

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)

**September 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 **September 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
- Postal Code **1604**
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 as of September 30, 2024</u>
Common Stock, P1,000,000.00 par value	17,028,200,630
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 nine-month period ended September 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 nine-month period ended September 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](http://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 1,185.0 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 489.0 GWh of electricity sold by the Mindanao geothermal power plants were delivered mainly to NPC/PSALM, the WESM and other industrial customers.

The 231.7 GWh of electricity sold by the Nasulo geothermal power plant was delivered mainly to the WESM and to FGES.

A total of 2,119.8 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 1,356.3 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 150.1 GWh, and 6.6 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.”)

124.9 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”).

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

The 4.5 GWh of electricity sold by the Northern Negros geothermal power plant was delivered to the WESM as testing revenue.

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). After which, on March 27, 2024, DOE directed the reversion of the Reserve Market to Trial Operations. On 26 July 2024, ERC resolved to lift the suspension of the billing and settlement and on 5 August 2024, DOE directed the Market Operator to resume commercial operations of the Reserve Market.

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

### **Concessions**

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

#### **Geothermal Resource**

The Group is the holder of five (5) Geothermal Renewable Energy Service Contracts ("GRES-Cs") 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 September 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, which are expected to help provide grid stability and reliability through provision of ancillary services. These BESS projects are expected to be completed by the end of 2024.

## **FINANCIAL HIGHLIGHTS**

### **YTD September 2024 vs. YTD September 2023 Results**

During the period ended September 30, 2024, recurring net income attributable to equity holders of the Parent Company (“RNIA”) posted at ₱6,911.7 million, lower by 44.2% as compared to the ₱12,392.5 million RNIA for the same period in 2023.

The recurring net income (“RNI”) for the period ended September 30, 2024 decreased by 44.3% or ₱5,576.4 million to ₱7,002.1 million from the ₱12,578.5 million RNI posted during the same period in 2023. The decline was mainly from the increase in recurring operating expenses by ₱3,521.2 million, decrease in revenue by ₱2,186.5 million, and increase in net financial expense by ₱398.9 million, partly offset by the lower recurring provision for income tax by ₱695.1 million.

The net income of ₱7,024.1 million for the period ended September 30, 2024, a 42.1% or ₱5,104.4 million decline from the ₱12,128.5 million net income for the same period in 2023. The decrease was mainly due to the higher operating expenses by ₱3,122.9 million, lower revenue by ₱2,186.5 million, and higher net financial expense by ₱398.9 million, partly offset by the lower net provision for income tax by ₱664.9 million.

Net income is equivalent to 20.4% of total revenue for the period ended September 30, 2024 as compared to the 33.1% for the same period in 2023.

Net income attributable to equity holders of the Parent Company at ₱6,923.2 million for the period ended September 30, 2024 was a ₱5,011.7 million decrease from the ₱11,934.9 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 September 30, 2024 and 2023.

### STATEMENTS OF INCOME

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

(Amounts in PHP millions)	September 2024	September 2023	HORIZONTAL ANALYSIS		VERTICAL ANALYSIS	
			Favorable (Unfavorable) Variance		September 2024	September 2023
<b>REVENUE</b>						
Sale of electricity	34,421.9	36,608.4	(2,186.5)	-6.0%	100.0%	100.0%
<b>COSTS OF SALE OF ELECTRICITY</b>						
Costs of sale of electricity	(18,386.0)	(16,205.0)	(2,181.0)	13.5%	-53.4%	-44.3%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	(6,025.8)	(5,083.9)	(941.9)	18.5%	-17.5%	-13.9%
<b>FINANCIAL INCOME (EXPENSE)</b>						
Interest expense	(2,711.0)	(2,404.9)	(306.1)	12.7%	-7.9%	-6.6%
Interest income	501.5	594.3	(92.8)	-15.6%	1.5%	1.6%
	(2,209.5)	(1,810.6)	(398.9)	22.0%	-6.4%	-4.9%
<b>OTHER INCOME (CHARGES)</b>						
Foreign exchange gains (losses) - net	41.8	(30.4)	72.2	-237.5%	0.1%	-0.1%
Miscellaneous income (charges) - net	(51.7)	81.5	(133.2)	-163.4%	-0.2%	0.2%
	(9.9)	51.1	(61.0)	-119.4%	0.0%	0.1%
<b>INCOME BEFORE INCOME TAX</b>	7,790.7	13,560.0	(5,769.3)	-42.5%	22.6%	37.0%
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>						
Current	830.0	1,437.9	(607.9)	-42.3%	2.4%	3.9%
Deferred	(63.4)	(6.4)	(57.0)	890.6%	-0.2%	-
	766.6	1,431.5	(664.9)	-46.4%	2.2%	3.9%
<b>NET INCOME</b>	7,024.1	12,128.5	(5,104.4)	-42.1%	20.4%	33.1%
<b>Net income attributable to:</b>						
Equity holders of the Parent Company	6,923.2	11,934.9	(5,011.7)	-42.0%	20.1%	32.6%
Non-controlling interest	100.9	193.6	(92.7)	-47.9%	0.3%	0.5%
<b>EBITDA</b>	15,604.9	21,008.8	(5,403.9)	-25.7%	45.3%	57.4%
<b>RECURRING NET INCOME</b>	7,002.1	12,578.5	(5,576.4)	-44.3%	20.3%	34.4%
<b>Recurring net income attributable to:</b>						
Equity holders of the Parent Company	6,911.7	12,392.5	(5,480.8)	-44.2%	20.1%	33.9%
Non-controlling interest	90.4	186.0	(95.6)	-51.4%	0.3%	0.5%

#### YTD September 30, 2024 vs. YTD September 30, 2023

##### Revenue

Revenue decreased by 6.0% or P2,186.5 million to P34,421.9 million for the period ended September 30, 2024 from P36,608.4 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 13.5% or P2,181.0 million to P18,386.0 million for the period ended September 30, 2024 from P16,205.0 million for the same period in 2023 mainly due to the increase in purchased services and utilities by P1,293.3 million, rental, insurance and taxes by P783.4 million, repairs and maintenance by P162.0 million, and personnel costs by P96.4 million, partly offset by the decrease in depreciation and amortization by P141.7 million.

## **General and Administrative Expenses**

General and administrative expenses increased by 18.5% or ₱941.9 million to ₱6,025.8 million in the period ended September 30, 2024 from ₱5,083.9 million for the same period in 2023 mainly due to increase in purchased services and utilities by ₱438.8 million, personnel costs by ₱215.8 million, provisions for impairment of trade and other receivables, and prepaid taxes by ₱177.5 million, rental, insurance and taxes by ₱159.2 million, and business and related expenses by ₱79.8 million. These were partly offset by the decrease in impairment loss of property, plant and equipment, impairment of goodwill and provision for impairment of parts and supplies inventories by ₱147.4 million.

## **Financial Income (Expense)**

Net financial expense increased by 22.0% or ₱398.9 million to ₱2,209.5 million for the period ended September 30, 2024 from ₱1,810.6 million during the same period in 2023.

### ***Interest Expense***

Interest expense increased by 12.7% or ₱306.1 million to ₱2,711.0 million for the period ended September 30, 2024 from ₱2,404.9 million for the same period in 2023 mainly due to the increase in interest on long-term debts including amortization of transaction costs.

### ***Interest Income***

Interest income decreased by 15.6% or ₱92.8 million to ₱501.5 million for the period ended September 30, 2024 from ₱594.3 million for the same period in 2023 mainly from the lower interest income from money market placements.

## **Other Income (Charges)**

Other charges for the period ended September 30, 2024 amounted to ₱9.9 million, a 119.4% or ₱61.0 million turnaround from the ₱51.1 million other income during the same period in 2023.

### ***Foreign exchange gains (losses) - net***

Net foreign exchange gain for the period ended September 30, 2024 amounted to ₱41.8 million, a 237.5% or ₱72.2 million turnaround from the ₱30.4 million net foreign exchange loss during the same period in 2023. This was mainly due to the foreign currency denominated transactions, including accounts payables.

The comparative foreign exchange rates were as follows:

	PHP:US\$
December 31, 2022	55.755
September 30, 2023	56.575
December 31, 2023	55.370
September 30, 2024	56.030

### ***Miscellaneous income (charges) - net***

Net miscellaneous expense for the period ended September 30, 2024 amounted to ₱51.7 million, a 163.4% or ₱133.2 million turnaround from the ₱81.5 million net miscellaneous income during the same period in 2023. This was mainly due to the lower proceeds from insurance claims.

## **Provision for (Benefit from) Income Tax**

### ***Current***

Provision for current income tax decreased by 42.3% or ₱607.9 million to ₱830.0 million for the period ended September 30, 2024 from ₱1,437.9 million during the same period in 2023 mainly due to the lower taxable income.

### ***Deferred***

Benefit from deferred income tax increased by 890.6% or ₱57.0 million to ₱63.4 million for the period ended September 30, 2024 from ₱6.4 million during the same period in 2023. This was mainly due to the movement of foreign exchange rates and deferred tax asset on right-of-use assets.

## **Net Income**

As a result, the Group's net income declined by 42.1% or ₱5,104.4 million to ₱7,024.1 million for the period ended September 30, 2024 from the ₱12,128.5 million net income for the same period in 2023.

Net income is equivalent to 20.4% of total revenue for the period ended September 30, 2024 as compared to 33.1% for the same period in 2023.

## FINANCIAL CONDITION

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

### STATEMENT OF FINANCIAL POSITION

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

(Amounts in PHP millions)	HORIZONTAL ANALYSIS				VERTICAL ANALYSIS	
	September 2024	December 2023	Favorable (Unfavorable) Variance		September 2024	December 2023
			Amount	%		
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	14,386.2	17,421.0	(3,034.8)	-17.4%	7.8%	10.5%
Financial assets at fair value through profit or loss	64.7	17.7	47.0	265.5%	—	—
Trade and other receivables	6,117.3	6,886.6	(769.3)	-11.2%	3.3%	4.1%
Due from related parties	39.1	41.7	(2.6)	-6.2%	—	—
Parts and supplies inventories	11,993.5	8,492.0	3,501.5	41.2%	6.5%	5.1%
Derivative assets	32.3	34.3	(2.0)	-5.8%	—	—
Other current assets	5,145.3	6,141.8	(996.5)	-16.2%	2.8%	3.7%
<b>Total Current Assets</b>	<b>37,778.4</b>	<b>39,035.1</b>	<b>(1,256.7)</b>	<b>-3.2%</b>	<b>20.6%</b>	<b>23.5%</b>
Noncurrent Assets						
Property, plant and equipment	129,172.4	111,867.3	17,305.1	15.5%	70.3%	67.3%
Goodwill and intangible assets	3,358.4	3,424.9	(66.5)	-1.9%	1.8%	2.1%
Exploration and evaluation assets	2,485.1	2,151.0	334.1	15.5%	1.4%	1.3%
Deferred tax assets - net	945.2	875.5	69.7	8.0%	0.5%	0.5%
Financial assets at fair value through other comprehensive income	302.0	289.0	13.0	4.5%	0.2%	0.2%
Derivative assets	174.4	233.5	(59.1)	-25.3%	0.1%	0.1%
Other noncurrent assets	9,568.6	8,376.8	1,191.8	14.2%	5.2%	5.0%
<b>Total Noncurrent Assets</b>	<b>146,006.1</b>	<b>127,218.0</b>	<b>18,788.1</b>	<b>14.8%</b>	<b>79.4%</b>	<b>76.5%</b>
<b>TOTAL ASSETS</b>	<b>183,784.5</b>	<b>166,253.1</b>	<b>17,531.4</b>	<b>10.5%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
Current Liabilities						
Trade and other payables	20,852.0	20,483.8	368.2	1.8%	11.3%	12.3%
Due to related parties	2.7	1.7	1.0	58.8%	—	—
Income tax payable	716.4	218.9	497.5	227.3%	0.4%	0.1%
Current portion of:						
Long-term debts	8,128.5	8,964.6	(836.1)	-9.3%	4.4%	5.4%
Lease liability	688.2	166.3	521.9	313.8%	0.4%	0.1%
<b>Total Current Liabilities</b>	<b>30,387.8</b>	<b>29,835.3</b>	<b>552.5</b>	<b>1.9%</b>	<b>16.5%</b>	<b>17.9%</b>
Noncurrent Liabilities						
Long-term debts - net of current portion	56,339.4	46,769.8	9,569.6	20.5%	30.7%	28.1%
Long-term lease liability - net of current portion	3,193.4	157.6	3,035.8	1926.3%	1.7%	0.1%
Net retirement and other post-employment benefits	2,885.5	2,627.4	258.1	9.8%	1.6%	1.6%
Deferred tax liabilities - net	124.8	134.9	(10.1)	-7.5%	0.1%	0.1%
Provisions and other long-term liabilities	4,082.8	3,355.3	727.5	21.7%	2.2%	2.0%
<b>Total Noncurrent Liabilities</b>	<b>66,625.9</b>	<b>53,045.0</b>	<b>13,580.9</b>	<b>25.6%</b>	<b>36.3%</b>	<b>31.9%</b>
<b>TOTAL LIABILITIES</b>	<b>97,013.7</b>	<b>82,880.3</b>	<b>14,133.4</b>	<b>17.1%</b>	<b>52.8%</b>	<b>49.9%</b>
<b>EQUITY</b>						
Equity Attributable to Equity Holders of the Parent						
Preferred stock	93.8	93.8	—	—	0.1%	0.1%
Common stock	19,076.3	19,076.3	—	—	10.4%	11.5%
Treasury Stock	(14,831.1)	(14,730.7)	(100.4)	0.7%	-8.1%	-8.9%
Additional paid-in capital	8,715.1	8,715.1	—	—	4.7%	5.2%
Equity reserve	(3,706.4)	(3,706.4)	—	—	-2.0%	-2.2%
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	110.1	100.3	9.8	9.8%	0.1%	0.1%
Fair value adjustments on hedging transactions	(51.9)	(3.6)	(48.3)	1341.7%	—	—
Cumulative translation adjustment	1,700.9	1,593.0	107.9	6.8%	0.9%	1.0%
Retained earnings						
Unappropriated	36,898.9	26,051.1	10,847.8	41.6%	20.1%	15.7%
Appropriated	37,080.8	43,795.6	(6,714.8)	-15.3%	20.2%	26.3%
<b>Total Equity</b>	<b>85,086.5</b>	<b>80,984.5</b>	<b>4,102.0</b>	<b>5.1%</b>	<b>46.3%</b>	<b>48.7%</b>
Non-controlling interests	1,684.3	2,388.3	(704.0)	-29.5%	0.9%	1.4%
<b>Total Equity</b>	<b>86,770.8</b>	<b>83,372.8</b>	<b>3,398.0</b>	<b>4.1%</b>	<b>47.2%</b>	<b>50.1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>183,784.5</b>	<b>166,253.1</b>	<b>17,531.4</b>	<b>10.5%</b>	<b>100.0%</b>	<b>100.0%</b>

### **Cash and cash equivalents**

Cash and cash equivalents decreased by 17.4% or ₱3,034.8 million to ₱14,386.2 million as of September 30, 2024 from the ₱17,421.0 million balance as of December 31, 2023 mainly due to the ₱18,439.0 million acquisition of property, plant and equipment, ₱9,551.3 million payments for long-term debt and interest and other financing charges, ₱3,598.4 million payments for cash dividends, and increase in noncurrent assets by ₱1,248.5 million, partly offset by the ₱15,821.9 million loan proceeds, and ₱14,195.9 million net cash generated from operating activities.

### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss increased by 265.5% or ₱47.0 million to ₱64.7 million as of September 30, 2024 from the ₱17.7 million balance as of December 31, 2023 mainly due to the additional investments for the period.

### **Trade and other receivables**

Trade and other receivables decreased by 11.2% or ₱769.3 million to ₱6,117.3 million as of September 30, 2024 from the ₱6,886.6 million balance as of December 31, 2023 mainly due to the decrease in receivable from insurance claims and customers.

### **Due from related parties**

Due from related parties decreased by 6.2% or ₱2.6 million to ₱39.1 million as of September 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 41.2% or ₱3,501.5 million to ₱11,993.5 million as of September 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	September 30, 2024	December 31, 2023	Favorable (Unfavorable) Variance	
			Amount	%
Current	32.3	34.3	(2.0)	-5.8%
Noncurrent	174.4	233.5	(59.1)	-25.3%
	206.7	267.8	(61.1)	-22.8%

Derivative asset decreased by 22.8% or ₱61.1 million to ₱206.7 million as of September 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 16.2% or ₱996.5 million to ₱5,145.3 million as of September 30, 2024 from the ₱6,141.8 million balance as of December 31, 2023 mainly due to the lower short term investments by ₱3,160.1 million and current prepaid expenses by ₱261.3 million, partly offset by the increase in advances to contractors by ₱1,457.2 million and withholding tax certificates by ₱952.0 million.

### **Property, plant and equipment**

Property, plant and equipment increased by 15.5% or ₱17,305.1 million to ₱129,172.4 million as of September 30, 2024 from the ₱111,867.3 million balance as of December 31, 2023 mainly due to the ₱22,153.0 million additions and ₱509.5 million reclassifications and foreign exchange adjustments, partly offset by the ₱5,350.5 million depreciation and amortization.

### **Exploration and evaluation assets**

Exploration and evaluation assets increased by 15.5% or ₱334.1 million to ₱2,485.1 million as of September 30, 2024 from the ₱2,151.0 million balance as of December 31, 2023 mainly due to additions for the period.

### **Deferred tax assets - net**

Deferred tax assets increased by 8.0% or ₱69.7 million to ₱945.2 million as of September 30, 2024 from the ₱875.5 million balance as of December 31, 2023 mainly due to deferred tax related to unamortized pension costs and right-of-use assets.

### **Other noncurrent assets**

Other noncurrent assets increased by 14.2% or ₱1,191.8 million to ₱9,568.6 million as of September 30, 2024 from the ₱8,376.8 million balance as of December 31, 2023 mainly due to the increase in noncurrent prepaid taxes by ₱1,698.3 million, partly offset by the decrease in noncurrent advances to contractors by ₱271.0 million.

### **Trade and other payables**

Trade and other payables increased by 1.8% or ₱368.2 million to ₱20,852.0 million as of September 30, 2024 from the ₱20,483.8 million balance as of December 31, 2023 mainly due to the increase in accruals for the period ended September 30, 2024.

### **Due to related parties**

Due to related parties increased by 58.8% or ₱1.0 million to ₱2.7 million as of September 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 227.3% or ₱497.5 million to ₱716.4 million as of September 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	September 30, 2024	December 31, 2023	(Favorable) Unfavorable Variance	
			Amount	%
Current	8,128.5	8,964.6	(836.1)	-9.3%
Noncurrent	56,339.4	46,769.8	9,569.6	20.5%
	64,467.9	55,734.4	8,733.5	15.7%

Long-term debts increased by 15.7% or ₱8,733.5 million to ₱64,467.9 million as of September 30, 2024 from the ₱55,734.4 million balance as of December 31, 2023 mainly due to the ASEAN Green Bonds issuance and loan drawdowns during the period, partly offset by the principal payments.

### **Lease liability**

In PHP millions	September 30, 2024	December 31, 2023	(Favorable) Unfavorable Variance	
			Amount	%
Current	688.2	166.3	521.9	313.8%
Noncurrent	3,193.4	157.6	3,035.8	1,926.3%
	3,881.6	323.9	3,557.7	1,098.4%

Lease liability increased by 1,098.4% or ₱3,557.7 million to ₱3,881.6 million as of September 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.

### **Net retirement and other post-employment benefits**

Net retirement and other post-employment benefits increased by 9.8% or ₱258.1 million to ₱2,885.5 million as of September 30, 2024 from the ₱2,627.4 million balance as of December 31, 2023 mainly due to the retirement expense provision recognized during the period.

### **Deferred tax liabilities - net**

Deferred tax liabilities decreased by 7.5% or ₱10.1 million to ₱124.8 million as of September 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 21.7% or ₱727.5 million to ₱4,082.8 million as of September 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.

### **Net accumulated unrealized gain on financial assets at fair value through other comprehensive income**

Net accumulated unrealized gain on financial assets at fair value through other comprehensive income increased by 9.8% or ₱9.8 million to ₱110.1 million as of September 30, 2024 from the ₱100.3 million balance as of December 31, 2023 mainly due to the valuation adjustments for the period.

### **Fair value adjustments on hedging transactions**

Fair value adjustments on hedging transactions increased by 1,341.7% or ₱48.3 million to ₱51.9 million as of September 30, 2024 from the ₱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 41.6% or ₱10,847.8 million to ₱36,898.9 million as of September 30, 2024 from the ₱26,051.1 million balance as of December 31, 2023 mainly due to the ₱6,923.2 million net income attributable to the equity holders of the Parent Company and ₱6,714.8 million reversal of appropriation of retained earnings, partly offset by the declaration of cash dividends of ₱3,598.4 million.

#### *Appropriated*

Appropriated retained earnings decreased by 15.3% or ₱6,714.8 million to ₱37,080.7 million as of September 30, 2024 from the ₱43,795.6 million balance as of December 31, 2023 mainly due to the ₱6,714.8 million reversal of appropriation of retained earnings.

### **Non-controlling interests**

Non-controlling interests decreased by 29.5% or ₱704.0 million to ₱1,684.3 million as of September 30, 2024 from the ₱2,388.3 million balance as of December 31, 2023 due to the ₱804.9 million cash dividends from FG Hydro, partly offset by its share in net income for the period.

## **CAPITAL AND LIQUIDITY RESOURCES**

<b>As of September 30 (in millions of pesos)</b>	<b>2024</b>	<b>2023</b>	<b>YoY change</b>
Statement of Financial Position Data			
Total Assets	183,784.5	162,442.6	21,341.9
Total Liabilities	97,013.7	77,326.1	19,687.6
Total Stockholder's Equity	86,770.8	85,116.5	1,654.3

The Group's total assets as of September 30, 2024 amounted to ₱183,784.5 million, 13.1% higher as compared to the ₱162,442.6 million level as of September 30, 2023.

## CASH FLOW

### YTD September 30, 2024 vs. YTD September 30, 2023

Net cash flows from operating activities decreased by 10.6% or ₱1,679.9 million to ₱14,195.9 million for the period ended September 30, 2024 from the ₱15,875.8 million during the same period in 2023 mainly due to the:

- lower operating income before working capital changes by ₱5,381.3 million
- higher increase in parts and supplies inventories by ₱2,225.8 million
- lower decrease in trade and other receivables by ₱693.0 million

These were partly offset by the:

- decrease in other current assets for the period ended September 30, 2024 by ₱1,948.6 million, in comparison to increase in other current assets during the same period in 2023 by ₱4,083.7 million, resulting to a net variance of ₱6,032.3 million
- lower income taxes paid including creditable withholding taxes by ₱414.5 million

Net cash flows used in investing activities increased by 125.4% or ₱10,877.0 million to ₱19,547.6 million for the period ended September 30, 2024 from ₱8,670.6 million during the same period in 2023 mainly due to the higher net acquisition of property, plant and equipment by ₱9,914.1 million.

Net cash flows from financing activities increased by ₱5,954.1 million to net cash inflow of ₱2,343.6 million for the period ended September 30, 2024 from the net cash flow used in financing activities of ₱3,610.5 million during the same period in 2023. This was mainly due to the higher proceeds from loan availment by ₱6,980.7 million, partly offset by the higher cash dividends paid by ₱805.3 million.

## DISCUSSION ON THE SUBSIDIARIES

### Green Core Geothermal Inc. (GCGI)

(Amounts in PHP millions)	For the periods ended September 30 (Unaudited)	
	2024	2023
Revenue	14,546.8	14,030.1
Cost of sale of electricity	(12,474.3)	(11,421.5)
General and administrative income (expenses)	(714.1)	(454.7)
Other income (charges) - net	42.2	156.3
Income before income tax	1,400.6	2,310.2
Provision for income tax	(95.4)	(233.5)
Net income	1,305.2	2,076.7
	As of	
	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total current assets	5,046.2	4,613.8
Total noncurrent assets	13,233.0	13,327.2
Total current liabilities	5,669.8	6,608.2
Total noncurrent liabilities	132.7	161.3
Total equity	12,476.7	11,171.5

Revenue increased by 3.7% or ₱516.7 million, to ₱14,546.8 million for the period ended September 30, 2024 from ₱14,030.1 million for the same period in 2023 due to higher average sales price (₱1,383.2 million) offset by lower sales volume (₱866.5 million).

Cost of sale of electricity increased by 9.2 % or ₱1,052.8 million, to ₱12,474.3 million for the period ended September 30, 2024 from ₱11,421.5 million for the same period in 2023 mainly due to higher purchased services and utilities (₱904.8 million), higher cost of steam (₱241.5 million), higher depreciation (₱49.2 million) offset by lower replacement power cost (₱152.4 million).

General and administrative expenses increased by 57.0% or ₱259.4 million, to ₱714.1 million for the period ended September 30, 2024 from ₱454.7 million for the same period in 2023 mainly due to higher other non-cash provision (₱77.2 million), higher business and related expenses (₱76.2 million), higher rental, insurance and taxes (₱73.5 million) and higher purchased services and utilities (₱34.2 million).

Other income - net decreased by 73.0% or ₱114.1 million, to ₱42.2 million for the period ended September 30, 2024 from ₱156.3 million for the same period in 2023 mainly due to lower miscellaneous income (₱68.0 million), lower interest income (₱27.9 million), turnaround of foreign exchange loss this year from foreign exchange gain last year (₱18.0 million).

Provision for income tax decreased by 59.1% or ₱138.1 million, to ₱95.4 million for the period ended September 30, 2024 from ₱233.5 million for the same period in 2023 on account of lower taxable income.

Total current assets increased by 9.4% or ₱432.4 million, to ₱5,046.2 million as of September 30, 2024 from ₱4,613.8 million as of December 31, 2023 mainly due to higher trade and other receivables (₱245.5 million), higher parts and supplies inventories (₱148.9 million), and higher other current assets (₱41.0 million).

Total noncurrent assets decreased by 0.7% or ₱94.2 million, to ₱13,233.0 million as of September 30, 2024 from ₱13,327.2 million as of December 31, 2023 mainly due to lower property, plant and equipment (₱272.4 million), offset by higher other noncurrent assets (₱171.6 million), and higher deferred tax assets (₱7.2 million).

Total current liabilities decreased by 14.2% or ₱938.4 million, to ₱5,669.8 million as of September 30, 2024 from ₱6,608.2 million as of December 31, 2023, mainly due to lower trade and other payables (₱1,041.0 million) offset by higher income tax payable (₱102.6 million).

Total noncurrent liabilities decreased by 17.7% or ₱28.6 million, to ₱132.7 million as of September 30, 2024 from ₱161.3 million as of December 31, 2023 mainly due to lower other noncurrent liabilities (₱36.3 million) offset by higher net retirement and other post-retirement benefits (₱9.2 million).

Total equity increased by 11.7% or ₱1,305.2 million, to ₱12,476.7 million as of September 30, 2024 from ₱11,171.5 million as of December 31, 2023, due to this year's net income (₱1,305.2 million).

### **Bac-Man Geothermal Inc. (BGI)**

<b>(Amounts in PHP millions)</b>	<b>For the periods ended September 30 (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Revenue	8,198.7	7,542.2
Cost of sale of electricity	(6,634.9)	(6,098.1)
General and administrative income (expenses)	(386.3)	638.9
Other income (charges) - net	94.3	84.9
Income before income tax	1,271.8	2,167.9
Provision for income tax	(133.5)	(228.3)
Net income	1,138.3	1,939.6
	<b>As of</b>	
	<b>September 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Total current assets	5,623.9	6,889.3
Total noncurrent Assets	13,041.1	10,879.7
Total current liabilities	2,368.4	3,321.7
Total noncurrent liabilities	1,320.0	928.0
Total equity	14,976.6	13,519.3

Revenue increased by 8.7% or ₱656.5 million to ₱8,198.7 million for the period ended September 30, 2024 from ₱7,542.2 million for the same period in 2023. The favorable variance was due to increase in average price (₱274.3 million) and higher sales volume (₱382.2 million).

Cost of sale of electricity increased by 8.8% or ₱536.8 million to ₱6,634.9 million for the period ended September 30, 2024 from ₱6,098.1 million for the same period in 2023. The increase was primarily attributed to higher purchased services and utilities (₱572.7 million) caused by higher subsidized line rental, and higher replacement power cost partly offset by lower RES/GEOP lower distribution and transmission cost. Further, cost of sale of electricity increased due to higher steam purchase (₱23.8 million), higher rental, insurance, and taxes (₱21.2 million), higher personnel costs (₱5.3 million), and higher parts and supplies issued (₱5.2 million), partly offset lower depreciation and amortization (₱92.1 million).

General and administrative income (expense) turnaround by 160.5% or ₱1,025.2 million to ₱386.3 million general and administrative expense for the period ended September 30, 2024 from the general and administrative income of ₱638.9 million for the same period in 2023. This was mainly due to the turnaround of the provision for doubtful account by ₱924.2 million to ₱68.3 million expense from the net reversal of ₱855.9 million. General and administrative expense also increased from higher rental, insurance and taxes (₱71.1 million), business and related expenses (₱24.1 million), and purchased services and utilities (₱14.1 million), partly offset by lower personnel costs (₱7.0 million).

Other income - net increased by 11.1% or ₱9.4 million to ₱94.3 million for the period ended September 30, 2024 from ₱84.9 million for the same period in 2023. The favorable variance was mainly contributed by the increase in interest income by ₱40.4 million, this period's foreign exchange gain of ₱36.8 million versus foreign exchange loss of ₱16.2 million for the same period in 2023. These were partly offset by the miscellaneous expense of ₱39.7 million for the period ended September 30, 2024 versus miscellaneous income of ₱44.3 million for the same period in 2023.

Total current assets decreased by 18.4% or ₱1,265.4 million to ₱5,623.9 million as of September 30, 2024 from ₱6,889.3 million as of December 31, 2023. The decrease was attributed to the lower cash and cash equivalents (₱1,212.8 million), decrease of other current assets particularly on short-term investment (₱135.4 million), and decrease of due from related parties (₱18.2 million), partially offset by increase of trade and other receivable (₱79.7 million), and increase of parts and supplies inventories (₱21.3 million).

Total noncurrent assets increased by 19.9% or ₱2,161.4 million to ₱13,041.1 million as of September 30, 2024 from ₱10,879.7 million as of December 31, 2023. The increase was attributed to additional capital expenditures (₱2,297.0 million) and increase of other non-current assets (₱67.4 million), reduced by this period's depreciation of plant, property and equipment (₱199.0 million) and decrease of deferred tax assets (₱4.0 million).

Total current liabilities decreased by 28.7% or ₱953.3 million to ₱2,368.4 million as of September 30, 2024 from ₱3,321.7 million as of December 31, 2023. The decrease was attributed to the decrease of trade and other payables (₱1,082.8 million), partially offset by increase of income tax payable (₱129.5 million).

Total noncurrent liabilities increased by 42.2% or ₱392.0 million to ₱1,320.0 million as of September 30, 2024 from ₱928.0 million as of December 31, 2023. The increase was mainly contributed by the increase of other long-term liabilities (₱384.8 million).

Total equity increased by 10.8% or ₱1,457.3 million to ₱14,976.6 million as of September 30, 2024 from ₱13,519.3 million as of December 31, 2023, due to this year's net income (₱1,138.3 million) and increase in additional paid-in capital (₱315.8 million).

**EDC Burgos Wind Power Corporation (EBWPC)**

<b>(Amounts in USD millions)</b>	<b>For the periods ended September 30 (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Revenue	26.1	42.5
Costs of sale of electricity	(19.9)	(20.2)
General and administrative expenses	(2.2)	(1.9)
Other charges - net	(6.3)	(7.1)
Income before income tax	(2.3)	13.3
Provision for income tax	(0.6)	(2.0)
Net income	(2.9)	11.3
	<b>As of</b>	
	<b>September 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Total current assets	34.4	33.5
Total noncurrent assets	264.4	278.6
Total current liabilities	33.9	33.0
Total noncurrent liabilities	119.4	129.9
Total equity	145.5	149.2

Revenue decreased by 38.6% or US\$16.4 million to US\$26.1 million for the period ended September 30, 2024, from US\$42.5 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 and weak Southwest Monsoon.

Costs of sale of electricity decreased by 1.5% or US\$0.3 million to US\$19.9 million for the period ended September 30, 2024, from US\$20.2 million for the same period in 2023 mainly due to the lower purchased services and utilities (US\$0.2 million), rental, insurance and taxes (US\$0.2 million), government share (US\$0.2 million), partly offset by higher repairs and maintenance (US\$0.3 million).

General and administrative expenses increased by 15.8% or US\$0.3 million to US\$2.2 million for the period ended September 30, 2024, from US\$1.9 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 11.3% or US\$0.8 million to US\$6.3 million for the period ended September 30, 2024 from US\$7.1 million for the same period in 2023 mainly due to the lower net finance charges (US\$0.7 million).

Total current assets increased by 2.7% or US\$0.9 million to US\$34.4 million as of September 30, 2024 from US\$33.5 million as of December 31, 2023 mainly due to the increase in cash and cash equivalents (US\$12.7 million), and other current assets (US\$0.6 million), partly offset by the decrease in trade and other receivables (US\$12.4 million).

Total noncurrent assets decreased by 5.1% or US\$14.2 million to US\$264.4 million as of September 30, 2024, from US\$278.6 million as of December 31, 2023 mainly due to the net decrease in the book value of property, plant and equipment (US\$11.7 million), other noncurrent assets (US\$1.5 million), and noncurrent derivative assets (US\$1.1 million).

Total current liabilities increased by 2.7% or US\$0.9 million to US\$33.9 million as of September 30, 2024 from US\$33.0 million as of December 31, 2023 mainly due to the increase in trade and other payables (US\$1.3 million), and current portion of long-term debts (US\$0.2 million), partly offset by decrease in income tax payable (US\$0.7 million),

Total noncurrent liabilities decreased by 8.1% or US\$10.5 million to US\$119.4 million as of September 30, 2024 from US\$129.9 million as of December 31, 2023 mainly due to the decrease of long-term debt (US\$10.4 million).

Total equity decreased by 2.5% or US\$3.7 million to US\$145.5 million as of September 30, 2024, from US\$149.2 million as of December 31, 2023, mainly due to the net loss during the year (US\$2.9 million) and increase in cumulative translation adjustments (US\$0.8 million).

**Unified Leyte Geothermal Energy Inc. (ULGEI)**

<b>(Amounts in PHP millions)</b>	<b>For the periods ended September 30 (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Revenue	4.9	–
General and administrative expenses	(1.2)	(0.9)
Income (loss) before income tax	3.7	(0.9)
Net income (loss)	3.7	(0.9)
	<b>As of</b>	
	<b>September 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
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 September 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 33.3% or ₱0.3 million to ₱1.2 million for the period ended September 30, 2024 from ₱0.9 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 September 30, 2024 from ₱54.2 million as of December 31, 2023, mainly due to the increase in cash and cash equivalents (₱3.9 million).

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

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

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

**FG Hydro Power Corporation (FG Hydro)**

<b>(Amounts in PHP millions)</b>	<b>For the periods ended September 30 (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Revenue	1,154.8	1,788.1
Costs of sale of electricity	(764.7)	(1,056.7)
General and administrative expenses	(273.2)	(287.9)
Operating income	116.9	443.5
Net income	252.4	495.1
	<b>As of</b>	
	<b>September 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Total assets	4,388.2	6,244.1
Total liabilities	113.9	210.0
Total equity	4,274.3	6,034.1

Revenue decreased by 35.4% or ₱633.3 million to ₱1,154.8 million for the period ended September 30, 2024 from ₱1,788.1 million for the same period in 2023. The decrease was primarily due to lower generation on account of lower irrigation diversion requirement (“IDR”) from the National Irrigation Administration (“NIA”) coupled by lower average sales price. This was offset by an increase in ancillary service prices in the Reserve Market which commenced in January 2024.

Cost of sale of electricity decreased by 27.6% or ₱292.0 million to ₱764.7 million for the period ended September 30, 2024 from ₱1,056.7 million for the same period in 2023. The decrease was mainly due to the lower replacement power purchases from WESM, supplemented by lower depreciation due to the extension of the remaining useful life of some major assets of the plant.

General and administrative expenses also decreased by 5.1% or ₱14.7 million to ₱273.2 for the period ended September 30, 2024 from ₱287.9 million for the same period in 2023, mainly on account of lower taxes and licenses, offset by higher manpower and other services.

Net income was ₱252.4 million for the period ended September 30, 2024, lower by 49.0% or ₱242.7 million compared to ₱495.1 million for the same period in 2023 mainly due to lower operating income, partially offset by higher interest income and other income from WESM passed-through charges.

Total assets as of September 30, 2024 stood at ₱4,388.2 million, ₱1,855.9 million or 29.7% lower than the December 31, 2023 level of ₱6,244.1 million. The unfavorable variance was mainly on account of decrease in cash balance following the declaration of cash dividends to common shareholders in September 2024.

As of September 30, 2024, total liabilities stood at ₱113.9 million, ₱96.1 million or 45.8% 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 September 30, 2024 declined to ₱4,274.3 million, ₱1,759.8 million or 29.2% lower than the December 31, 2023 level of ₱6,034.1 million mainly from the declaration of cash dividends to common shareholders, offset by the net income earned during the period.

**EDC Siklab Power Corporation (EDC Siklab)**

<b>(Amounts in PHP millions)</b>	<b>For the periods ended September 30 (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Revenue	29.4	21.6
Costs of sale of electricity	(14.3)	(12.3)
General and administrative expenses	(7.2)	(5.2)
Other income – net	0.1	0.1
Income before income tax	8.0	4.2
Provision for income tax	(2.5)	(0.9)
Net income	5.5	3.3
	<b>As of</b>	
	<b>September 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Total current assets	124.3	100.7
Total noncurrent assets	246.8	256.8
Total current liabilities	12.4	4.3
Total equity	358.7	353.2

Revenue increased by 36.1% or ₱7.8 million to ₱29.4 million for the period ended September 30, 2024 from ₱21.6 million for the same period in 2023 due to higher sales volume.

Cost of sales increased by 16.3% or ₱2.0 million to ₱14.3 million for the period ended September 30, 2024 from ₱12.3 million for the same period in 2023 due to higher purchased services and utilities (₱2.3 million) and this year's business and related expenses (₱0.2 million) partly offset by repairs and maintenance (₱0.5 million).

General and administrative expenses increased by 38.5% or ₱2.0 million to ₱7.2 million for the period ended September 30, 2024 from ₱5.2 million for the same period in 2023 due to this year's provision for doubtful accounts (₱1.6 million) and higher business and related expenses (₱0.3 million).

Net income increased by 66.7% or ₱2.2 million to ₱5.5 million for the period ended September 30, 2024 from ₱3.3 million for the same period in 2023.

Total current assets increased by 23.4% or ₱23.6 million to ₱124.3 million as of September 30, 2024 from ₱100.7 million as of December 31, 2023 due to higher cash and cash equivalents (₱22.7 million), and trade and other receivables (₱1.1 million).

Total noncurrent assets decreased by 3.9% or ₱10.0 million to ₱246.8 million as of September 30, 2024 from ₱256.8 million as December 31, 2023 due to lower property, plant and equipment (₱7.7 million) and other non-current assets (₱2.3 million).

Total current liabilities increased by 188.4% or ₱8.1 million to ₱12.4 million as of September 30, 2024 from ₱4.3 million as December 31, 2023 due to higher trade and other payables (₱6.0 million) and this period's income tax payable (₱2.1 million).

Total equity increased by 1.6% or ₱5.5 million to ₱358.7 million as of September 30, 2024, from ₱353.2 million as of December 31, 2023 due to this period's net income (₱5.5 million).

## KEY PERFORMANCE INDICATORS

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

	September 30, 2024	September 30, 2023
Current Ratio	1.24	1.71
Debt-to-Equity Ratio	0.74	0.64
Net Debt-to-Equity Ratio	0.58	0.40
Return on Assets (%)	5.36	10.17
Return on Equity (%)	10.81	19.80
Solvency Ratio	0.20	0.32
Interest Rate Coverage Ratio	3.89	6.59
Asset-to-Equity Ratio	2.12	1.91

**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 ₱2,798.1 million in long-term US dollar denominated loans as of September 30, 2024 which is 4.3% of the Group's total long-term loans.

EBWPC, a subsidiary of EDC, which has a US dollar functional currency, has ₱2,668.8 million in long-term Philippine peso denominated loans as of September 30, 2024 which is 4.1% 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 September 30, 2024, the Group has unserved purchase orders and awarded contracts for capital expenditures amounting to ₱1,480.7 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.**

On October 23, 2024, EBWPC partially unwind its IRS contracts with Norddeutsche Landesbank Girozentrale, Australia and New Zealand Banking Group Ltd., and ING Bank N.V.

On November 7, 2024, EDC drew ₪3.0 billion from a new term loan facility signed with BDO last October 17, 2024.

## 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 ₱146,809.79 per share and ₱293.5 million or ₱31,306.67 per share, respectively, in favor of holders of record as of July 15, 2024. Cash dividends were paid on or before July 31, 2024.

On August 7, 2024, the Board of FG Hydro, a 60%-owned subsidiary of EDC, approved the declaration of cash dividend amounting to ₱804.9 million to its non-controlling common stockholder. Cash dividends were paid on September 13, 2024.

### Major Stockholders

As of September 30, 2024, the total number of stockholders was 343. Public float level was at 0.11% (or 18.200630 common shares).

### **List of Top 20 Stockholders as of September 30, 2024**

Rank	Name	Nationality	Number of Shares			Percentage
			Preferred	Common	Total	
1	Red Vulcan Holdings Corporation	Filipino	9,375	7,494	16,869	63.890%
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	Jerome H. Cainglet	Filipino	-	1.000001	1.000001	0.004%
10	Manuel I. Ayala	Filipino	-	1.000001	1.000001	0.004%
11	Richard B. Tantoco	Filipino	-	1.000001	1.000001	0.004%
12	Teresa Grace Socorro G. Lara	Filipino	-	1.000001	1.000001	0.004%
13	Federico R. Lopez	Filipino	-	1.000001	1.000001	0.004%
14	Francis Giles B. Puno	Filipino	-	1.000000	1.000000	0.004%
15	Jonathan C. Russell	British	-	1.000000	1.000000	0.004%
16	Sebastian C. Quiniones, Jr.	Filipino	-	1.000000	1.000000	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 September 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 September 30, 2024, the officers of EDC are as follows:

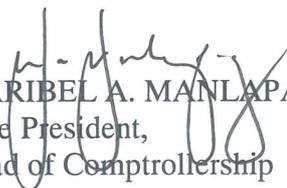
Name	Position
Federico R. Lopez	Chairman of the Board and Chief Strategy Officer
Francis Giles B. Puno	Vice Chairman and Chief Executive Officer
Jerome H. Cainglet	President and Chief Operating Officer
Victor Emmanuel B. Santos, Jr.	Executive Vice President
Erwin O. Avante	Senior Vice President, Chief 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 Subsurface
Ryan Z. Velasco	Vice President, Corporate Information Officer and Head of Corporate Strategy and Planning
Ma. Cecilia R. Batalla	Vice President
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**

  
MARIBEL A. MANLAPAZ  
Vice President,  
Head of Comptrollership

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

November 11, 2024

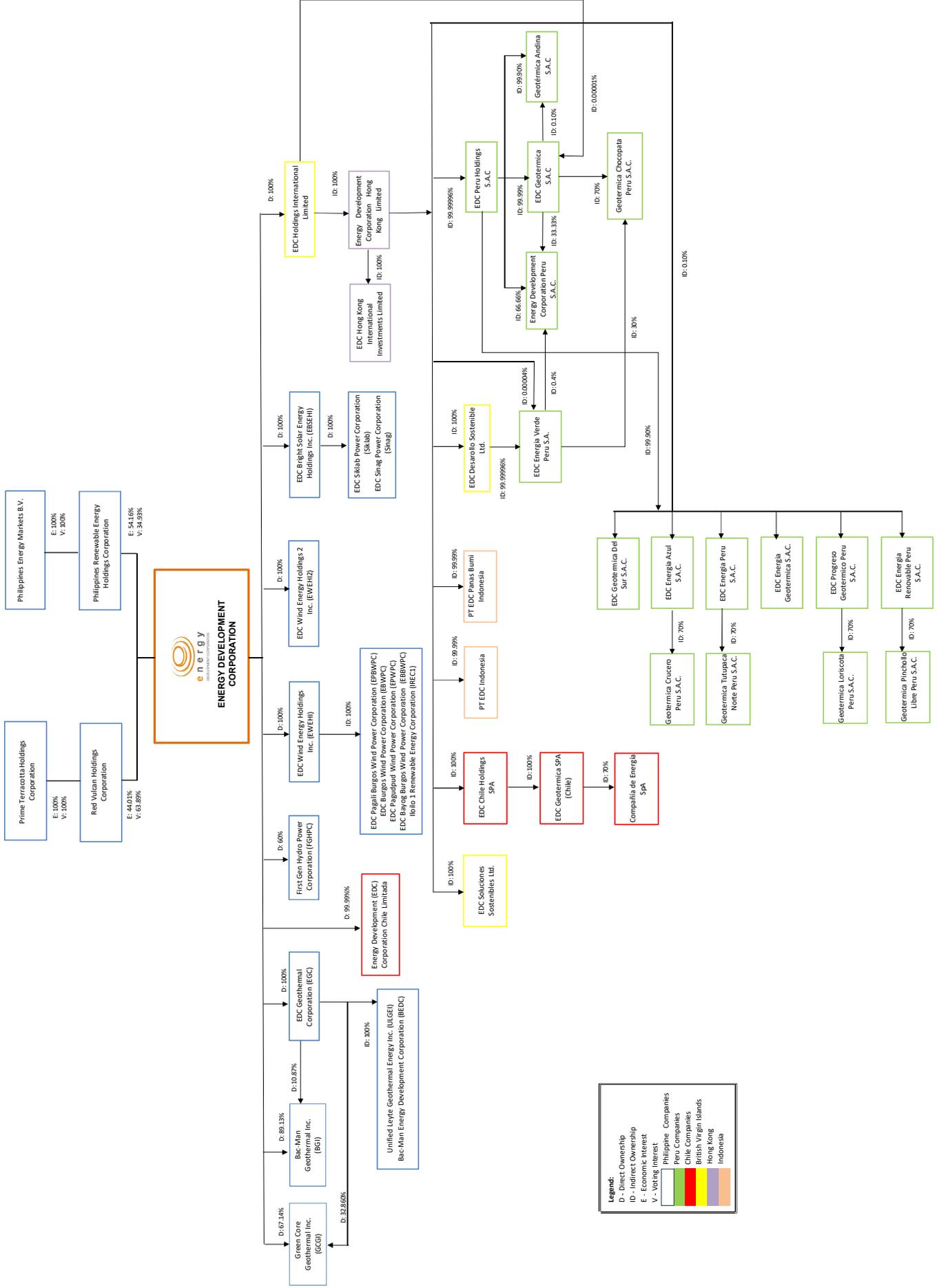
## SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

### Energy Development Corporation and Subsidiaries

<b>Ratio</b>	<b>Formula</b>	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Current ratio	Dividing total current assets over total current liabilities	1.24	1.71
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.20	0.32
Debt-to-equity ratio	Dividing total interest-bearing debts over stockholders' equity	0.74	0.64
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	2.12	1.91
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	3.89	6.59
Net debt-to-equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.58	0.40
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	10.81%	19.80%
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	5.36%	10.17%

# Ownership Structure of Energy Development Corporation

(As of September 30, 2024)

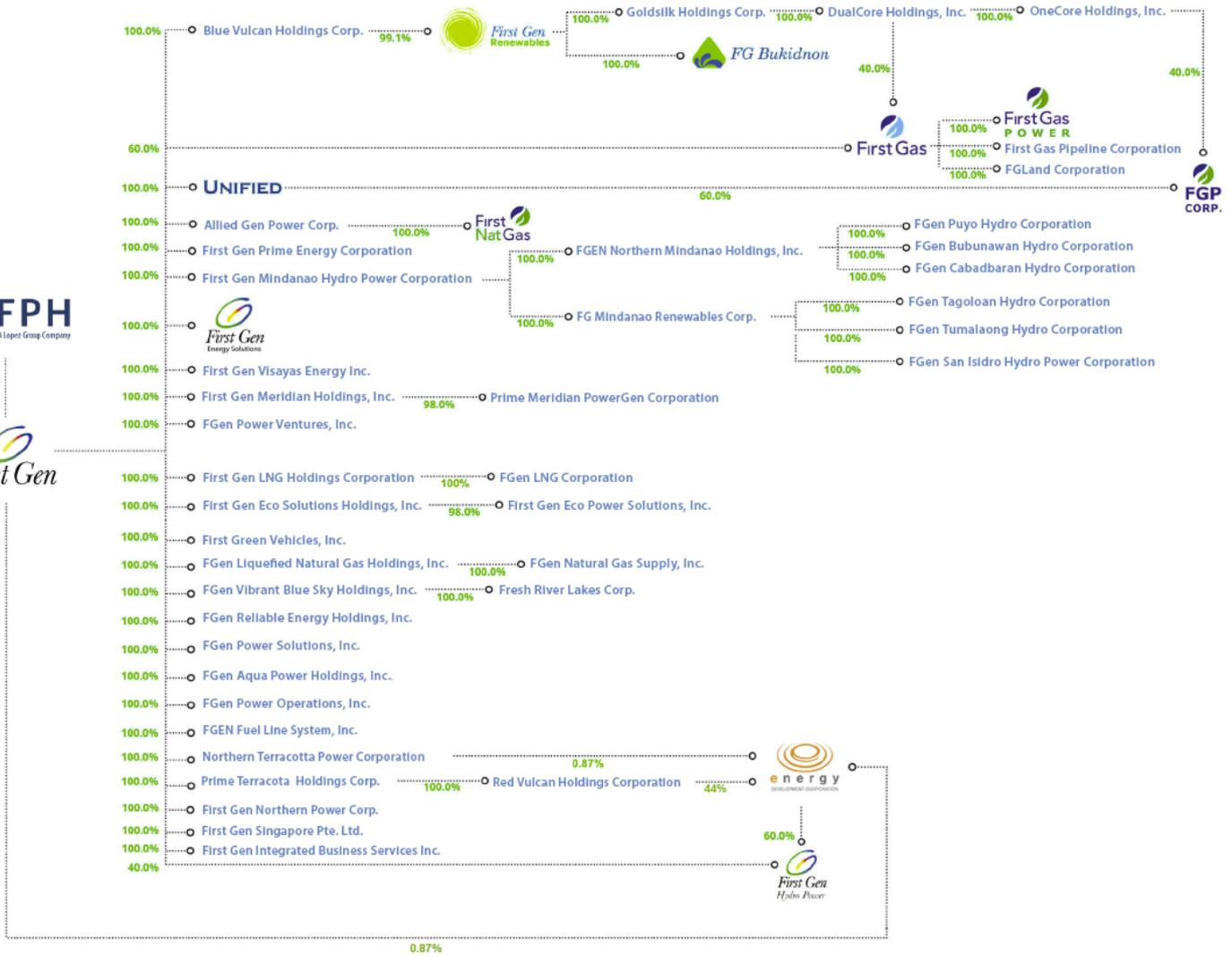


**Legend:**

- D - Direct Ownership
- ID - Indirect Ownership
- E - Economic Interest
- V - Voting Interest

**Color Key:**

- Green: Philippines Companies
- Red: Peru Companies
- Yellow: Chile Companies
- Orange: British Virgin Islands
- Blue: Hong Kong
- Light Blue: Indonesia



**Legend:**



- First Philippine Holdings Corporation



- First Gen Corporation



- First Gas Holdings Corporation



- First Gas Power Corporation



- Unified Holdings Corporation



- FGP Corp.



- First NatGas Power Corp.



- First Gen Energy Solutions Inc.



- First Gen Renewables Inc.



- FG Bukidnon Power Corporation



- Energy Development Corporation

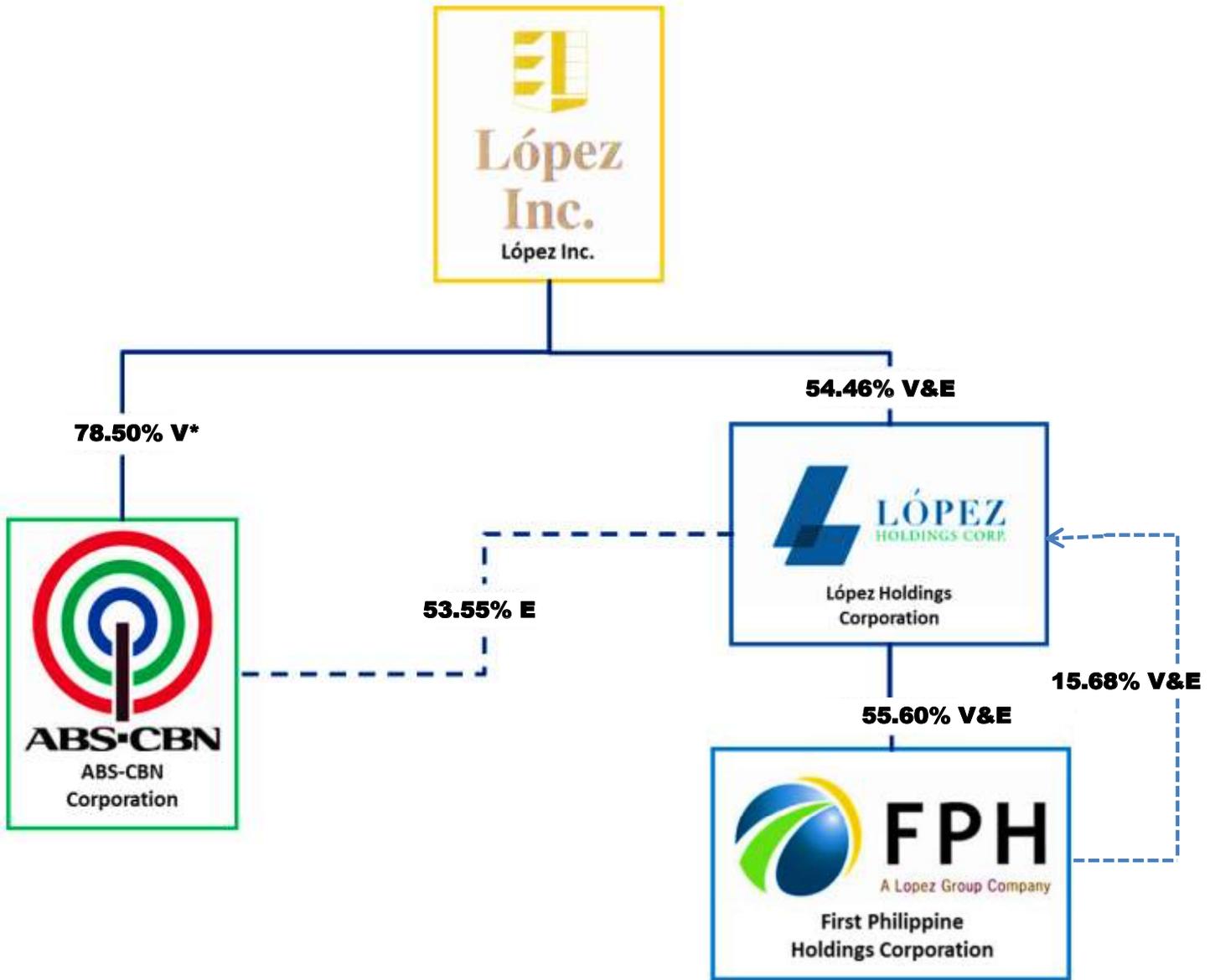


- First Gen Hydro Power Corporation

\*Corporate Structure as of September 30, 2024



**LOPEZ HOLDINGS CORPORATION AND SUBSIDIARIES  
MAP OF RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP  
SEPTEMBER 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  
September 30, 2024  
(With Comparative Audited Figures as of  
December 31, 2023)  
and For the Nine-Month Periods Ended  
September 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 September 30, 2024**

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

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 5 and 23)	<b>₱14,386,208,021</b>	₱17,421,012,635
Financial assets at fair value through profit or loss (Note 23)	<b>64,748,600</b>	17,745,812
Trade and other receivables (Notes 6 and 23)	<b>6,117,335,205</b>	6,886,560,258
Due from related parties (Notes 22 and 23)	<b>39,148,422</b>	41,709,163
Parts and supplies inventories (Note 7)	<b>11,993,458,766</b>	8,491,951,068
Derivative assets (Note 23)	<b>32,252,754</b>	34,333,755
Other current assets (Note 8)	<b>5,145,231,456</b>	6,141,840,185
Total Current Assets	<b>37,778,383,224</b>	39,035,152,876
<b>Noncurrent Assets</b>		
Property, plant and equipment (Note 9)	<b>129,172,440,477</b>	111,867,342,302
Goodwill and intangible assets (Note 10)	<b>3,358,390,512</b>	3,424,863,960
Exploration and evaluation assets	<b>2,485,065,052</b>	2,150,964,593
Deferred tax assets - net	<b>945,158,935</b>	875,533,081
Derivative assets - net of current portion (Note 23)	<b>174,413,287</b>	233,469,528
Financial assets at fair value through other comprehensive income (Note 23)	<b>302,012,742</b>	288,985,082
Other noncurrent assets (Notes 11 and 23)	<b>9,568,629,405</b>	8,376,824,110
Total Noncurrent Assets	<b>146,006,110,410</b>	127,217,982,656
<b>TOTAL ASSETS</b>	<b>₱183,784,493,634</b>	₱166,253,135,532

**LIABILITIES AND EQUITY**

**Current Liabilities**

Trade and other payables (Notes 12 and 23)	<b>₱20,852,057,659</b>	₱20,483,824,584
Due to related parties (Notes 22 and 23)	<b>2,713,968</b>	1,668,334
Income tax payable	<b>716,401,847</b>	218,892,879
Current portion of:		
Long-term debts (Notes 13 and 23)	<b>8,128,458,404</b>	8,964,648,449
Lease liability (Note 23)	<b>688,191,794</b>	166,254,090
Total Current Liabilities	<b>30,387,823,672</b>	29,835,288,336

*(Forward)*

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Noncurrent Liabilities</b>		
Long-term debts - net of current portion (Notes 13 and 23)	P56,339,429,274	P46,769,771,820
Long term lease liability - net of current portion (Note 23)	3,193,396,125	157,640,912
Net retirement and other post-employment benefits	2,885,544,403	2,627,411,359
Deferred tax liabilities - net	124,775,621	134,863,515
Provisions and other long-term liabilities	4,082,755,305	3,355,342,655
Total Noncurrent Liabilities	66,625,900,728	53,045,030,261
Total Liabilities	97,013,724,400	82,880,318,597
<b>Equity</b>		
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	(14,831,083,922)	(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	110,170,812	100,286,395
Fair value adjustments on hedging transactions (Note 23)	(51,884,238)	(3,594,339)
Cumulative translation adjustments	1,700,893,147	1,593,080,261
Retained earnings:		
Unappropriated	36,898,864,736	26,051,220,323
Appropriated	37,080,813,288	43,795,570,045
	85,086,451,055	80,984,493,936
Non-controlling interests	1,684,318,179	2,388,322,999
Total Equity	86,770,769,234	83,372,816,935
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P183,784,493,634</b>	<b>P166,253,135,532</b>

*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		Nine-Month Periods Ended	
	September 30		September 30	
	2024	2023	2024	2023
<b>REVENUE FROM SALE OF ELECTRICITY</b>	<b>₱11,193,539,495</b>	<b>₱10,851,251,876</b>	<b>₱34,421,911,464</b>	<b>₱36,608,398,824</b>
<b>COSTS OF SALE OF ELECTRICITY</b> (Note 14)	<b>(6,723,467,838)</b>	<b>(5,010,254,395)</b>	<b>(18,386,027,732)</b>	<b>(16,204,981,254)</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 15)	<b>(1,908,714,561)</b>	<b>(1,691,252,965)</b>	<b>(6,025,803,079)</b>	<b>(5,083,927,485)</b>
<b>FINANCIAL INCOME (EXPENSES)</b>				
Interest expense (Notes 4 and 16)	<b>(901,158,566)</b>	<b>(820,051,140)</b>	<b>(2,711,017,222)</b>	<b>(2,404,904,736)</b>
Interest income (Notes 4 and 17)	<b>143,425,610</b>	<b>235,935,363</b>	<b>501,450,848</b>	<b>594,327,080</b>
	<b>(757,732,956)</b>	<b>(584,115,777)</b>	<b>(2,209,566,374)</b>	<b>(1,810,577,656)</b>
<b>OTHER INCOME (CHARGES)</b>				
Foreign exchange gains (losses) - net (Note 18)	<b>66,124,883</b>	<b>(23,428,208)</b>	<b>41,869,363</b>	<b>(30,415,572)</b>
Miscellaneous income (charges) - net (Note 19)	<b>(29,854,843)</b>	<b>104,286,616</b>	<b>(51,724,831)</b>	<b>81,595,052</b>
	<b>36,270,040</b>	<b>80,858,408</b>	<b>(9,855,468)</b>	<b>51,179,480</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,839,894,180</b>	<b>3,646,487,147</b>	<b>7,790,658,811</b>	<b>13,560,091,909</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>				
Current	<b>295,736,644</b>	<b>379,014,302</b>	<b>829,963,658</b>	<b>1,437,940,005</b>
Deferred	<b>(147,165,873)</b>	<b>14,572,331</b>	<b>(63,444,440)</b>	<b>(6,390,440)</b>
	<b>148,570,771</b>	<b>393,586,633</b>	<b>766,519,218</b>	<b>1,431,549,565</b>
<b>NET INCOME</b>	<b>₱1,691,323,409</b>	<b>₱3,252,900,514</b>	<b>₱7,024,139,593</b>	<b>₱12,128,542,344</b>
<b>Net income (loss) attributable to:</b>				
Equity holders of the Parent Company	<b>₱1,741,792,445</b>	<b>₱3,221,547,994</b>	<b>₱6,923,244,413</b>	<b>₱11,934,865,128</b>
Non-controlling interests	<b>(50,469,036)</b>	<b>31,352,520</b>	<b>100,895,180</b>	<b>193,677,216</b>
	<b>₱1,691,323,409</b>	<b>₱3,252,900,514</b>	<b>₱7,024,139,593</b>	<b>₱12,128,542,344</b>
<b>Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company</b> (Note 21)	<b>₱102,304.81</b>	<b>₱171,817.94</b>	<b>₱389,175.50</b>	<b>₱683,115.65</b>

*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		Nine-Month Periods Ended	
	September 30		September 30	
	2024	2023	2024	2023
<b>NET INCOME</b>	<b>₱1,691,323,409</b>	₱3,252,900,514	<b>₱7,024,139,593</b>	₱12,128,542,344
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>				
Cumulative translation adjustments on foreign subsidiaries	(398,411,916)	149,410,157	107,812,886	115,798,741
Fair value adjustments on hedging transactions, net of tax effect amounting to ₱16.1 million in 2024 and ₱21.8 million in 2023 (Note 23)	(68,261,186)	57,660,858	(48,289,899)	66,597,931
Changes in fair value of debt instruments at fair value through other comprehensive income	276,100	(3,116,040)	4,893,170	4,274,015
<b>NET OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>	<b>(466,397,002)</b>	203,954,975	<b>64,416,157</b>	186,670,687
<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	5,283,258	(249,823)	8,134,490	16,864,036
<b>NET OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>	<b>5,283,258</b>	(249,823)	<b>8,134,490</b>	16,864,036
<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(461,113,744)</b>	203,705,152	<b>72,550,647</b>	203,534,723
<b>TOTAL COMPREHENSIVE INCOME, NET OF TAX</b>	<b>₱1,230,209,665</b>	₱3,456,605,666	<b>₱7,096,690,240</b>	₱12,332,077,067
<b>Total comprehensive income attributable to:</b>				
Equity Holders of the Parent Company	₱1,280,678,701	₱3,425,253,146	₱6,995,795,060	₱12,138,399,851
Non-controlling interests	(50,469,036)	31,352,520	100,895,180	193,677,216
	<b>₱1,230,209,665</b>	₱3,456,605,666	<b>₱7,096,690,240</b>	₱12,332,077,067

*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 NINE-MONTH PERIODS ENDED SEPTEMBER 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
<b>Balances, January 1, 2024</b>	<b>₱3,750,000</b>	<b>₱19,076,250,000</b>	<b>(₱14,730,745,981)</b>	<b>₱8,715,108,001</b>	<b>(₱3,706,430,769)</b>	<b>₱100,286,395</b>	<b>(₱3,594,339)</b>	<b>₱1,593,080,261</b>	<b>₱26,051,220,323</b>	<b>₱43,795,570,045</b>	<b>₱80,984,493,936</b>	<b>₱2,388,322,999</b>	<b>₱83,372,816,935</b>
Total comprehensive income													
Net income	-	-	-	-	-	-	-	-	6,923,244,413	-	6,923,244,413	100,895,180	7,024,139,593
Fair value adjustments on hedging transactions (Note 23)	-	-	-	-	-	-	(48,289,899)	-	-	-	(48,289,899)	-	(48,289,899)
Cumulative translation adjustments on foreign subsidiaries	-	-	-	-	-	-	-	107,812,886	-	-	107,812,886	-	107,812,886
Changes in fair value of equity instruments at FVOCI recognized in equity	-	-	-	-	-	8,134,490	-	-	-	-	8,134,490	-	8,134,490
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	-	-	-	-	-	4,893,170	-	-	-	-	4,893,170	-	4,893,170
<b>Total other comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,884,417</b>	<b>(48,289,899)</b>	<b>107,812,886</b>	<b>3,143,243</b>	<b>-</b>	<b>72,550,647</b>	<b>-</b>	<b>72,550,647</b>
Acquisition of treasury stock	-	-	(100,337,941)	-	-	9,884,417	(48,289,899)	107,812,886	6,926,387,656	-	6,995,795,060	100,895,180	7,096,690,240
Dividends declared	-	-	-	-	-	-	-	-	(2,793,500,000)	-	(2,793,500,000)	-	(2,793,500,000)
Cash dividends on non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(804,900,000)	(804,900,000)
Reversal of appropriation of retained earnings	-	-	-	-	-	-	-	-	6,714,756,757	(6,714,756,757)	-	-	-
<b>Balances, September 30, 2024</b>	<b>₱3,750,000</b>	<b>₱19,076,250,000</b>	<b>(₱14,831,083,922)</b>	<b>₱8,715,108,001</b>	<b>(₱3,706,430,769)</b>	<b>₱110,170,812</b>	<b>(₱51,884,238)</b>	<b>₱1,700,893,147</b>	<b>₱36,898,864,736</b>	<b>₱37,080,813,288</b>	<b>₱85,086,451,055</b>	<b>₱1,684,318,179</b>	<b>₱86,770,769,234</b>

See accompanying Notes to Unaudited Interim Condensed 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
<b>Balances, January 1, 2023</b>	<b>₱93,750,000</b>	<b>₱19,076,250,000</b>	<b>(₱14,730,745,981)</b>	<b>₱8,715,108,001</b>	<b>(₱3,706,430,769)</b>	<b>₱70,143,690</b>	<b>₱72,138,661</b>	<b>₱1,678,432,949</b>	<b>₱24,774,924,243</b>	<b>₱37,261,489,718</b>	<b>₱73,305,060,512</b>	<b>₱2,272,433,564</b>	<b>₱75,577,494,076</b>
Total comprehensive income													
Net income	-	-	-	-	-	-	-	-	11,934,865,128	-	11,934,865,128	193,677,216	12,128,542,344
Fair value adjustments on hedging transactions (Note 23)	-	-	-	-	-	-	66,597,931	-	-	-	66,597,931	-	66,597,931
Cumulative translation adjustments on foreign subsidiaries	-	-	-	-	-	-	-	115,798,741	-	-	115,798,741	-	115,798,741
Changes in fair value of equity instruments at FVOCI recognized in equity	-	-	-	-	-	15,049,036	-	-	1,815,000	-	16,864,036	-	16,864,036
Changes in fair value of debt instruments designated at FVOCI recognized in equity	-	-	-	-	-	4,274,015	-	-	-	-	4,274,015	-	4,274,015
Total other comprehensive loss	-	-	-	-	-	19,323,051	66,597,931	115,798,741	1,815,000	-	203,534,723	-	203,534,723
Dividends declared (Note 20)	-	-	-	-	-	19,323,051	66,597,931	115,798,741	11,936,680,128	-	12,138,399,851	193,677,216	12,332,077,067
Reversal of appropriation of retained earnings	-	-	-	-	-	-	-	-	(2,793,086,287)	-	(2,793,086,287)	-	(2,793,086,287)
	-	-	-	-	-	-	-	-	6,508,569,223	(6,508,569,223)	-	-	-
<b>Balances, September 30, 2023</b>	<b>₱93,750,000</b>	<b>₱19,076,250,000</b>	<b>(₱14,730,745,981)</b>	<b>₱8,715,108,001</b>	<b>(₱3,706,430,769)</b>	<b>₱89,466,741</b>	<b>₱138,736,592</b>	<b>₱1,794,231,690</b>	<b>₱40,427,087,307</b>	<b>₱30,752,920,495</b>	<b>₱82,650,374,076</b>	<b>₱2,466,110,780</b>	<b>₱85,116,484,856</b>

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**

	<b>For the Nine-Month Periods Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>₱7,790,658,811</b>	₱13,560,091,909
Adjustments for:		
Depreciation and amortization (Notes 9, 10, 14 and 15)	<b>5,203,260,045</b>	5,327,869,644
Interest expense (Note 16)	<b>2,711,017,222</b>	2,404,904,736
Interest income (Note 17)	<b>(501,450,848)</b>	(594,327,079)
Provisions for impairment of trade and other receivables, and prepaid taxes (Note 15)	<b>329,759,900</b>	152,238,792
Change in net retirement and other post-employment benefits	<b>258,133,044</b>	216,358,538
Unrealized foreign exchange losses - net (Note 18)	<b>36,954,444</b>	18,159,586
Loss on direct write-off of input VAT claims (Note 19)	<b>57,479,921</b>	36,908,692
Provision for impairment of parts and supplies (Note 7 and 15)	<b>61,793,809</b>	21,657,693
Loss on disposal and retirement of property, plant and equipment	<b>3,278,154</b>	–
Mark-to-market gains on financial assets at fair value through profit or loss (Note 19)	<b>(1,508,375)</b>	(800,403)
Realized gains from redemption of financial assets at fair value through profit or loss	<b>(110,274)</b>	(439)
Impairment loss of property plant and equipment	–	101,683,508
Provision for impairment of goodwill	–	85,837,905
Operating income before working capital changes	<b>15,949,265,853</b>	21,330,583,082
Decrease (increase) in:		
Trade and other receivables	<b>377,327,897</b>	1,070,321,830
Due from a related party	<b>2,560,741</b>	(15,356,569)
Parts and supplies inventories	<b>(3,563,301,507)</b>	(1,337,494,926)
Other current assets	<b>1,948,619,125</b>	(4,083,662,442)
Increase (decrease) in:		
Trade and other payables	<b>164,424,424</b>	413,594,962
Due to related parties	<b>1,045,634</b>	(31,987,169)
Provisions and other long-term liabilities	<b>600,438,154</b>	228,813,678
Cash generated from operations	<b>15,480,380,321</b>	17,574,812,446
Income taxes paid including creditable withholding taxes	<b>(1,284,465,086)</b>	(1,698,978,331)
Net cash flows from operating activities	<b>14,195,915,235</b>	15,875,834,115
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property, plant and equipment (Note 9)	<b>(18,438,981,276)</b>	(8,524,916,138)
Exploration and evaluation assets	<b>(350,187,806)</b>	(12,314,736)
Financial assets at fair value through other comprehensive income	<b>(102,000,000)</b>	–
Financial assets at FVPL	<b>(51,160,145)</b>	(54,000,000)
Intangible assets	<b>(31,868,519)</b>	(35,731,947)
Additions to other noncurrent assets	<b>(1,248,474,318)</b>	(713,441,261)
Interest received	<b>563,588,104</b>	577,201,266
Proceeds from:		
Sale of financial assets at FVOCI	<b>102,000,000</b>	36,941,970
Redemption of financial assets at FVPL	<b>5,776,006</b>	50,000,000
Sale of property, plant and equipment	<b>3,678,208</b>	5,701,069
Net cash flows used in investing activities	<b>(19,547,629,746)</b>	(8,670,559,777)

(Forward)

	<b>For the Nine-Month Periods Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from availment of long-term debts	<b>₱15,821,947,752</b>	₱8,841,262,338
Payments of:		
Long term debt	<b>(7,295,838,050)</b>	(7,619,401,782)
Cash dividends	<b>(3,598,400,000)</b>	(2,793,086,287)
Interest and other financing charges	<b>(2,255,468,130)</b>	(2,004,627,048)
Lease liability	<b>(228,327,138)</b>	(34,636,967)
Purchase of treasury stock	<b>(100,337,941)</b>	-
Net cash flows from (used in) in financing activities	<b>2,343,576,493</b>	(3,610,489,746)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,008,138,018)</b>	3,594,784,592
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(26,666,596)</b>	20,297,676
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>17,421,012,635</b>	17,597,790,076
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b> (Notes 5 and 22)	<b>₱14,386,208,021</b>	₱21,212,872,344

*See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.*

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

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

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**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 Holdings Corporation (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 September 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 November 11, 2024.

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**2. Basis of Preparation**

The unaudited interim condensed consolidated financial statements of the Group as of September 30, 2024 and for the nine-month periods ended September 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 ₱, except when otherwise indicated.

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### 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.

- Amendments to Philippine Financial Reporting Standard (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.

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#### 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 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. and other projects in Leyte Province.
- b. Negros Island Geothermal Facility - This segment refers to Southern and Northern 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 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:

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan / Masiway	Wind	Solar	Others	Total
For the Nine-Month Period Ended September 30, 2024									
Segment revenue from external customers	₱21,263,479,519	₱11,312,197,376	₱10,066,980,734	₱2,225,297,853	₱1,210,653,466	₱1,473,178,034	₱98,834,527	₱-	₱47,650,621,509
Intersegment revenue	(5,615,317,817)	(3,772,276,800)	(3,840,572,754)	-	(10,874,891)	10,332,217	-	-	(13,228,710,045)
Segment revenue	15,648,161,702	7,539,920,576	6,226,407,980	2,225,297,853	1,199,778,575	1,483,510,251	98,834,527	-	34,421,911,464
Segment expenses	(11,743,161,076)	(3,320,402,456)	(5,026,577,761)	(1,667,171,009)	(1,041,030,897)	(1,261,142,467)	(66,191,122)	-	(24,125,676,788)
Unallocated expenses	-	-	-	-	-	-	-	(286,154,023)	(286,154,023)
Interest income	159,946,067	61,891,769	125,896,387	31,113,169	80,220,307	39,884,465	1,981,641	517,043	501,450,848
Interest expense	(1,216,840,869)	(433,413,028)	(297,431,718)	(282,564,587)	(1,142,675)	(378,979,840)	(7,997,644)	(92,646,861)	(2,711,017,222)
Other income (charges) - net	30,993,160	5,299,974	(2,258,679)	(4,342,195)	26,566,968	(25,500,020)	(69,492)	(40,545,184)	(9,855,468)
Benefit from (provision for) income taxes	(214,118,206)	(368,765,316)	(91,218,789)	(30,474,255)	(14,565,255)	(34,520,308)	(4,121,001)	(8,736,088)	(766,519,218)
Segment result	₱2,664,980,778	₱3,484,531,519	₱934,817,420	₱271,858,976	₱249,827,023	(₱176,747,919)	₱22,436,909	(₱427,565,113)	₱7,024,139,593
EBITDA	₱6,422,588,599	₱5,111,190,789	₱1,778,119,886	₱1,142,554,309	₱394,742,175	₱925,570,392	₱66,646,483	₱-	₱15,841,412,633
Unallocated expenses									(236,518,226)
									₱15,604,894,407

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan / Masiway	Wind	Solar	Others	Total
For the Nine-Month Period Ended September 30, 2023									
Segment revenue from external customers	₱20,324,117,962	₱12,376,633,035	₱9,518,208,052	₱2,251,288,702	₱1,788,155,063	₱2,344,832,747	₱100,477,795	₱-	₱48,703,713,356
Intersegment revenue	(4,432,503,117)	(3,725,628,439)	(3,910,788,957)	-	-	11,464,624	-	(37,858,643)	(12,095,314,532)
Segment revenue	15,891,614,845	8,651,004,596	5,607,419,095	2,251,288,702	1,788,155,063	2,356,297,371	100,477,795	(37,858,643)	36,608,398,824
Segment expenses	(7,841,776,010)	(3,198,842,805)	(2,528,168,355)	(1,499,447,259)	(1,344,618,358)	(1,240,194,297)	(57,724,701)	-	(17,710,771,785)
Unallocated expenses	-	-	-	-	-	-	-	(3,578,136,954)	(3,578,136,954)
Interest income	239,527,368	96,140,904	94,380,794	41,256,473	63,325,081	57,795,825	1,833,323	67,312	594,327,080
Interest expense	(1,079,988,951)	(375,347,404)	(253,033,609)	(237,833,878)	(322,219)	(427,442,256)	(8,572,446)	(22,363,973)	(2,404,904,736)
Other income (charges) - net	(2,140,844)	78,910,365	(7,314,328)	(2,150,325)	20,912,040	(24,175,766)	(24,219)	(12,837,443)	51,179,480
Benefit from (provision for) income taxes	(523,122,577)	(612,697,219)	(264,212,902)	(25,879,582)	(32,387,851)	(113,409,100)	(3,437,078)	143,596,744	(1,431,549,565)
Segment result	₱6,684,113,831	₱4,639,168,437	₱2,649,070,695	₱527,234,131	₱495,063,756	₱608,871,777	₱32,552,674	(₱3,507,532,957)	₱12,128,542,344
EBITDA	₱9,432,504,399	₱5,382,246,654	₱2,641,473,999	₱1,150,043,377	₱789,449,521	₱1,799,863,327	₱73,637,581	(₱37,858,643)	₱21,231,360,215
Unallocated expenses									(222,582,588)
									₱21,008,777,627

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan / Masiway	Wind	Solar	Elimination	Total
<b>For the Nine-Month Period Ended September 30, 2024</b>									
Segment assets	P113,875,295,261	P41,238,248,753	P13,965,022,116	P14,948,856,621	P4,388,209,056	P16,739,695,572	P749,306,051	(P118,076,043,265)	P87,828,590,165
Unallocated corporate assets									95,955,903,469
<b>Total assets</b>									<b>P183,784,493,634</b>
Segment liabilities	P54,408,380,621	P23,663,556,562	P10,019,136,961	P9,488,933,404	P113,933,360	P8,587,465,633	P490,862,485	(P70,207,838,322)	P36,564,430,704
Unallocated corporate liabilities									60,449,293,696
<b>Total liabilities</b>									<b>P97,013,724,400</b>
Capital expenditure	P8,904,296,869	P1,959,680,740	P887,344,851	P656,073,995	P150,850,967	P12,135,224	P-	P-	P12,570,382,646
Unallocated capital expenditure									9,582,654,069
<b>Total capital expenditure</b>									<b>P22,153,036,715</b>
Depreciation and amortization	P2,364,719,767	P799,846,694	P477,171,893	P562,717,219	P235,994,497	P680,870,793	P32,303,385	P19,894,659	P5,173,518,907
Unallocated depreciation and amortization									29,741,138
<b>Total depreciation and amortization</b>									<b>P5,203,260,045</b>
Other non-cash items	P152,868,206	P91,825,975	P101,117,774	P21,710,246	P-	P22,331,815	P1,699,693	(P1,261,403,159)	(P869,849,450)
Unallocated non-cash items									1,261,403,159
<b>Total non-cash items</b>									<b>P391,553,709</b>

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Elimination	Total
<b>As of and for the year ended December 31, 2023</b>									
Segment assets	P108,832,304,430	P38,316,416,633	P13,103,692,051	P15,231,344,130	P6,227,585,831	P17,283,659,306	P778,479,288	(P96,313,066,604)	P103,460,415,065
Unallocated corporate assets									62,792,720,467
<b>Total assets</b>									<b>P166,253,135,532</b>
Segment liabilities	P50,532,292,665	P23,195,696,019	P9,821,853,668	P9,987,409,889	P201,762,048	P9,019,107,339	P542,472,632	(P68,344,173,959)	P34,956,420,301
Unallocated corporate liabilities									47,923,898,296
<b>Total liabilities</b>									<b>P82,880,318,597</b>
Capital expenditure	P5,340,997,547	P2,174,512,810	P1,054,242,825	P426,957,348	P317,556,429	P84,925,826	P-	P-	P9,399,192,785
Unallocated capital expenditure									8,735,231,744
<b>Total capital expenditure</b>									<b>P18,134,424,529</b>
Depreciation and amortization	P3,206,218,220	P991,390,641	P791,026,974	P758,631,583	P464,190,204	P912,223,214	P43,078,349	P26,526,212	P7,193,285,397
Unallocated depreciation and amortization									47,146,665
<b>Total depreciation and amortization</b>									<b>P7,240,432,062</b>
Other non-cash items	(P1,052,093,382)	(P814,397,315)	(P1,032,649,640)	(P185,779,981)	P-	P29,842,264	(P1,573,062)	P3,039,116,202	(P17,534,914)
Unallocated non-cash items									261,333,928
<b>Total non-cash items</b>									<b>P243,799,014</b>

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

	<b>September 30, 2024 (Unaudited)</b>	September 30, 2023 (Unaudited)
EBITDA	<b>₱15,604,894,407</b>	₱21,008,777,627
Add (deduct):		
Depreciation and amortization (Notes 9, 10, 14 and 15)	<b>(5,203,260,045)</b>	(5,327,869,644)
Interest expense (Note 16)	<b>(2,711,017,222)</b>	(2,404,904,736)
Provision for income tax	<b>(766,519,218)</b>	(1,431,549,565)
Interest income (Note 17)	<b>501,450,848</b>	594,327,080
Provision for impairment of trade and other receivables, and prepaid taxes (Note 15)	<b>(329,759,900)</b>	(152,238,792)
Provision for impairment of parts and supplies inventories (Note 15)	<b>(61,793,809)</b>	(21,657,693)
Miscellaneous income (charges) - net (Note 19)	<b>(51,724,831)</b>	81,595,052
Foreign exchange losses - net (Note 18)	<b>41,869,363</b>	(30,415,572)
Impairment loss of property plant and equipment	-	(101,683,508)
Impairment of goodwill	-	(85,837,905)
<b>Consolidated net income</b>	<b>₱7,024,139,593</b>	₱12,128,542,344

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

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Cash on hand and in banks	<b>₱7,616,022,174</b>	₱5,727,422,112
Cash equivalents	<b>6,770,185,847</b>	11,693,590,523
	<b>₱14,386,208,021</b>	₱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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivable:		
Third parties	P6,517,113,790	P6,805,568,984
Related parties (Note 22)	93,695,256	132,724,064
	<b>6,610,809,046</b>	6,938,293,048
Others:		
Non-trade accounts receivable	538,563,857	974,796,042
Advances to employees	45,811,281	51,985,748
Loans and notes receivables	54,752,715	45,345,974
	<b>639,127,853</b>	1,072,127,764
	<b>7,249,936,899</b>	8,010,420,812
Less allowance for doubtful accounts	<b>1,132,601,694</b>	1,123,860,554
	<b>P6,117,335,205</b>	P6,886,560,258

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

## 7. Parts and Supplies Inventories

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Parts and supplies inventories:		
At cost	P9,320,211,775	P6,919,246,902
At net realizable value (NRV)	2,673,246,991	1,572,704,166
	<b>P11,993,458,766</b>	P8,491,951,068

Allowance for inventory obsolescence:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of year	P548,948,904	P618,722,774
Provision for (reversal of) impairment (Note 15)	61,793,809	(69,773,870)
Balance at end of year	<b>P610,742,713</b>	P548,948,904

Parts and supplies inventories include items that are carried at NRV amounting to P2,673.2 million and P1,572.7 million as of September 30, 2024 and December 31, 2023, respectively, and have costs amounting P3,283.9 million and P2,121.6 million, respectively. The rest of the parts and supplies inventories are carried at cost.

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8. Other Current Assets

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Creditable withholding taxes	<b>₱1,789,178,096</b>	₱837,167,700
Advances to suppliers	<b>1,660,388,305</b>	203,235,922
Prepaid expenses	<b>982,939,556</b>	1,244,244,132
Deposits and special funds	<b>311,437,184</b>	300,757,961
Short-term investments	<b>200,000,000</b>	3,360,111,078
Others	<b>201,288,315</b>	196,323,392
	<b>₱5,145,231,456</b>	₱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 and cash held in escrow accounts of the Group as required under the retail supply contracts and green energy option program supply contracts.

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

September 30, 2024 (Unaudited)											
	Land	Power Plants	Fluid Collection and Recycling System (FCRS) and Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment	Right of Use of Assets - Buildings, Improvements and Other Structures	Construction in Progress	Total
<b>Cost</b>											
Balances at January 1	₱24,376,722	₱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
Additions	43,894,487	23,212,997	–	1,514,157	105,581,483	9,051,831	57,536,109	38,324,171	3,714,055,437	18,159,866,043	22,153,036,715
Disposals/retirements	–	(3,484,552)	–	–	(117,865,122)	(3,996,214)	(5,995,741)	(10,697,974)	(613,229)	–	(142,652,832)
Reclassifications/adjustments	–	2,235,742,646	4,303,552,370	704,873,013	83,168,884	(1,273,300)	14,304,459	(19,159,858)	89,404,448	(7,091,195,793)	319,416,869
Foreign exchange adjustments	–	237,725,268	–	15,981,646	59,009	42,120	184,595	39,314	2,134,874	2,659,158	258,825,984
<b>Balances at September 30</b>	<b>968,271,209</b>	<b>84,286,138,761</b>	<b>66,462,805,619</b>	<b>10,117,589,633</b>	<b>3,777,471,378</b>	<b>197,477,914</b>	<b>1,913,801,108</b>	<b>1,099,456,564</b>	<b>4,586,110,510</b>	<b>40,736,438,928</b>	<b>214,145,561,624</b>
<b>Accumulated Depreciation, Amortization and Impairment</b>											
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)	–	2,749,865,895	1,642,422,214	327,042,700	83,647,591	19,354,533	109,685,643	72,311,835	346,152,590	–	5,350,483,001
Disposals/retirements	–	(3,484,540)	–	(146,789)	(114,232,885)	(1,168,608)	(5,955,856)	(10,094,564)	(613,228)	–	(135,696,470)
Reclassifications/adjustments	–	(1,138,241)	–	1,550,151	(16,420,994)	(1,273,300)	–	–	(417,246)	–	(17,699,630)
Foreign exchange adjustments	–	74,992,159	–	8,880,542	(860,340)	42,120	27,048	17,604	6,628	3,335,899	86,441,660
<b>Balances at September 30</b>	<b>17,627,581</b>	<b>48,054,612,189</b>	<b>25,122,448,781</b>	<b>5,138,048,200</b>	<b>3,025,218,468</b>	<b>120,888,031</b>	<b>1,704,759,207</b>	<b>883,440,447</b>	<b>760,879,118</b>	<b>145,199,125</b>	<b>84,973,121,147</b>
<b>Net Book Value</b>	<b>₱950,643,628</b>	<b>₱36,231,526,572</b>	<b>₱41,340,356,838</b>	<b>₱4,979,541,433</b>	<b>₱752,252,910</b>	<b>₱76,589,883</b>	<b>₱209,041,901</b>	<b>₱216,016,117</b>	<b>₱3,825,231,392</b>	<b>₱40,591,239,803</b>	<b>₱129,172,440,477</b>

December 31, 2023 (Audited)											
	Land	Power Plants	FCRS and Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment	Right of Use of Assets - Buildings, Improvements and Other Structures	Construction in Progress	Total
<b>Cost</b>											
Balances at January 1	₱881,311,175	₱80,698,073,760	₱58,067,215,102	₱9,056,798,123	₱3,598,942,574	₱166,859,435	₱1,646,987,358	₱896,774,039	₱749,782,809	₱17,840,990,917	₱173,603,735,292
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)
<b>Balances at December 31</b>	<b>924,376,722</b>	<b>81,792,942,402</b>	<b>62,159,253,249</b>	<b>9,395,220,817</b>	<b>3,706,527,124</b>	<b>193,653,477</b>	<b>1,847,771,686</b>	<b>1,090,950,911</b>	<b>781,128,980</b>	<b>29,665,109,520</b>	<b>191,556,934,888</b>
<b>Accumulated Depreciation, Amortization and Impairment</b>											
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	–	–	–	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)
<b>Balances at December 31</b>	<b>17,627,581</b>	<b>45,234,376,916</b>	<b>23,480,026,567</b>	<b>4,800,721,596</b>	<b>3,073,085,096</b>	<b>103,933,286</b>	<b>1,601,002,372</b>	<b>821,205,572</b>	<b>415,750,374</b>	<b>141,863,226</b>	<b>79,689,592,586</b>
<b>Net Book Value</b>	<b>₱906,749,141</b>	<b>₱36,558,565,486</b>	<b>₱38,679,226,682</b>	<b>₱4,594,499,221</b>	<b>₱633,442,028</b>	<b>₱89,720,191</b>	<b>₱246,769,314</b>	<b>₱269,745,339</b>	<b>₱365,378,606</b>	<b>₱29,523,246,294</b>	<b>₱111,867,342,302</b>

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:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Property, plant and equipment	P5,350,483,001	P5,180,057,726
Intangible assets (Note 10)	97,531,070	147,811,918
Capitalized depreciation	(244,754,026)	-
	<b>P5,203,260,045</b>	<b>P5,327,869,644</b>
Costs of sales of electricity (Note 14)	P4,939,211,673	P5,080,892,287
General and administrative (Note 15)	264,048,372	246,977,357
	<b>P5,203,260,045</b>	<b>P5,327,869,644</b>

Reclassification

The reclassifications in the cost of property, plant and equipment include adjustments to the provision for rehabilitation and restoration costs amounting to P68.2 million and P103.4 million in period ended September 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**

	September 30, 2024 (Unaudited)			
	Goodwill	Water Rights	Other Intangible Assets	Total
<b>Cost</b>				
Balances at January 1	P2,676,889,008	P2,404,778,918	P819,978,111	P5,901,646,037
Additions	-	-	31,868,520	31,868,520
Balances at September 30	2,676,889,008	2,404,778,918	851,846,631	5,933,514,557
<b>Accumulated Amortization and Allowance for Impairment</b>				
Balances at January 1	P141,837,475	P1,647,273,561	P687,671,041	P2,476,782,077
Amortization	-	72,143,368	25,387,702	97,531,070
Reclassification/adjustments	-	-	810,898	810,898
Balances at September 30	141,837,475	1,719,416,929	713,869,641	2,575,124,045
<b>Net Book Value</b>	<b>P2,535,051,533</b>	<b>P685,361,989</b>	<b>P137,976,990</b>	<b>P3,358,390,512</b>

December 31, 2023 (Audited)				
	Goodwill	Water Rights	Other Intangible Assets	Total
<b>Cost</b>				
<b>Balances at January 1</b>	₱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)
<b>Balances at December 31</b>	<b>2,676,889,008</b>	<b>2,404,778,918</b>	<b>819,978,111</b>	<b>5,901,646,037</b>
<b>Accumulated Amortization and Allowance for Impairment</b>				
<b>Balances at January 1</b>	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
<b>Balances at December 31</b>	<b>141,837,475</b>	<b>1,647,273,561</b>	<b>687,671,041</b>	<b>2,476,782,077</b>
<b>Net Book Value</b>	<b>₱2,535,051,533</b>	<b>₱757,505,357</b>	<b>₱132,307,070</b>	<b>₱3,424,863,960</b>

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 7.2 years and 7.9 years as of September 30, 2024 and December 31, 2023, respectively.

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

#### 11. Other Noncurrent Assets

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Prepaid taxes	<b>₱7,582,598,866</b>	₱5,884,341,462
Long-term receivables and special deposits	<b>1,867,788,817</b>	1,922,986,502
Advances to contractors	<b>380,521,513</b>	651,512,675
Prepaid expenses - net of current portion	<b>108,510,788</b>	18,828,779
Deposits and special funds	<b>5,661,618</b>	21,837,616
Others	<b>1,236,165,317</b>	1,240,510,419
	<b>11,181,246,919</b>	9,740,017,453
Less allowance for impairment	<b>1,612,617,514</b>	1,363,193,343
	<b>₱9,568,629,405</b>	₱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 Compañía De Energia amounting to ₱1,224.8 million and ₱1,225.3 million as of September 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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables:		
Third parties	<b>₱11,913,470,913</b>	₱12,656,386,583
Related parties (Note 22)	<b>3,981,636,578</b>	3,948,085,516
	<b>15,895,107,491</b>	16,604,472,099
Others:		
Accrued interest on long-term debts	<b>859,283,825</b>	624,810,038
Withholding and other taxes payable	<b>763,422,057</b>	600,261,686
Government share payable	<b>74,346,271</b>	54,725,380
SSS and other contributions payable	<b>56,151,307</b>	37,268,089
Dividends payable	<b>12,563,744</b>	10,904,712
Other payables	<b>3,191,182,964</b>	2,551,382,580
	<b>4,956,950,168</b>	3,879,352,485
	<b>₱20,852,057,659</b>	₱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 September 30, 2024 and December 31, 2023. Other payables also include deferred output VAT and other accruals (see Note 15).

## 13. Long-term Debts

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

Creditor/Project	Maturities	Interest Rate	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>EDC Loans</b>				
<b>International Finance Corporation (IFC)</b>				
▪ IFC 2 - ₱3.3 Billion	October 15, 2025	4.68% from April 16, 2021 until maturity	<b>₱368,704,352</b>	₱487,095,849
▪ IFC 3 - ₱4.8 Billion	March 15, 2033	7.8048%	<b>2,782,310,786</b>	3,108,177,056
<b>DBP ₱291.2 Million Term Loan</b>	December 17, 2030	5.50%	<b>145,115,006</b>	156,204,404
<b>UBP ₱1.5 Billion Term Loan</b>	December 5, 2026	5.25%	<b>973,825,466</b>	1,048,266,929
<b>SBC ₱1.0 Billion Term Loan</b>	December 5, 2031	5.5788%	<b>756,992,326</b>	786,597,512
<b>UBP ₱2.0 Billion Term Loan</b>	April 10, 2032	5.4382%	<b>1,063,072,239</b>	1,129,073,584
<b>SBC ₱3.0 Billion Term Loan</b>	May 4, 2027	5.3166%	<b>1,078,237,192</b>	1,257,232,640
<b>SBC ₱1.0 Billion Term Loan</b>	May 4, 2032	5.4277%	<b>531,500,273</b>	564,495,302
<b>BPI ₱1.0 Billion Term Loan</b>	June 1, 2027	5.2059%	<b>359,487,331</b>	419,205,493
<b>SBC ₱500.0 Million Term Loan</b>	May 4, 2032	5.4904%	<b>265,733,542</b>	282,229,602
<b>BPI</b>				
▪ ₱3.0 Billion Term Loan	April 15, 2030	5.1323%	<b>2,091,799,435</b>	2,239,727,144
▪ ₱3.0 Billion Term Loan	April 15, 2030	3.56%	<b>2,091,608,112</b>	2,239,447,752

(Forward)

Creditor/Project	Maturities	Interest Rate	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>BDO</b>				
▪ P4.5 Billion Loan	September 10, 2030	4.25% until next repricing date in September 2025	<b>₱2,963,900,995</b>	₱3,499,257,133
▪ P2.0 Billion Loan	September 10, 2030	4.25% until next repricing date in September 2025	<b>1,316,677,775</b>	1,554,454,251
<b>Fixed Rate ASEAN Green Bonds</b>				
▪ Series A	June 25, 2024	2.8565%	–	2,494,412,166
▪ Series B	June 25, 2026	3.7305%	<b>2,487,234,393</b>	2,481,995,667
▪ Series C	May 27, 2027	6.7478%	<b>2,964,264,991</b>	–
▪ Series D	May 27, 2029	6.8873%	<b>3,456,158,379</b>	–
▪ Series E	May 27, 2031	7.0626%	<b>3,455,227,851</b>	–
<b>US\$50 Million Mizuho Loan</b>	March 24, 2027	5.45139% until next repricing date in March 2025	<b>2,798,148,529</b>	2,763,484,308
<b>BPI</b>				
▪ P2.0 Billion Term Loan	March 21, 2032	7.75% until next repricing date in March 2025	<b>1,695,756,466</b>	1,895,021,866
▪ P2.0 Billion Term Loan	March 21, 2032	6.6038% until next repricing date in March 2025	<b>1,690,735,518</b>	1,888,412,890
▪ P3.0 Billion Term Loan	March 21, 2032	6.6038% until next repricing date in March 2025	<b>2,530,558,148</b>	2,977,675,988
<b>UBP P1.0 Billion Term Loan</b>	March 24, 2032	5.831567% until next repricing date in March 2027	<b>745,519,456</b>	844,681,246
<b>SBC P2.6 Billion Term Loan</b>	April 19, 2032	5.7829% until next repricing date in April 2027	<b>2,068,189,241</b>	2,196,002,265
<b>CTBC P1.5 Billion Term Loan</b>	June 8, 2027	6.1869%	<b>1,191,764,600</b>	1,264,134,512
<b>BDO</b>				
▪ P2.0 Billion Term Loan	September 3, 2032	6.7029% until next repricing date in March 2025	<b>1,595,121,137</b>	1,794,706,375
▪ P3.0 Billion Term Loan	September 3, 2032	6.7029% until next repricing date in March 2025	<b>2,385,383,698</b>	2,683,575,152
<b>CBC</b>				
▪ P2.0 Billion Term Loan	October 5, 2032	6.9749% until next repricing date in October 2024	<b>1,696,131,475</b>	1,795,596,226
▪ P2.0 Billion Term Loan	October 5, 2032	6.9749% until next repricing date in October 2024	<b>1,690,889,260</b>	1,787,937,353
<b>BDO</b>				
▪ P2.0 Billion Term Loan	September 1, 2033	6.6819% until next repricing date in March 2025	<b>1,787,404,363</b>	1,985,219,658
▪ P3.0 Billion Term Loan	September 1, 2033	6.6819% until next repricing date in March 2025	<b>2,828,654,375</b>	–
<b>BPI P3.0 Billion Term Loan</b>	September 12, 2034	6.6381% until next repricing date in March 2025	<b>2,977,934,740</b>	–
<b>EBWPC Loans</b>				
▪ Commercial Debt Facility US\$37.5 Million	October 23, 2029	2% margin + 6M Term SOFR + Credit Adjustment Spread (CAS)	<b>995,176,655</b>	1,053,055,565
▪ ECA Debt Facility US\$150 Million	October 23, 2029	2.35% margin + 6M Term SOFR + CAS	<b>3,969,909,388</b>	4,197,615,090
▪ Commercial Debt Facility P5.6 Billion	October 23, 2029	2% + PDST-F rate	<b>2,668,760,185</b>	2,859,429,291
Total			<b>64,467,887,678</b>	55,734,420,269
Less current portion			<b>8,128,458,404</b>	8,964,648,449
Noncurrent portion			<b>₱56,339,429,274</b>	₱46,769,771,820

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= ₱56.03 on September 30, 2024 and US\$1= ₱55.37 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 has repriced and currently has a six (6)-month floating rate of 6.6819% per annum until its next repricing date in March 2025.

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.

BPI ₱3.0 Billion Term Loan

On September 12, 2024, EDC secured a ₱3.0 billion loan maturing on September 12, 2034 from the Bank of the Philippine Islands. The loan was priced at a six (6)-month floating rate of 6.6381% per annum until its next repricing date in March 2025.

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**14. Costs of Sale of Electricity**

	<b>September 30, 2024</b>	September 30, 2023
	<b>(Unaudited)</b>	(Unaudited)
Purchased services and utilities (Note 22)	<b>₱6,737,402,747</b>	₱5,444,054,592
Depreciation and amortization (Notes 9 and 10)	<b>4,939,211,673</b>	5,080,892,287
Rental, insurance and taxes	<b>2,665,065,336</b>	1,881,624,977
Personnel costs	<b>1,622,221,603</b>	1,525,849,815
Repairs and maintenance	<b>1,208,274,182</b>	1,046,314,589
Parts and supplies issued	<b>862,659,486</b>	839,959,205
Government share	<b>225,060,711</b>	292,081,725
Business and related expenses	<b>126,131,994</b>	94,204,064
	<b>₱18,386,027,732</b>	₱16,204,981,254

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**15. General and Administrative Expenses**

	<b>September 30, 2024</b>	September 30, 2023
	<b>(Unaudited)</b>	(Unaudited)
Purchased services and utilities	<b>₱2,172,827,361</b>	₱1,734,040,609
Personnel costs	<b>1,806,673,327</b>	1,590,837,083
Business and related expenses	<b>698,134,038</b>	618,382,098
Rental, insurance and taxes	<b>549,858,105</b>	390,706,136
Provisions for impairment of trade and other receivables, and prepaid taxes	<b>329,759,900</b>	152,238,792
Depreciation and amortization (Notes 9 and 10)	<b>264,048,372</b>	246,977,357
Parts and supplies issued	<b>84,037,727</b>	76,660,057
Provision for impairment of parts and supplies inventories (Note 7)	<b>61,793,809</b>	21,657,693
Repairs and maintenance	<b>57,103,520</b>	64,895,747
Government share	<b>1,566,920</b>	10,500
Impairment loss of property plant, and equipment	–	101,683,508
Impairment of goodwill	–	85,837,905
	<b>₱6,025,803,079</b>	₱5,083,927,485

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**16. Interest Expense**

	<b>September 30, 2024 (Unaudited)</b>	September 30, 2023 (Unaudited)
Interest on long-term debts including amortization of transaction costs (Note 13)	<b>₱2,567,900,130</b>	₱2,319,666,942
Interest accretion on provision for rehabilitation and restoration costs	<b>74,895,200</b>	72,337,696
Interest expense on lease liability	<b>62,363,562</b>	7,041,768
Interest on liability from litigation	<b>5,858,330</b>	5,858,330
	<b>₱2,711,017,222</b>	₱2,404,904,736

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**17. Interest Income**

	<b>September 30, 2024 (Unaudited)</b>	September 30, 2023 (Unaudited)
Interest income on cash and cash equivalents, debt service reserve account and other short-term investments (Notes 5 and 8)	<b>₱477,136,197</b>	₱562,902,138
Interest accretion on FIT rate adjustment	<b>20,952,259</b>	26,886,281
Others	<b>3,362,392</b>	4,538,661
	<b>₱501,450,848</b>	₱594,327,080

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**18. Foreign Exchange Gains (Losses)**

	<b>September 30, 2024 (Unaudited)</b>	September 30, 2023 (Unaudited)
Realized foreign exchange gains (losses) - net	<b>₱78,823,807</b>	(₱18,159,586)
Unrealized foreign exchange losses - net	<b>(36,954,444)</b>	(12,255,986)
	<b>₱41,869,363</b>	(₱30,415,572)

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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.

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**19. Miscellaneous Income (Charges) - net**

	<b>September 30, 2024 (Unaudited)</b>	September 30, 2023 (Unaudited)
Loss on direct write-off of input VAT claims	<b>(P57,479,921)</b>	(P36,908,692)
Income from insurance claims	<b>4,747,351</b>	57,595,096
Mark-to-market gain - financial asset at FVPL	<b>1,473,798</b>	800,403
Others	<b>(466,059)</b>	60,108,245
	<b>(P51,724,831)</b>	P81,595,052

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**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 P146,809.79 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.

On August 7, 2024, the Board of First Gen Hydro Power Corporation (FG Hydro), a 60%-owned subsidiary of EDC, approved the declaration of cash dividend amounting to P804.9 million to its non-controlling common stockholder. Cash dividends were paid on September 13, 2024.

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**21. Basic/Diluted Earnings Per Share**

The earnings per share amounts were computed as follows:

	<b>September 30, 2024 (Unaudited)</b>	September 30, 2023 (Unaudited)
Net income attributable to equity shareholders of the Parent Company	<b>P6,923,244,413</b>	P11,934,865,128
Less dividends on preferred shares	<b>293,500,000</b>	293,500,000
(a) Net income attributable to common shareholders of the Parent Company	<b>P6,629,744,413</b>	P11,641,365,128
(b) Weighted average number of common shares outstanding	<b>17,035</b>	17,042
Basic/diluted earnings per share (a/b)	<b>P389,175.50</b>	P683,115.65

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

## 22. Related Party Transactions

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

Related Party	Nature of Transaction	Terms	Transactions for the nine-month period		Balances	
			ended September 30 (Unaudited) 2024	2023	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Due to related parties</b>						
<i>Entities under common control</i>						
First Gen Corporation (First Gen)	Interest-free advances	Unsecured and will be settled in cash	<b>₱4,965,485</b>	₱5,507,135	<b>₱2,713,968</b>	₱1,668,334
	Consultancy fee	- do -	<b>139,337,647</b>	46,445,882	-	-
					<b>₱2,713,968</b>	<b>₱1,668,334</b>
<b>Dividends payable</b>						
<i>Affiliate</i>						
PREHC	Dividend	Unsecured and will be settled in cash	<b>₱1,354,467,111</b>	₱1,353,491,537	<b>₱-</b>	<b>₱-</b>
<i>Entities under common control</i>						
Red Vulcan	- do -	- do -	<b>1,394,426,605</b>	1,393,750,561	-	-
First Gen	- do -	- do -	<b>826,627,849</b>	21,845,190	-	-
North Terracotta Power Corp	- do -	- do -	<b>21,727,849</b>	21,725,242	-	-
					<b>₱-</b>	<b>₱-</b>
<b>Due from related parties</b>						
<i>Entities under common control</i>						
First GES Thermaprime Drilling Corporation (Thermaprime)	Other services	Unsecured and will be settled in cash	<b>₱-</b>	<b>₱-</b>	<b>₱36,003,435</b>	₱37,433,266
First Gen	Lease drilling	- do -	-	-	<b>1,941,251</b>	1,941,251
First Gen	Other services	- do -	-	-	<b>1,203,736</b>	2,334,646
					<b>₱39,148,422</b>	<b>₱41,709,163</b>
<b>Trade and other receivables</b>						
(Note 6)						
<i>Entities under common control</i>						
Rockwell Land Corporation	Sale of electricity	Unsecured and will be settled in cash	<b>₱275,615,147</b>	₱238,692,104	<b>₱34,311,161</b>	₱40,827,619
First GES	- do -	- do -	<b>480,456,241</b>	752,864,742	<b>30,580,247</b>	85,859,472
First Industrial Township, Inc	- do -	- do -	<b>37,725,049</b>	-	<b>12,471,689</b>	-
PI Energy Inc.	- do -	- do -	<b>179,696,726</b>	93,025,227	<b>8,308,329</b>	6,036,973
FPIP Utilities, Incorporated	- do -	- do -	<b>18,971,252</b>	-	<b>2,402,953</b>	-
First Philippine Industrial Park (FPIP)	- do -	- do -	<b>15,483,477</b>	-	<b>1,846,235</b>	-
First Philec Inc.	- do -	- do -	<b>11,672,343</b>	-	<b>1,579,707</b>	-
Fresh River Lakes Corp.	- do -	- do -	<b>1,378,560</b>	-	<b>1,370,780</b>	-
FGen Natural Gas Supply, Inc.	- do -	- do -	<b>2,391,804</b>	-	<b>635,281</b>	-
First Gas Power Corp.	- do -	- do -	<b>1,056,454</b>	-	<b>188,874</b>	-
					<b>₱93,695,256</b>	<b>₱132,724,064</b>
<b>Trade and other payables</b>						
(Note 12)						
<i>Entities under common control</i>						
First Balfour Inc.	Civil Works and other services	Unsecured and will be settled in cash	<b>₱5,569,936,474</b>	₱2,200,968,424	<b>₱2,752,067,145</b>	₱3,424,205,698
Thermaprime	Drilling and other related services	- do -	<b>3,516,891,965</b>	808,934,083	<b>826,750,388</b>	258,058,514
First GES	- do -	- do -	<b>455,501,660</b>	311,463,143	<b>183,679,928</b>	105,673,610
TG Services Inc	Purchase of services and utilities	- do -	<b>82,538,548</b>	77,922,331	<b>52,215,316</b>	44,353,649
Fresh River Lakes Corp.	- do -	- do -	<b>4,948,381</b>	-	<b>38,038,167</b>	-
InfoPro Business Solutions, Inc.	- do -	- do -	<b>141,338,922</b>	136,647,208	<b>34,761,788</b>	30,224,982
Powerlink Security & Investigative Services, Inc.	- do -	- do -	<b>44,703,466</b>	47,741,703	<b>33,806,044</b>	33,455,682

(Forward)

Related Party	Nature of Transaction	Terms	Transactions for the nine-month period		Balances	
			ended September 30 (Unaudited)	2023	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
			2024	2023		
Silverlink Security & Investigative Services, Inc.	Purchase of services and utilities	Unsecured and will be settled in cash	<b>₱103,736,204</b>	₱100,925,631	<b>₱33,759,337</b>	₱37,503,119
PI Energy Inc.			<b>79,314,682</b>	70,222,227	<b>11,399,628</b>	10,363,399
FPIP Property Developers and Management Corporation	- do -	- do -	<b>3,688,498</b>	-	<b>8,677,357</b>	-
Therma One Transport Corp.	- do -	- do -	<b>5,942,343</b>	-	<b>2,096,974</b>	-
Skycable	- do -	- do -	<b>1,885,194</b>	2,249,667	<b>1,636,212</b>	1,115,371
First Philippine Realty Corporation	- do -	- do -	<b>5,798,025</b>	1,971,178	<b>989,817</b>	679,817
First Philec Inc.	- do -	- do -	-	-	<b>568,555</b>	568,555
First Philippine Industrial Corporation	- do -	- do -	-	-	<b>482,445</b>	478,792
First Philec Manufacturing Technologies Corp.	- do -	- do -	-	-	<b>328,720</b>	328,720
First Philippine Holdings	- do -	- do -	<b>354,785</b>	-	<b>249,350</b>	-
Securities Transfer Services, Inc.	- do -	- do -	-	-	<b>36,720</b>	36,720
Goldlink Security & Investigative Services, Inc.	- do -	- do -	-	-	<b>77,512</b>	77,512
FPIP	- do -	- do -	<b>99,498</b>	-	<b>11,575</b>	-
ABS-CBN Publishing, Inc.	- do -	- do -	-	-	<b>3,600</b>	3,600
Endeavor Philippines	- do -	- do -	<b>980,000</b>	-	-	-
Adtel	- do -	- do -	<b>658,036</b>	366,900	-	957,776
Goldlink Protective and Detective Services, Inc.	- do -	- do -	<b>402,138</b>	478,816	-	-
<b>Other related party</b>						
PREHC Directors	Directors' Fee	- do -	<b>776,000</b>	28,276,234	-	-
					<b>₱3,981,636,578</b>	<b>₱3,948,085,516</b>
<b>Lease Liability</b>						
<b>Entities under common control</b>						
Thermaprime	Lease	Unsecured and will be settled in cash	<b>₱3,704,465,969</b>	P-	<b>₱3,626,395,142</b>	P-
Rockwell Land Corporation	- do -	- do -	-	-	<b>144,881,130</b>	283,523,857

The Group has not recognized any impairment loss on trade and other receivables relating to intercompany transactions as of September 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:

September 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>					
<b>Financial Assets</b>					
Cash and cash equivalents	P14,386,208	P-	P-	P-	P14,386,208
Trade receivables	5,507,634	-	-	-	5,507,634
Non-trade receivables	517,783	-	-	-	517,783
Deposits and special funds <sup>1</sup>	317,099	-	-	-	317,099
Loans and notes receivables	54,753	-	-	-	54,753
Advances to employees	37,165	-	-	-	37,165
Due from related parties	39,148	-	-	-	39,148
Short term investments	200,000	-	-	-	200,000
Long-term receivables	1,548,663	-	-	-	1,548,663
Financial assets at FVOCI:					
Debt investments	-	192,066	-	-	192,066
Equity investments	-	109,947	-	-	109,947
Financial assets at FVPL	-	-	64,749	-	64,749
Derivative assets	-	-	-	206,666	206,666
<b>Total financial assets</b>	<b>P22,608,453</b>	<b>P302,013</b>	<b>P64,749</b>	<b>P206,666</b>	<b>P23,181,881</b>
<b>Financial Liabilities</b>					
Accounts payable <sup>2</sup>	P15,692,490	P-	P-	P-	P15,692,490
Accrued interest on					
long-term debts	859,284	-	-	-	859,284
Other payables <sup>3</sup>	909,315	-	-	-	909,315
Due to related parties	2,714	-	-	-	2,714
Long-term debts	64,467,888	-	-	-	64,467,888
Lease liability	3,881,588	-	-	-	3,881,588
Customer deposits	106,833	-	-	-	106,833
<b>Total financial liabilities</b>	<b>P85,920,112</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P85,920,112</b>

<sup>1</sup>Includes current and non-current portion

<sup>2</sup>Excluding statutory liabilities to the Government

<sup>3</sup>Excluding 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>					
<b>Financial Assets</b>					
Cash and cash equivalents	P17,421,013	P-	P-	P-	P17,421,013
Trade receivables	5,906,130	-	-	-	5,906,130
Non-trade receivables	891,745	-	-	-	891,745
Deposits and special funds <sup>1</sup>	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
<b>Total financial assets</b>	<b>P29,707,134</b>	<b>P288,985</b>	<b>P17,746</b>	<b>P267,803</b>	<b>P30,281,668</b>

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>					
<b>Financial Liabilities</b>					
Accounts payable <sup>2</sup>	P16,415,651	P-	P-	P-	P16,415,651
Accrued interest on long-term debts	624,810	-	-	-	624,810
Other payables <sup>3</sup>	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
<b>Total financial liabilities</b>	<b>P74,036,760</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P74,036,760</b>

<sup>1</sup>Includes current and non-current portion

<sup>2</sup>Excluding statutory liabilities to the Government

<sup>3</sup>Excluding 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 September 30, 2024 and December 31, 2023 other than those with carrying amounts that are reasonable approximations of fair values.

	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
<b>Financial Assets</b>				
Amortized cost:				
Long-term receivables	<b>P1,548,663,413</b>	<b>P1,394,200,593</b>	P1,675,144,611	P1,496,571,218
Deposits and special funds	<b>317,098,802</b>	<b>316,534,115</b>	322,595,577	320,267,648
	<b>P1,865,762,215</b>	<b>P1,710,734,708</b>	P1,997,740,188	P1,816,838,866
<b>Financial Liabilities:</b>				
Financial liabilities at amortized cost:				
Long-term debts	<b>P64,467,887,678</b>	<b>P68,180,089,195</b>	P55,734,420,269	P57,301,469,168
Lease liabilities	<b>3,881,587,919</b>	<b>2,804,938,587</b>	323,895,002	229,833,244
Customer deposits	<b>106,832,899</b>	<b>96,177,446</b>	154,621,477	138,138,552
	<b>P68,456,308,496</b>	<b>P71,081,205,228</b>	P56,212,936,748	P57,669,440,964

Due to their relatively short maturity, ranging from one (1) to three (3) 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 5.39% and 5.80% as of September 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 3.03% to 3.46% as of September 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 6.10% to 6.61% as of September 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)

	September 30, 2024 (Unaudited)			
	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Loans and receivables:				
Long-term receivables	P1,394,200,593	P-	P-	P1,394,200,593
Deposits and special funds	316,534,115	-	-	316,534,115
Financial assets at FVPL	64,748,600	64,748,600	-	-
Financial assets at FVOCI:				
Debt investments	192,065,680	192,065,680	-	-
Equity investments	109,947,061	6,047,061	103,900,000	-
Derivative assets designated as cash flow hedges	206,666,041	-	206,666,041	-
<b>Financial Liabilities</b>				
Financial liabilities at amortized cost:				
Long-term debts	68,180,089,195	14,951,695,056	-	53,228,394,139
Lease liabilities	2,804,938,587	-	-	2,804,938,587
Customer deposits	96,177,446	-	-	96,177,446
	December 31, 2023 (Audited)			
	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Loans and receivables:				
Long-term receivables	P1,496,571,218	P-	P-	P1,496,571,218
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	-

	December 31, 2023 (Audited)			
	Total	Level 1	Level 2	Level 3
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 nine (9) months ended September 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:

### September 30, 2024 (Unaudited)

	Trade receivables						Total
	Days past due					Credit Impaired	
	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%	16.7%
Estimated total gross carrying amount at default (Note 6)	₱3,416,884	₱259,329	₱104,049	₱37,001	₱1,710,164	₱1,083,382	₱6,610,809
Expected credit loss	–	–	–	–	19,793	1,083,382	1,103,175

### December 31, 2023 (Audited)

	Trade receivables						Total
	Days past due					Credit Impaired	
	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 September 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:

	<b>September 30, 2024 (Unaudited)</b>		December 31, 2023 (Audited)	
	<b>Derivative Assets</b>	<b>Derivative Liabilities</b>	Derivative Assets	Derivative Liabilities
Derivatives designated as accounting hedges				
Interest rate swaps	<b>₱206,666,041</b>	<b>₱-</b>	₱267,803,283	₱-
<b>Total derivatives</b>	<b>₱206,666,041</b>	<b>₱-</b>	₱267,803,283	₱-
Presented as:				
Current	<b>₱32,252,754</b>	<b>₱-</b>	₱34,333,755	₱-
Noncurrent	<b>174,413,287</b>	-	233,469,528	-
<b>Total derivatives</b>	<b>₱206,666,041</b>	<b>₱-</b>	₱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 September 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 ₱51.9 million and gains of ₱3.6 million as of September 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:

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Balance at beginning of year	<b>(₱3,594,339)</b>	₱72,138,661
Changes in fair value	<b>62,616,133</b>	117,824,574
	<b>59,021,794</b>	189,963,235
<i>Transferred to consolidated statements of income</i>		
Interest expense	<b>(126,988,384)</b>	(168,479,285)
Balance before tax	<b>(67,966,590)</b>	21,483,950
Tax	<b>16,082,352</b>	(25,078,289)
Balance at end of year	<b>(₱51,884,238)</b>	(₱3,594,339)

*Fair Value Changes of Derivatives*

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

	<b>September 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Balance at beginning of year	<b>₱267,803,283</b>	₱370,676,037
Net changes in fair value of derivatives designated as accounting hedges	<b>65,851,142</b>	65,606,531
Fair value of settled instruments: Designated as accounting hedges	<b>(126,988,384)</b>	(168,479,285)
Balance at end of year	<b>₱206,666,041</b>	₱267,803,283
Presented as:		
Derivative assets	<b>₱206,666,041</b>	₱267,803,283
Derivative liabilities	-	-
	<b>₱206,666,041</b>	₱267,803,283

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.

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## 24. Events After Financial Reporting Date

On October 23, 2024, EBWPC partially unwind its IRS contracts with Norddeutsche Landesbank Girozentrale, Australia and New Zealand Banking Group Ltd., and ING Bank N.V.

On November 7, 2024, EDC drew ₱3.0 billion from a new term loan facility signed with BDO last October 17, 2024.

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## 25. Other Matters

### *Seasonality or Cyclicity of Interim Operations*

For Wind Ilocos Norte Business Unit, higher revenue and operating profits are expected in the first and last quarters 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 cyclicity of interim operations is not applicable. GCGI's and BGI's sales to cooperatives, distribution utilities, and industrial customers are also not subject to seasonality or cyclicity.

### *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 September 30, 2024**  
**In Million Pesos**

	<b>Amount</b>
Trade receivables	
Neither past due nor impaired	3,416.9
Less than 30 days past due	259.3
31 days to 1 year past due	1,851.2
Credit impaired	1,083.4
Subtotal	6,610.8
Other receivables	639.1
Total receivables	7,249.9
Allowance for doubtful accounts	1,132.6
<b>Trade and other receivables – net</b>	<b>6,117.3</b>

*Certified true and correct:*

  
**MARIBEL A. MANLAPAZ**  
 Vice President,  
 Head of Comptrollership

November 11, 2024  
 Date Signed