

SEC Number 66381

File Number _____

ENERGY DEVELOPMENT CORPORATION

(Company's full Name)

Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines

(Company's Address)

(02) 7755-2332

(Telephone Number)

June 30, 2024

(Quarter Ending)

SEC FORM 17-Q

(Form Type)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2024
2. Commission identification number: 66381
3. BIR Tax Identification No. 000-169-125-000
4. Exact name of issuer as specified in its charter: ENERGY DEVELOPMENT CORPORATION
5. PHILIPPINES
Province, country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code
7. Rockwell Business Center Tower 3, Ortigas Avenue,
Pasig City
Address of issuer's principal office 1604
Postal Code
8. (02) 7755-2332
Issuer's telephone number, including area code:
9. Former name, former address and former fiscal year, if changed since last report:
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares outstanding</u> <u>as of June 30, 2024</u>
Common Stock, P1,000,000.00 par value	17,028.837261
Preferred Stock, P10,000.00 par value	9,375
11. Are any or all of the securities listed on a Stock Exchange?
Yes [] No []
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code ("SRC") and SRC Rule 17 thereunder or Sections 11 of the Revised Securities Act ("RSA") and RSA Rule 11(a)-1 thereunder, and Sections 23 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [] No []
 - (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No []

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Our unaudited consolidated financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting, and are filed as Annex I of this report.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (“MD&A”)

The following is a discussion and analysis of the Group’s consolidated financial performance for the six-month period ended June 30, 2024. The prime objective of this MD&A is to help the readers understand the dynamics of the Group’s business and the key factors underlying our financial results. Hence, our MD&A is comprised of a discussion of our core business and an analysis of the results of operations. This section also focuses on key statistics from the unaudited financial statements and pertains to risks and uncertainties relating to the geothermal and other renewable power industry in the Philippines where we operate up to the stated reporting period. However, our MD&A should not be considered all inclusive, as it excludes unknown risks, uncertainties and changes that may occur in the general economic, political, and environmental condition after the stated reporting date.

Our MD&A should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes. All financial information is reported in Philippine Pesos (Php) unless otherwise stated.

Any references in this MD&A to “we”, “us”, “our”, or “Group” pertains to the Energy Development Corporation and its subsidiaries. "EDC" pertains to the Parent Company, Energy Development Corporation.

Additional information about the Group can be found on our corporate website www.energy.com.ph. The following is a summary of the key sections of this MD&A:

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OVERVIEW OF OUR BUSINESS

Principal products or services

The Group has evolved into being the country's premier pure renewable energy player, having interests in geothermal, hydro, wind, and solar power.

For geothermal energy, its standing relationships and/or expertise spans the entire geothermal value chain, i.e., from geothermal energy exploration and development, reservoir engineering and management, engineering design and construction to environmental management and energy research and development. The Group, through EDC, GCGI and BGI, commercially operates in the four (4) geothermal service contract areas, where it is principally involved in the generation and sale of electricity through company-owned geothermal power plants to National Power Corporation ("NPC") / Power Sector Assets and Liabilities Management Corporation ("PSALM"), electric cooperatives, privately-owned distribution utilities, large and mid-sized industrial clients thru Retail Competition and Open Access ("RCOA") and the Green Energy Option Program ("GEOP"), and sales to the Wholesale Electricity Spot Market ("WESM"). Each of GCGI and BGI holds a Retail Electricity Suppliers ("RES") license and a GEOP operating permit, through which it contracts with contestable customers and end-users.

The Group's wind energy expertise covers project research and development and wind data assessment. EBWPC's Burgos Wind Power project has a concession area in Burgos, Ilocos Norte and is under the Feed-in-Tariff ("FIT") arrangement.

With FG Hydro, the Group has not only acquired expertise in hydropower operation and maintenance, but also improved its capability to sell power on a merchant basis. Through its 60% equity interest in FG Hydro, EDC indirectly operates the 132 MW Pantabangan-Masiway Hydroelectric Plant ("PAHEP/MAHEP") located in Nueva Ecija. The power plants supply electricity to the Luzon grid to service the consumption of its distribution utility clients covered by power supply agreements ("PSA").

EDC also operates the Burgos Solar Project (Phases 1 and 2), which is inside the same concession area as EBWPC wind farm and are also under the FIT arrangement. The Group, through Siklab, also has solar rooftop projects in Gaisano La Paz, Kalibo, Oton, Passi, Balasan, Sogod, Ormoc and Sorsogon.

Distribution methods of products or services

The 838.1 GWh of electricity sold by Unified Leyte was delivered mainly to the WESM, Meralco, electric cooperatives and to other customers through First Gen Energy Solutions Inc. ("FGES").

The 353.5 GWh of electricity sold by the Mindanao geothermal power plants were delivered mainly to NPC/PSALM, the WESM and other industrial customers.

The 148.8 GWh of electricity sold by the Nasulo geothermal power plant was delivered mainly to the WESM and to FGES.

A total of 1,399.8 GWh sold by the geothermal power plants in Tongonan and Palinpinon was delivered to electric cooperatives, industrial customers and to the WESM in the Visayas region. Tongonan also delivered electricity through its RES/GEOP contracts.

The 917.7 GWh of electricity sold by the Bac-Man geothermal power plants was delivered mainly through RES/GEOP contracts, to the WESM and electric cooperatives in the Luzon region.

The 124.6 GWh, and 4.6 GWh of electricity sold by the Burgos Wind power plants, and Burgos Solar power plants, respectively, were delivered mainly to WESM and National Transmission Corporation (“TransCo.”)

117.7 GWh of electricity was sold by FG Hydro mainly to the WESM and through PSAs with various customers. FG Hydro also sold 9.4 GWh as sale of electricity as contingency and dispatchable reserves under an Ancillary Services Purchase Agreement (“ASPA”).

3.4 GWh of electricity sold by EDC Siklab pertained to solar rooftop projects.

The electricity generated by the Group’s power plants is transmitted to its customers through the high voltage backbone system of the National Grid Corporation of the Philippines (“NGCP”).

Competition

The government, in implementing the thrust of the Electric Power Industry Reform Act (“EPIRA”), has paved the way for a more independent and market-driven Philippine power industry. Essentially, selling power and consequently the dispatch of power plants depend on the ability to offer competitively priced power supply to the market. However, unique to the renewable energy (“RE”) resources is the granting of its preferential dispatch in the market. Wind, solar, run-of-river hydro or ocean energy, are considered “Must Dispatch” units while geothermal, biomass and impounding hydro were granted “Priority Dispatch” which guarantee its dispatch to the grid at prevailing merchant WESM prices.

The Group has multiple power projects in Luzon, Visayas, and Mindanao. While Luzon and Visayas grids have been in operation since 2006 and 2010, respectively, the WESM in Mindanao commenced operations last January 26, 2023. In addition, the Mindanao Visayas Interconnection Line, which connects the island to the rest of the Luzon and Visayas grids, was energized last April 30, 2023. These enabled the unified market across the three islands and allowed the transfer of energy surplus to the region experiencing deficit.

The Reserve Market, which aims to co-optimize the dispatch schedule and prices for both the energy and reserve requirements of the grid, was launched on January 26, 2024. On March 26, 2024, the Energy Regulatory Commission (“ERC”) ordered the temporary suspension of the billing and settlement of the Reserve Market for the March billing period (February 26 to March 25, 2024) until ERC finalizes the Price Determination Methodology (“PDM”) used by the market system.

Pursuant to the RCOA, a new electricity buyer group consisting of individual retail customers has emerged. “Retail Competition” means that eligible end-users of electricity (or retail customers) may directly contract for the supply of electricity with authorized RES, instead of coursing the same through the franchised distribution facility. “Open Access”, on the other hand, means that retail electricity customers and suppliers of electricity may contract with the transmission company and the distribution company for the “wheeling” or delivery of energy/electricity through the transmission or distribution wires. Open Access is thus a means by which Retail Competition is achieved.

Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (the “RE Act”), provides for policy mechanisms, such as the Renewable Portfolio Standards (“RPS”) and the GEOP, to further promote the development and utilization of renewable energy resources.

Under the RPS, mandated participants such as but not limited to distribution utilities and suppliers of electricity for the contestable market are required to source a portion of their energy requirement from RPS-eligible plants while GEOP gives end-users the opportunity to source their power supply from renewable energy suppliers. On August 16, 2021, the ERC issued Resolution No. 08, Series of 2021, A Resolution Adopting the Rules for the GEOP. On September 3, 2021, the ERC GEOP rules took effect.

Following the issuance of GEOP rules, the Independent Electricity Market Operator of the Philippines (“IEMOP”) launched the GEOP on December 3, 2021.

Pursuant to the RE Act, a Renewable Energy Market (“REM”) shall be established where Renewable Energy Certificates corresponding to energy generated from eligible RE facilities can be traded. Participants under the RPS and GEOP must register in the REM. EDC and its operating subsidiaries intend to participate in the REM.

To further provide more avenues to meet the RPS compliance of mandated participants and provide additional market options for RE developers and generators, the DOE issued Department Circular No. DC 2021-11-0036 providing the Revised Guidelines for the Green Energy Auction Program (“GEAP”) in the Philippines. The GEAP succeeds the FIT award mechanism; however, the twenty (20)-year tariffs will be determined through a competitive selection process. DOE further clarified under DC 2023-09-0027 published in September 2023 that the Green Energy Tariff (“GET”) from the Green Energy Auction of the winning bidder is considered as the FIT.

The GEAP was designed to continuously trigger the increase of RE capacity in the country, which will help realize the government’s target of 35% RE in the energy mix by 2030 and 50% by 2040. For its first round of auction in 2022 or Green Energy Auction-1, DOE set an installation target of 2,000 MW of RE capacity for 2023-2025 and awarded nineteen (19) winning bidders. This was able to generate 1,967 MW of committed renewable energy capacity or 98% of installation target to be delivered between 2023 to 2025. The first round offered capacities utilizing hydro, biomass, solar and wind generation technologies, with the bulk (1,490 MW) of awarded capacities coming from solar projects. In 2023, for Green Energy Auction-2, DOE set an installation target of 11,600 MW of RE capacity for 2024-2026 and released the Notice of Award to a hundred and five (105) winning bidders. While it was able to raise 3,581 MW worth of committed RE capacity targeted to be delivered between 2024 to 2026, it was only 32% of the DOE’s ambitious target. Currently, the DOE is gearing up for the conduct of the third round of GEAP in 2024, which will auction out geothermal, run-of-river and pumped storage hydro capacities for the first time.

Further enhancing competition in the renewable energy sector is the passage of Republic Act No. 11659 or the Public Services Act (“RA 11659”), as amended, which was signed into law on March 21, 2022, removed foreign equity restrictions on most public service companies, except those considered as public utility and critical infrastructure. The government’s move to open competition in the RE market is further strengthened with the issuance of DOE Department Circular No. DC2022-11-0034 on November 15, 2022, amending the Implementing Rules and Regulations of RA 9513, which now allows foreign citizens or 100% foreign-owned companies to undertake the exploration, development, and utilization of solar, wind, hydro, and ocean or tidal energy resources. This shift in government policy to allow full foreign ownership of certain renewable energy projects aims to attract more investments in the renewable energy sector and meet the long-term climate target commitments of the country.

The Group will face competition in both the development of new power generation facilities and the acquisition of existing power plants, as well as in the financing for these activities.

The performance of the Philippine economy and the historical high returns of power projects in the country have attracted many potential competitors, including multinational development groups and equipment suppliers, to explore opportunities in the development of electric power generation projects in the Philippines. Accordingly, competition for and from new power projects may increase in line with the long-term economic growth of the Philippines.

The Group believes that it will be able to compete because of its competitively priced power, the reliability of its power plants, its use of clean and renewable fuels, and its expertise and experience in power supply contracting and trading.

Dependence on one or a few major customers and identity of any such major customers

For the period ended June 30, 2024, the Group's revenue from sale of electricity is not dependent on one or a few major customers.

Concessions

As of June 30, 2024, the Group holds the following service contracts:

Geothermal Resource

The Group is the holder of five (5) Geothermal Renewable Energy Service Contracts ("GRESs") and the corresponding DOE Certificate of Registration as an RE Developer for the following geothermal projects:

- Tongonan Geothermal Project
- Southern Negros Geothermal Project
- Bacon-Manito Geothermal Project
- Mt. Apo Geothermal Project
- Northern Negros Geothermal Project

On May 8, 2012, EDC, through its subsidiaries GCGI and BGI, secured three (3) Geothermal Operating Contracts ("GOCs"), each with a twenty-five (25)-year contract period expiring in 2037 and renewable for another twenty-five (25) years, covering the following power plant operations:

- Tongonan Geothermal Power Plant under DOE Certificate of Registration No. GOC 2012-04-038;
- Palinpinon Geothermal Power Plant under DOE Certificate of Registration No. GOC 2012-04-037; and
- Bacon-Manito Geothermal Power Plant under DOE Certificate of Registration No. GOC 2012-04-039.

EDC also holds Geothermal Service Contracts ("GSC") for the following prospect areas:

- Mt. Zion 2 Geothermal Project (converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with pre-development period expiring in 2028, twenty-five (25)-year contract period expiring in 2040, renewable for another twenty-five (25) years);
- Amacan Geothermal Project (converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with pre-development period expiring in 2025, twenty-five (25)-year contract period expiring in 2041, renewable for another twenty-five (25) years);
- Mainit-Sadanga Geothermal Project (with a seven (7)-year pre-development period expiring in 2028, twenty-five (25)-year contract period expiring in 2046, renewable for another twenty-five (25) years);
- Mt. Sembrano Geothermal Power Project (with pre-development period expiring in 2030, twenty-five (25)-year contract period expiring in 2048, renewable for another twenty-five (25) years); and
- Buguias-Tinoc Geothermal Power Project (with pre-development period expiring in 2030, twenty-five (25)-year contract period expiring in 2048, renewable for another twenty-five (25) years).

Wind Resource

As of June 30, 2024, the Group holds fifteen (15) Wind Energy Service Contracts (“WESC”) with the DOE, each with a twenty-five (25)-year contract period, extendible for another twenty-five (25)-year period. The WESCs cover the following:

Projects	DOE Certificates of Registration
1) 150 MW Wind Project in Burgos, Ilocos Norte	WESC 2009-09-004 (expiring in 2034)
2) 84 MW Wind Project in Pagudpud, Ilocos Norte	WESC 2010-02-040 (expiring in 2035)
3) Burgos 1 Wind Project in Burgos, Ilocos Norte*	WESC 2013-12-063 (expiring in 2038)
4) Burgos 2 Wind Project in Burgos, Ilocos Norte*	WESC 2013-12-064 (expiring in 2038)
5) Iloilo 1 Wind Project in Batad and San Dionisio, Iloilo**	WESC 2014-07-078 (expiring in 2039)
6) Burgos 3 Wind Project in Burgos and Pasuquin, Ilocos Norte*	WESC 2015-09-085 (expiring in 2040)
7) Burgos 4 Wind Project in Burgos, Ilocos Norte***	WESC 2015-09-086 (expiring in 2040)
8) Ilocos Norte Wind Power Project in Burgos and Pasuquin, Ilocos Norte	WESC 2021-01-147 (expiring in 2046)
9) Pasuquin Wind Power Project in Pasuquin Ilocos Norte	WESC 2021-01-148 (expiring in 2046)
10) Guimaras Onshore Wind Project	WESC 2022-03-199 (expiring in 2047)
11) Guimaras 1 Offshore Wind Project	WESC 2022-05-202 (expiring in 2047)
12) Iloilo-Guimaras Offshore Wind Project	WESC 2022-05-203 (expiring in 2047)
13) Guimaras-Negros Occidental Offshore Wind Project	WESC 2022-05-204 (expiring in 2047)
14) Laguna 1 Onshore Wind Project	WESC 2022-10-224 (expiring in 2047)
15) Negros Occidental Offshore Wind Project	WESC 2022-10-225 (expiring in 2047)

*Awaiting DOE approval on the request for Contract Area Relinquishment and the Notice of Surrender submitted to the Department on May 8, 2024.

**Awaiting DOE approval on the Notice of Surrender submitted to the Department on May 17, 2024.

***Awaiting DOE approval on the request for Contract Area Amendment and the application for Declaration of Commerciality.

Solar Resource

The Group holds two (2) Solar Energy Service Contracts (“SESC”) with the DOE, each with a twenty-five (25)-year contract period. The SESCOs cover the following:

Projects	DOE Certificates of Registration	SESC Owner
1) 6.82 MW Burgos Solar Project in Burgos, Ilocos Norte	SESC No. 2014-07-088 (expiring in 2039 and renewable for another twenty-five (25) years)	EDC
2) Gaisano Iloilo, Iloilo City Solar Rooftop Project	SESC No. 2016-11-352 (expiring in 2042 and renewable for another twenty-five (25) years)	EDC Siklab

New Products or Services

The Group is in various phases of early stage/pre-development activities in some of its concession areas.

The Group is also building three (3) Battery Energy Storage Systems (“BESS”) which will be co-located at the Group’s existing geothermal facilities. EDC will be installing a 20MWh BESS in Bac-Man, 10MWh in Tongonan, Leyte, and 10MWh in Southern Negros. These BESS projects are expected to be installed in 2024.

FINANCIAL HIGHLIGHTS

YTD June 2024 vs. YTD June 2023 Results

During the period ended June 30, 2024, recurring net income attributable to equity holders of the Parent Company (“RNIA”) posted at ₱5,229.4 million, lower by 42.4% as compared to the ₱9,079.2 million RNIA for the same period in 2023.

The recurring net income (“RNI”) for the period ended June 30, 2024 decreased by 42.2% or ₱3,898.4 million to ₱5,343.3 million from the ₱9,241.7 million RNI posted during the same period in 2023. The decline was mainly due to the decrease in revenue (₱2,528.7 million), higher recurring operating expenses (₱1,558.6 million) and increase in net financial expense (₱225.4 million), partly offset by the lower recurring provision for income tax (₱388.0 million).

The net income of ₱5,332.8 million for the period ended June 30, 2024, a 39.9% or ₱3,542.8 million decline from the ₱8,875.6 million net income for the same period in 2023. The decrease was mainly due to the decrease in revenue (₱2,528.7 million), higher operating expenses (₱1,192.3 million) and increase in net financial expense (₱225.4 million), partly offset by the lower provision for income tax (₱420.0 million).

Net income is equivalent to 23.0% of total revenue for the period ended June 30, 2024 as compared to the 34.5% for the same period in 2023.

Net income attributable to equity holders of the Parent Company at ₱5,181.5 million for the period ended June 30, 2024 was a ₱3,531.8 million decrease from the ₱8,713.3 million during the same period in 2023.

RESULTS OF OPERATIONS

The following table details the results of operations of the Group for the period ended June 30, 2024 and 2023.

STATEMENTS OF INCOME

Horizontal and Vertical Analysis of Material Changes as of June 30, 2024 and 2023

(Amounts in PHP millions)	HORIZONTAL ANALYSIS Favorable (Unfavorable) Variance				VERTICAL ANALYSIS	
	June 2024	June 2023	Amount	%	June 2024	June 2023
REVENUE						
Sale of electricity	23,228.4	25,757.1	(2,528.7)	-9.8%	100.0%	100.0%
COSTS OF SALE OF ELECTRICITY						
Costs of sale of electricity	(11,662.6)	(11,194.7)	(467.9)	4.2%	-50.2%	-43.5%
GENERAL AND ADMINISTRATIVE EXPENSES	(4,117.1)	(3,392.7)	(724.4)	21.4%	-17.7%	-13.2%
FINANCIAL INCOME (EXPENSE)						
Interest expense	(1,809.9)	(1,584.9)	(225.0)	14.2%	-7.8%	-6.2%
Interest income	358.0	358.4	(0.4)	-0.1%	1.5%	1.4%
	(1,451.9)	(1,226.5)	(225.4)	18.4%	-6.3%	-4.8%
OTHER INCOME (CHARGES)						
Foreign exchange gains (losses) - net	(24.2)	(7.0)	(17.2)	245.7%	-0.1%	0.0%
Miscellaneous, net	(21.9)	(22.7)	0.8	-3.5%	-0.1%	-0.1%
	(46.1)	(29.7)	(16.4)	55.2%	-0.2%	-0.1%
INCOME BEFORE INCOME TAX	5,950.7	9,913.5	(3,962.8)	-40.0%	25.6%	38.5%
BENEFIT FROM (PROVISION FOR) INCOME TAX						
Current	(534.2)	(1,058.9)	524.7	-49.6%	-2.3%	-4.1%
Deferred	(83.7)	21.0	(104.7)	-498.6%	-0.4%	0.1%
	(617.9)	(1,037.9)	420.0	-40.5%	-2.7%	-4.0%
NET INCOME	5,332.8	8,875.6	(3,542.8)	-39.9%	23.0%	34.5%
Net income attributable to:						
Equity holders of the Parent Company	5,181.5	8,713.3	(3,531.8)	-40.5%	22.3%	33.8%
Non-controlling interest	151.3	162.3	(11.0)	-6.8%	0.7%	0.6%
EBITDA	11,183.8	15,017.2	(3,833.4)	-25.5%	48.1%	58.3%
RECURRING NET INCOME	5,343.3	9,241.7	(3,898.4)	-42.2%	23.0%	35.9%
Recurring net income attributable to:						
Equity holders of the Parent Company	5,229.4	9,079.2	(3,849.8)	-42.4%	22.5%	35.2%
Non-controlling interest	113.9	162.5	(48.6)	-29.9%	0.5%	0.6%

YTD June 30, 2024 vs. YTD June 30, 2023

Revenue

Revenue decreased by 9.8% or ₱2,528.7 million to ₱23,228.4 million for the period ended June 30, 2024 from ₱25,757.1 million for the same period in 2023 mainly due to the lower sales volume.

Costs of Sale of Electricity

Costs of sale of electricity increased by 4.2% or ₱467.9 million to ₱11,662.6 million for the period ended June 30, 2024 from ₱11,194.7 million for the same period in 2023 mainly due to the increase in rental, insurance and taxes by ₱157.7 million, repairs and maintenance by ₱103.0 million, depreciation and amortization by ₱74.4 million, parts and supplies issued by ₱73.0 million and, personnel costs by ₱70.0 million, partly offset by the decline in government share by ₱60.2 million.

General and Administrative Expenses

General and administrative expenses increased by 21.4% or ₱724.4 million to ₱4,117.1 million in the period ended June 30, 2024 from ₱3,392.7 million for the same period in 2023 mainly due to increase in purchased services and utilities by ₱515.6 million, rental, insurance and taxes by ₱273.4 million and personnel costs ₱164.0 million. These were partly offset by the decline in impairment loss of property, plant and equipment, impairment of goodwill and provision for impairment of parts and supplies inventories by ₱278.2 million.

Financial Income (Expense)

Net financial expense increased by 18.4% or ₱225.4 million to ₱1,451.9 million for the period ended June 30, 2024 from ₱1,226.5 million during the same period in 2023.

Interest Expense

Interest expense increased by 14.2% or ₱225.0 million to ₱1,809.9 million for the period ended June 30, 2024 from ₱1,584.9 million for the same period in 2023 mainly due to the interest on long-term debts including amortization of transaction costs.

Interest Income

Interest income decreased by 0.1% or ₱0.4 million to ₱358.0 million for the period ended June 30, 2024 from ₱358.4 million for the same period in 2023 mainly from the lower interest income from EBWPC's trade receivables.

Other Income (Charges)

Other charges increased by 55.2% or ₱16.4 million to ₱46.1 million for the period ended June 30, 2024 from ₱29.7 million for the same period in 2023.

Foreign exchange gains (losses) - net

Net foreign exchange losses increased by 245.7% or ₱17.2 million to ₱24.2 million for the period ended June 30, 2024 from the ₱7.0 million net foreign exchange loss for the same period in 2023 mainly due to the realignment of foreign currency denominated accounts.

The comparative foreign exchange rates were as follows:

	PHP:US\$
December 29, 2022	55.755
June 30, 2023	55.200
December 29, 2023	55.370
June 28, 2024	58.610

Miscellaneous, net

Miscellaneous expense - net decreased by 3.5% or ₱0.8 million to ₱21.9 million for the period ended June 30, 2024 from ₱22.7 million for the same period in 2023.

Provision for Income Tax

Current

Provision for current income tax decreased by 49.6% or ₱524.7 million to ₱534.2 million for the period ended June 30, 2024 from ₱1,058.9 million during the same period in 2023 mainly due to the lower taxable income.

Deferred

Provision for deferred income tax for the period ended June 30, 2024 amounted to ₱83.7 million, a 498.6% or ₱104.7 million turnaround from the ₱21.0 million benefit from deferred income tax during the same period in 2023. This was mainly due to the movement of foreign exchange rates.

Net Income

As a result, the Group's net income declined by 39.9% or ₱3,542.8 million to ₱5,332.8 million for the period ended June 30, 2024 from the ₱8,875.6 million net income for the same period in 2023.

Net income is equivalent to 23.0% of total revenue for the period ended June 30, 2024 as compared to 34.5% for the same period in 2023.

FINANCIAL CONDITION

The following table details the financial condition of the Group as of June 30, 2024 and December 31, 2023.

STATEMENT OF FINANCIAL POSITION

Horizontal and Vertical Analysis of Material Changes as of June 30, 2024 and December 31, 2023

(Amounts in PHP millions)	HORIZONTAL ANALYSIS				VERTICAL ANALYSIS	
	June 2024	December 2023	Favorable (Unfavorable) Variance		June 2024	December 2023
			Amount	%		
ASSETS						
Current Assets						
Cash and cash equivalents	22,405.3	17,421.0	4,984.3	28.6%	12.2%	10.5%
Financial assets at fair value through profit or loss	63.9	17.7	46.2	261.0%	—	—
Trade and other receivables	8,155.7	6,886.6	1,269.1	18.4%	4.4%	4.1%
Due from related parties	39.2	41.7	(2.5)	-6.0%	—	—
Parts and supplies inventories	10,765.3	8,492.0	2,273.3	26.8%	5.9%	5.1%
Derivative assets	48.4	34.3	14.1	41.1%	—	—
Other current assets	3,406.0	6,141.8	(2,735.8)	-44.5%	1.9%	3.7%
Total Current Assets	44,883.8	39,035.1	5,848.7	15.0%	24.5%	23.5%
Noncurrent Assets						
Property, plant and equipment	122,430.0	111,867.3	10,562.7	9.4%	66.7%	67.3%
Goodwill and intangible assets	3,365.8	3,424.9	(59.1)	-1.7%	1.8%	2.1%
Exploration and evaluation assets	2,297.8	2,151.0	146.8	6.8%	1.3%	1.3%
Deferred tax assets - net	835.4	875.5	(40.1)	-4.6%	0.5%	0.5%
Financial assets at fair value through other comprehensive income	296.5	289.0	7.5	2.6%	0.2%	0.2%
Derivative assets	261.9	233.5	28.4	12.2%	0.1%	0.1%
Other noncurrent assets	9,200.2	8,376.8	823.4	9.8%	5.0%	5.0%
Total Noncurrent Assets	138,687.6	127,218.0	11,469.6	9.0%	75.5%	76.5%
TOTAL ASSETS	183,571.4	166,253.1	17,318.3	10.4%	100.0%	100.0%
LIABILITIES AND EQUITY						
LIABILITIES						
Current Liabilities						
Trade and other payables	24,676.8	20,483.8	4,193.0	20.5%	13.4%	12.3%
Due to related parties	1.8	1.7	0.1	5.9%	—	—
Income tax payable	409.7	218.9	190.8	87.2%	0.2%	0.1%
Current portion of:						
Long-term debts	8,223.9	8,964.6	(740.7)	-8.3%	4.5%	5.4%
Lease liability	579.9	166.3	413.6	248.7%	0.3%	0.1%
Total Current Liabilities	33,892.1	29,835.3	4,056.8	13.6%	18.5%	17.9%
Noncurrent Liabilities						
Long-term debts - net of current portion	55,044.6	46,769.8	8,274.8	17.7%	30.0%	28.1%
Long-term lease liability - net of current portion	1,426.4	157.6	1,268.8	805.1%	0.8%	0.1%
Net retirement and other post-employment benefits	2,789.7	2,627.4	162.3	6.2%	1.5%	1.6%
Deferred tax liabilities - net	191.5	134.9	56.6	42.0%	0.1%	0.1%
Provisions and other long-term liabilities	3,876.8	3,355.3	521.5	15.5%	2.1%	2.0%
Total Noncurrent Liabilities	63,329.0	53,045.0	10,284.0	19.4%	34.5%	31.9%
TOTAL LIABILITIES	97,221.1	82,880.3	14,340.8	17.3%	53.0%	49.9%
EQUITY						
Equity Attributable to Equity Holders of the Parent						
Preferred stock	93.8	93.8	—	0.0%	0.1%	0.1%
Common stock	19,076.3	19,076.3	—	0.0%	10.4%	11.5%
Treasury Stock	(14,826.3)	(14,730.7)	(95.6)	0.6%	-8.1%	-8.9%
Additional paid-in capital	8,715.1	8,715.1	—	0.0%	4.7%	5.2%
Equity reserve	(3,706.4)	(3,706.4)	—	0.0%	-2.0%	-2.2%
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	104.6	100.3	4.3	4.3%	0.1%	0.1%
Fair value adjustments on hedging transactions	16.4	(3.6)	20.0	-555.6%	0.0%	0.0%
Cumulative translation adjustment	2,099.3	1,593.0	506.3	31.8%	1.1%	1.0%
Retained earnings						
Unappropriated	33,701.4	26,051.1	7,650.3	29.4%	18.4%	15.7%
Appropriated	38,536.4	43,795.6	(5,259.2)	-12.0%	21.0%	26.3%
Total Equity	86,350.3	83,372.8	2,977.5	3.6%	47.0%	50.1%
Non-controlling interests	2,539.7	2,388.3	151.4	6.3%	1.4%	1.4%
TOTAL LIABILITIES AND EQUITY	183,571.4	166,253.1	17,318.3	10.4%	100.0%	100.0%

Cash and cash equivalents

Cash and cash equivalents increased by 28.6% or ₱4,984.3 million to ₱22,405.3 million as of June 30, 2024 from the ₱17,421.0 million balance as of December 31, 2023 mainly due to the ₱11,775.4 million net cash generated from operating activities and loan proceeds amounting to ₱12,274.2 million, partly offset by the ₱10,834.0 million acquisition of property, plant and equipment, ₱6,793.0 million payments for long-term debt and interest and other financing charges, ₱847.9 million payments for lease liabilities and increase in non-current assets by ₱846.5 million.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss increased by 261.0% or ₱46.2 million to ₱63.9 million as of June 30, 2024 from the ₱17.7 million balance as of December 31, 2023 mainly due the additional investments for the period.

Trade and other receivables

Trade and other receivables increased by 18.4% or ₱1,269.1 million to ₱8,155.7 million as of June 30, 2024 from the ₱6,886.6 million balance as of December 31, 2023 mainly due the increase in receivables from customers.

Due from related parties

Due from related parties decreased by 6.0% or ₱2.5 million to ₱39.2 million as of June 30, 2024 from the ₱41.7 million balance as of December 31, 2023 mainly from the transactions with First Gen Energy Solutions and First Gen Corporation.

Parts and supplies inventories

Parts and supplies inventories increased by 26.8% or ₱2,273.3 million to ₱10,765.3 million as of June 30, 2024 from the ₱8,492.0 million as of December 31, 2023 mainly due to the various materials and supplies purchased during the period.

Derivative asset

In PHP millions	June 30, 2024	December 31, 2023	Favorable (Unfavorable) Variance	
			Amount	%
Current	48.4	34.3	14.1	41.1%
Noncurrent	261.9	233.5	28.4	12.2%
	310.3	267.8	42.5	15.9%

Derivative asset increased by 15.9% or ₱42.5 million to ₱310.3 million as of June 30, 2024 from the ₱267.8 million balance as of December 31, 2023 mainly due to EBWPC's valuation adjustments for the period.

Other current assets

Other current assets decreased by 44.5% or ₱2,735.8 million to ₱3,406.0 million as of June 30, 2024 from the ₱6,141.8 million balance as of December 31, 2023 mainly due to the lower short term investments (₱3,160.1 million), partly offset by the increase in advances to contractors (₱671.2 million) and withholding tax certificates (₱573.9 million).

Property, plant and equipment

Property, plant and equipment increased by 9.4% or ₱10,562.7 million to ₱122,430.0 million as of June 30, 2024 from the ₱111,867.3 million balance as of December 31, 2023 mainly due to the ₱13,315.3 million additions and ₱771.6 million foreign exchange adjustments, partly offset by the ₱3,631.5 million depreciation and amortization.

Exploration and evaluation assets

Exploration and evaluation assets increased by 6.8% or ₱146.8 million to ₱2,297.8 million as of June 30, 2024 from the ₱2,151.0 million balance as of December 31, 2023 mainly due to additions for the period.

Other noncurrent assets

Other noncurrent assets increased by 9.8% or ₱823.4 million to ₱9,200.2 million as of June 30, 2024 from the ₱8,376.8 million balance as of December 31, 2023 mainly due to the increase in prepaid taxes (₱1,055.2 million), partly offset by the decrease in special deposits (₱212.7 million).

Trade and other payables

Trade and other payables increased by 20.5% or ₱4,193.0 million to ₱24,676.8 million as of June 30, 2024 from the ₱20,483.8 million balance as of December 31, 2023 mainly due to the increase in the outstanding cash dividend payable (₱2,793.5 million) and the increase in trade payables for the period (₱708.2 million) from the higher purchases for the period ended June 30, 2024.

Due to related parties

Due to related parties increased by 5.9% or ₱0.1 million to ₱1.8 million as of June 30, 2024 from the ₱1.7 million balance as of December 31, 2023 mainly due to the transactions with First Gen Corporation.

Income tax payable

Income tax payable increased by 87.2% or ₱190.8 million to ₱409.7 million as of June 30, 2024 from the ₱218.9 million balance as of December 31, 2023 mainly due to the income tax payable recognized for the period.

Long-term debts

In PHP millions	June 30, 2024	December 31, 2023	(Favorable) Unfavorable Variance	
			Amount	%
Current	8,223.9	8,964.6	(740.7)	-8.3%
Noncurrent	55,044.6	46,769.8	8,274.8	17.7%
	63,268.5	55,734.4	7,534.1	13.5%

Long-term debts increased by 13.5% or ₱7,534.1 million to ₱63,268.5 million as of June 30, 2024 from the ₱55,734.4 million balance as of December 31, 2023 mainly due to the loan drawdowns during the period, partly offset by the principal payments.

Lease liability

In PHP millions	June 30, 2024	December 31, 2023	(Favorable) Unfavorable Variance	
			Amount	%
Current	579.9	166.3	413.6	248.7%
Noncurrent	1,426.4	157.6	1,268.8	805.1%
	2,006.3	323.9	1,682.4	519.4%

Lease liability increased by 519.4% or ₱1,682.4 million to ₱2,006.3 million as of June 30, 2024 from the ₱323.9 million balance as of December 31, 2023 mainly due to the recognition of lease liabilities related to rental of rigs.

Deferred tax liabilities - net

Deferred tax liabilities increased by 42.0% or ₱56.6 million to ₱191.5 million as of June 30, 2024 from the ₱134.9 million balance as of December 31, 2023 mainly due to EBWPC's deferred tax on derivatives.

Provisions and other long-term liabilities

Provisions and other long-term liabilities increased by 15.5% or ₱521.5 million to ₱3,876.8 million as of June 30, 2024 from the ₱3,355.3 million balance as of December 31, 2023 mainly due to the proceeds received from the Joint Crediting Mechanism Program of the Ministry of Environment of Japan.

Fair value adjustments on hedging transactions

Fair value adjustments on hedging transactions increased by 555.6% or ₱20.0 million to ₱16.4 million as of June 30, 2024 from the negative ₱3.6 million balance as of December 31, 2023 mainly due to the valuation of hedging transactions.

Retained Earnings

Unappropriated

Unappropriated retained earnings increased by 29.4% or ₱7,650.3 million to ₱33,701.4 million as of June 30, 2024 from the ₱26,051.1 million balance as of December 31, 2023 mainly due to the ₱5,181.5 million net income attributable to the equity holders of the Parent Company and ₱5,259.1 million reversal of appropriation of retained earnings, partly offset by the declaration of cash dividends of ₱2,793.5 million.

Appropriated

Appropriated retained earnings decreased by 12.0% or ₱5,259.2 million to ₱38,536.4 million as of June 30, 2024 from the ₱43,795.6 million balance as of December 31, 2023 mainly due to the ₱5,259.1 million reversal of appropriation of retained earnings.

Non-controlling interests

Non-controlling interests increased by 6.3% or ₱151.4 million to ₱2,539.7 million as of June 30, 2024 from the ₱2,388.3 million balance as of December 31, 2023 due to the share in net income for the period.

CAPITAL AND LIQUIDITY RESOURCES

As of June 30 (in millions of pesos)	2024	2023	YoY change
Statement of Financial Position Data			
Total Assets	183,571.4	155,026.5	28,544.9
Total Liabilities	97,221.1	73,366.6	23,854.5
Total Stockholder's Equity	86,350.3	81,659.9	4,690.4

The Group's total assets as of June 30, 2024 amounted to ₱183,571.4 million, 18.4% higher as compared to the ₱155,026.5 million level as of June 30, 2023.

CASH FLOW

YTD June 30, 2024 vs. YTD June 30, 2023

Net cash flows from operating activities decreased by 5.2% or ₱649.4 million to ₱11,775.4 million for the period ended June 30, 2024 from the ₱12,424.8 million during the same period in 2023 mainly due to the:

- lower operating income before working capital changes (₱3,730.3 million)
- increase in trade and other receivables, compared to the decrease in trade and other receivables in 2023 (₱2,837.5 million)
- higher increase in parts and supplies inventories (₱1,108.1 million)

These were partly offset by the:

- increase in trade and other payables, in comparison to the decrease in trade and other payables in 2023 (₱3,438.0 million)
- higher decrease in other current assets (₱2,979.3 million)
- higher decrease in provisions and other long-term liabilities (₱293.7 million)
- lower income taxes paid including creditable withholding taxes (₱254.7 million).

Net cash flows used in investing activities increased by 143.8% or ₱6,769.4 million to ₱11,478.0 million for the period ended June 30, 2024 from the ₱4,708.6 million during the same period in 2023 mainly due to the higher net acquisition of property, plant and equipment (₱6,450.7 million).

Net cash flows from financing activities increased by 215.4% or ₱8,469.3 million to ₱4,537.7 million for the period ended June 30, 2024 from the net cash flow used in financing activities of ₱3,931.6 million during the same period in 2023. This was mainly due to the higher proceeds from loan availment (₱5,326.7 million), lower cash dividends paid (₱2,793.1 million), and lower payments of long-term debts (₱1,373.0 million), partly offset by the higher payments for lease liabilities (₱788.0 million).

DISCUSSION ON THE SUBSIDIARIES

Green Core Geothermal Inc. (GCGI)

(Amounts in PHP millions)	For the periods ended June 30 (Unaudited)	
	2024	2023
Revenue	9,441.4	9,656.1
Cost of sale of electricity	(7,947.5)	(7,863.1)
General and administrative income (expenses)	(431.8)	(314.7)
Other income (charges) - net	19.8	28.5
Income before income tax	1,081.9	1,506.8
Provision for income tax	(94.5)	(149.0)
Net income	987.4	1,357.8
	As of	
	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total current assets	5,357.3	4,613.8
Total noncurrent assets	13,302.5	13,327.2
Total current liabilities	6,387.3	6,608.2
Total noncurrent liabilities	113.6	161.3
Total equity	12,158.9	11,171.5

Revenue decreased by 2.2% or ₱214.7 million, to ₱9,441.4 million for the period ended June 30, 2024 from ₱9,656.1 million for the same period in 2023 due to lower sales volume (₱946.7 million) offset by higher average sales price (₱732.0 million).

Cost of sale of electricity increased by 1.1% or ₱84.4 million, to ₱7,947.5 million for the period ended June 30, 2024 from ₱7,863.1 million for the same period in 2023 mainly due to the higher cost of steam (₱62.7 million) and higher depreciation (₱21.6 million), partly offset by lower personnel cost (₱11.9 million).

General and administrative expenses increased by 37.2% or ₱117.1 million, to ₱431.8 million for the period ended June 30, 2024 from ₱314.7 million for the same period in 2023 mainly due to higher rental, insurance and taxes (₱63.0 million), other non-cash provision (₱35.7 million) and higher purchased services and utilities (₱21.3 million).

Other income - net decreased by 30.5% or ₱8.7 million, to ₱19.8 million for the period ended June 30, 2024 from ₱28.5 million for the same period in 2023 mainly due to turnaround of foreign exchange loss this year from foreign exchange gain last year (₱19.0 million), lower interest income (₱11.5 million), higher interest expense (₱0.3 million), partly offset by turnaround of miscellaneous income this year from miscellaneous charges last year (₱22.0 million).

Provision for income tax decreased by 36.6% or ₱54.5 million, to ₱94.5 million from ₱149.0 million last year on account of lower taxable income.

Total current assets increased by 16.1% or ₱743.5 million to ₱5,357.3 million as of June 30, 2024 from ₱4,613.8 million as of December 31, 2023 mainly due to higher trade and other receivables (₱689.5 million), higher cash and cash equivalents (₱204.1 million), higher parts and supplies inventories (₱58.6 million), partly offset by lower other current assets (₱211.1 million).

Total noncurrent assets decreased by 0.2% or ₱24.7 million, to ₱13,302.5 million as of June 30, 2024 from ₱13,327.2 million as of December 31, 2023 mainly due to the lower property, plant and equipment (₱171.7 million), partly offset by higher other noncurrent assets (₱145.8 million).

Total current liabilities decreased by 3.3 % or ₱220.9 million to ₱6,387.3 million as of June 30, 2024 from ₱6,608.2 million as of December 31, 2023, mainly due to lower trade and other payables (₱316.9 million), partly offset by higher income tax payable (₱96.0 million).

Total noncurrent liabilities decreased by 29.6% or ₱47.7 million, to ₱113.6 million as of June 30, 2024 from ₱161.3 million as of December 31, 2023 mainly due to lower other noncurrent liabilities (₱52.8 million), partly offset by higher net retirement and other post-retirement benefits (₱6.1 million).

Total equity increased by 8.8% or ₱987.4 million, to ₱12,158.9 million as of June 30, 2024 from the ₱11,171.5 million balance as of December 31, 2023, due to this year's net income (₱987.4 million).

Bac-Man Geothermal Inc. (BGI)

(Amounts in PHP millions)	For the periods ended June 30 (Unaudited)	
	2024	2023
Revenue	5,341.4	5,064.1
Cost of sale of electricity	(4,186.6)	(4,064.7)
General and administrative income (expenses)	(259.7)	703.6
Other income (charges) - net	112.2	(9.4)
Income before income tax	1,007.3	1,693.6
Provision for income tax	(80.2)	(188.7)
Net income	927.1	1,504.9
	As of	
	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total current assets	6,452.4	6,889.3
Total noncurrent Assets	12,181.2	10,879.7
Total current liabilities	2,576.0	3,321.7
Total noncurrent liabilities	1,292.3	928.0
Total equity	14,765.3	13,519.3

Revenue increased by 5.5% or ₱277.3 million to ₱5,341.4 million for the period ended June 30, 2024 from ₱5,064.1 million for the same period in 2023. The favorable variance was due to increase in average price (₱13.2 million) and higher sales volume (₱290.5 million).

Cost of sales increased by 3.0% or ₱121.9 million to ₱4,186.6 million for the period ended June 30, 2024 from ₱4,064.7 million for the same period in 2023. The increase was primarily attributed to higher purchased services and utilities (₱99.5 million) attributed to higher subsidized line rental cost partly offset by lower replacement power cost, higher steam purchase (₱64.2 million), higher rental, insurance, and taxes (₱13.2 million), and higher parts and supplies issued (₱7.8 million), partly offset lower depreciation and amortization charges (₱63.7 million).

General and administrative income (expense) turnaround by 136.9% or ₱963.3 million to ₱259.7 million general and administrative expense for the period ended June 30, 2024 from the general and administrative income of ₱703.6 million for the same period in 2023. This was mainly due to the turnaround of the provision for doubtful account by ₱892.3 million to ₱35.5 million expense from the net reversal of ₱856.8 million. General and administrative expense also increased from higher rental, insurance and taxes (₱68.3 million), purchased services and utilities (₱10.8 million) and business and related expenses (₱3.1 million).

Other income - net increased by 1,293.6% or ₱121.6 million to net income of ₱112.2 million for the period ended June 30, 2024 from net loss of ₱9.4 million for the same period in 2023. The favorable variance was mainly contributed by this period's financial income-net of ₱68.7 million versus ₱31.6 million financial income-net for the same period in 2023, this period's foreign exchange gain of ₱47.8 million versus foreign exchange loss of ₱16.8 million for the same period in 2023, lower bank charges (₱4.3 million), and prior year's RES market charges (₱23.7 million).

Total current assets decreased by 6.3% or ₱436.9 million to ₱6,452.4 million as of June 30, 2024 from the ₱6,889.3 million balance as of December 31, 2023. The decrease was attributed to the lower cash and cash equivalents (₱349.2 million), decrease of other current assets particularly on short-term investment (₱259.3 million), and decrease of due from related parties (₱32.6 million), partially offset by increase of trade and other receivable (₱195.0 million), and increase of parts and supplies inventories (₱9.2 million).

Total non-current assets increased by 12% or ₱1,301.5 million to ₱12,181.2 million as of June 30, 2024 from ₱10,879.7 million as of December 31, 2023. The increase was attributed to additional capital expenditures (₱1,346.5 million) and increase of other non-current assets particularly on input value-added tax and other deposit (₱93.0 million), reduced by this period's depreciation of plant, property and equipment (₱131.9 million) and decrease of deferred tax assets (₱6.0 million).

Total current liabilities decreased by 22.4% or ₱745.7 million to ₱2,576.0 million as of June 30, 2024 from ₱3,321.7 million as of December 31, 2023. The decrease was attributed to the decrease of trade and other payables (₱819.9 million), partially offset by increase of income tax payable (₱74.2 million).

Total non-current liabilities increased by 39.3% or ₱364.3 million to ₱1,292.3 million as of June 30, 2024 from ₱928.0 million as of December 31, 2023. The increase was mainly contributed by the increase of other long-term liabilities (₱360.7 million).

Total equity increased by 9.2% or ₱1,246.0 million to ₱14,765.3 million as of June 30, 2024 from the ₱13,519.3 million balance as of December 31, 2023. The increase pertained to the additions to unappropriated retained earnings during the period (₱927.0 million) and increase in additional paid-in capital (₱315.8 million).

EDC Burgos Wind Power Corporation (EBWPC)

(Amounts in USD millions)	For the periods ended June 30 (Unaudited)	
	2024	2023
Revenue	21.8	34.2
Costs of sale of electricity	(13.4)	(13.6)
General and administrative expenses	(1.5)	(1.3)
Other charges - net	(4.0)	(5.1)
Income before income tax	2.9	14.2
Provision for income tax	(1.3)	(1.5)
Net income	1.6	12.7
	As of	
	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total current assets	31.7	33.5
Total noncurrent assets	269.0	278.6
Total current liabilities	31.2	33.0
Total noncurrent liabilities	118.3	129.9
Total equity	151.2	149.2

Revenue decreased by 36.3% or US\$12.4 million to US\$21.8 million for the period ended June 30, 2024, from US\$34.2 million for the same period in 2023, mainly due to the lower actual generation for the period due to early low wind season caused by El Niño.

Costs of sale of electricity decreased by 1.5% or US\$0.2 million to US\$13.4 million for the period ended June 30, 2024, from US\$13.6 million for the same period in 2023 mainly due to the lower purchased services and utilities (US\$0.2 million).

General and administrative expenses increased by 15.4% or US\$0.2 million to US\$1.5 million for the period ended June 30, 2024, from US\$1.3 million for the same period in 2023 mainly due to the higher rental, insurance, and taxes (US\$0.2 million).

Other charges - net decreased by 21.6% or US\$1.1 million to US\$4.0 million for the period ended June 30, 2024 from US\$5.1 million for the same period in 2023 mainly due to the turnaround of foreign exchange gain in 2024 from foreign exchange loss in 2023 (US\$0.5 million) and higher net miscellaneous income (US\$0.2 million).

Total current assets decreased by 5.4% or US\$1.8 million to US\$ 31.7 million as of June 30, 2024 from the US\$33.5 million balance as of December 31, 2023 mainly due to the decrease in trade and other receivables (US\$12.9 million) and other current assets (US\$0.8 million), partly offset by increase in cash and cash equivalents (US\$11.6 million) and derivative asset (US\$0.2 million).

Total noncurrent assets decreased by 3.4% or US\$9.6 million to US\$269.0 million as of June 30, 2024, from the US\$278.6 million balance as of December 31, 2023 mainly due to the net decrease in the book value of property, plant, and equipment (US\$8.1 million), and other noncurrent assets (US\$1.7 million), partly offset by increase in non-current derivative asset (US\$0.2 million).

Total current liabilities decreased by 5.5% or US\$1.8 million to US\$31.2 million as of June 30, 2024 from the US\$33.0 million balance as of December 31, 2023 mainly due to the decrease in trade and other payables (US\$0.9 million), income tax payable (US\$0.7 million), and current portion of long-term debts (US\$0.2 million).

Total noncurrent liabilities decreased by 8.9% or US\$11.6 million to US\$118.3 million as of June 30, 2024 from the US\$129.9 million balance as of December 31, 2023, mainly due to the payment of long-term debt (US\$12.3 million), partly offset by increased in deferred tax liabilities - net (US\$0.8 million).

Total equity increased by 1.3% or US\$2.0 million to US\$151.2 million as of June 30, 2024, from the US\$149.2 million balance as of December 31, 2023, mainly due to the net income during the period (US\$1.6 million) and decreased in cumulative translation adjustments (US\$0.3 million).

Unified Leyte Geothermal Energy Inc. (ULGEI)

(Amounts in PHP millions)	For the periods ended June 30 (Unaudited)	
	2024	2023
Revenue	4.9	–
General and administrative expenses	(1.2)	(0.2)
Income (loss) before income tax	3.7	(0.2)
Net income (loss)	3.7	(0.2)
	As of	
	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total current assets	58.2	54.2
Total noncurrent assets	14.8	15.4
Total current liabilities	63.1	63.4
Total equity	9.9	6.2

Revenue for the period ended June 30, 2024 pertained to the billing adjustment on the 2021 line rental subsidy while nil for the same period in 2023 due to the expiration of Independent Power Producer Agreement with PSALM in July 25, 2021.

General and administrative expenses increased by 500.0% or ₱1.0 million to ₱1.2 million for the period ended June 30, 2024 from ₱0.2 million for the same period in 2023 due to the increase in local taxes.

Total current assets increased by 7.4% or ₱4.0 million to ₱58.2 million as of June 30, 2024 from the ₱54.2 million balance as of December 31, 2023, mainly due to the increase in cash and cash equivalents.

Total noncurrent assets decreased by 3.9% or ₱0.6 million to ₱14.8 million as of June 30, 2024 from the ₱15.4 million balance as of December 31, 2023.

Total current liabilities decreased by 0.5% or ₱0.3 million to ₱63.1 million as of June 30, 2024 from the ₱63.4 million balance as of December 31, 2023 mainly due to the decrease in trade payables.

Total equity increased by 59.7% or ₱3.7 million to ₱9.9 million as of June 30, 2024 from ₱6.2 million balance as of December 31, 2023 due to the net income for the period.

FG Hydro Power Corporation (FG Hydro)

(Amounts in PHP millions)	For the periods ended June 30 (Unaudited)	
	2024	2023
Revenue	1,127.1	1,340.5
Costs of sale of electricity	(691.5)	(746.5)
General and administrative expenses	(169.2)	(198.3)
Operating income	266.4	395.7
Net income	375.3	412.7
	As of	
	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total assets	6,571.1	6,244.1
Total liabilities	161.7	210.0
Total equity	6,409.4	6,034.1

Revenue decreased by 15.9% or ₱213.4 million to ₱1,127.1 million for the period ended June 30, 2024 from revenues of ₱1,340.5 million for the same period in 2023. The decrease was primarily due to lower WESM revenues on account of lower average selling prices. This was offset by an increase in revenues from contracted power driven by higher contract prices, and an increase in ancillary service prices in the Reserve Market (which commenced in January 2024 but has since been suspended in March 2024).

Cost of sales for the period ended June 30, 2024 of ₱691.5 million was ₱55.0 million or 7.4% lower than the ₱746.5 million for the same period in 2023. The decrease was mainly due to lower replacement power purchases from WESM.

General and administrative expenses also decreased by ₱29.1 million or 14.7% to ₱169.2 million during the period as compared to ₱198.3 million in 2023 mainly on account of lower taxes and licenses.

Net income of ₱375.3 million was posted for the period ended June 30, 2024, lower by 9.1% or ₱37.4 million compared to ₱412.7 million for the same period in 2023 mainly due to lower operating income, partially offset by higher interest income and foreign exchange gains (as compared to foreign exchange losses in 2023).

Total assets as of June 30, 2024 stood at ₱6,571.0 million, ₱327.0 million or 5.2% higher than the December 31, 2023 level of ₱6,244.1 million. The favorable variance was mainly on account of higher cash balances.

As of June 30, 2024, total liabilities stood at ₱161.7 million, ₱48.3 million or 23.0% lower than the December 31, 2023 level of ₱210.0 million primarily due to lower balances of outstanding trade payables and retirement liability.

Total equity as of June 30, 2024 rose to ₱6,409.4 million, ₱375.3 million or 6.2% better than the December 31, 2023 level of ₱6,034.1 million mainly from net income earned during the period.

EDC Siklab Power Corporation (EDC Siklab)

(Amounts in PHP millions)	For the periods ended June 30 (Unaudited)	
	2024	2023
Revenue	19.9	14.4
Costs of sale of electricity	(8.6)	(9.1)
General and administrative expenses	(6.3)	(4.6)
Other income - net	0.2	–
Income before income tax	5.2	0.7
Provision for income tax	(1.5)	(0.2)
Net income	3.7	0.5
	As of	
	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total current assets	116.4	100.7
Total noncurrent assets	250.1	256.8
Total current liabilities	9.6	4.3
Total equity	356.9	353.2

Revenue increased by 38.2% or ₱5.5 million to ₱19.9 million for the period ended June 30, 2024 from ₱14.4 million for the same period in 2023 due to higher sales volume.

Cost of sales decreased by 5.5% or ₱0.5 million to ₱8.6 million in June 2024 from ₱9.1 million in June 2023 due to last year's repairs & maintenance (₱1.1 million) and lower rental, insurance, and taxes (₱0.3 million) partly offset by higher purchased services and utilities (₱0.7 million).

General and administrative expenses increased by 37.0% or ₱1.7 million to ₱6.3 million for the period ended June 30, 2024 from ₱4.6 million for the same period in 2023 due to this year's provision for doubtful accounts (₱1.1 million) coupled with higher business and related expenses (₱0.3 million), purchased services and utilities (₱0.2 million) and rental, insurance and taxes (₱0.2 million).

Other income increased to ₱0.2 million from nil in 2023, mainly from this year's foreign exchange gain.

Net income increased by 640% or ₱3.2 million to ₱3.7 million for the period ended June 30, 2024 from ₱0.5 million for the same period in 2023.

Total current assets increased by 15.6% or ₱15.7 million to ₱116.4 million as of June 30, 2024 from the ₱100.7 million balance as of December 31, 2023 due to higher cash and cash equivalents (₱14.8 million), and trade and other receivables (₱1.1 million) partly offset by lower other current assets (₱0.3 million).

Total non-current assets decreased by 2.6% or ₱6.7 million to ₱250.1 million as of June 30, 2024 from the ₱256.8 million balance as December 31, 2023 due to lower property, plant, & equipment (₱6.0 million) and other non-current assets (₱0.7 million).

Total current liabilities increased by 123.3% or ₱5.3 million to ₱9.6 million as of June 30, 2024 from the ₱4.3 million balance as December 31, 2023 due to higher trade and other payables (₱3.8 million) and this period's income tax payable (₱1.5 million).

Total equity increased by 1.0% or ₱3.7 million to ₱356.9 million as of June 30, 2024, from the ₱353.2 million balance as of December 31, 2023 due to this period's net income (₱3.7 million).

KEY PERFORMANCE INDICATORS

The top eight (8) key performance indicators are set forth below:

	June 30, 2024	June 30, 2023
Current Ratio	1.32	1.73
Debt-to-Equity Ratio	0.73	0.66
Net Debt-to-Equity Ratio	0.47	0.40
Return on Assets (%)	6.41	10.55
Return on Equity (%)	12.91	20.61
Solvency Ratio	0.14	0.24
Interest Rate Coverage Ratio	4.33	7.29
Asset-to-Equity Ratio	2.13	1.90

Current Ratio – Total current assets divided by total current liabilities. This ratio is a rough indication of a company’s ability to pay its short-term obligations. Generally, a current ratio above 1.00 is indicative of a company’s greater capability to settle its current obligations.

Debt-to-Equity Ratio – Total interest-bearing debts divided by stockholders’ equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. The higher the ratio, the greater the risk being assumed by the creditors. A lower ratio generally indicates greater long-term financial safety.

Net-Debt-to-Equity Ratio – Total interest-bearing debts less cash & cash equivalents divided by stockholders’ equity. This ratio measures a company’s financial leverage and stability. A negative net debt-to-equity ratio means that the total of cash and cash equivalents exceeds interest-bearing liabilities.

Return on Assets – Net income (annual basis) divided by total assets (average). This ratio indicates how profitable a company is relative to its total assets. This also gives an idea as to how efficient management is at using its assets to generate earnings.

Return on Equity – Net income (annual basis) divided by total stockholders’ equity (average). This ratio reveals how much profit a company earned in comparison to the total amount of shareholder equity found on the balance sheet. A business that has a high return on equity is more likely to be one that is capable of internally generating cash. For the most part, the company’s return on equity is compared with the industry average. The company is considered superior if its return on equity is greater than the industry average.

Solvency Ratio – Net income excluding depreciation and non-cash provisions divided by total debt obligations. This ratio gauges a company’s ability to meet its long-term obligations.

Interest Rate Coverage Ratio – Earnings before interest and taxes of one period divided by interest expense of the same period. This ratio determines how easily a company can pay interest on outstanding debt.

Asset-to-Equity Ratio – Total assets divided by total stockholders’ equity. This ratio shows a company’s leverage, the amount of debt used to finance the firm.

FOREIGN EXCHANGE RATE VOLATILITY

EDC, which has a Philippine peso functional currency, has ₱2,926.6 million in long-term US dollar denominated loans as of June 30, 2024 which is 4.6% of the Group's total long-term loans.

EBWPC, a subsidiary of EDC, which has a US dollar functional currency, has ₱2,665.6 million in long-term Philippine peso denominated loans as of June 30, 2024 which is 4.2% of the Group's total long-term loans.

OTHER DISCLOSURES

- (i) **Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.**

There are no material changes in the contingent financial obligations since the last annual balance sheet date.

- (ii) **Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the period.**

During the reporting period, there were no off-balance sheet transactions, arrangements and obligations with unconsolidated entities or persons.

- (iii) **Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the company's liquidity increasing or decreasing in any material way.**

During the reporting period, there were no known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

- (iv) **Any material commitments for capital expenditures, general purpose of such commitments, and the expected sources of funds for such expenditures should be described.**

As of June 30, 2024, the Group has unserved purchase orders and awarded contracts for capital expenditures amounting to ₱1,474.1 million.

- (v) **Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.**

The Group has sales to the WESM. These may be favorable or unfavorable depending on the spot market prices. Spot prices are mostly determined by the supply and demand situation prevailing in the market.

- (vi) **Any significant elements of income or loss that did not arise from the registrant's continuing operations.**

There were no significant elements of income or loss from continuing operations.

- (vii) **Any seasonal aspects that had a material effect on the financial condition or results of operations.**

FG Hydro's sale of electricity is affected by seasonality or cyclicity of interim operations. For Burgos Wind, higher revenue and operating profits are expected in the first and last quarters of the year based on the wind generation profile of Burgos. Meanwhile, the solar projects are expected to generate higher revenues during the summer months.

(viii) Any material events subsequent to the end of interim period that have not been reflected in the financial adjustments of the interim period.

There were no material events subsequent to the end of interim period that have not been reflected in the financial adjustments of the interim period.

PART II - OTHER INFORMATION

Cash Dividends

On June 24, 2024, the Board of the Parent Company approved the declaration of cash dividends to holders of common and preferred shares amounting to ₱2,500.0 million or ₱146,777.58 per share and ₱293.5 million or ₱31,306.67 per share, respectively, in favor of holders of record as of July 15, 2024.

Major Stockholders

As of June 30, 2024, the total number of stockholders was 432. Public float level was at 0.11% (or 18.837261 common shares).

List of Top 20 Stockholders as of June 30, 2024

Rank	Name	Nationality	Number of Shares			Percentage
			Preferred	Common	Total	
1	Red Vulcan Holdings Corporation	Filipino	9,375	7,494	16,869	63.888%
2	Philippines Renewable Energy Holdings Corporation	Dutch	–	9,223	9,223	34.931%
3	First Gen Corporation	Filipino	–	148	148	0.561%
4	Northern Terracotta Power Corporation	Filipino	–	145	145	0.549%
5	Boston Common International Sustainable Climate Fund, LLC	American	–	2.820130	2.820130	0.011%
6	Ang Eng Seng	Singaporean	–	1.000001	1.000001	0.004%
7	Christopher Eu Sun Low	Malaysian	–	1.000001	1.000001	0.004%
8	David Andrew Baldwin	Australian	–	1.000001	1.000001	0.004%
9	Federico R. Lopez	Filipino	–	1.000001	1.000001	0.004%
10	Francis Giles B. Puno	Filipino	–	1.000000	1.000000	0.004%
11	Jerome H. Cainglet	Filipino	–	1.000001	1.000001	0.004%
12	Jonathan C. Russell	British	–	1.000000	1.000000	0.004%
13	Manuel I. Ayala	Filipino	–	1.000001	1.000001	0.004%
14	Richard B. Tantoco	Filipino	–	1.000001	1.000001	0.004%
15	Sebastian C. Quiniones, Jr.	Filipino	–	1.000000	1.000000	0.004%
16	Teresa Grace Socorro G. Lara	Filipino	–	1.000001	1.000001	0.004%
17	Elizabeth L. Bengzon	Filipino	–	0.956000	0.956000	0.004%
18	Rosalind Camara	Filipino	–	0.663750	0.663750	0.003%
19	Ting Mei	Chinese	–	0.195000	0.195000	0.001%
20	Maria Antonietta T. Pamintuan	Filipino	–	0.160000	0.160000	0.001%

Board of Directors

As of June 30, 2024, the members of the Board of Directors of EDC are as follows:

Federico R. Lopez	Chairman of the Board
Francis Giles B. Puno	Vice-Chairman and Chief Executive Officer
Jerome H. Cainglet	Director, President and Chief Operating Officer
Richard B. Tantoco	Director
Jonathan C. Russell	Director
David Andrew Baldwin	Director
Christopher Low Eu Sun	Director
Ang Eng Seng	Director
Manuel I. Ayala	Independent Director
Sebastian C. Quiniones, Jr.	Independent Director
Teresa Grace Socorro G. Lara	Independent Director

Officers

As of June 30, 2024, the officers of EDC are as follows:

Name	Position
Federico R. Lopez	Chairman of the Board
Francis Giles B. Puno	Vice Chairman and Chief Executive Officer
Jerome H. Cainglet	President and Chief Operating Officer
Victor Emmanuel B. Santos, Jr.	Executive Vice President
Erwin O. Avante	Senior Vice President, Chief Financial Officer/Treasurer and Compliance Officer for Securities and Exchange Commission
Ma. Elizabeth D. Nasol	Senior Vice President and Head of Human Resource Management
Liberato S. Virata	Senior Vice President and Head of Facilities O&M
Jennifer Joy S. Santos	Chief Transformation Officer and Head of Transformation Office
Jay Joel L. Soriano	Vice President
Edwin H. Alcober	Vice President and Head of Production Optimization of Integrated Subsurface
James E. Jumawan	Vice President and Head of Execution of Integrated Subsurface
Maribel A. Manlapaz	Vice President and Head of Comptrollership
Marvin Kenneth S. Bailon	Vice President and Head of Business Development and International Business
Miguel Lorenzo S. De Vera	Vice President and Head of New Business and Technologies
Gabriel S. Vergara	Vice President and Head of Enterprise Commercial
Glenn L. Tee	Vice President, Chief Audit Executive and Head of Internal Audit
Jeffrey D. Junsay	Vice President, Head of Integrated Sub-Surface
Ryan Z. Velasco	Vice President, Corporate Information Officer and Head of Corporate Strategy and Planning
Joseph P. Guevarra	Assistant Vice President, Chief Risk Officer and Head of Risk and Insurance Management
Bernadette Ann V. Policarpio	Vice President, Corporate Secretary, Regulatory Compliance Officer for Department of Energy and Energy Regulatory Commission and Head of Legal and Regulatory Affairs and Legal Services Division
Ana Maria A. Katigbak-Lim	Assistant Corporate Secretary

SIGNATURE

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

Registrant

ENERGY DEVELOPMENT CORPORATION



ERWIN O. AVANTE
Senior Vice President, Chief Financial Officer,
Treasurer and Compliance Officer

August 8, 2024
Date Signed

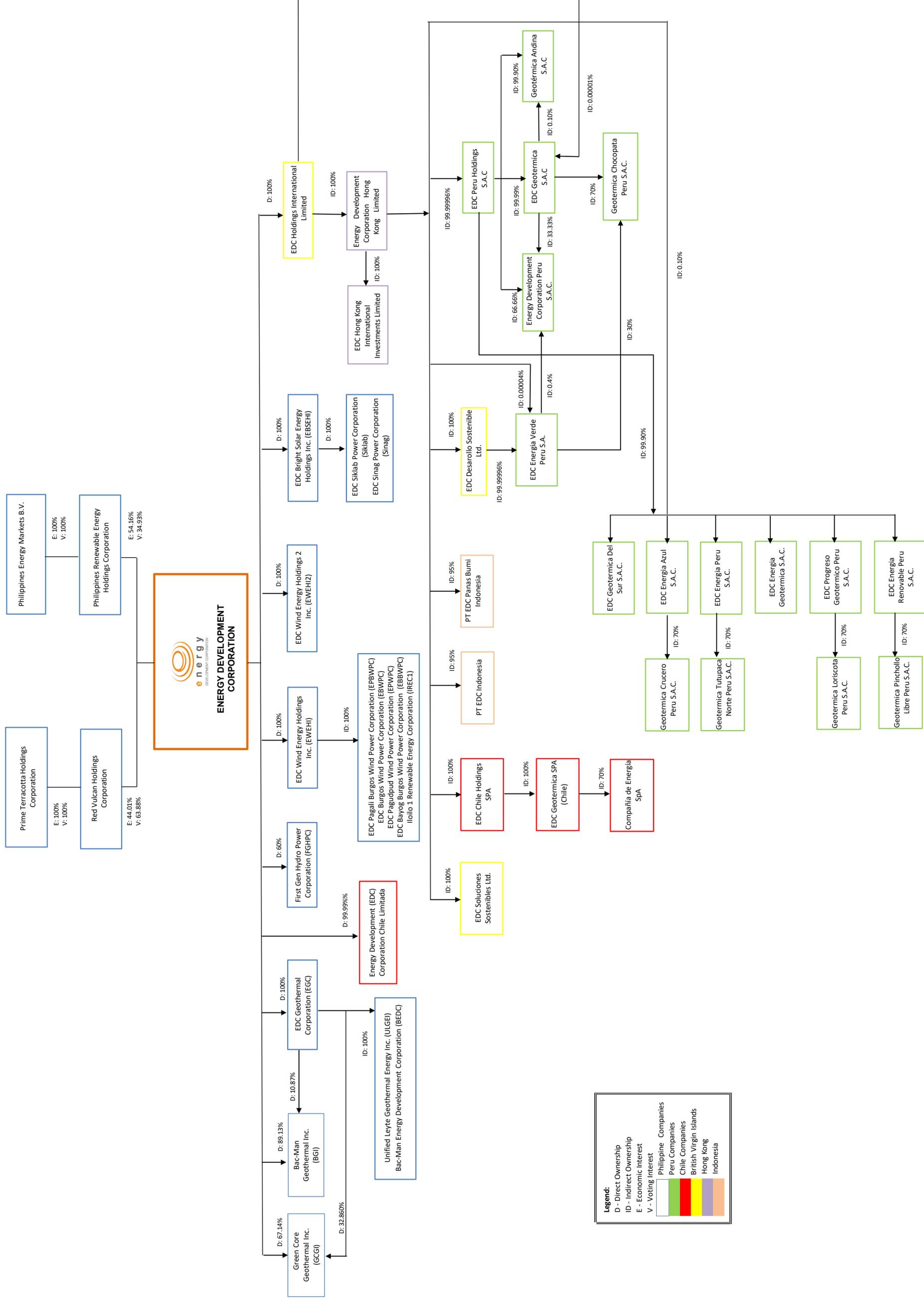
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

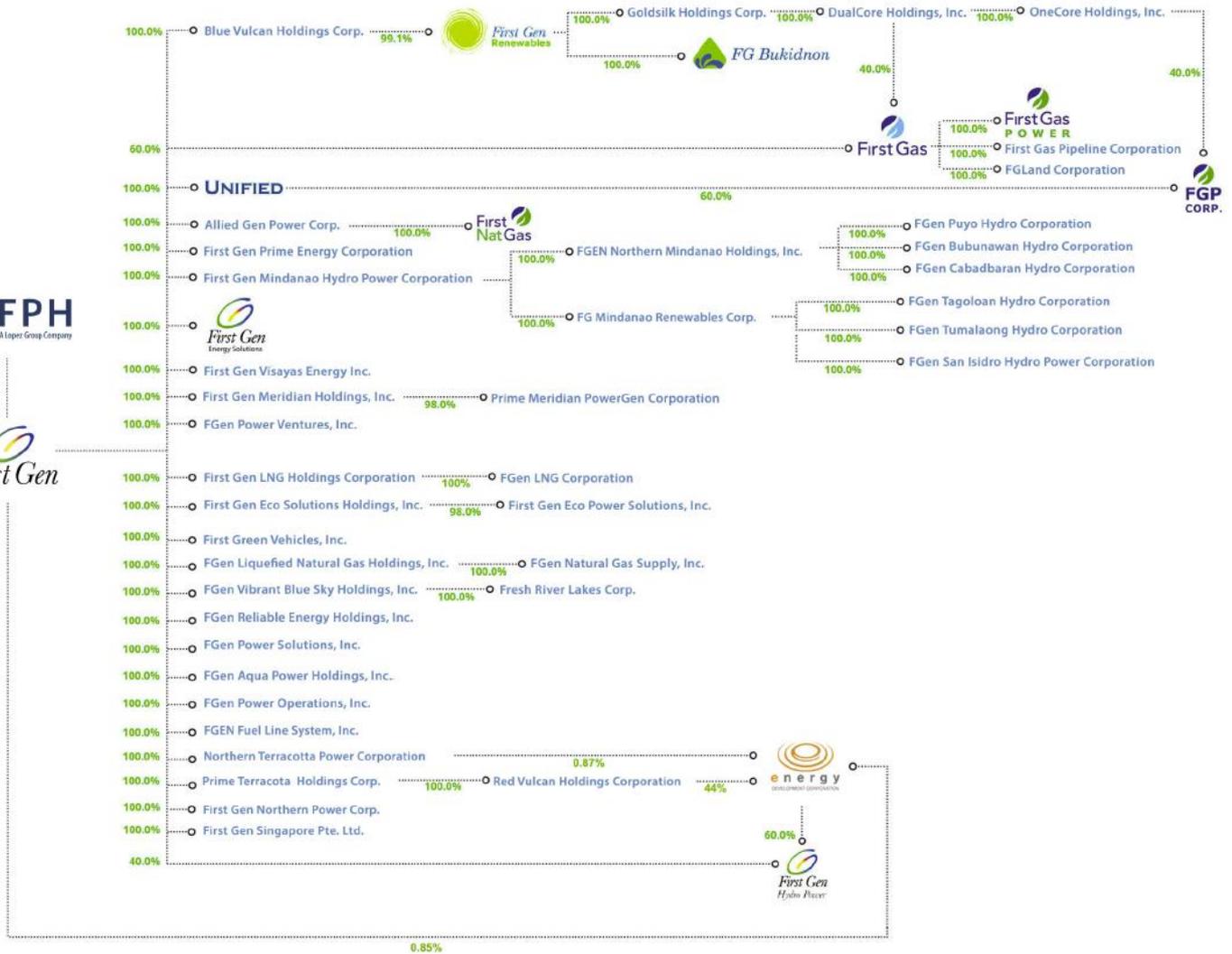
Energy Development Corporation and Subsidiaries

Ratio	Formula	June 30, 2024	June 30, 2023
Current ratio	Dividing total current assets over total current liabilities	1.32	1.73
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.14	0.24
Debt-to-equity ratio	Dividing total interest-bearing debts over stockholders' equity	0.73	0.66
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	2.13	1.90
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	4.33	7.29
Net debt-to-equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.47	0.40
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	12.91%	20.61%
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	6.41%	10.55%

Ownership Structure of Energy Development Corporation

(As of June 30, 2024)





Legend:

FPH - First Philippine Holdings Corporation	First NatGas - First NatGas Power Corp.
First Gen - First Gen Corporation	First Gen Energy Solutions - First Gen Energy Solutions Inc.
First Gas - First Gas Holdings Corporation	First Gen Renewables - First Gen Renewables Inc.
First Gas POWER - First Gas Power Corporation	FG Bukidnon - FG Bukidnon Power Corporation
UNIFIED - Unified Holdings Corporation	energy - Energy Development Corporation
FGP CORP. - FGP Corp.	First Gen Hydro Power - First Gen Hydro Power Corporation

*Corporate Structure as of June 30, 2024

FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES CORPORATE STRUCTURE

June 30, 2024



*15.68%

FPH
A Lopez Group Company
POWERED BY GOOD

55.55%
First Philippine Holdings

Power Generation

67.84%
First Gen Corporation

Healthcare and Education

78.86%
Asian Eye Institute, Inc.

100%
PI Health

100%
The Medical Services of America (Philippines) Inc.

Real Estate

86.58%
ROCKWELL LAND

100%
Rockwell Integrated Property Services, Inc.

100%
Rockwell Primaries Development Corporation

100%
Stonewell Property Development Corporation

74.63%
Rockwell Performing Arts Theater Corp.

100%
Rockwell Leisure Club, Inc.

50%
Rockwell Hotels and Leisure Management Corp.

100%
Retailscapes, Inc.

60%
Rockwell MFA Corp.

70.0%
Rockwell Carmelray Development Corp.

65.00%
Rockwell Nepo Development Corp.

70.00%
First Philippine Industrial Park

100%
FPIP Property Developers and Management Corporation

100%
FPIP Utilities Incorporated

85.00%
Grand Batangas Resort Development Incorporated

100%
First Industrial Township, Inc.

100%
First Industrial Township Water, Inc.

100%
FPIP Commercial Properties Inc.

57.7%
First Batangas Hotel Corp.

Energy Solutions

100%
First Philippine Electric Corporation

99.15%
Philippine Electric Corporation

100%
First Philec, Inc.

100%
First Philippine Power Systems

100%
First Philec Manufacturing Technologies Corporation

89.04%
First Philec Solar Corporation

100.00%
First Philec Energy Solutions, Inc.

100%
First PV Ventures Corporation

70.00%
FIRST PHILEC REHOLDING CORPORATION

100%
First Philec Nexolon Corporation

100%
First Philec Solar Solutions

100%
PI Energy Inc.

Construction

100%
First Balfour, Inc.

100%
ThermaPrime Drilling Corporation

100%
Therma One Transport Corporation

100%
Torreverde Corp.

100%
First Balfour Management Technical Services, Inc.

100%
ThermaPrime

100%
TI TRANSPORT

100%
Thermafina Towage, Inc.

Other Businesses

30.00%
Panay Electric Company

66.92%
InfoPro Business Solutions Inc.

100%
First Philippine Industrial Corporation

100%
FPHC Realty and Development Corporation

98%
First Philippine Realty Corporation

100%
First Philippine Utilities Corporation

100%
Securities Transfer Services, Inc.

100%
First Philippine Properties Corp.

100%
FPH Land Ventures Inc.

67%
TerraPrime, Inc.

100%
First Industrial Township Utilities, Inc.

100%
First Philippine Biofields Dev't Corp.

60%
First Suniden Realty, Inc.

100%
FWW Biofields Corp.

100%
Legacy Homes Inc.

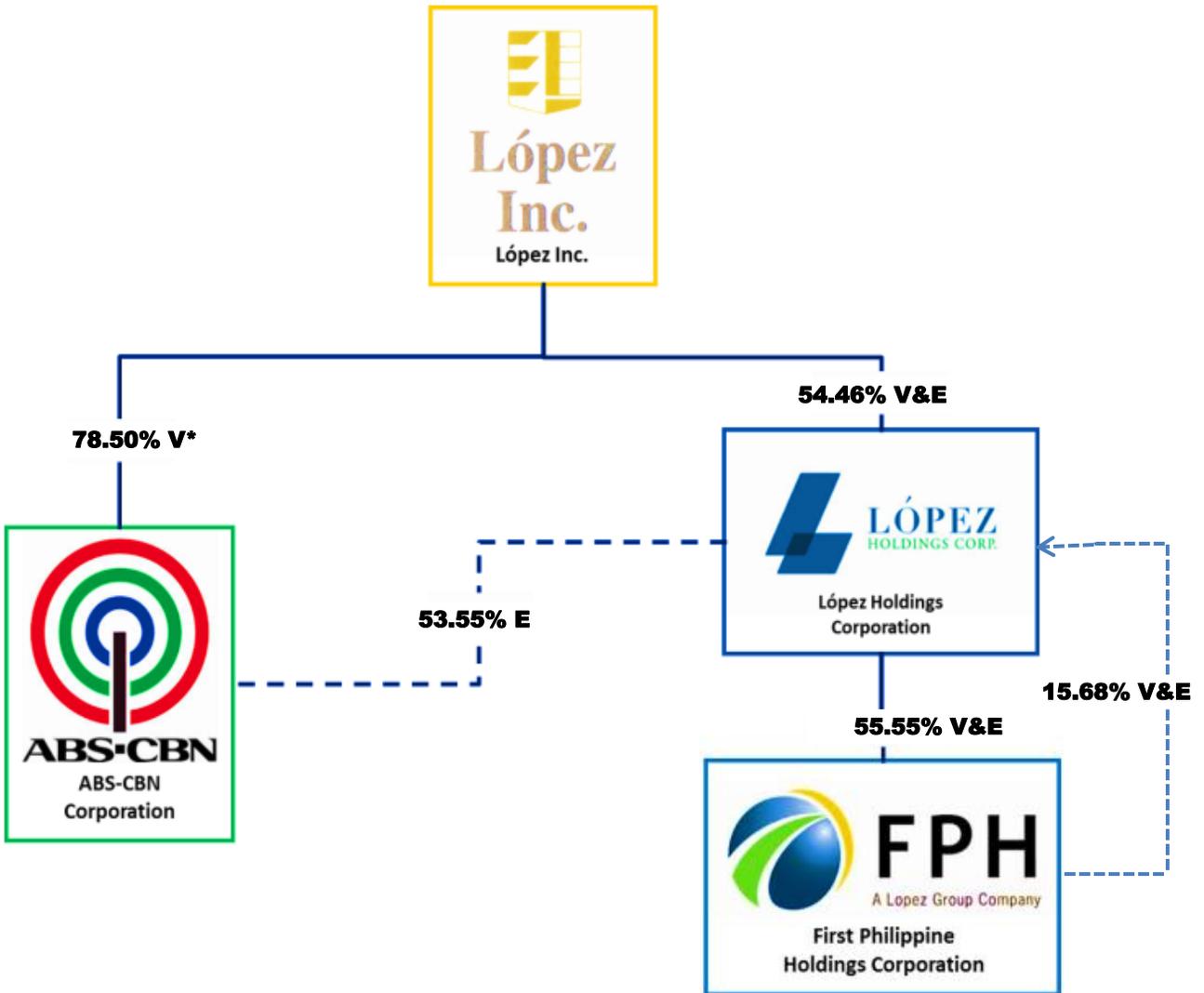
100%
FGHC International

100%
FPH Capital Resources Inc.

100%
FPH Pi Ventures

100%
FPH Pi Ventures

**LOPEZ HOLDINGS CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP
JUNE 30, 2024**



* voting rights include preferred shares

Energy Development Corporation
*(A Subsidiary of Red Vulcan Holdings
Corporation)*
and Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
June 30, 2024
(With Comparative Audited Figures as of
December 31, 2023)
and For the Six-Month Periods Ended
June 30, 2024 and 2023

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

As of June 30, 2024

(With Comparative Audited Figures as of December 31, 2023)

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 23)	₱22,405,292,801	₱17,421,012,635
Financial assets at fair value through profit or loss (Note 23)	63,862,936	17,745,812
Trade and other receivables (Notes 6 and 23)	8,155,685,124	6,886,560,258
Due from related parties (Notes 22 and 23)	39,153,738	41,709,163
Parts and supplies inventories (Note 7)	10,765,336,978	8,491,951,068
Derivative assets (Note 23)	48,439,007	34,333,755
Other current assets (Note 8)	3,406,040,717	6,141,840,185
Total Current Assets	44,883,811,301	39,035,152,876
Noncurrent Assets		
Property, plant and equipment (Note 9)	122,430,008,506	111,867,342,302
Goodwill and intangible assets (Note 10)	3,365,780,352	3,424,863,960
Exploration and evaluation assets	2,297,788,985	2,150,964,593
Deferred tax assets - net	835,441,793	875,533,081
Derivative assets - net of current portion (Note 23)	261,943,719	233,469,528
Financial assets at fair value through other comprehensive income (Note 23)	296,453,383	288,985,082
Other noncurrent assets (Notes 11 and 23)	9,200,204,676	8,376,824,110
Total Noncurrent Assets	138,687,621,414	127,217,982,656
TOTAL ASSETS	₱183,571,432,715	₱166,253,135,532

LIABILITIES AND EQUITY

Current Liabilities

Trade and other payables (Notes 12 and 23)	₱24,676,761,128	₱20,483,824,584
Due to related parties (Notes 22 and 23)	1,760,199	1,668,334
Income tax payable	409,724,035	218,892,879
Current portion of:		
Long-term debts (Notes 13 and 23)	8,223,948,268	8,964,648,449
Lease liability (Note 23)	579,888,933	166,254,090
Total Current Liabilities	33,892,082,563	29,835,288,336

(Forward)

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Noncurrent Liabilities		
Long-term debts - net of current portion (Notes 13 and 23)	₱55,044,610,756	₱46,769,771,820
Long term lease liability - net of current portion (Note 23)	1,426,441,999	157,640,912
Net retirement and other post-employment benefits	2,789,657,655	2,627,411,359
Deferred tax liabilities - net	191,499,628	134,863,515
Provisions and other long-term liabilities	3,876,858,937	3,355,342,655
Total Noncurrent Liabilities	63,329,068,975	53,045,030,261
Total Liabilities	97,221,151,538	82,880,318,597
Equity		
Equity attributable to equity holders of the Parent Company:		
Preferred stock	93,750,000	93,750,000
Common stock	19,076,250,000	19,076,250,000
Treasury stock	(14,826,262,314)	(14,730,745,981)
Additional paid-in capital	8,715,108,001	8,715,108,001
Equity reserve	(3,706,430,769)	(3,706,430,769)
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	104,611,454	100,286,395
Fair value adjustments on hedging transactions (Note 23)	16,376,948	(3,594,339)
Cumulative translation adjustments	2,099,305,063	1,593,080,261
Retained earnings:		
Unappropriated	33,701,430,371	26,051,220,323
Appropriated	38,536,455,208	43,795,570,045
Total Equity	83,810,593,962	80,984,493,936
Non-controlling interests	2,539,687,215	2,388,322,999
Total Equity	86,350,281,177	83,372,816,935
TOTAL LIABILITIES AND EQUITY	₱183,571,432,715	₱166,253,135,532

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
	2024	2023	2024	2023
REVENUE FROM SALE OF ELECTRICITY	₱11,786,741,023	₱11,941,127,914	₱23,228,371,969	₱25,757,146,948
COSTS OF SALE OF ELECTRICITY (Note 14)	(6,757,499,914)	(5,216,684,913)	(11,662,559,894)	(11,194,726,861)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	(2,297,874,270)	(1,655,009,385)	(4,117,088,518)	(3,392,674,520)
FINANCIAL INCOME (EXPENSES)				
Interest expense (Notes 4 and 16)	(931,410,403)	(810,865,929)	(1,809,858,656)	(1,584,853,596)
Interest income (Notes 4 and 17)	179,943,142	206,468,804	358,025,238	358,391,717
	(751,467,261)	(604,397,125)	(1,451,833,418)	(1,226,461,879)
OTHER INCOME (CHARGES)				
Foreign exchange gains (losses) - net (Note 18)	(8,736,356)	(32,382,572)	(24,255,520)	(6,987,364)
Miscellaneous income(charges) - net (Note 19)	(25,906,195)	(19,429,555)	(21,869,988)	(22,691,564)
	(34,642,551)	(51,812,127)	(46,125,508)	(29,678,928)
INCOME BEFORE INCOME TAX	1,945,257,027	4,413,224,364	5,950,764,631	9,913,604,760
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	169,770,950	454,277,923	534,227,014	1,058,925,703
Deferred	55,687,573	(12,556,478)	83,721,433	(20,962,771)
	225,458,523	441,721,445	617,948,447	1,037,962,932
NET INCOME	₱1,719,798,504	₱3,971,502,919	₱5,332,816,184	₱8,875,641,828
Net income (loss) attributable to:				
Equity holders of the Parent Company	₱1,780,743,379	₱4,025,464,584	₱5,181,451,968	₱8,713,317,133
Non-controlling interests	(60,944,875)	(53,961,665)	151,364,216	162,324,695
	₱1,719,798,504	₱3,971,502,919	₱5,332,816,184	₱8,875,641,828
Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 21)	₱104,539.57	₱219,431.89	₱286,870.69	₱494,075.12

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

	Three-Month Periods Ended		Six-Month Periods Ended	
	June 30		June 30	
	2024	2023	2024	2023
NET INCOME	₱1,719,798,504	₱3,971,502,919	₱5,332,816,184	₱8,875,641,828
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>				
Cumulative translation adjustments on foreign subsidiaries	460,671,286	776,200,672	506,224,802	(33,611,416)
Fair value adjustments on hedging transactions, net of tax effect amounting to (₱6.7 million) in 2024 and ₱6.5 million in 2023 (Note 23)	(44,014,593)	(538,863,324)	19,971,287	8,937,073
Changes in fair value of debt instruments at fair value through other comprehensive income	5,261,040	530,960	4,617,070	7,390,055
NET OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	421,917,733	237,868,308	530,813,159	(17,284,288)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>				
Changes in fair value of equity instruments designated at fair value through other comprehensive income	(15,192,599)	11,597,115	2,851,232	17,113,860
NET OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	(15,192,599)	11,597,115	2,851,232	17,113,860
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX	406,725,134	249,465,423	533,664,391	(170,428)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	₱2,126,523,638	₱4,220,968,342	₱5,866,480,575	₱8,875,471,400
Total comprehensive income attributable to:				
Equity Holders of the Parent Company	₱2,187,468,513	₱4,274,930,008	₱5,715,116,359	₱8,713,146,705
Non-controlling interests	(60,944,875)	(53,961,666)	151,364,216	162,324,695
	₱2,126,523,638	₱4,220,968,342	₱5,866,480,575	₱8,875,471,400

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Equity Reserve	Net Accumulated Unrealized Gain on Financial Assets at FVOCI	Fair Value Adjustments on Hedging Transactions	Cumulative Translation Adjustments	Unappropriated Retained Earnings	Appropriated Retained Earnings	Subtotal	Non-controlling Interests	Total Equity
Balances, January 1, 2024	₱93,750,000	₱19,076,250,000	(₱14,730,745,981)	₱8,715,108,001	(₱3,706,430,769)	₱100,286,395	(₱3,594,339)	₱1,593,080,261	₱26,051,220,323	₱43,795,570,045	₱80,984,493,936	₱2,388,322,999	₱83,372,816,935
Total comprehensive income	-	-	-	-	-	-	-	-	5,181,451,968	-	5,181,451,968	151,364,216	5,332,816,184
Fair value adjustments on hedging transactions (Note 23)	-	-	-	-	-	-	19,971,287	-	-	-	19,971,287	-	19,971,287
Cumulative translation adjustments on foreign subsidiaries	-	-	-	-	-	-	-	506,224,802	-	-	506,224,802	-	506,224,802
Changes in fair value of equity instruments at FVOCI recognized in equity	-	-	-	-	-	2,851,232	-	-	-	-	2,851,232	-	2,851,232
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings	-	-	-	-	-	(3,143,243)	-	-	3,143,243	-	-	-	-
Changes in fair value of debt instruments designated at FVOCI recognized in equity	-	-	-	-	-	4,617,070	-	-	-	-	4,617,070	-	4,617,070
Total other comprehensive loss	-	-	-	-	-	4,325,059	19,971,287	506,224,802	3,143,243	-	533,664,391	-	533,664,391
Acquisition of treasury stock	-	-	-	-	-	4,325,059	19,971,287	506,224,802	5,184,595,211	-	5,715,116,359	151,364,216	5,866,480,575
Dividends declared	-	-	(95,516,333)	-	-	-	-	-	-	-	(95,516,333)	-	(95,516,333)
Reversal of appropriation of retained earnings	-	-	-	-	-	-	-	-	(2,793,500,000)	-	(2,793,500,000)	-	(2,793,500,000)
	-	-	-	-	-	-	-	-	5,259,114,837	(5,259,114,837)	-	-	-
Balances, June 30, 2024	₱93,750,000	₱19,076,250,000	(₱14,826,262,314)	₱8,715,108,001	(₱3,706,430,769)	₱104,611,454	₱16,376,948	₱2,099,305,063	₱33,701,430,371	₱38,536,455,208	₱83,810,593,962	₱2,539,687,215	₱86,350,281,177

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Equity Reserve	Net Accumulated Unrealized Gain on Financial Assets at FVOCI	Fair Value Adjustments on Hedging Transactions	Cumulative Translation Adjustments	Unappropriated Retained Earnings	Appropriated Retained Earnings	Subtotal	Non-controlling Interests	Total Equity
Balances, January 1, 2023	₱93,750,000	₱19,076,250,000	(₱14,730,745,981)	₱8,715,108,001	(₱3,706,430,769)	₱70,143,690	₱72,138,661	₱1,678,432,949	₱24,774,924,243	₱37,261,489,718	₱73,305,060,512	₱2,272,433,564	₱75,577,494,076
Total comprehensive income	-	-	-	-	-	-	-	-	8,713,317,133	-	8,713,317,133	162,324,695	8,875,641,828
Fair value adjustments on hedging transactions (Note 23)	-	-	-	-	-	-	8,937,073	-	-	-	8,937,073	-	8,937,073
Cumulative translation adjustments on foreign subsidiaries	-	-	-	-	-	-	-	(33,611,416)	-	-	(33,611,416)	-	(33,611,416)
Changes in fair value of equity instruments at FVOCI recognized in equity	-	-	-	-	-	16,968,860	-	-	145,000	-	17,113,860	-	17,113,860
Changes in fair value of debt instruments designated at FVOCI recognized in equity	-	-	-	-	-	7,390,055	-	-	-	-	7,390,055	-	7,390,055
Total other comprehensive loss	-	-	-	-	-	24,358,915	8,937,073	(33,611,416)	145,000	-	(170,428)	-	(170,428)
Dividends declared (Note 20)	-	-	-	-	-	24,358,915	8,937,073	(33,611,416)	8,713,462,133	-	8,713,146,705	162,324,695	8,875,471,400
Reversal of appropriation of retained earnings	-	-	-	-	-	-	-	-	(2,793,086,287)	-	(2,793,086,287)	-	(2,793,086,287)
	-	-	-	-	-	-	-	-	6,116,804,837	(6,116,804,837)	-	-	-
Balances, June 30, 2023	₱93,750,000	₱19,076,250,000	(₱14,730,745,981)	₱8,715,108,001	(₱3,706,430,769)	₱94,502,605	₱81,075,734	₱1,644,821,533	₱36,812,104,926	₱31,144,684,881	₱79,225,120,930	₱2,434,758,259	₱81,659,879,189

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six-Month Periods Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱5,950,764,631	₱9,913,604,760
Adjustments for:		
Depreciation and amortization (Notes 9, 10, 14 and 15)	3,552,580,439	3,459,963,982
Interest expense (Note 16)	1,809,858,656	1,584,853,596
Interest income (Note 17)	(358,025,238)	(358,391,717)
Provisions for impairment of trade and other receivables, and prepaid taxes (Note 15)	165,171,535	91,940,965
Change in net retirement and other post-employment benefits	162,246,295	140,887,201
Unrealized foreign exchange gain - net (Note 18)	86,969,423	(10,976,828)
Loss on direct write-off of input VAT claims	23,930,811	27,005,513
Provision for impairment of parts and supplies (Note 7 and 15)	17,349,654	85,223,960
Loss on disposal and retirement of property, plant and equipment	2,743,546	-
Mark-to-market gain on financial assets at fair value through profit or loss (Note 19)	(714,693)	(1,305,977)
Realized losses (gains) from redemption of financial assets at fair value through profit or loss	(17,131)	19,646
Impairment loss of property plant and equipment	-	124,496,929
Provision for impairment of goodwill	-	85,837,905
Operating income before working capital changes	11,412,857,928	15,143,159,935
Decrease (increase) in:		
Trade and other receivables	(1,494,273,088)	1,343,210,072
Due from a related party	2,555,425	(26,379,225)
Parts and supplies inventories	(2,290,735,563)	(1,182,604,864)
Other current assets	3,309,671,158	330,356,960
Increase (decrease) in:		
Trade and other payables	1,213,412,214	(2,224,600,329)
Due to related parties	91,865	(31,742,141)
Provisions and other long-term liabilities	539,068,066	245,395,453
Cash generated from operations	12,692,648,005	13,596,795,861
Income taxes paid including creditable withholding taxes	(917,267,548)	(1,171,986,379)
Net cash flows from operating activities	11,775,380,457	12,424,809,482
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property, plant and equipment (Note 9)	(10,833,951,668)	(4,383,249,226)
Financial assets at FVOCI	(102,000,000)	-
Financial assets at FVPL	(45,385,299)	(50,000,000)
Intangible assets	(8,074,876)	(11,374,790)
Additions to other noncurrent assets	(846,500,480)	(610,225,273)
Interest received	418,001,925	354,095,259
Proceeds from:		
Sale of financial assets at FVOCI	102,000,000	35,000,000
Sale of property, plant and equipment	2,759,567	1,819,437
Net cash flows used in investing activities	(11,478,029,598)	(4,708,576,408)

(Forward)

**For the Six-Month Periods
Ended June 30**

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Long term debt	(P5,259,114,837)	(P6,632,162,695)
Interest and other financing charges	(1,533,906,456)	(1,393,905,446)
Lease liability	(847,910,773)	(59,926,694)
Purchase of treasury stock	(95,516,333)	-
Cash dividends	-	(2,793,086,287)
Proceeds from availment of long-term debts	12,274,151,920	6,947,460,000
Net cash flows from (used in) in financing activities	4,537,703,521	(3,931,621,122)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,835,054,380	3,784,611,952
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	149,225,786	(41,652,089)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,421,012,635	17,597,790,076
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Notes 5 and 22)	P22,405,292,801	P21,340,749,939

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

1. Corporate Information

General

Energy Development Corporation (the “Parent Company” or “EDC”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 5, 1976.

The Parent Company and its subsidiaries (collectively referred to as the “Group”) are primarily engaged in the business of exploring, developing and operating geothermal energy and other indigenous renewable energy projects in the Philippines.

Red Vulcan is the parent company of EDC, while Lopez, Inc. is the ultimate parent company.

Red Vulcan and Lopez, Inc. are both incorporated in the Philippines.

As of June 30, 2024, Red Vulcan holds the controlling voting interest with 63.9% ownership of EDC’s outstanding voting shares while Philippines Renewable Energy Holdings Corp. (PREHC) owns 34.9%.

Principal Office Address

The registered principal office address of the Parent Company is Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines.

Authorization for Issuance of the Unaudited Interim Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated financial statements were reviewed, approved and authorized for issuance by the Board of Directors (Board) thru the Audit and Governance Committee on August 8, 2024.

2. Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group as of June 30, 2024 and for the six-month periods ended June 30, 2024 and 2023 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at December 31, 2023.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit or loss (FVPL), derivative instruments and financial asset at fair value through other comprehensive income (FVOCI) that are measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company’s functional currency. All values are rounded to the nearest peso, except when otherwise indicated.

3. Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2023, except for the adoption of new standards effective as of January 1, 2024.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the unaudited interim condensed 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.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- 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.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- 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.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

4. Operating Segment Information

The Group's operating segments are determined based on geographical segment, with each segment representing a strategic business location that has similar economic and political conditions, proximity of operations and specific risks associated with operations in a particular area.

The Group's identified reportable segments below are consistent with the segments reported to the Board, which is the Chief Operating Decision Maker (CODM) of the Group:

- a. Leyte Geothermal Facilities - This segment pertains to Leyte Geothermal Production Field and Power Plants. This includes projects in Tongonan, Mahanagdong, Upper Mahiao, Malitbog, Unified Leyte Geothermal Energy, Inc. (ULGEI) and other projects in Leyte Province.
- b. Negros Island Geothermal Facility - This segment refers to Southern Negros Geothermal Production Field and Power Plants. Power plants included in Negros are Palinpinon I, Palinpinon II and Nasulo.
- c. Bacon-Manito Geothermal Facility - This segment relates to Bacon-Manito Geothermal Production Field and Power Plants.
- d. Mt. Apo Geothermal Business Facility - This segment refers to Mt. Apo Geothermal Production Field and Power Plants.
- e. Pantabangan/Masiway - This segment relates to Pantabangan-Masiway hydroelectric complex located in Nueva Ecija Province.
- f. Wind Business Facility - This segment pertains to wind project commercially operating in Northern Luzon.
- g. Solar Business Facility - This segment pertains to solar projects commercially operating in Northern Luzon and Visayas.
- h. Others - This refers to other renewable energy projects including foreign investments and Head Office of the Group.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Finance costs, finance income, income taxes and other charges and income are managed on a group basis.

Segment performance is evaluated based on net income for the period and earnings before interest, taxes, and depreciation and amortization (EBITDA). Net income for the period is measured consistent with consolidated net income reported in the unaudited interim condensed consolidated financial statements. EBITDA is calculated as revenue from sale of electricity minus costs of sale of electricity and general and administrative expenses, excluding non-cash items such as depreciation and amortization, impairment losses on non-financial assets, and loss on disposal of property, plant and equipment, among others.

Financial information on the operating segments are summarized as follows:

	Pantabangan /							Total	
	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Masiway	Wind	Solar		
For the Six-Month Period Ended									
June 30, 2024									
Segment revenue from external customers	P13,644,385,382	P7,570,110,648	P6,670,630,535	P1,603,596,284	P1,127,118,067	P1,223,223,344	P68,489,707	P-	P31,907,553,967
Intersegment revenue	(3,572,408,549)	(2,479,426,931)	(2,627,311,000)	-	(8,676,462)	8,640,944	-	-	(8,679,181,998)
Segment revenue	10,071,976,833	5,090,683,717	4,043,319,535	1,603,596,284	1,118,441,605	1,231,864,288	68,489,707	-	23,228,371,969
Segment expenses	(7,328,171,470)	(2,245,998,771)	(3,131,651,306)	(1,118,329,221)	(863,733,563)	(854,054,354)	(42,326,859)	-	(15,584,265,544)
Unallocated expenses	-	-	-	-	-	-	-	(195,382,868)	(195,382,868)
Interest income	113,716,891	43,533,973	89,253,784	22,215,005	60,751,256	26,884,281	1,304,650	365,398	358,025,238
Interest expense	(801,611,604)	(289,002,912)	(198,928,576)	(191,507,990)	(959,413)	(266,232,438)	(5,423,140)	(56,192,583)	(1,809,858,656)
Other income (charges) - net	(52,297,030)	(45,867,519)	15,410,339	(20,884,610)	93,616,623	12,992,914	(36,198)	(49,060,027)	(46,125,508)
Benefit from (provision for) income taxes	(164,951,040)	(247,017,657)	(48,944,421)	(28,533,041)	(33,190,058)	(79,864,645)	(3,006,102)	(12,441,483)	(617,948,447)
Segment result	P1,838,662,580	P2,306,330,831	P768,459,355	P266,556,427	P374,926,450	P71,590,046	P19,002,058	P(312,711,563)	P5,332,816,184
EBITDA	P4,389,312,762	P3,416,877,630	P1,273,873,912	P874,976,591	P495,388,422	P845,884,547	P48,794,526	P-	P11,345,108,390
Unallocated expenses	-	-	-	-	-	-	-	-	(161,283,205)
									P11,183,825,185

	Pantabangan /							Total	
	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Masiway	Wind	Solar		
For the Six-Month Period Ended									
June 30, 2023									
Segment revenue from external customers	P13,509,208,165	P8,919,473,474	P6,343,234,039	P1,489,445,920	P1,340,481,285	P1,893,687,489	P68,490,522	P54,752,937	P33,618,773,831
Intersegment revenue	(2,709,497,522)	(2,603,426,522)	(2,465,090,246)	-	-	-	-	(83,612,593)	(7,861,626,883)
Segment revenue	10,799,710,643	6,316,046,952	3,878,143,793	1,489,445,920	1,340,481,285	1,893,687,489	68,490,522	(28,859,656)	25,757,146,948
Segment expenses	(4,709,774,500)	(2,207,430,205)	(1,475,307,549)	(902,109,800)	(944,792,694)	(833,793,688)	(41,193,911)	-	(11,114,402,347)
Unallocated expenses	-	-	-	-	-	-	-	(3,472,999,034)	(3,472,999,034)
Interest income	147,252,823	56,808,740	55,075,423	25,761,098	36,771,111	35,575,334	1,103,434	43,754	358,391,717
Interest expense	(702,433,648)	(247,370,055)	(162,700,311)	(153,184,193)	(227,694)	(286,842,221)	(5,784,297)	(26,311,177)	(1,584,853,596)
Other income (charges) - net	16,279,264	6,015,096	(50,833,381)	1,354,365	1,469,740	(28,577,319)	(2,307)	24,615,614	(29,678,928)
Benefit from (provision for) income taxes	(359,560,086)	(479,026,962)	(209,950,212)	(14,628,463)	(21,021,765)	(83,128,272)	(1,785,539)	131,138,367	(1,037,962,932)
Segment result	P5,191,474,496	P3,445,043,566	P2,034,427,763	P446,638,927	P412,679,983	P696,921,323	P20,827,902	P(3,372,372,132)	P8,875,641,828
EBITDA	P6,657,002,311	P3,777,548,619	P1,770,618,687	P790,463,051	P626,346,811	P1,513,155,866	P47,382,045	P(28,859,656)	P15,153,657,734
Unallocated expenses	-	-	-	-	-	-	-	-	(136,448,426)
									P15,017,209,308

The following table shows the Group's reconciliation of EBITDA to the consolidated net income for the six-month periods ended June 30, 2024 and 2023:

	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
EBITDA	₱11,183,825,185	₱15,017,209,308
Add (deduct):		
Depreciation and amortization (Notes 9, 10, 14 and 15)	(3,552,580,439)	(3,459,963,982)
Interest expense (Note 16)	(1,809,858,656)	(1,584,853,596)
Provision for income tax	(617,948,447)	(1,037,962,932)
Interest income (Note 17)	358,025,238	358,391,717
Impairment loss of property plant and equipment	-	(124,496,929)
Provision for impairment of trade and other receivables, and prepaid taxes (Note 15)	(165,171,535)	(91,940,965)
Impairment of goodwill	-	(85,837,905)
Foreign exchange losses - net (Note 18)	(24,255,520)	(6,987,364)
Miscellaneous income (charges) - net (Note 19)	(21,869,988)	(22,691,564)
Provision for impairment of parts and supplies inventories (Note 15)	(17,349,654)	(85,223,960)
Consolidated net income	₱5,332,816,184	₱8,875,641,828

In the normal course of business, entities within the Group engage in intercompany sale and purchase of steam and electricity. Intersegment revenues are all eliminated in consolidation. Segment information is measured in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Intersegment revenues are made at normal commercial terms and conditions.

Unallocated expenses pertain to expenses of the corporate, technical and administrative support groups while unallocated corporate assets and liabilities which include among others certain cash and cash equivalents, property, plant and equipment, parts and supplies inventories, trade and other payables and retirement and post-employment benefits, pertain to the Head Office and are managed on a group basis.

5. Cash and Cash Equivalents

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and in banks	₱9,160,604,042	₱5,727,422,112
Cash equivalents	13,244,688,759	11,693,590,523
	₱22,405,292,801	₱17,421,012,635

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents consist of money market placements, which are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group.

6. Trade and Other Receivables

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivable:		
Third parties	₱8,540,578,448	₱6,805,568,984
Related parties (Note 22)	93,621,458	132,724,064
	8,634,199,906	6,938,293,048
Others:		
Non-trade accounts receivable	549,176,890	974,796,042
Advances to employees	59,510,225	51,985,748
Loans and notes receivables	47,463,489	45,345,974
	656,150,604	1,072,127,764
	9,290,350,510	8,010,420,812
Less allowance for doubtful accounts	1,134,665,386	1,123,860,554
	₱8,155,685,124	₱6,886,560,258

Trade receivables are noninterest-bearing and are generally collectible in 30 to 60 days. Non-trade receivables are non-interest-bearing and include receivable accrued interest and other receivables arising from transactions not in the usual course of the Group's business.

7. Parts and Supplies Inventories

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Parts and supplies inventories:		
At Cost	₱8,818,302,422	₱6,919,246,902
At NRV	1,947,034,556	1,572,704,166
	₱10,765,336,978	₱8,491,951,068

Allowance for inventory obsolescence:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of year	₱548,948,904	₱618,722,774
Provision for (reversal of) impairment (Note 15)	17,349,654	(69,773,870)
Balance at end of year	₱566,298,558	₱548,948,904

Parts and supplies inventories include items that are carried at net realizable value amounting to ₱1,947.0 million and ₱1,572.7 million as of June 30, 2024 and December 31, 2023, respectively, and have costs amounting ₱2,513.3 million and ₱2,121.6 million, respectively. The rest of the parts and supplies inventories are carried at cost.

8. Other Current Assets

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Creditable withholding taxes	₱1,411,039,391	₱837,167,700
Advances to suppliers	874,472,281	203,235,922
Prepaid expenses	420,585,415	1,244,244,132
Deposits and special funds	307,476,648	300,757,961
Short-term investments	200,000,000	3,360,111,078
Others	192,466,982	196,323,392
	₱3,406,040,717	₱6,141,840,185

Advances to suppliers pertains mainly to the advances made by the Group for the purchase of parts and supplies, and other goods and services.

Deposits and special funds include deposits to distribution utilities as required under the Distribution Wheeling Service Agreements (DWSAs) and cash held in escrow accounts of the Group as required under the retail supply contracts (RSCs) and green energy option program supply contracts (GEOPSCs).

Short-term investments consist of money market securities with maturity of more than three (3) months but less than 12 months.

9. Property, Plant and Equipment

June 30, 2024 (Unaudited)

Cost	Right of Use of Assets - Buildings, Improvements and Other Structures										Total
	Land	Power Plants	Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment	Construction in Progress	Construction in Progress	
Balances at January 1	P924,376,722	P81,792,942,402	P62,159,253,249	P9,395,220,817	P3,706,527,124	P193,653,477	P1,847,771,686	P1,090,950,911	P781,128,980	P29,665,109,520	P191,556,934,888
Additions	43,065,547	12,853,952	-	-	45,910,753	945,559	45,734,843	17,743,012	2,481,317,158	10,667,698,002	13,315,268,826
Disposals/retirements	-	(3,484,552)	-	-	(103,256,603)	(2,113,500)	(1,265,382)	(6,950)	(613,229)	-	(110,740,216)
Reclassifications/adjustments	-	2,104,052,561	3,035,544,687	610,844,576	15,929,548	(1,273,300)	6,898,199	(19,567,952)	89,449,878	(5,741,274,637)	100,603,560
Foreign exchange adjustments	-	1,161,768,604	-	78,414,941	221,363	-	474,582	192,994	10,471,368	6,802,184	1,258,346,036
Balances at June 30	967,442,269	85,068,132,967	65,194,797,936	10,084,480,334	3,665,332,185	191,212,236	1,899,613,928	1,089,312,015	3,361,754,155	34,598,335,069	206,120,413,094
Accumulated Depreciation, Amortization and Impairment											
Balances at January 1	17,627,581	45,234,376,916	23,480,026,567	4,800,721,596	3,073,085,096	103,933,286	1,601,002,372	821,205,572	415,750,374	141,863,226	79,689,592,586
Depreciation and amortization (Notes 14 and 15)	-	1,887,347,511	1,084,523,987	233,265,663	51,573,829	12,899,321	72,221,074	51,198,465	238,515,296	-	3,631,545,146
Disposals/retirements	-	(3,484,540)	-	-	(99,643,638)	(262,904)	(1,226,086)	(6,709)	(613,228)	-	(105,237,105)
Reclassifications/adjustments	-	(1,136,242)	-	1,550,150	(10,945,550)	(1,273,300)	-	-	(417,245)	-	(12,224,187)
Foreign exchange adjustments	-	436,923,602	-	40,346,387	(728,754)	-	(31,710)	97,993	2,629,142	7,491,488	486,728,148
Balances at June 30	17,627,581	47,554,025,247	24,564,550,554	5,075,883,796	3,013,340,983	115,296,403	1,671,965,650	872,495,321	655,864,339	149,354,714	83,690,404,588
Net Book Value	P949,814,688	P37,514,107,720	P40,630,247,382	P5,008,596,538	P651,991,202	P75,915,833	P227,648,278	P216,816,694	P2,705,889,816	P34,448,980,355	P122,430,008,506

December 31, 2023 (Audited)

Cost	Right of Use of Assets - Buildings, Improvements and Other Structures										Total
	Land	Power Plants	Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment	Construction in Progress	Construction in Progress	
Balances at January 1	P881,311,175	P80,698,073,760	P58,067,215,102	P9,056,798,123	P3,598,942,574	P166,859,435	P1,646,987,358	P896,774,039	P749,782,809	P17,840,990,917	P173,603,735,292
Additions	43,065,547	22,765,701	-	6,116,627	94,711,812	41,388,378	167,108,863	198,269,604	29,340,646	17,518,339,972	18,121,107,150
Disposals/retirements	-	(36,993,692)	-	(13,048,599)	(32,440,084)	(14,594,336)	(31,803,827)	(164,547)	-	-	(129,045,085)
Reclassifications/adjustments	-	1,251,296,316	4,092,038,147	353,752,858	43,526,952	-	65,201,943	(3,907,579)	3,134,211	(5,697,477,873)	107,564,975
Foreign exchange adjustments	-	(142,199,683)	-	(8,398,192)	1,785,870	-	277,349	(20,606)	(1,128,686)	3,256,504	(146,427,444)
Balances at December 31	924,376,722	81,792,942,402	62,159,253,249	9,395,220,817	3,706,527,124	193,653,477	1,847,771,686	1,090,950,911	781,128,980	29,665,109,520	191,556,934,888
Accumulated Depreciation, Amortization and Impairment											
Balances at January 1	17,627,581	41,238,852,995	21,411,687,783	4,325,075,887	2,974,121,088	93,558,888	1,543,722,726	746,834,663	299,989,683	23,322,433	72,674,793,727
Depreciation and amortization (Notes 14 and 15)	-	4,096,876,588	2,068,338,784	480,637,573	117,451,006	22,311,724	88,408,535	74,524,025	116,725,245	-	7,065,273,480
Disposals/retirements	-	(36,993,687)	-	(9,752,599)	(29,387,304)	(11,937,326)	(30,846,756)	(142,146)	-	-	(119,059,818)
Impairment	-	-	-	666,085	-	-	-	-	-	116,918,361	117,584,446
Reclassifications	-	(8,052,542)	-	8,050,516	9,532,270	-	2,026	(10,970)	-	-	9,532,270
Foreign exchange adjustments	-	(56,306,438)	-	(3,289,781)	701,951	-	(284,159)	(10,970)	(964,554)	1,622,432	(58,531,519)
Balances at December 31	17,627,581	45,234,376,916	23,480,026,567	4,800,721,596	3,073,085,096	103,933,286	1,601,002,372	821,205,572	415,750,374	141,863,226	79,689,592,586
Net Book Value	P906,749,141	P36,538,565,486	P38,679,226,682	P4,594,499,221	P633,442,028	P89,720,191	P246,769,314	P269,745,339	P365,378,606	P29,523,246,294	P11,867,342,302

Estimated Rehabilitation and Restoration Costs

FCRS and production wells include the estimated rehabilitation and restoration costs of the Group's steam fields and power plants' contract areas at the end of the contract period. These were based on technical estimates of probable costs, which may be incurred by the Group in the rehabilitation and restoration of the said steam fields and power plants' contract areas, using a risk-free discount rate and adjusted the cash flows to settle the provision.

Also, the Group has recorded provision for asset retirement obligation relating to the removal and disposal of all wind farm materials, equipment and facilities from the contract areas at the end of contract period. The amount of provision was recorded as part of the costs of power plants.

Depreciation and Amortization

Details of depreciation and amortization charges recognized in the unaudited interim consolidated statements of income are shown below:

	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Property, plant and equipment	₱3,631,545,146	₱3,361,637,180
Intangible assets (Note 10)	66,347,587	98,326,802
Capitalized depreciation	(145,312,294)	–
	₱3,552,580,439	₱3,459,963,982
Costs of sales of electricity (Note 14)	₱3,369,580,176	₱3,295,137,649
General and administrative (Note 15)	183,000,263	164,826,333
	₱3,552,580,439	₱3,459,963,982

Reclassification

The reclassifications in the cost of property, plant and equipment include adjustments to the provision for rehabilitation and restoration costs amounting to ₱51.1 million and ₱103.4 million in period ended June 30, 2024 and December 31, 2023 respectively. Other reclassifications were due to the results of reassessment made by the Group on the nature of the assets.

10. Goodwill and Intangible Assets

	June 30, 2024 (Unaudited)			
	Goodwill	Water Rights	Other Intangible Assets	Total
Cost				
Balances at January 1	₱2,676,889,008	₱2,404,778,918	₱819,978,111	₱5,901,646,037
Additions	–	–	8,074,877	8,074,877
Balances at June 30	2,676,889,008	2,404,778,918	828,052,988	5,909,720,914
Accumulated Amortization and Allowance for Impairment				
Balances at January 1	₱141,837,475	₱1,647,273,561	₱687,671,041	₱2,476,782,077
Amortization	–	48,095,579	18,252,008	66,347,587
Reclassification/adjustments	–	–	810,898	810,898
Balances at June 30	141,837,475	1,695,369,140	706,733,947	2,543,940,562
Net Book Value	₱2,535,051,533	₱709,409,778	₱121,319,041	₱3,365,780,352

December 31, 2023 (Audited)				
	Goodwill	Water Rights	Other Intangible Assets	Total
Cost				
Balances at January 1	₱2,679,045,019	₱2,404,778,918	₱749,359,167	₱5,833,183,104
Additions	–	–	70,618,944	70,618,944
Foreign exchange translation adjustment	(2,156,011)	–	–	(2,156,011)
Balances at December 31	2,676,889,008	2,404,778,918	819,978,111	5,901,646,037
Accumulated Amortization and Allowance for Impairment				
Balances at January 1	55,999,570	1,551,082,404	593,986,098	2,201,068,072
Amortization	–	96,191,157	92,284,944	188,476,101
Impairment/adjustments	85,837,905	–	1,399,999	87,237,904
Balances at December 31	141,837,475	1,647,273,561	687,671,041	2,476,782,077
Net Book Value	₱2,535,051,533	₱757,505,357	₱132,307,070	₱3,424,863,960

Water rights are amortized using the straight-line method over 25 years, which is the term of the agreement with National Irrigation Administration. The remaining amortization period of water rights is 7.4 years and 7.9 years as of June 30, 2024 and December 31, 2023, respectively.

Other intangible assets pertain to the Group's computer software and licenses.

11. Other Noncurrent Assets

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Prepaid taxes	₱6,939,515,243	₱5,884,341,462
Long-term receivables and special deposits	1,916,742,235	1,922,986,502
Advances to contractors	438,859,719	651,512,675
Deposits and special funds	5,661,618	21,837,616
Prepaid expenses - net of current portion	124,018,155	18,828,779
Others	1,234,423,783	1,240,510,419
	10,659,220,753	9,740,017,453
Less allowance for impairment	1,459,016,077	1,363,193,343
	₱9,200,204,676	₱8,376,824,110

Long-term receivables include receivable from TransCo arising from FIT rate adjustments.

Others include capital expenditures funding made by the Group to Enerco amounting to ₱1,223.1 million and ₱1,225.3 million as of June 30, 2024 and December 31, 2023, respectively.

The Group's continued participation in the Mariposa project is subject to positive results being obtained from resource assessment studies to be conducted by the Group for the project.

12. Trade and Other Payables

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables:		
Third parties	₱13,051,275,494	₱12,656,386,583
Related parties (Note 22)	4,261,449,921	3,948,085,516
	17,312,725,415	16,604,472,099
Others:		
Dividends payable	2,804,404,712	10,904,712
Withholding and other taxes payable	765,642,055	600,261,686
Accrued interest on long-term debts	757,734,436	624,810,038
Government share payable	68,245,946	54,725,380
SSS and other contributions payable	61,926,326	37,268,089
Other payables	2,906,082,238	2,551,382,580
	7,364,035,713	3,879,352,485
	₱24,676,761,128	₱20,483,824,584

Trade payables are noninterest-bearing and are normally settled on a 30 to 60 days term.

The accrued interest represents interest accrual on outstanding loans.

“Other payables” account includes provision for shortfall generation amounting to ₱1,687.4 million and ₱1,581.2 million as of June 30, 2024 and December 31, 2023. Other payables also include deferred output VAT and other accruals.

13. Long-term Debts

The details of the Group’s long-term debts are as follows:

Creditor/Project	Maturities	Interest Rate	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
EDC Loans				
International Finance Corporation (IFC)				
▪ IFC 2 - ₱3.3 Billion	October 15, 2025	4.68% from April 16, 2021 until maturity	366,597,833	487,095,849
▪ IFC 3 - ₱4.8 Billion	March 15, 2033	7.8048%	2,946,192,970	3,108,177,056
DBP ₱291.2 Million Term Loan	December 17, 2030	5.50%	145,079,510	156,204,404
UBP ₱1.5 Billion Term Loan	December 5, 2026	5.25%	973,644,471	1,048,266,929
SBC ₱1.0 Billion Term Loan	December 5, 2031	5.5788%	756,864,419	786,597,512
UBP ₱2.0 Billion Term Loan	April 10, 2032	5.4382%	1,062,857,727	1,129,073,584
SBC ₱3.0 Billion Term Loan	May 4, 2027	5.3166%	1,077,928,988	1,257,232,640
SBC ₱1.0 Billion Term Loan	May 4, 2032	5.4277%	531,391,216	564,495,302
BPI ₱1.0 Billion Term Loan	June 1, 2027	5.2059%	359,402,071	419,205,493
SBC ₱500.0 Million Term Loan	May 4, 2032	5.4904%	265,678,759	282,229,602
BPI				
▪ ₱3.0 Billion Term Loan	April 15, 2030	5.1323%	2,091,118,495	2,239,727,144
▪ ₱3.0 Billion Term Loan	April 15, 2030	3.56%	2,090,899,374	2,239,447,752

(Forward)

Creditor/Project	Maturities	Interest Rate	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
BDO				
▪ P4.5 Billion Loan	September 10, 2030	4.25% until next repricing date in September 2025	3,232,349,753	3,499,257,133
▪ P2.0 Billion Loan	September 10, 2030	4.25% until next repricing date in September 2025	1,435,935,162	1,554,454,251
Fixed Rate ASEAN Green Bonds				
• Series A	June 25, 2024	2.8565%	–	2,494,412,166
• Series B	June 25, 2026	3.7305%	2,485,458,930	2,481,995,667
• Series C	May 27, 2027	6.7478%	2,960,983,174	–
• Series D	May 27, 2029	6.8873%	3,453,900,474	–
• Series E	May 27, 2031	7.0626%	3,453,645,150	–
US\$50 Million Mizuho Loan	March 24, 2027	6.34578% until next repricing date in September 2024	2,926,569,133	2,763,484,308
BPI				
• P2.0 Billion Term Loan	March 21, 2032	8.00% until next repricing date in September 2024	1,795,513,211	1,895,021,866
• P2.0 Billion Term Loan	March 21, 2032	6.6016% until next repricing date in September 2024	1,790,327,630	1,888,412,890
▪ P3.0 Billion Term Loan	March 21, 2032	6.6016% until next repricing date in September 2024	2,679,694,668	2,977,675,988
UBP P1.0 Billion Term Loan	March 24, 2032	5.831567% until next repricing date in March 2027	795,232,561	844,681,246
SBC P2.6 Billion Term Loan	April 19, 2032	5.7829% until next repricing date in April 2027	2,067,471,445	2,196,002,265
CTBC P1.5 Billion Term Loan	June 8, 2027	6.1869%	1,190,920,352	1,264,134,512
BDO				
• P2.0 Billion Term Loan	September 3, 2032	6.6485% until next repricing date in September 2024	1,694,938,899	1,794,706,375
• P3.0 Billion Term Loan	September 3, 2032	6.6485% until next repricing date in September 2024	2,534,696,619	2,683,575,152
CBC				
• P2.0 Billion Term Loan	October 5, 2032	6.9749% until next repricing date in October 2024	1,695,911,563	1,795,596,226
• P2.0 Billion Term Loan	October 5, 2032	6.9749% until next repricing date in October 2024	1,690,371,972	1,787,937,353
BDO				
• P2.0 Billion Term Loan	September 1, 2033	6.7174% until next repricing date in September 2024	1,886,062,409	1,985,219,658
• P3.0 Billion Term Loan	September 1, 2033	6.6742% until next repricing date in September 2024	2,978,042,261	–
EBWPC Loans				
▪ Commercial Debt Facility US\$37.5 Million	October 23, 2029	2% margin + 6M Term SOFR + Credit Adjustment Spread (CAS)	1,039,972,734	1,053,055,565
▪ ECA Debt Facility US\$150 Million	October 23, 2029	2.35% margin + 6M Term SOFR + CAS	4,147,273,445	4,197,615,090
▪ Commercial Debt Facility P5.6 Billion	October 23, 2029	2% + PDST-F rate	2,665,631,646	2,859,429,291
Total			63,268,559,024	55,734,420,269
Less current portion			8,223,948,268	8,964,648,449
Noncurrent portion			P55,044,610,756	P46,769,771,820

The Group's foreign-currency denominated long-term debts were translated into Philippine pesos based on the prevailing foreign exchange rates as at financial reporting date (US\$1= P58.61 on June 30, 2024 and US\$1= P55.37 on December 31, 2023).

BDO P3.0 Billion Term Loan

On March 6, 2024, EDC secured a P3.0 billion loan maturing on September 1, 2033 from BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 6.6742% per annum until its next repricing date in September 2024.

Fixed Rate ASEAN Green Bonds

On May 27, 2024, EDC successfully listed its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱10.0 billion. The bonds, which have been listed on the PDEx, are comprised of ₱3.0 billion three (3)-year bonds at 6.7478% p.a., ₱3.5 billion five (5)-year bonds at 6.8873% p.a. and ₱3.5 billion seven (7)-year bonds at 7.0626% p.a. due on May 27, 2027, May 27, 2029 and May 27, 2031, respectively.

On June 25, 2024, EDC fully settled the ₱2.5 billion 3-year ASEAN Green Bonds.

14. Costs of Sale of Electricity

	June 30, 2024	June, 2023
	(Unaudited)	(Unaudited)
Purchased services and utilities (Note 22)	₱4,153,000,635	₱4,116,614,101
Depreciation and amortization (Notes 9 and 10)	3,369,580,176	3,295,137,649
Rental, insurance and taxes	1,464,590,841	1,306,923,362
Personnel costs	1,139,915,238	1,069,908,182
Repairs and maintenance	719,729,323	616,762,036
Parts and supplies issued	594,717,180	521,747,999
Government share	146,776,267	206,942,734
Business and related expenses	74,250,234	60,690,798
	₱11,662,559,894	₱11,194,726,861

15. General and Administrative Expenses

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
Purchased services and utilities	₱1,534,912,737	₱1,019,267,462
Personnel costs	1,289,524,639	1,125,521,179
Rental, insurance and taxes	493,067,182	219,688,009
Business and related expenses	350,006,502	392,222,603
Depreciation and amortization (Notes 9 and 10)	183,000,263	164,826,333
Provisions for impairment of trade and other receivables, and prepaid taxes	165,171,535	91,940,965
Parts and supplies issued	56,290,973	49,414,956
Repairs and maintenance	26,198,113	34,234,219
Provision for impairment of parts and supplies inventories (Note 7)	17,349,654	85,223,960
Government share	1,566,920	-
Impairment loss of property plant, and equipment	-	124,496,929
Impairment of goodwill	-	85,837,905
	₱4,117,088,518	₱3,392,674,520

16. Interest Expense

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
Interest on long-term debts including amortization of transaction costs (Note 13)	₱1,717,207,638	₱1,529,216,891
Interest accretion on provision for rehabilitation and restoration costs	48,695,441	47,820,468
Interest expense on lease liability	40,050,023	3,910,683
Interest on liability from litigation	3,905,554	3,905,554
	₱1,809,858,656	₱1,584,853,596

17. Interest Income

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
Interest income on cash and cash equivalents, debt service reserve account and other short-term investments (Notes 5 and 8)	₱342,234,500	₱339,050,744
Interest accretion on FIT rate adjustment	-	17,073,361
Others	15,790,738	2,267,612
	₱358,025,238	₱358,391,717

18. Foreign Exchange Gains (Losses)

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
Realized foreign exchange gains (losses) - net	₱62,713,903	(₱17,964,192)
Unrealized foreign exchange gains (losses) - net	(86,969,423)	10,976,828
	(₱24,255,520)	(₱6,987,364)

This account pertains mainly to foreign exchange adjustments on repayment of loans and restatement of outstanding balances of foreign currency-denominated loans, short-term placements and cash in banks.

19. Miscellaneous Income (Charges) - net

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
Loss on direct write-off of input VAT claims	(P23,930,811)	(P27,005,513)
Income from insurance claims	2,698,535	-
Mark-to-market gain - financial asset at fair value through profit or loss	706,973	1,305,977
Others	(1,344,685)	3,007,972
	(P21,869,988)	(P22,691,564)

20. Cash Dividends

On June 24, 2024, the Board of the Parent Company approved the declaration of cash dividends to holders of common and preferred shares amounting to P2,500.0 million or P146,777.58 per share and P293.5 million or P31,306.67 per share, respectively, in favor of holders of record as of July 15, 2024. Cash dividends were paid on or before July 31, 2024.

21. Earnings Per Share

The earnings per share amounts were computed as follows:

	June 30, 2024	June 30, 2023
	(Unaudited)	(Unaudited)
(a) Net income attributable to equity shareholders of the Parent Company	P5,181,451,968	P8,713,317,133
Less dividends on preferred shares	293,500,000	293,500,000
(b) Net income attributable to common shareholders of the Parent Company	P4,887,951,968	P8,419,817,133
(c) Weighted average number of common shares outstanding	17,039	17,042
Basic/diluted earnings per share (b/c)	P286,870.69	P494,075.12

The Parent Company does not have dilutive common stock equivalents as of June 30, 2024 and 2023.

22. Related Party Transactions

Following are the amounts of transactions for six-month periods ended June 30, 2024 and 2023 and outstanding balances as of June 30, 2024 and December 31, 2023:

Related Party	Nature of Transaction	Terms	Transactions for the six-month period ended June 30		Balances	
			2024 (Unaudited)	2023	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Due to related parties						
First Gen	Interest-free advances	Unsecured and will be settled in cash	₱4,011,716	₱3,634,298	₱1,760,199	₱1,668,334
FGP Corp	Consultancy fee	- do -	46,445,882	46,445,882	-	-
					₱1,760,199	₱1,668,334
Dividends payable						
<i>Affiliate</i>						
Philippine Renewable Energy Holdings Corp.	Dividend	Unsecured and will be settled in cash	₱1,354,467,111	₱1,353,491,537	₱-	₱-
<i>Entities under common control</i>						
Red Vulcan	- do -	- do -	1,394,426,605	1,393,750,561	-	-
First Gen	- do -	- do -	21,727,849	21,845,190	-	-
North Terracotta Power Corp	- do -	- do -	21,727,849	21,725,242	-	-
					₱-	₱-
Due from related parties						
First GES	Other services	Unsecured and will be settled in cash	₱-	₱-	₱36,003,436	₱37,433,266
Thermaprime	Lease drilling	- do -	-	-	1,941,251	1,941,251
First Gen	Other services	- do -	5,315	-	1,209,051	2,334,646
					₱39,153,738	₱41,709,163
Trade and other receivables						
(Note 6)						
Rockwell Powerplant	Sale of electricity	Unsecured and will be settled in cash	₱182,354,737	₱153,474,978	₱45,691,882	₱40,827,619
First GES	- do -	- do -	546,838,333	493,318,287	34,754,413	85,859,472
PI Energy Inc.	- do -	- do -	108,681,005	60,671,177	11,822,048	6,036,973
Fresh River Lakes Corp.	- do -	- do -	-	-	1,353,115	-
					₱93,621,458	₱132,724,064
Trade and other payables						
(Note 12)						
<i>Entities under common control</i>						
First Balfour Inc.	Civil Works and other services	Unsecured and will be settled in cash	₱3,453,020,144	₱1,381,727,958	₱3,199,892,866	₱3,424,205,698
Thermaprime	Drilling and other related services	- do -	1,950,957,223	308,740,428	782,394,002	258,058,514
TG Services Inc	Purchase of services and utilities	- do -	65,821,186	51,508,881	69,323,294	44,353,649
First GES	- do -	- do -	236,275,579	200,096,555	48,440,097	105,673,610
Silverlink Security & Investigative Services, Inc.	- do -	- do -	68,194,284	60,105,189	40,320,793	37,503,119
Powerlink Security & Investigative Services, Inc.	- do -	- do -	30,197,366	26,292,697	36,715,029	33,455,682
InfoPro Business Solutions, Inc.	- do -	- do -	91,164,414	76,389,249	35,251,721	30,224,982
Fresh River Lakes Corp.	- do -	- do -	31,115,625	-	31,303,366	-
PI Energy Inc.	- do -	- do -	52,203,662	45,147,782	11,399,628	10,363,399
Therma One Transport Corp.	- do -	- do -	-	-	2,163,884	-
Skycable	- do -	- do -	1,191,515	1,408,450	1,449,658	1,115,371
First Philippine Realty Corporation	- do -	- do -	4,226,462	1,113,807	699,817	679,817
Adtel	- do -	- do -	-	-	598,214	957,776
First Philec Inc.	- do -	- do -	-	-	568,555	568,555
First Philippine Industrial Corporation	- do -	- do -	-	-	482,445	478,792

(Forward)

Related Party	Nature of Transaction	Terms	Transactions for the six-month period ended June 30		Balances	
			2024 (Unaudited)	2023	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
First Philec Manufacturing Technologies Corp.	- do -	- do -	P-	P-	P328,720	P328,720
Goldlink Security & Investigative Services, Inc.	- do -	- do -	-	478,816	77,512	77,512
Securities Transfer Services, Inc.	- do -	- do -	-	-	36,720	36,720
ABS-CBN Publishing, Inc.	- do -	- do -	-	-	3,600	3,600
Other related party						
PREHC Directors	Directors' Fee	- do -	776,000	12,657,423	-	-
					P4,261,449,921	P3,948,085,516
Lease Liability						
Entities under common control						
Rockwell Land Corporation	Lease	Unsecured and will be settled in cash	P-	P-	P164,781,855	P283,523,857
Thermaprime	- do -	- do -	-	-	1,720,741,222	-

The Group has not recognized any impairment loss on trade and other receivables relating to intercompany transactions as of June 30, 2024 and December 31, 2023.

23. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of cash and cash equivalents, trade receivables, financial assets at FVPL and FVOCI, derivative asset and liability, trade payables, long-term debts, and lease liabilities. The main purpose of these financial instruments is to finance the Group's operations and accordingly manage its exposure to financial risks. The Group has various other financial assets and liabilities such as short-term investments, other receivables, other payables and due to/from related parties, which arise directly from operations.

The Group classifies its financial instruments in the following categories.

	June 30, 2024 (Unaudited)				Total
	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	
<i>(In Thousand Pesos)</i>					
Financial Assets					
Cash and cash equivalents	P22,405,293	P-	P-	P-	P22,405,293
Trade receivables	7,529,115	-	-	-	7,529,115
Non-trade receivables	528,243	-	-	-	528,243
Deposits and special funds ¹	313,138	-	-	-	313,138
Loans and notes receivables	47,463	-	-	-	47,463
Advances to employees	50,864	-	-	-	50,864
Due from related parties	39,154	-	-	-	39,154
Short term investments	200,000	-	-	-	200,000
Long-term receivables	1,601,016	-	-	-	1,601,016
Financial assets at FVOCI:					
Debt investments	-	182,555	-	-	182,555
Equity investments	-	113,898	-	-	113,898
Financial assets at FVPL	-	-	63,863	-	63,863
Derivative assets	-	-	-	310,383	310,383
Total financial assets	P32,714,286	P296,453	P63,863	P310,383	P33,384,985

June 30, 2024 (Unaudited)

	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	Total
<i>(In Thousand Pesos)</i>					
Financial Liabilities					
Accounts payable ²	₱17,119,246	₱-	₱-	₱-	₱17,119,246
Accrued interest on long-term debts	757,734	-	-	-	757,734
Other payables ³	901,551	-	-	-	901,551
Due to related parties	1,760	-	-	-	1,760
Long-term debts	63,268,559	-	-	-	63,268,559
Lease liability	2,006,331	-	-	-	2,006,331
Customer deposits	65,601	-	-	-	65,601
Total financial liabilities	₱84,120,782	₱-	₱-	₱-	₱84,120,782

¹Includes current and non-current portion

²Excluding statutory liabilities

³Excluding non-financial liabilities

December 31, 2023 (Audited)

	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	Total
<i>(In Thousand Pesos)</i>					
Financial Assets					
Cash and cash equivalents	₱17,421,013	₱-	₱-	₱-	₱17,421,013
Trade receivables	5,906,130	-	-	-	5,906,130
Non-trade receivables	891,745	-	-	-	891,745
Deposits and special funds ¹	322,596	-	-	-	322,596
Loans and notes receivables	45,346	-	-	-	45,346
Advances to employees	43,339	-	-	-	43,339
Due from related parties	41,709	-	-	-	41,709
Short term investments	3,360,111	-	-	-	3,360,111
Long-term receivables	1,675,145	-	-	-	1,675,145
Financial assets at FVOCI:					
Debt investments	-	187,173	-	-	187,173
Equity investments	-	101,812	-	-	101,812
Financial assets at FVPL	-	-	17,746	-	17,746
Derivative assets	-	-	-	267,803	267,803
Total financial assets	₱29,707,134	₱288,985	₱17,746	₱267,803	₱30,281,668
Financial Liabilities					
Accounts payable ²	₱16,415,651	₱-	₱-	₱-	₱16,415,651
Accrued interest on long-term debts	624,810	-	-	-	624,810
Other payables ³	781,695	-	-	-	781,695
Due to related parties	1,668	-	-	-	1,668
Long-term debts	55,734,420	-	-	-	55,734,420
Lease liabilities	323,895	-	-	-	323,895
Customer deposits	154,621	-	-	-	154,621
Total financial liabilities	₱74,036,760	₱-	₱-	₱-	₱74,036,760

¹Includes current and non-current portion

²Excluding statutory liabilities to the Government

³Excluding non-financial liabilities

Financial Assets and Financial Liabilities

Set out below is a comparison of carrying amounts and fair values of the Group's financial instruments as of June 30, 2024 and December 31, 2023 other than those with carrying amounts that are reasonable approximations of fair values.

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Amortized cost:				
Long-term receivables	₱1,601,016,404	₱1,421,597,806	₱1,675,144,611	₱1,496,571,218
Deposits and special funds	313,138,267	312,503,795	322,595,577	320,267,648
	₱1,914,154,671	₱1,734,101,601	₱1,997,740,188	₱1,816,838,866
Financial Liabilities:				
Financial liabilities at amortized cost:				
Long-term debts	₱63,268,559,024	₱71,318,296,016	₱55,734,420,269	₱57,301,469,168
Lease liabilities	2,006,330,932	1,979,853,808	323,895,002	229,833,244
Customer deposits	65,600,594	58,249,035	154,621,477	138,138,552
	₱65,340,490,550	₱73,356,398,859	₱56,212,936,748	₱57,669,440,964

Due to their relatively short maturity, which ranging range from one to three months, the carrying amounts approximate the fair values for cash and cash equivalents, trade and other receivables, short-term investments, amounts due to related parties and trade and other payables.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are:

Long-term Receivables, Deposits and Special Funds, and Customer Deposits

The fair value of long-term receivables was computed by discounting the expected cash flow using the applicable rate of 6.12% and 5.80% as of June 30, 2024 and December 31, 2023, respectively.

Financial Assets at FVOCI

Fair values of quoted debt and equity securities are based on quoted market prices and other observable data.

Financial assets at Fair Value through Profit or Loss

The fair values of financial assets at fair value through profit or loss are based on quotations provided by the investment manager.

Derivatives designated as Cash Flow Hedges

The fair values of derivative instruments designated as cash flow hedges are based on quotations provided by the counterparty banks.

Long-term Debts

The fair values for the Group's long-term debts are estimated using the discounted cash flow methodology with the applicable rates ranging from 3.25% to 3.57% as of June 30, 2024 and 4.10% to 6.06% as of December 31, 2023.

Lease Liabilities

The fair values for the Group's lease liabilities are estimated using the discounted cash flow methodology with the applicable rates ranging from 6.86% to 7.61% as of June 30, 2024 and 6.50% to 6.99% as of December 31, 2023.

The following tables show the fair value information of financial instruments classified under loans and receivables, financial assets at FVPL, financial assets at FVOCI, and derivatives designated as cash flow hedges and analyzed by sources of inputs on fair valuation as follows:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

	June 30, 2024 (Unaudited)			
	Total	Level 1	Level 2	Level 3
Financial Assets				
Loans and receivables:				
Long-term receivables	₱1,421,597,806	₱–	₱–	₱1,421,597,806
Deposits and special funds	312,503,795	–	–	312,503,795
Financial assets at FVPL	63,862,936	63,862,936	–	–
Financial assets at FVOCI:				
Debt investments	182,555,440	182,555,440	–	–
Equity investments	113,897,943	6,047,943	107,850,000	–
Derivative assets designated as cash flow hedges	310,382,727	–	310,382,727	–
Financial Liabilities				
Financial liabilities at amortized cost:				
Long-term debts	71,318,296,016	14,761,480,055	–	56,556,815,961
Lease liabilities	1,979,853,808	–	–	1,979,853,808
Customer deposits	58,249,035	–	–	58,249,035
December 31, 2023 (Audited)				
	Total	Level 1	Level 2	Level 3
Financial Assets				
Loans and receivables:				
Long-term receivables	₱1,496,571,218	₱–	₱–	₱1,496,571,218
Deposits and special funds	320,267,648	–	–	320,267,648
Financial assets at FVPL	17,745,812	17,745,812	–	–
Financial assets at FVOCI:				
Debt investments	187,172,510	187,172,510	–	–
Equity investments	101,812,572	6,062,572	95,750,000	–
Derivative assets designated as cash flow hedges	267,803,283	–	267,803,283	–
Financial Liabilities				
Financial liabilities at amortized cost:				
Long-term debts	57,301,469,168	4,882,043,402	–	52,419,425,766
Lease liabilities	229,833,244	–	–	229,833,244
Customer deposits	138,138,552	–	–	138,138,552

For the six (6) months ended June 30, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Financial Risk Management Policy

The main financial risks arising from the Group's financial instruments are credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Group's policies for managing the aforementioned risks are summarized hereinafter below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its

operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

The Group trades with customers such as distribution utilities, electric cooperatives, industrial customers, contestable customers and government-owned-and-controlled corporations. Credit risk is controlled by the application of credit approval limit and monitoring procedures. It is the Group's policy to enter into credit-worthy parties to mitigate any significant concentration of credit risk. Trade receivables balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. The maximum exposure of trade receivable is equal to its carrying amount.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

June 30, 2024 (Unaudited)

	Trade receivables					Credit Impaired	Total
	Days past due						
	Current	<30 days	30-60 days	61-90 days	>90 days		
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	1.2%	100.0%	12.8%
Estimated total gross carrying amount at default (Note 6)	₱4,556,419	₱1,217,699	₱105,816	₱17,492	₱1,651,483	₱1,085,292	₱8,634,201
Expected credit loss	-	-	-	-	19,793	1,085,292	1,105,085

December 31, 2023 (Audited)

	Trade receivables					Credit Impaired	Total
	Days past due						
	Current	<30 days	30-60 days	61-90 days	>90 days		
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	2.0%	100.0%	14.9%
Estimated total gross carrying amount at default	₱3,953,076	₱873,352	₱55,077	₱56,731	₱987,687	₱1,012,370	₱6,938,293
Expected credit loss	-	-	-	-	19,793	1,012,370	1,032,163

Financial instruments and cash deposits

With respect to the credit risk arising from other financial assets of the Group, which comprise of cash and cash equivalents excluding cash on hand, financial asset at FVPL, short-term investments, other receivables, financial assets at FVOCI, and due from related party, 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. Credit risk from these instruments is mitigated by the short-term and/or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions and entities of high credit standing.

Credit Quality of Financial Assets

Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, the credit risk exposure is minimal. These counterparties normally include customers, banks and related parties who pay on or before due date. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, which have probability of impairment based on historical trend.

These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. As of June 30, 2024 and December 31, 2023, financial assets categorized as neither past due nor impaired are viewed by management as high grade, considering the collectability of the receivables and the credit history of the counterparties. Meanwhile, past due but not impaired financial assets are classified as standard grade.

Derivative Financial Instruments

The Group engages in derivative transactions, particularly foreign currency swaps, cross currency swaps, interest rate swaps and call spread swaps to manage its foreign currency risk and/or interest rate risk arising from its foreign-currency denominated loans. These derivatives are accounted for either as derivatives designated as accounting hedges or derivatives not designated as accounting hedges.

The table below shows the derivative financial instruments of the Group:

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Derivatives designated as accounting hedges				
Interest rate swaps	₱310,382,726	₱-	₱267,803,283	₱-
Total derivatives	₱310,382,726	₱-	₱267,803,283	₱-
Presented as:				
Current	₱48,439,007	₱-	₱34,333,755	₱-
Noncurrent	261,943,719	-	233,469,528	-
Total derivatives	₱310,382,726	₱-	₱267,803,283	₱-

Interest Rate Swap Contracts

In the last quarter of 2014, EBWPC entered into four (4) interest rate swaps (IRS) with aggregate notional amount of US\$150.0 million. This is to partially hedge the interest rate risks on its ECA and Commercial Debt Facility (Foreign Facility) that is benchmarked against US LIBOR and with flexible interest reset feature that allows EBWPC to select what interest reset frequency to apply (i.e., monthly, quarterly or semi-annually). As it is EBWPC's intention to reprice the interest rate on the Foreign facility semi-annually, EBWPC utilizes IRS with semi-annual interest payments and receipts. In the first quarter of 2016, EBWPC entered into three (3) IRS with aggregate notional amount of US\$30.0 million.

Under the IRS agreement, EBWPC will receive semi-annual interest of six (6)-month USD-LIBOR and will pay fixed interest. EBWPC designated the IRS as hedging instruments in cash flow hedge against the interest rate risks arising from the Foreign Facility.

As of June 30, 2024 and December 31, 2023, the outstanding aggregate notional amount of EBWPC's IRS amounted to US\$106.0 million.

The aggregate fair value losses on these IRS amounted to ₱16.4 million and gains of ₱3.6 million as of June 30, 2024 and December 31, 2023, respectively.

Fair Value Adjustments

The net movement of fair value changes made to “Fair value adjustments on hedging transactions” account for the Group’s cash flow hedges is as follows:

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of year	(P3,594,339)	P72,138,661
Changes in fair value	114,011,228	117,824,574
	110,416,889	189,963,235
<i>Transferred to consolidated statements of income</i>		
Interest expense	(87,312,737)	(168,479,285)
Balance before tax	23,104,152	21,483,950
Tax	(6,727,204)	(25,078,289)
Balance at end of year	P16,376,948	(P3,594,339)

Fair Value Changes of Derivatives

The table below summarizes the net movement in fair values of the Group’s derivatives as of June 30, 2024 and December 31, 2023.

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of year	P267,803,283	P370,676,037
Net changes in fair value of derivatives		
designated as accounting hedges	129,892,181	65,606,531
Fair value of settled instruments:		
Designated as accounting hedges	(87,312,737)	(168,479,285)
Balance at end of year	P310,382,727	P267,803,283
Presented as:		
Derivative assets	P310,382,727	P267,803,283
Derivative liabilities	-	-
	P310,382,727	P267,803,283

The effective portion of the changes in the fair value of the derivatives designated as accounting hedges were deferred in equity under “Fair Value Adjustment on Hedging Transactions” account.

Capital Management

The primary objective of the Group’s capital management is to ensure that it maintains a healthy capital ratio in order to comply with its financial loan covenants and support its business operations.

24. Other Matters

Seasonality or Cyclicalities of Interim Operations

For Wind Ilocos Norte Business Unit, higher revenue and operating profits are expected in the first and last quarter of the year due to stronger average wind speed. Solar power plants are expected to generate their highest revenue during summer months. For the rest of the entities, except for FG Hydro's sale of electricity coming from hydroelectric power/operations, seasonality or cyclicalities of interim operations is not applicable.

Issuances, Repurchases, and Repayments of Debt and Equity Securities

Except for the successful listing and full settlement of SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱10.0 billion and ₱2.5 billion, respectively, there are no issuances, repurchases and repayments of debt and equity securities during the current period.

Changes in Estimates and Amounts Reported in Prior Financial Years

The key assumptions concerning the future and other key sources of estimation uncertainty used in preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2023.

Changes in the Composition of the Group During the Interim Period

There are no material changes in the composition of the registrant during the period.

Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Reporting Date

There are no material changes in the contingent liabilities or contingent assets since the last annual reporting date.

Existence of Material Contingencies and Any Other Events or Transactions that are Material to an Understanding of the Current Interim Period

There are no material contingencies and any other events or transactions during the period.

Energy Development Corporation and Subsidiaries
Aging of Trade Receivables
As of June 30, 2024
In Million Pesos

	Amount
Trade receivables	
Neither past due nor impaired	4,556.4
Less than 30 days past due	1,217.7
31 days to 1 year past due	1,774.8
Credit impaired	1,085.3
Subtotal	8,634.2
Other receivables	656.2
Total receivables	9,290.4
Allowance for doubtful accounts	(1,134.7)
Trade and other receivables – net	8,155.7

Certified true and correct:



ERWIN O. AVANTE
Senior Vice President, Chief Financial Officer,
Treasurer and Compliance Officer
August 8, 2024
Date Signed