,627	403,400	(197,395)	–	221,632	–	221,632
Bulacan Power Generation Corporation	92,336	1,727,045	(1,609,353)	–	210,028	–	210,028
Bataan Solar Energy, Inc.	215,075	328,852	(342,285)	–	201,642	–	201,642
Giga Ace 7, Inc.	48,524	272,694	(164,161)	–	157,057	–	157,057
Real Wind Energy, Inc.	–	146,171	–	–	146,171	–	146,171
AC Subic Solar, Inc.	3,967	279,338	(154,247)	–	129,058	–	129,058
Gigasol 1, Inc.	65,376	1,933,941	(1,873,629)	–	125,688	–	125,688
Pangasinan UPC Asia Corporation	–	361,277	(246,699)	–	114,578	–	114,578
SolarAce3 Energy Corp.	29,365	223,161	(146,397)	–	106,129	–	106,129
Manapla Sun Power Development Corporation	78,047	647,682	(624,107)	–	101,622	–	101,622
Guimaras Wind Corporation	21,347	310,748	(232,095)	–	100,000	–	100,000
SolarAce2 Energy Corp.	11,016	90,765	(4,630)	–	97,151	–	97,151
UPC Mindanao Wind Power Corp.	–	132,878	(47,164)	–	85,714	–	85,714
Others	1,302,698	28,072,598	(28,436,881)	–	938,415	–	938,415
	₱10,043,134	**₱64,124,888**	**(₱55,530,510)**	**₱–**	**₱18,637,512**	**₱–**	**₱18,637,512**

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule D. Long-Term Debt
December 31, 2024
(Amounts in Thousands)

	Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Maturity Date
ACEN	Bank loan A	₱1,500,000	₱95,486	₱420,341	6.50%	July 11, 2029
	Bank loan B	5,000,000	52,632	4,684,210	5.05% - 7.13%	November 14, 2029
	Bank loan C	7,000,000	84,000	6,739,000	5.00% - 7.17%	July 15, 2030
	Bank loan D	4,500,000	45,000	4,387,500	7.00% - 7.25%	March 30, 2031
	Bank loan E	10,000,000	–	6,000,000	6.25% - 6.97%	December 13, 2032
	Bank loan F	10,000,000	5,250	239,500	7.09%	August 17, 2033
	Bank loan G	5,000,000	–	4,670,797	5.13% - 6.61%	July 24, 2029 April 24, 2030 October 24, 2033
	Bank loan H	20,000,000	–	2,500,000	6.39% - 6.59%	December 22, 2033
	Bank loan J	5,500,000	–	2,800,000	5.89%	October 24, 2034
			282,368	32,441,348		
	Unamortized debt issue costs		(30,413)	(193,382)		
			251,955	32,247,966		
	Bank loan I	5,500,000	–	2,800,000	6.07% - 6.72%	October 24, 2034
	Unamortized debt issue costs		(5,593)	(40,675)		
			(5,593)	2,759,325		
Guimaras Wind	Bank loan A	2,150,000	87,906	368,357	6.84% - 8.17%	February 14, 2029
	Bank loan B	2,150,000	87,906	276,223	6.84% - 8.17%	February 14, 2029
			175,812	644,580		
	Unamortized debt issue costs		(1,209)	(1,774)		
			174,603	642,806		
NorthWind	Bank loan A	2,300,000	180,090	1,426,920	5.13%	May 29, 2032
	Unamortized debt issue costs		(1,681)	(5,578)		
			178,409	1,421,342		
MONTESOL	Bank loan A	600,000	50,004	499,992	7.15%	September 20, 2035
	Unamortized debt issue costs		(579)	(3,128)		
			49,425	496,864		
SACASOL	Bank loan A	1,400,000	140,000	1,190,000	6.82% - 7.32%	May 22, 2034

(Forward)

SACASOL	Unamortized debt issue costs		(₱1,711)	(₱7,686)

	Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Maturity Date
			138,289	1,182,314		
ACEN International	Bank loan A	₱7,000,000	–	4,166,274	6.61% - 7.46%	January 31, 2031
	Unamortized debt issue costs		(4,668)	(24,954)		
			(4,668)	4,141,320		
ACEN Cayman	Bank loan A	US$140,000	–	8,098,300	5.40%	January 23, 2027
	Bank loan B	US$180,000	208,242	10,099,737	5.31%	January 19, 2029
			208,242	18,198,037		
	Unamortized debt issue costs		(16,225)	(88,453)		
			192,017	18,109,584		
ACRI	Bank loan A	AU$75,000	–	2,684,638	5.82% - 5.92%	December 7, 2028
	Bank loan B	US$150,000	–	2,239,346	6.53%	April 15, 2029
	Bank loan C	US$100,000	–	1,156,900	6.49%	December 7, 2028
	Bank loan D	US$150,000	–	289,225	6.23%	July 4, 2029
			–	6,370,109		
	Unamortized debt issue costs		–	(200,549)		
			–	6,169,560		
ACEN Australia Pty. Ltd.	Bank loan A	AU$100,000	–	2,412,293	5.25% - 6.24%	August 18, 2027
	Bank loan B	AU$140,000	–	5,011,324	4.87% - 6.07%	September 16, 2027
	Bank loan C	AU$75,000	–	2,397,382	6.43%	October 28, 2027
	Bank loan D	AU$204,540	6,481,930	(0)	2.90%	December 22, 2025
	Bank loan E	AU$277,000	–	9,915,264	5.04% - 6.30%	January 6, 2028
	Bank loan F	AU$75,000	–	243,407	6.05% - 6.18%	February 26, 2028
	Bank loan G	AU$75,000	–	248,776	6.05% - 6.18%	February 26, 2028
			6,481,930	20,228,446		
	Unamortized debt issue costs		–	–		
			6,481,930	20,228,446		
	Long-term loans		**₱7,456,367**	**₱87,399,527**		
ACEN Finance	Green bonds	US$400,000	₱–	₱20,383,600	4.00%	Senior undated fixed-for-life (non-deferrable) Notes with fixed coupon of 4.00% for life, with no step-up and no reset, priced at par.
	Unamortized debt issue costs		–	(36,247)		
	Cumulative translation adjustment		–	2,782,842		
			–	23,130,195		
ACEN	ACEN Fixed rate ASEAN Green Bonds	10,000,000	–	10,000,000	6.05%	September 22, 2027
	Unamortized debt issue costs		–	(73,714)		
			–	9,926,286		
	Notes Payable		**₱–**	**₱33,056,481**		

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2024
(Amounts in Thousands)

Name of related party	Balance at Beginning of Year	Balance at End of Year
Bank of the Philippine Islands	**₱2,367,909**	**₱4,899,772**

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee
ACEN Finance Limited (ACEN Finance)	US$ Green Bonds*	US$400.00 million senior guaranteed undated notes under the MTN Programme, with ₱23,138.00 million outstanding as at December 31, 2024	None	ACEN unconditionally and irrevocably guarantees that in case the sum payable are not paid by ACEN Finance on the relevant due date, ACEN agrees to pay all such amounts due in accordance with the manner provided for in the agreement.
ACEN Cayman Limited (ACEN Cayman)	Debt instrument	(a) Philippine National Bank for US$140.00 million with outstanding ₱8,098.30 million, and (b) Rizal Commercial Banking Corporation for US$180.00 million with outstanding ₱10,307.98 million as at December 31, 2024	None	In case the obligations are not paid by ACEN Cayman on the relevant due date and the applicable cure period has lapsed and the Bank has made a written demand to ACEN Cayman for payment and payment is not made in accordance with the agreement, ACEN shall become liable as principal obligor and pay the Bank such amounts due in accordance with the agreement.
San Carlos Solar Energy, Inc. (SACASOL)	Debt instrument	₱1,400.00 million with ₱1,330.00 million outstanding as at December 31, 2024	None	In case the obligations are not paid by SACASOL on the relevant due date and the applicable cure period has lapsed and the Bank has made a written demand to SACASOL for payment and payment is not made in accordance with the agreement, ACEN shall become liable as principal obligor and pay the Bank such amounts due in accordance with the agreement.
ACEN Australia Pty Ltd. (ACEN Australia)	Debt instrument	AU$277.00 million with ₱9,915.26 million outstanding balance as at December 31, 2024	None	ACEN irrevocably and unconditionally undertakes that in case ACEN Australia does not pay any amount owing under the agreement when due and the applicable cure period has lapsed and the Bank has made a demand for payment to ACEN Australia and payment is not made in accordance with the agreement, ACEN agrees to pay the Bank such amounts due in accordance with the agreement.

(Forward)

		AU$140.00 million with ₱5,011.32 million outstanding as at December 31, 2024 AU$ 100.00 million with ₱2,412.29 million outstanding balance as at December 31, 2024 AU$75.00 million with ₱2,397.38 million outstanding balance as at December 31, 2024 AU$75.00 million with ₱248.78 million outstanding balance as at December 31, 2024 AU$75.00 million with ₱243.41 outstanding balance as at December 31, 2024		

** Please refer to Note 13 - Short-term Loans, Long-term Loans, and Notes Payable of the 2024 Consolidated Audited Financial Statements for detailed discussion.*

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule G. Capital Stock
December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued	Treasury Shares	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of shares held by: Related parties	Directors, Officers and Employees	Others
Common	48,300,000,000	39,691,894,773	(14,500,000)	39,677,394,773	919,189,237	29,795,128,371	198,115,287	9,684,151,115
Redeemable Preferred	100,000,000							
Series A (ACENA)		8,341,500	–	8,341,500	–	–	–	8,341,500
Series B (ACENB)		16,658,500	–	16,658,500	–	–	–	16,658,500

Attachment II

ACEN CORPORATION
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2024
(Amounts in Thousands)

Unappropriated Retained Earnings (Deficit), beginning of the reporting period (see Footnote 2)		₱1,431,566
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings appropriation	₱–	
Effect of reinstatements or prior-period adjustments	–	
Others	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	3,911,549	
Retained Earnings appropriated during the reporting period	–	
Effect of reinstatements or prior-period adjustments	–	
Others	–	3,911,549
Unappropriated Retained Earnings (Deficit), as adjusted		(2,479,983)
Add/Less: Net income (loss) for the current year		5,148,211
Less: Category C.1 Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate / joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(179,233)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	1,544	
Unrealized fair value gain of Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Subtotal		(177,689)
Add: Category C.2 Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	34,641	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	–	
Realized fair value gain of Investment Property	528	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Subtotal		35,169
Add: Category C.3 Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	–	
Reversal of previously recorded fair value gain of Investment Property	–	
Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Subtotal		–
Adjusted Net Income / Loss		5,005,691

(Forward)

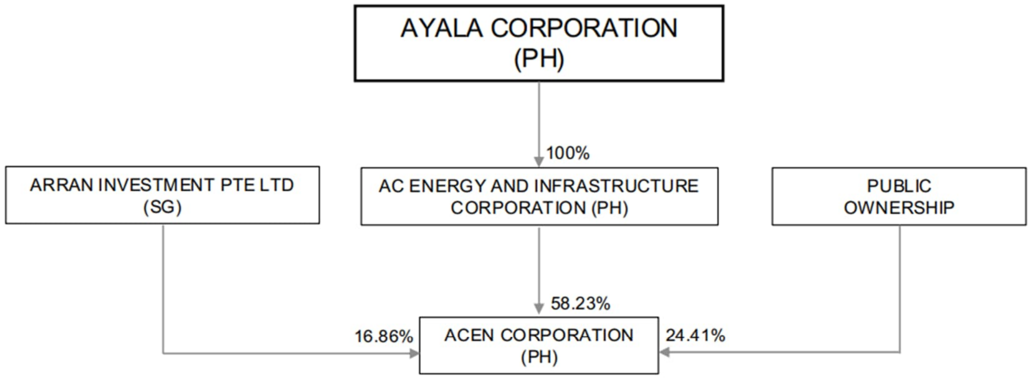
Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Subtotal		–
Add/Less: Category E: Adjustments related to the relief granted by SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief		
Total amount of reporting relief granted during the year	–	
Others	–	
Subtotal		–
Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of the treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of the deferred tax asset not considered in reconciling items under previous categories	(34,942)	
Net movement of the deferred tax asset and deferred tax liabilities related to same transaction, e.g, set-up of right of use asset and lease liability, set-up of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others	–	
Subtotal		(34,942)
Total Retained Earnings, end of the reporting period available for dividend		₱2,490,766

FOOTNOTES:

(1) The amount of retained earnings of the company should be based on its separate (“stand alone”) audited financial statements.
(2) Unappropriated Retained Earnings, beginning of the reporting period refers to the ending balance as reported in the “Reconciliation of Retained Earnings Available for Dividend Declaration” of the immediately preceding period.
(3) Adjustments related to the relief provided by SEC and BSP pertain to accounting relief (e.g losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.
(4) This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec.42 of the Revised Corporate Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT Act and its Implementing Rules and Regulations.

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024



Note:

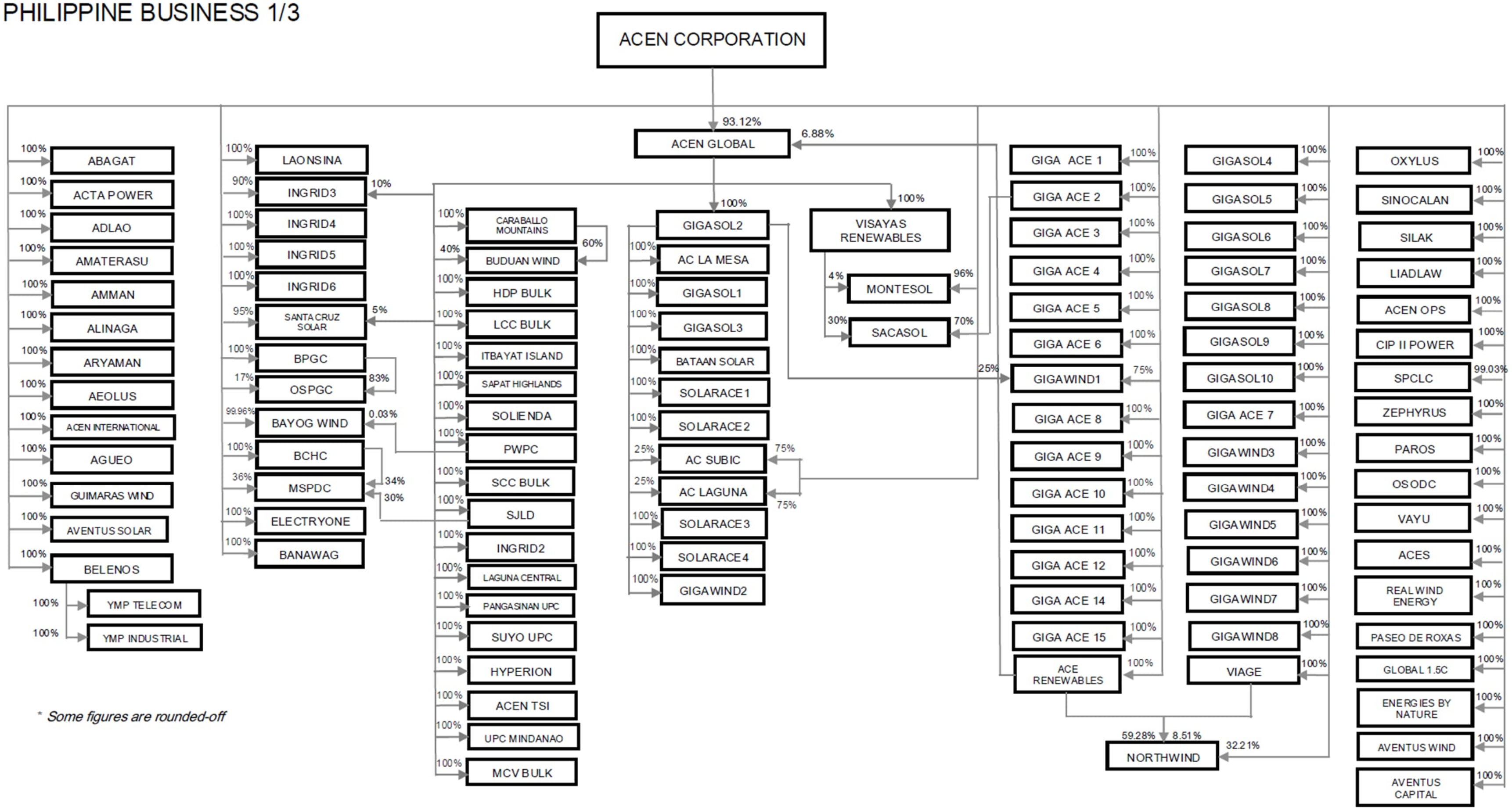
For figures in split form (X%/Y%) as shown in all slides, figures in left represent voting interest, while figures in right represent economic interest.

For figures not in split form, figures represent both voting and economic interest.

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024

ACEN WHOLLY-OWNED COMPANIES
PHILIPPINE BUSINESS 1/3

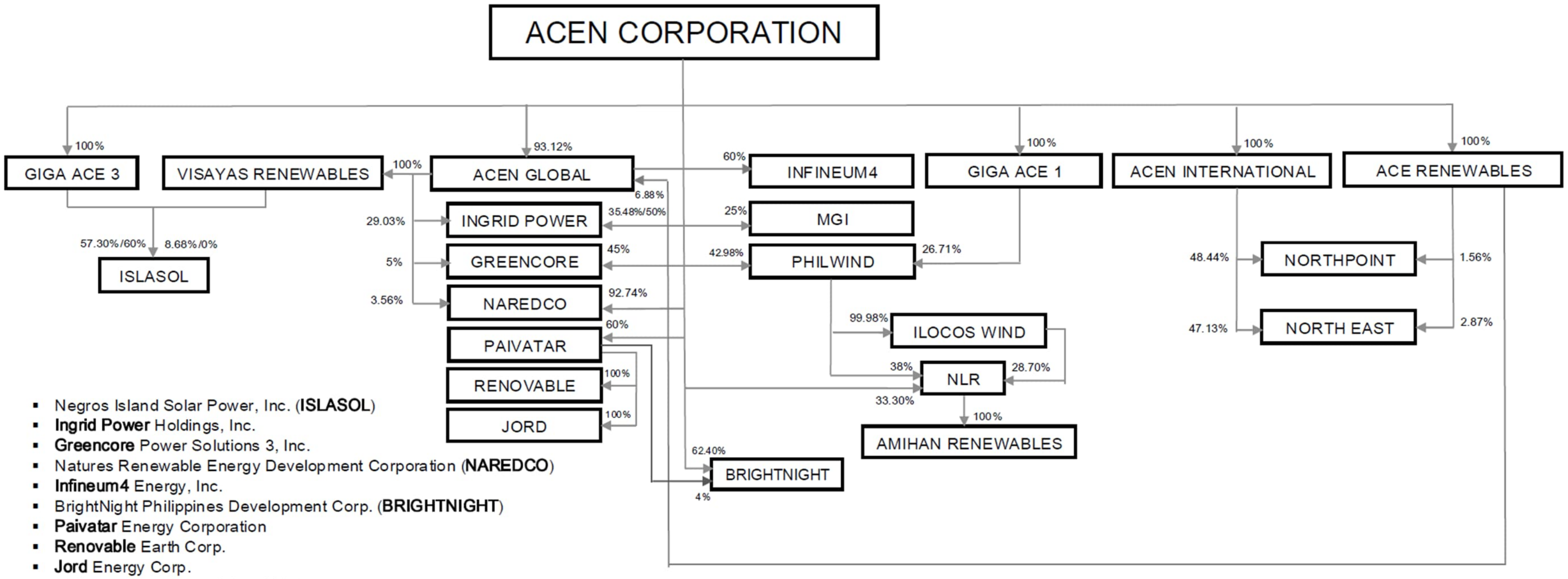


* *Some figures are rounded-off*

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024

ACEN JOINT VENTURES
PHILIPPINE BUSINESS 2/3

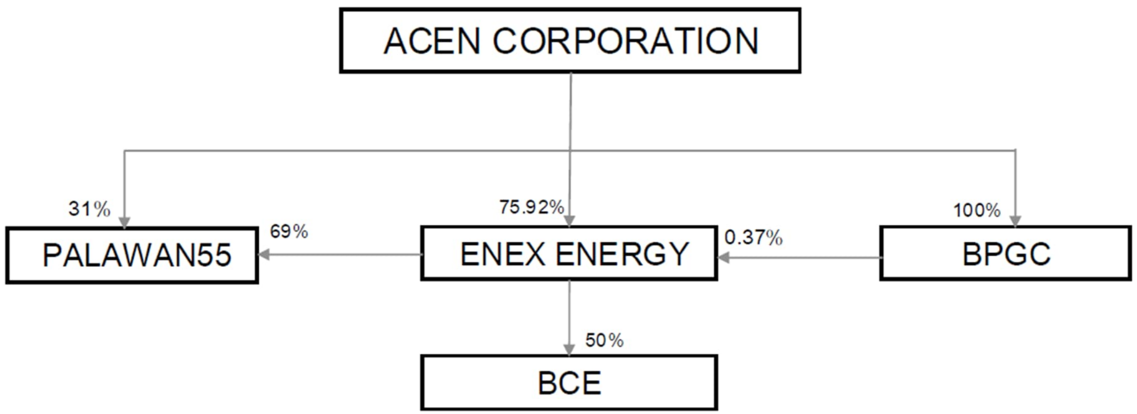


- Negros Island Solar Power, Inc. (**ISLASOL**)
- **Ingrid Power** Holdings, Inc.
- **Greencore** Power Solutions 3, Inc.
- Natures Renewable Energy Development Corporation (**NAREDCO**)
- **Infineum4** Energy, Inc.
- BrightNight Philippines Development Corp. (**BRIGHTNIGHT**)
- **Paivatar** Energy Corporation
- **Renovable** Earth Corp.
- **Jord** Energy Corp.
- Maibarara Geothermal, Inc. (**MGI**)
- Philippine Wind Holdings Corp. (**PHILWIND**)
- Ilocos Wind Energy Holding Co., Inc. (**ILOCOS WIND**)
- North Luzon Renewable Energy Corp. (**NLR**)
- **Amihan Renewable** Energy Corp.
- **ACE Renewables** Philippines, Inc.
- **Northpoint** Wind Power Development Corporation
- **North East** Wind Systems Corporation

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

ACEN - ENEX COMPANIES
PHILIPPINE BUSINESS 3/3

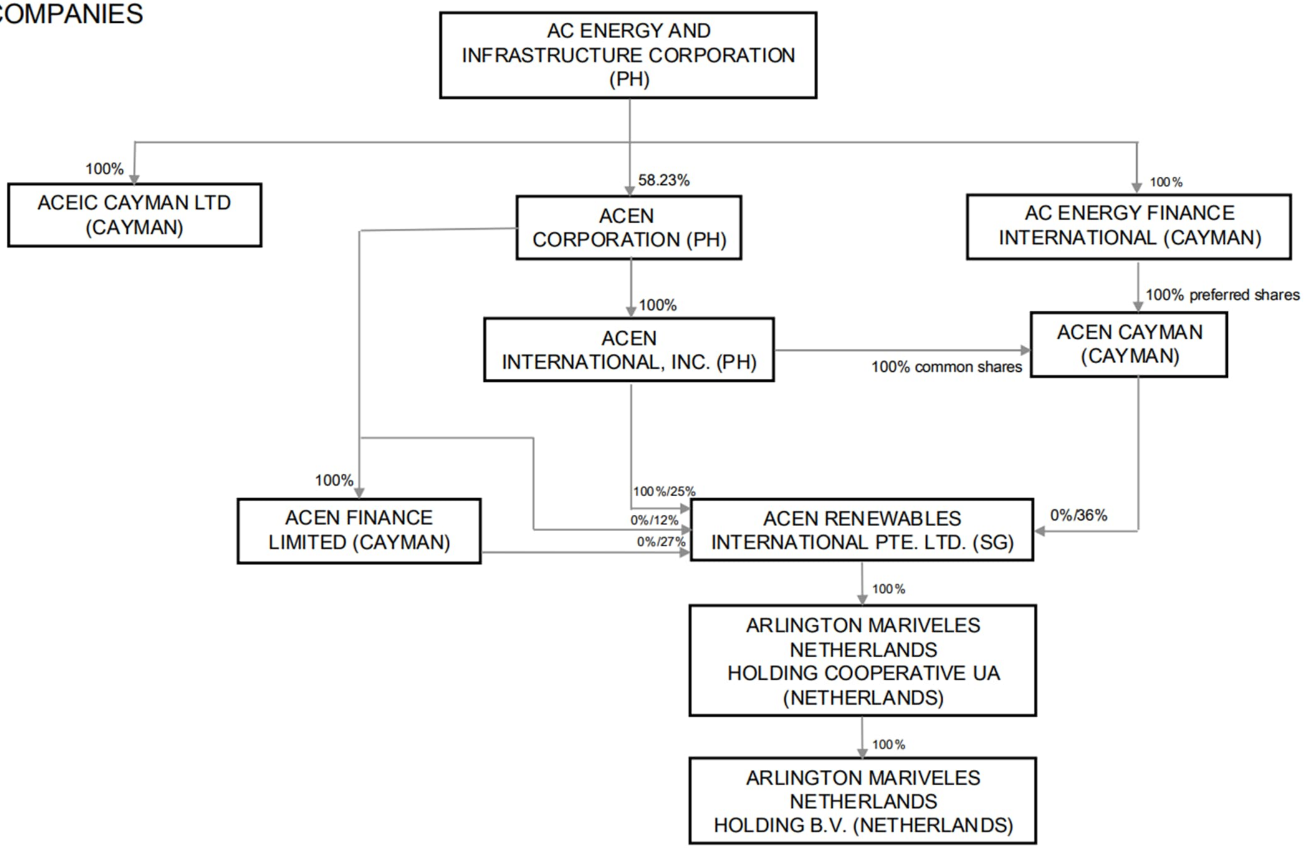


- **Enex Energy** Corporation (PSE-Listed Company)
- **Palawan55** Exploration and Production Corp.
- Bulacan Power Generating Corp. (**BPGC**)
- Batangas Clean Energy, Inc. (**BCE**)

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024

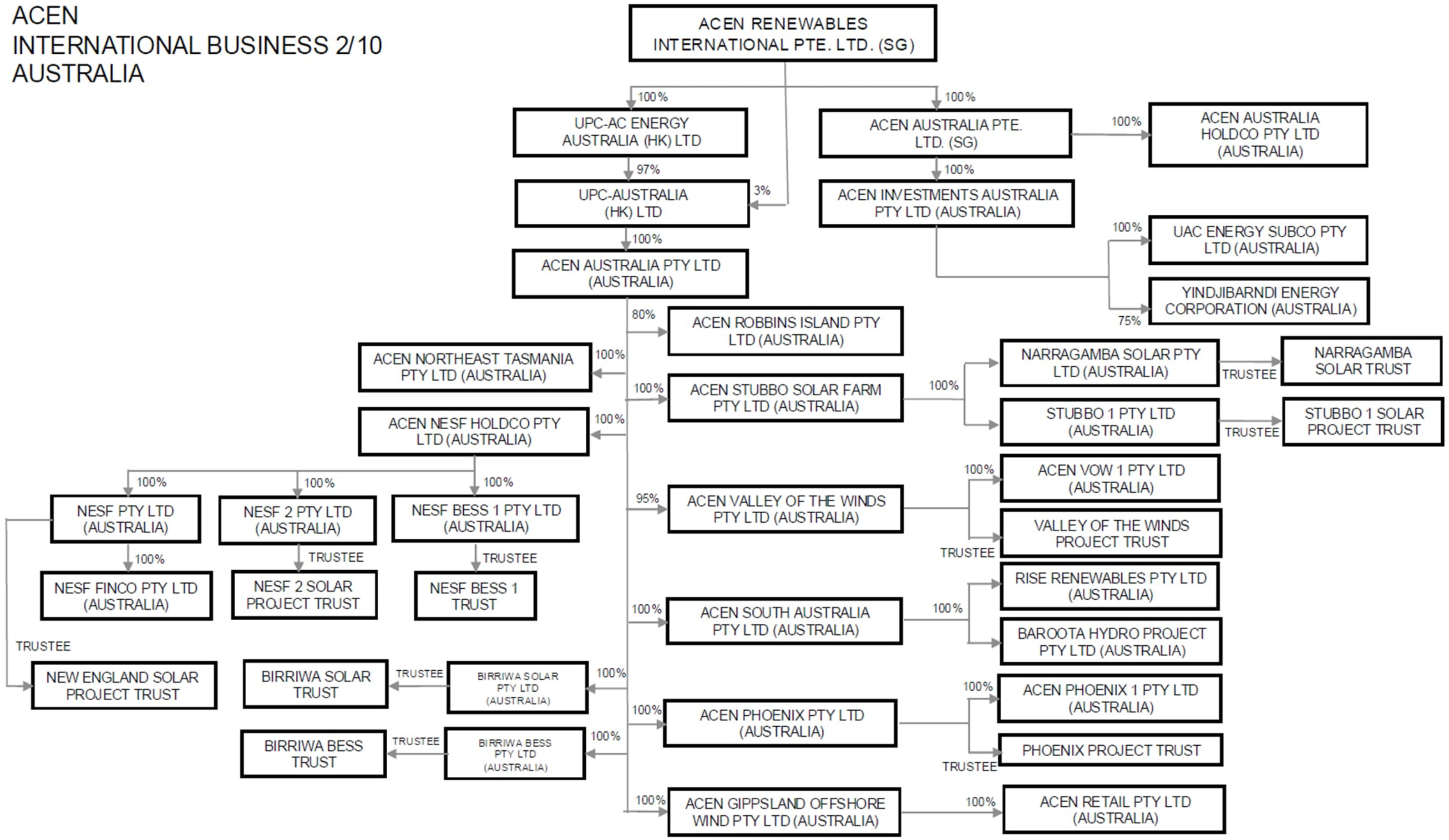
ACEN INTERNATIONAL BUSINESS 1/10
HOLDING COMPANIES



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024

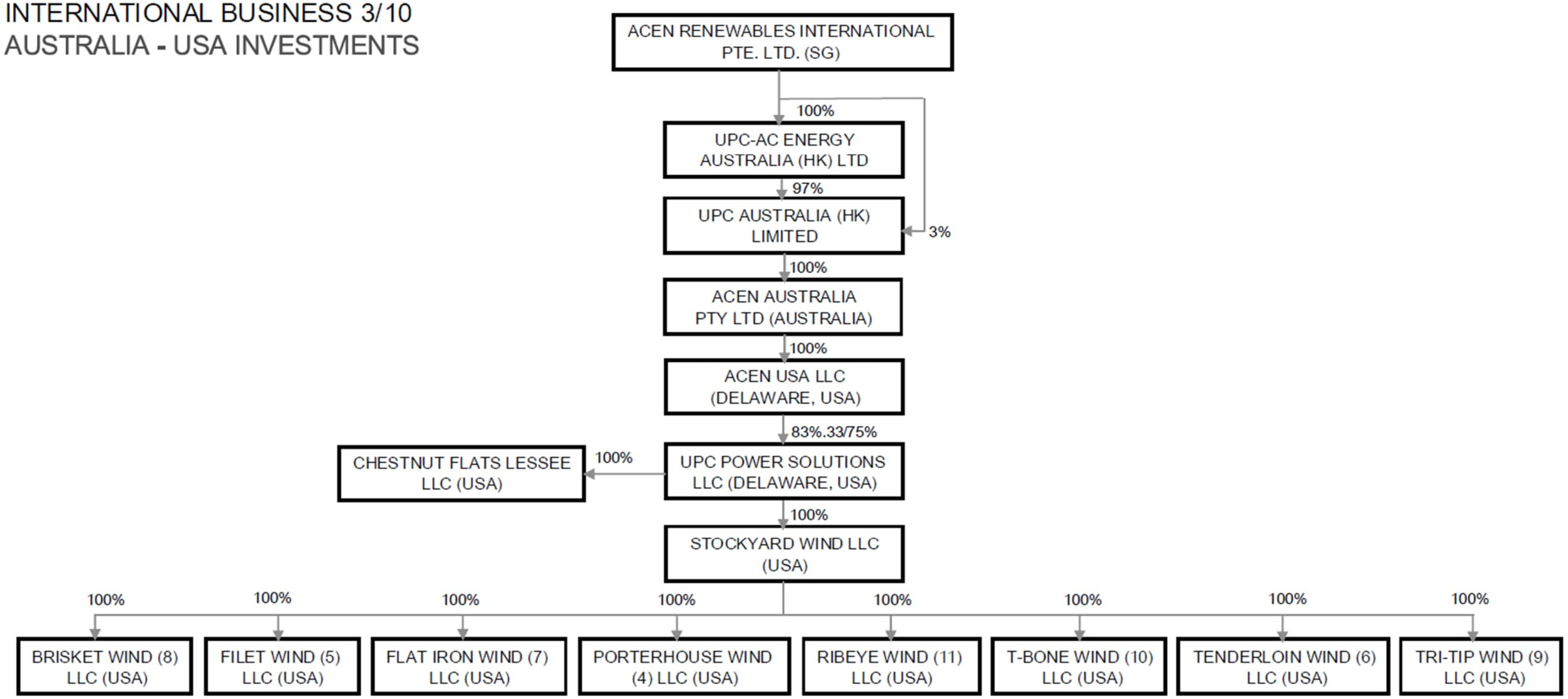
ACEN
INTERNATIONAL BUSINESS 2/10
AUSTRALIA



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

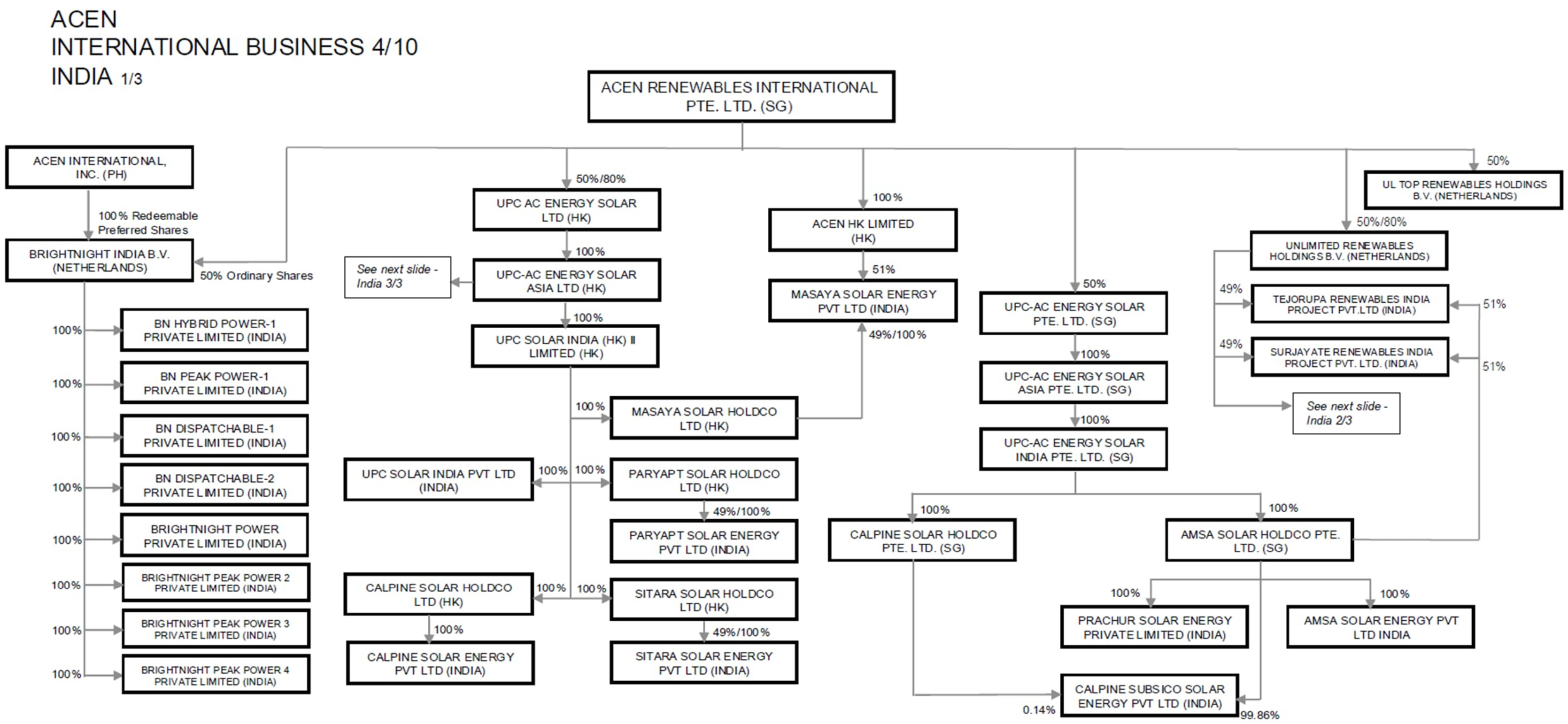
**Conglomerate Map
As of December 31, 2024**

ACEN
INTERNATIONAL BUSINESS 3/10
AUSTRALIA - USA INVESTMENTS



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

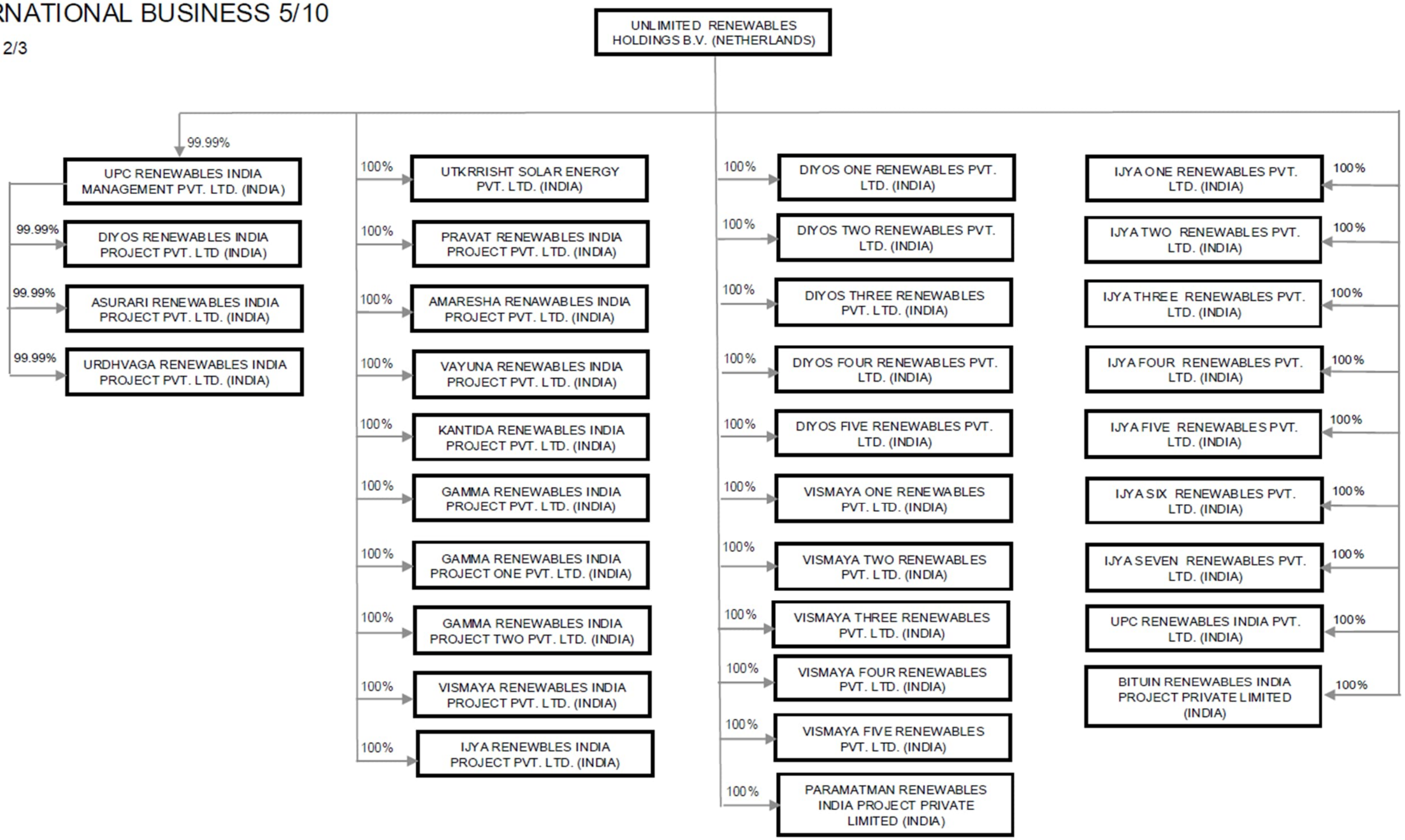
Conglomerate Map
As of December 31, 2024



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024

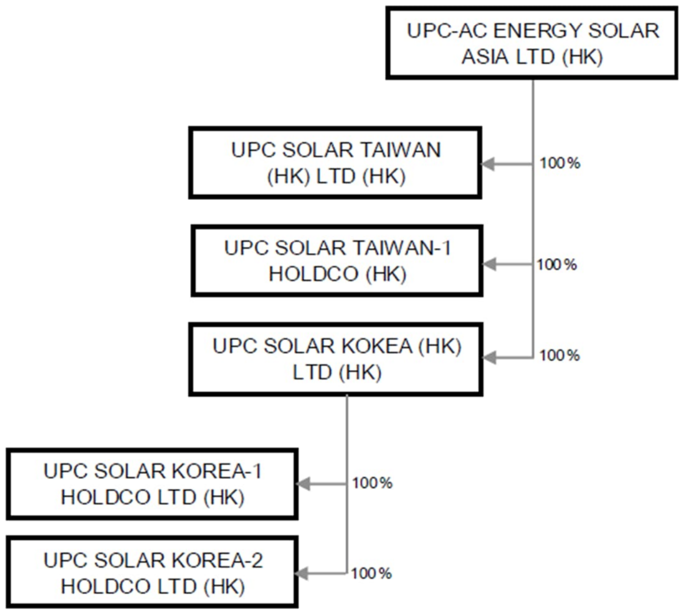
ACEN
INTERNATIONAL BUSINESS 5/10
INDIA 2/3



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024

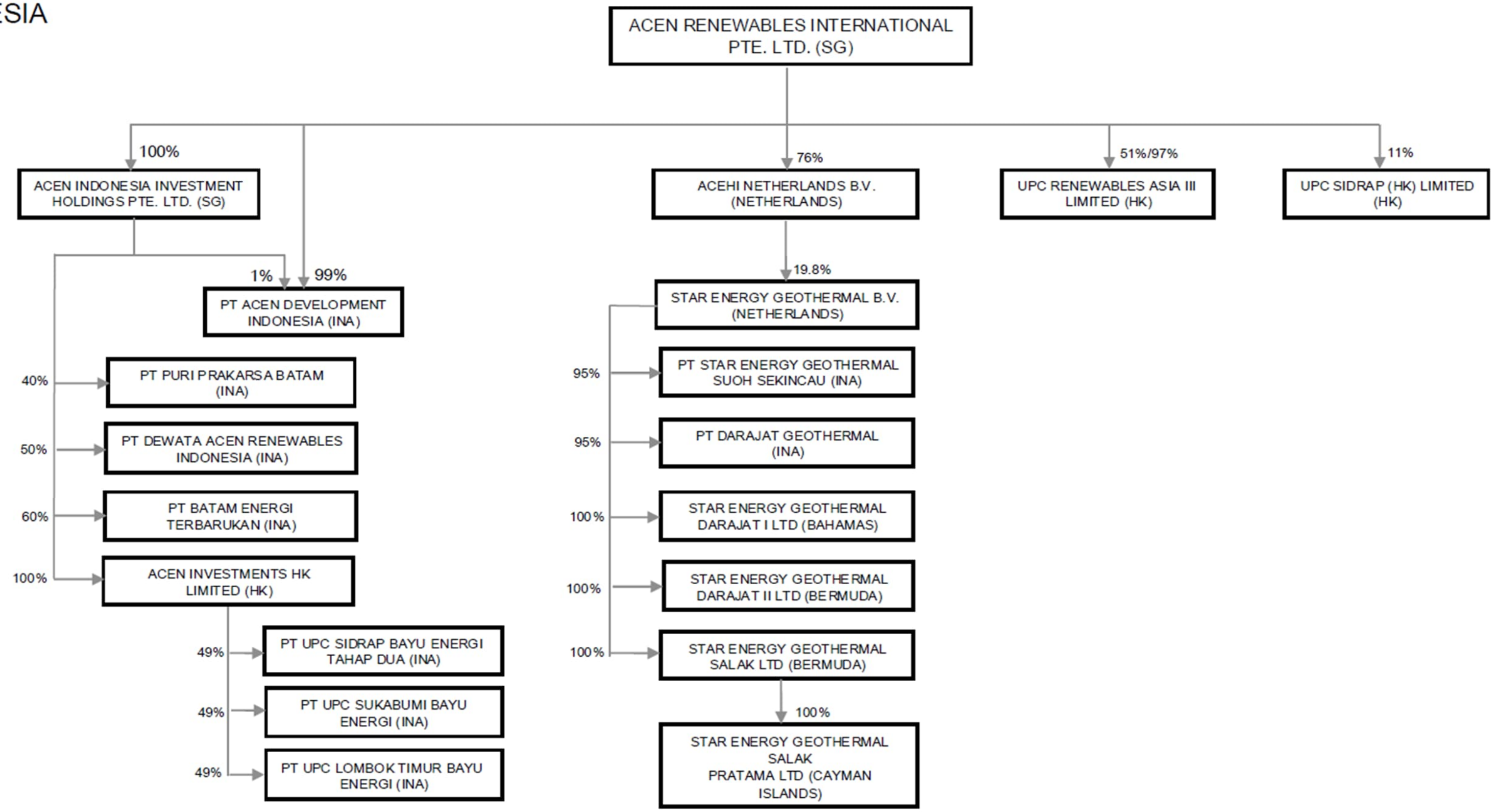
ACEN
INTERNATIONAL BUSINESS 6/10
INDIA 3/3



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

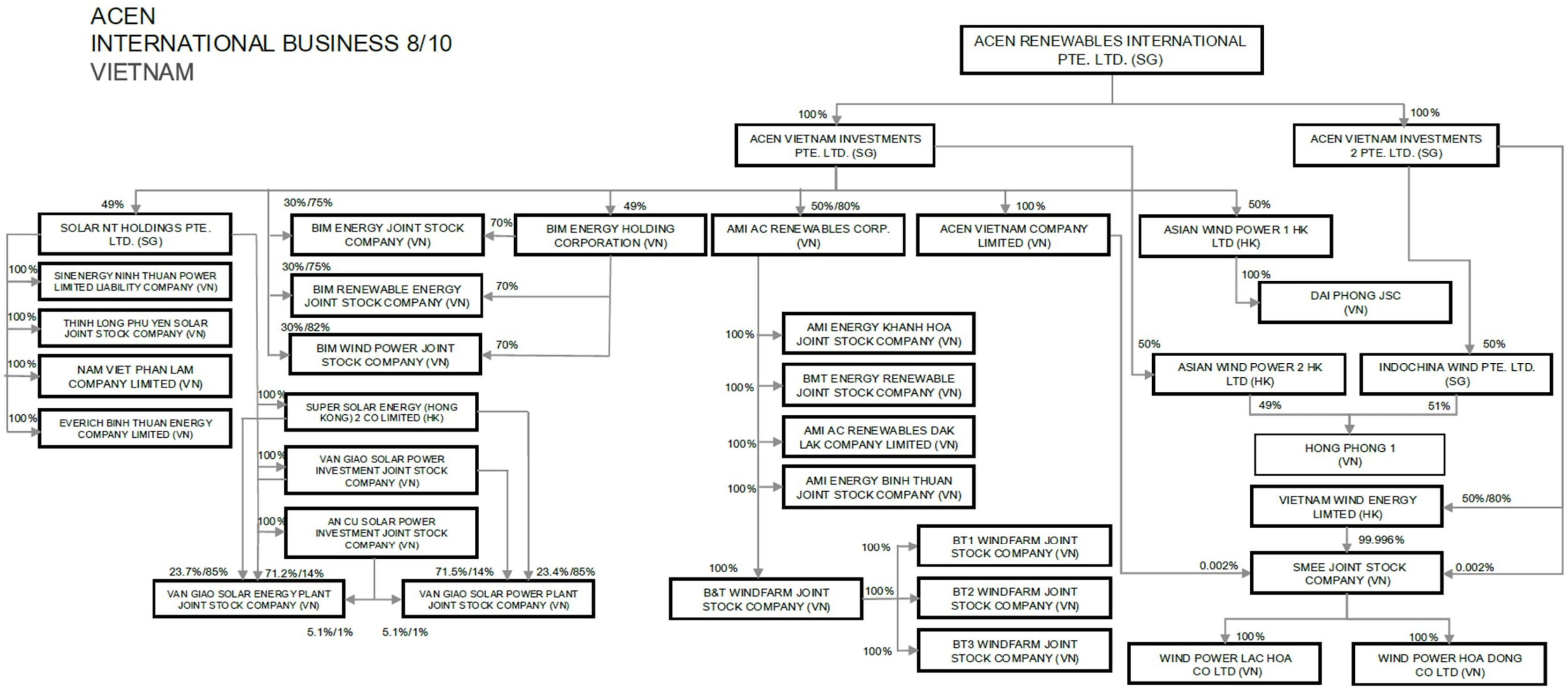
Conglomerate Map
As of December 31, 2024

ACEN
INTERNATIONAL BUSINESS 7/10
INDONESIA



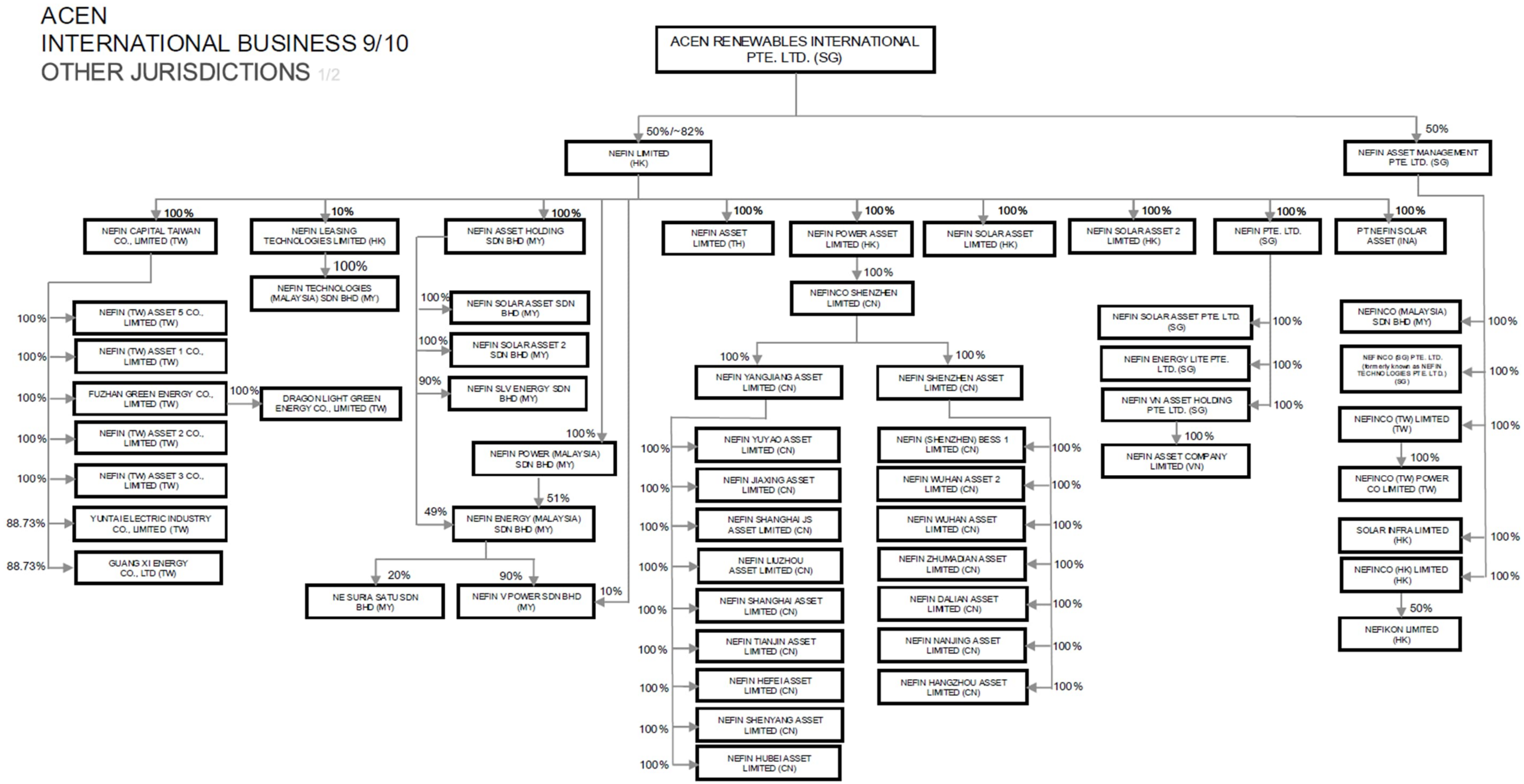
ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

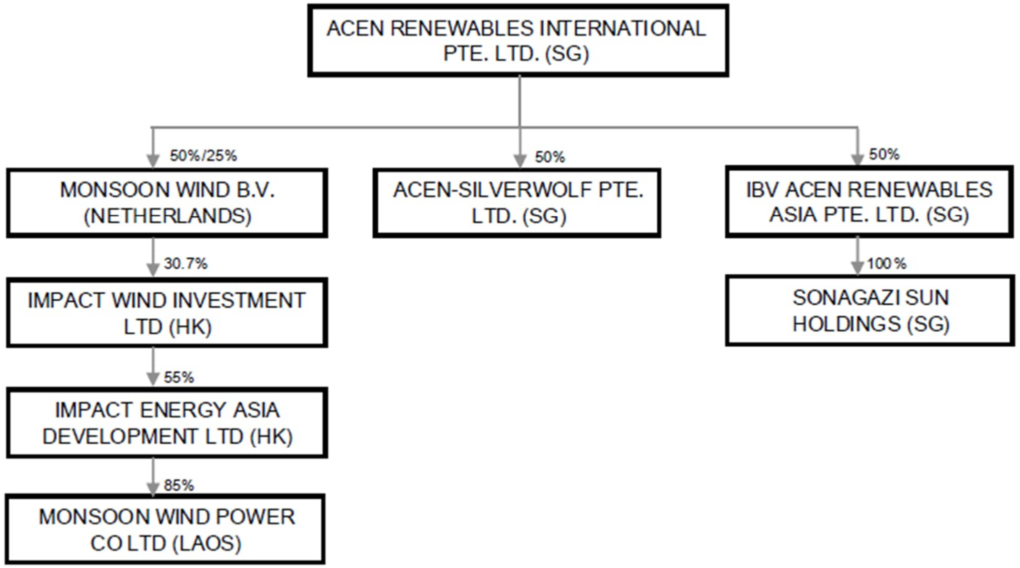
Conglomerate Map
As of December 31, 2024



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2024

ACEN
INTERNATIONAL BUSINESS 10/10
OTHER JURISDICTIONS 2/2



Attachment IV

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

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

(1) Statutory EBIT is Statutory EBITDA less depreciation and amortization expense
(2) Cash interest expense is gross of capitalized borrowing cost of ₱2,634.81 million and ₱1,852.97 million for the years ended December 31, 2024 and 2023, respectively.

Attachment V

Annex 68-I

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

ACEN CORPORATION
As at December 31, 2024
(Amounts in Thousands)

1. Gross and net proceeds as indicated in the final prospectus

	Preferred Shares Offering
Gross proceeds	₱25,000,000
Net proceeds	₱24,831,983

2. Actual gross and net proceeds

	Preferred Shares Offering
Gross proceeds	₱25,000,000
Net proceeds	₱24,848,833

3. Each expenditure item where the proceeds were used

Net Proceeds		₱24,848,833
Refinancing of short-term bridge loans		
for Eligible Green Projects		4,000,000
Financing of Eligible Green Projects		
Zambales Solar Projects	8,602,833	
IslaWind Power	7,425,000	
Palauig 2 Solar	2,440,000	
Pangasinan Solar	1,722,000	
Cagayan North Solar	659,000	20,848,833
Balance as at December 31, 2024		₱–

4. Balance of the proceeds as at the end of reporting period

   The balance of the proceeds as of December 31, 2024 is nil.

Attachment VI

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE–RELATED INFORMATION
For the year ended December 31, 2024
(Amounts in Thousands)

	2024	2023
Total Audit Fees	**₱11,851**	₱10,412
Non-audit services fees:		
Other assurance services	**5,498**	7,500
Tax services	**1,746**	253
All other services	**1,073**	111
Total Non-audit Fees	**8,317**	7,864
Total Audit and Non-audit Fees	**₱20,168**	₱18,276