

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	6	9	-	0	3	9	2	7	4	
---	---	---	---	---	---	---	---	---	---	--

COMPANY NAME

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

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

S	E	C	
---	---	---	--

Secondary License Type, If Applicable

N	/	A	
---	---	---	--

COMPANY INFORMATION

Company's Email Address

corpsec.aceph@acenergy.com.ph

Company's Telephone Number

(632) 7730-6300

Mobile Number

No. of Stockholders

4,521

Annual Meeting (Month / Day)

03/31

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Alan T. Ascalon

Email Address

alan.ascalon@acenrenewables.com

Telephone Number/s

(632) 7730-6300

Mobile Number

—

CONTACT PERSON'S ADDRESS

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

NOTE 1 *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**

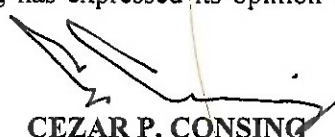
The management of **ACEN CORPORATION and Subsidiaries**, (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


CEZAR P. CONSING
Chairman of the Board


JOHN ERIC T. FRANCIA
President and Chief Executive Officer


JONATHAN P. BACK
Group Chief Finance Officer
and Group Chief Strategy Officer

Signed this 10th day of March 2025

SUBSCRIBED AND SWORN to before me this MAR 10 2025 at Makati City, affiants exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Issue	Place of Issue
Cezar P. Consing	P6868155A	17 Apr 2018	DFA NCR South
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Jonathan P. Back	GBR 142881794	02 Nov 2023	United Kingdom

Doc. No. 284
Page No. 88
Book No. 16
Series of 2025




KATRINA ISABEL L. LOPEZ
Notary Public for Makati City
Appointment No. M-499 (2024-2025)
Attorneys Roll No. 74992
PTR No. 10466047; 1-02-2025; Makati City
IBP No. 491234; 1-01-2025; Quezon City
MCLE Compliance No. VII-0019587; valid until 4-14-2028
35th Floor Ayala Triangle Gardens Tower 2
Makati Avenue corner Paseo de Roxas Makati City

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

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of ACEN CORPORATION and its Subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit

procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill arising from Acquisition of UPC-AC Energy Australia HK Ltd.

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2024, the Group has goodwill amounting to ₱21,498.03 million arising from its acquisition of UPC-AC Energy Australia HK Ltd. (UPC-ACE Australia), which is considered significant to the consolidated financial statements.

The impairment testing of goodwill is a key audit matter because it requires management to make significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the estimated future cash flows of the related cash-generating units, forecasted revenue growth rate, earnings before interest, taxes, depreciation and amortization (EBITDA) margins and the discount rate used in calculating the present value of future cash flows.

The Group's disclosures are included in Note 10 to the consolidated financial statements.

Audit Response

We sent instructions to the statutory auditors of ACRI to perform an audit on the relevant financial information of ACRI for the purpose of the Group's consolidated financial statements. These audit instructions cover their scope of work, risk assessment procedures, audit strategy and reporting responsibilities. We discussed with ACRI statutory auditors about their key audit areas, planning and execution of audit procedures, significant areas of estimation and judgment, and results of their work for the year ended December 31, 2024.

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We reviewed the working papers of the statutory auditor of ACRI, specifically, we reviewed the procedures performed in evaluating the methodology and assumptions used by management. These assumptions include revenue growth rates, EBITDA margins and discount rate. We compared the key assumptions used, such as forecasted revenue growth rates and gross margin, prices in the energy spot market against the historical performance of the cash generating unit and industry outlook and other relevant external data. We also performed stress testing on key assumptions, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill. We involved our internal specialist in evaluating the parameters used in the determination of the discount rate against market data.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in the determination of the recoverable amounts of goodwill.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

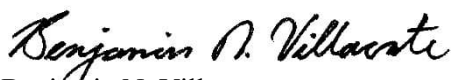
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Benjamin N. Villacorte.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

		December 31	
	Notes	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 25	₱25,158,358	₱39,696,662
Current portion of:			
Accounts and notes receivable	5	22,763,923	26,065,692
Input value added tax (VAT)		2,793,187	2,059,734
Creditable withholding taxes		360,841	102,984
Financial assets at fair value through profit or loss (FVTPL)	26	5,704,353	1,938,497
Fuel and spare parts - at cost		974,526	964,053
Other current assets	11	1,376,921	750,493
Total Current Assets		59,132,109	71,578,115
Noncurrent Assets			
Investment in:			
Associates and joint ventures	6	42,735,003	30,098,617
Redeemable preferred shares and convertible loans	7	17,828,524	21,633,799
Financial assets at FVTPL	26	921,787	1,932,975
Financial assets at fair value through other comprehensive income (FVOCI)	26	12,116,639	5,799,323
Property, plant and equipment	8	121,852,460	88,928,251
Right-of-use assets	9	8,454,956	8,213,704
Goodwill and other intangible assets	10	25,599,005	23,165,368
Net of current portion:			
Accounts and notes receivable	5	17,809,515	12,689,042
Input VAT		3,042,624	3,120,200
Creditable withholding taxes		3,681,895	2,513,774
Deferred income tax assets - net	21	3,316,975	2,122,081
Other noncurrent assets	11	13,050,739	13,138,251
Total Noncurrent Assets		270,410,122	213,355,385
TOTAL ASSETS		₱329,542,231	₱284,933,500

(Forward)



		December 31	
		2024	2023
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	12	₱14,408,806	₱16,145,386
Short-term loans	13, 25	5,600,000	1,500,000
Current portion of:			
Long-term loans	13, 26	7,456,367	1,289,104
Lease liabilities	9, 26	1,889,401	850,953
Income and withholding taxes payable		302,541	241,667
Due to stockholders	22	13,138	16,585
Total Current Liabilities		29,670,253	20,043,695
Noncurrent Liabilities			
Notes payable	13, 26	33,056,481	32,003,794
Noncurrent portion of:			
Long-term loans	13, 26	87,399,527	44,485,573
Lease liabilities	9, 24, 26	12,609,041	7,505,848
Pension and other employee benefits		329,025	368,827
Deferred income tax liabilities - net	21	1,454,664	805,902
Other noncurrent liabilities	14	7,580,040	6,344,004
Total Noncurrent Liabilities		142,428,778	91,513,948
Total Liabilities		172,099,031	111,557,643
Equity			
Common shares	1, 15	39,691,895	39,691,895
Redeemable preferred shares	1, 15	25,000	25,000
Additional paid-in capital	1, 15	132,295,689	132,295,689
Other equity reserves	15	(59,450,345)	(59,450,345)
Unrealized fair value loss on equity instruments at FVOCI		(3,074,292)	(268,000)
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		(592,720)	588,519
Remeasurement loss on defined benefit plans - net of tax		(64,414)	(32,821)
Accumulated share in other comprehensive loss of associates and joint ventures	6	(167,097)	(85,483)
Cumulative translation adjustments	15	8,590,223	5,864,713
Retained earnings	15	30,320,264	24,871,807
Treasury shares	15	(28,657)	(28,657)
Total equity attributable to equity holders of the Parent Company		147,545,546	143,472,317
Non-controlling interests	15	9,897,654	29,903,540
Total Equity		157,443,200	173,375,857
TOTAL LIABILITIES AND EQUITY		₱329,542,231	₱284,933,500

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Figures)

		Years Ended December 31		
	Notes	2024	2023	2022
REVENUES				
Revenue from sale of electricity	16	₱36,134,274	₱36,181,426	₱34,995,488
Dividend income		515,961	–	3,635
Rental income		69,597	68,857	68,469
Other revenues		580,570	248,850	170,959
		37,300,402	36,499,133	35,238,551
COSTS AND EXPENSES				
Costs of sale of electricity	17			
Cost of purchased power		22,043,543	27,272,520	24,599,882
Depreciation and amortization		2,023,059	1,207,418	1,918,307
Fuel		1,018,764	1,522,458	4,957,516
Others		2,273,213	1,727,686	2,707,534
		27,358,579	31,730,082	34,183,239
General and administrative expenses	18			
Personnel costs, management, and professional fees		3,133,250	2,606,677	1,184,267
Provision for impairment		1,135,006	2,996,657	1,325,181
Depreciation and amortization		569,218	366,052	260,101
Others		2,145,290	1,501,498	1,132,268
		6,982,764	7,470,884	3,901,817
		34,341,343	39,200,966	38,085,056
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES				
	6	1,190,966	1,765,239	937,834
OTHER INCOME (CHARGES)				
Interest and other financial income	20			
Cash in banks and short-term deposits	4	989,573	1,586,517	285,195
Accounts and notes receivable	5	2,428,544	2,346,536	1,879,078
Investments in redeemable preferred shares and convertible loans	7	2,916,233	3,137,338	3,474,911
		6,334,350	7,070,391	5,639,184
Interest and other finance changes	19	(3,292,071)	(1,930,265)	(2,357,531)
Other income - net	20			
Gain on disposal of assets		2,638,008	1,062,030	613,565
Remeasurement gain		–	3,433,328	10,921,026
Others		1,112,085	690,082	1,028,217
		3,750,093	5,185,440	12,562,808
		6,792,372	10,325,566	15,844,461
INCOME BEFORE INCOME TAX		10,942,397	9,388,972	13,935,790
PROVISION FOR (BENEFIT FROM) INCOME TAX	21	829,920	282,298	(662,098)
NET INCOME		₱10,112,477	₱9,106,674	₱14,597,888
Net Income Attributable To:				
Equity holders of the Parent Company		₱9,360,006	₱7,396,140	₱13,055,119
Non-controlling interests		752,471	1,710,534	1,542,769
		₱10,112,477	₱9,106,674	₱14,597,888
Net income attributable to equity holders of Parent Company		₱9,360,006	₱7,396,140	₱13,055,119
Less cumulative preferred share dividends		1,927,679	642,560	–
Net income attributable to common shareholders of Parent Company		₱7,432,327	₱6,753,580	₱13,055,119
Basic/Diluted Earnings Per Share	23	₱0.19	₱0.17	₱0.33

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Per Share Figures)

		Years Ended December 31		
	Notes	2024	2023	2022
NET INCOME		₱10,112,477	₱9,106,674	₱14,597,888
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
		2,760,717	(1,508,828)	7,780,911
	Cumulative translation adjustments			
	Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax	(1,181,239)	261,843	362,555
		1,579,478	(1,246,985)	8,143,466
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods				
	Net changes in the fair value of equity instruments at FVOCI	(2,806,292)	(153,434)	(24,477)
	Remeasurement (loss) gain on defined benefit plans - net of tax	(31,593)	11,089	(25,265)
		(2,837,885)	(142,345)	(49,742)
		(1,258,407)	(1,389,330)	8,093,724
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES				
	6			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
		(166,434)	(71,365)	–
	Cumulative translation adjustment			
	Interest rate swap	69,807	14,596	–
	Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax	(2,891)	4,111	45,224
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods				
	Remeasurement gain (loss) on defined benefit plans - net of tax	17,904	(27,031)	7,628
		(81,614)	(79,689)	52,852
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		(1,340,021)	(1,469,019)	8,146,576
TOTAL COMPREHENSIVE INCOME		₱8,772,456	₱7,637,655	₱22,744,464
Total Comprehensive Income Attributable To:				
	Equity holders of the Parent Company	₱7,984,778	₱5,850,972	₱21,188,277
	Non-controlling interests	787,678	1,786,683	1,556,187
		₱8,772,456	₱7,637,655	₱22,744,464

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company														Non-controlling Interests (Note 15)	Total Equity
	Common Shares (Note 15)	Additional Paid-in Capital - Common Shares (Note 15)	Redeemable Preferred Shares (Note 15)	Additional Paid-in Capital - Redeemable Preferred Shares (Note 15)	Other Equity Reserves (Note 15)	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on derivative instruments designated as hedge – net of tax	Remeasurement Gain (Loss) On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 6)	Cumulative Translation Adjustments (Note 15)	Retained Earnings (Note 15)	Treasury Shares (Note 15)	Total			
Balances at January 1, 2024	₱39,691,895	₱107,492,243	₱25,000	₱24,803,446	(₱59,450,345)	(₱268,000)	₱588,519	(₱32,821)	(₱85,483)	₱5,864,713	₱24,871,807	(₱28,657)	₱143,472,317	₱29,903,540	₱173,375,857	
Net income	–	–	–	–	–	–	–	–	–	–	9,360,006	–	9,360,006	752,471	10,112,477	
Other comprehensive income (loss)	–	–	–	–	–	(2,806,292)	(1,181,239)	(31,593)	(81,614)	2,725,510	–	–	(1,375,228)	35,207	(1,340,021)	
Total comprehensive income (loss)	–	–	–	–	–	(2,806,292)	(1,181,239)	(31,593)	(81,614)	2,725,510	9,360,006	–	7,984,778	787,678	8,772,456	
Dividends declared	–	–	–	–	–	–	–	–	–	–	(3,911,549)	–	(3,911,549)	(684,751)	(4,596,300)	
Capital infusion of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	20,428	20,428	
Capital redemption of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	(20,129,241)	(20,129,241)	
	–	–	–	–	–	–	–	–	–	–	(3,911,549)	–	(3,911,549)	(20,793,564)	(24,705,113)	
Balances at December 31, 2024	₱39,691,895	₱107,492,243	₱25,000	₱24,803,446	(₱59,450,345)	(₱3,074,292)	(₱592,720)	(₱64,414)	(₱167,097)	₱8,590,223	₱30,320,264	(₱28,657)	₱147,545,546	₱9,897,654	₱157,443,200	
Balances at January 1, 2023	₱39,691,895	₱107,492,243	₱–	₱–	(₱56,585,740)	(₱114,566)	₱326,676	(₱43,910)	(₱5,794)	₱7,449,690	₱19,551,839	(₱28,657)	₱117,733,676	₱31,859,767	₱149,593,443	
Net income	–	–	–	–	–	–	–	–	–	–	7,396,140	–	7,396,140	1,710,534	9,106,674	
Other comprehensive income (loss)	–	–	–	–	–	(153,434)	261,843	11,089	(79,689)	(1,584,977)	–	–	(1,545,168)	76,149	(1,469,019)	
Total comprehensive income (loss)	–	–	–	–	–	(153,434)	261,843	11,089	(79,689)	(1,584,977)	7,396,140	–	5,850,972	1,786,683	7,637,655	
Dividends Declared	–	–	–	–	–	–	–	–	–	–	(2,069,015)	–	(2,069,015)	(1,882,833)	(3,951,848)	
Issuance of capital stock	–	–	25,000	24,975,000	–	–	–	–	–	–	–	–	25,000,000	–	25,000,000	
Share issuance costs	–	–	–	(171,554)	–	–	–	–	–	–	–	–	(171,554)	–	(171,554)	
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	(2,864,605)	–	–	–	–	–	–	–	(2,864,605)	(1,860,077)	(4,724,682)	
Others	–	–	–	–	–	–	–	–	–	–	(7,157)	–	(7,157)	–	(7,157)	
	–	–	25,000	24,803,446	(2,864,605)	–	–	–	–	–	(2,076,172)	–	19,887,669	(3,742,910)	16,144,759	
Balances at December 31, 2023	₱39,691,895	₱107,492,243	₱25,000	₱24,803,446	(₱59,450,345)	(₱268,000)	₱588,519	(₱32,821)	(₱85,483)	₱5,864,713	₱24,871,807	(₱28,657)	₱143,472,317	₱29,903,540	₱173,375,857	

See accompanying Notes to Consolidated Financial Statements.



Attributable to Equity Holders of the Parent Company

	Common Shares (Note 15)	Additional Paid-in Common Shares (Note 15)	Redeemable Preferred Shares (Note 15)	Additional Paid-in Capital – Preferred Shares (Note 15)	Other Equity Reserves (Note 15)	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on derivative instruments designated as hedge – net of tax	Remeasurement Gain (Loss)) On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive (Loss) of Associates and Joint Ventures (Note 6)	Cumulative Translation Adjustments	Retained Earnings (Note 15)	Treasury Shares (Note 15)	Total	Non-controlling Interests (Note 15)	Total Equity
Balances at January 1, 2022	P38,338,527	P98,043,831	P–	P–	(P56,604,532)	(P90,089)	P6,228	(P24,436)	P29,723	(P359,910)	P8,707,301	(P28,657)	P88,017,986	P29,950,776	P117,968,762
Net income	–	–	–	–	–	–	–	–	–	–	13,055,119	–	13,055,119	1,542,769	14,597,888
Other comprehensive income (loss)	–	–	–	–	–	(24,477)	320,448	(25,265)	52,852	7,809,600	–	–	8,133,158	13,418	8,146,576
Total comprehensive income (loss)	–	–	–	–	–	(24,477)	320,448	(25,265)	52,852	7,809,600	13,055,119	–	21,188,277	1,556,187	22,744,464
Dividends declared	–	–	–	–	–	–	–	–	–	–	(2,298,950)	–	(2,298,950)	(1,504,247)	(3,803,197)
Issuance of capital stock	1,320,746	9,237,832	–	–	–	–	–	–	–	–	–	–	10,558,578	–	10,558,578
Grants through Employee Stock Ownership Plan	32,622	210,580	–	–	–	–	–	–	–	–	–	–	243,202	–	243,202
Change due to loss of control	–	–	–	–	–	–	–	5,791	–	–	–	–	5,791	–	5,791
Business combination	–	–	–	–	–	–	–	–	(88,369)	–	88,369	–	–	–	–
Non-controlling interest arising from a business combination	–	–	–	–	–	–	–	–	–	–	–	–	–	1,947,104	1,947,104
Effects of common control business combination	–	–	–	–	121,830	–	–	–	–	–	–	–	121,830	(105,192)	16,638
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	(110,463)	–	–	–	–	–	–	–	(110,463)	15,139	(95,324)
Others	–	–	–	–	7,425	–	–	–	–	–	–	–	7,425	–	7,425
	1,353,368	9,448,412	–	–	18,792	–	–	5,791	(88,369)	–	(2,210,581)	–	8,527,413	352,804	8,880,217
Balances at December 31, 2022	P39,691,895	P107,492,243	P–	P–	(P56,585,740)	(P114,566)	P326,676	(P43,910)	(P5,794)	P7,449,690	P19,551,839	(P28,657)	P117,733,676	P31,859,767	P149,593,443

See accompanying Notes to Consolidated Financial Statements



ACEN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

		Years Ended December 31		
	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱10,942,397	₱9,388,972	₱13,935,790
Adjustments for:				
Interest and other finance charges	19	3,292,071	1,930,265	2,357,531
Depreciation and amortization	17, 18	2,592,277	1,573,470	2,178,408
Pension and other employee benefits		131,352	302,920	(19,463)
Interest and other financial income	20	(6,334,350)	(7,070,391)	(5,639,184)
Equity in net income of associates and joint ventures	6	(1,190,966)	(1,765,239)	(937,834)
Dividend income		(515,961)	—	(3,635)
Unrealized foreign exchange (gains) losses - net		(357,635)	22,705	(100,538)
Employee stock ownership plan expense		—	—	31,161
Provision for (reversal of):				
Expected credit losses	5, 18	1,223,402	1,124,734	(13,755)
Impairment loss on:				
Redeemable preferred shares and convertible loans	7, 18	(93,694)	1,860,969	1,284,409
Property, plant and equipment, net	8, 18, 20	3,557	4,569	41,444
Advances to contractors, net	11, 18, 20	1,741	6,385	(1,256)
Probable losses on deferred exploration costs	10, 18	—	—	584
Loss (gain) on:				
Disposal of investment, net	2, 6, 20	(1,213,494)	(1,062,030)	(613,565)
Sale and leaseback	2, 20	(1,035,334)	—	—
Early redemption of convertible loan	20	(389,182)	—	—
Settlement of derivatives	20	(137,863)	31,268	(297,342)
Sale of property, plant and equipment	20	(46,647)	3,872	7,049
Sale of financial asset at FVTPL	20	(61,603)	(49,929)	—
Fair value adjustment on financial asset at FVTPL	20	147,216	262,383	124,513
Discount on long-term receivables	20	31,146	33,594	82,508
Remeasurement gain on investments	2, 20	—	(3,433,328)	(10,921,026)
Settlement of development loan	5, 20	—	(515,000)	—
Recovery of tax credit certificate on real property tax	20	—	(8,538)	—
Sale of inventories and by-product		—	—	(32,953)
Unrealized commodity swaps		—	—	(1,647)
Bargain purchase		—	—	(138)
Sale of noncurrent assets held for sale		—	—	8,400
Write-off of FVOCI		—	—	500
Operating income before working capital changes		6,988,430	2,641,651	1,469,961
Decrease (increase) in:				
Accounts receivable		5,593,330	201,862	(998,413)
Fuel and spare parts		(10,473)	(157,067)	(139,581)
Other current assets and CWT		(418,029)	(1,154,082)	(1,945,311)
Increase (decrease) in accounts payable and other current liabilities		(448,639)	583,600	3,772,606
Cash generated from operations		11,704,619	2,115,964	2,159,262
Interest received		1,074,933	1,492,833	202,706
Income and withholding taxes paid		(1,049,934)	(421,764)	(66,062)
Net cash flows from operating activities		11,729,618	3,187,033	2,295,906
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	8	(32,694,306)	(25,803,451)	(20,717,831)
Investment in financial assets at FVTPL		(21,860,599)	(6,672,399)	(912,534)
Investments in associates and joint venture, net	6	(11,835,030)	(4,592,106)	(2,996,379)
Receivables	5, 22	(4,893,482)	(8,825,351)	(20,319,739)
Investments in redeemable preferred shares	7	(1,665,068)	(2,433,046)	(3,571,739)
Investment in financial assets at FVOCI		(965,031)	(5,496,726)	—
Investments in subsidiaries, net of cash acquired	2, 24	(569,802)	53,165	(4,033,180)
Other intangible assets	10	(298,342)	(85,653)	(1,471)
Subscription deposits	7	(228,144)	(1,467,305)	(180,448)
Short-term investments	11	(161,966)	528	67,782

(Forward)



Years Ended December 31				
	Notes	2024	2023	2022
Convertible loan		₱–	(₱1,807,639)	(₱2,807,214)
Proceeds from:				
Sale of investments in financial asset at FVTPL		18,164,305	4,131,285	–
Collection of receivables	5, 22	4,265,040	17,111,928	25,251,588
Redemption of financial assets at FVOCI		2,920,617	–	–
Redemption of redeemable preferred shares	7	1,389,659	323,987	–
Redemption of financial assets at FVTPL		587,989	–	–
Redemption of convertible loan	7	389,265	2,341,774	14,508
Change due to loss of control, net of cash surrendered	2	208,727	3,945,443	5,494,611
Sale of property, plant and equipment		63,682	13,408	3,933
Return of capital from a joint venture	6	–	228,312	–
Divestment of investment in associate		–	–	734,672
Sale of noncurrent assets held for sale		–	–	193,525
Dividends received from:				
Investments in associates and joint ventures	6	1,786,093	1,362,464	2,222,356
Financial assets at FVOCI		515,961	–	3,635
Interest received		2,480,022	4,544,222	4,200,750
Increase in other noncurrent assets		(3,597,857)	(1,771,430)	(6,984,890)
Net cash flows used in investing activities		(45,998,267)	(24,898,590)	(24,338,065)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Availment of long-term debts	13, 28	47,292,421	17,586,442	23,012,509
Availment of short-term debts	13, 28	25,600,000	9,000,000	23,259,020
Capital infusion of non-controlling interest in a subsidiary	2, 15	20,428	–	–
Issuance of capital stock		–	25,000,000	10,558,578
Issuance of notes payable		–	–	10,000,000
Payments of:				
Short-term loans	13, 28	(17,300,000)	(10,400,000)	(20,359,020)
Capital redemption of non-controlling interest in a subsidiary	15	(20,129,241)	–	–
Interest on short-term and long-term loans	28	(7,446,873)	(3,065,790)	(1,955,949)
Cash dividends	15, 28	(4,599,747)	(3,951,848)	(3,803,197)
Long-term loans	13, 28	(1,701,273)	(541,690)	(7,387,050)
Lease liabilities	9, 28	(536,537)	(523,233)	(93,035)
Debt issue cost	13	(531,777)	(55,125)	(390,065)
Interest on lease liabilities	9, 28	(344,663)	(250,092)	(198,050)
Acquisition of non-controlling interest in a subsidiary	15	–	(4,724,682)	(95,324)
Stock issuance costs		–	(171,554)	–
Increase (decrease) in other noncurrent liabilities		(42,835)	(1,002,976)	(1,040,364)
Net cash flows from financing activities		20,279,903	26,899,452	31,508,053
EFFECT OF FOREIGN EXCHANGE RATE CHANGES				
ON CASH AND CASH EQUIVALENTS		(549,558)	(121,244)	(1,281,312)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS				
		(14,538,304)	5,066,651	8,184,582
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		39,696,662	34,630,011	26,445,429
CASH AND CASH EQUIVALENTS AT END OF YEAR				
	4	₱25,158,358	₱39,696,662	₱34,630,011

See accompanying Notes to Consolidated Financial Statements.



ACEN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information

ACEN CORPORATION, (“ACEN” or “the Parent Company”) incorporated on September 8, 1969 and registered with the Philippine Securities and Exchange Commission (“SEC”), is engaged in the business of, and/or investing in, electric power development and generation, retail electricity supply, and providing guarantees or similar security arrangements. The Parent Company is a licensed Retail Electricity Supplier (“RES”). As a RES, the Parent Company is allowed to supply electricity to the contestable market pursuant to the Electric Power Industry Reform Act (“EPIRA”). Other activities of the Parent Company include investing in various operating companies and financial instruments. ACEN and its subsidiaries are referred to as “the Group”.

The direct parent company (or intermediate parent company) of ACEN is AC Energy and Infrastructure Corporation (“ACEIC”), a wholly owned subsidiary of Ayala Corporation (“AC”). AC is a publicly listed company which is 47.57% owned by Mermac, Inc. (ultimate parent company), and the rest by the public. AC is a listed entity incorporated in the Philippines.

As at December 31, 2024 and 2023, ACEIC owns 58.23% and 58.16%, respectively, of ACEN’s total outstanding shares of stock. This is based on direct and indirect ownership of ACEIC.

On July 20, 2022, the SEC approved the: (1) proposed amendments to ACEN’s Articles of Incorporation for the change in corporate name and principal office. On the same date, the SEC approved the corresponding amendment to ACEN’s By-Laws to reflect the change in corporate name.

On March 3, 2022, Bureau of Internal Revenue (BIR) Certificate of Registration was updated.

Amendment of Articles of Incorporation

On March 7, 2023, during the regular meeting, the Parent Company’s Board of Directors (BOD) approved the amendment to the Seventh Article of the Articles of Incorporation to reclassify 100.00 million unissued Common Shares into Redeemable Preferred Shares, with par value of ₱1.00 per share.

On April 24, 2023, during the annual special stockholder’s meeting, the stockholders representing at least 2/3 of the Parent Company’s authorized capital stock approved the amendment.

On June 9, 2023, the SEC approved ACEN Amended Articles of Incorporation.

On March 11, 2024, the Board of Directors (BOD) of the Group approved the amendment of the Parent Company’s Articles of Incorporation to remove “distribution” from the primary purpose. The proposed amendment was approved by the Parent Company’s stockholders on April 24, 2024 during the annual stockholders meeting. This was approved by the SEC on May 22, 2024.

The consolidated financial statements were approved and authorized for issuance by the BOD on March 10, 2025.



2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), equity instruments at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso which is the Parent Company's functional and presentation currency. All values are rounded to the nearest thousands ('000), except par values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiaries to bring its accounting policies in line with the Parent Company's accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resulting gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

NCI represents the interests in the subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the NCI in the subsidiary.

The consolidated financial statements comprise the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
ACEN International, Inc. ("ACEN International")	International investment holding	100.00	—	100.00	—
ACEN Renewables International Pte. Ltd. ("ACRI") ^a	International investment holding	—	100.00	—	100.00
ACEN Cayman Limited ("ACEN Cayman") ^b	International investment holding	—	100.00	—	100.00
ACEN Investments HK Limited ("ACEN HK") ^c	International investment holding	—	100.00	—	100.00
UPC-AC Energy Australia (HK) Ltd. ("UPC-ACE Australia")	Power generation	—	100.00	—	100.00
ACEHI Netherlands B.V.*	Investment holding	—	—	—	75.76
ACEN Finance Limited ("ACEN Finance") ^b	Investment holding	100.00	—	100.00	—
Bulacan Power Generation Corporation ("Bulacan Power")	Power generation	100.00	—	100.00	—
CIP II Power Corporation ("CIPP")	Power generation	100.00	—	100.00	—
Guimaras Wind Corporation ("Guimaras Wind")	Wind power generation	100.00	—	100.00	—
One Subic Oil Distribution Corporation	Distribution of petroleum products	100.00	—	100.00	—
One Subic Power Generation Corporation ("One Subic Power")	Power generation	16.94	83.06	16.94	83.06
ENEX Energy Corp. ("ENEX")	Oil, gas, and geothermal exploration	75.92	0.40	75.92	0.40
Palawan55 Exploration & Production Corporation ("Palawan55")	Oil and gas exploration	30.65	52.93	30.65	52.93
Buendia Christiana Holdings Corp. ("BCHC")	Investment holding	100.00	—	100.00	—
ACEN Shared Services, Inc. ("ACES," formerly ACE Shared Services, Inc.)	Shared services	100.00	—	100.00	—
Giga Ace 1, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 2, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 3, Inc. ("Giga Ace 3")	Power generation	100.00	—	100.00	—
Giga Ace 4, Inc. ("Giga Ace 4")	Power generation	100.00	—	100.00	—
Giga Ace 5, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 6, Inc.	Power generation	0.83	99.17	100.00	—
Giga Ace 7, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 8, Inc. ("Giga Ace 8")	Power generation	100.00	—	100.00	—
Giga Ace 9, Inc. ("Giga Ace 9")	Power generation	100.00	—	100.00	—
Giga Ace 10, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 11, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 12, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 14, Inc.	Power generation	100.00	—	100.00	—
Giga Ace 15, Inc.	Power generation	100.00	—	100.00	—
Negros Island Solar Power, Inc. ("ISLASOL")	Solar power generation	—	60.00	—	60.00
San Carlos Solar Energy, Inc. ("SACASOL")	Solar power generation	—	100.00	—	100.00
Monte Solar Energy, Inc. ("MONTESOL")	Solar power generation	96.00	4.00	96.00	4.00
ACEN Global Development Group, Inc. ("AGDGI," formerly ACE Endeavor, Inc.)	Investment holding and management	93.12	6.88	92.40	7.60
Visayas Renewables Corp. ("VRC")	Investment holding	—	100.00	—	100.00
San Julio Land Development Corporation	Leasing and land development	—	100.00	—	100.00
LCC Bulk Water Supply, Inc.	Water supply and distribution	—	100.00	—	100.00
MCV Bulk Water Supply Inc.	Water supply and distribution	—	100.00	—	100.00
SCC Bulk Water Supply Inc.	Water supply and distribution	—	100.00	—	100.00

(Forward)



Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
HDP Bulk Water Supply Inc.	Water supply and distribution	—	100.00	—	100.00
Ingrid2 Power Corp.	Advisory/Consultancy	—	100.00	—	100.00
Ingrid3 Power Corp. (“Ingrid3”)	Advisory/Consultancy	—	100.00	—	100.00
Ingrid4 Power Corp.	Advisory/Consultancy	100.00	—	100.00	—
Ingrid5 Power Corp.	Advisory/Consultancy	100.00	—	100.00	—
Ingrid6 Power Corp.	Advisory/Consultancy	100.00	—	100.00	—
Solienda Inc.	Leasing and land development	—	100.00	—	100.00
Gigasol 1, Inc.	Power generation	—	100.00	—	100.00
Gigasol 2, Inc.	Power generation	—	100.00	—	100.00
Gigasol 3, Inc. (“Gigasol 3”)	Power generation	—	100.00	—	100.00
Gigasol 4, Inc.	Power generation	100.00	—	100.00	—
Gigasol 5, Inc.	Power generation	100.00	—	100.00	—
Gigasol 6, Inc.	Power generation	100.00	—	100.00	—
Gigasol 7, Inc.	Power generation	100.00	—	100.00	—
Gigasol 8, Inc.	Power generation	100.00	—	100.00	—
Gigasol 9, Inc.	Power generation	100.00	—	100.00	—
Gigasol 10, Inc.	Power generation	100.00	—	100.00	—
GigaWind1 Inc.	Power generation	75.00	25.00	75.00	25.00
GigaWind2 Inc.	Power generation	—	100.00	—	100.00
GigaWind3 Inc.	Power generation	100.00	—	100.00	—
GigaWind4 Inc.	Power generation	100.00	—	100.00	—
GigaWind5 Inc.	Power generation	100.00	—	100.00	—
GigaWind6 Inc. ^d	Power generation	100.00	—	100.00	—
GigaWind7 Inc. ^e	Power generation	100.00	—	100.00	—
SolarAce1 Energy Corp. (“SolarAce1”)	Power generation	—	100.00	—	100.00
SolarAce2 Energy Corp. (“SolarAce2”)	Power generation	—	100.00	—	100.00
SolarAce3 Energy Corp.	Power generation	—	100.00	—	100.00
SolarAce4 Energy Corp.	Power generation	—	100.00	—	100.00
AC Subic Solar, Inc.	Power generation	75.00	25.00	—	100.00
AC Laguna Solar, Inc.	Power generation	75.00	25.00	—	100.00
AC La Mesa Solar, Inc.	Power generation	—	100.00	—	100.00
Bataan Solar Energy, Inc. (“BSEI”)	Power generation	—	100.00	—	100.00
Santa Cruz Solar Energy, Inc. (“SCSE”)	Power generation	95.00	5.00	—	100.00
Pagudpud Wind Power Corp. (“PWPC”)	Investment holding	—	100.00	—	100.00
Bayog Wind Power Corp. (“BWPC”)	Power generation	99.96	0.04	40.00	60.00
Manapla Sun Power Development Corporation (“MSPDC”)	Leasing and land development	36.37	63.63	36.37	63.63
ACE Renewables Philippines, Inc.	Investment holding	100.00	—	100.00	—
NorthWind Power Development Corporation (“NorthWind”)	Wind power generation	32.21	67.79	51.73	48.27
Viage Corporation	Investment holding	100.00	—	100.00	—
ACTA Power Corporation	Coal power generation	100.00	—	100.00	—
UAC Energy Holdings Pty Ltd	Investment holding	—	100.00	—	100.00
Buduan Wind Energy Co, Inc.	Power generation	—	100.00	—	100.00
Caraballo Mountains UPC Asia Corporation	Power generation	—	100.00	—	100.00
Pangasinan UPC Asia Corporation	Power generation	—	100.00	—	100.00
Sapat Highlands Wind Corporation	Power generation	—	100.00	—	100.00
UPC Mindanao Wind Power Corp.	Power generation	—	100.00	—	100.00
Itbayat Island UPC Asia Corporation	Power generation	—	100.00	—	100.00
Laguna Central Renewables, Inc.	Power generation	—	100.00	—	100.00
ACEN Technical Services, Inc.	—	—	—	—	—
(Formerly Laguna West Renewables, Inc.)	Shared services	—	100.00	—	100.00
Suyo UPC Asia Corporation	Power generation	—	100.00	—	100.00
Natures Renewable Energy Devt. Corporation (“NAREDCO”)	Power generation	92.74	3.56	92.74	3.56
Sinocalan Solar Power Corp. (Sinocalan)	Power generation	100.00	—	100.00	—
Adlao Energy Corporation ^f	Power generation	100.00	—	100.00	—
Zephyrus Energy Corporation ^f	Power generation	100.00	—	100.00	—
Aeolus Energy Corporation ^f	Power generation	100.00	—	100.00	—
Agueo Energy Corporation ^f	Power generation	100.00	—	100.00	—
Amman Energy Corporation ^f	Power generation	100.00	—	100.00	—
Aryaman Energy Corporation ^f	Power generation	100.00	—	100.00	—
Belenos Energy Corporation ^f	Power generation	100.00	—	100.00	—
Paivatar Energy Corporation ^{f, **}	Power generation	60.00	—	100.00	—
Laonsina Energy Corporation ^f	Power generation	100.00	—	100.00	—
Electryone Energy Corporation ^f	Power generation	100.00	—	100.00	—

(Forward)



Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
Abagat Energy Corporation ^g	Power generation	100.00	—	100.00	—
Alinaga Energy Corporation ^g	Power generation	100.00	—	100.00	—
Amaterasu Energy Corporation ^g	Power generation	100.00	—	100.00	—
Banawag Energy Corporation ^g	Power generation	100.00	—	100.00	—
Liadlaw Energy Corporation ^g	Power generation	100.00	—	100.00	—
Oxylus Energy Corporation ^g	Power generation	100.00	—	100.00	—
ACEN Operational Services, Inc. (formerly Paddak Energy Corporation) ^h	Power generation	100.00	—	100.00	—
Paros Energy Corporation ^h	Power generation	100.00	—	100.00	—
Silak Energy Corporation ^h	Power generation	100.00	—	100.00	—
Vayu Energy Corporation ^h	Power generation	100.00	—	100.00	—
YMP Telecom Power Inc.	Industrial instrumentations	—	100.00	—	100.00
YMP Industrial Power Inc.	Industrial instrumentations	—	100.00	—	100.00
Real Wind Energy, Inc.	Power generation	100.00	—	—	—
Aventus Capital Corporation ⁱ	Power generation	100.00	—	—	—
Aventus Solar Farm Inc. ⁱ	Power generation	100.00	—	—	—
Aventus Wind Farm Inc. ⁱ	Power generation	100.00	—	—	—
Energies by Nature Inc. ⁱ	Power generation	100.00	—	—	—
Global 1.5C Energies Inc. ⁱ	Power generation	100.00	—	—	—
Paseo De Roxas Energy Corporation ⁱ	Power generation	100.00	—	—	—

^a No longer a subsidiary in 2023 and accounted as joint venture (see Note 2)

^{**} No longer a subsidiary in 2024 and accounted as joint venture (see Note 2, 6)

^a Incorporated in Singapore

^b Incorporated in Cayman Islands

^c Incorporated in Hong Kong

^d Incorporated on March 16, 2022

^e Incorporated on June 23, 2022

^f Incorporated on June 15, 2023

^g Incorporated on November 21, 2023

^h Incorporated on November 22, 2023

ⁱ Incorporated on October 24, 2024

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries, associates and joint ventures is the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interests.

The following are the significant transactions of the Group in 2024:

Completion of investments in Unlimited Renewables Holdings, B.V. (URH)

On January 2, 2024, the Group through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI) completed its investment in URH by infusing US\$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. ("UPCI") and US\$2.69 million (₱151.02 million) for subscription of 2,674 ordinary shares of URH (Note 6).

ACEN and Barito enter new partnership in Indonesia wind projects

On December 15, 2023, ACEN (through ACEN Investments HK Limited ("ACEN HK"), a subsidiary of ACRI) and Barito Renewables (through PT Barito Wind Energy ("Barito Wind")) signed a Sale and Purchase Agreement (SPA) with UPC Renewables Asia Pacific Holdings for the acquisition of late-stage wind development assets in Indonesia.

On January 3, 2024, with all conditions having been satisfied under the SPA, transaction Closing was achieved by the parties and ACEN HK has completed the acquisition of shares in the three late-stage wind development assets, with a combined potential capacity of 320 Megawatt (MW), that are located in South Sulawesi (Sidrap 2), Sukabumi and Lombok provinces in Indonesia, at an acquisition price that is less than 10% of the book value of ACEN (see Note 6).



Following the signing of the respective Share Transfer Deeds, Barito Wind will own 51% of the three development assets, while ACEN HK will own the remaining 49%. Total investment cost amounted to US\$5.82 million (₱341.27 million) and accounted for as investment in associates and joint venture (see Note 6) and development loans amounting to US\$12.02 million (₱695.05 million) (see Note 22).

Issuance of Corporate Guarantee in support of ACEN Cayman

On January 12, 2024, ACEN as Guarantor to its subsidiary, ACEN Cayman, executed Parent Company Guarantees in favor of ACEN Cayman's lenders: (a) Philippine National Bank for US\$140.00 million, and (b) Rizal Commercial Banking Corporation for US\$180.00 million. This loan obtained by ACEN Cayman shall be used to redeem the redeemable preferred shares held by AC Energy Finance International Limited ("ACEFIL") in ACEN Cayman; the proceeds will in turn be used by ACEFIL to redeem its maturing green bonds.

Following redemption of the redeemable preferred shares held by ACEFIL using the proceeds from ACEN Cayman lenders, non-controlling interest will be reduced by US\$352.00 million (₱20,129.24 million). The difference between redeemable preferred shares redeemed and proceeds from ACEN Cayman lenders of US\$32.00 million will be from cash on hand of ACRI.

Proceeds from ACEN Cayman lenders will be classified as liabilities in the consolidated statements of financial position.

Issuance of Corporate Guarantee in support of the Australia Projects

On February 26, 2024, ACEN, as the Guarantor to its subsidiary ACEN Australia Pty Ltd. ("ACEN Australia"), executed Facility Agreements with ACEN Australia, and each of Australia and New Zealand Banking Group Limited ("ANZ"), and Westpac Banking Corporation ("WBC"). Each bank is providing a green term loan facility with a limit of AUD 75 million. ANZ and WBC also entered into an Accession Letters to include ANZ and WBC as Lenders under the Common Provisions Agreement dated 18 August 2022, as amended through an Amending Deed on 6 January 2023 (with ACEN Australia, DBS Bank Ltd., Australia Branch, MUFG Bank, Ltd., Sydney Branch, Clean Energy Finance Corporation, Bank of China (Hong Kong) Limited, Bank of China (Hong Kong) Limited – Manila Branch, CTBC Bank Co., Ltd, Singapore Branch, CTBC Bank (Philippines) Corporation, Standard Chartered Bank, Australia Branch, and ACEN as Guarantor to ACEN Australia).

Investment in Paivatar Energy Corporation (Paivatar)

On March 7, 2024, ACEN, and its wholly-owned subsidiary, Paivatar, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.

BrightNight APAC subscribed for 0.42 million common shares with ₱1.00 par value and 0.56 million redeemable preferred shares with ₱100.00 par value. Total subscription amounted to ₱56.39 million for 40% and 50% voting and economic interest, respectively. Further to the transaction, BrightNight Philippines B.V. (BrightNight PH), an affiliate of BrightNight APAC, assigned ownership investment in Jord Energy Corp and Renovable Earth Corp. in favor of Paivatar.

The Group's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.



Paivatar accounts have been classified in the Group's consolidated financial statement as at September 30, 2024 as follows:

- a. Balance sheet accounts were deconsolidated
- b. Income statement accounts for the period January 1 to February 29, 2024 are included in the consolidated statement of income

The net assets of Paivatar as at March 7, 2024 and proceeds from divestment are as follow:

Assets	
Cash and cash equivalents	₱62,375
Accounts and notes receivable - net of current portion	32
Investment in joint ventures	77,090
Input VAT - net of current portion	4
	<u>139,501</u>
Liabilities	
Accounts payable and other current liabilities	1,013
Total identifiable net assets	138,488
Less BrightNight APAC investment	56,331
Net assets attributable to ACEN	82,157
Fair value of retained interest (see Note 6)	82,275
Gain on deconsolidation (see Note 20)	<u>₱118</u>

The gain on deconsolidation is reported under disposal of investment (Note 20).

After BrightNight APAC's subscription, the Group have diluted interest and partially divested in Paivatar. The deconsolidation resulted in a gain of ₱0.12 million which is recognized under "Other income - net" account in the consolidated statements of income (Note 20).

Net cash outflow on deconsolidation is as follows:

Cash consideration	₱-
Less cash surrendered with the subsidiary ^(a)	62,375
Net cash outflow	<u>(₱62,375)</u>

^(a)Cash surrendered with the subsidiary is included in cash flows from investing activities.

Disposition of land by Buendia Christiana Holdings Corp. ("BCHC") in exchange for shares of AREIT, Inc. ("AREIT") via property-for-share swap, and lease out to Giga Ace 8, Inc. ("GA08")

On March 19, 2024, AREIT, Inc. (AREIT) and the Group executed a Deed of Exchange, for the subscription by the Group to 199,109,438 primary common shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines.

On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the Bureau of Internal Revenue, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the Philippine Stock Exchange (see Note 20).



Investment in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (“MEM”), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM’s receivables from RWEI (see Note 24).

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. (“Maraj”), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI (see Note 10).

Additional subscription by ACEN to shares in North Luzon Renewable Energy Corp (NLR) and Philippine Wind Holdings Corp. (PhilWind)

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million (see Note 6).

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 (“RPS A-3”) at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million (see Note 6).

Sale of shares indirectly owned by ACRI in PT UPC Sidrap Bayu Energi

On April 2, 2024, upon fulfillment of conditions precedent, ACRI, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT Sidrap Bayu Energi (“SBE”), held through UPC Sidrap (HK) Limited (“Sidrap (HK)”) and UPC Renewables Asia III Limited (“Asia III”), to Sunedison Sidrap B.V. (external party) (See Note 20).

Subscription by ACEN to shares in ENEX Energy Corp.

On April 30, 2024, ACEN signed a subscription contract with its subsidiary, ENEX Energy Corp. (ENEX), for the subscription by ACEN to 30,000,000 non-voting Preferred Shares at par value of ₱1.00 per non-voting Preferred Share of ENEX, for a total subscription price of ₱30.00 million, to be issued out of the increase of ENEX’s authorized capital stock (ACS) and creation of the non-voting Preferred Shares.

This will be used to fund the operational requirements of ENEX, and transaction costs for the creation and issuance of the Preferred Shares.

On June 26, 2024, ENEX signed a subscription agreement with ACEN for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million, to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.

Acquisition of a 49% stake in BIM Energy Holding Corporation (“BIMEH”)

The Company’s affiliate, ACEN Vietnam Investments Pte. Ltd. (“ACEV”) signed a share purchase agreement (“SPA”) with Huntington Renewable Investments Limited (“HRIL”) to acquire a 49% stake in BIM Energy Holding Corporation (“BIMEH”) for a purchase price of US\$70.50 million.

The acquisition will allow ACEN to increase its pipeline projects in Vietnam. BIMEH currently has ownership interest in the following operating renewable energy assets: Ninh Thuan Solar (405MW) and Ninh Thuan Wind (88MW) (see Note 6).



Sale of ACEN Axedale Solar Farm Pty. Ltd.

On December 12, 2024, ACEN Australia Pty. Ltd completed the sale of 100% of the outstanding capital stock of ACEN Axedale Solar Farm Pty. Ltd. (“Axedale”) to FRV Solar Holdings B.V. (“FRV”, a third party) for a purchase price of ₱214.77 million (AU\$6.00 million) and a contingent consideration of up to ₱227.30 million (AU\$6.35 million) payable upon financial close completion. As at December 31, 2024, the Group estimated the contingent consideration to be at ₱53.25 million (AU\$1.49 million) and recorded as other receivables under current assets.

This transaction was accounted for as a loss of control transaction which resulted in the deconsolidation of the assets and liabilities of Axedale in the Group’s consolidated financial statements as at the date of loss of control.

The net assets of Axedale as at December 12, 2024 and proceeds from divestment are as follow:

	In PHP	In AU\$
Assets		
Accounts and notes receivable	₱11,812	\$333
Right-of-use assets	10,732	300
Property, plant and equipment	231,001	6,453
	253,545	7,086
Liabilities		
Accounts payable and other current liabilities	11,705	330
Current portion of lease liabilities	9,550	266
	21,255	596
Cumulative translation adjustments	(1,133)	—
Total identifiable net assets	231,157	6,490
Less:		
Cash consideration received	214,771	6,000
Contingent consideration	53,245	1,488
Gain on deconsolidation (see Note 20)	₱36,859	\$998

The gain on deconsolidation is reported under disposal of investment (Note 20).

The amount of the contingent consideration represents the Group’s best estimate of the final capital expenditures that the buyer (or FRV) will incur upon completion of the financial close. The Group has taken into account assumptions that reflect uncertainties regarding the final agreed capital and other contractual clauses.

Net cash inflow on deconsolidation is as follows:

	In PHP	In AU\$
Cash consideration	₱214,771	\$6,000
Less cash surrendered with the subsidiary ^(a)	—	—
Net cash inflow	₱214,771	\$6,000

^(a) Cash surrendered with the subsidiary is included in cash flows from investing activities.



The following were the changes in the Group structure in 2023:

Acquisition by ACEN of the effective ownership interest of UPC Renewables Asia Pacific Holdings Pte Limited (“UPCAPH”) and Mr. Anton Rohner (“Rohner”) in ACEN Australia Pty. Ltd. (“ACEN Australia”; formerly, UPC Renewables Australia Pty. Ltd.)

On February 1, 2023, ACEN Renewables International (ACRI) and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH’s remaining 4,766 ordinary shares in UPC-ACE Australia, which completes the second and final tranche of ACRI’s acquisition of ACEN Australia.

The acquisition results in the full ownership by ACEN of the 521 MW New England solar farm and the 520 MW Stubbo solar farm in Australia, as well as the development pipeline of ACEN Australia spanning New South Wales (NSW), Tasmania, Victoria, and South Australia (see Notes 15 and 24).

Investment in UPC Philippines

On March 31, 2023, the Group finalized the accounting for the acquisition of UPC Philippine companies. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱118.36 million (see Note 10).

Sale of shares in ACEHI Netherlands B.V.

On July 10, 2023, ACRI completed the sale of 2,424 ordinary shares representing 24.24% of the outstanding capital stock of ACEHI Netherlands B.V. (“ACEHI Netherlands”), to Star Energy Oil & Gas Pte Ltd. (“SEOG”, a third party) for \$69.81 million which is a commercially agreed price between a willing buyer and seller. ACEHI Netherlands is a Dutch holding company that has a 19.80% ownership interest in the Salak and Darajat geothermal power plants in Indonesia, a 655.5 MW power plant in West Java, Indonesia. On the other hand, SEOG is part of the Star Energy group, which is ACEN’s current partner for the Salak and Darajat geothermal power plants in Indonesia.

The sale transaction resulted in the Group’s loss of control over ACEHI Netherlands.

The Group’s 75.76% retained interest in ACEHI Netherlands will be accounted for as a joint venture starting July 10, 2023 where both ACRI and SEOG are equally represented in the Board and all matters shall be approved unanimously by both shareholders. The Group’s indirect interest in Salak and Darajat (Indonesia) decreased from 19.80% to 15.00% (see Note 6).

ACEHI Netherlands accounts are classified in the Group’s consolidated financial statement as follows:

- a. Statement of financial position accounts as at September 30, 2023 were deconsolidated.
- b. Income statement accounts for the period January 1 to June 30, 2023 were included in the consolidated statement of income.



The net assets of ACEHI Netherlands as at June 30, 2023 and proceeds from divestment are as follow:

	In US\$	In PHP
Assets		
Cash	\$73	₱4,121
Investment in Associate	169,446	9,586,397
Accumulated equity in Associate	38,728	2,174,109
	208,247	11,764,627
Liabilities		
Accounts payable and other current liabilities	51	2,895
Total identifiable net assets	208,196	11,761,732
Percentage sold to SEOG		24.24%
Net assets sold to SEOG	50,467	2,851,044
Currency translation adjustment	—	36,490
Less cash consideration	69,811	3,949,564
Gain on disposal of investment (Note 20)	\$19,344	₱1,062,030

After the sale to SEOG, the Group has partially divested its interest in ACEHI Netherlands. The deconsolidation resulted in a gain which is recognized under “Other income – net” account in the consolidated statements of income (see Note 20).

The Group remeasured its 75.76% retained interest in ACEHI Netherlands using the fair market value of the sale transaction with SEOG and resulted in a remeasurement gain. The remeasurement gain was calculated using the transaction price on the 24.24%-interest sale to SEOG. The transaction price represents the fair value of the interest sold and negotiated on an arm's length basis between unrelated, ready, willing, and able parties. It is also based on a discounted cash flows on inputs and assumptions of ACRI. The testing of the inputs and assumptions behind the revaluation gain were finalized as of December 31, 2023.

	In US\$	In PHP
Retained interest (75.76%)	\$157,729	₱8,910,688
Fair value of retained interest	218,188	12,344,016
Remeasurement gain (Note 20)	\$60,459	₱3,433,328

Net cash inflow on acquisition is as follows:

	In US\$	In PHP
Cash consideration	\$69,811	₱3,949,564
Less cash surrendered with the subsidiary ^(a)	73	4,121
Net cash inflow	\$69,738	₱3,945,443

^(a)Cash surrendered with the subsidiary is included in cash flows from investing activities.

Belenos Energy Corporation (Belenos) Share Purchase Agreement and Facility Agreement

On December 22, 2023, Belenos, a wholly owned subsidiary of ACEN, signed a Share Purchase Agreement for the acquisition of YMP Telecom Power Inc. (YMP Telecom) and its affiliate, YMP Industrial Power Inc. (YMP Industrial), through purchase of 100% of the outstanding shares held by Yoma Micro Power (S) Pte. Ltd. (see Note 24).



On the same date, ACEN, as the lender, signed a Facility and Security Agreement for ACEN to provide a credit facility in the aggregate amount of up to ₱200 million in favor of YMP Telecom, as the borrower, for the purpose of funding development costs of certain energy efficiency and its renewable energy projects.

Material partly-owned subsidiaries with material economic ownership interest

The consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Group. Management determined material partly-owned subsidiaries as those with balance of NCI greater than 5% of the total NCI and those subsidiaries which type of activities engaged in, are important to the Group as at the end of the year.

The principal place of business of the subsidiaries are as follows:

ISLASOL

The registered office address and principal place of business of ISLASOL are Emerald Arcade, F.C. Ledesma St., San Carlos City, Negros Occidental.

ACEN Cayman

The registered office of ACEN Cayman is maintained by Maples Corporate Services Limited of PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

UPC-AC Energy Australia (HK) Limited (UPC-ACE Australia)

UPC-ACE Australia, a subsidiary of ACRI, is a company incorporated and domiciled in Hong Kong, with principal address Suite 1201, 12th Floor, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong. Following second and final tranche of ACRI's acquisition of ACEN Australia, the acquisition of 20% ownership interest resulted to 100% interest in UPC-ACE Australia (Note 15).

The summarized financial information of these subsidiaries is provided below. This information is based on the amounts before intercompany eliminations.

2024	ISLASOL	ACEN Cayman
Proportion of equity interests held by NCI	40.00%	99.99%
Voting rights held by NCI	34.02%	—
Accumulated balances of NCI	₱1,096,214	₱9,014,707
Net income allocated to NCI	103,280	686,173
Comprehensive income allocated to NCI	103,280	716,870
Dividends paid to NCI	—	684,751
2023	ISLASOL	ACEN Cayman
Proportion of equity interests held by NCI	40.00%	99.99%
Voting rights held by NCI	34.00%	—
Accumulated balances of NCI	₱1,313,376	₱28,791,389
Net income allocated to NCI	113,915	1,660,608
Comprehensive income allocated to NCI	113,915	1,889,786
Dividends paid to NCI	—	1,882,833



Summarized financial information of these subsidiaries are as follows:

2024	ISLASOL	ACEN Cayman
	(In Thousands)	
Statements of financial position		
Current assets	₱766,273	₱506,489
Noncurrent assets	2,376,643	29,929,003
Current liabilities	254,180	329,886
Noncurrent liability	1,550,248	18,301,601
Statements of comprehensive income (loss)		
Revenues	686,229	1,810,604
Cost and expenses	(312,497)	—
Other income	(170,304)	(959,083)
Provision for (benefit from) income tax	10,464	—
Profit (loss) attributable to:		
Equity holders of the Parent	89,684	165,348
Non-controlling interests	103,280	686,173
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent	89,684	165,348
Non-controlling interests	103,280	716,870
Statements of cash flows		
Operating activities	516,056	(164,078)
Investment activities	157,080	1,206,454
Financing activities	(1,545,080)	(684,752)
Net increase (decrease) in cash and cash equivalents	(₱871,944)	₱357,624
2023	ISLASOL	ACEN Cayman
	(In Thousands)	
Statements of financial position		
Current assets	₱1,754,627	₱10,590
Noncurrent assets	2,735,005	30,619,610
Current liabilities	360,373	—
Noncurrent liability	1,886,904	—
Statements of comprehensive income (loss)		
Revenues	731,172	1,650,064
Cost and expenses	(476,067)	(338)
Other income	9,129	3,647
Provision for (benefit from) income tax	41,878	—
Profit (loss) attributable to:		
Equity holders of the Parent	108,441	(7,235)
Non-controlling interests	113,915	1,660,608
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent	108,441	(7,212)
Non-controlling interests	113,915	1,889,786
Statements of cash flows		
Operating activities	553,796	221,304
Investment activities	(11,654)	1,650,064
Financing activities	(62,631)	(1,875,309)
Net increase (decrease) in cash and cash equivalents	₱479,511	(₱3,941)



2022	ISLASOL	UPC-ACE Australia	ACEN Cayman
	(In Thousands)		
Statements of financial position			
Current assets	₱1,111,093	₱771,997	₱234,037
Noncurrent assets	2,531,400	24,590,707	31,277,680
Current liabilities	(176,574)	(9,825,777)	—
Noncurrent liability	(4,260,882)	(5,297,215)	—
Statements of comprehensive income			
(loss)			
Revenues	650,196	—	—
Cost and expenses	410,834	(362,929)	—
Other income (expenses)	2,553	(235,899)	—
Provision for (benefit from) income tax	490	259,553	—
Profit (loss) attributable to:			
Equity holders of the parent	159,490	(344,889)	(29,017)
Non-controlling interests	81,936	(51,752)	1,528,770
Total comprehensive income			
(loss) attributable to:			
Equity holders of the Parent	159,490	(325,115)	(29,020)
Non-controlling interests	81,936	(51,108)	1,499,431
Statements of cash flows			
Operating activities	447,009	3,387,349	(539)
Investment activities	(12,781)	(10,935,711)	1,529,342
Financing activities	(812,970)	4,455,262	(1,529,339)
Net increase (decrease) in cash and cash equivalents	(₱378,742)	(₱3,093,100)	(₱536)

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective as at January 1, 2024. Unless otherwise indicated, adoption of the new standard did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.



- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The adoption of future accounting standards is not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the Group's consolidated financial statements, unless otherwise indicated.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the Group elects to measure the NCI in the acquiree using the proportionate share of the acquiree's fair value of identifiable assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.



If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group report in the consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. However, the measurement period shall not exceed one year from the acquisition date.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in the consolidated statement of income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Business Combination of Entities under Common Control

Combination of entities under common control are accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- The consolidated statement of income, comprehensive income and cash flows reflect the result of the combining entities in full, irrespective of when the combination takes place.



- Comparative financial information are presented as if the entities had always been combined, or on date the common control existed on the combining entities, whichever comes earlier.
- The effects of any intercompany transactions are eliminated to the extent possible.

Remeasurement of Previously Held Interest

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss.

In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

The Group remeasures all identifiable assets that it had rights to, and liabilities that it had obligations for, relating to the previously held interest, immediately before it obtains control. The Group remeasures its previously held interests in all identifiable assets and liabilities, regardless of whether it recognized those assets and liabilities in its financial statements before obtaining control.

The Group derecognizes its investment asset in an entity in its consolidated financial statements when it achieves control.

Presentation of Consolidated Financial Statements

The Group has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (consolidated statement of income) and a second statement beginning with profit or loss and displaying components of OCI (consolidated statement of comprehensive income).

Fair Value Measurement

The Group measures financial assets at FVTPL, FVOCI and derivative financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Investment properties
- Quantitative disclosures of fair value measurement hierarchy (see Note 26)
- Financial instruments (including those carried at amortized cost, (see Note 25))

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or,
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming market participants act in their economic best interest.



A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described in Note 26, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Financial Instruments – Classification and Measurement

Classification of Financial Assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at FVTPL
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual Cash Flows Characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.



Business Model

The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial Assets at Amortized Cost

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in "Other income-net" in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in "Provision for impairment" in the consolidated statement of income.

As at December 31, 2024 and 2023, the Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, accounts and other receivable, development loans, debt replacements, other loan and interest receivable under Accounts and notes receivable, Redeemable preferred shares and convertible loans and deposits under Other Noncurrent Assets (see Notes 4, 5, 7, and 11).

Financial Assets at FVOCI

Debt instruments

A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As at December 31, 2024 and 2023, the Group does not have debt instruments at FVOCI.



Equity instruments

The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:

- the Group's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Group; and
- the amount of the dividend can be measured reliably.

As at December 31, 2024 and 2023, the Group's investments in quoted and unquoted equity securities and golf club shares are classified as financial asset at FVOCI.

Financial Assets at FVTPL

Financial assets at FVTPL are measured at fair value unless these are measured at amortized cost or at FVOCI. Included in this classification are debt instruments with contractual terms that do not represent solely payments of principal and interest (SPPI). Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the consolidated statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

As at December 31, 2024 and 2023, the Group has Compulsorily Convertible Debentures, listed equity instrument and Unit Investment Trust Funds (UITFs) accounted as FVTPL.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, interest rate swaps, forward commodity contracts and commodity options, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the consolidated statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of income.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in consolidated statement of income.

The Group entered into a commodity options derivative financial instrument, specifically, a 20-year Long-Term Energy Supply Agreement (“LTESA”) for its New England Solar and Stubbo Solar projects at the New South Wales Government’s first renewable energy and storage auction to manage its exposure from electricity spot prices (see Notes 3, 11 and 14). In 2024, LTESA was classified as cash flow hedge wherein changes in the fair value were recognized in other comprehensive income.



Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses cross currency swap and forward currency contracts for its exposures to volatility in exchange rates and interest rates. The ineffective portion relating to cash flow hedges is recognized as other expense.

The Group designates the entire forward currency contracts (including the forward element) as a hedging instrument. The Group uses a rollover strategy for the forward currency contracts.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

The Group entered into fuel and coal swap contracts as well as LTESA cash flow hedge as a hedge of its exposure to price risk on its purchases (see Note 25).

Classification of Financial Liabilities

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and



- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As at December 31, 2024 and 2023, the Group has not designated any financial liability at FVTPL.

The Group's accounts payable and other current liabilities (excluding derivative liability and statutory payables), due to stockholders, short-term and long-term loans, deposit payables and other noncurrent liabilities are classified as financial liabilities measured at amortized cost under PFRS 9 (see Notes 12, 13, 14 and 25).

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or,
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of Contractual Cash Flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased



or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

There are no offsetting of financial assets and financial liabilities or any similar arrangements that warrants disclosure in the Group's consolidated financial statements as at December 31, 2024 and 2023.

Impairment of Financial Assets

PFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under PAS 39.

The Group recognizes ECL on debt instruments that are measured at amortized cost and FVOCI. No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.



Financial assets migrate through the following three (3) stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL – credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Loss Allowance

For accounts and other receivable, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognized a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The investments are considered to be low credit risk investments as the counterparties have investment grade ratings. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

For all debt financial assets other than accounts and other receivable, ECLs are recognized using general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.



Determining the Stage for Impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off policy

The Group writes-off a financial asset and any previously recorded allowance, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Fuel and Spare Parts

Fuel and spare parts are stated at the lower of cost or net realizable value (NRV). Cost is determined using the moving average method. NRV is the current replacement cost of fuel and spare parts.

Previously, the Group determined the cost using the first-in, first-out method. In 2021, the Group elected to change accounting policy on the inventory costing from first-in, first-out (FIFO) method to moving average method applied retrospectively. The restatements have no material impact on the Group's total assets, total liabilities and equity as at the beginning of earliest period presented.

Property, Plant and Equipment

Property, plant and equipment, except land, is stated at cost, net of accumulated depreciation and impairment losses. Such cost includes the cost of replacing a part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred.

Land is stated at cost, net of accumulated impairment losses, if any.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The depreciation of property and equipment, except land, begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases when the assets are fully depreciated or at the earlier of the date that the item is classified as held for sale (or included in the disposal group that is classified as held for sale) in accordance with PFRS 5, and the date the item is derecognized.



The estimated useful lives used in depreciating the Group's property, plant and equipment are as follows:

Category	In Years
Land improvements	40
Buildings and improvements	6-25
Machinery and equipment:	
Wind towers and equipment	25
Power plant	20
Others	10-40
Tools and other miscellaneous assets	5-10
Transportation equipment	3-5
Office furniture, equipment and others	3-10

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. These are adjusted prospectively, if appropriate.

Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized.

Construction in progress includes cost of construction and other direct costs and is stated at cost less any impairment in value. Construction in progress is not depreciated until such time as the relevant assets are completed and ready for operational use.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.



ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance ed lease payments or a change in the assessment to purchase the underlying asset.

Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the ease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.e

iii) Short-term leases and leases of low-value assets

The Group has elected to use the two exemptions proposed by the standard on the following contracts:

- a. Lease contracts for which the lease terms ends within 12 months from the date of initial application
- b. Lease contracts for which the underlying asset is of low value

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option to renew the lease contract for an additional term subject to the mutual agreement with the lessors. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate used by the



Group is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign Currency Denominated Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized as "Foreign exchange gain - net" under "Other income - net" in the consolidated statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair values are determined. The gains or losses arising on translation of non-monetary items measured at fair value are treated in line with the recognition of the gains or losses on the change in fair values of the items (i.e., translation differences on items which the fair value gains or losses are recognized in OCI or in profit or loss are also recognized in OCI or in profit or loss, respectively).

The functional currency of ACEN Cayman, ACRI, ACEN Finance and ACEN HK is the US Dollar (US\$). As of the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date and their statement of income accounts are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognized in the consolidated statement of comprehensive income and reported as a separate component of equity as "Cumulative Translation Adjustments" (Note 15).

Interests in Joint Arrangements

Joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.



The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in the net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is collectively assessed for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in profit or loss of the associate or the joint venture is shown in the consolidated statement of income outside operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate or joint venture.

If the Group's share in losses of an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

The consolidated financial statements include additional information about associates and joint ventures that are material to the Group (see Note 6). Management determined material associates and joint ventures as those associates and joint ventures where the Group's carrying amount of investments is greater than 5% of the total investments and advances in associates and joint ventures as at the end of the year.



Investment Properties

Investment properties are carried at cost, including transaction costs, net of accumulated depreciation. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized either when disposed of or when permanently withdrawn from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Leasehold and water rights

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

The useful lives of leasehold and water rights are assessed as finite. The amortization expense on leasehold and water rights are recognized as “Depreciation and amortization” under “Cost of sale of electricity” account in the consolidated statement of income.

Deferred Exploration Costs

The Group follows the full cost method of accounting for exploration costs determined based on each SC area. Under this method, all exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities, net of any allowance for impairment losses.



Expenditures for mineral exploration and development work on mining properties are also deferred as incurred, net of any allowance for impairment losses. These expenditures are provided with an allowance when there are indications that the exploration results are negative. These are written-off against the allowance when the projects are abandoned or determined to be unproductive. When the exploration work results are positive, the net exploration costs, and subsequent development costs are capitalized and amortized from the start of commercial operations.

Development Costs

Development expenditures on an individual project are recognized as an asset when the Group can demonstrate:

- The technical feasibility of completing the asset to be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in expenses. During the period of development, the asset is tested for impairment annually. Development costs is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Advances for Land Acquisitions

Advances for land acquisitions are carried at cost less impairment losses, if any and is classified as current or non current based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for. Advances for land acquisition is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Impairment of Non-financial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired in accordance with PAS 36. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the entire life of the CGUs. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth (5th) year.



Impairment losses are recognized in the consolidated statement of income in the expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

The following assets have specific characteristics for impairment testing:

Property, Plant and Equipment and Investment Properties

For property, plant and equipment and investment properties, the Group assesses for impairment based on impairment indicators such as evidence of internal obsolescence or physical damage.

Investments in Associates and Interest in a Joint Venture

The Group determines at the end of each reporting period whether there is any objective evidence that the investments in associates and interest in a joint venture are impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the investments in associates and interests in joint ventures, and their carrying amounts.

Goodwill

Goodwill is tested for impairment annually and more frequently when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relate. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Development Costs

Development costs are tested for impairment when circumstances indicate that the carrying value may be impaired.

Right-of-Use Assets and Leasehold and water rights

Right of use assets and leasehold and water rights with finite useful lives are tested for impairment when circumstances indicate that the carrying value may be impaired.

Deferred Exploration Costs

Deferred exploration costs are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6,



Exploration for and Evaluation of Mineral Resources, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- When a service contract where the Group has participating interest in is permanently abandoned; and,
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented, and disclosed in accordance with PAS 36, *Impairment of Assets*.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liability is recognized as revenue when the Group performs under the contract.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as “Other income” in the consolidated statement of income.

Asset Retirement Obligation

The Group is legally required under a lease agreement to dismantle certain machinery and equipment and restore the leased site at the end of the lease contract term. The Group recognizes the fair value of the liability for this obligation and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment accounts, which are being depreciated on a straight-line basis over the shorter of the useful life of the related asset or the lease term. The liability is subsequently carried at amortized cost using the EIR method with the related interest expense recognized in the consolidated statement of income.



Pensions and Other Post-employment Benefits

Defined Benefit Plan

ACEN Retirement Plan for Plants is a hybrid retirement plan which has funded defined benefit features and matching defined contribution features covering all regular and permanent employees. Benefits under the defined benefit features of the plan are based on the employee's final plan salary and years of service. The defined benefit provisions of the ACEN Retirement Plan for Plants is patterned from the Phinma Jumbo Retirement Plan, which is the former retirement plan of the Group.

Effective January 1, 2020, the matching defined contribution features of the plan covers all regular and permanent employees. Starting on the date of membership of an employee in the Plan, the Group shall contribute to the retirement fund a percentage of the member's salary as defined when a Member opts to contribute to the plan. Benefits are based on the percentage of the total amount of contributions and investment returns credited to the personal retirement account (PRA) of the member at the time of separation. The Retirement Plan meets the minimum retirement benefit specified under Republic Act 7641.

The retirement fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

The hybrid retirement plan currently covers for participating entities: ACEN, Bulacan Power, CIPP, Guimaras Wind, and any subsidiary and affiliate of ACEN that may subsequently adopt and participate in the Plan.

One Subic Power, NorthWind, ACES, BWPC and ISLASOL currently operate their separate and distinct funded, noncontributory, defined benefit retirement plan with separately administered funds. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as "The Philippine Retirement Law", which provides for qualified employees to receive a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of R.A. 7641. The cost of providing benefits is determined using the projected unit credit method.

The Defined Benefit Obligation (DBO)/Actuarial Accrued Liability (AAL) is the actuarial present value of expected future payments required to settle the obligation resulting from employee service in current and prior periods. The calculation of the DBO/AAL assumes that the plan continues to be in effect and that estimated future events (including salary increases, turnover and mortality) occur. DBO differs from AAL only in the use of discount rate to compute the present value of expected future payments. The discount rate for DBO is based on the single weighted average discount rate which is based on the bootstrapped PHP-BVAL rates as mandated by PAS 19 at various tenors for intermediate durations were interpolated. The rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate while the expected rate of return on plan assets is used as the discount rate in computing AAL for funding.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which these occur. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.

Past service costs are recognized in the consolidated statement of income on the earlier of:

- the date of the plan amendment or curtailment; or,
- the date that the Group recognizes related restructuring costs.



Net interest is calculated by applying the discount rate to the net defined benefit liability or asset at the beginning of the period, unless there is a plan amendment, curtailment or settlement during the reporting period. The calculation also takes into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The Group recognizes the following changes in the net defined benefit obligation under “Cost of sale of electricity” and “General and administrative expenses” accounts in the consolidated statement of income:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when these are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Other long-term benefits

Vacation and sick leaves are recognized as a liability when these are accrued to the employees. Unused vacation and sick leave credits shall be converted to cash upon separation of employee. Leave expected to be settled wholly before twelve months after the end of the annual reporting period is reclassified to short-term benefits.

Capital Stock

Capital stock represents the portion of the paid-in capital representing the total par value of the shares issued.

Capital stock is measured at par value for all shares issued. When the shares are sold at premium, the difference between the proceeds and the par value is recognized as additional paid-in capital. Direct costs incurred related to the equity issuance are deducted from equity, net of any related tax benefits. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Additional Paid-in Capital (APIC)

APIC represents the amount paid in excess of the par value of the shares issued. An entity typically incurs various costs in issuing or acquiring its own equity instruments. Those costs, net of tax, might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. In accordance with PAS 32, *Financial Instruments: Presentation*, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Accounted also in the APIC are dividends declared by the transferee entities in the common control transaction with ACEIC between October 10, 2019 to June 20, 2020 which the Parent Company has beneficial economic interests already based on the Deed of Assignment. These are accounted for as equity contributions from ACEIC and are recorded as APIC.



Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the acquisition, reissuance or retirement of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Share options exercised during the reporting period are satisfied with treasury shares.

Stock Options and Grants

Stock option and grants are accounted for in accordance with PFRS 2, that is, the cost of stock option awards is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the binomial method. The cost of such awards is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. The cumulative expense that is recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of the period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of the award are modified, the minimum expense recognized is the expense if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

Where the stock option is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the preceding paragraph.

If the outstanding options are dilutive, its effect is reflected as additional share dilution in the computation of diluted earnings per share.

Other Equity Reserves

Other equity reserves are made up of equity transactions other than capital contributions such as share in equity transactions of associates and joint ventures and difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

Retained Earnings

Retained earnings include all current and prior period results of operations as reported in the consolidated statement of income, net of any dividend declaration and adjusted for the effects of changes in accounting policies as may be required by PFRS's transitional provisions.



Other Comprehensive Income (OCI)

OCI are items of income and expense that are not recognized in determining the profit or loss for the year in accordance with PFRS. OCI includes remeasurement gain (loss) on retirement plan, net of related taxes, unrealized fair value gain (loss) on equity instruments at FVOCI, unrealized fair value gain (loss) on derivative instruments designated as hedges, net of related taxes, and cumulative translation adjustments.

Cash Dividend and Non-cash Dividend to Equity Holders of the Parent Company

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the distribution is authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded acting as principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Sale of electricity is consummated whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenue from sale of electricity is based on sales price. Sales of electricity using bunker fuel are composed of generation fees from spot sales to the WESM and supply agreements with third parties and are recognized monthly based on the actual energy delivered.

Starting December 27, 2014, sales of electricity to the WESM using wind and solar are based on the Feed in Tariff (FIT) rate under the FIT System and are recognized monthly based on the actual energy delivered. Meanwhile, revenue from sale of electricity through ancillary services to National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided. Revenue from sale of electricity through Retail Supply Contract (RSC) is composed of generation charge from monthly energy supply with various contestable customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

The Group identified the sale of electricity (power generation, trading and ancillary services) where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The Group concluded that the revenue should be recognized overtime since the customers simultaneously receives and consumes the benefits as the Group supplies electricity.

Retail supply also qualifies as a series of distinct services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

For power generation and trading and retail supply, the Group uses the actual kwh dispatched which are also billed on a monthly basis.



For ancillary services, the Group determined that the output method is the best method in measuring progress since actual energy is supplied to customers. The Group recognizes revenue based on contracted and actual kilowatt hours (kwh) dispatched which are billed on a monthly basis.

Amounts Reimbursed to Customers

Certain revenue contracts with customers provide for the sale of any unutilized electricity to the WESM. The proceeds are recorded as reduction in “Revenue from sale of electricity” in the consolidated statement of income.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature.

Dividend Income

Dividend income is recognized when the Group’s right to receive the payment is established, which is generally when shareholders of the investees approve the dividend.

Other revenues

Other revenues include management fees and revenue from water distributions. Management fees are recognized for services rendered when earned. Revenue from water distributions arise from water supply contracts which include production and water fees and are recognized per cubic meter based on actual consumption.

Claims on business interruptions and property damage

Income is recognized when an acknowledgment for the proposed claims is received from insurers. The income arises from unplanned shutdown of an insured property which resulted to business interruptions and property damage.

Other Income

Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized when incurred.

Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.



Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, including carryforward benefits of unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) which can be deducted against future RCIT due to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from unused NOLCO can be utilized, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the consolidated statement of income.

Creditable Withholding Taxes (CWT)

CWTs are carried at the amount withheld by the customers for services provided by the Group. CWTs are recognized when payments are received from customers and the related withholding taxes were made. CWTs can be utilized as credits against the Group's income tax liability provided these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation and may also be reduced by impairment losses, if any. CWTs, which are expected to be utilized as payment for income taxes within 12 months are classified as current, otherwise, these are classified as noncurrent assets.

Value-added Tax (VAT)

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and,
- When receivables and payables are stated with the amount of VAT included

The amount of VAT recoverable from the taxation authority is recognized as "Input VAT", while VAT payable to taxation authority is recognized as "Output VAT". Output VAT is recorded based on the amount of sale of electricity billed to third parties. Any amount of output VAT not yet collected as at reporting period are presented under "Accounts payable and other current liabilities" account in the consolidated statement of financial position.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants do not include government assistance whose value cannot be reasonably measured.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets require setting up the grant as deferred income or deducting it from the carrying amount of the asset.

Expiry at maturity is a form of settlement even though there is no additional exchange of consideration.



Earnings (Loss) Per Share

Basic earnings (loss) per share is computed based on weighted average number of issued and outstanding common shares during each year after giving retroactive effect to stock dividends declared during the year. Diluted earnings (loss) per share is computed as if the stock options were exercised as at the beginning of the year and as if the funds obtained from exercise were used to purchase common shares at the average market price during the year. Outstanding stock options will have a dilutive effect under the treasury stock method only when the fair value of the underlying common shares during the period exceeds the exercise price of the option. Where the outstanding stock options have no dilutive effect and the Group does not have any potential common share nor other instruments that may entitle the holder to common shares, diluted earnings (loss) per share is the same as basic earnings (loss) per share.

Segment Reporting

The Group's operating businesses are organized and managed separately according to its geographic areas of operations, with each segment representing a strategic business unit that serves different markets.

Previously, the operating businesses are organized and managed separately according to its related services. Financial information on operating segments and the restatement following a change in composition of reportable segments are presented in Note 27 to the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. If it is probable that an outflow of resources embodying economic benefits will occur and the liability's value can be measured reliably, the liability and the related expense are recognized in the consolidated financial statements.

Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it is virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the consolidated financial statements.

Events After the Reporting Period

Post year-end events that provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgment, Estimates and Assumptions

The preparation of the accompanying consolidated financial statements in conformity with PFRSs requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.



Judgments and estimates are continually evaluated taking into consideration the Group's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances including the impact of COVID-19.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Accounting for Long Term Energy Service Agreements (LTESA)

The Group, through ACEN Australia, entered into LTESA with New South Wales (NSW) Australian Government that gives the generator the right, but not the obligation, to enter into a strip of two-year electricity swap contracts ("Swaptions").

In 2024, LTESA contract was designated as hedging instrument because of the following:

- a. It is previously assessed as derivative that is measured at fair value through profit or loss
- b. It was not a written option at the inception on the basis that the fair value of the LTESA contract at inception is in a significant asset position.

LTESA meet the definition of a derivative instrument as their value changes with reference to changes in the Australia's National Electricity Market (NEM) spot price of energy, no upfront cost to enter into the contract and the value of the contracts will be settled in the future (see Notes 11 and 14).

The Group uses commodity options derivative financial instruments to hedge its commodity price risks. Potential sources of hedge ineffectiveness in the hedging relationship were as follows:

- a. Credit risk
- b. Fixed price CPI escalation
- c. Changes in generation forecast
- d. Annual payment cap
- e. Clawback mechanism

In the event the swaptions are not exercised, the net profit or loss impact will be a non-cash item given no exchange of cash occurred at inception and will occur over the life of the arrangement.

The Group also assessed the transaction is accounted as government grant since the LTESA was granted by the NSW Australian Government to support its initiative on promoting renewable energy and providing long-term revenue certainty for investors and developers of clean energy projects through the electricity swap contracts.

Assessment of Joint Control over Joint Ventures

The Group's investments in joint ventures are structured in separate incorporated entities (see Note 6). The investments in ACEHI Netherlands B.V. (ACEHI Netherlands), Philippine Wind Holdings Corp. ("PhilWind"), North Luzon Energy Corp. (NLR), UPC Power Solutions LLC (UPC Power), BIM Renewable Energy Joint Stock Company (BIMRE), Monsoon Wind B.V. (Monsoon Wind), Paivatar Energy Corporation (Paivatar), BIM Wind Energy Joint Stock Company (BIM Wind), BIM Energy Joint Stock Company (BIME JSC) and Unlimited Renewables Holdings, B.V. (URH) are accounted for as investments in joint venture since the fundamental business and operational matters requires unanimous consent from all parties (see Note 6).



Even though the Group holds various percentage of ownership in interests on these arrangements, their respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identifies. In addition, the Group considers the number of its Board seats in its incorporated entity. Further, the Group and the parties to the agreement only have rights to the net assets of the joint venture through the term of the contractual agreements. Considering these factors, management assessed that it has joint control over the entity.

Write-off of Claims from Philippine Electricity Market Corporation (PEMC) Multilateral Agreements

In December 2013, there were elevated WESM prices because of a Malampaya outage. As a result, the ERC issued an Order imposing administered/regulated pricing, which was lower than the WESM rate at that time. ACEN was a net buyer and already paid these higher WESM prices to PEMC for purchased power. In July 2022, the Supreme Court declared the administered / regulated pricing void and upheld the December 2013 Meralco rate hike for recovery of costs. In October 2022, the Supreme Court denied all Motion of Reconsiderations. As of March 11, 2024, the ERC has not yet issued guidance on the method of implementation of these adjustments.

In 2022, with the Supreme Court's denial, the management deemed to write off the Group's claims from PEMC Multilateral Agreements which include noncurrent receivable amounting to ₱1,185.60 million (see Note 5), booked as additional cost of purchased power for the net buyer position, while noncurrent payable amounting ₱115.07 million booked as additional revenue for the net seller position.

While it is probable that an outflow and inflow of resources embodying economic benefits will be required to settle the transaction, a reliable estimate cannot be made yet since ERC has yet to instruct IEMOP to recalculate the rates and issue adjustments.

Determination of Transaction Price from Sale of Electricity

The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. For the years ended December 31, 2024 and 2023, and since 2021, while waiting for the approval of the 2021 FIT rates, management assessed that the approved 2020 FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy.

Recognition of Deferred Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries

The Group did not recognize deferred tax liabilities on the temporary differences arising from undistributed earnings, cumulative translation adjustment, and OCI accounts of its foreign subsidiaries since management believes that the timing of the reversal of these taxable temporary differences can be controlled by the Group and the management does not expect reversal of these temporary differences in the foreseeable future.

Classification as Financial Assets at Amortized Cost

Financial assets at amortized cost include redeemable preferred shares and convertible loans which the Group has assessed as debt instruments. These are held by the Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows which are reflective of basic lending arrangements (see Notes 5 and 7).



Classification of Preferred Shares as Equity Instrument

The Parent Company's redeemable preferred shares is classified as equity instrument since it has the option but not contractual obligation to redeem in whole or in part of the shares. The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company. There is no contractual obligation on the issued preferred shares that would require to deliver cash or other financial asset or financial liability to the holders of the instrument (see Note 15).

Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair Value Measurement of Commodity Options

In the estimation of fair value of the LTESA Swaptions, a commodity option hedge instrument, the Group used option pricing techniques which resulted in a Day 1 derivative asset, even if no premium was paid (see Note 11).

Remeasurement of Retained Interests in a Loss of Control Transaction

In the determination of fair value of the retained interest in ACEHI Netherlands, Management determined the appropriate techniques and inputs for fair value measurements. The remeasurement gain was calculated using the transaction price on the 24.24%-interest sale to SEOG. The transaction price represents the fair value of the interest sold and negotiated on an arm's length basis between unrelated, ready, willing, and able parties. It was also based on a discounted cash flows based on inputs and assumptions of ACRI to establish the fair value of retained interests (see Note 2).

Remeasurement of Previously-Held Equity Interest in a Business Combination

In business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

The fair value of previously held interest is based on the transaction price stated on the SPA which is a commercial agreement between the parties involved who are not considered as related parties and negotiated on an arm's length basis.

In 2022, the Group remeasured its interest in UPC-ACE Australia, previously a joint venture, to fair value as a result of its step-acquisition upon obtaining control (see Note 20).

Purchase Price Allocation and Goodwill Impairment Assessment

The Group made several acquisitions in 2024 and 2023 accounted for using the acquisition method which require extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities at acquisition date. It also requires the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisitions have resulted in goodwill. See Notes 10 and 24 for related balances.



Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred; the Group re-assesses whether it has correctly identified all the assets acquired, and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

The Group performs impairment testing annually and the Group estimates the recoverable amount as the higher of the fair value less costs to sell and value-in-use. This requires an estimation of the recoverable amount which is the fair value less costs to sell or value-in-use of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows for the cash generating unit and to choose a suitable discount rate in order to calculate the present value of cash flows (see Note 10).

Measurement of Expected Credit Losses

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If in a subsequent period, asset quality improves and any previously assessed significant increase in credit risk also reverses since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

As at December 31, 2024 and 2023, the Group assessed that for its financial assets such as cash and cash equivalents, there has been no SICR since origination and is assessed as low credit risk based on published information of comparable entities. For accounts and other receivable, the Group used provision matrix in estimating its ECL. A broad range of forward-looking information were considered as economic inputs, such as GDP growth, inflation rates, unemployment rates, interest rates and BSP statistical indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. While these model inputs including forward-looking information are revised, the ECL models, and definitions of default remain consistent with prior periods (see Notes 5 and 7).



Fair Value Measurement of Financial Assets at FVTPL and FVOCI

In the estimation of fair value of investments recorded as financial assets at FVTPL and FVOCI, management needs to determine the appropriate techniques and inputs for fair value measurements. The Group uses the discounted cash flow technique for unquoted instruments, published net asset value (NAV) for investments in Unit Investment Trust Funds (UITFs) and quoted prices for publicly traded shares in estimating the fair value of the financial assets at FVTPL and FVOCI.

Impairment Assessment of Non-financial Assets

The Group reviews investments in associates and joint venture, investment properties, property, plant and equipment, right-of-use assets, and intangible assets for impairment of value. Impairment for goodwill is assessed at least annually. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Group has evaluated the conditions and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. In doing this, the Group has reviewed the key assumptions in its previous annual impairment assessment to assess whether any changes to the assumptions within that impairment assessment would result in an impairment loss as at December 31, 2024. Except for the matters discussed in Notes 8 and 9, based on the Group's review of key assumptions, management has assessed that there were no significant changes in the assumptions used and therefore no impairment losses were recognized in 2024 and 2023 (see Notes 6, 8, 9 and 11).

Recognition of Deferred Tax Assets

The Group reviewed its business and operations including its estimated impact on macroeconomic environment, the market outlook and the Group's operations. As such, the Group assessed its ability to generate sufficient taxable income in the future that will allow realization of net deferred tax assets.

As a result, the carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. The Group assessed that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized (see Note 21).

Assessment of Contingencies

The Group is currently involved in various legal proceedings and assessments for local and national taxes (see Note 29). The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The final settlement of these may result in material adverse impact on the Group's consolidated financial statements. The Group also invokes limited disclosures on certain matters due to their prejudicial nature.



4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	₱6,603,902	₱13,769,005
Cash equivalents	18,554,456	25,927,657
	₱25,158,358	₱39,696,662

Cash in banks earn interest at the respective bank deposit rates for its peso and dollar accounts.

Cash equivalents are made for varying periods between one day and three months depending on the immediate cash requirements for the Group and earn interest at the respective short-term deposit rates.

Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures (the “Escrow Requirement”). As of December 31, 2024, the Group has fully disbursed the cash from the escrow account which held the proceeds from the issuance of preferred shares in 2023. As of December 31, 2023, cash in bank includes ₱8,827.83 million restricted cash in an escrow account.

Interest income earned on cash and cash equivalents in 2024, 2023 and 2022 at the range of, 1.5% to 6.25%, 0.06% to 6.25%, and 1.25% to 5.55%, respectively, amounted to ₱989.57 million, ₱1,586.52 million and ₱285.20 million, respectively (see Note 20).

5. Accounts and Notes Receivable

This account consists of:

	2024	2023
Accounts and other receivable	₱10,553,381	₱12,406,056
Notes receivable (Note 22)		
Bridge financing	14,122,756	13,440,859
Development loans	4,515,678	5,863,298
Other loans	4,940,313	2,130,751
Accrued interest receivable	8,950,155	6,206,348
	43,082,283	40,047,312
Less allowance for expected credit losses	2,508,845	1,292,578
	40,573,438	38,754,734
Less noncurrent portion	17,809,515	12,689,042
Current portion	₱22,763,923	₱26,065,692



Accounts and other receivable

This account consists of:

	2024	2023
Trade receivables		
Third party		
IEMOP	₱3,415,260	₱6,459,485
National Transmission Corporation		
(“TransCo”)	1,758,707	1,915,230
RES Buyer	1,477,713	519,629
NGCP	413,361	91,670
PEMC	30,562	10,262
Others	189,760	423,084
Other receivables		
Third party	1,419,608	1,600,430
Related party (Note 22)	1,848,410	1,386,266
	10,553,381	12,406,056
Allowance for expected credit losses	155,379	152,312
	10,398,002	12,253,744
Less noncurrent portion	1,765,706	1,971,453
Current portion	₱8,632,296	₱10,282,291

Trade Receivables

Trade receivables are uncollected portion of energy generated by the Group and delivered to the grid and energy sold to bilateral customers. These are the trade receivables from IEMOP, TransCo and RES buyer. This consists of interest-bearing and noninterest-bearing receivables and are generally collectible within thirty (30) to sixty (60) days.

a. Trade Receivables from TransCo

Noncurrent trade receivables consist of Feed-In Tariff (FIT) system adjustment that is expected to be realized beyond 12 months after the end of the reporting period.

In 2020, the Group recognized receivables from TransCo for retroactive FIT adjustments approved by the Energy Regulatory Commission (ERC) for the years 2016-2020, recoverable for a period of five years. FIT system adjustments are discounted using the PHP BVAL reference rates – Government Securities with imputed credit spread on top of the BVAL. The PHP credit spread was derived as the difference between comparable government-owned and controlled companies’ rate less risk-free rate.

The ERC’s February 2021 supplemental letter, stated that, pending the approval of the adjustments of 2021 FIT rates, the original approved rates shall be used for the 2021 generation billing. As of December 31, 2024, ERC has not yet approved TransCo’s proposed FIT rate adjustment for the years 2021-2024 and accordingly, the Group bills for its collections using the original approved rates.



The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. From 2021 to 2024, while waiting for the ERC's approval of the adjusted FIT rates, management assessed that the ERC approved 2020 FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy.

Total FIT revenue adjustment recognized in 2024, 2023 and 2022 by the Group amounted to ₱269.26 million, ₱309.30 million and ₱295.34 million, respectively.

As of December 31, 2024 and 2023, the noncurrent portion of the receivable from TransCo amounted to ₱949.32 million and ₱1,129.43 million, respectively, while the current portion amounted to ₱809.39 million and ₱785.80 million, respectively. Interest accretion on receivable from TransCo amounted to ₱46.23 million, ₱37.41 million and ₱16.60 million, in 2024, 2023 and 2022, respectively.

b. Trade Receivables from NGCP

Receivables from NGCP are from Ancillary Services Procurement Agreements (ASPA), facilitating contingency and dispatchable reserves for the Luzon Grid. The Group has executed ASPAs with NGCP wherein power plant will provide contingency and dispatchable reserves to NGCP to ensure reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five (5) years upon the effectivity of the provisional or final approval issued by the ERC.

c. Trade Receivables from PEMC Multilateral Agreements

In December 2013, an outage of the Malampaya gasfield caused WESM prices to be elevated. As a result, ERC issued an Order imposing Administered/Regulated Pricing, which was lower than the WESM rates at the time. The receivables from PEMC Multilateral Agreements is the refundable amount from the PEMC arising from recalculation of November and December 2013 spot prices as directed by the ERC. In 2014, ACEN, PEMC, and other WESM participants signed a Multilateral Agreement pending the resolution of cases filed by WESM participants in the Supreme Court. On various dates in 2014 to 2016, ACEN Group recorded collections in relation to the Multilateral Agreement amounting to ₱1,123.51 million. Collections are presented as "Trade payables" under "Accounts payable and Other Current Liabilities".

In 2022, the Supreme Court declared the administered regulated pricing void and upheld the December 2013 Meralco hike for recovery costs. In October 2022, the Supreme Court denied all Motions for Reconsideration.

In 2022, the Group reversed its receivables amounting to ₱1,185.60 million and recorded additional cost of purchased power of equivalent amount. The unpaid cost of purchased power is presented as "Trade payables" under accounts payable and other current liabilities.

As of March 10, 2025, the ERC has not yet issued guidance on the method of implementation of these adjustments.



Notes receivable

This account consists of:

	2024	2023
Bridge financing - related party (Note 22)	₱14,122,756	₱13,440,859
Development loan:		
Third party	–	3,721,365
Related party (Note 22)	4,515,678	2,141,933
Other loans:		
Third party	1,847,737	1,742,382
Related party (Note 22)	3,092,576	388,369
	23,578,747	21,434,908
Allowance for expected credit losses (Note 18)	856,872	812,633
	22,721,875	20,622,275
Less noncurrent portion	14,095,488	6,745,824
Current portion	₱8,626,387	₱13,876,451

Bridge financing (previously referred to as debt replacement)

Bridge financing facilities are provided to related parties to fund investment requirements for renewable power plants while under construction and undergoing implementation or release of project financing from financial institutions (see Note 22).

a. Greencore Power Solutions 3, Inc. (Greencore 3) (Joint Venture)

On February 4, 2021, the Group, Citicore Solar Energy Corporation (CSEC), ACEN Global Development Group Inc. (AGDGI) (formerly ACE Endeavor, Inc.) and Greencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱2,680.00 million in order to finance a 50MW solar power plant in Mexico, Pampanga (Arayat Phase 1).

On February 9, 2022, the Omnibus Agreement was amended to increase the loan facility to ₱2,860.00 million and extended the maturity from March 1, 2023, to June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023, to June 30, 2024 and increase the fixed interest rate on all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024 to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025.

On February 24, 2025, the Omnibus Agreement was again amended to extend the maturity date from January 31, 2025 to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 1 amounts to ₱2,700.30 million and ₱2,595.70 million, respectively.

On May 25, 2022, the Group, CSEC, AGDGI and Greencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱1,990.00 million in order to finance a 30MW solar power plant in Mexico, Pampanga (Arayat Phase 2). The maturity of the loan is on June 30, 2023.



On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023 to June 30, 2024 and increase the fixed interest rate on all amounts outstanding after June 30, 2023, until all amounts are paid.

On August 1, 2024, the Omnibus Agreement was amended to extend the maturity date from June 30, 2024, to December 31, 2024.

On January 8, 2025, the Omnibus Agreement was amended to extend the maturity date from December 31, 2024 to January 31, 2025.

On February 24, 2025, the Omnibus Agreement was amended to extend the maturity date from January 31, 2025 to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge loan for Arayat Phase 2 amounts to ₱1,958.78 million and ₱1,878.84 million, respectively.

b. Wind Power Hoa Dong (Hoa Dong) and Wind Power Lac Hoa (Lac Hoa) (Joint Venture)

On April 4, 2022, the Group entered into an interest-bearing loan facility with Hoa Dong and Lac Hoa to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects. The interest-bearing loan has a total facility of US\$41.59 million for Hoa Dong and US\$47.41 million for Lac Hoa and bears an annual fixed rate payable. Principal is payable in full at first calendar quarter of a year after July 1, 2024, in case of third-party financing or in tranches every first calendar quarter of the fourth period or every end of the calendar quarter, until full payment of the loan in case of no third-party refinancing.

As at December 31, 2024 and 2023, the outstanding balance of the interest-bearing loan receivables from Hoa Dong amounted to US\$41.59 million (₱2,405.71 million) and US\$41.59 million (₱2,302.78 million), respectively.

As at December 31, 2024 and 2023, the outstanding balance of the interest-bearing loan receivables from Lac Hoa amounted to US\$47.41 million (₱2,742.49 million) and US\$47.41 million (₱2,625.15 million), respectively.

c. Asian Wind Power 1 HK (Asia Wind 1) (Joint Venture)

In 2020, the Group and Asia Wind 1 entered into an interest-bearing debt replacement facility to provide bridge financing during the construction of Dai Phong Wind Project in Vietnam for an aggregate principal amount of US\$61.00 million. The loan is repayable on the earlier of 12 months from commissioning date or upon project financial close. The debt replacement facility maturity date was amended multiple times in 2022 and 2023. On September 27, 2023, the debt replacement facility maturity date was amended to September 29, 2035.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$26.59 million (₱1,538.10 million) and US\$26.59 million (₱1,472.29 million), respectively.



d. Asian Wind Power 2 HK (Asia Wind 2) (Joint Venture)

In 2020, the Group entered into an interest-bearing Pref B Facility with Asian Wind 2 to provide bridge financing to fund the construction of a 42MW wind project in Vietnam, for an aggregate principal amount of US\$54.00 million. The loan is repayable on the earlier of Project Financial Close, or 5 business days from the date from drawdown of Debt Replacement Facility, or the 25th anniversary from drawdown date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$20.07 million (₱1,160.66 million), and US\$20.91 million (₱1,157.89 million), respectively.

e. NEFIN Limited (NEFIN) (Joint Venture)

On January 6, 2022, the Group and NEFIN Limited entered into an interest-bearing debt replacement facility to NEFIN Limited to provide bridge financing and partially fund the development and construction of NEFIN rooftop solar projects. The loan is repayable on the earlier of 24 months from first issuance date or upon securing project financing or debt financing of NEFIN Limited.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$16.67 million (₱964.22 million) and US\$14.30 million (₱791.51 million), respectively.

f. Ingrid Power Holdings, Inc. (Ingrid) (Joint venture)

On December 27, 2022, the Group and Ingrid entered into a facility agreement amounting to ₱1,250.00 million in order to fund working capital requirements in relation to the operation of its 150MW Pililia diesel power plant in Pililia Rizal. The loan bears an annual fixed interest rate and is payable upon maturity.

Promissory notes executed in relation to the facility agreement were made on:

Date	Amount	Original Maturity Date	Extended Maturity Date
December 28, 2022	₱200,000,000	June 27, 2023	August 30, 2023
January 11, 2023	₱300,000,000	July 10, 2023	October 31, 2023
January 27, 2023	₱300,000,000	July 26, 2023	June 30, 2024

As at December 31, 2024 and 2023, the outstanding bridge loan amounted to nil and ₱300.00 million, respectively.

g. Vietnam Wind Energy Limited (Vietnam Wind) (Joint Venture)

In 2020, the Group and Vietnam Wind entered into an interest-bearing facility with an aggregate principal of US\$10.00 million, to provide bridge financing to fund the construction of a 60MW wind project in Vietnam. The loan is repayable 20 years from relevant drawdown date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$5.12 million (₱296.15 million) and US\$5.10 million (₱283.48 million), respectively.

Other bridge financing loans carrying amount as at December 31, 2024 and 2023 amounted to ₱356.35 million and ₱33.21 million, respectively.



Bridge Financing loans bear interest ranging from 7.00% to 15.00% per annum for both years ended December 31, 2024 and 2023, respectively.

Development Loans

Development loan facilities are provided to related parties and third parties to fund the development of renewable power plant projects.

a. UPC-AC Energy Solar Limited (UPC-ACE Solar) (Joint Venture)

In 2019, the Group and UPC-ACE Solar entered into an interest-bearing loan agreement with an aggregate amount of US\$20.00 million to fund development of projects across India, Taiwan, and Korea. The loan is repayable 10 years from first utilization date.

As at December 31, 2024 and 2023, outstanding balance of the interest-bearing loan amounted to US\$14.78 million (₱856.87 million) and US\$14.57 million (₱806.69 million) respectively.

b. Yoma Strategic Investments (Yoma) (Affiliate)

In 2019, the Group and Yoma, signed a term sheet, which includes an interest-bearing loan for the development of Yoma Micro Power. The interest-bearing loan has a total facility of US\$25.00 million and bears an annual fixed interest and payable upon maturity. The loan is covered by a Guarantee Agreement between the Group (as “Lender”) and Yoma (as “Guarantor”). The Guarantee Agreement stands as security for the prompt and complete payment, where the Guarantor irrevocably and unconditionally undertakes that in case of default, the Guarantor shall pay the Lender the guaranteed obligations as if the Guarantor instead of the Borrower were expressed to be the principal obligor without any further proof or condition and without any investigation or enquiry. The loan was repayable upon maturity on June 30, 2023.

In February 2024, the loan was amended to extend its maturity date to 10 years, with a 5-year grace period. The outstanding interest prior to the amendment, amounting to US\$3.14 million (₱181.55 million), was capitalized as part of the principal.

As at December 31, 2024 and 2023, the receivable amounts to US\$27.16 million (₱1,570.82 million) and US\$24.02 million (₱1,329.82 million), respectively.

c. Huntington Renewables Investment Limited (Huntington) (Third Party)

On December 18, 2023, the Group and Huntington entered into term loan facility agreement, to fund the acquisition of a stake in a renewable energy holding company in Vietnam, with an aggregate principal amount of US\$64.50 million. The loan is repayable on June 21, 2024.

As at December 31, 2024 and 2023, the outstanding receivable amounted to nil and US\$64.50 million (₱3,571.37 million), respectively.

d. Provincia Investments Corporation (Provincia) (Third Party)

In 2021, the Group and Provincia entered into an interest-bearing term loan facility to fund its various acquisitions of project sites for solar power projects. The interest-bearing loan has a total facility of ₱1,000.00 million and bears annual fixed interest rate and payable upon maturity. On July 2, 2021, Provincia made an initial drawdown amounting ₱150.00 million. The principal and interest of the loan are payable on July 2, 2026.



On January 25, 2023, the Group, Provincia and Solar Philippines Power Project Holdings, Inc. (Solar PH) entered into definitive agreements whereby ACEN received 500 million shares of SP New Energy Corporation (“SPNEC”), a listed company which is an affiliate of Solar PH (which SPNEC shares had a market value of approximately ₱660.00 million as of January 24, 2023) as (a) pre-payment for part of the development loan principal, (b) payment of interest, (c) consideration for the arrangement and security amendment by which the Group released its pledge over shares owned by Solar PH in SPNEC, and (d) allow further drawdown by Provincia from the existing ₱1,000.00 million loan facility.

As at December 31, 2023, Provincia drew additional ₱150.00 million from its development loan facility.

The Group recognized ₱515.00 million gain from the partial settlement of development loan in 2023 (see Note 20).

The SPNEC shares held by the Group for trading purposes amounted to ₱501.82 million and is classified as financial assets at fair value through profit or loss in the consolidated statements of financial position.

In 2024, all SPNEC shares were sold. The Group recognized (loss) gain on sale of SPNEC shares amounting to (₱50.38) million and ₱37.34 million for the years ended December 31, 2024 and 2023, respectively (Note 20).

On September 9, 2024, Provincia prepaid the loan including the principal of ₱150.00 million and outstanding interest of ₱52.17 million.

As at December 31, 2024 and 2023, the outstanding receivable amounted to nil and ₱150.00 million, respectively.

e. ACEN-Silverwolf Pte. Ltd (ACEN-Silverwolf) (Joint Venture)

On May 31, 2023, the Group and ACEN-Silverwolf entered into an interest-bearing loan agreement with an aggregate amount of USD\$2.00 million to fund renewable energy projects located in Taiwan and Malaysia.

As at December 31, 2024 and 2023, the outstanding receivable amounted to US\$0.26 million (₱14.83 million) and US\$0.10 million (₱5.42 million), respectively.

f. UPC Power Solutions LLC (Joint Venture)

On September 1, 2023, the Group and UPC Power Solutions entered into an interest-bearing loan agreement with a facility amount of US\$120.00 million to fund the development of various wind electric energy generating projects in the United States. The loan is repayable on May 13, 2028.

As at December 31, 2024, the outstanding receivable amounted to US\$23.82 million (₱1,378.10 million).



g. PT UPC Lombok Timur Bayu Energi (PT Lombok) (Associate)

On January 3, 2024 the Group and PT UPC Lombok Timur Bayu Energi entered into an interest-bearing loan agreement with a facility amount of US\$5.00 million to fund the development of a wind power project in East Lombok, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$0.98 million (Rp56.82 million).

h. PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap) (Associate)

On January 3, 2024 the Group and PT UPC Sidrap Bayu Energi Tahap Dua entered into an interest-bearing loan agreement with a facility amount of US\$8.00 million to fund the development of wind power project in Sidrap, South Sulawesi, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$6.67 million (Rp386.02 million).

i. PT UPC Sukabumi Bayu Energi (PT Sukabumi) (Joint Venture)

On January 3, 2024, the Group and PT UPC Sukabumi Bayu Energi entered into an interest-bearing loan agreement with a facility amount of US\$5.00 million to fund the development of a wind power project in Sukabumi, West Java, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$4.36 million (Rp252.21 million).

Development loans bear interest ranging from 4.00% to 15.00% per annum and 4.00% to 10.85% per annum for the years ended December 31, 2024 and 2023, respectively.

Other Loans

Other loans receivable from third parties include long term loan receivables for land acquisitions. These are interest bearing and mature 1-2 years after drawdown.

a. Cleantech Renewable Energy 50 Corporation (Cleantech) (Third Party)

On July 14, 2022, the Group and Cleantech Renewable Energy 50 Corporation entered into an interest-bearing loan agreement amounting to Rp266.93 million with an interest rate of 9.76%. Principal and interest of the loan is payable upon maturity on July 14, 2032.

As at December 31, 2024 and 2023, the outstanding receivable amounted to Rp266.93 million.



b. BIM Group Joint Stock Company (BIM Group JSC)

On February 26, 2024, the Group and BIM Group JSC entered into an interest-bearing loan agreement with a facility amount of US\$35.00 million for capital contributions to BIM Foods Joint Stock Company and other business activities relevant to its business plan. The loan is repayable in December 2029.

As at December 31, 2024, the outstanding receivable amounted to US\$35.00 million (₱2,024.58 million).

Other loans carrying amount as at December 31, 2024 and 2023 amounted to ₱2,648.81 million and ₱1,863.82 million, respectively.

Other loans bear interest ranging from 3.00 % to 14.00 % per annum and from 3.00% to 12.00% per annum for the years ended December 31, 2024 and 2023, respectively.

Accrued interest receivable:

This account consists of:

	2024	2023
Bridge financing:		
Related party (Note 22)	₱2,057,313	₱1,446,884
Development loans:		
Third party	—	107,832
Related party (Note 22)	527,057	198,534
Investment in redeemable preferred shares and convertible loans - Related party (Note 22)		
Redeemable preferred shares	4,733,771	3,473,000
Convertible loans	1,350,236	761,760
Other loans:		
Third party	101,723	26,487
Related party (Note 22)	129,532	33,788
Trade receivables		
Third party	48,513	148,995
Related party (Note 22)	2,010	9,068
	8,950,155	6,206,348
Allowance for expected credit losses	1,496,594	327,633
	7,453,561	5,878,715
Less noncurrent portion	1,948,321	3,971,765
Current portion	₱5,505,240	₱1,906,950

Allowance for expected credit loss (ECL)

In determining the ECL, the Group has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.



For the year ended December 31, 2024, the Group recognized additional allowance for expected credit losses amounting to:

1. US\$1.00 million (P55.85 million) on principal from development loan with UPC-AC Energy Solar Limited (UPC-ACE Solar);
2. US\$1.85 million (P103.43 million) on accrued interest of development loan with UPC-ACE Solar;
3. US\$15.63 million (P898.57 million) on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) (see Note 7); and
4. Allowance provided to other receivables amounted to P10.20 million.

Total additional allowance for expected credit losses for the year ended December 31, 2024 amounted to P1,223.40 million.

For the year ended December 31, 2023, the Group recognized additional allowance for expected credit losses amounting to:

1. US\$13.98 million (P812.63 million) on principal from development loan with UPC-ACE Solar; and
2. US\$6.05 million (P327.63 million) on accrued interest of development loan with UPC-ACE Solar.

Total additional provision for expected credit losses for the year ended December 31, 2023 amounted to P1,140.26 million.

Interest income

The Group earns interest income from its accounts and notes receivable amounting to:

	2024	2023	2022
<i>Bridge Financing</i>			
Related Party:			
Greencore 3	P698,588	P495,884	P228,241
Lac Hoa	262,956	343,065	96,629
Hoa Dong	230,826	301,196	86,371
Asia Wind 1	152,817	283,695	269,291
Asia Wind 2	118,041	224,807	199,560
NEFIN	78,142	47,487	26,480
Vietnam Wind	50,076	37,355	59,043
Ingrid	35,063	76,405	12,367
BIM Wind	—	130,266	380,250
BIMRE	—	—	10,370
Others	14,613	—	—
	1,641,122	1,940,160	1,368,602
<i>Development Loans</i>			
Related Party:			
UPC-ACE Solar	106,179	102,677	95,725
UPC Power Solutions LLC	84,500	—	—
Yoma	66,204	53,314	52,427
URH	23,118	—	—
PT Sidrap	11,071	—	—
PT Sukabumi	7,044	—	—
ACEN-Silverwolf	1,115	—	—



	2024	2023	2022
PT Lombok	886	—	—
UPC-ACE Australia	—	14,664	7,087
ACEIC	—	—	107,000
TBC	—	—	60,390
Third Party:			
Huntington	188,529	6,472	—
Provincia	19,119	15,260	12,000
AMI Renewables (Quang Binh)	1,241	—	—
BEHS Joint Stock Company (BEHS)	—	35,456	49,887
BIME	—	11,261	9,982
UPCAPH	—	3,116	60,203
Others	—	1,962	—
	509,006	244,182	454,701
<i>Other Loans</i>			
Related Party:			
BrightNight India B.V. (BrightNight)	65,064	29,677	—
Infineum 4 Energy, Inc. (Infineum 4)	9,359	3,833	1,876
Third Party:			
BIM Group JSC	97,916	—	—
Cleantech	26,486	51,986	—
Others	13,179	—	15,802
	212,004	85,496	17,678
<i>Accounts and other Receivables</i>			
Third Party	66,412	76,698	38,096
	₹2,428,544	₹2,346,536	₹1,879,077

6. Investments in Associates and Joint Ventures

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

	Percentage of ownership		Carrying amount	
	2024	2023	2024	2023
Investments in associates:				
BIM Energy Holding Corporation (BIMEH)	49.00	—	₹5,551,931	₹—
Solar NT Holdings Pte. Ltd. (SUPER)	49.00	49.00	2,387,257	2,558,351
Maibarara Geothermal, Inc. (MGI)	25.00	25.00	981,295	909,694
PT Puri Prakarsa Batam	40.00	40.00	177,249	166,026
PT UPC Lombok Timur Bayu Energi (PT Lombok)	49.00	—	171,332	—
PT UPC Sukabumi Bayu Energi (PT Sukabumi)	49.00	—	75,466	—
PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap 2)	49.00	—	56,536	—
Others	various	various	8,056	8,056
			9,409,122	3,642,127

(Forward)



	Percentage of ownership		Carrying amount	
	2024	2023	2024	2023
Interests in joint ventures:				
ACEHI Netherlands B.V. (ACEHI Netherlands)	75.76	75.76	₱13,036,527	₱12,667,764
Philippine Wind Holdings Corporation (PhilWind)	69.81	69.81	6,714,355	5,987,605
BrightNight India, B.V. (BrightNight)	50.00	50.00	3,775,622	160,904
North Luzon Renewable Energy Corp. (NLR)	33.30	33.30	3,198,595	2,492,401
BIM Renewable Energy Joint Stock Company (BIMRE)	30.00	30.00	1,952,540	1,861,039
UPC Power Solutions LLC (UPC Power)	83.33	83.33	1,804,121	562,624
Ingrid Power Holdings, Inc. (Ingrid)	50.00	50.00	1,342,835	968,535
Greencore Power Solutions 3, Inc. (Greencore 3)	50.00	50.00	367,484	434,936
Monsoon Wind B.V. (Monsoon Wind)	25.00	25.00	296,498	163,339
Paivatar Energy Corporation	60.00	—	232,807	—
BIM Wind Energy Joint Stock Company (BIM Wind)	30.00	30.00	142,538	209,217
BIM Energy Joint Stock Company (BIME JSC)	30.00	30.00	124,343	120,082
NEFIN Limited (NEFIN)	50.00	50.00	118,815	419,280
Unlimited Renewables Holdings, B.V. (URH)	80.00	—	74,372	—
Others	various	various	144,429	408,764
			33,325,881	26,456,490
			₱42,735,003	₱30,098,617

The details and movements of investments in associates and joint ventures accounted for under the equity method are as follows:

	2024	2023
Acquisition costs:		
Balance at beginning of year	₱28,081,331	₱22,557,032
Additions	12,486,024	4,592,106
Conversion from subscription deposits and redeemable preferred shares (Note 7)	1,695,449	1,859
Reclassification to receivables	(891,755)	—
Acquisition of control (Note 24)	(568,719)	—
Disposal / divestment (Note 20)	(77,174)	(2,260,215)
Gain from remeasurement (Note 2)	—	3,433,328
Conversion from financial assets at FVTPL	—	276,297
Return of capital	—	(228,312)
Cumulative translation adjustment	1,157,979	(290,764)
Balance at end of year	41,883,135	28,081,331
Accumulated equity in net earnings (losses):		
Balance at beginning of year	2,104,328	2,216,754
Equity in net income of associates and joint ventures	1,190,966	1,765,239
Dividends received	(1,786,093)	(1,362,464)
Divestment	—	(515,201)
Balance at end of year	1,509,201	2,104,328
Accumulated share in other comprehensive income (loss):		
Balance at beginning of year	(85,483)	(5,794)
Cumulative translation adjustment	(166,434)	(71,365)
Interest rate swap	69,807	14,596
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax	(2,891)	4,111

(Forward)



	2024	2023
Remeasurement gain (loss) on defined benefit plans - net of tax	₱17,904	(₱27,031)
Balance at end of year	(167,097)	(85,483)
Accumulated impairment losses		
Balance at beginning of year	(1,559)	(1,559)
Loss on write-down from disposal of investment in joint venture (Note 20)	(488,677)	—
Balance at end of year	(490,236)	(1,559)
Total investments	₱42,735,003	₱30,098,617

Capital call and subscription deposit conversion

During the years ended December 31, 2024 and 2023, the Group made investments equivalent to its proportionate share in the following investee companies:

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

*RWEI was subsequently acquired as a subsidiary during the year (see Note 2)

Dividends

The Group received dividends amounting to:

	2024	2023
ACEHI Netherlands	₱1,399,303	₱—
PhilWind	284,334	471,002
BIMRE	73,466	161,367
NLR	28,990	74,319
Salak-Darajat	—	655,776
	₱1,786,093	₱1,362,464



Investment in Associates

a. BIM Energy Holding Corporation (BIMEH)

On November 26, 2024, the Group entered into a Share Purchase Agreement with Huntington Renewable Investments Limited (“HRIL”), for the acquisition of 49% of the issued and paid-up capital of BIM Energy Holding Corporation (“BIMEH”) for a purchase price of US\$70.50 million. The purchase price was paid in tranches, with US\$35.00 million paid on November 26, 2024 and \$35.50 million paid on December 3, 2024.

On December 18, 2023, the Group entered into a Reservation Agreement amounting to US\$24.50 million as part of the total consideration for the transaction.

With the final purchase price completed in November and December 2024, the acquisition of the renewable energy holding company in Vietnam was completed on December 3, 2024.

The acquisition resulted in a notional goodwill amounting to VND 20,680.00 million (US\$1.66 million), based on the provisional fair values of the underlying net assets of BIMEH.

BIMEH develops renewable energy projects in Vietnam. Its principal place of business and country of incorporation is in Vietnam.

As of December 31, 2024, the Group infused a total of US\$96.72 million (₱5,594.93 million), of which US\$24.50 million (₱1,417.20 million) was reclassified from Beacon Capital Holdings Limited subscription deposits (see Note 7).

b. Solar NT Holdings Pte. Ltd. (SUPER)

On January 28, 2022, the Group, through its wholly-owned subsidiary ACEV and Super Solar Energy Company Limited through its wholly-owned subsidiary Super Energy Group (Hong Kong) Co., Limited (“Super HK”), executed the Share Purchase Agreement for the 49% acquisition of interest in SUPER. The sale is subject to conditions precedent and has a transaction value of US\$ 165.00 million. SUPER has direct and indirect subsidiaries which operate nine solar farms in Vietnam with total generating capacity of 837MW. Super Solar Energy Company Limited is a premier renewable energy developer and investor, based in Thailand. The principal place of business and country of incorporation of SUPER is in Singapore.

On June 26, 2023, ACEV completed the first phase of the secondary share acquisition and executed the amended and restated Share Purchase Agreement and Shareholders Agreement. US\$51.00 million (₱2,815.20 million) out of the US\$165.00 million consideration was paid on the same date and the remaining phases of the transaction are expected to be completed within the year.

c. Maibarara Geothermal, Inc. (MGI)

MGI was incorporated in 2010 and operates a 32MW geothermal power plant in Sto. Tomas, Batangas. The principal place of business and country of incorporation is in the Philippines.

d. PT Puri Prakarsa Batam

On March 10, 2022, the Group, through ACRI, entered into a Framework Agreement with Puti Puri Usaha Kencana (“PUK”), PT Trisurya Mitra Bersama (“TMB”), PT Griya Usaha (“GU”), PT Suryagen Griya Intitama, and PT Puri Energi Kencana, to jointly develop projects in



Indonesia. The principal place of business and country of incorporation of PT Puri Prakarsa Batam is in Indonesia.

On August 30, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Indonesia Investments Holdings Pte. Ltd., TMB and PT Puri Prakarsa Batam ("PPB"), executed a shareholders' agreement to jointly develop a 660MW photovoltaic project located in Pulau Luma Besar, Indonesia.

e. PT Lombok

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Lombok. On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Lombok operates a wind power project in East Lombok, Indonesia with a total project capacity of 80MW. The principal place of business and country of incorporation of PT Lombok is in Indonesia.

f. PT Sukabumi

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Sukabumi. On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Sukabumi is developing a wind power project in Sukabumi, West Java, Indonesia with a total project capacity of 150MW.

g. PT Sidrap 2

On December 15, 2023, the Group, through ACRI's wholly owned subsidiary ACEN Investments HK Limited, UPC Renewables Asia Pacific Holdings Pte. Ltd and PT Barito Wind Energy, entered into share purchase agreements for the acquisition of shares in PT Sidrap . On January 3, 2024, the sale transaction was completed upon payment of the subscription price.

PT Sidrap 2 operates a wind power project in Sidrap, South Sulawesi, Indonesia with a total project capacity of 70MW. The principal place of business and country of incorporation of PT Sidrap 2 is in Indonesia.

h. The Blue Circle (TBC)

In 2018, the Group acquired 25% interest in The Blue Circle, a regional development and operations company that has a platform of wind projects in Southeast Asia. The principal place of business and country of incorporation is in Singapore.

In September 2022, the Group disposed its 25% interest in TBC to Jetfly Asia Pte. Ltd. for a total consideration of \$12.77 million (₹734.67 million) which resulted to a gain on divestment of same amount since the carrying amount is nil (Note 20).



Interest in Joint Ventures

a. ACEHI Netherlands B.V. (ACEHI Netherlands)

In 2017, the Group acquired an interest in Salak-Darajat, an investment holding company incorporated in Netherlands, with assets and operations in Salak and Darajat geothermal fields in West Java, Indonesia, with a combined capacity of 637MW of steam and power through ACEHI Netherlands B.V.(ACEHI Netherlands). The principal place of business and country of incorporation is in Indonesia.

On July 3, 2023, ACRI signed a share purchase agreement with SEOG, for the sale by ACRI of its 24.24% equity share in ACEHI Netherlands to SEOG.

Upon completion of the transaction, ACEHI Netherlands' Board of Directors consists of equal representations from both shareholders. Furthermore, all matters relating to ACEHI Netherlands, shall be approved unanimously by both shareholders, thereby making ACRI lose control over ACEHI Netherlands, and reclassifying it as a joint venture. Previously this was consolidated by the Group.

The carrying amount of the 24.24% investment that was divested amounted to US\$41.08 million (₱2,260.15 million). Following deconsolidation of ACEHI Netherlands, the investment of the Group in Salak and Darajat previously presented under "Investments in associates" is reclassified to "Investment in joint ventures" through ACEHI Netherlands.

b. Philippine Wind Holdings Corporation (PhilWind) and North Luzon Renewable Energy Corp. (NLR)

In 2013, ACEN signed an Investment Framework Agreement and Shareholder's Agreement with UPC Philippines Wind Holdco I BV and the Philippine Investment Alliance for Infrastructure fund (PINAI) to develop a 81MW wind power project in Ilocos North through NLR.

The principal place of business and country of incorporation of PhilWind and NLR is in the Philippines.

In 2020, ACEN purchased all the shares of PINAI in PhilWind for ₱2,573.30 million through its wholly owned subsidiary, Giga Ace 1. Giga Ace 1 was incorporated in 2019 and is engaged in the power generation business, both from renewable and non-renewable energy sources.

On March 18, 2022, ACEN and UPC Philippines Holdco I BV executed a Deed of Absolute Sale of Shares covering 16,668 common shares and 740 preferred shares representing 33% ownership in NLR for ₱2,385.27 million.

PhilWind directly and indirectly owns 67.00% of NLR through its 38.00% direct interest and 28.70% indirect interest through its 100.00% owned subsidiary, Ilocos Wind Energy Holdings Co., Inc.

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR's authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱495.40 million.



On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 (“RPS A-3”) at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million, to be issued out of the increase of PhilWind’s authorized capital stock. As at December 31, 2024, total subscription paid amounted to ₱504.46 million.

The additional subscription in NLR and PhilWind will be used by NLR as additional funding for the construction and completion of the 70MW wind farm in Pagudpud, Ilocos Norte (wind project referred to as Capa Wind 2).

c. BrightNight India, B.V. (BrightNight)

On March 10, 2023, the Group signed a Shareholder’s Agreement with US-based renewable power company BrightNight to develop, construct and operate large-scale hybrid wind-solar and round-the- clock renewable power projects in India with over 1,200MW pipeline. The principal place of business and country of incorporation is in the Netherlands.

The Group has joint control over BrightNight India B.V. by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

In 2024 and 2023, total subscriptions to Brightnight’s Class B Redeemable Preferred Shares amounted to US\$5.30 million (₱289.86 million) and US\$60.89 million (₱3,559.29 million), respectively.

d. BIM Renewable Energy Joint Stock Company (BIMRE) and BIM Energy JSC (BIM E)

In 2018, the Group entered into a 30-70 joint venture agreement with BIM Group to develop, construct, and operate a 300MW Solar Farm in Ninh Thuan Province, Vietnam, through BIMRE and BIM E. The principal place of business and country of incorporation is in Vietnam.

BIMRE and BIM E are currently operating a 375MW and 30MW wind power plant, respectively.

The Group has joint control over BIM RE, BIM E and BIM Wind Energy Joint Stock Company by virtue of the requirement for unanimous consent from both Shareholders over key decision areas and material transactions through various reserved matters.

e. UPC Power Solutions LLC (UPC Power)

On May 13, 2022, the group through its subsidiary ACEN USA LLC, entered into a Limited Liability Company Agreement (LLCA) with UPC Solar & Wind Investments LLC and Pivot Power Management to pursue opportunities and acquire operating wind projects in the USA and explore strategies for extending their useful life through preventive maintenance and repowering. The partnership resulted to 83.33% ownership interest in UPC Power Solutions LLC. The principal place of business and country of incorporation is in the United States of America.

The Group has joint control over UPC Power Solutions LLC because all fundamental decisions and matters require unanimous approval of all partners.



f. Ingrid Power Holdings, Inc. (Ingrid)

In 2021, the Group executed a subscription agreement with Axia Power Holdings Philippines Corp. for a 50% interest in Ingrid Power Holdings, Inc. to develop, construct, and operate a 150MW diesel power plant in Pililia, Rizal. The principal place of business and country of incorporation is in the Philippines.

The Group has joint control over Ingrid by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserve matters.

g. Greencore Power Solutions 3, Inc. (Greencore 3)

On February 21, 2022, the Group entered into a 50-50 joint venture with Citicore Renewable Energy Corporation ("CREC") to develop, construct, and operate a 50MW (Phase 1) and 44MW (Phase 2) solar power plant in Arayat and Mexico, Pampanga. The principal place of business and country of incorporation is in the Philippines.

The Group has joint control over Greencore 3 by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

h. Monsoon Wind B.V. (Monsoon Wind)

On February 24, 2023, the Group signed a Shareholder's Agreement with Mitsubishi Corporation (MC) for the development, construction, and operations of Monsoon Wind Power Project, a 600MW wind power plant in Southern Lao PDR. Investment resulted to 50% ownership interest in Monsoon Wind. The principal place of business and country of incorporation is in the Netherlands.

The Group has joint control over Monsoon Wind by virtue of the requirement for simple majority from both shareholders over key decision areas and material transactions through various reserved matters.

In connection with the MC and the Group's investment in the project, the parties also agreed to infuse funding into Impact Wind Investment Limited (Impact Wind) pursuant to the Party B Financing Bond Subscription and Shareholder's Agreement executed on February 24, 2023 (see Note 7).

i. Paivatar Energy Corporation

On March 7, 2024, ACEN signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines. The transaction diluted ACEN's ownership of the then wholly-owned subsidiary (see Note 2). The principal place of business and country of incorporation is in the Philippines.

The Group's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.



j. NEFIN Limited (NEFIN) and NEFIN Asset Management Pte. Ltd.

On January 6, 2022, the Group entered into a 50-50 joint venture with Canis Majoris Holding Limited (“NEFIN”) to invest in NEFIN Limited and NEFIN Asset Management Pte. Ltd. NEFIN is a leading solar photovoltaic developer and investor in carbon neutrality solutions and the joint venture company will develop, construct and operate rooftop solar projects across Asia. The principal place of business and country of incorporation is in Hong Kong.

k. Unlimited Renewables Holdings, B.V. (URH)

On December 21, 2023, the Company entered into a joint venture with UPC India Pte. Ltd. to invest in Unlimited Renewables Holdings, B.V (“URH”) for the purposes of developing certain Indian renewable energy and energy storage projects.

l. Real Wind Energy Inc. (RWEI)

On March 22, 2024, the Group and Modern Energy Management Pte. Ltd. (MEM) signed an Asset and Share Purchase Agreement and Deed of Absolute Sale wherein the Group purchased from MEM the 40% of issued and outstanding shares in Real Wind Energy Inc. RWEI is currently developing wind energy projects in Real, Quezon.

On August 1, 2024, ACEN acquired additional shares representing 60% ownership, thereby acquiring control over RWEI (see Note 24).



The summarized financial information of material associates and joint ventures of the Group, and the reconciliation with the carrying amounts of the investments in the consolidated financial statements are shown below:

2024 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH	BrightNight	UPC Power
Classification	Joint venture	Joint venture	Joint venture	Joint venture VND	Joint Venture	Joint Venture	Associate	Associate	Joint venture VND	Joint Venture	Joint Venture
Functional currency	PHPP	PHPP	PHPP	(in billions)	US\$	PHPP	PHPP	US\$	(in billions)	USD	USD
Dividends received	₱284.33	₱28.99	₱—	₱32.12	\$24.56	₱—	₱—	\$—	₱—	\$	\$
Summarized Statements of Financial Position:											
Cash and cash equivalents	₱382.43	₱360.50	₱829.07	₱119.07	\$74.46	₱1,090.60	₱392.71	₱14.71	₱669.26	\$36.35	\$8.70
Other current assets	2,182.06	1,461.77	1,136.38	956.80	225.96	122.71	372.84	11.68	1,164.39	2.80	18.25
Noncurrent assets	20,312.38	10,344.36	964.85	4,858.26	2,466.38	4,594.72	4,698.09	198.67	14,635.07	34.15	61.86
Total assets	22,876.87	12,166.63	2,930.30	5,934.13	2,766.80	5,808.03	5,463.64	225.06	16,468.72	73.30	88.81
Accounts and other payables	396.56	126.07	643.95	27.12	25.94	212.39	320.03	5.10	5.44	3.82	4.91
Short-term loans	—	—	62.50	—	—	—	—	—	—	—	—
Lease liabilities - current portion	1.04	1.04	6.69	—	1.25	—	1.39	—	—	—	—
Long-term loan - current portion	600.68	486.13	—	477.55	39.00	4,659.08	438.77	27.00	659.44	—	24.17
Other current liabilities	343.39	147.82	46.04	6.32	16.44	118.58	—	0.49	35.24	2.60	7.23
Lease liabilities - net of current portion	38.63	38.63	14.87	—	3.42	—	—	0.06	—	5.51	22.06
Long-term loan - net of current portion	8,953.60	5,863.88	—	3,378.92	952.24	—	739.10	115.91	5,848.37	0.06	—
Other noncurrent liabilities	2,112.10	1,368.54	2.16	629.03	646.13	103.66	22.26	9.06	3,015.00	6.01	1.06
Total Liabilities	12,446.00	8,032.11	776.21	4,518.94	1,684.42	5,093.71	1,521.55	157.62	9,563.49	18.00	59.43
Equity	₱10,430.87	₱4,134.52	₱2,154.09	₱1,415.19	\$1,082.38	₱714.32	₱3,942.09	\$67.44	₱6,905.23	\$55.30	\$29.38
Share in equity	₱3,449.74	₱2,014.40	₱1,057.13	₱497.24	\$222.79	₱367.48	₱981.29	\$40.67	₱3,383.56	\$27.65	\$24.48
Notional goodwill	3,264.62	1,184.20	285.71	363.00	2.58	—	—	0.60	20.68	—	19.30
Carrying value of investments in functional currency	₱6,714.36	₱3,198.60	₱1,342.84	₱860.24	\$225.37	₱367.48	₱981.29	\$41.27	3,404.24	27.65	43.78
Carrying value of investments in Philippine Peso	₱6,714.36	₱3,198.60	₱1,342.84	₱1.96	₱12,472.93	₱367.48	₱981.29	₱2,337.42	₱5.49	₱3,781.62	₱1,626.16
CTA	—	—	—	(0.01)	563.60	—	—	49.84	0.06	(6.00)	177.96
Carrying value of investments in reporting currency	₱6,714.36	₱3,198.60	₱1,342.84	₱1.95	₱13,036.53	₱367.48	₱981.29	₱2,387.26	₱5.55	₱3,775.62	₱1,804.12



	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH	BrightNight	UPC Power
Classification	Joint venture	Joint venture	Joint venture	Joint venture VND (in billions)	Joint Venture	Joint Venture	Associate	Associate	Joint venture VND (in billions)	Joint Venture	Joint Venture
Functional currency	PHPP	PHPP	PHPP		US\$	PHPP	PHPP	US\$		USD	USD
Summarized Statements of											
Comprehensive Income:											
Revenue	₱2,767.41	₱2,084.44	₱3,651.78	₱1,235.03	\$338.14	₱785.96	₱1,128.41	\$36.24	₱151.82	\$0.69	\$9.14
Depreciation and amortization	365.63	365.48	143.15	282.38	39.92	145.62	311.68	15.74	(36.93)	0.32	3.37
Interest income	102.29	87.89	6.71	22.71	7.78	0.31	22.20	0.02	–	–	–
Interest expense	389.75	389.75	44.03	590.80	43.44	651.68	102.78	14.36	(50.81)	3.11	1.56
Income tax expense	149.81	103.29	103.23	23.30	83.87	20.44	22.77	(0.35)	0.22	–	–
Other cost and expense	649.11	560.52	2,565.37	99.37	40.57	105.54	412.67	12.81	294.43	5.40	17.09
Net income (loss)	1,315.40	753.29	802.71	261.89	138.12	(137.01)	300.71	(6.30)	(55.09)	(8.14)	(12.88)
Other comprehensive (loss) income	(0.74)	(0.74)	(0.08)	(5.78)	2.59	0.00	(13.58)	(2.22)	–	–	–
Total comprehensive income (loss) at functional currency	₱1,314.66	₱752.55	₱802.63	₱256.11	\$140.71	(₱137.01)	₱287.13	(\$8.52)	(₱55.09)	(\$8.14)	(\$12.88)
Group's share in total comprehensive income (loss) at functional currency	₱506.62	₱239.78	₱374.34	₱78.57	\$20.64	(₱67.45)	₱75.00	(\$4.18)	(₱16.53)	(\$4.07)	(\$10.73)
Total comprehensive income (loss) in Philippine Peso	₱1,314.66	₱752.55	₱802.63	₱0.23	₱8,211.29	(₱137.01)	₱287.13	(₱576.49)	(₱0.13)	(₱56.78)	(₱743.93)
Group's share in total comprehensive income (loss) in Philippine Peso	₱506.62	₱239.78	₱374.34	₱0.07	₱1,204.47	(₱67.45)	₱75.00	(₱282.83)	(₱0.04)	(₱28.39)	(₱619.75)



2023 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP	PHPP	US\$
Dividends received	₱471.00	₱74.32	₱—	₱ 67.95	\$11.88	₱—	₱—	\$—
Summarized Statements of Financial Position:								
Cash and cash equivalents	₱575.31	₱320.23	₱162.44	₱233.12	\$248.94	₱744.53	₱565.01	₱12.85
Other current assets	2,746.70	1,655.31	856.20	738.50	95.10	206.83	365.57	12.80
Noncurrent assets	16,257.43	9,689.02	1,084.21	5,136.81	2,628.10	4,828.05	4,610.36	224.32
Total assets	19,579.44	11,664.56	2,102.85	6,108.43	2,972.14	5,779.41	5,540.94	249.97
Accounts and other payables	675.07	630.43	398.69	9.92	5.38	225.94	298.71	4.92
Short-term loans	—	—	300.00	—	—	4,474.54	—	—
Lease liabilities - current portion	1.04	1.04	8.48	—	0.81	—	1.31	—
Long-term loan - current portion	494.16	485.80	—	—	44.00	—	399.53	12.40
Other current liabilities	376.08	175.85	—	487.87	34.86	—	—	0.38
Lease liabilities - net of current portion	40.01	40.01	29.41	—	1.10	—	—	0.06
Long-term loan - net of current portion	9,018.69	6,350.55	—	3,685.76	989.96	—	1,173.33	147.54
Other noncurrent liabilities	160.84	158.60	1.28	657.77	648.18	235.25	12.38	9.03
Total Liabilities	10,765.89	7,842.28	737.86	4,841.32	1,724.29	4,935.73	1,885.26	174.33
Equity	₱8,813.55	₱3,822.28	₱1,364.99	₱1,267.11	\$1,247.85	₱843.68	₱3,655.68	\$75.64
Share in equity	₱2,722.98	₱1,308.20	₱682.83	₱452.74	\$226.20	₱434.94	₱909.69	\$45.60
Notional goodwill	3,264.62	1,184.20	285.71	363.00	2.58	—	—	0.60
Carrying value of investments in functional currency	₱5,987.60	₱2,492.40	₱968.54	₱815.74	\$228.78	₱434.94	₱909.69	\$46.20
Carrying value of investments in Philippine Peso	₱5,987.60	₱2,492.40	₱968.54	₱1.87	₱12,865.62	₱434.94	₱909.69	₱2,543.98
CTA	—	—	—	(0.01)	(197.86)	—	—	14.37
Carrying value of investments in reporting currency	₱5,987.60	₱2,492.40	₱968.54	₱1.86	₱12,667.76	₱434.94	₱909.69	₱2,558.35



	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP	PHPP	US\$
Summarized Statements of Comprehensive Income:								
Revenue	₱3,178.18	₱2,439.14	₱616.11	₱1,310.37	\$398.42	₱953.98	₱1,106.40	\$34.87
Depreciation and amortization	365.26	365.26	143.1	282.98	43.788	0.31	296.46	16.54
Interest income	118.66	69.33	9.64	28.37	5.827	0.21	22.23	0.09
Interest expense	408.4	408.4	84.96	564.84	44.864	290.36	106.97	15.9
Income tax expense	145.69	145.68	1.81	45.28	90.298	73.61	26.8	0.17
Other cost and expense	420.16	355.66	776.67	59.34	73.75	153.07	312.97	10.27
Net income (loss)	1,720.01	1,094.81	(400.07)	329.56	139.89	436.42	340.97	(8.10)
Other comprehensive (loss) income	(2.18)	(2.18)	(0.11)	—	(2.78)	—	2.18	(1.44)
Total comprehensive income (loss) at functional currency	₱1,717.83	₱1,092.63	(₱400.18)	₱329.56	\$137.11	₱436.42	₱343.15	(\$9.54)
Group's share in total comprehensive income (loss) at functional currency	₱678.87	₱260.40	(₱200.09)	₱98.87	\$23.61	₱218.21	₱86.34	(\$4.90)
Total comprehensive income (loss) in Philippine Peso	₱1,717.83	₱1,092.63	(₱400.18)	₱0.78	₱7,630.86	₱—	₱343.15	(₱501.84)
Group's share in total comprehensive income (loss) in Philippine Peso	₱678.87	₱260.40	(₱200.09)	₱0.23	₱1,312.90	₱218.21	₱86.34	(₱276.87)



2022 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	Salak-Darajat	MGI
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Associate	Associate
Functional currency	PHPP	PHPP	PHPP	VND (in billions)	US\$	PHPP
Dividends received	₱542.32	₱30.46	₱—	₱66.98	\$26.53	₱—
Summarized Statements of Comprehensive Income:						
Revenue	₱2,170.93	₱2,222.16	₱3,328.21	₱1,204.47	\$371.77	₱972.92
Depreciation and amortization	358.32	367.47	141.35	282.98	42.36	270.71
Interest income	31.21	22.60	0.19	18.78	1.93	12.75
Interest expense	273.26	272.51	17.93	331.09	0.40	149.99
Income tax expense	122.58	121.03	29.82	18.38	98.64	15.40
Other cost and expense	398.28	461.94	3,222.91	271.37	109.61	377.64
Net income (loss)	987.28	976.61	(83.99)	281.87	118.83	146.43
Other comprehensive income	—	—	—	—	0.29	—
Total comprehensive income (loss) at functional currency	₱987.28	₱976.61	(₱83.99)	₱281.87	\$119.12	₱146.43
Group's share in total comprehensive income (loss) at functional currency	₱556.39	₱51.39	(₱42.03)	₱83.95	\$23.91	₱38.32
Total comprehensive income (loss) in Philippine Peso	₱987.28	₱976.61	(₱83.99)	₱0.65	₱6,641.61	₱146.43
Group's share in total comprehensive income (loss) in Philippine Peso	₱556.39	₱51.39	(₱42.03)	₱0.19	₱1,306.48	₱38.32



7. Investments in Redeemable Preferred Shares and Convertible Loans

The Group's investments in redeemable preferred shares and convertible loans are shown below:

	2024	2023
<i>Redeemable preferred shares</i>		
AMI AC Renewables Corporation (AAR)	₱7,254,017	₱6,943,641
Impact Wind Investments Limited (Impact Wind)	2,734,487	1,419,454
BIM Wind Joint Stock Company (BIM Wind)	2,327,794	2,232,294
NEFIN Limited (NEFIN)	2,007,222	1,713,369
BIM Renewable Energy Joint Stock Company (BIMRE)	1,410,647	1,350,290
BIM Energy Joint Stock Company (BIME)	246,140	235,610
UPC-AC Energy Solar Limited (UPC-ACE Solar)	—	4,323,868
UPC Renewables Asia III Ltd. (UPC Asia III)	—	1,210,630
	15,980,307	19,429,156
<i>Subscription deposits</i>		
Beacon Capital Holdings Limited	—	1,356,565
UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)	—	110,740
	—	1,467,305
<i>Convertible loans</i>		
Vietnam Wind Energy Limited (Vietnam Wind)	2,112,850	2,113,578
Asian Wind Power 1 HK Ltd (Asian Wind 1)	940,803	900,549
Asian Wind Power 2 HK Ltd (Asian Wind 2)	907,414	868,589
	3,961,067	3,882,716
	19,941,374	24,779,177
Allowance for expected credit losses	2,112,850	3,145,378
Balance at end of year	₱17,828,524	₱21,633,799

Investments in redeemable preferred shares and subscription deposits

The rollforward analysis of this account follows:

	2024		
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	₱19,429,156	₱1,467,305	₱20,896,461
Additions	1,665,068	228,144	1,893,212
Redemption (Note 20)	(1,389,659)	—	(1,389,659)
Reclassification to:			
Financial asset at FVOCI	(3,861,101)	—	(3,861,101)
Investment in joint venture (Note 6)	—	(1,695,449)	(1,695,449)
Receivables	(12,147)	—	(12,147)
Cumulative translation adjustment	148,990	—	148,990
	15,980,307	—	15,980,307
Allowance for impairment	—	—	—
Balances at end of year	₱15,980,307	₱—	₱15,980,307



			2023
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	₱17,357,156	₱432,867	₱17,790,023
Additions	2,433,046	1,467,305	3,900,351
Conversion	176,219	(176,222)	(3)
Redemption	(74,752)	(249,236)	(323,988)
Reclassification			
Financial asset at FVOCI	(353,340)	–	(353,340)
Investment in joint venture	(1,859)	–	(1,859)
Cumulative translation adjustment	(107,314)	(7,409)	(114,723)
	19,429,156	1,467,305	20,896,461
Allowance for impairment	878,429	–	878,429
Balances at end of year	₱18,550,727	₱1,467,305	₱20,018,032

Investments in redeemable preferred shares

a. AMI AC Renewables Corporation (AAR)

Redeemable Class A and Class B preference shares in AAR are entitled to dividends at a fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

AAR owns a combined 80 MW of solar farms in Khan Hoa and Dak Lak Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US\$125.40 million (₱7,254.02 million), and US\$125.40 million (₱6,943.64 million), respectively.

b. Impact Wind Investments Limited (Impact Wind)

In February 2023, the Group entered into a Party B Financing Bond Subscription Agreement with Mitsubishi Corporation, and Monsoon Wind B.V. to subscribe to Party B Financing to fund the construction of the 600MW Monsoon Wind Project (see Note 6). The financing has an aggregate total amount of US\$80.40 million of which US\$65.00 million is allocated to the Group. The Party B Financing has a fixed interest rate, payable until March 31, 2043.

In 2024 and 2023, total subscriptions amounted to US\$21.64 million (₱1,235.74 million) and US\$27.01 million (₱1,497.57 million) with redemption of US\$1.38 million (₱74.75 million), respectively.

As at December 31, 2024 and 2023, the carrying amount is US\$47.27 million (₱2,734.49 million), and US\$25.64 million (₱1,419.45 million), respectively.

c. BIM Wind Joint Stock Company (BIM Wind)

On December 21, 2021, the Group converted deposit for future equity in BIM Wind into 300,000 redeemable preference shares. The redeemable preference shares are non-voting shares entitled to dividends at a fixed, cumulative and compounding base rate annually. Shares are redeemable only



by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations.

BIM Wind owns and operates an 88 MW wind project in the Province Ninh Thuan, Vietnam. In 2023, the Group converted its subscription deposits to redeemable preferred shares for a total of \$3.14 million (₱176.22 million) .

As at December 31, 2024 and 2023, the carrying amount is US\$40.24 million (₱2,327.79 million), and US\$40.32 million (₱2,232.29 million), respectively.

d. NEFIN Limited (NEFIN)

In 2022, the Group entered into a Shareholder's Agreement with NEFIN Limited to subscribe to the latter's Construction Equity Redeemable Preference Shares which are non-voting shares entitled to a fixed, cumulative compounding dividend annually and are not entitled to any additional dividends. The shares are redeemable only by cash at the issuer's option.

NEFIN installs utility-scale rooftop solar projects, commercial and industrial renewable energy systems.

In 2024, US\$3.50 million (₱202.46 million) was collected while US\$0.26 million (₱12.15 million) was reclassified to receivables.

For the year ended December 31, 2024 and 2023, total subscriptions amounted to US\$7.47 million (₱433.48 million) and US\$10.45 million (₱582.13 million), respectively.

As at December 31, 2024 and 2023, the carrying amount is US\$34.70 million (₱2,007.22 million), and US\$30.94 million (₱1,713.37 million), respectively.

e. BIM Renewable Energy Joint Stock Company (BIMRE)

On November 4, 2019, the Group converted deposit for future equity in BIMRE into 3,437,000 redeemable Class A preference shares and 3,437,000 redeemable Class B preference shares. The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of the operations of the project which is expected in 20 years from commercial operations. In 2020, the Group converted its subscription deposit to 928,093 Redeemable Class A and 928,093 Redeemable Class B shares.

BIMRE owns 300 MW of solar farms in Ninh Thuan Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US\$23.39 million (₱1,410.65 million), and US\$24.39 million (₱1,350.29 million), respectively.

f. BIM Energy Joint Stock Company (BIME)

On November 4, 2019, the Group also converted deposit for future equity in BIME into 343,700 redeemable Class A preference shares and 343,700 redeemable Class B preference shares. The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis but no earlier than the 13th year (for Class A) and



7th year (for Class B) from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

BIME owns 30 MW of solar farms in Ninh Thuan Province, Vietnam.

As at December 31, 2024 and 2023, the carrying amount is US\$4.26 million (₹246.14 million), and US\$4.26 million (₹235.61 million), respectively.

g. UPC-AC Energy Solar Limited (UPC-ACE Solar)

In 2021 and 2020, the Group entered into different Share Subscription Agreement with UPC-ACE Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations.

UPC-ACE Solar owns and operate the 50MW Paryapt Solar Plant located in Gujarat Province and 100MW Sitara Solar Plant located in Rajasthan Province in India. Both projects achieved commercial operations in April 2021 and May 2021, respectively. UPC-ACE Solar also owns Masaya Solar, a 420MW operating solar farm in the Central Indian state of Madhya Pradesh.

On March 31, 2023, the Group subscribed to redeemable Class B preference shares of UPC-ACE Solar amounting to US\$6.50 million (₹353.34 million) which was subsequently reclassified to financial assets at FVOCI. The unquoted equity investments represent investment in the India Projects that are engaged in wind power generation and operation.

In 2024, investment in UPC-ACE Solar's Redeemable Preference Share Class A (classified as investment in redeemable preferred shares and convertible loans) with a net carrying amount of US\$59.46 million (₹2,922.27 million) was reclassified to investments in financial assets at fair value through other comprehensive income (FVOCI) due to change in business model. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payable upon discretion of the board, and (c) no fixed redemption date. Prior to reclassification, the investment has an allowance for expected credit losses amounting to US\$16.54 million (₹938.83 million), of which US\$1.05 million (₹59.71 million) was recognized in the consolidated statement of income.

As at December 31, 2024, the fair value of the investments in UPC-ACE Solar's Redeemable Preference Share Class A and B using a discount rate of 10.9% was US\$59.99 million (₹3,469.88 million). Unrealized fair value loss on equity instruments at FVOCI for the year ended December 31, 2024 amounted to US\$43.04 million (₹1,864.41 million) was recognized in the statement of comprehensive income.

For the years ended December 31, 2024 and 2023, the Group provided ECL provision amounting to US\$1.05 million (₹59.71 million) and US\$15.47 million (₹878.43 million), respectively (see Note 18).

As at December 31, 2024 and 2023, the carrying amount is nil, and US\$62.23 million (₹3,445.44 million), respectively.



h. UPC Renewables Asia III Ltd. (UPC Asia III)

Redeemable Class A preference shares in UPC Asia III are non-voting shares and are redeemable at the holder's option within 30 days from the earlier of July 15, 2035 or the date as soon as funds are realized by UPC Asia III or its subsidiaries. The shares are entitled to dividends at fixed, cumulative and compounding rate annually, commencing from January 11, 2017.

UPC Asia III owns a 75 MW Wind Farm in South Sulawesi, Indonesia.

On June 29, 2024, the Group redeemed RPS Class A from UPC Asia III, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of date of the resolution. The redemption resulted to a gain of US\$25.92 million (₱1,520.55 million) (see Note 20).

As at December 31, 2024 and 2023, the carrying amount is nil, and US\$21.86 million (₱1,210.63 million), respectively.

Subscription Deposits

a. Beacon Capital Holdings Limited

On December 18, 2023, the Group entered into a Reservation Agreement with Beacon Capital Holdings Limited and Huntington Renewable Investments Limited, to acquire a 49% equity stake in BIM Energy Holdings, BIM Group's holding company for renewable projects in Vietnam. The transaction is subject to condition precedents, including regulatory approval in Vietnam. As part of the transaction, the Group provided a reservation deposit amounting to US\$24.50 million (₱1,356.57 million).

In November 2024, the reservation fee amounting to US\$24.50 million (₱1,356.57 million) was reclassified as part of Investment in BIM Energy Holding Corporation, an associate (see Note 6).

b. UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)

On December 13, 2023, the Group entered into an agreement with UPC Renewables Asia Pacific Holdings Pte Ltd, for the 49% acquisition of 3 late-stage development projects in Indonesia, with a combined potential capacity of 320MW. The projects are located in South Sulawesi, Sukabumi, and Lombok. As part of the transaction, the Group provided a subscription deposit amounting to \$2.00 million.

In 2024, total subscriptions amounted to US\$3.78 million (₱228.14 million).

In 2024, the subscription deposits to UPCAPH amounting to ₱338.88 million (US\$5.78 million) was reclassified as subscription to PT Lombok, PT Sidrap 2 and PT Sukabumi, accounted as associates and joint ventures (see Note 6).

As at December 31, 2024 and 2023, the carrying amount is nil and US\$2.00 million (₱110.74 million).



Convertible loans

The roll forward analysis of this account follows:

	2024	2023
Balance at beginning of year	₱3,882,716	₱4,755,293
Additions	–	1,807,639
Redemptions	–	(2,341,774)
Cumulative translation adjustment	78,351	(338,442)
	3,961,067	3,882,716
Allowance for impairment (Note 18)	2,112,850	2,266,949
Balance at end of year	₱1,848,217	₱1,615,767

a. Vietnam Wind Energy Limited (Vietnam Wind)

On April 17, 2020, the Group entered into an agreement with Vietnam Wind, to make available a convertible term loan facility in an aggregate amount of US\$38.00 million (₱1,841.67 million). The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preferred shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends, redeemable at the issuer's option. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years after the drawdown date.

As at December 31, 2024 and 2023, the outstanding loan amounted to US\$38.00 million (₱2,112.85 million and ₱2,113.58 million) for both years ended, and are fully impaired.

b. Asian Wind Power 1 HK Ltd (Asian Wind 1)

On April 12, 2019, AC Energy Vietnam Investments 2 Pte. Ltd. Entered into an agreement with Asian Wind 1 to make available a convertible term loan facility in aggregate principal amount not exceeding US\$26.00 million (₱1,260.09 million). The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 25 years after the drawdown date.

On September 29, 2023, Asian Wind 1 repaid the outstanding convertible loan facility amounting to US\$26.00 million (₱1,318.77 million).



On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 1 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US\$16.26 million (₱920.15 million), payable on July 31, 2040. The Group has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years from commissioning date.

As at December 31, 2024 and 2023, the outstanding loan US\$16.26 million (₱940.80 million) and US\$16.26 million (₱900.55 million), respectively.

c. Asian Wind Power 2 HK Ltd (Asian Wind 2)

On March 25, 2020, the Group entered into an agreement with Asian Wind 2, to make available a convertible term loan facility in an aggregate amount not exceeding US\$23,000,000. The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A redeemable preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 25 years after the drawdown date.

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 2 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US\$15.69 million (₱887.49 million), payable on October 31, 2041. The Group, from time to time, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected 20 years from commissioning date.

On September 29, 2023, Asian Wind 2 repaid the outstanding convertible loan facility amounting to US\$21.29 million (₱1,023.00 million).

As at December 31, 2024 and 2023, the outstanding loan US\$15.69 million (₱907.41 million) and US\$15.69 million (₱868.59 million), respectively.

Allowance for expected credit losses (ECL)

In determining the ECL, the Group has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.



For the years ended December 31, 2024 and 2023, the Group recognized allowance for impairment of US\$1.06 million (P60.40 million) and US\$15.47 million (P878.43 million), in redeemable preferred shares in UPC-ACE Solar, respectively (Note 18).

For the years ended December 31, 2024 and 2023, the Group recognized reversal of allowance for impairment loss of US\$2.77 million (P154.10 million) and provision of US\$17.73 million (P982.54 million) in convertible loan to Vietnam Wind, respectively (Note 18).

Investments in redeemable preferred shares and convertible loans bear interest ranging from 8.8% to 14.0% per annum and 8.0% to 14.0% per annum for the year ended December 31, 2024 and 2023, respectively.

Interest income

The Group earns interest income from its investments in redeemable preferred shares and convertible loans amounting to (Note 20):

	2024	2023	2022
<i>Redeemable preferred shares</i>			
AAR	P933,952	P907,287	P842,187
UPV Solar	335,018	554,893	427,498
BIM Wind	367,901	383,421	510,227
UPC Asia III	68,276	256,680	231,016
BIMRE	197,764	180,476	175,757
NEFIN	179,273	128,350	33,724
Impact Wind	209,644	67,283	—
BIME	44,024	31,562	30,736
	2,335,852	2,509,952	2,251,145
<i>Convertible loans</i>			
Vietnam Wind	353,556	277,924	—
Asian Wind 1	116,916	178,097	206,486
Asian Wind 2	109,909	171,365	170,195
UPC-ACE Australia	—	—	847,085
	580,381	627,386	1,223,766
	P2,916,233	P3,137,338	P3,474,911



8. Property, Plant and Equipment

The roll forward of this account follows:

	2024							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	₱1,884,063	₱775,693	₱21,470,430	₱241,464	₱3,621,833	₱324,648	₱68,765,540	₱97,083,671
Transfer from other noncurrent assets	1,568	283,793	625,416	75,053	58,295	98,951	36,680,279	37,823,355
Capitalization of borrowing cost	—	—	2,634,809	—	—	—	—	2,634,809
Transfer to advances for land acquisition	45,761	—	—	—	—	—	—	45,761
Transfer to advances to supplier	—	—	—	—	—	—	(1,868,438)	(1,868,438)
Reclassifications	(1,607)	1,656,029	35,084,050	5,720	5,022,477	16,736	(41,783,405)	—
Others	(500,761)	—	(4,963)	(13,132)	10,118	(773)	(243,802)	(753,313)
Cumulative translation adjustments	(635)	(32)	(2,072,182)	(1,704)	(3,714)	(2,229)	(814,202)	(2,894,698)
Balance at end of year	1,428,389	2,715,483	57,737,560	307,401	8,709,009	437,333	60,735,972	132,071,147
Accumulated depreciation								
Balance at beginning of year	52,799	172,707	6,629,493	84,785	535,855	178,953	—	7,654,592
Depreciation (Notes 17 and 18)	11,421	101,444	1,735,810	62,625	107,006	91,555	—	2,109,861
Others	—	—	(2,564)	(11,604)	—	(466)	—	(14,634)
Reclassification	—	—	266,708	—	(266,565)	(143)	—	—
Cumulative translation adjustments	—	(27)	(45,107)	131	12,206	(2,720)	—	(35,517)
Balance at end of year	64,220	274,124	8,584,340	135,937	388,502	267,179	—	9,714,302
Accumulated impairment loss								
Balance at beginning of year	—	—	81,071	—	—	—	419,757	500,828
Reclassification	—	—	310,567	—	—	—	(310,567)	—
Others (Note 18)	—	—	185	—	—	—	3,372	3,557
Balance at end of year	—	—	391,823	—	—	—	112,562	504,385
Net Book Value	₱1,364,169	₱2,441,359	₱48,761,397	₱171,464	₱8,320,507	₱170,154	₱60,623,410	₱121,852,460



	2023							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	P1,630,642	P746,608	P21,225,288	P171,700	P1,581,570	P200,112	P39,903,473	P65,459,393
Additions	269,189	29,085	339,128	84,962	88,100	115,213	25,255,883	26,181,560
Capitalization of borrowing cost	—	—	1,852,968	—	—	—	—	1,852,968
Transfer to/from other noncurrent assets	(15,682)	—	506	—	—	—	3,016,519	3,001,343
Transfer from advances to contractors	—	—	—	—	—	—	500,669	500,669
Others	—	—	9,737	(23,667)	—	9,705	12,892	8,667
Reclassification	—	—	(1,956,535)	8,482	1,956,025	(378)	(7,594)	—
Cumulative translation adjustments	(86)	—	(662)	(13)	(3,862)	(4)	83,698	79,071
Balance at end of year	1,884,063	775,693	21,470,430	241,464	3,621,833	324,648	68,765,540	97,083,671
Accumulated depreciation								
Balance at beginning of year	41,588	107,284	5,856,960	48,433	401,776	108,865	—	6,564,906
Depreciation (Notes 17 and 18)	11,211	65,423	838,702	47,020	72,659	70,623	—	1,105,638
Others	—	—	(66,614)	(9,925)	61,420	(759)	—	(15,878)
Cumulative translation adjustments	—	—	445	(743)	—	224	—	(74)
Balance at end of year	52,799	172,707	6,629,493	84,785	535,855	178,953	—	7,654,592
Accumulated impairment loss								
Balance at beginning of year	—	—	81,071	—	—	—	415,188	496,259
Provision for impairment loss (Note 18)	—	—	—	—	—	—	4,569	4,569
Balance at end of year	—	—	81,071	—	—	—	419,757	500,828
Net Book Value	P1,831,264	P602,986	P14,759,866	P156,679	P3,085,978	P145,695	P68,345,783	P88,928,251



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

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

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

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

**Excluding transmission line with % completion of 55% as of December 31, 2024

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC to AREIT shares in exchange for a 276-hectare parcel of land located in Zambales, Philippines. Total cost of the land disposed during the transaction amounted to ₱500.76 million (see Note 20).

Unpaid Property, Plant and Equipment

As at December 31, 2024 and 2023, unpaid property, plant and equipment acquisitions amounted to ₱1,006.93 million and ₱378.11 million, respectively (see Note 28).

Borrowing Cost Capitalized

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

Mortgaged Property, Plant and Equipment

NorthWind's Land, Wind Turbine Generator, Building and Machinery with carrying value of ₱1,686.80 million and ₱1,853.11 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for a long-term loan (see Note 13).

Guimaras Wind's wind farm with carrying value of ₱3,274.29 million and ₱3,374.16 million as at December 31, 2024 and 2023, respectively, included under "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).

MONTESOL's solar power plant with a carrying value of ₱803.50 million and ₱849.97 million as at December 31, 2024 and 2023, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).



SACASOL's solar power plant with a carrying value of ₱2,346.19 million and ₱2,494.44 million as at December 31, 2024 and 2023, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 13).

Contractual Commitments

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

Depreciation

Total depreciation charged to operations amounted to ₱1,751.38 million, ₱934.09 million and ₱1,668.05 million in 2024, 2023 and 2022, respectively. The amount charged to "General and administrative expenses" account amounted to ₱358.48 million, ₱171.54 million and ₱170.78 million in 2024, 2023 and 2022, respectively (see Notes 17 and 18).

Others

The Group has no significant property, plant and equipment which are temporarily idle as at December 31, 2024 and 2023.

The Group's fully depreciated property, plant and equipment which are still in use as at December 31, 2024 and 2023 amounted to ₱2,324.56 million and ₱2,058.59 million, respectively.

9. Right-of-Use Assets and Lease Liabilities

The roll forward of these accounts follows:

	2024						
	Right-of-Use Assets						Lease Liabilities
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Lease Vehicle	Total	
As at January 1, 2024	₱997,494	₱2,768,970	₱1,127,076	₱3,320,164	₱-	₱8,213,704	₱8,356,801
New lease agreements (Note 20)	547,629	-	108,676	-	41,270	697,575	6,507,081
Acquired through business combination (Note 24)	-	-	-	102	-	102	-
Remeasurements	(5,223)	(62,109)	345,831	(48,174)	-	230,325	(112,127)
Amortization expense (Notes 17 and 18)	(10,704)	(77,262)	ar(190,138)	(42,834)	(1,891)	(322,829)	-
Capitalized interest (amortization)	(66,613)	(30,422)	(157,224)	(1,779)	(3,367)	(259,405)	454,790
Disposal	-	-	(10,732)	-	-	(10,732)	(9,550)
Reclassifications	-	-	29,709	(29,709)	-	-	-
Interest expense (Note 19)	-	-	-	-	-	-	344,663
Payments	-	-	-	-	-	-	(881,200)
Foreign exchange adjustments	-	-	(93,784)	-	-	(93,784)	(162,016)
As at December 31, 2024	1,462,583	2,599,177	1,159,414	3,197,770	36,012	8,454,956	14,498,442
Less current portion	-	-	-	-	-	-	1,889,401
Noncurrent portion	₱1,462,583	₱2,599,177	₱1,159,414	₱3,197,770	₱36,012	₱8,454,956	₱12,609,041



	2023					
	Right-of-Use Assets					
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Total	Lease Liabilities
As at January 1, 2023	P159,478	P1,966,849	P921,258	P679,062	P3,726,647	P4,465,021
New lease agreements	856,214	535,823	381,739	2,357,117	4,130,893	3,913,668
Remeasurement	19	376,324	(4,685)	337,924	709,582	384,807
Amortization expense (Notes 17 and 18)	(11,150)	(101,735)	(143,415)	(51,684)	(307,984)	—
Capitalized interest (amortization)	(17,640)	(8,291)	(27,446)	(66,521)	(119,898)	208,695
Reclassifications	10,573	—	—	(10,573)	—	—
Interest expense (Note 19)	—	—	—	—	—	250,092
Payments	—	—	—	—	—	(773,325)
Foreign exchange adjustments	—	—	(375)	74,839	74,464	(92,157)
As at December 31, 2023	997,494	2,768,970	1,127,076	3,320,164	8,213,704	8,356,801
Less current portion	—	—	—	—	—	850,953
Noncurrent portion	P997,494	P2,768,970	P1,127,076	P3,320,164	P8,213,704	P7,505,848

There was no indicator of impairment identified on the right-of-use asset of the Group as at December 31, 2024 and 2023.

Lease Commitments

Lease with Laguna Lake Development Authority (LLDA)

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

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

New England Solar Farm Stage 2

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

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

Stubbo Solar

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



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

San Carlos Solar 1A and 1B

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

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

San Carlos 1C and 1D

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

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

La Carlota 2A and 2B

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

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

Alaminos Solar Plant

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



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

Bataan BESS

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

Palauig 2 Solar

On September 26, 2024, the Group executed a lease contract over the property of the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and lessee under such terms and conditions as may acceptable to them. The initial rent is based on a fixed rate per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payment commencing from July 1, 2025 shall be done in advance on a quarterly basis. This lease is part of the sale and leaseback transaction of the Group and its affiliate, AREIT, Inc. (see Note 20).

There was no indicator of impairment identified on the right-of-use asset of the Group as at December 31, 2024 and 2023.

10. Goodwill and Other Intangible Assets

The rollforward of this account follows:

	2024				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	₱21,164,218	₱140,411	₱185,347	₱2,387,064	₱23,877,040
Acquired from business combination (Note 24)	1,375,051	—	—	—	1,375,051
Additions	—	—	—	298,342	298,342
Cumulative translation adjustment	919,831	—	—	—	919,831
Balance at end of year	23,459,100	140,411	185,347	2,685,406	26,470,264
Accumulated amortization:					
Balance at beginning of year	—	—	56,997	568,614	625,611
Amortization (Notes 17 and 18)	—	—	8,287	151,300	159,587
Balance at end of year	—	—	65,284	719,914	785,198
Allowance for impairment:					
Balance at beginning and end of year	—	86,061	—	—	86,061
Net book value	₱23,459,100	₱54,350	₱120,063	₱1,965,492	₱25,599,005



	2023				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	₱21,190,542	₱143,212	₱185,347	₱2,301,466	₱23,820,567
Acquired from business combination (Note 24)	218,201	—	—	—	218,201
Additions	—	55	—	85,598	85,653
Recoveries from consortium partner	—	(2,856)	—	—	(2,856)
Cumulative translation adjustment	(244,525)	—	—	—	(244,525)
Balance at end of year	21,164,218	140,411	185,347	2,387,064	23,877,040
Accumulated amortization:					
Balance at beginning of year	₱—	₱—	₱48,877	₱416,886	₱465,763
Amortization (Notes 17 and 18)	—	—	8,120	151,728	159,848
Balance at end of year	—	—	56,997	568,614	625,611
Allowance for impairment:					
Balance at beginning and end of year	—	86,061	—	—	86,061
Net book value	₱21,164,218	₱54,350	₱128,350	₱1,818,450	₱23,165,368

Goodwill

In 2024, additions to goodwill came from the acquisition of a controlling interest in Real Wind Energy, Inc. (see Note 24).

In 2023, additions to goodwill came from the acquisition of a controlling interest in YMP Telecom Power, Inc. (see Note 24).

The considerations paid for these combinations effectively included amounts in relation to the benefits of expected synergies and future market growth. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Impairment Testing of Goodwill

The Group performs its impairment test annually and when circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the related cash-generating unit (CGU). The value in use calculation requires the Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

The CGU of the Group are comprised of:

- Philippines
 - a. Operating plants – ISLASOL and One Subic Power
 - b. Development – Sinocalan, YMP Telecom Power, Inc.
 - c. Pre-Development – Real Wind Energy, Inc. and various UPC Philippines entities namely
 - i. Buduan Wind Energy Co., Inc.
 - ii. Caraballo Mountains UPC Asia Corporation,
 - iii. Pangasinan UPC Asia Corporation,
 - iv. Sapat Highlands Wind Corporation,
 - v. UPC Mindanao Wind Power Corp.,
 - vi. Itbayat Island UPC Asia Corporation,
 - vii. Laguna Central Renewables, Inc.,
 - viii. Laguna West Renewables, Inc.,
 - ix. Suyo UPC Asia Corporation, and
 - x. SolarAce 4 Energy Corp. ("SolarAce 4")



- International – ACEN Australia

The goodwill arising from the acquisitions in Sinocalan, YMP, UPC-ACE Australia and UPC Philippines are from the established capabilities of its assembled workforce which include:

- Pre-development and development - involving site acquisition, permitting and studies to get the project to a shovel ready state;
- Construction - including sourcing of investors as well as managing the construction of power plants; and
- Operations - covering management of power plants in lieu of hiring third party operators and management

Further, the above acquisition included projects in its pipeline with a view of development projects (new and from the pipeline) for the Group. Through this acquisition, the Group is able to have the capability to develop projects end-to-end from permits and feasibility studies, all the way to construction and operations.

Currently, the assembled workforce oversees the pre-development and development of several potential sites for its projects within the Philippines and Australia.

Key assumptions used in the value-in-use calculations

The recoverable amount is based on the value in use calculations using cash flow projections from the financial budget approved by ACEN management covering the period the CGU is expected to be operational. Based on management assessment, there is no impairment loss to be recognized on goodwill as of December 31, 2024 and 2023 despite reduction in forecasted tariff prices for contracted and merchant renewable power plant. The pre-tax discount rate used is the weighted average cost of capital of comparable entities. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

- Philippines
 - Operating plants
 - Forecasted revenue growth (2024: 4%-24%; 2023: 2%-10%)
 - EBITDA margin (2024: 13%-43%; 2023: 2%-10%)
 - Discount rate (2024: 10.17%; 2023: 10.08%)
 - Development
 - Forecasted revenue growth (2024: 1%-3%; 2023: 2%-10%)
 - EBITDA margin (2024: 69%-71%; 2023: 2%-10%)
 - Discount rate (2024: 10.17%; 2023: 8.48%)
- International – UPC-ACE Australia
 - Forecasted revenue growth (2024: 2%-7%; 2023: 2%-10%)
 - EBITDA margin (2024: 63%-82%; 2023: 63%-82%)
 - Discount rates (2024: 7.59%- 9.06%; 2023: 7.18%-8.32%)

The pre-tax discount rates used in the updated analysis range from 10.17% - 14.52% for Philippines and 7.59% - 8.52% for International which is based on weighted average cost of capital of comparable entities. The growth rate ranges from (2.24%) - 9.97%. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.



- Forecasted revenue growth - Revenue forecasts are management's best estimates considering factors such as historical/industry trends, tariffs, target market analysis, government regulations and other economic factors.

EBITDA margin - This is a measure of a firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation and changes in net working capital and maintenance capital expenditures in arriving at the free cash flow.

- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognized on goodwill as at December 31, 2024 and 2023.

Other Intangible Assets

Intangible assets amounting to ₱2,191.81 million arising from an identifiable Feed-in-Tariff (FIT) contract with remaining life of 13 years was recognized from the acquisition of SACASOL in 2020. This is amortized over a straight-line basis over its remaining life from 2020. The carrying amount as at December 31, 2024 and 2023 amounted to ₱1,471.90 million and ₱1,623.20 million, respectively.

11. Other Assets

Other current assets

This account consists of:

	2024	2023
Prepaid expenses	₱722,209	₱340,170
Advances to suppliers and contractors	369,283	262,358
Derivative asset	157,662	177,828
Short-term investments	161,966	—
Other current assets	108	2,703
	1,411,228	783,059
Less allowance for impairment loss (Note 18)	34,307	32,566
	₱1,376,921	₱750,493

Short-term investments include time deposit that have maturity of more than 90 days as at year ended.



Other noncurrent assets

This account consists of:

	2024	2023
Derivative assets (Notes 14 and 24)	₱4,394,107	₱6,269,689
Advances to suppliers and contractors	5,651,193	1,649,900
Advances for land acquisition	2,015,292	1,247,725
Development costs	646,410	3,649,457
Others	343,737	321,480
	₱13,050,739	₱13,138,251

Derivative assets include the 20-year Long Term Energy Supply Agreements (LTESA) secured by ACEN Australia for its solar projects at the New South Wales (NSW) Government's first renewable energy and storage auction. LTESAs for ACEN Australia's 720 MW New England Solar Project (NESF 1 and NESF 2) and 400 MW Stubbo Solar Project (Stubbo) were secured through the NSW Consumer Trustee's inaugural tender for renewable generation and long duration storage.

LTESA gives the generator the right, but not the obligation, to enter into a strip of two-year electricity swap contracts from July 1, 2026 to June 30, 2047 (referred to as "Swaptions"). If a Swaption is exercised the swap would settle based on the difference between the LTESA fixed price (subject to annual CPI escalation) and the Australia's National Electricity Market (NEM) spot rate for each MWh of energy produced. The generator receives spot from Australian Energy Market Operator (AEMO), then pays spot to the Scheme Financial Vehicle (SFV) and receives fixed from SFV.

The LTESA contract comprises of a series of ten consecutive swaptions that would deliver a two-year swap if exercised. Each swaption must be exercised in the period of 6-12 months ahead of the swap effective date. If none of the swaptions are exercised then no cash is exchanged between the SFV and the generator over the life of the arrangement, and the claw back mechanism will come into effect. If SFV has been the net payer under the LTESA; and dispatch weighted average price is above its repayment threshold price per contract, then NESF or Stubbo must pay SFV the repayment amount. The repayment money is capped at the amount previously received by NESF or Stubbo during the swaption.

Maturity date of LTESA for NESF and Stubbo is on June 30, 2046 and June 30, 2047, respectively.

Advances to suppliers consist of advance payments for construction costs which will be capitalized to property, plant and equipment once fully rendered by the suppliers.

Advances for land acquisition pertain to partial payments to landowners and service providers related to the acquisition of various property for future renewable projects.

Development costs include expenditures related to the development phase of renewable power plant projects. These include direct expenses that will be reclassified as part of property, plant and equipment upon achievement of certain milestones (e.g. start of construction). These costs are not depreciated or amortized until such time as the relevant assets are completed and available for use. Development cost amounting to ₱5,305.76 million (US\$90.53 million) relating to New England Solar Farm 1 was reclassified to property, plant, and equipment upon commercial operations on May 1, 2024.



12. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Accrued expenses	₱3,433,122	₱2,782,479
Nontrade payables	2,886,668	4,285,756
Trade payables	2,451,894	3,095,742
Due to related parties (Note 22)	2,469,137	3,195,376
Accrued interest expenses	1,527,809	853,578
Output VAT - net	828,215	1,294,739
Retention payable	454,413	388,404
Accrued director's and annual incentives	213,112	191,792
Derivative liability	40,308	10,563
Others	104,128	46,957
	₱14,408,806	₱16,145,386

Nontrade payables consist of obligations to third party vendors arising from transactions other than in the regular course of business and are noninterest bearing which are normally settled within the next year. The account also includes those owed to employees, and refundable deposits.

Accrued expenses include billings not yet received from suppliers for construction costs. These are accrual of project costs such as equipment charges, materials, labor, overhead and provision for repair and maintenance. Accrued expenses include construction costs, insurance, sick and vacation leave accruals, and accruals for incentive pay and operating expense such as security fees, plant repairs and maintenance.

Accounts payable and accrued expenses are noninterest-bearing and are normally settled on thirty (30) to sixty (60)-day terms. Other current liabilities are non-interest bearing and are normally settled within one year.

Trade payables pertain to payables to contractors and suppliers for the services rendered and materials used for operations of the power plants.

Output VAT represents VAT recognized as at year-end based on sales of electricity billed to third parties and are normally settled within one month.

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

Short-term Loans

This account consists of:

	2024	2023
As at beginning of year	₱1,500,000	₱2,900,000
Availments	25,600,000	9,000,000
Payments	(17,300,000)	(10,400,000)
Refinance to long-term loans	(4,200,000)	—
As at end of year	₱5,600,000	₱1,500,000



Interest rates of short-term loans from local banks ranges from 5.40% to 6.38% and 5.52% to 6.50% in 2024 and 2023, respectively.

Total interest expense recognized on short-term loans for the years ended December 31, 2024, 2023 and 2022 amounted to ₱231.54 million, ₱174.58 million and ₱179.92 million, respectively (see Note 19).

Cross-currency swap

On October 13, 2023, ACEN signed a ₱5,000.00 million term loan agreement with a local bank. An amendment was made on August 5, 2024 to allow for the facility to be drawn in US Dollars, Sterling and Euros. Further, a second amendment was made on October 28, 2024 to extend the availability period of the loan to the earliest of i) March 31, 2025, ii) date the commitment is fully drawn, or iii) date the commitment is terminated.

On August 1, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of August 6, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱3,200.00 million at a fixed PHP interest rate.

On August 6, 2024, ACEN drew an equivalent of ₱3,200.00 million with USD notional value of US\$54.86 million. Maturity date is on July 24, 2029. This was used to refinance the 3,200.00 million short-term loan that matured on August 6, 2024.

On December 16, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of December 18, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱1,000.00 million at a fixed PHP interest rate.

On December 18, 2024, the Parent Company drew an equivalent of ₱1,000.00 million with USD notional value of US\$17.05 million. Maturity date is on April 24, 2030. This was used to refinance the ₱1,000.00 million short-term loan that matured on December 18, 2024.



Long-term Loans

This account consists of:

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
ACEN								
₱1,500.00 million Loan A	₱1,175.00 million	January 11, 2017	July 11, 2029	6.50% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	₱515,827	₱611,313
₱5,000.00 million Loan B	₱5,000.00 million	November 15, 2019	November 14, 2029	5.0505% to 7.1314% per annum Fixed at 5.0505% for the first 5 years; repricing on the succeeding five (5) years based on the average of the 5- year BVAL, three (3) days prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,736,842	4,789,473
₱7,000.00 million Loan C	₱500.00 million	July 15, 2020	July 15, 2030	5.00% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	6,823,000	₱6,907,000
	₱1,000.00 million	August 24, 2020	July 15, 2030	5.00% per annum				
	₱1,000.00 million	June 10, 2022	July 15, 2030	5.066% to 6.9273% per annum Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	₱2,000.00 million	November 15, 2022	July 15, 2030	7.1720% per annum: repricing on the 3rd and 6th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
	₱2,500.00 million	January 13, 2023	July 15, 2030	6.4580% to 6.9273% per annum Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
₱4,500.00 million Loan D	₱805.00 million ₱2,000.00 million ₱1,695.00 million	March 30, 2021 February 28, 2022 April 11, 2022	March 30, 2031 March 30, 2031 March 30, 2031	7.00% - 7.25% per annum Floating interest rate repriced on every succeeding semi- annual period.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,432,500	₱4,477,500
₱10,000.00 million Loan E	₱3,000.00 million ₱3,000.00 million	December 13, 2022 January 27, 2023	December 13, 2032 December 13, 2032	6.2481% - 6.9698% per annum 6.5826% - 6.9698% per annum Floating interest rate repriced on every succeeding semi- annual period.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	6,000,000	6,000,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
₱10,000.00 million Loan F	₱250.00 million	August 17, 2023	August 17, 2033	7.0891% per annum for the first 2 years; repricing for the 2 nd , 4 th , 6 th , and 8 th anniversaries is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	244,750	250,000
₱5,000.00 million Loan G	₱500.00 million	October 24, 2023	October 24, 2033	6.000 – 6.6102% per annum Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown.	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,670,797	₱500,000
	₱3,200.00 million (\$54.86 million)	August 6, 2024	July 24, 2029	5.1280% per annum	Principal and interest payable quarterly			
	₱1,000.00 million (\$17.04 million)	December 18, 2024	April 30, 2030	5.3310% per annum	Principal and interest payable quarterly			
₱20,000.00 million Loan H	₱500.00 million	December 22, 2023	December 22, 2033	6.3859% - 6.5947% per annum	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	2,500,000	500,000
	₱500.00 million	September 11, 2024	December 22, 2033	6.3859% - 6.5947% per annum				
	₱1,500.00 million	December 18, 2024	December 22, 2033	6.5295% - 6.5947% per annum				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				Floating repriced every succeeding quarterly period. Option to convert floating interest to fixed up to 12 months from initial drawdown already expired. On 5 December 2024, there is a one-time option to convert floating interest to fixed, or vice versa, subject to at least one (1) banking day prior written notice.				
₱5,500.00 million Loan I	₱509.09 million ₱2,290.91 million	October 24, 2024 October 24, 2024	October 24, 2034 October 24, 2034	6.0733% per annum 6.7233% per annum Repricing on the 5 th anniversary of financial close. Optional second and final repricing on the 7 th or 8 th anniversaries of the financial close is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on the ACEN consolidated balances. Tested semi-annually	2,800,000	—
₱5,500.00 million Loan J	₱2,800.00 million	October 24, 2024	October 24, 2034	5.8900% per annum Repricing on the 5 th anniversary of financial close. Optional second and final repricing on the 7 th or 8 th anniversaries of the financial close is an agreed base rate, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	2,800,000	—



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
NorthWind								
₱2,300.00 million Loan	₱2,300.00 million	May 29, 2020	May 29, 2032	Fixed at a rate of 5.1250% for ten (10) years to be repriced after the 10 th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus an agreed spread	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Based on the stand-alone balances of the borrower. Tested semi-annually	1,607,010	1,777,670
Guimaras Wind								
₱4,300.00 million Loan	₱4,300.00 million	February 14, 2014	February 14, 2029	6.8421%-8.1665% fixed rate	Principal and interest payable semi-annually	Minimum DSCR of 1.2x, a maximum Debt to equity ratio of 70:30. Based on the stand-alone balances of the borrower. Tested semi-annually	820,392	987,746
Monte Solar Energy, Inc. ("MONTESOL")								
₱600.00 million Loan	₱600.00 million	September 20, 2023	September 20, 2035	Fixed at a rate of 7.1542% for two (2) years to be repriced one business day prior to the 2 nd and 7 th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus an agreed spread, divided by the Interest Premium Factor, or (b) five hundred seventy-five basis points (5.50%), divided by the Interest Premium Factor, whichever is higher	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Distribution DSCR of 1.2 times. Based on the standalone balances of the Borrower. Tested semi-annually	549,996	₱600,000
San Carlos Solar Energy Inc. ("SACASOL")								
₱1,400.00 million Loan	₱1,400.00 million Loan	May 22, 2024	May 22, 2034	Floating at a rate of 6.8182 – 7.3232% for three (3) months to be repriced one banking	Principal and interest payable quarterly	On each calculation date, maintain a Debt Service Coverage Ratio of at least 1.10x	1,330,000	–



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher		- From initial borrowing date, maintain a Net Debt to Equity Ratio of a maximum of 70:30 - From initial borrowing date, maintain a Dividend DSCR of at least 1.20x, based on standalone balances of the borrower. Tested semi-annually		
ACEN International, Inc. (ACEN International)								
₱7,000.00 million Loan	₱198.00 million ₱285.00 million ₱164.47 million ₱1,209.00 million ₱22.00 million ₱187.80 million	January 22, 2024 February 16, 2024 April 24, 2024 June 21, 2024 July 19, 2024 September 17, 2024	January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031 January 31, 2031	6.6082%-7.4635% per annum; repricing for the 36th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95.	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN International consolidated balances. Tested semi-annually	4,166,274	—



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	₹2,100.00 million	November 06, 2024	January 31, 2031					
ACEN Renewables International Pte. Ltd (ACRI)								
AU\$75.00 million	AU\$12.00 million AU\$34.00 million AU\$21.50 million AU\$7.50 million	April 17, 2024 June 18, 2024 September 16, 2024 November 11, 2024	December 7, 2028 December 7, 2028 December 7, 2028 December 7, 2028	5.82%-5.92% per annum	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net DE Ratio of 3.00:1.00. Based on ACRI consolidated Net debt and Total Equity expressed in Singaporean Dollars. Tested quarterly together with the financial statements.	2,684,638	—
US\$150.00 million	US\$25.00 million US\$10.00 million AU\$6.00 million (US\$3.94 million)	September 16, 2024 October 15, 2024 November 18, 2024	April 15, 2029 April 15, 2029 April 15, 2029	Floating at rate of 6.53% per annum; with Interest Rate Swap (“IRS”) fixed at 5.00% (weighted average of multiple IRS placements) until maturity	Interest is payable quarterly from date of availment; Principal amortization is payable every 6 months after the grace period.	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested semi-annually together with the financial statements.	2,239,346	—
US\$100.00 million	US\$20.00 million	September 23, 2024	December 07, 2028	Floating at rate of 6.49% per annum; with Interest Rate Swap (“IRS”) fixed at 5.04% until maturity	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested quarterly together with the financial statements.	1,156,900	
US\$150.00 million	US\$5.00 million	October 4, 2024	July 4, 2029	Floating at rate 6.23% per annum.	Interest is payable quarterly from date of availment;	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity.	289,225	—



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
					Principal amortization is payable in 2028 and 2029 after the grace period.	Tested semi-annually together with financial statements		
ACEN Cayman Limited								
\$140.00 million Loan	\$140.00 million	January 23, 2024	January 23, 2027	5.3980% per annum	Principal payable on maturity date; interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	8,098,300	—
\$180.00 million Loan	\$180.00 million	January 19, 2024	January 19, 2029	5.3060% per annum	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	10,307,979	—
ACEN Australia Pty Ltd. (“ACEN Australia”)								
AU\$277.00 million Loan	AU\$2.64 million	January 11, 2023	January 6, 2028	5.0350%-6.3025% per annum	Principal Repayment on Termination Date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	9,915,264	4,950,760
	AU\$70.00 million	February 3, 2023	January 6, 2028					
	AU\$0.86 million	May 3, 2023	January 6, 2028					
	AU\$10.00 million	June 20, 2023	January 6, 2028					
	AU\$20.00 million	October 26, 2023	January 6, 2028					
	AU\$30.00 million	December 20, 2023	January 6, 2028					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$23.00 million	March 20, 2024	January 6, 2028					
	AU\$29.50 million	June 20, 2024	January 6, 2028					
	AU\$10 million	July 15, 2024	January 6, 2028					
	AU\$13 million	September 30, 2024	January 6, 2028					
	AU\$7.75 million	September 16, 2024	January 6, 2028					
	AU\$0.7 million	September 16, 2024	January 6, 2028					
	AU\$2.68 million	September 16, 2024	January 6, 2028					
	AU\$16.13 million	October 17, 2024	January 6, 2028					
	AU\$16.40 million	November 18, 2024	January 6, 2028					
	AU\$20.83 million	December 18, 2024	January 6, 2028					
	AU\$3.52 million	December 19, 2024	January 6, 2028					
AU\$204.54 million Loan	AU\$157.78 million	February 11, 2021	December 22, 2025	2.903% per annum	Principal Repayment based on agreed schedule. Interest	Default DSCR Ratio of 1.15x, 12 months backward and forward looking. Secured by Property	6,481,930	7,560,254



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$6.125 million	January 23, 2023	December 22, 2025		payments 3 or 6 months or any such shorter period agreed.	Based on ACEN consolidated balances.		
	AU\$0.699 million	February 22, 2023	December 22, 2025			Tested quarterly after conversion to operation term facility.		
	AU\$6.00 million	March 16, 2023	December 22, 2025					
	AU\$0.610 million	March 22, 2023	December 22, 2025					
	AU\$18.00 million	April 24, 2023	December 22, 2025					
	AU\$2.50 million	May 18, 2023	December 22, 2025					
	AU\$2.406 million	June 22, 2023	December 22, 2025					
	AU\$5.00 million	September 4, 2023	December 22, 2025					
	AU\$2.844 million	September 22, 2023	December 22, 2025					
	AU\$0.953 million	October 23, 2023	December 22, 2025					
	AU\$0.931 million	November 22, 2023	December 22, 2025					
AU\$140 million Loan	AU\$28.36 million	September 16, 2022	September 16, 2027	4.8683%-6.0704% per annum	Principal Repayment on Termination Date. Interest payments 3 or 6 months, or	Net DE Ratio of 3.0x.	5,011,324	2,810,380
	AU\$11.00 million	January 23, 2023	September 16, 2027			Based on ACEN consolidated balances.		



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$14.42 million	March 16, 2023	September 16, 2027		any other period greater than 1 month agreed with Lender.	Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.		
	AU\$5.00 million	May 18, 2023	September 16, 2027					
	AU\$2.00 million	June 20, 2023	September 16, 2027					
	AU\$15.00 million	September 4, 2023	September 16, 2027					
	AU\$23.00 million	February 21, 2024	September 16, 2027					
	AU\$ 18.20 million	April 18, 2024	September 16, 2027					
	AU\$21.50 million	May 20, 2024	September 16, 2027					
	AU\$1.52 million	July 15, 2024	September 16, 2027					
AU\$100 million Loan	AU\$34.54 million	August 18, 2022	August 18, 2027	5.2494%-6.2375% per annum	3 or 6 months with automatic rollover but not to exceed the maturity date	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	2,412,293	1,646,345
	AU\$0.344 million	February 21, 2023	August 18, 2027					
	AU\$9.00 million	April 12, 2023	August 18, 2027					
	AU\$0.504 million	May 22, 2023	August 18, 2027					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$23.00 million	January 22, 2024	August 18, 2027					
AU\$75.00 million Loan	AU\$0.38 million	October 27, 2022	October 28, 2027	6.4275% per annum	Principal Repayment on Termination Date. Interest payments 6 months, or any other period greater than 1 month as agreed with Lender.	Net DE Ratio of 3.0x. Based on ACEN consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	2,397,382	1,571,556
	AU\$5.00 million	May 18, 2023	October 28, 2027					
	AU\$7.00 million	August 18, 2023	October 28, 2027					
	AU\$15.00 million	September 19, 2023	October 28, 2027					
	AU\$15.00 million	November 20, 2023	October 28, 2027					
	AU\$24.60 million	April 18, 2024	October 28, 2027					
AU\$75.00 million	AU\$0.45 million	February 26, 2024	February 26, 2028	6.0463%-6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually together with the financial statements.	248,776	—
	AU\$5.0 million	April 03, 2024	February 26, 2028					
	AU\$1.5 million	June 20, 2024	February 26, 2028					
AU\$75.00 million	AU\$0.30 million	February 26, 2024	February 26, 2028	6.0525%-6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.	243,407	—
	AU\$5.0 million	April 03, 2024	February 26, 2028					
		June 20,						



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$1.5 million	2024	February 26, 2028		any other period greater than one month as agreed.	Tested semi annually together with the financial statements.		
Totals							₱95,484,152	₱45,939,997
Less unamortized debt issue cost							628,258	165,320
							94,855,894	45,774,677
Less current portion							7,456,367	1,289,104
Long-term loans, net of current portion							₱87,399,527	₱44,485,573



The roll forward of this account follows:

	2024	2023
As at beginning of year	₱45,939,997	₱28,905,691
Availment	47,292,421	17,586,442
Refinance from short-term loans	4,200,000	—
Assumed through business combination	55,427	—
Payment	(1,701,273)	(541,690)
Loan assignment	(24,639)	—
Foreign exchange adjustment	(29,203)	—
Cumulative translation adjustments	(248,578)	(10,446)
	95,484,152	45,939,997
Less unamortized debt issue costs	628,258	165,320
As at end of year	₱94,855,894	₱45,774,677

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

	2024	2023
As at beginning of year	₱165,320	₱134,403
Additions	531,777	55,125
Amortization/accretion (Note 19)	(68,839)	(24,208)
As at end of year	₱628,258	₱165,320

ACEN

The long-term loans of the Parent Company also contain prepayment provisions as follows:

Description	Prepayment Provision
Loan A	Prepayment is at the option of the issuer exercisable on an interest payment date. The amount payable to the bank shall consist of accrued interest or other charges on the loan up to prepayment date, plus the principal amount of the loan, and applicable break-funding cost. Transaction cost is minimal.
Loan B	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan C	The loan facility contains a prepayment provision which allows the Parent Company to make an optional prepayment, wholly or partially, starting the fifth (5th) anniversary of the initial drawdown date and on every interest payment date thereafter. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax (“GRT”) as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan D	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, starting on the 4th interest payment date. The amount payable to the bank shall consist of any accrued interest on the



Description	Prepayment Provision
	outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan E	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan starting twenty-four (24) months from the drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan F	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan on or after the third (3rd) anniversary of the drawdown date. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan G	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, beginning on the first (1st) anniversary from the initial drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan H	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from the initial drawdown date. If prepayment is made in a non-interest payment date, it shall be subject to payment of accrued interest thereon and a 2% prepayment penalty of the relevant principal amount prepaid.
Loan I	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.
Loan J	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.

The prepayment options on all long-term loans were assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

NorthWind Power Development Corporation ("NorthWind")

On May 29, 2020, NorthWind entered into an Omnibus Loan and Security Agreement with a local bank for a long-term loan facility amounting to ₱2,300.00 million. The proceeds of the loan were used to fully repay its senior loan. The loan shall be repaid in 24 sculpted semi-annual amortizations as set forth in the agreement. The interest rate is fixed for the initial period of ten (10) years to be repriced after the 10th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus a spread per annum.



The loan facility contains a prepayment provision which allows NorthWind to make optional prepayment, wholly or partially, at any time during the term of the loan. The amount payable to the local bank shall be the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any additional taxes, including additional gross receipts tax ("GRT") as a result of such prepayment, and prepayment penalty as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by NorthWind's Land, Wind Turbine Generator, Building and Machinery and Equipment (see Note 8).

Guimaras Wind Corporation ("Guimaras Wind")

On December 18, 2013, Guimaras Wind entered into a ₱4,300.00 million Term Loan Facility with local banks. The proceeds were used to partially finance the 54 MW San Lorenzo Wind Farm. The loan facility is divided into two tranches amounting to ₱2,150.00 million for each of Tranche A and Tranche B.

Both tranches have a term of 15 years with semi-annual interest payments starting on the date on which the loan is made. The Tranche A's interest is to be fixed at the higher of 10-year PDS Treasury Fixing (PDST-F) plus a spread of 1.625% or a minimum interest rate of 6.25% for the first 10 years, to be repriced at higher of existing rate or 5-year PDST-F plus a spread of 1.25% for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread of 1.625% or a minimum interest rate of 6.5%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. In 2013, the Group did not recognize any derivative liability arising from the bifurcated interest floor rate since the fair value is not significant.

The loan facility also contains a prepayment provision which allows Guimaras Wind to make optional prepayment for both Tranche A and Tranche B in the amount calculated by the facility agent as accrued interest and other charges on the loan up to the prepayment date plus the higher of (a) the principal amount of the loan being prepaid, or (b) the amount calculated as the present value of the remaining principal amortizations and interest payments on the loan being prepaid, discounted at the comparable benchmark tenor. In addition, Guimaras Wind is allowed to prepay the Tranche A loan, without penalty or breakfunding cost, on the interest re-pricing date. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

Under the loan facility agreement, Guimaras Wind must maintain a debt service account into which will be paid the maximum interest forecasted to be due and payable for the next two following payment dates that will fall within the construction period and the amount of debt service after the construction period. The funds in the debt service reserves can be used by Guimaras Wind provided that 30 days prior to payment, the fund is replenished. Debt service reserves are included in the consolidated statement of financial position under "Cash and cash equivalents" (see Note 4).

The loan facility is secured by Guimaras Wind's wind farm (see Note 8).

In addition, as a security for the timely payment, discharge, observance and performance of the obligations, ACEN entered into a Pledge Agreement covering the subscriptions of stocks of ACEN and its nominees.



Monte Solar Energy, Inc. (“MONTESOL”)

On August 17, 2023, the MONTESOL entered into an Omnibus Loan and Security Agreement (“OLSA”) with a local bank for a long-term loan facility amounting to ₱600.00 million. The proceeds of the loan shall be used to partially finance MONTESOL’s permanent working capital requirements and for other general corporate purposes. The loan shall be repaid in twenty-four (24) straight-line semi-annual amortizations. The interest rate is fixed for the initial two (2) years, to be repriced one business day prior to the 2nd and 7th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus a spread of ninety basis points (0.90%), or (b) five hundred seventy-five basis points (5.75%), whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows MONTESOL to make voluntary prepayments, whether in full or in part, at any point during the term of loan. The amount payable in respect of any prepayment of the loan shall be comprised of: (i) any accrued interest on the principal amount of the loan to be prepaid; (ii) the principal amount of the loan to be prepaid; (iii) prepayment penalty as set forth in the OLSA; and (iv) any additional taxes, including additional GRT, resulting from such prepayment. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

On December 4, 2023, the repricing floor rate was amended from five hundred seventy-five basis points (5.75%) to five hundred fifty basis points (5.50%).

San Carlos Solar Energy, Inc. (“SACASOL”)

On May 17, 2024, SACASOL entered into an Omnibus Loan and Security Agreement (“OLSA”) with a local bank for a long-term loan facility of up to ₱1,400.00 million. The proceeds of the loan shall be used for (i) general corporate funding requirements and (ii) for upstreaming to SACASOL’s shareholders through payment of dividends, advances, and/or preferred share redemption. The loan shall be repaid in 40 straight-line quarterly amortizations. The interest rate is floating at a rate of 7.3232% for three (3) months to be repriced one banking day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows SACASOL to make voluntary prepayments, whether in full or in part, commencing at the end of the second (2nd) year from initial advance date (May 22, 2024) and on any interest payment date thereafter, together with accrued interest thereon up to and including the date immediately preceding the date of prepayment, subject to the payment of applicable prepayment penalty, at least 30 days prior written notice to the lender, and in multiples of ₱50.00 million.

The long-term loan facility is guaranteed by ACEN.

ACEN Renewables International Pte. Ltd (ACRI)

Total unamortized debt issue costs from the ACRI loan facilities amounted to US\$3.47 million (₱200.55 million) as of December 31, 2024. The corporate and syndicated loan facilities prices off an interest ranging from 5.89% to 6.58% per annum (2023 : 5.80% to 6.43%).



Loan covenants

The Group has complied with all its long-term loan covenants as at December 31, 2024 and 2023.

Interest expense

Total interest expense recognized on long-term loans amounted to ₱3,436.95 million, 1,608.53 million and ₱2,040.89 million for the years ended December 31, 2024, 2023 and 2022 respectively (see Note 19).

Notes payable

The roll forward of this account follows:

	2024	2023
Principal		
Balance at beginning and end of year	₱30,383,600	₱30,383,600
Debt issue cost		
Balance at beginning of year	134,704	198,773
Amortization (Note 19)	(24,743)	(64,069)
Balance at end of year	109,961	134,704
Cumulative translation adjustments	2,782,842	1,754,898
	₱33,056,481	₱32,003,794

Medium Term Note (MTN) Programme

On August 31, 2021, ACEN Finance established its Medium-Term Note Programme with an aggregate amount of US\$1,500.00 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN finance under its MTN Programme; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

Senior guaranteed undated fixed-for-life notes under the MTN Programme

On September 8, 2021, ACEN Finance issued US\$400.00 million (₱20,383.60 million) senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds is used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework.

On September 9, 2021, the Notes were listed with the Singapore Exchange Securities Trading platform (SGX-ST).



The net proceeds from the Bonds are used to finance or refinance, in whole or in part, new or existing Eligible Green Projects, in accordance with ACEN's Green Bond Framework (GBF), which sets out well-defined guidelines for the use of proceeds for renewable energy (RE) projects, with comprehensive monitoring and reporting commitments. These RE developments can be located in the Philippines and offshore.

For the years ended December 31, 2024, 2023 and 2022 total interest expense and other financing charges recognized amounted to ₱954.65 million (US\$16.66 million), ₱936.54 million (US\$16.84 million) and ₱906.45 million (US\$16.62 million), respectively.

Redemption at the option of the issuer

Subject to applicable law, ACEN Finance may redeem the Notes (in whole but not in part) on the First Redemption Date as specified in the applicable Pricing Supplement; or any Interest Payment Date falling after the First Redemption Date, by giving notice, at redemption price equal to the principal amount of the Notes plus any accrued but unpaid interest.

The redemption option was assessed to be embedded derivatives that are clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants

For as long as the senior guaranteed undated fixed-for-life notes remain outstanding, ACEN Finance Limited and ACEN are required to comply with certain covenants including the creation and permission to subsist only the liens created in respect of the limited recourse project financing of any project company and maintain a maximum net debt to equity ratio of 2.5 to 1.0 based on ACEN consolidated financials. These were complied with by the Group as at December 31, 2024 and December 31, 2023.

ACEN Fixed-Rate ASEAN Green Bonds due 2027

On September 22, 2022, the Parent Company (the Issuer) issued unsecured-fixed rate Peso Green Bonds with an aggregate principal amounting to ₱10,000.00 million. The proceeds of the issuance were used to finance investments in various solar power plants. The issue cost amounted to ₱126.28 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Peso Green Bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This is the first tranche offered out of the shelf registration of Peso Green Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Peso Green Bonds is payable quarterly on March 22, June 22, September 22, and December 22.

For the years ended December 31, 2024, 2023 and 2022, the total interest expense recognized on the Peso Green Bonds amounted to ₱605.43 million, ₱605.09 million and ₱166.45 million, respectively.



Redemption at the option of the Issuer

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding PHP Green Bonds before the relevant Maturity on any one of the following Interest Payment Dates indicated below, or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

1. 12th to 15th Interest Payment Date at Call Option Price of 101.00%
2. 16th to 19th Interest Payment Date at Call Option Price of 100.50%

The redemption option was assessed to be an embedded derivative that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants

The Peso Green Bonds provide for the Issuer to comply with covenants including incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; effecting any consolidation or merger with other entities where ACEN is not the surviving corporation in such merger or consolidation; and certain other covenants. The Peso Green Bonds require the Issuer to maintain, for as long as any of the Peso Green Bonds remain outstanding, a Net Debt to Total Equity Ratio of not more than 3.0:1.0. These were complied with for the years ended December 31, 2024 and 2023.

The prepayment option on all long-term loans was assessed to be an embedded derivative that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Compliance with covenants

The Group has complied with the covenants required by the notes payable as at December 31, 2024, and 2023.

14. Other Noncurrent Liabilities

This account consists of:

	2024	2023
Unearned revenues (Note 11)	₱5,097,153	₱5,184,182
Asset retirement obligations	1,110,865	757,245
Other payables (Note 24)	710,000	—
Derivative liability	251,356	12,437
Provision for employee benefits / long service leave	245,259	39,694
Contract liabilities	57,237	60,609
Deposit payable	39,711	65,016
Retention payable	28,178	6,932
Nontrade payable	3,535	133,351
Others	36,746	84,538
	₱7,580,040	₱6,344,004



Asset retirement obligations (ARO) are from ISLASOL, SACASOL and MONTESOL and include restoration provision for the New England solar farm.

Movements in the provision for asset retirement obligations are as follows:

	2024	2023
Balance at beginning of year	₱757,245	₱176,056
Additions	331,075	502,725
Interest accretion (7.14% -7.22%)	22,545	26,984
Remeasurement	—	51,480
Balance at end of year	₱1,110,865	₱757,245

As at December 31, 2024, and 2023, ARO was discounted at the rate of 7.14% to 7.22%. ARO on solar power plants is expected to be settled during the years of 2039 to 2041.

Nontrade payables are payables from over-remittance of business interruption claims and environmental laws compliance.

Contract liabilities consist of the deferred connection fee related to ISLASOL and the deferred rental income from ISLASOL, SACASOL, MSPDC and Solienda.

15. Equity

Capital Stock

This account consists of:

Class of share	Common	Redeemable Preferred	Total
Authorized shares	48,300,000,000	100,000,000	48,400,000,000
Par value	₱1	₱1	₱1
Balances at January 1, 2023	39,691,894,773	—	39,691,894,773
Issuance of new shares	—	25,000,000	25,000,000
Balances at December 31, 2023 and 2024	39,691,894,773	25,000,000	39,716,894,773

The issued and outstanding shares are held by a number of equity holders below:

	2024
Common shares	4,511
Redeemable preferred shares	10



The following table presents the track record of registration of capital stock:

Year Approval	No. of shares Registered	No. of shares Issued	Par Value
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00
2007	—	552,528,364	1.00
2008	—	4,713,558	1.00
2009	—	304,419	1.00
2010	—	2,022,535	1.00
2011	2,200,000,000	1,165,237,923	1.00
2012	4,200,000,000	2,027,395,343	1.00
2013	—	6,603,887	1.00
2014	—	1,283,332	1.00
2016	—	20,751,819	1.00
2017	—	3,877,014	1.00
2019	—	2,632,000,000	1.00
2020	16,000,000,000	6,185,182,288	1.00
2021	24,000,000,000	24,623,380,967	1.00
2022	—	1,361,556,596	1.00
Total	48,400,000,000	39,691,894,773	

*On April 7, 1997, par value was increased from ₱0.01 to ₱1.00.

**Equivalent number of shares at ₱1.00 par.

Additional Paid-in Capital

The roll forward of this account follows:

Class of share	Additional Paid-In Capital (Amount)		
	Common	Redeemable Preferred	Total
Balances at January 1, 2023	₱107,492,243,548	₱—	₱107,492,243,548
Issuance of capital stock	—	24,975,000,000	24,975,000,000
Share issuance cost	—	(171,554,704)	(171,554,704)
Balances at December 31, 2023 and 2024	₱107,492,243,548	₱24,803,445,296	₱132,295,688,844

Series A Preferred Shares and Series B Preferred Shares

On March 7, 2023, the Board of Directors of the Parent Company approved the establishment of a 50,000,000 preferred shares shelf program and the issuance, offer, sale, registration, and listing of up to 25,000,000 preferred shares and on July 25, 2023, adopted resolutions containing the specific terms and conditions of the preferred shares. On August 3, 2023, the SEC issued the Certificate of Filing of Enabling Resolution. The Parent Company's shelf registration is for up to 50,000,000 preferred shares with a par value of ₱1.00 per preferred share to be offered in one or more tranches, which may be comprised of one or more series per tranche, at the discretion of the Parent Company, and to be registered with the Securities and Exchange Commission.



On September 1, 2023, the Parent Company issued and listed on the Main Board of the PSE the first tranche of 25,000,000 preferred shares at an issue price of ₱1,000.00 per share and a par value of ₱1.00 per share, for total proceeds of ₱25,000.00 million. The issuance is comprised of two series of preferred shares: 8,341,500 Series A Preferred Shares and 16,658,500 Series B Preferred Shares. The proceeds from the Series A Preferred shares amounted to ₱8,341.50 million and the proceeds from the Series B Preferred shares amounted to ₱16,658.50 million.

The Series A Preferred Shares and Series B Preferred Shares are perpetual, cumulative, non-voting, non-participating, non-convertible, re-issuable and redeemable at the option of the Parent Company.

Dividends on the Series A Preferred Shares are payable quarterly at an initial dividend rate of 7.1330% per annum, subject to the dividend payment conditions under the terms of the Series A Preferred Shares. The Series A Preferred Shares dividend rate is subject to a dividend rate re-setting on the fifth year according to the terms of the Series A Preferred Shares.

Dividends on the Series B Preferred Shares are payable quarterly at a fixed dividend rate of 8.0000% per annum, subject to the dividend payment conditions under the terms of the Series B Preferred Shares. The Series B Preferred Shares dividend rate is fixed and will not be subject to dividend rate re-setting.

The Series A Preferred Shares may be redeemed at the option of the Parent Company starting on the third year. The Series B Preferred Shares may be redeemed at the option of the Parent Company starting on the seventh year.

Subscription by Sellers of UPC-ACE Australia and UPC Australia and Sellers of UPC Philippines

On March 21, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at a price of ₱7.871 per share:

UPCAPH	869,119,204
Anton Rohner (“Rohner”) (Collectively UPC-ACE Australia and UPC Australia sellers)	61,630,796
Total ACEN shares to be issued	930,750,000
Subscription price per share	₱7.871
Total subscription price	₱7,325,933,250

On March 22, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at a price of ₱8.2889 per share:

Estanyol Holdings Ltd.	₱153,493,200
Wind City Inc.	142,668,634
Tenggay Holdings Ltd.	70,525,763
UPC Philippines Wind Partners Ltd	19,059,423
Alan Kerr (collectively, the “UPC Philippines Group”)	4,248,813
Total ACEN shares subscribed	389,995,833
Subscription price per share	8.2889
Total subscription price	₱3,232,636,460



The subscription by Sellers of UPC-ACE Australia and UPC Australia and Sellers of UPC Philippines to ACEN shares was approved by the BOD of ACEN on October 18, 2021.

The issuance and listing of the ACEN common shares were approved by ACEN's stockholders on December 15, 2021. On March 8, 2022, the BOD of ACEN approved a revised list of subscribers constituting the UPC Philippines, including a re-allocation of some of the shares for subscription, which was presented to the stockholders for approval during the 2022 annual stockholders' meeting of ACEN on April 25, 2022.

Employee Stock Ownership Plan ("ESOWN")

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

Under ESOWN, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the ESOWN's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under ESOWN are exercisable in three annual tranches. Any availment is payable within a maximum period of ten years.

The SEC granted the Plan's request for exemption from registration pursuant to Section 10.2 of the Securities Regulation Code (SRC) on March 4, 2022.

In 2021, stock options totaling 8,188,997 shares at a subscription price of ₱6.96 per share were granted under ESOWN, of which 8,188,097 shares were issued in 2022, resulting to an adjustment of 900 shares in the grants.

On August 19, 2022, ACEN issued 32,622,666 common shares to various employees of the Group through the ESOWN.

There were no grants and availments in both years ended December 31, 2024 and 2023.

Total expense arising from the equity-settled share-based payment transaction (included under General and Administrative Expenses) amounted to nil for the two years ended December 31, 2024 and 2023 (₱31.16 million in 2022).



Cumulative Translation Adjustments

This account pertains to cumulative translation adjustments of subsidiaries with functional currency other than the Group's presentation currency (see Note 2). Exchange differences arising from translation of foreign operations for the period ended December 31, 2024 and 2023 follows:

	2024	2023
ACRI	(\$153,113)	(\$153,098)
ACEN Cayman	(64,747)	(52,907)
Others	(20)	(23)
Consolidations and eliminations	40,603	25,955
	(\$177,277)	(\$180,073)
Attributable to:		
Equity holders of the Parent	(\$177,886)	(\$181,448)
Non-controlling interest	609	1,375
	(\$177,277)	(\$180,073)

Retained Earnings

Retained earnings represent the Group's accumulated earnings, net of dividends declared. The balance includes accumulated earnings of subsidiaries, joint venture and associates, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

Retained earnings not available for dividend declaration are included in the Group's retained earnings to the extent of (a) accumulated equity in undistributed net earnings of consolidated subsidiaries, and associates and joint ventures accounted for under equity method amounting to ₱48,479.92 million and ₱41,459.53 million as at December 31, 2024 and 2023, respectively and (b) the cost of treasury shares amounting to ₱28.66 million as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, deferred tax liabilities have not been recognized on undistributed earnings of, and cumulative translation adjustment of, foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group. Management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative translation adjustment amounted to US\$869.63 million (₱46,524.67 million) and US\$669.84 million (₱25,246.02 million) as at December 31, 2024 and 2023, respectively.



Dividends

Cash dividends consist of the following:

Approval Date	Record Date	Payment Date	Dividend Per Share	Amounts		
				Common Shares	Preferred Shares	
					ACENA	ACENB
2024						
June 26	July 11	July 25	₱0.0500	₱1,983,869	₱–	₱–
February 8	February 23	February 29	17.8325	–	148,750	–
			20.0000	–	–	333,170
May 6	May 20	June 3	17.8325	–	148,750	–
			20.0000	–	–	333,170
August 5	August 19	September 2	17.8325	–	148,750	–
			20.0000	–	–	333,170
November 4	November 18	December 2	17.8325	–	148,750	–
			20.0000	–	–	333,170
				₱1,983,869	₱595,000	₱1,332,680
2023						
August 7	August 22	September 18	₱0.0400	₱1,587,095	₱–	₱–
November 3	November 17	November 30	₱17.8325	–	148,750	–
			₱20.0000	–	–	333,170
				₱1,587,095	₱148,750	₱333,170

Non-controlling Interest (NCI)

The roll forward of this account is as follows:

	2024	2023
Balance at beginning of year	₱29,903,540	₱31,859,767
Net income attributable to NCI	752,471	1,710,534
Cumulative translation adjustments	35,207	76,149
Capital infusion of NCI in a subsidiary (Note 2)	20,428	–
Capital redemption of NCI in a subsidiary	(20,129,241)	–
Dividends	(684,751)	(1,882,833)
Acquisition of NCI	–	(1,860,077)
Balance at end of year	₱9,897,654	₱29,903,540

On January 23, 2024, ACEN Cayman through unanimous approval of its BOD redeemed US\$352.00 million (₱19,808.80 million) worth of redeemable preferred shares held by AC Energy Finance International Limited (ACEFIL). The redeemable preferred shares were subscribed by ACEFIL at par value of US\$1.00 each. Redemptions were made to the following shares:

- 280,000,000 Class A1 redeemable preferred shares with par value of US\$1.00 each;
- 12,000,000 Class A1-2 redeemable preferred shares with par value of US\$1.00 each; and
- 60,000,000 Class A3 redeemable preferred shares with par value of US\$1.00 each.



Dividends

	in US\$	In PHP
2024		
ACEN Cayman Limited (“ACEN Cayman”)	\$11,978	₱684,751
2023		
ACEN Cayman Limited (“ACEN Cayman”)	\$34,026	₱1,882,833

On various dates in 2024 and 2023, the BOD of ACEN Cayman Limited declared dividends to the shareholder of redeemable preferred shares for a total of \$11.98 million (₱684.75 million) and \$34.03 million (₱1,882.83 million), respectively, which was paid during the year of declaration.

Acquisition of non-controlling interest in UPC-ACE Australia

On February 1, 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH’s remaining 4,766 ordinary shares in UPC-ACE Australia, which completed the second and final tranche of ACRI’s acquisition of ACEN Australia.

	In US\$	In PHP
Total consideration paid on February 1, 2023	\$85,391	₱4,724,682
Carrying amount of NCI	33,618	1,860,077
Excess of consideration	\$51,773	₱2,864,605

The acquisition of 20% ownership interest resulted to 100% interest in UPC-ACE Australia. The excess of consideration over the carrying amount of the non-controlling interest is recognized under equity reserves.

Other Equity Reserves

This account consists of:

	2024	2023
Effect of:		
Common control business combinations	(₱53,269,303)	(₱53,269,303)
Purchase of:		
20% in UPC-ACE Australia shares	(2,864,605)	(2,864,605)
20% in South Luzon Thermal Energy Corporation	(2,229,587)	(2,229,587)
32% in NorthWind	(723,974)	(723,974)
34% in MSPDC	(261,728)	(261,728)
Various interest in other subsidiaries	(119,486)	(119,486)
Others	18,338	18,338
	(₱59,450,345)	(₱59,450,345)



Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or issue long-term debts.

No changes were made in the objectives, policies, or processes for the years ended December 31, 2024 and 2023. The Group considers its total equity as capital.

The loan agreements on long-term debt of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guarantees, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as at December 31, 2024 and 2023.

16. Revenue from Sale of Electricity

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

	2024	2023	2022
Revenue from power supply contracts	₱22,107,562	₱24,969,946	₱22,834,849
Revenue from power generation and trading	14,026,712	11,211,480	12,160,639
	₱36,134,274	₱36,181,426	₱34,995,488

Power Supply Agreement with MERALCO

On September 9, 2019, the Parent Company won the bid to supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval of Energy Regulatory Commission (ERC). Provisional ERC approval was on January 31, 2020 and the final approval was on May 13, 2020.

On September 11, 2019, the Parent Company won the bid to supply MERALCO a mid-merit demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of ERC. Provision ERC approval was on January 31, 2020 and the final approval was on June 1, 2020.

On November 2, 2024, the Parent Company terminated its 200MW baseload and 110MW mid-merit power supply agreements ("PSA") with MERALCO. The termination was premised on the occurrence of Change in Circumstances ("CIC") resulting in losses and the Parties having failed, despite earnest efforts and good faith negotiations, to agree on a satisfactory solution to amend the PSA to restore the Parent Company's commercial position prior to the CIC.

No fee was paid in relation to the termination of the PSAs with MERALCO.



Gigasol 3 Mid-Merit PSA

On July 17, 2024, Gigasol 3 Inc. (“Gigasol 3”) won the bid to supply MERALCO a mid-merit renewable energy supply of 139 MW from February 26, 2025 to February 25, 2036 subject to the approval of ERC.

On September 23, 2024, Gigasol 3 and ACEN filed with the ERC a joint application for the approval of the PSA. Under the PSA, Gigasol 3 will supply, at a fixed rate, 139 MW mid-merit renewable energy capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval. Gigasol 3 shall supply 10 MW to MERALCO beginning February 26, 2025, which will increase to 139MW beginning February 26, 2026.

The application is pending to date.

SCSE Mid-Merit PSA

On July 17, 2024, Santa Cruz Solar Energy Inc. (“SCSE”) won the bid to supply MERALCO a mid-merit renewable energy supply of 21 MW from February 26, 2026 to February 25, 2036 subject to the approval of ERC.

On September 27, 2024, SCSE and ACEN filed with the ERC a joint application for the approval of the PSA. Under the PSA, SCSE will supply, at a fixed rate, 21 MW mid-merit renewable energy capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval.

The application is pending to date.

Ancillary Services Procurement Agreements (“ASPA”) with NGCP

One Subic Power

One Subic Power participated in NGCP’s Competitive Selection Process for the procurement of ancillary services. On June 19, 2023, One Subic Power and NGCP filed an application for the approval of the Ancillary Services Procurement Agreement (ASPA) with the ERC. Under the ASPA, One Subic Power shall provide, on a firm arrangement, dispatchable reserve (DR) services for a period of five (5) years.

On August 22, 2023, One Subic Power received ERC’s Notice of Resolution (NOR) dated August 15, 2023 granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, One Subic Power filed a Motion for Reconsideration on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution of the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, One Subic Power and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, One Subic Power moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.



Bulacan Power

Bulacan Power participated in NGCP's Competitive Selection process for the procurement of ancillary services. On June 13, 2023, Bulacan Power and the National Grid Corporation of the Philippines (NGCP) filed an application for the approval of the ASPA, with the ERC. Under the ASPA, Bulacan Power shall provide, on a firm arrangement, dispatchable reserve ("DR") services for a period of five (5) years.

On August 22, 2023 Bulacan Power received a Notice of Resolution ("NOR") from ERC granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, Bulacan Power filed a Motion for Reconsideration ("MR") on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution of the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, Bulacan Power and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, Bulacan Power moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.

CIPP

On April 19, 2023, CIPP received a Notice of Award to provide Ancillary Services to the Luzon Grid for specific hourly intervals for five (5) years. On May 2, 2023, NGCP and CIPP executed an ASPA and submitted the same to ERC on June 20, 2023 for approval with prayer for the issuance of provisional authority.

On September 17, 2024, CIPP submitted to ERC its Compliance showing the VOM Breakdown for 2022-2023.

On October 22, 2024, CIPP received the Order of ERC in the instant case which was promulgated on May 22, 2024. ERC granted NGCP and CIPP with Interim Relief to implement the ASPA, subject to the interim rates and conditions, and without prejudice to the evaluation of the compliance of NGCP with the AS-CSP, pursuant to DOE's Circular No. DC2021-10-0031. On November 7, 2024, CIPP filed with ERC a Motion For Reconsideration With Very Urgent Motion for Re-Evaluation of Interim Approved Rates.

On December 19, 2024, CIPP filed a Manifestation on Material Adverse Change with Urgent Motion for Resolution of the MR, to inform ERC that on December 2, 2024, NGCP and CIP already commenced good faith negotiations pursuant to the ASPA to address the Material Adverse Change. CIPP also urged ERC to urgently resolve CIPP's MR, approve the Capacity Payment Rate as applied, and allow the indexation of the VOM rate to ensure that the CIPP Plant may viably and sustainably operate to provide DR services to NGCP.

On January 31, 2025, CIPP sent to NGCP a Notice of Termination of the ASPA effective upon NGCP's receipt of the Notice. The decision to terminate is based on Sec. 13.3 of the ASPA which allows CIPP to terminate the ASPA in case of a Material Adverse Change ("MAC") that includes changes which result or may result in diminution of the rate under Schedule 3, including the effect of the ERC approval for the ASPA. In its letter dated February 3, 2025, NGCP acknowledged receipt of the Notice.



Feed-in-Tariff (“FIT”)

San Lorenzo Wind

On June 10, 2015, the San Lorenzo Wind Project (“SLWP”) under Guimaras Wind Corporation (“Guimaras Wind”) was issued a Certificate of Endorsement (“COE”) for FIT Eligibility by the Department of Energy (“DOE”).

On December 1, 2015, Guimaras Wind received its Certificate of Compliance (“COC”) from the ERC which entitles Guimaras Wind to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the SLWP’s FIT Rate starting 2020 shall be ₱8.59/kWh.

MONTESOL

On June 13, 2016, the DOE, through its issuance of the COE, certified MONTESOL’s Solar Farm Project as an eligible project under the FIT system.

On December 28, 2016, MONTESOL received another provisional authority to operate by the ERC dated December 8, 2016. This allowed MONTESOL to be entitled to a FIT rate of ₱8.69 for a period of twenty (20) years from March 11, 2016.

On February 6, 2017, MONTESOL received the COC from ERC and accordingly, measured its revenue from energy sales using the FIT rate.

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the CPI and foreign exchange variations through DCF Model per Renewable Energy technology, covering the years 2016, 2017, 2018, 2019 and 2020. MONTESOL accrued the retroactive net revenue adjustment based on the adjusted FIT rates for the years 2016 (₱8.69/kWh), 2017 (₱8.71/kWh), 2018 (₱9.04/kWh), 2019 (₱9.41/kWh) and 2020 (₱9.82/kWh).

SACASOL

On January 7, 2014, the BOI approved SACASOL’s registration as an RE developer of 22 MW solar power plants (Phases 1A & 1B) under the Renewable Energy Act of 2008 (the Act).

On December 20, 2014, the BOI approved SACASOL’s registration as an RE developer of 23MW solar power plants (Phases 1C & 1D) under the Act.

Pursuant to Section 7 of the RE Act and Section 5 of its IRR, the ERC adopts and promulgates the FIT Rules. All RE plants shall be deemed eligible upon issuance by the ERC of a COC authorizing them to operate as FIT-eligible RE plants. Eligible RE plants shall be entitled to the appropriate FITs as established.



On June 4, 2014, the DOE issued the COE for FIT eligibility to endorse the 13MW Phase 1A solar power plant of SACASOL as an eligible project under the FIT system pursuant to the provisions of the RE Act.

On February 9, 2015, the ERC granted the COC to Phase 1A solar power plant with a capacity of 13MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from May 15, 2014 until May 14, 2034. On the same date, ERC granted the COC to Phase 1B solar power plant with a capacity of 9MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from August 16, 2014 to August 15, 2034.

On September 11, 2015, the DOE issued the COE for FIT eligibility to endorse the 23MW Phases 1C and 1D solar power plants of SACASOL as an eligible project under the FIT system pursuant to the provisions of the Act.

On May 4, 2016, ERC granted the COC to Phases 1C and 1D solar power plants with a capacity of 23MW, which entitles SACASOL to the FIT rate of ₱8.69/kWh from September 6, 2015 to September 5, 2035.

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, SACASOL's FIT Rate starting 2020 shall be ₱11.28/kWh for Phase 1A and 1B and ₱10.12/kWh for Phase 1C and 1D solar power plants.

NorthWind

On July 31, 2007, NorthWind and the DOE entered into Negotiated Commercial Contract ("NCC") covering the contract area located in Bangui, Ilocos Norte. As a holder of a valid and existing NCC, NorthWind is deemed provisionally registered as a RE Developer under RA 9513. The provisional authority shall subsist until the issuance by the DOE of a Certificate of Registration ("COR").

On February 26, 2013, the DOE granted NorthWind a COR under Wind Energy Service Contract No. 2012-07-058. The COR served as the basis for its application with the BOI for the grant of incentives under RA 9513. The approval granted an income tax holiday ("ITH") incentive of seven (7) years starting September 2014.

On October 10, 2014, the DOE granted NorthWind a COE for FIT Eligibility (COE-FIT No. 2014-10-001) for its Phase III expansion project. The endorsement was the basis for the ERC to issue a FIT COC on April 13, 2015.

The tariff on the generation of the original twenty (20) turbines (Phases I & II) was a FIT rate specific to NorthWind of ₱5.76/kWh, as approved by the ERC in its decision dated June 30, 2014. In an Order dated November 7, 2017, the ERC granted NorthWind an increase of ₱0.20/kWh, in connection with a Motion for Partial Reconsideration of the Decision dated June 30, 2014, in ERC Case No. 2011-060RC filed by NorthWind on December 5, 2014, thereby increasing the FIT rate specific to Phases I & II from ₱5.76/kWh to ₱5.96/kWh.



The FIT rate specific to NorthWind's Phase I & II is lower than the national FIT rate and is valid for twenty (20) years, less the actual years of operation as provided for under the FIT Rules.

The tariff on the six (6) turbines (Phase III) is at ₱8.53/kWh, subject to adjustments as may be approved by the ERC under the FIT rules. The FIT period on the six (6) turbines is from October 10, 2014 to October 8, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, NorthWind's rate starting 2020 was ₱6.52/kWh and ₱8.90/kWh for Phase I & 11 and Phase III, respectively.

Feed-in-Tariff ("FIT") adjustment

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index (CPI) and foreign exchange variations through Discounted Cash Flows (DCF) Model per Renewable Energy technology, covering for the years 2016, 2017, 2018, 2019 and 2020. The resolution was published in a newspaper of general circulation in the country on November 17, 2020.

Renewable energy subsidiaries under the FIT system which include Guimaras Wind, MONTESOL, SACASOL, and NorthWind, accrued the retroactive net revenue adjustment amounting to ₱791.48 million. This will be recovered for a period of five (5) years.

On February 19, 2021, ERC clarified in its letter to TransCo, the Administrator of the FIT system, by specifying the timing and manner of billing of the FIT Adjustment. Actual recovery of arrears shall be for a period of five (5) years. Billing for January 2016 generation period shall start in December 2020, and payment schedule shall start in January 2021, following the five-year recovery period. Moreover, pending the approval of the 2021 FIT-All rate and adjustment of FIT rates, the original approved FIT rates shall be used for the 2021, 2022 and 2023 generation billing. Revenue in 2021, 2022, 2023 and 2024 was based on 2020 approved FIT rates in the absence of the FIT rates for the said years. Currently, there is a moratorium on interest on the delayed payments. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

Pre-termination fees

Revenues from the power supply contract in 2022 were reduced by pre-termination fees of ₱605.00 million.



17. Costs of Sale of Electricity

This account consists of:

	2024	2023	2022
Costs of purchased power	₱22,043,543	₱27,272,520	₱24,599,882
Depreciation and amortization (Notes 8, 9 and 10)	2,023,059	1,207,418	1,918,307
Fuel	1,018,764	1,522,458	4,957,516
Others	2,273,213	1,727,686	2,707,534
Repairs and maintenance	693,732	499,277	712,770
Taxes and licenses	571,748	452,821	643,370
Salaries and directors' fees	251,714	225,486	402,938
Transmission costs	181,368	96,973	129,206
Insurance	153,372	137,187	444,825
Contractor's fee	129,602	102,679	149,984
Rent	107,039	53,844	54,572
Transportation and travel	18,893	22,150	18,142
Filing fees	15,187	5,942	12,025
Communication	13,136	18,494	18,068
Pension and other employee benefits	11,420	8,928	17,333
Others	126,002	103,905	104,301
	₱27,358,579	₱31,730,082	₱34,183,239

Power Purchase Agreement and Administration and Management Agreement with South Luzon Thermal Energy Corporation (SLTEC)

On October 26, 2011, ACEN entered into a Power Purchase Agreements (PPAs) with SLTEC, wherein SLTEC shall, from Commercial Operations Date and for the duration of the Electricity Supply Period, make available to ACEN all of its Net Dependable Capacity and supply the Net Available Output at the Delivery Point, in accordance with the Electricity Delivery and Dispatch Procedures. ACEN, on behalf of SLTEC, will sell or trade the Commissioning Power, subject to coordination between SLTEC and ACEN on the price/offer, trading volumes and remittance of payment, provided that all costs relating thereto shall be for the exclusive account of SLTEC. ACEN shall pay the electricity fees at the price determined, exclusive of value-added tax which shall be passed on SLTEC to ACEN.

On May 20, 2019, ACEN and SLTEC amended the PPAs to revise the PPA Capacity Fee for both Units 1 and 2 and to extend the term of the PPAs for an additional period of 10 years.

On August 26, 2019, ACEN and SLTEC terminated the PPAs, and on October 4, 2019, ACEN and SLTEC entered into an Administration and Management Agreement (the "Old AMA") in place of the PPAs. The Old AMA is effective from August 26, 2019 and shall terminate on April 23, 2040 and February 20, 2041 for the Unit 1 and Unit 2, respectively. ACEN and SLTEC terminated the Old AMA, and on April 11, 2022, entered into a new Administration and Management Agreement (the "New AMA").



The New AMA is effective from April 11, 2022 and shall terminate on December 25, 2040 (“Cooperation Period”). Under the New AMA, ACEN shall have the exclusive right to administer, control, and manage the entire capacity of the Power Plant for the entire duration of the Cooperation Period. ACEN shall likewise have the exclusive right to direct, trade, dispatch, sell or otherwise deal with the Net Output whether to the WESM for both energy and reserve markets, bilateral contracts with contestable customers, distribution utilities, or qualified third parties, as well as contract for or offer related ancillary services to NGCP.

On April 11, 2022, ACEN entered into an Operations and Maintenance Agreement (“O&M Agreement”) with SLTEC, wherein ACEN shall provide operation, maintenance, and administrative services to SLTEC to ensure the proper and efficient operation and maintenance of the power plant. The O&M Agreement is valid for a period of five (5) years effective from April 11, 2022 and shall automatically renew for successive five (5) year terms from April 11, 2022 until December 25, 2040.

Power Purchase and Supply Agreement with Maibarara Geothermal, Inc. (MGI)

On April 26, 2016, the Parent Company, entered into two 20-year Electricity Supply Agreements (ESA) with Maibarara Geothermal Incorporated for the supply of 32MW from its two generating units. The contract is valid until June 25, 2039.

Power Purchase and Supply Agreement with GNPower Dinginin Ltd. Co. (GNPD)

On April 22, 2016 and October 25, 2022, ACEN entered into two Power Purchase and Sale Agreement with GNPD for the supply of 80M and 43MW, respectively.

GNPD is a joint venture among Aboitiz Power Corporation, Power Partners Ltd. Co., and ACEIC. ACEIC, which has a 57.83% ownership in ACEN, has an effective 20% economic interest in GNPD.

Power Purchase with Shell Energy Philippines, Inc. (SEPH)

On July 25, 2023, ACEN entered into a Short-Term Power Purchase Agreement with SEPH for a 30MW contracted capacity for a period of 45 calendar days from supply start date or until September 8, 2023.

Power Supply Agreement with Energy Logics Philippines, Inc.

On April 1, 2024, ACEN signed a Power Supply Agreement (PSA) with Energy Logics Philippines, Inc. (ELPI) to purchase supply of electricity at the contracted capacity of 15 MW. The supply delivery commenced on April 1, 2024 and is for a term of three years.



18. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Personnel costs, management, and professional fees	₱3,133,250	₱2,606,677	₱1,184,267
Salaries and directors' fees	2,042,734	1,453,570	739,212
Management and professional fees	970,584	1,075,700	419,312
Retirement Cost	119,932	77,407	25,743
Provision for impairment - net of reversals (Notes 5, 7, 8 and 11)	1,135,006	2,996,657	1,325,181
Depreciation and amortization (Notes 8, 9 and 10)	569,218	366,052	260,101
Others	2,145,290	1,501,498	1,132,268
Taxes and licenses	683,070	394,528	533,466
Software, licenses and other IT cost	243,245	108,951	87,357
Contractor's fee	212,473	118,874	65,058
Insurance, dues and subscriptions	208,483	82,865	59,968
Corporate social responsibilities	140,268	92,543	82,765
Transportation and travel	115,064	130,879	67,973
Meeting and conferences	51,038	42,544	25,185
Training and commitment fees	49,739	39,528	13,968
Rent	42,344	39,807	30,487
Advertisements	39,699	39,646	22,950
Building maintenance and repairs	38,655	67,638	31,730
Office supplies	21,866	20,530	12,897
Communication	21,782	13,817	11,327
Utilities	21,342	96,350	34,829
Others	256,222	212,998	52,308
	₱6,982,764	₱7,470,884	₱3,901,817



19. Interest and Other Finance Charges

This account consists of:

	2024	2023	2022
Interest expense on:			
Long-term loans (Note 13)	₱3,436,952	₱1,608,533	₱2,040,892
Notes payable (Note 13)	1,560,073	1,541,631	325,126
Lease obligations (Note 9)	344,663	250,092	198,050
Short-term loans (Note 13)	231,544	174,583	179,919
Amortization of debt issue cost (Note 13)	93,582	88,278	169,361
Bank charges and interest expense on asset retirement obligation	260,066	120,116	191,959
	5,926,880	3,783,233	3,105,307
Capitalized interest (Note 8)	2,634,809	1,852,968	747,776
	₱3,292,071	₱1,930,265	₱2,357,531

20. Interest and Other Financial Income and Other Income - Net

Interest and Other Financial Income

Interest and other financial income arises from cash in banks and short-term deposits, investments in redeemable preferred shares of associates and joint ventures, and from bridge financing (debt replacement) and development loans and advances extended to associates and joint ventures.

The details of interest and other financial income are as follows:

	2024	2023	2022
Interest income on:			
Cash in banks and short-term deposits (Note 4)	₱989,573	₱1,586,517	₱285,196
Accounts and notes receivables (Note 5)			
Bridge financing (debt replacement)	1,641,122	1,940,160	1,368,602
Development loans	509,006	244,182	454,701
Accounts and other receivable	66,412	76,698	38,096
Other loans	212,004	85,496	17,678
Investments in redeemable preferred shares and convertible loans (Note 7)			
Redeemable preferred shares	2,335,852	2,509,952	2,251,145
Convertible loans	580,381	627,386	1,223,766
	₱6,334,350	₱7,070,391	₱5,639,184



Other income account consists of:

	2024	2023	2022
Gain on disposal of assets	₱2,638,008	₱1,062,030	₱613,565
Disposal of investment - net (Notes 2 and 6)	1,213,492	1,062,030	613,565
Sale and leaseback (Note 2)	1,035,334	—	—
Early redemption of convertible loan	389,182	—	—
Remeasurement gain on investments (Note 6)	—	3,433,328	10,921,026
Others	1,112,085	690,082	1,028,217
Foreign exchange gain - net	517,195	51,824	122,880
Guarantee fee income	210,573	91,229	410,181
Gain (loss) on settlement of derivatives	137,863	(31,268)	297,342
Gain on sale of financial asset at FVTPL	61,603	49,929	—
Consultancy fee	54,235	—	—
Gain (loss) on sale of property, plant and equipment	46,647	(3,872)	(7,049)
Discount on long-term receivables	31,146	33,594	82,508
Fair value adjustment on financial asset at FVTPL	(147,216)	(262,383)	(124,513)
Gain on settlement of development loans	—	515,000	—
Claims on insurance	—	45,591	72,993
Others	200,039	200,438	173,875
	₱3,750,093	₱5,185,440	₱12,562,808

Gain on disposal of investment - net

On March 29, 2024, ACRI, together with its joint venture partners, signed a Share Purchase Agreement with PT Barito Wind Energy (“BWE”), for the sale of PT Sidrap Bayu Energi (“SBE”), through sale of ownership of UPC Renewables Asia III Limited (“UPC Asia III”), UPC Sidrap (HK) Limited (“Sidrap (HK)”) and Sunedison Sidrap B.V. (external party) in SBE.

On April 2, 2024, the sale transaction was completed upon receipt of total consideration of US\$101.90 million. Subsequently, on October 3, 2024, additional proceeds amounting to US\$6.4 million were received following the completion of the net working capital adjustments. Out of the total proceeds of US\$108.3 million, US\$59.31 million (₱3,474.50 million) is allocated to ACRI.

UPC Asia III and Sidrap (HK) upstreamed the proceeds of sales allocated to ACRI through shareholder loans amounting to US\$56.61 million and US\$2.69 million, respectively.

UPC Asia III and Sidrap (HK) recognized gain on sales of SBE shares amounting to US\$62.50 million and US\$18.33 million, respectively.



On June 29, 2024, the Board of Directors of UPC Asia III approved the redemption of Redeemable Class A Preferred Shares (“RPS Class A”), accounted as investment in redeemable preferred shares, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of the date of the resolution (see Note 7). On December 13, 2024, the redemption of the RPS Class A was completed.

On December 27, 2024, Sidrap (HK) declared dividends to ACRI amounting to \$2.29 million. The dividends were offset against the existing shareholder loan of Sidrap (HK) to ACRI.

Management determined that the sale of the SBE shares resulted in a write-down of the investment in the joint venture (UPC Asia III) and investment in Sidrap (HK), accounted as financial assets at fair value through other comprehensive income, due to the absence of the underlying asset.

The series of transactions resulted in net gain of US\$26.31 million (₱1,543.47 million), through various forms as follows:

Transactions	In US\$	In PHP
<i>UPC Asia III's gain on sale of Sidrap shares</i>		
ACRI's share in divestment gain, accounted as part of equity in net income of joint venture	\$6,250	₱366,950
<i>Gain (loss) related to redemption of UPC Asia III's shares</i>		
Gain on redemption of investment in redeemable preferred shares (Note 7)	\$25,921	₱1,520,550
Loss on write-down from disposal of investment in joint venture (Note 6)	(8,324)	(488,677)
Gain on offsetting intercompany balances	2,464	144,642
Gain on disposal of investment - net	\$20,061	₱1,176,515
	\$26,311	₱1,543,465

As at December 31, 2024, ACRI's investments in Redeemable preferred shares (UPC Asia III) (see Note 7), interest in joint venture (UPC Asia III) and financial asset at FVOCI (Sidrap HK) are all nil. The remaining shareholder loans from UPC Asia III and from Sidrap HK are all settled.

Gain on disposal of assets - Sale and leaseback

On March 19, 2024, AREIT, Inc. (AREIT) and the Group executed a Deed of Exchange, for the subscription by the Group to 199,109,438 primary common shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines (referred to as the “Property”) valued at ₱6,769.72 million (referred to as “Transaction”) at ₱34.00 per share (referred to as the “Transaction Price”). The valuation of the Property subject of the Transaction required the approval of the Philippine SEC. Under the Deed of Exchange, all rights and obligations over the Property and the AREIT shares accrues to each of AREIT and the Group, respectively, from the first day of the quarter of the SEC approval. AREIT is a subsidiary of Ayala Land, Inc., an affiliate of the Group.



On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the Bureau of Internal Revenue, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the Philippine Stock Exchange. Beginning July 1, 2024, dividends declared by AREIT accrue to the Group. Following AREIT's declaration of ₱0.56 regular cash dividends per common share on July 12, 2024, the Group recognized other income amounting to ₱111.50 million presented under "Other Income – net" in the consolidated statements of income.

On September 26, 2024, Giga Ace 8, Inc. (a wholly owned subsidiary of ACEN) and AREIT executed a contract of lease over the Property for the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and the lessee under such terms and conditions as may be acceptable to them. The initial rent is ₱173.54 per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payments commencing from July 1, 2025 are done in advance on a quarterly basis (see Note 9).

The rent payment for the period beginning on the Rent Commencement Date to June 30, 2025 is ₱478.82 million, exclusive of VAT.

The right-of-use asset and lease liability amounted to ₱6,356.84 million, which is equivalent to 85% of the total fair value of the AREIT shares received from the Transaction.

The investment in AREIT are equity shares that are not held for trading by the Group. This is classified as fair value through other comprehensive income and presented under "Financial assets at fair value through other comprehensive income" in the consolidated statements of financial position.

The closing price of AREIT shares was ₱37.50 on September 25, 2024. The cost of the Property amounted to ₱500.76 million (see Note 8) resulting in a gain from the Transaction of ₱6,965.84 million which was recognized in BCHC's financial statements.

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

The Group accrued ₱111.50 million dividend income for the fourth quarter of 2024.

Gain on early redemption of convertible loan

On September 27, 2023, the Group entered into a Framework Agreement with The Blue Circle Pte. Ltd (TBC) to effectively reduce the Group's capital deployed in Dai Phong and Hong Phong 1 Wind projects in Vietnam. This was to effectively make the projects effectively a true 50-50 joint venture in terms of funding. Salient points of the agreement are as follows:



- 50% of outstanding principal and accrued interest of bridge loan facility to be repaid at carrying value.
- 50% of outstanding principal and accrued interest long-term convertible facility to be repaid at a premium of US\$7.00 million (₱398.18 million).
- Premium to be paid via redemption of common shares of ACEN Vietnam Investments 2 Pte. Ltd. (ACEV2), which was subject to regulatory approval coming from Vietnam Competition Commission. ACEV2 is the subsidiary of the Group that entered into a joint venture agreement with TBC to construct the Vietnam wind projects.

Principal and accrued interest of bridge loan and long-term convertible loan facility was repaid September 2023. The cost of common shares redeemed amounted to US\$0.002 million.

On March 6, 2024, the Vietnam Competition Commission issued its approval of shares redemption and transfer of common share ownership and, consequently, the gain on early redemption of the convertible loan was recognized amounting to US\$6.97 million (₱389.18 million). The transfer of common share ownership occurred on March 22, 2024.

<i>In thousands</i>	In US\$	In PHP
Total consideration	\$38,921	₱2,173,391
Carrying value of convertible loan and accrued interest	31,952	1,784,209
Gain on early redemption of convertible loan	\$6,969	₱389,182

ACRI Guarantee Agreement and guarantee fee income

ACRI serves as a guarantor for the following borrowings entered into by its related parties which ACRI unconditionally and irrevocably guaranteed. Fees are charged for these guarantee agreements. ACRI assessed that the expected credit loss from its guaranteed obligation of the related parties is nil.

During the year ended December 31, 2024, the Group has entered into various guarantee agreements with banks for a total of US\$307.0 million, for projects in India, Vietnam and Australia, of which US\$303.5 million is outstanding as of year-end. The purpose of the guarantees is to secure various Standby Letter of Credit (SBLC) and guarantee agreements of the projects as follows:

- Construction SBLCs and guarantees - US\$7.2 million;
- Bid and performance bonds - US\$30.90 million;
- Performance connection - US\$63.4 million;
- SBLC loans - US\$32.8 million; and
- Loan guarantees - US\$169.3 million

For the years ended December 31, 2024 and 2023, the Group recognized corresponding guarantee fee income amounting to \$2.85 million (₱163.82 million) and to \$1.65 million (₱91.23 million), respectively.



Settlement of Derivatives

Settlement of derivatives pertain to maturities of foreign exchange forward contracts entered into by ACEN with various banks and settlement of fuel and coal hedge contracts (Note 25).

Fair value adjustment on financial asset at FVTPL

Fair value loss on financial assets at FVTPL is comprised of the loss on unlisted shares Masaya Solar Energy Private Limited. The fair value is determined using a discount rate of 10.9% for the years ended December 31, 2024 and 2023.

21. Income Taxes

- a. Provision for (benefit from) income tax consists of:

	2024	2023	2022
Current			
Regular corporate income tax	₱800,558	₱447,967	₱404,363
Minimum corporate income tax	91,937	44,363	10,962
Deferred	(62,575)	(210,032)	(1,077,423)
	₱829,920	₱282,298	(₱662,098)

- b. The components of the Group's net deferred income tax assets (liabilities) as at December 31 are as follows:

Net deferred tax assets

	2024	2023
Income tax reported in consolidated statements of income		
Deferred income tax assets:		
NOLCO	₱2,440,577	₱2,145,431
Lease liability	2,328,438	545,437
Accrued expenses	383,556	134,635
MCIT	124,181	88,800
Pension and other employee benefits	40,941	21,920
Unamortized discount on long-term receivable	39,021	41,723
Asset retirement obligation	36,572	19,704
Allowance for doubtful accounts and expected credit losses	28,739	30,854
Impairment of Input VAT	24,945	1,653
Unrealized foreign exchange loss	6,388	16,310
Allowance for inventory obsolescence	1,526	1,528
Unamortized past service costs	1,002	1,129
Others	450,282	46,771
	5,906,168	3,095,895

(Forward)



	2024	2023
Deferred income tax liabilities:		
Right-of-use assets	₱1,645,146	₱374,944
Excess of fair value over cost of power plant	851,776	—
Long-term payable	86,969	—
Unrealized foreign exchange gain	35,545	68,602
Accrual of bonuses	—	60,059
Unamortized debt issue costs	—	52,757
Asset retirement obligation	—	12,917
Others	16,913	532
	2,636,349	569,811
	3,269,819	2,526,084

	2024	2023
Income tax reported in consolidated statements of other comprehensive income		
Deferred tax asset:		
Derivative liability on hedging	34,465	2,641
Remeasurement gain (loss) on defined benefit obligation	12,660	13,807
Unrealized fair value gains on financial asset at FVOCI	31	—
Derivative liability on forward contracts	—	14,851
	47,156	31,299
Deferred tax liabilities -		
Derivative asset on hedging	—	435,302
Total deferred income tax assets – net	₱3,316,975	₱2,122,081

Net deferred tax liabilities

	2024	2023
Income tax reported in consolidated statement of income		
Deferred income tax assets:		
Unrealized foreign exchange loss	₱108	₱—
Unearned revenue	(12,214)	(2,223)
Lease liability	—	70,950
Others	(96,603)	81,451
	(108,709)	150,178

(Forward)



	2024	2023
Deferred income tax liabilities:		
Unamortized capitalized borrowing costs	₱688,122	₱485,292
Right-of-use assets	437,504	78,886
Excess of fair value over cost of power plant	204,781	—
Unrealized foreign exchange gain	22,959	22,462
Others	24,987	369,440
	1,378,353	956,080
	(1,487,062)	(805,902)

**Income tax reported in consolidated statements
of other comprehensive income**

Deferred tax asset:		
Remeasurement gain (loss) on defined benefit obligation	26,006	—
Unrealized fair value gains on financial asset at FVOCI	6,392	—
	32,398	—
Total deferred income tax liabilities - net	(₱1,454,664)	(₱805,902)

The Group's temporary differences and unused NOLCO for which no deferred income tax assets were recognized in the consolidated statements of financial position as follows:

	2024	2023
NOLCO	₱1,899,386	₱4,691,482
Accrued expenses	47,749	220,851
Allowance for probable losses	40,575	18,469
Allowance for credit losses	20,000	20,000
Unrealized foreign exchange loss	3,696	3,281
Excess MCIT	2,571	27,374
Allowance for impairment loss on property and equipment	—	3,969,107

NOLCO amounted to ₱1,899.39 million and ₱4,691.48 million, as at December 31, 2024 and 2023, respectively. DTAs on various deductible temporary differences and unused NOLCO have not been recognized as management believes it is not probable that sufficient future taxable income will be available against which the related deferred income tax assets can be used.

Temporary differences on asset retirement cost and PFRS 16 adoption are expected to reverse during the income tax holiday period of ISLASOL, SACASOL, and MONTESOL.



As at December 31, 2024 and 2023, NOLCO totaling ₱9,392.09 million and ₱7,872.80 million, respectively, can be claimed as deduction from regular taxable income and MCIT amounting to ₱106.93 million and ₱20.70 million, respectively, can be credited against future RCIT. The movement in NOLCO and MCIT is shown in the tables below:

Year	NOLCO					Expiry
Incurring	Beginning	Additions	Application	Expiration	Ending	Date
2016 ^(a)	₱129,030	₱116,549	(₱17,644)	(₱227,935)	₱—	2023
2017 ^(a)	—	470,941	—	(48,077)	422,864	2020
2018	422,864	1,449,379	—	(16,177)	1,856,066	2021
2019	1,856,066	1,080,806	—	(9,691)	2,927,181	2022
2020 ^(b)	2,927,181	620,811	(2,596,669)	(470,941)	480,382	2025
2021 ^(b)	480,382	431,693	(3,890)	—	908,185	2026
2022	908,185	5,047,595	(127,027)	(431,961)	5,396,792	2025
2023	5,396,792	2,796,612	(320,601)	—	7,872,803	2026
2024	7,872,803	1,519,285	—	—	9,392,088	2027

(a)NOLCO from renewable entities which can be carried over for the next 7 consecutive taxable years per RE Act of 2008

(b)RR-15-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five(5) consecutive years

Year	MCIT					Expiry
Incurring	Beginning	Additions	Application	Expiration	Ending	Date
2019	₱9,539	₱748	₱—	(₱351)	₱9,936	2022
2020	9,936	2,648	(8,325)	(4,259)	—	2023
2021	—	23,885	—	—	23,885	2024
2022	23,885	—	—	(541)	23,344	2025
2023	23,344	—	—	(2,649)	20,695	2026
2024	20,695	86,239	—	—	106,934	2027

The reconciliation between the effective income tax rates and the statutory income tax rate follows:

	2024	2023	2022
Applicable statutory income tax rates	25.00%	25.00%	25.00%
Increase (decrease) in tax rate resulting from:			
Net income under tax holiday	(17.38)	(10.53)	(1.78)
Income of foreign subsidiary exempt from tax	(13.20)	(19.38)	(27.06)
Equity in net income of associates and joint ventures	(2.72)	(4.70)	(1.60)
Financial income subject to final tax	(2.26)	(4.22)	(0.46)
Dividend income exempt from tax	(1.18)	(0.01)	(0.01)
Nondeductible expenses	3.83	0.47	(7.33)
Movement in temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized and others	15.49	16.38	8.49
Effective income tax rates	7.58%	3.01%	(4.75%)

- Applying the provisions of the CREATE Act, the Parent Company and certain subsidiaries of the Group were subjected to either a lower regular corporate income tax rate of 25% or a minimum corporate income tax rate of 1% effective July 1, 2020.
- R.A. No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted.



The TRAIN changes the existing tax law and includes several provisions that generally affected businesses on a prospective basis. In particular, management assessed that amendment of Section 148 – Excise tax on manufactured oil and other fuels – which increases the excise tax rates of lubricating oil, diesel fuel oil and bunker fuel oil, among others that are used for the power plants, may have material impact to the operations of the Group. Management has considered the impact of TRAIN in managing the operation hours of its power plants.

- c. Guimaras Wind is a duly registered renewable energy developer under Renewable Energy (RE) Act of 2008, It is entitled to income tax holiday (ITH) for the first seven years of its commercial operations on all its registered activities starting 2015. Under the RE Act, Guimaras Wind can avail a corporate tax rate of 10% after the ITH period. Since Guimaras Wind will avail the 10% after the ITH, the deferred tax asset expected to be reversed after the ITH period was set up at 10%.
- d. ISLASOL is duly registered with the provisions of the Omnibus Investments Code of 1987 on March 29, 2017 which entitled ISLASOL to the incentive to avail ITH for seven years from March 2016, date of actual commercial operation under the administration of BOI. After 7 years of ITH, ISLASOL pays a corporate tax of ten percent (10%) on its net taxable income.
- e. SACASOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 on April 7, 2016 which entitled SACASOL to the incentive to avail ITH for seven years from May 2014, date of actual commercial operations under administration of BOI. After 7 years of ITH, SACASOL pays a corporate tax of ten percent (10%) on its net taxable income.
- f. MONTESOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 on October 15, 2015 which entitled MONTESOL to the incentive to avail ITH for seven years from March 2016, date of actual commercial operations under administration of BOI. After 7 years of ITH, SACASOL pays a corporate tax of ten percent (10%) on its net taxable income.

Base Erosion and Profit Shifting (BEPS)

The Organisation for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which include a minimum 15% tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years.

Pillar Two legislation has been implemented in some of the jurisdictions in which subsidiaries of ACEN (the "Group") operate. Some of the Pillar Two legislations became effective for reporting periods beginning on January 1, 2024. Given this, the Group has assessed the applicable Pillar Two tax legislation in all the countries in which subsidiaries of the Group operate to determine whether a Pillar Two 'top-up' tax liability needs to be recognised.



The relevant Pillar Two Rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two tax legislation provides for a transitional Country-by-Country Reporting (“CbCR”) safe harbor (“TCSH”) that applies for the first three fiscal years following the entry into force of the relevant Pillar Two tax legislation; the TCSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting) under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TCSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

ACEN and its fully consolidated subsidiaries are among the constituent entities of the Ayala Group of companies that is covered for BEPS Pillar Two calculations. Under the Pillar Two Rules, the results of all the constituent entities present in a jurisdiction are blended, and based on the assessment performed, most of the jurisdictions where the Ayala Group operates would benefit from the TCSH. Under the Guidelines, jurisdictions that pass any of the TSH test criteria are not subject to detailed Pillar Two calculations and the top-up tax is deemed to be zero.

Of the jurisdictions covered in the assessment only four did not meet any of the TCSH tests, and only British Virgin Islands and Singapore are relevant to this report. The Ayala Group has provisionally calculated the potential top-up tax exposure based on the full Pillar Two regime. However, as Singapore’s legislation on Pillar Two will only be effective in 2025 and none of the intermediate parent entities of the British Virgin Islands and Singapore entities have effective Income Inclusion Rule (IIR) in place, there is no top-up tax payable for entities incorporated in British Virgin Islands and Singapore in the current period.

For 2024, the Group has also applied the amendment to IAS 12 which allows for temporary mandatory relief from accounting for the deferred tax impacts of the top-up tax and allows for recognition of the top-up tax as current tax expense as incurred.

22. Related Party Transactions

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

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements and electricity supply.



ACEN served as the guarantor for the US\$400.00 million senior undated fixed-for-life (non-deferrable) Notes with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par, issued by ACEN Finance on September 8, 2021, under its medium-term note (MTN) Programme. Proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework (see Note 13).

The balances as at December 31, 2024 and 2023 and transactions for the years ended December 31, 2024, 2023 and 2022 are as follows:

a. Transactions with ACEIC, the intermediate parent company

Nature	Amount/ Volume			Outstanding Balance Receivable (Payable)		Terms / Conditions
	2024	2023	2022	2024	2023	
Interest receivable	P–	P–	P107,000	P–	P–	Non-interest bearing; due and demandable
Management fee income	52,640	8,634	24,919	48,533	1,580	Unsecured; no impairment
Management fee (expense)	41,753	249,557	26,041	(15,303)	(280,247)	Non-interest bearing; due and demandable
Transfer of Employee	–	176,633	–	176,633	176,633	Non-interest bearing; due and demandable
Due from related parties	–	4,458	–	147,620	172,030	Non-interest bearing; due and demandable
Due to related parties	–	–	–	(75,399)	(77,806)	Non-interest bearing; due and demandable

b. Notes Receivables

Related Party	Amount/ Volume			Outstanding Balance		Terms / Conditions
	2024	2023	2022	2024	2023	
Development loans						
<i>Associates</i>						
PT UPC Sidrap Bayu Energi Tahap Dua	₹386,018	₹–	₹–	₹386,018	₹–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Sukabumi Bayu Energi	252,208	–	–	252,209	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Lombok Timur Bayu Energi	56,823	–	–	56,823	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
<i>Joint Ventures</i>						
UPC Power Solutions LLC	486,346	–	–	1,378,101	–	Payable in 2028; interest bearing; unsecured; no impairment
UPC-AC Energy Solar Limited (UPC-ACE Solar)	–	–	401,436	856,874	806,694	Due in 2024; interest bearing; unsecured; with impairment
ACEN-Silverwolf	9,175	5,415	–	14,832	5,415	Due in 2026; interest bearing; unsecured; no impairment
<i>Affiliate</i>						
Yoma Strategic Investments Ltd (“Yoma”)	181,328	–	–	1,570,821	1,329,824	Due in 2033; interest bearing; unsecured; no impairment
	₹1,371,898	₹5,415	₹401,436	₹4,515,678	₹2,141,933	



Related Party	Amount/ Volume			Outstanding Balance		Terms / Conditions
	2024	2023	2022	2024	2023	
Development loans						
Bridge Financing						
<i>Joint Ventures</i>						
Greencore 3	₱184,539	₱248,591	₱2,147,546	₱4,659,075	₱4,474,536	Due in 2024; interest bearing; unsecured; no impairment
Lac Hoa	–	–	2,643,403	2,742,492	2,625,150	Due in 2024; interest bearing; unsecured; no impairment
Hoa Dong	–	–	2,318,792	2,405,713	2,302,780	Due in 2024; interest bearing; unsecured; no impairment
Asian Wind 1	–	–	–	1,538,099	1,472,288	Due in 2035; interest bearing; unsecured; no impairment
Asian Wind 2	–	–	2,737,160	1,160,660	1,157,895	Due 2045 interest bearing; unsecured; no impairment
NEFIN Solar	183,022	220,649	574,834	964,218	791,514	Due in 2024; interest bearing; unsecured; no impairment
AMI Greenergy Investment JSC	311,553	–	–	311,553	–	Due in 2028; interest bearing; unsecured; no impairment
Vietnam Wind	–	224,279	754,669	296,154	283,482	Due in 20 years from date of drawdown; interest bearing; unsecured; no impairment
PT Dewata ACEN Renewables Indonesia	10,094	33,214	–	44,792	33,214	Due in 2024; interest bearing; unsecured; no impairment
Ingrid	–	600,000	650,000	–	300,000	Due in 2024; interest bearing; unsecured; no impairment
	₱689,208	₱1,326,733	₱11,826,404	₱14,122,756	₱13,440,859	
Other Loans						
<i>Joint Venture</i>						
Bim Group Joint Stock Company	₱2,024,575	₱–	₱–	₱2,024,575	₱–	Due in 2029; interest bearing; unsecured; no impairment
BrightNight	197,432	310,542	–	517,213	310,543	Due in 20 years; interest bearing; unsecured; no impairment
URH	454,927	–	–	462,662	–	Due in 2025; interest bearing; unsecured; no impairment
Infineum 4 Energy, Inc.	10,300	34,360	43,466	88,126	77,826	Due in 2024; interest bearing; unsecured; no impairment
Ingrid	–	–	450,000	–	–	Due in 2023; interest bearing; unsecured; no impairment
	₱2,687,234	₱344,902	₱493,466	₱3,092,576	₱388,369	

Except for the discussion above, the movement in the notes receivable from related parties are revaluation of US\$ denominated notes receivable to Philippine Peso for the three years ended December 31, 2024, 2023 and 2022.



c. Interest Income and Receivable

This account consists of:

Related Party	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms
	2024	2023	2022	2024	2023	
Investment in redeemable preferred shares and convertible loans (Note 7)						
Redeemable preferred shares	₱2,335,852	₱2,509,952	₱2,251,145	₱4,733,771	₱3,473,000	various dates
Convertible loans	580,381	627,386	1,223,766	1,350,236	761,760	various dates
	₱2,916,233	₱3,137,338	₱3,474,911	₱6,084,007	₱4,234,760	
Development Loans (Note 5)						
<i>Joint Ventures</i>						
UPC-ACE Solar	₱106,179	₱102,677	₱95,725	₱442,677	₱–	various dates
ACEN-Silverwolf	1,115	–	–	1,338	206	various dates
UPC Power Solutions LLC	84,500	–	–	–	–	various dates
URH	23,118	–	–	–	–	various dates
UPC-ACE Australia	–	14,664	7,087	–	–	various dates
<i>Associates</i>						
PT Sidrap	11,071	–	–	11,125	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Sukabumi	7,044	–	–	7,033	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Lombok	886	–	–	842	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
AMI Renewables (Quang Binh)	1,241	–	–	–	–	various dates
TBC	–	–	60,390	–	–	various dates
<i>Affiliate</i>						
Yoma	66,204	53,314	52,427	64,042	198,328	various dates
	₱301,358	₱170,655	₱215,629	₱527,057	₱198,534	
Bridge Financing (Note 5)						
<i>Joint Ventures</i>						
Lac Hoa	₱262,956	₱343,065	₱96,629	₱723,817	₱387,030	various dates
Hoa Dong	230,826	301,196	86,371	637,054	439,074	various dates
Vietnam Wind	50,076	37,355	59,043	537,426	465,726	various dates
Asian Wind 1	152,817	283,695	269,291	134,143	–	various dates
AMI Greenergy Investment JSC	10,189	–	–	10,255	–	various dates
Asian Wind 2	118,041	224,807	199,560	9,672	–	various dates
PT Dewata ACEN Renewables Indonesia	4,424	–	–	4,946	472	various dates
NEFIN Solar	78,142	47,487	26,480	–	63,448	various dates
Greencore 3	698,588	495,884	228,241	–	57,797	30-day, non-interest bearing
Ingrid	35,063	76,405	12,367	–	33,337	30-day, non-interest bearing
BIM Wind	–	130,266	380,250	–	–	various dates
BIMRE	–	–	10,370	–	–	various dates
	₱1,641,122	₱1,940,160	₱1,368,602	₱2,057,313	₱1,446,884	
Other Loans						
BrightNight	₱65,064	₱29,677	₱–	₱94,138	₱29,693	30-day, non-interest bearing
Others	9,359	3,833	1,876	35,394	4,095	30-day, non-interest bearing
	₱74,423	₱33,510	₱1,876	₱129,532	₱33,788	
Trade Receivables						
<i>Affiliates</i>	₱–	₱–	₱–	₱2,010	₱9,068	30-day, non-interest bearing



d. Loans Payable

Related Party	Interest Expense			Outstanding Balance Receivable (Payable)		Terms
	2024	2023	2022	2024	2023	
BPI						
Amortization of DIC /						
Interest payable	₱3,502	₱2,232	₱6,454	(₱55,551)	(₱16,521)	30 days, unsecured
Long-term loans	166,199	110,257	339,442	(4,899,772)	(2,367,909)	10 years, interest bearing
Short-term loans	51,677	66,492	25,317	—	(1,500,000)	30 days, interest bearing

e. Financial asset at FVTPL

Related Party	Amount/Volume		Outstanding Balance			Terms
	2024	2023	2022	2024	2023	
BPI Wealth – A Trust Corporation (BPI Wealth)						
Peso	₱17,702,350	₱5,055,000	₱–	₱3,977,816	₱1,436,676	Redeemable (On Demand)
Foreign	4,158,249	300,794	–	1,726,537	–	Redeemable (On Demand)
	₱21,860,599	₱5,355,794	₱–	₱5,704,353	₱1,436,676	

The Group holds investments in a Unit Investment Trust Fund (UITF) with BPI Wealth – A Trust Corporation (BPI Wealth).

f. Right of Use Assets / Lease Liabilities

The Group entered into lease agreements with Ayala Land, Inc. (ALI) and Fort Bonifacio Development Corporation (FBDC), affiliates, for the use of its office units and parking spaces. Lease with FBDC ended on March 31, 2023. In 2024, the Group entered into lease agreements with AREIT for the use of land and easement rights and BPI Tokyo Century Rental Corporation (BPI TCR) for the use of vehicles.

Related Party	Amortization / Interest Expense			Right-of-use assets / (Lease Liabilities)		Terms
	2024	2023	2022	2024	2023	
LI						
Right of use assets (Note 9)	₱137,339	₱144,988	₱114,880	₱1,174,001	₱1,448,350	10 years, unsecured
Lease liabilities (Note 9)	81,496	65,517	41,550	(1,420,785)	(1,639,935)	10 years, unsecured
REIT						
Right of use assets (Note 9)	—	—	—	535,118	—	25years, unsecured
Lease liabilities (Note 9)	—	—	—	(6,472,722)	—	25 years, unsecured
PI TCR						
Right of use assets (Note 9)	421	—	—	3,621	—	2 years, unsecured
Lease liabilities (Note 9)	114	—	—	(3,769)	—	2 years, unsecured
BDC						
Right of use assets (Note 9)	—	—	9,227	—	—	3 years, unsecured
Lease liabilities (Note 9)	—	—	182	—	—	3 years, unsecured



g. Other Related Party Transactions

	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms
	2024	2023	2022	2024	2023	
Management fee income	₱473,639	₱138,970	₱46,148	₱101,661	₱112,513	30-days, unsecured
Rental income	17,337	13,009	17,337	2,530	4,214	30-days, unsecured
Revenue from power supply contracts	606,060	—	33,721	—	—	30-days, unsecured
Cost of sale of electricity	1,115,485	569,485	911,744	(105,187)	(103,650)	30-days, unsecured
Due from related parties	—	—	—	1,140,059	738,206	On demand, Unsecured
Due to related parties	—	—	—	(2,273,247)	(2,733,673)	On demand, Unsecured

Management fee income pertains to service fees billed by the Group to its related parties under common control and joint venture and associates for providing a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/ bookkeeping services, human resources management, manpower related services and other related functions.

Rental income pertains to revenue from sublease agreement with Ingrid for a parcel of land in Brgy.Malaya, Pililla,Rizal.

The Parent Company purchases the entire net electricity output of MGI.

The amount due from a related company pertains mostly to advances including those for project development or reimbursement of expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

The amount due to a related parties pertains to advances, including those for development cost, utilities expense, professional services and other miscellaneous expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

h. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱298.65 million and ₱301.17 million for years ended December 31, 2024 and 2023 respectively, pertain to housing, car, salary and other loans granted to the Group's officers and employees.

i. Payable to Directors and Stockholders

	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms / Conditions
	2024	2023	2022	2024	2023	
Accrued director's and annual incentives						
Directors' fee and annual incentives	₱31,696	₱36,700	₱29,812	(₱1,200)	(₱2,000)	On demand, Unsecured
Due to stockholders						
Cash dividends	3,911,549	2,069,015	2,298,950	(13,138)	(16,585)	On demand, Unsecured



Key Management Compensation

Compensation of key management personnel of the Group are as follows:

	2024	2023	2022
Short-term employee benefits	₱76,443	₱59,802	₱54,431
Post-employment benefits	8,164	27,750	4,132
	₱84,607	₱87,552	₱58,563

Identification, Review and Approval of Related Party Transactions

All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

23. Earnings Per Share

Basic and diluted EPS are computed as follows:

	2024	2023	2022
	(In Thousands, Except for Number of Shares and Per Share Amounts)		
Net income attributable to equity holders of Parent Company	₱9,360,006	₱7,396,140	₱13,055,119
Less cumulative preferred share dividends	1,927,679	642,560	—
(a) Net income attributable to common shareholders of Parent Company	₱7,432,327	₱6,753,580	₱13,055,119
Common shares outstanding at beginning of year (Note 15)	39,677,394,773	39,677,394,773	38,324,027,174
Weighted average number of:			
Shares issued during the year	—	—	1,043,557,948
(b) Weighted average common shares outstanding	39,677,394,773	39,677,394,773	39,367,585,122
Basic/Diluted earnings per share (a/b)	₱0.19	₱0.17	₱0.33



For the years ended December 31, 2024, 2023 and 2022, except for ESOWN, the Parent Company does not have any material potential common shares or other instruments that may entitle the holder to common shares. Consequently, diluted earnings per share is the same as basic earnings per share for the years ended December 31, 2024, 2023 and 2022.

24. Business Combinations

2024 Business Combinations

Investment in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. ("MEM"), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM's receivables from RWEI. The total cost of the transaction is ₱568.72 million (US\$10.00 million) which is comprised of the acquisition cost for the shares amounting to US\$8.76 million and assigned receivables of US\$1.24 million. This is classified as an investment in a joint venture since the fundamental business and operational matters require unanimous consent from all parties.

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. ("Maraj"), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI. The total transaction cost is ₱741.98 million which is comprised of the acquisition cost for the shares amounting to ₱31.98 million and ₱710.00 million earnout.

As a result, the Group acquired control over RWEI.

The fair value of the identifiable assets and liabilities, net of eliminations, at August 1, 2024 acquisition date were:

Assets

Cash and cash equivalents	₱901
Input value added tax (VAT)	2,362
Other current assets	1
Property, plant and equipment	10,118
Right-of-use assets (Note 9)	102
Accounts and notes receivable – net of current portion	60
Deferred income tax assets - net	3,830
Other noncurrent assets	10,686
	28,060

(Forward)



Liabilities	
Accounts payable and other current liabilities	₱31,314
Income and withholding taxes payable	5,447
Noncurrent portion of long-term loans (see Note 13)	55,428
Other noncurrent liabilities	219
	<u>92,408</u>
Total identifiable net liabilities	(64,348)
Less cost of acquisition	741,984
Fair value of previously held interest (see Note 6)	568,719
Goodwill arising on acquisition (see Note 10)	<u>₱1,375,051</u>

RWEI is a special purpose vehicle for the development and operation of a 500MW wind energy project located in Real, Quezon. The RWEI project is strategically located close to another ACEN wind project spanning Laguna and Quezon. This new acquisition presents opportunities for synergies through the joint use of logistical routes, transmission lines, and substation infrastructure.

The cost of the business combination is made up as follows:

Cash consideration	₱31,984
Earnout consideration (Note 14)	710,000
Fair value of equity interest in RWEI before business combination	568,719
Total consideration	<u>₱1,310,703</u>

The earnout remains unpaid and is payable upon achievement of certain milestones which is beyond 12 months from December 31, 2024 (this is presented under “Other noncurrent liabilities” in the consolidated statements of financial position) (Note 14).

Net cash outflow on acquisition is as follows:

Total cash consideration paid in cash	₱570,703
Less cash acquired with the subsidiary ^(a)	(901)
Net cash outflow	<u>₱569,802</u>

^(a)Cash acquired with the subsidiary is included in cash flows from investing activities.

If the acquisition had taken place at the beginning of 2024, revenue reduction for the year ended December 31, 2024, would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱33.53 million.

Initial accounting for the acquisition of RWEI has only been provisionally determined as the acquisition occurred close to the end of the reporting period. At the date of finalization of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized and they have therefore only been provisionally determined based on the management’s best estimate of the likely values.



2023 Business Combinations

Investment in YMP Telecom Power Inc.

On December 22, 2023, Belenos Energy Corporation (“Belenos”), a wholly owned subsidiary of ACEN, signed a Share Purchase Agreement for the acquisition of YMP Telecom Power Inc. (YMP Telecom) and its affiliate, YMP Industrial Power Inc. (YMP Industrial), through purchase of 100% of the outstanding shares held by Yoma Micro Power (S) Pte. Ltd. in each of these companies for the purpose of building and operating solar-powered solutions for telecommunication towers and commercial and industrial solar power solutions in the Philippines.

The following are the fair values of the identifiable assets and liabilities of YMP Telecom and YMP Industrial as at the date of acquisition:

Assets	
Cash and cash equivalents	₱188,165
Accounts and notes receivable - net	12,453
Other current assets	2,424
Property, plant and equipment	41,825
	<u>244,867</u>
Liabilities	
Accounts payable and other current liabilities	327,531
Deferred income tax liabilities - net	537
	<u>328,068</u>
Total identifiable net liabilities	(83,201)
Less cost of acquisition	21,000
Goodwill arising on acquisition (see Note 10)	<u>₱104,201</u>

Goodwill comprises the fair value of expected synergies arising from the acquisition. This is presented under Goodwill in the consolidated statements of financial position. None of the goodwill recognized is expected to be deductible for income tax purposes.

Consideration transferred was paid in cash on the transaction date.

Net cash inflow on acquisition is as follows:

Cash consideration	₱21,000
Less cash acquired with the subsidiary ^(a)	(188,165)
Net cash inflow	<u>₱167,165</u>

^(a)Cash acquired with the subsidiary is included in cash flows from investing activities.

If the acquisition had taken place at the beginning of 2023, revenue contribution for the year ended December 31, 2023, would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱52.80 million.

On December 22, 2024, the Group finalized the accounting for the acquisition YMP Telecom and YMP Industrial. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱104.20 million.



Investment in Sinocalan

On November 29, 2022, ACEN, Sungrow, and Havilah signed an agreement for the sale and purchase of Sungrow's and Havilah's shares and/or subscription rights in Sinocalan to ACEN.

In 2022, ACEN's acquisition of control in Sinocalan resulted to a goodwill amounting to ₱114.00 million.

Sinocalan is the developer of the proposed ~60MWp solar power plant in San Manuel, Pangasinan.

Net cash outflow on acquisition in 2023 is as follows:

	2023
Cash consideration*	₱114,000
Less Cash acquired with the subsidiary ^(a)	—
Net cash outflow	₱114,000

^(a)Cash acquired with the subsidiary is included in cash flows from investing activities.

25. Financial Risk Management Objectives and Policies

Objectives and Investment Policies

The funds of the entities are held directly by the Group and are managed by the Corporate Finance and Treasury Group ("CFT").

All cash investments of the Group are carried and governed by the following principles, stated in order of importance:

- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash. Under no circumstance will yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

The CFT manages the funds of the Group and invests them in highly liquid instruments such as short-term deposits, marketable instruments, corporate promissory notes and bonds, government bonds, and trust funds denominated in Philippine peso and U.S. dollar. It is responsible for the sound and prudent management of the Group's financial assets that finance the Group's operations and investments in enterprises.

CFT focuses on the following major risks that may affect its transactions:

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations ("CPIR") focuses on the following major risks that may affect its transactions:

- Market risk
- Equity price risk



Commercial Operations (“CO”) focuses on commodity price risk.

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Group.

Risk Management Process

Foreign Exchange Risk

The Group defines foreign exchange risk as the risk of realizing reduced operating cash flows and/or increasing the volatility of future earnings from movements in foreign exchange. The risk is measured based on potential downside impact of market volatility to operating cash flows and target earnings.

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:

- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:

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

Cash flow hedges

The Group manages its foreign exchange risk by hedging future cash flows that are expected to occur within the next 12 months.

On August 1, 2024, the Group entered into a cross-currency swap agreement to hedge its exposure to variable cash flows due to foreign exchange movements on its US\$54.86 million loan due to mature in 2029 (*see Note 13*). There is an economic relationship between the hedged item and the hedging instrument as the terms of the foreign currency-denominated fixed-rate loan match the terms of the cross-currency swap (i.e., notional amount, maturity, payment dates).

On December 16, 2024, the Group entered into forward currency contracts with a notional amount of ₱1,000.00 million to hedge its exposure to variability in future cash flows due to foreign exchange movements on its highly probable forecasted EPC payments.

The Group has established a hedge ratio of 1:1 or 100% for its hedging relationships as the underlying risk of the cross-currency swap and forward currency contract is identical to the hedged risk components. In assessing the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.



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

	2024	2023
	U.S. Dollar	U.S. Dollar
	(US\$)	(US\$)
Financial Assets		
Cash and cash equivalents	\$217,123	\$288,622
Other receivables	410,969	370,703
	628,092	659,325
Financial Liabilities		
Accounts payable and other current liabilities	(157,654)	(173,920)
Notes payable and loans-term loans	(1,284,670)	(722,412)
	(1,442,324)	(896,332)
Net foreign currency-denominated assets (liabilities)	(\$814,232)	(\$237,007)
Peso equivalent	(P47,236,913)	(P13,168,109)

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were P58.01 to US\$1.00 as at December 31, 2024 and P55.56 to US\$1.00 as at December 31, 2023.

The following tables demonstrate the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Group's profit before tax (due to the changes in the fair value of monetary assets and liabilities) in periods presented. The possible changes are based on the survey conducted by management among its banks. There is no impact on the Group's equity other than those already affecting the profit or loss. The effect on profit before tax already includes the impact of derivatives.

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate	US\$
December 31, 2024	(P0.50)	407,117
	(1.00)	814,233
	0.50	(407,117)
	1.00	(814,233)
December 31, 2023	(P0.50)	118,504
	(1.00)	237,007
	0.50	(118,504)
	1.00	(237,007)

For subsidiaries with functional currency in US\$, financial assets and liabilities are translated into Philippine peso, presentation currency of the Group using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated investments in associates and joint ventures, accounts and other payables, and notes payable with US\$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average



rate for the period. Assets and liabilities of ACEN Cayman Limited, ACEN HK and ACEN Finance which are in US\$ functional currency was likewise translated to the Group's presentation currency.

The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments". See below for the carrying amounts.

	2024	
	Peso	US\$
Cash and cash equivalents	₱8,488,339	\$146,743
Receivables	23,283,035	402,507
Investments in:		
Associates and joint ventures	26,072,280	450,727
Redeemable preferred shares and convertible loans	17,828,524	308,212
Financial asset at FVTPL	5,825,491	100,709
	81,497,669	1,408,898
Accounts payable and other current liabilities	8,928,542	154,353
Notes payable	74,311,732	1,284,670
Net foreign currency position	(₱1,742,605)	(\$30,125)

	2023	
	Peso	US\$
Cash and cash equivalents	₱13,762,449	\$248,554
Receivables	20,149,499	363,906
Investments in:		
Associates and joint ventures	19,083,118	344,647
Redeemable preferred shares and convertible loans	21,633,799	390,713
Financial asset at FVTPL	7,731,998	139,642
	82,360,863	1,487,462
Accounts payable and other current liabilities	9,629,365	173,909
Notes payable	39,999,949	722,412
Net foreign currency position	₱32,731,549	\$591,141

The following are the sensitivity rates used in reporting foreign currency risk internally to key management personnel. The sensitivity rates represent management's assessment of the reasonably possible change in foreign exchange rates.

		Increase (decrease) in Peso per foreign currency	Effect on income before income tax
December 31, 2024	US\$	(\$0.50)	15,063
		(1.00)	30,125
		0.50	(15,063)
		1.00	(30,125)
December 31, 2023	US\$	(\$0.50)	(295,571)
		(1.00)	(591,141)
		0.50	295,571
		1.00	591,141



Credit or Counterparty Risk

The Group defines Credit or Counterparty Risk as the risk of sustaining a loss resulting from a counterparty's default to a transaction entered with the Group.

Credit or counterparty risk is managed through the following:

- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the Board.
- Discussions are done on every major investment by CFT before it is executed subject to the Group's Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and CFT Finance Managers supervise major transaction executions.
- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the receivables of the Group, its exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

2024						
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade and other receivables						
<i>Current:</i>						
Trade receivables	₱370,925	₱726,358	₱2,058,805	₱3,008,784	₱67,887	₱6,232,759
Due from related parties	8,151,746	46,036	13,075	5,919,117	1,036,523	15,166,497
Others	1,464,215	115,826	—	889,036	87,192	2,556,269
<i>Noncurrent</i>						
Trade receivables	374,727	—	—	677,877	—	1,052,604
Due from related parties	14,712,892	188,276	91,550	902,881	1,317,243	17,212,842
Receivables from third parties	626,654	—	—	234,658	—	861,312
	₱25,701,159	₱1,076,496	₱2,163,430	₱11,632,353	₱2,508,845	₱43,082,283

2023						
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade and other receivables						
<i>Current:</i>						
Trade receivables	₱4,399,914	₱819,759	₱281,793	₱2,521,277	₱50,196	₱8,072,939
Due from related parties	6,028,005	234	5,032	5,685,385	—	11,718,656
Others	5,175,257	1,397	8,302	1,139,336	84,864	6,409,156
<i>Noncurrent</i>						
Trade receivables	—	—	—	132,295	1,157,518	1,289,813
Due from related parties	10,626,653	102,868	89,307	799,583	—	11,618,411
Receivables from third parties	696,762	—	—	241,574	—	938,336
	₱26,926,591	₱924,258	₱384,434	₱10,519,450	₱1,292,578	₱40,047,311



The Group uses the following criteria to rate credit risk as to class:

Class	Description
Class A	Customers with excellent paying habits
Class B	Customers with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, short-term investments, financial assets at FVOCI and derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group's assessments of the credit quality of its financial assets are as follows:

- Cash and cash equivalents, short-term investments and derivative assets were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.
- Listed and unlisted financial assets at FVOCI were assessed as high grade since these are investments in instruments that have a recognized foreign or local third-party rating or instruments which carry guaranty or collateral.

There are no significant concentrations of credit risk within the Group.

Maximum exposure to credit risk of financial assets not subject to impairment

The gross carrying amount of financial assets not subject to impairment also represents the Group's maximum exposure to credit risk which mainly pertains to financial assets at FVOCI amounting to ₱12,460.21 million and ₱5,799.32 million as at December 31, 2024 and 2023, respectively.

Maximum exposure to credit risk of financial assets subject to impairment

The gross carrying amount of financial assets subject to impairment are as follows:

	2024	2023
<i>Financial Assets at Amortized Cost (Portfolio 1)</i>		
Cash and cash equivalents	₱25,158,358	₱39,696,662
Short-term investments	161,966	—
Under "Receivables" account		
Current:		
Trade receivables	6,164,872	8,022,743
Due from related parties	14,129,974	11,718,656
Others	2,469,077	6,324,293
Noncurrent:		
Trade receivables	1,052,604	164,971
Due from related parties	15,895,599	11,585,735
Receivables from third parties	861,312	938,336
Redeemable preferred shares and convertible loans	17,828,524	21,633,799
Under "Other Noncurrent Assets" account	—	
Deposits	189,683	161,373
	₱83,911,969	₱100,246,568



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

2024					
Grade	12-month Stage 1	Lifetime ECL			Total
		Stage 2	Stage 3	Simplified Approach	
High	₱85,066,706	₱–	₱–	₱–	₱85,066,706
Standard	–	–	–	1,354,108	1,354,108
Substandard	–	–	–	–	–
Default	–	–	–	–	–
Gross carrying amount	85,066,706	–	–	1,354,108	86,420,814
Less loss allowance	2,508,845	–	–	–	2,508,845
Carrying amount	₱82,557,861	₱–	₱–	₱1,351,599	₱83,911,969

2023					
Grade	12-month Stage 1	Lifetime ECL			Total
		Stage 2	Stage 3	Simplified Approach	
High	₱99,387,084	₱–	₱–	₱459,036	₱ 99,846,120
Standard	42,282	–	–	1,536,887	1,579,169
Substandard	–	–	–	–	–
Default	–	113,857	–	–	113,857
Gross carrying amount	99,429,366	113,857	–	1,995,923	101,539,146
Less loss allowance	1,292,578	–	–	–	1,292,578
Carrying amount	₱98,136,788	₱113,857	₱–	₱1,995,923	₱ 100,246,568

Simplified Approach

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

2024						
	Current	Days Due				Total
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.52%	1.61%	2.61%	4.49%	13%	
Estimated total gross carrying amount at default	₱4,050,731	₱732,185	₱185,229	₱280,475	₱802,418	₱6,051,038
Expected credit loss	₱20,923	₱11,775	₱4,843	₱12,583	₱105,255	₱155,379



2023						
	Current	Days Due				Total
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.64%	1.72%	2.12%	4.67%	6.04%	
Estimated total gross carrying amount at default	₱3,472,406	₱735,036	₱268,369	₱284,065	₱1,629,354	₱6,389,230
Expected credit loss	₱22,272	₱12,671	₱5,678	₱13,278	₱98,413	₱152,312

Liquidity Risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity risk is managed through:

- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Group.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Group's plans. Average duration of investments does not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

2024						
	On Demand	Less than 3 Months	3 to 12 Months	More than 1		Total
				Year to 5 Years	More than 5 Years	
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱3,826,863	₱1,457,421	₱54,278	₱1,107	₱2,647	₱5,342,316
Retention payable	381,034	43,817	29,562	28,178	—	482,591
Accrued expenses ^a	1,957,807	1,454,176	21,139	—	—	3,433,122
Accrued interest	717,947	809,862	—	—	—	1,527,809
Due to related parties	1,848,831	557,923	62,383	15	—	2,469,152
Others	104,128	—	—	741,512	—	845,640
Derivative Liability	7,974	32,334	—	227,865	—	268,173
Short-term loans	150,000	5,450,000	—	—	—	5,600,000
Due to stockholders	13,138	—	—	—	—	13,138
Lease liabilities ^b	—	187,550	1,297,586	2,509,292	13,778,179	17,772,607
Long-term loans ^c	—	1,007,580	9,675,972	69,483,863	33,620,855	113,788,270
Notes payable	—	—	—	35,713,475	—	35,713,475
Other noncurrent liabilities ^d	—	—	—	5,136,864	—	5,136,864
	₱9,007,722	₱11,000,663	₱11,140,920	₱113,842,171	₱47,401,681	₱192,393,157

^a Excluding current portion of vacation and sick leave accruals.

^b Gross contractual payments.

^c Including contractual interest payments.

^d Excluding contract liabilities.



	2023					Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱4,786,861	₱2,545,347	₱49,290	₱133,351	₱—	₱7,514,849
Retention payable	80,542	1,446	306,416	6,932	—	395,336
Accrued expenses ^a	3,522,924	1,521	303,245	159	—	3,827,849
Accrued interest	—	—	—	—	—	—
Due to related parties	2,245,231	725,675	224,470	15	—	3,195,391
Others	41,219	814	4,924	84,523	—	131,480
Derivative Liability	—	10,563	—	12,437	—	23,000
Short-term loans	—	1,500,000	—	—	—	1,500,000
Due to stockholders	16,585	—	—	—	—	16,585
Lease liabilities ^b	—	159,857	1,183,734	3,467,918	12,590,733	17,402,242
Long-term loans ^c	—	593,851	1,535,146	20,934,687	34,828,021	57,891,705
Notes payable	—	—	—	33,949,492	—	33,949,492
Other noncurrent liabilities ^d	—	—	—	5,249,198	—	5,249,198
	₱10,693,362	₱5,539,074	₱3,607,225	₱63,838,712	₱47,418,754	₱131,097,127

^a Excluding current portion of vacation and sick leave accruals.

^b Gross contractual payments.

^c Including contractual interest payments.

^d Excluding contract liabilities.

As at December 31, 2024 and 2023, the profile of financial assets used to manage the Group's liquidity risk is as follows:

	2024				Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	
Loans and receivables:					
<i>Current:</i>					
Cash and cash equivalents	₱25,158,358	₱—	₱—	₱—	₱25,158,358
Short-term investments	—	—	161,966	—	161,966
Accounts and Notes					
Receivables:					
Accounts and other receivable	6,198,281	966,925	1,604,776	—	8,769,982
Notes receivable	3,354,991	114,352	5,157,044	—	8,626,387
Interest receivable	6,310,965	248,191	—	—	6,559,156
<i>Noncurrent:</i>					
Receivables:					
Accounts and other receivable	—	—	—	1,783,399	1,783,399
Notes receivable	—	—	—	14,952,360	14,952,360
Interest receivable	—	—	—	2,390,998	2,390,998
Derivative assets	—	—	157,662	4,394,107	4,551,769
Investment in redeemable preferred shares and convertible loans	—	—	—	19,941,374	19,941,374
Financial assets at FVOCI:					
Quoted	7,556,202	—	—	—	7,556,202
Unquoted	—	—	—	4,560,437	4,560,437
	₱48,578,797	₱1,329,468	₱7,081,448	₱48,022,675	₱105,012,388



	2023				Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	
Loans and receivables:					
<i>Current:</i>					
Cash and cash equivalents	₱39,696,662	₱—	₱—	₱—	₱39,696,662
Short-term investments	—	—	—	—	—
Accounts and Notes Receivables:					
Accounts and other receivable	7,451,131	1,204,573	1,761,647	—	10,417,351
Notes receivable	8,872,038	26,249	4,978,164	—	13,876,451
Interest receivable	1,806,672	15,519	84,759	—	1,906,950
<i>Noncurrent:</i>					
Receivables:					
Accounts and other receivable	—	—	—	1,988,705	1,988,705
Notes receivable	—	—	—	7,558,457	7,558,457
Interest receivable	—	—	—	4,299,398	4,299,398
Derivative assets	—	—	177,828	6,269,689	6,447,517
Investment in redeemable preferred shares and convertible loans	—	—	—	21,633,799	21,633,799
Financial assets at FVOCI:					
Quoted	—	—	—	—	—
Unquoted	—	—	—	300	300
	₱57,826,503	₱1,246,341	₱7,002,398	₱41,750,348	₱107,825,590

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2024 and 2023, the Group has fixed rate financial instruments measured at fair value.

The Group's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate. The Group generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans. Specific interest rate risk policies are as follows:

Market Risk

Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes. Interest rate, foreign exchange rates and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

Equity Price Risk

Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets at FVTPL and financial assets at FVOCI.



Commodity Price Risk

Cash flow hedges

The Group defines Commodity Price Risk as the risk of realizing reduced profit margins and/or increasing the volatility of future earnings that are affected by the pricing variability and uncertainty in coal and fuel supply and any associated foreign exchange risk. The risk is measured based on potential downside impact of market volatility to target earnings.

To manage Commodity Price Risk, the Group develops a Coal and Fuel Hedging Strategy aimed to:

- Manage the risk associated with unexpected increase in coal and fuel prices which affect the target Profit & Loss of the Group
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for hedge accounting

Only the Group's Chief Executive Officer, Chief Finance Officer and Philippine Chief Operating Officer (PH COO) are authorized to make coal and bunker fuel oil hedging decisions for the Group. All executed hedges go through a stringent approval process to justify the tenor, price and volume of the hedge to be undertaken.

Monitoring and assessment of the hedge effectiveness and Coal and Fuel Hedging Strategy are reviewed periodically by the Commercial Operations. Continuation, addition, reduction and termination of existing hedges are decided by the Head of CO and any material change in permissible hedging instrument, counterparties and limits are elevated to the BOD for approval.

The Group purchases coal and bunker fuel oil on an ongoing basis for its operating activities in the thermal energy power generators, composed of SLTEC (by virtue of the AMA) and other diesel power plants (CIPP, One Subic Power, Bulacan Power). The increased volatility in coal and fuel oil price over time led to entering in commodity swap contracts. The forecasted volumes are determined based on each plant's projected operating capacity, plant availability, required monthly consumption and storage capacity.

These contracts are expected to reduce the volatility attributable to price fluctuations. Hedging the price volatility of forecast coal and bunker fuel oil purchases is in accordance with the risk management strategy outlined by the Board.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity swap contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.



The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following foreign exchange and commodity swap contracts:

	Maturity						
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
As at December 31, 2024							
Foreign exchange forward contracts							
Notional amount (\$000)	\$10,000	\$19,301	\$–	\$–	\$–	\$–	\$29,301
Average forward rate (\$/P)	56.36	58.39	–	–	–	–	
Coal							
Notional amount (in Metric Tons)	1,200	–	–	–	–	–	1,200
Notional amount (in \$000)	(\$17)	\$–	\$–	\$–	\$–	\$–	(\$17)
Average hedged rate							
(\$ per Metric ton)	\$104.76	\$–	\$–	\$–	\$–	\$–	
As at December 31, 2023							
Foreign exchange forward contracts							
Notional amount (\$000)	\$17,161	15,159	\$6,560	\$–	\$–	\$–	\$38,880
Average forward rate (\$/P)	55.47	55.42	55.43	–	–	–	
Coal							
Notional amount (in Metric Tons)	1,200	–	–	–	–	–	1,200
Notional amount (in \$000)	(\$95)	\$–	\$–	\$–	\$–	\$–	(\$95)
Average hedged rate							
(\$ per Metric ton)	\$168.22	\$–	\$–	\$–	\$–	\$–	

The impact of the hedging instruments on the consolidated statements of financial position are as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As at December 31, 2024				
Foreign exchange forward contracts	\$17,147	15,089	Other current assets	15,089
Foreign exchange forward contracts	\$12,154	(7,974)	Accounts payable and other current liabilities	(7,974)
Commodity swap contracts – Coal	\$1,200	(925)	Other noncurrent liabilities	(925)
As at December 31, 2023				
Foreign exchange forward contracts	\$17,161	(10,563)	Accounts payable and other current liabilities	(10,563)
Commodity swap contracts – Coal	\$1,200	(5,277)	Other noncurrent liabilities	(3,958)



The impact of hedged items on the consolidated statements of financial position are as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at December 31, 2024			
Highly probable forecast purchases	₱15,089	₱–	₱–
Highly probable forecast purchases	(7,974)	–	–
Coal purchase	(925)	–	–
As at December 31, 2023			
Highly probable forecast purchases	(₱10,563)	₱–	₱–
Coal purchase	(3,958)	–	–

The effect of the cash flow hedge in the consolidated statements of comprehensive income are as follows:

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at December 31, 2024						
Foreign exchange forward contracts	₱66,166	₱–	₱–	₱–	₱–	₱–
Foreign exchange forward contracts	₱24,664	–	–	–	–	–
Commodity swap contracts - Coal	(694)	–	–	–	–	–
As at December 31, 2023						
Foreign exchange forward contracts	(₱10,563)	₱–	₱–	₱–	₱–	₱–
Commodity swap contracts - Coal	(3,958)	–	–	–	–	–

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Enterprise risk assessments are refreshed on an annual basis. Risk assessments at the plant level are also conducted for operational risks. Insurance coverage is also reviewed annually by the Insurance Committee.
- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and rechallenged based on current and forecasted developments on the financial and political events.
- Monthly management reports are submitted to the Operations Management Committee that includes updates from the various business and functional units, including market updates. This includes updates on financials, leverage, operations, health and safety, human resources, sustainability, and other risk areas.



- Annual planning sessions are conducted to set the targets for the Group, and these are revisited at midyear to review the progress and risks related to the accomplishment of these targets.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or acquire long-term debts.

Statutory debt consists of short-term and long-term debts of the Group. Net statutory debt includes short-term and long-term debts less cash and cash equivalents, short-term investments and restricted cash. The Group considers its total equity (including redeemable preferred shares) as capital.

	2024	2023
Short-term debt (Note 13)	₱5,600,000	₱1,500,000
Long-term debt (Note 13)	127,912,375	77,778,471
Total statutory debt	133,512,375	79,278,471
Less:		
Cash and cash equivalent (Note 4)	25,158,358	30,868,829
Short-term investments (Note 11)	161,966	—
Restricted cash (Note 4)	—	8,827,833
Net statutory debt	108,192,051	39,581,809
Total equity	157,443,200	173,375,857
Debt to equity	84.80%	45.73%
Net debt to equity	68.72%	22.83%

The Group closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keep the compliance of these covenants into consideration. The Group is not subject to externally imposed capital requirements.



26. Fair Values

The table below presents the carrying values and fair values of the Group's financial assets and financial liabilities, by category and by class, as at December 31, 2024 and 2023:

	2024			
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Financial assets at FVTPL	₱6,626,140	₱–	₱6,626,140	₱ –
Financial assets at FVOCI	12,116,639	7,556,203	–	4,560,436
Investment in redeemable preferred shares and convertible loans	17,828,524	–	–	18,579,456
Derivative asset*	4,551,769	–	157,662	4,394,107
Refundable deposits**	189,683	–	–	199,973
Trade receivables***	1,758,707	–	–	1,623,888
Receivables from third parties****	30,562	–	–	30,562
	₱43,102,024	₱7,556,203	₱6,783,802	₱29,388,422
Liabilities				
Notes payable	₱33,056,481	₱–	₱–	₱34,030,004
Long-term debt	94,855,894	–	–	91,038,771
Deposit payables and other liabilities*****	39,711	–	–	44,442
Derivative liability*****	291,664	–	40,308	251,356
Lease liabilities	14,498,442	–	–	13,741,296
	₱142,742,192	₱–	₱40,308	₱139,105,869

* Included under "Other current assets" account.

** Included under "Other noncurrent assets" account.

*** Included under "Receivables" account and pertain to FIT adjustments

**** Included under "Receivables" account and pertain to multilateral agreement with PEMC

***** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.

***** Included under "Other noncurrent Liabilities"



	2023			
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Financial assets at FVTPL	₱3,871,472	₱501,822	₱3,369,650	₱—
Financial assets at FVOCI	5,799,323	—	—	5,799,323
Investment in redeemable preferred shares and convertible loans	21,633,799	—	—	21,633,799
Derivative asset*	6,447,517	—	1,284,709	5,162,808
Refundable deposits**	167,101	—	—	161,373
Trade receivables***	738,798	—	—	779,816
Receivables from third parties****	10,262	—	—	10,262
	₱38,668,272	₱501,822	₱	₱33,547,381
Liabilities				
Notes payable	₱32,003,794	₱—	₱—	₱29,589,780
Long-term debt	44,485,573	—	—	44,224,717
Deposit payables and other liabilities*****	65,016	—	—	65,016
Derivative liability	23,000	—	23,000	—
Lease liabilities	7,505,848	—	—	8,820,127
	₱84,083,231	₱—	₱23,000	₱82,699,640

* Included under "Other current assets" account.

** Included under "Other noncurrent assets" account.

*** Included under "Receivables" account and pertain to FIT adjustments

**** Included under "Receivables" and pertain to multilateral agreement with PEMC

***** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.

***** Included under "Other noncurrent Liabilities"

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investment, Receivables, Accounts Payable and Other Current Liabilities and Due to Stockholders

The carrying amounts of cash and cash equivalents, short-term investment, receivables, accounts payable and other current liabilities and due to stockholders approximate their fair values due to the relatively short-term maturities of these financial instruments.



Financial Asset at FVTPL and FVOCI

Quoted financial assets at FVOCI and FVTPL, specifically for publicly traded shares held by the Group, were measured using market prices and classified as Level 1.

In 2023, the Group, acquired equity shares of SP New Energy Corporation (“SPNEC”), a publicly listed company. The SPNEC shares held by the Group for trading purposes and accounted as financial asset at FVTPL and classified as Level 1. The carrying amount of SPNEC shares amounted to nil and ₱501.82 million as at December 31, 2024 and 2023, respectively.

In 2024, the Group acquired equity shares of AREIT via property-for share swap (see Note 20). The AREIT shares are accounted as financial asset at FVOCI and classified as Level 1. The carrying amount of AREIT shares amounted to ₱7,556.20 million and nil as at December 31, 2024 and 2023, respectively.

Other quoted financial assets at FVTPL held by the Group consist of investments in unit investment trust funds (UITFs) were measured using the funds’ net asset value (NAV) and classified as Level 2. The carrying amount of the Group’s UITF amounted to ₱5,704.35 million and ₱1,436.68 million as at December 31, 2024 and 2023, respectively.

Unquoted financial assets at FVTPL and FVOCI, specifically debt and equity instruments held by the Group were measured using the DCF technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity which is a related party investment company, management estimates the amount and timing of the future cash inflow arising from redemption of preferred shares.

Financial assets at FVTPL classified as Level 2 consists of Compulsorily Convertible Debentures of Masaya Solar Energy Private Limited. The carrying amount of financial assets at FVTPL amounted to ₱921.79 million and ₱1,932.98 million as at December 31, 2024 and 2023, respectively.

Financial assets at FVOCI classified as Level 3 consists of investments in Redeemable Preference Share in UPC-ACE Solar, BrightNight and PT Puri Prakarsa Batam and IBV ACEN Renewables Asia Pte. The carrying amount of financial assets at FVOCI amounted to ₱4,560.44 million and ₱5,799.32 million as at December 31, 2024 and 2023, respectively.

Investment in redeemable preferred shares and convertible loans

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

Noncurrent trade receivables, Receivables from third parties, Refundable Deposits, Deposits Payable and Other Liabilities

Estimated fair value is based on present value of future cash flows discounted using the prevailing BVAL rates that are specific to the tenor of the instruments’ cash flows at the end of the reporting period.



Long-Term Loans

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 3.02% to 8.52 % and 1.03% to 8.88% as at December 31, 2024 and 2023, respectively.

Notes Payable

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows is 6.15% and 6.07% as at December 31, 2024 and 2023, respectively.

Derivative asset and liability

The fair value of the derivative asset and liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period. The following table gives information about how the fair values of derivative asset are determined (in particular, the valuation technique(s) and inputs used).

Derivative asset	Valuation technique
Long-term Energy Supply Agreement	Discounted cash flow. Valuation requires the use of long dated energy valuation volumes and long dated energy and LGC price curves
Interest rate swaps	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparts

There were no significant unobservable inputs used in the valuation of the derivative assets on Long-term Energy Supply Agreement and interest rate swaps.

There were no transfers between levels in the fair value hierarchy in 2024 and 2023.

27. Operating Segment Information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For management purposes, the Group is organized into the following business units:

- Philippines, which includes:
 1. Retail Electricity Supply (RES) and Commercial Operations (CO)
 2. Renewables - generation, transmission, distribution, and supply of electricity using renewable sources such as solar, wind, and geothermal resources



3. Thermal - generation, transmission, distribution, and supply of electricity using conventional methods of energy generation
 4. Project development
 5. Leasing
 6. Bulk water supply - arising from previously owned biomass project (ACEN legacy projects)
 7. Petroleum and exploration - pursued via 75.92% owned subsidiary, ENEX Energy Corp.
- International represents the operations of ACRI, which is the holding company for all offshore investments, which includes businesses from Australia, Vietnam, Indonesia, India and rest of the world. This includes earnings from the operations of ACEN Australia, international renewable investments, as well as project development expenses, financing activities, and overhead expenses for the various renewable power projects in the pipeline.
 - Parent and Others represents operations of the Parent Company (excluding Commercial Operations) including its financing entities such as ACEN Finance Limited and ACEN Cayman Ltd.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on (1) operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statement referred to by management as “Core Operating Earnings” and (2) selected attributable financial information, specifically attributable earnings before interest, taxes, depreciation, and amortization (EBITDA) and attributable debt of renewable energy projects.

Statutory EBITDA is the sum of the consolidated (1) revenues, (2) cost and expenses excluding depreciation and amortization and provision for impairment, (3) equity in net income of associates and joint ventures and (4) other income - net (excluding gain on previously held interest, unrealized foreign exchange gain/loss, fair value loss on financial asset at FVTPL).

Attributable EBITDA is the sum of (1) statutory EBITDA, and (2) nonconsolidated operating projects’ EBITDA multiplied by ACEN’s economic interest less (1) equity in net income of associates and joint ventures, and (2) less interest and other financial income from Investment in redeemable preferred shares and convertible loans (this is presented under other income (charges) in the consolidated statements of income). This is not equivalent to the statutory EBITDA of the Group.

Operating projects’ EBITDA follows the same definition as statutory EBITDA.

Nonconsolidated projects are investments in associates and joint ventures and investment in redeemable preferred shares and convertible loans of the Group.

Statutory net debt is the sum of consolidated (1) short-term loans, (2) long-term loans, and (3) notes payable less consolidated cash and cash equivalents.

Attributable net debt is the sum of (1) statutory net debt and (2) nonconsolidated operating projects’ net debt which is debt less cash multiplied by ACEN’s economic interest.



Statutory and attributable net debt includes recourse and non-recourse debt. Nonconsolidated operating projects' net debt excludes intercompany loans wherein the Group is the lender. These are bridge financing, development loans and investment in redeemable preferred shares and convertible loans in the consolidated statements of financial position of the Group.

Revenue earned from a single external customer amounted to ₱9,298.26 million, ₱13,328.00 million and ₱11,880.00 for the years ended December 31, 2024, 2023 and 2022, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arising from sales in the Philippine Segment.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results are shown net of transfers between operating segments. Those transfers are eliminated in consolidation.

The following tables regarding operating segments present revenue and income information for the years ended December 31, 2024, 2023 and 2022, and assets and liabilities as at December 31, 2024 and December 31, 2023:

For the Year Ended December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱33,881,066	₱2,253,208	₱–	₱36,134,274
Dividend income	115,483	400,478	–	515,961
Rental income	69,597	–	–	69,597
Other revenues	13,026	68,299	499,245	580,570
	34,079,172	2,721,985	499,245	37,300,402
COSTS AND EXPENSES				
Costs of sale of electricity				
Cost of purchased power	21,973,613	69,930	–	22,043,543
Depreciation and amortization	1,479,786	543,273	–	2,023,059
Fuel	1,018,764	–	–	1,018,764
Others	2,273,213	–	–	2,273,213
	26,745,376	613,203	–	27,358,579
General and administrative expenses				
Personnel costs, management and professional fees	230,115	1,400,206	1,502,929	3,133,250
Provision for impairment	15,472	1,119,506	28	1,135,006
Depreciation and amortization	186,023	86,227	296,968	569,218
Others	827,037	935,460	382,793	2,145,290
	1,258,647	3,541,399	2,182,718	6,982,764
	28,004,023	4,154,602	2,182,718	34,341,343
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	1,014,048	176,918	–	1,190,966
OTHER INCOME (CHARGES)				
Interest and other financial income				
Cash in banks and short-term deposits	440,096	270,855	278,622	989,573
Accounts and notes receivable	859,500	1,564,581	4,463	2,428,544
Investment in redeemable preferred shares and convertible loans	–	2,916,233	–	2,916,233
	1,299,596	4,751,669	283,085	6,334,350
Interest and other finance charges	(483,662)	(1,069,203)	(1,739,206)	(3,292,071)
Other income - net				

(Forward)



For the Year Ended December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Gain on disposal of assets	₱1,035,334	₱1,602,674	₱–	₱2,638,008
Others	1,112,085	–	–	1,112,085
	2,147,419	1,602,674	–	3,750,093
	2,963,353	5,285,140	(1,456,121)	6,792,372
INCOME (LOSS) BEFORE INCOME TAX	10,052,550	4,029,441	(3,139,594)	10,942,397
PROVISION FOR (BENEFIT FROM) INCOME TAX	689,323	(392,494)	533,091	829,920
SEGMENT NET INCOME (LOSS)	₱9,363,227	₱4,421,935	(₱3,672,685)	₱10,112,477
Other disclosures:				
Depreciation and amortization	₱1,665,809	₱629,500	₱296,968	₱2,592,277
Capital expenditures	17,681,623	17,204,277	–	34,885,900
Provision for impairment of property, plant and equipment, advances to contractors	5,298	–	–	5,298
Statutory EBITDA	10,776,813	6,638,330	(1,382,015)	16,033,128
Attributable EBITDA	11,880,337	14,013,999	(1,382,015)	24,512,321
Statutory Cash	13,609,500	1,115,251	10,433,607	25,158,358
Statutory Debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory Net Debt (Cash)	(9,325,448)	5,366,679	112,312,786	108,354,017
Attributable Cash	15,302,651	5,672,505	10,433,607	31,408,763
Attributable Debt	11,926,674	58,545,270	122,746,393	193,218,337
Attributable Net Debt (Cash)	(3,375,977)	52,872,765	112,312,786	161,809,574
As at December 31, 2024				
Operating assets	₱94,108,461	₱85,483,747	₱150,391,969	₱329,984,177
Operating liabilities	₱27,538,255	₱69,487,404	₱75,049,881	₱172,075,540
Investments in associates and joint ventures	₱12,887,100	₱29,847,903	₱–	₱42,735,003

The reconciliation of statutory and attributable EBITDA, cash, debt follows:

For the Year Ended December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Revenues	₱34,079,172	₱2,721,985	₱499,245	₱37,300,402
Cost and expenses (exc. Depreciation and amortization and provision for impairment)	(26,322,742)	(2,405,596)	(1,885,723)	(30,614,061)
Equity in net income of associates and joint ventures	1,014,048	176,918	–	1,190,966
Interest and other financial income				
Accounts and notes receivable	859,500	1,564,581	4,463	2,428,544
Investments in redeemable preferred shares and convertible loans	–	2,916,233	–	2,916,233
Other income - net	1,146,835	1,664,209	–	2,811,044
Statutory EBITDA	₱10,776,813	₱6,638,330	(₱1,382,015)	₱16,033,128



For the Year Ended December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱10,776,813	₱6,638,330	(₱1,382,015)	₱16,033,128
Nonconsolidated operating projects' EBITDA	2,117,572	10,468,820	—	12,586,392
Equity in net income of associates and joint ventures	(1,014,048)	(176,918)	—	(1,190,966)
Interest and other financial income from Investments in redeemable preferred shares and convertible loans	—	(2,916,233)	—	(2,916,233)
Attributable EBITDA	₱11,880,337	₱14,013,999	(₱1,382,015)	₱24,512,321

As at December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱—	₱—	₱ 5,600,000	₱5,600,000
Long-term loans	4,284,052	6,481,930	84,089,912	94,855,894
Notes payable	—	—	33,056,481	33,056,481
Statutory debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory cash and cash equivalent	13,609,500	1,115,251	10,433,607	25,158,358
Statutory net debt (cash)	(₱9,325,448)	₱5,366,679	₱112,312,786	₱108,354,017

As at December 31, 2024				
	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱9,325,448)	₱5,366,679	₱112,312,786	₱108,354,017
Statutory debt	4,284,052	6,481,930	122,746,393	133,512,375
Statutory cash and cash equivalents	13,609,500	1,115,251	10,433,607	25,158,358
Nonconsolidated operating projects'				
Attributable debt	7,642,622	52,063,340	—	59,705,962
Attributable cash	1,693,151	4,557,254	—	6,250,405
Gross attributable debt	11,926,674	58,545,270	122,746,393	193,218,337
Attributable net debt (cash)	(₱3,375,977)	₱52,872,765	₱112,312,786	₱161,809,574

As of December 31, 2024, with recourse, limited recourse and non-recourse statutory debt amount to ₱62,488.66 million, ₱7,845.63 million and ₱12,398.14 million, respectively. These amounts exclude statutory debt of the Parent Company.

Some of the international attributable debt is covered by guarantees (see Note 20).

For the Year Ended December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱35,350,698	₱830,728	₱—	₱36,181,426
Rental income	68,857	—	—	68,857
Other revenues	9,400	36,498	202,952	248,850
	35,428,955	867,226	202,952	36,499,133
COSTS AND EXPENSES				
Costs of sale of electricity				
Costs of power purchased	27,272,520	—	—	27,272,520
Depreciation and amortization	1,207,418	—	—	1,207,418
Fuel	1,522,458	—	—	1,522,458

(Forward)



Others	1,727,686	–	–	1,727,686
	31,730,082	–	–	31,730,082
General and administrative expenses				
Personnel costs, management and professional fees	238,719	1,288,922	1,079,036	2,606,677
Provision for impairment	(4,579)	3,001,236	–	2,996,657
Depreciation and amortization	107,926	53,457	204,669	366,052
Others	428,363	319,164	753,971	1,501,498
	770,429	4,662,779	2,037,676	7,470,884
	32,500,511	4,662,779	2,037,676	39,200,966
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	1,023,766	752,124	(10,651)	1,765,239
OTHER INCOME (CHARGES)				
Interest and other financial income				
Cash in banks and short-term deposits	189,899	959,297	437,321	1,586,517
Accounts and notes receivable	693,150	1,640,242	13,144	2,346,536
Investments in redeemable preferred shares and convertible loans	–	3,137,338	–	3,137,338
	883,049	5,736,877	450,465	7,070,391
Interest and other finance charges	(408,353)	(53)	(1,521,859)	(1,930,265)
Other income (expense) – net				
Gain on disposal of assets	–	1,062,030	–	1,062,030
Remeasurement gain	–	3,433,328	–	3,433,328
Others	690,082	–	–	690,082
	690,082	4,495,358	–	5,185,440
	1,164,778	10,232,182	(1,071,394)	10,325,566
INCOME (LOSS) BEFORE INCOME TAX	5,116,988	7,188,753	(2,916,769)	9,388,972
PROVISION FOR (BENEFIT FROM) INCOME TAX	937,785	(320,730)	(334,757)	282,298
SEGMENT NET INCOME (LOSS)	₱4,179,203	₱7,509,483	(₱2,582,012)	₱9,106,674
Other disclosures:				
Depreciation and amortization	₱1,315,344	₱53,457	₱204,668	₱1,573,469
Capital expenditures	13,243,269	12,012,614	–	25,255,883
Provision for impairment of property, plant and equipment, advances to contractors	10,954	–	–	10,954
Statutory EBITDA	6,249,919	5,964,269	(1,673,325)	10,540,863
Attributable EBITDA	7,174,278	13,294,402	(1,662,674)	18,806,006
Statutory Cash	14,743,597	1,507,428	23,445,637	39,696,662
Statutory Debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory Net Debt (Cash)	(11,392,740)	17,031,867	33,942,682	39,581,809
Attributable Cash	15,524,271	6,593,490	23,445,637	45,563,398
Attributable Debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable Net Debt	(4,563,414)	65,429,822	33,942,682	94,809,090
As at December 31, 2023				
Operating assets	₱41,772,249	₱85,942,408	₱157,218,845	₱284,933,501
Operating liabilities	18,550,582	32,530,461	60,476,601	111,557,644
Investments in associates and joint ventures	10,882,646	19,215,972	–	30,098,617



The reconciliation of statutory and attributable EBITDA, cash, debt follows:

For the Year Ended December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Revenues	₱35,428,956	₱867,226	₱202,951	₱36,499,133
Cost and expenses (exc. depreciation and amortization and provision for impairment)	(30,717,499)	(1,633,953)	(2,485,327)	(34,836,779)
Equity in net income of associates and joint ventures	1,023,766	752,124	(10,650)	1,765,240
Other income – net (excluding gain on previously held interest, unrealized foreign exchange gain/loss, fair value loss on financial asset at FVTPL)	514,696	5,978,872	619,701	7,113,269
Statutory EBITDA	₱6,249,919	₱5,964,269	(₱1,673,325)	₱10,540,863

For the Year Ended December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱6,249,919	₱5,964,269	(₱1,673,325)	₱10,540,863
Nonconsolidated operating projects' EBITDA	1,948,125	11,078,225	–	13,026,350
Equity in net income of associates and joint ventures	(1,023,766)	(752,124)	10,651	(1,765,239)
Interest and other financial income from other financial assets at amortized cost	–	(2,995,968)	–	(2,995,968)
Attributable EBITDA	₱7,174,278	₱13,294,402	(₱1,662,674)	₱18,806,006

As at December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱–	₱–	₱1,500,000	₱1,500,000
Long-term loans	3,350,857	18,539,295	23,884,525	45,774,677
Notes payable	–	–	32,003,794	32,003,794
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809

As at December 31, 2023				
	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Nonconsolidated operating projects' Attributable debt	7,610,000	53,484,017	–	61,094,017
Attributable cash	780,674	5,086,062	–	5,866,736
Gross attributable debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable net debt (cash)	(₱4,563,414)	₱65,429,822	₱33,942,682	₱94,809,090

As of December 31, 2023, with recourse, limited recourse and non-recourse statutory debt amount to ₱33,051.12 million, ₱9,172.04 million and ₱1,768.54 million, respectively. These amounts exclude statutory debt of the Parent Company.



Some of the international attributable debt is covered by guarantees (see Note 20).

	For the year ended December 31, 2022			
	Philippines	International	Parent and Others	Consolidated
REVENUES				
Revenue from sale of electricity	₱34,995,488	₱—	₱—	₱34,995,488
Rental income	68,469	—	—	68,469
Dividend income	—	3,635	—	3,635
Other revenues	79,282	28,586	63,091	170,959
	35,143,239	32,221	63,091	35,238,551
COSTS AND EXPENSES				
Costs of sale of electricity				
Costs of power purchased	24,599,882	—	—	24,599,882
Depreciation and amortization	1,918,307	—	—	1,918,307
Fuel	4,957,516	—	—	4,957,516
Others	2,707,534	—	—	2,707,534
	34,183,239	—	—	34,183,239
General and administrative expenses				
Personnel costs, management and professional fees	168,064	468,168	548,035	1,184,267
Provision for impairment	42,776	1,281,822	583	1,325,181
Depreciation and amortization	30,754	16,673	212,674	260,101
Others	414,035	64,276	653,957	1,132,268
	655,629	1,830,939	1,415,249	3,901,817
	34,838,868	1,830,939	1,415,249	38,085,056
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES				
Interest and other financial income	783,095	154,739	—	937,834
Cash in banks and short-term deposits	28,451	231,431	25,313	285,195
Accounts and notes receivable	295,526	1,572,126	11,426	1,879,078
Investments in redeemable preferred shares and convertible loans	—	3,474,911	—	3,474,911
	323,977	5,278,468	36,739	5,639,184
Interest and other finance charges	(1,101,532)	(1,067,837)	(188,162)	(2,357,531)
Other income (expense) – net				
Gain on disposal of assets	(121,107)	734,672	—	613,565
Remeasurement gain	—	10,921,026	—	10,921,026
Others	1,028,217	—	—	1,028,217
	907,110	11,655,698	—	12,562,808
	129,555	15,866,329	(151,423)	15,844,461
INCOME (LOSS) BEFORE INCOME TAX	1,217,021	14,222,350	(1,503,581)	13,935,790
PROVISION FOR (BENEFIT FROM) INCOME TAX	(338,523)	(81,862)	(241,713)	(662,098)
SEGMENT NET INCOME (LOSS)	₱1,555,544	₱14,304,212	(₱1,261,868)	₱14,597,888



Adjustments and Eliminations

Interest on parent loans and other financial income, including fair value gains and losses on financial assets, are not allocated to individual segments as the underlying instruments are managed on a group basis. Likewise, certain operating expenses and finance-related charges are managed on a group basis and are not allocated to operating segments. Allocable operating expenses have been allocated as applicable.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Other income - Net includes interest and other financial income from investments in redeemable preferred shares of associates and joint ventures and from development loans and advances to these associates and joint ventures, guarantee fee income, reversal of allowance for impairment of advances to contractors and impairment of investments in joint ventures, tax credits on real property taxes, gain (loss) on derivatives, gain on sale of by-product, claims on insurance, foreign exchange gain (loss), gain (loss) on sale of property, plant and equipment, mark-to market gains, fees on advisory services, and other miscellaneous income (expense) which are allocated to operating segments.

Capital expenditures consist of additions to property, plant and equipment. Investments and advances consist of investments and cash advances to the Group's associates and joint ventures.

28. Supplemental Cash Flows Information

The non-cash investing activities of the Group for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Non-cash additions to property, plant and equipment	₱1,006,933	₱378,109	₱1,466,936
Set-up of ROU assets from new lease agreements	697,575	2,714,723	282,104
Reclassifications to (from):			
Financial assets at FVOCI	2,922,268	—	—
Property, plant and equipment	2,299,440	3,502,012	186,683
Investments in associates and joint ventures	1,695,449	278,156	148,975
Investment in redeemable preferred shares and convertible loans	(4,629,864)	(355,199)	(59,782)
Other noncurrent assets	(2,299,440)	(3,574,135)	(936,776)
Creditable withholding taxes	(257,857)	837,419	(337,737)
Financial assets at FVTPL	—	(276,297)	—
Noncurrent assets held for sale	—	—	(1,539)
Changes due to business combinations (Note 24):			
Other noncurrent assets	10,686	—	1,323,653
Property, plant and equipment	10,118	41,825	14,712,729
Right-of-use assets	102	—	1,323,557
Investment in redeemable preferred shares and convertible loans	—	—	(12,951,246)

(Forward)



	2024	2023	2022
Investments in associates and joint ventures	₱—	₱—	(₱4,578,944)
Goodwill and other intangible assets	—	—	103,672
Changes due to loss of control (Note 2):			
Input VAT - net of current portion	(4)	—	(4,973)
Property, plant and equipment	—	—	(14,221,341)
Other noncurrent assets	—	—	(319,293)
Creditable withholding taxes	—	—	(117,954)

Movements in the Group's liabilities from financing activities for the years ended December 31, 2024 and 2023 are as follows:

	January 1, 2024	Availments/ Proceeds	Payments	Others	December 31, 2024
Current portion of:					
Short-term loans	₱1,500,000	₱25,600,000	(₱17,300,000)	(₱4,200,000)	₱5,600,000
Long-term loans	1,289,104	—	(1,701,273)	7,868,536	7,456,367
Lease liabilities	850,953	—	(881,200)	1,919,648	1,889,401
Interest payable	862,164	—	(7,446,873)	8,123,444	1,538,735
Due to stockholders	16,585	—	(4,599,747)	4,596,300	13,138
Noncurrent portion of:					
Notes payable	32,003,794	—	—	1,052,687	33,056,481
Long-term loans	44,485,573	47,292,421	—	(4,378,467)	87,399,527
Lease liabilities	7,505,848	—	—	5,103,193	12,609,041
Other noncurrent liabilities	6,344,004	—	(42,835)	1,278,871	7,580,040
Total liabilities from financing activities	₱94,858,025	₱72,892,421	(₱31,971,928)	₱21,364,212	₱157,142,730

	January 1, 2023	Availments/ Proceeds	Payments	Others	December 31, 2023
Current portion of:					
Short-term loans	₱2,900,000	₱9,000,000	(₱10,400,000)	₱—	₱1,500,000
Long-term loans	719,385	—	(541,690)	1,111,409	1,289,104
Lease liabilities	258,562	—	(773,325)	1,365,716	850,953
Interest payable	483,090	—	(3,065,790)	3,444,864	862,164
Due to stockholders	16,585	—	(3,951,848)	3,951,848	16,585
Noncurrent portion of:					
Notes payable	32,093,314	—	—	(89,520)	32,003,794
Long-term loans	28,051,903	17,586,442	—	(1,152,772)	44,485,573
Lease liabilities	4,206,459	—	—	3,299,389	7,505,848
Other noncurrent liabilities	827,643	—	(1,002,975)	6,519,336	6,344,004
Total liabilities from financing activities	₱69,556,941	₱26,586,442	(₱19,735,628)	₱18,450,270	₱94,858,025



	January 1, 2022	Availments/ Proceeds	Payments	Others	December 31, 2022
Current portion of:					
Short-term loans	P–	P23,259,020	(P20,359,020)	P–	P2,900,000
Long-term loans	824,488	–	(7,387,050)	7,281,947	719,385
Lease liabilities	536,950	–	(291,085)	12,697	258,562
Interest payable	448,919	–	(1,955,949)	1,990,120	483,090
Due to stockholders	16,585	–	(3,801,730)	3,801,730	16,585
Noncurrent portion of:					
Notes payable	20,195,054	10,000,000	–	1,898,260	32,093,314
Long-term loans	20,117,733	23,012,509	–	(15,078,339)	28,051,903
Lease liabilities	2,159,302	–	–	2,047,157	4,206,459
Other noncurrent liabilities	2,736,920	–	(1,040,364)	(868,913)	827,643
Total liabilities from financing activities	P47,035,951	P56,271,529	(P34,835,198)	P1,084,659	P69,556,941

Others includes the amortization of debt issue costs, interest expense, capitalized borrowing costs, foreign exchange gains/losses and the effect of reclassification of non-current portion to current due to passage of time.

29. Provisions and Contingencies

Tax assessments:

On August 20, 2014, ACEN distributed cash and property dividends in the form of shares in ENEX after securing SEC's approval of the registration and receipt of CAR from the BIR.

On October 22, 2014, ACEN received from the BIR a Formal Letter of Demand ("FLD"), assessing ACEN for a total donor's tax due of P157.75 million inclusive of penalty and interest up to September 30, 2014.

On November 21, 2014, ACEN and its independent legal counsel filed an administrative protest in response to the FLD, on the following grounds:

1. The dividend distribution is a distribution of profits by ACEN to its stockholders and not a "disposition" as contemplated under Revenue Regulations Nos. 6-2008 and 6-2013 which would result in the realization of any capital gain of ACEN;
2. ACEN did not realize any gain or increase its wealth as a result of the dividend distribution; and,
3. There was no donative intent on the part of ACEN.

On May 27, 2015, ACEN received from the BIR a Final Decision on Disputed Assessment ("FDDA") denying the protest.

On June 25, 2015, ACEN filed with the Court of Tax Appeals ("CTA") a Petition for Review seeking a review of the FDDA and requesting the cancellation of the assessment.

In its decision dated September 28, 2018, the CTA Third Division granted ACEN's petition and ordered the cancellation and withdrawal of the FLD (the "CTA Third Division Decision"). On January 18, 2019, the CTA denied the Commissioner of Internal Revenue's ("CIR") motion for reconsideration ("CTA Resolution"). On February 22, 2019, the CIR filed a petition for review with the CTA *en banc* seeking the reversal of the CTA Third Division's Decision and CTA Resolution. On



July 21, 2020, the CTA *en banc* upheld the CTA Third Division Decision and denied the CIR's petition. The CIR filed a motion for reconsideration dated August 26, 2020. In response, ACEN filed its Comment/ Opposition. On October 13, 2021, CTA *en banc* issued a resolution stating that the Motion for Reconsideration and Motion to Release Surety Bond are now submitted for resolution.

As at March 10, 2025, the CIR's motion for reconsideration has not been resolved by the CTA *en banc*.

On May 15, 2023, the ACEN received a Letter of Authority from the BIR covering taxable year 2021. Pursuant thereto, assessment notices were served for various internal revenue taxes inclusive of increments which ACEN accordingly responded to and was the subject of a settlement last February 13, 2025.

Claims for tax refund

- a. On May 19, 2022, Guimaras Wind Corporation ("Guimaras Wind") received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind 's Petition for Review for lack of merit. The CTA En Banc affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind 's claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16,149,514, out of the total amount claimed of ₱335,759,253, representing Guimaras Wind's excess and unutilized input value-added tax for Q3 and Q4 of 2014 and Q1 and Q2 of 2015. Guimaras Wind filed its Motion for Reconsideration (MR) to the CTA En Banc on June 3, 2022.

On June 27, 2022, Guimaras Wind received a Resolution from the CTA En Banc directing Guimaras Wind to file its Comment to the MR filed by the Commissioner of Internal Revenue within five (5) days from receipt of the said Resolution. Consequently, Guimaras Wind complied with the Resolution and filed its Comment to the CTA En Banc on July 4, 2022.

On January 17, 2023, the CTA En Banc issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division's Decision limiting Guimaras Wind's entitlement to refund to a reduced amount of ₱16,149,514.

The CTA En Banc held that the Certificate of Endorsement (COE) from the DOE and the Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) are both required in order for Guimaras Wind to properly avail of VAT zero-rating incentives. The CTA En Banc also rejected Guimaras Wind's position that its application for COC should be deemed "provisionally approved" six months from the filing of its application for a COC with the ERC.

On February 3, 2023, Guimaras Wind filed a Motion for Extension of Time to File Petition for Review on Certiorari with the Supreme Court (SC). On March 6, 2023, the Company filed the Petition.

On January 24, 2024, the SC Third Division issued a Resolution requiring Guimaras Wind to file a Comment to the Petition for Review filed by the Commissioner of Internal Revenue within ten (10) days from receipt of the notice. Guimaras Wind filed the Comment on February 10, 2024.



On April 16, 2024, Guimaras Wind received the CIR's MOTEX to file their Comment dated April 3, 2024. On December 19, 2024, Guimaras Wind received a copy of the SC Third Division's Notice which notifies Guimaras Wind and CIR that it issued a Resolution dated August 7, 2024, requiring Guimaras Wind to file a Reply to the Comment within ten (10) days from notice, or until January 2, 2025. Guimaras Wind filed the Reply on said date.

Awaiting for the decision or resolution as of date from the SC's Third Division.

- b. On April 12, 2017, San Carlos Solar Energy Inc. ("SACASOL") filed a Petition for Review with the CTA regarding the disallowed claim of 2015 input VAT amounting to ₱40.62 million. On February 3, 2021, the CTA denied SACASOL's Petition for Review on the ground that SACASOL failed to establish that its sales qualify for VAT zero-rating because SACASOL did not present any proof that it was issued a DOE Certificate of Endorsement ("COE"), on a per transaction basis. On February 26, 2021, SACASOL filed a Motion for Reconsideration ("MR"), on the basis that there is no legal requirement for the COE to be on a per transaction basis for the VAT zero-rating of SACASOL's sales, and the VAT zero-rated sales were never disputed considering the partial grant by the BIR of SACASOL's claim for unutilized input VAT attributable to VAT zero-rated sales.

On May 6 and 20, 2021, SACASOL filed Supplemental Motions to admit additional evidence which included a DOE letter and certification confirming that a COR on a per transaction basis is not required for purposes of VAT zero-rating of RE Sales of RE Developers and such document is not actually being issued by the DOE. On September 22, 2021, CTA Third Division issued a resolution denying the Motion for Reconsideration.

On February 2, 2023, SACASOL filed a Petition for Review before the CTA En Banc.

On April 27, 2023 CTA En Banc denied SACASOL Petition for Review on the basis of jurisdictional grounds. The CTA En Banc denied the Petition on the ground that the CTA Third Division purportedly has no jurisdiction to entertain the judicial claim for refund for being filed beyond the 120+30 day mandatory and jurisdictional period. The CTA En Banc counted the 120-day period from November 3, 2016 - the date when SACASOL filed its administrative claim for refund, and noted that the BIR only had until March 3, 2017 to decide the said claim. The CTA En Banc then held that since SACASOL did not receive an adverse decision from the BIR by March 3, 2017, the law considers the administrative claim as denied. According to the Decision, SACASOL had 30 days from March 3, 2017 or until April 3, 2017 to seek judicial redress. Since the Petition was only filed on April 12, 2017, the CTA is deprived of jurisdiction to hear the case.

On May 19, 2023, SACASOL filed its MR on the ground that (i) Sec112(c) does not require that the BIR acts and the taxpayer receives the decision within the 120 days; and (ii) SACASOL should be able to file the judicial claim within 30 days from receipt of the decision, as long as the decision was made within the 120-day period.



On January 12, 2024, SACASOL received CTA EN Banc Resolution denying the and reiterated its earlier ruling that CTA has no jurisdiction for failure of SACASOL to file its judicial claim for refund within the 120+30 days period from the filing of its administrative claim. The CTA En Banc ruled that the issues in the MR were already addressed, discussed and found wanting in its earlier Decision. On March 4, 2024, SACASOL filed its Petition for Review with the Supreme Court. On February 5, 2025, BIR filed its Comment with the Supreme Court.

As of March 10, 2025, SACASOL has not received any orders from the Supreme Court relating to the case.

Provisions and Contingencies

NorthWind Power Development Corporation (“NorthWind”) is a party to several cases involving the assessment and collection by the Provincial Treasurer of Ilocos Norte of real property tax (“RPT”) on the wind turbine generators, civil works, equipment, machinery, and transmission lines of NorthWind located in the Municipality of Bangui. NorthWind was assessed RPT at a rate of two percent (2%) or an aggregate amount of ₱147.23 million for years 2017 to 2021. NorthWind paid under protest the RPT thereon and filed a protest questioning the imposition of 2% tax rate on its Renewable Energy (“RE”) facilities. Under Republic Act 9513 or the RE Law, realty and other taxes on civil works, equipment, machinery, and other improvements of a Registered RE Developer actually and exclusively used for RE facilities shall not exceed 1.5% of their original cost less accumulated normal depreciation or net book value. All protests filed by NorthWind to the Provincial Treasurer from 2017 to 2023 were denied.

As of March 10, 2025, the 2017 to 2025 RPT protest, regarding an aggregate amount of ₱251.54 million, is still pending decision with the Local Board of Assessment Appeals of Ilocos Norte.

Compliance with Must Offer Rule

On October 4, 2018, CIPP, One Subic Power, Bulacan Power and the Parent Company received a letter from PEMC for pending investigation of trading intervals covering periods from 2014 to 2018. The scope of the investigation covers possible non-compliance with the Must Offer Rule (MOR) and with the Real-Time Dispatch (RTD) or System Operator Instructions.

On October 28, 2020 and August 17, 2021, the PEMC Board cleared CIP and found no breaches from August 2014 to December 2015. On June 3, 2022, the PEMC Board cleared One Subic Power and found no breaches for the period May- December 2014 period. In the May 2022 meeting, PEMC met with trading participants with pending investigations and discussed a shortened process in the investigation while at the same time ensuring due process for all participants. The shortened process will adopt the current PEMC process of frequently flagging the trading participant of the intervals under investigation and requesting for immediate replies and dispensing with lengthy discussions in its investigation reports.

On July 7, 2023, the PEMC Board issued a Notice on Investigation Report which approves the imposition of penalty amounting to ₱700,000 against One Subic Power for breach of MOR. The said breaches were broken down as follows: four breaches in 2014, one breach in 2015, one breach in 2016, and one breach in 2019.



In the May 5, 2023 PEM Board Action letter, the PEM Board cleared Bulacan Power of 10,821 trading intervals, and released its findings and found NO breaches for Bulacan Power for said trading intervals during the January 2015-December 2015 and January 2016-December 2016 investigation periods.

As for CIP II, no breach was found for all the trading intervals from 2014-2021. The PEMC Board issued a Certification dated 24 July 2023 certifying that the investigation cases have been closed and finally disposed of by PEMC.

Refund of Market Transaction Fee from PEMC

On July 9, 2020, the ERC issued its Decision on ERC Case 2015-160 RC ordering PEMC to refund the over collection in the Market Transaction Fee (MTF) in 2016 and 2017. The ERC determined the over collection by getting the variance between the MTF collected in 2016 and 2017, and the ERC-Approved Budget of PEMC for the same period. The total refund was determined at ₱433.20 million which shall be apportioned among all the Luzon and Visayas participants. The ERC has directed PEMC to implement the refund over twelve (12) months beginning the next billing month upon receipt of the relevant Decision.

The PEMC filed a motion for reconsideration with the ERC. In an Order promulgated on June 11, 2021, the ERC resolved to deny the motion for reconsideration filed by the. The market level fee approved by the ERC in its Decision of July 2020 was implemented by the Independent Electricity Market Operator of the Philippines for the WESM market fee collection for the calendar year 2021.

30. Reclassification

The consolidated statements of income for the years ended December 31, 2023 and 2022 have been reclassified to conform to the year ended December 31, 2024.

The following consolidated statements of income accounts were expanded to present additional components and/or reclassified as follows:

1. Cost of sale of electricity - expanded to present its components:
 - a. Cost of purchased power;
 - b. Depreciation and amortization;
 - c. Fuel; and
 - d. Others
2. General and administrative expenses - expanded to present its components:
 - a. Personnel cost, management and professional fees;
 - b. Provision for impairment;
 - c. Depreciation and amortization; and
 - d. Others
3. Other income (charges) - previously referred to as Other Income - Net
 - a. Interest and other financial income - previously presented under Other Income – net was expanded to present its components:
 - i. Cash in bank and short-term deposits



- ii. Accounts and other receivables
- iii. Investments in redeemable preferred shares and convertible loans
- b. Interest and other finance charge - previously presented as a separate line item in the consolidated statement of income
- c. Other Income - net - was expanded to present its components:
 - i. Gain on disposal of assets; and
 - ii. Others

The changes did not result to any change in the consolidated net income after tax of the Group for the years ended December 31, 2023 and 2022.

	2023	2022
COSTS AND EXPENSES		
Costs of sale of electricity		
Cost of purchased power	₱27,272,520	₱24,599,882
Depreciation and amortization	1,207,418	1,918,307
Fuel	1,522,458	4,957,516
Others	1,727,686	2,707,534
	31,730,082	34,183,239
General and administrative expenses		
Personnel costs, management and professional fees	2,606,677	1,184,267
Provision for impairment	2,996,657	1,325,181
Depreciation and amortization	366,052	260,101
Others	1,501,498	1,132,268
	7,470,884	3,901,817
	₱39,200,966	₱38,085,056
OTHER INCOME (CHARGES)		
Interest and other financial income		
Cash in banks and short-term deposits	₱1,586,517	₱285,195
Accounts and notes receivable	2,346,536	1,879,078
Investment in redeemable preferred shares and convertible loans	3,137,338	3,474,911
	7,070,391	5,639,184
Interest and other finance charges	(1,930,265)	(2,357,531)
Other income - net		
Gain on disposal of assets	1,062,030	613,565
Remeasurement gain	3,433,328	10,921,026
Others	690,082	1,028,217
	5,185,440	12,562,808
	₱10,325,566	₱15,844,461



Previously, these accounts were presented in the consolidated statement of income for the years ended December 31, 2023 and 2022 as follow:

COSTS AND EXPENSES		
	2023	2022
Costs of sale of electricity	₱31,730,082	₱34,183,239
General and administrative expenses	7,470,884	3,901,817
	39,200,966	38,085,056
INTEREST AND OTHER FINANCE CHANGES	(1,930,265)	(2,357,531)
OTHER INCOME - NET*	12,255,831	18,201,992
<i>*Other income - net is the sum of interest and other financial income and other income – net.</i>		

The consolidated statement of income for the years ended December 31, 2023 and 2022 has been updated to include an additional disclosure on net income attributable to common shareholders of the Parent Company to align with the consolidated statement of income for the year ended December 31, 2024.

Since the redeemable preferred shares amounting to ₱25,000.00 million were issued on September 1, 2023, net income attributable to equity holders of the Parent Company amounting to ₱6,753.45 million and ₱13,055.12 million are the net income attributable to common shareholders of the Parent Company for the years ended December 30, 2023 and 2022, respectively.

The redeemable preferred shares are the issuance of the Group of Series A Preferred Shares amounting to ₱8,341.50 million and Series B Preferred Shares amounting to ₱16,658.50 million with dividend rate of 7.1330% and 8.000% per annum, respectively.

31. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at December 31, 2024:

Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) Series B Preferred Shares (ACENB)

On February 3, 2025, the BOD of ACEN approved the declaration of the first quarter of 2025 cash dividends on the ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on March 3, 2025.



Acquisition of shares of Negros Island Solar Power, Inc. (“ISLASOL”) from Asian Energy Impact Trust Plc (“AEIT”)

On March 6, 2025, the Parent Company executed a Share Purchase Agreement and Deed of Absolutes Sale with AEIT involving the sale by AEIT of 7,371 Redeemable Preferred Shares E (“RPS E”) of ISLASOL in favor of the Parent Company for a total purchase price of 141.27 million. The acquisition resulted to the Parent Company owning 100% of ISLASOL, which was previously 60% owned. As of March 10, 2025, transfer of certificate authorizing registration from the Bureau of Internal Revenue is still in process.

Amendment of Articles of Incorporation

On March 10, 2025, the BOD approved the following amendments to our Articles of Incorporation:

- a. Second Article to expand the scope of the Parent Company’s investment business
- b. Seventh Article to increase the authorized capital stock of the Parebt Company from ₱48.40 billion to ₱58.40 billion and create additional common shares

The proposed amendments will be presented to our stockholders for approval at their annual meeting on April 23, 2025.



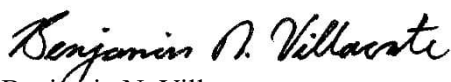
INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited the accompanying financial statements of ACEN CORPORATION and Subsidiaries (the Group), as at December 31, 2024 and for the year then ended, on which we have rendered the attached report dated March 10, 2025.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the above Group has 2,572 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, included in this Form 17-A and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte

Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. This has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte
Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025

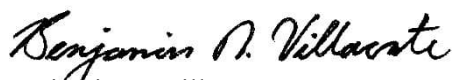


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ACEN CORPORATION and subsidiaries, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated March 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Benjamin N. Villacorte
Partner

CPA Certificate No. 111562

Tax Identification No. 242-917-987

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-120-2025, January 14, 2025, valid until January 13, 2028

PTR No. 10465403, January 2, 2025, Makati City

March 10, 2025



ACEN CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FORM 17-A, ITEM 7

	<u>Page No.</u>
Consolidated Financial Statements	
Statement of Management's Responsibility for Consolidated Financial Statements	Exhibit A
Report of Independent Public Accountants	Exhibit A
Consolidated Statements of Financial Position as at December 31, 2024 and December 31, 2023	Exhibit A
Consolidated Statements of Income for the years ended December 31, 2024 and 2023	Exhibit A
Consolidated Statements of Comprehensive Income for the years ended December 31, 2024 and 2023	Exhibit A
Consolidated Statements of Changes in Equity for the years ended December 31, 2024 and 2023	Exhibit A
Consolidated Statements of Cash Flows for the years ended December 31, 2024 and 2023	Exhibit A
Notes to Consolidated Financial Statements	Exhibit A
Supplementary Schedules	
Report of Independent Public Accountants on Supplementary Schedules	
A. Financial Assets	Attachment I
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) *	Not Applicable
C. Accounts Receivable and Payable from Related Parties which are eliminated during the consolidation of financial statements	Attachment I
D. Long-Term Debt	Attachment I
E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)	Attachment I
F. Guarantees of Securities of Other Issuers*	Not Applicable
G. Capital Stock	Attachment I
Reconciliation of Retained Earnings Available for Dividend Declaration	Attachment II
Map of Relationships of the Companies within the Group	Attachment III
Financial Soundness Indicators	Attachment IV
Schedule for Listed Companies with a recent Offering of Securities to the Public	Attachment V
Schedule of External Auditor Fee-related Information	Attachment VI
<i>*These schedules are either not required, not applicable or the information required to be presented is included in the Company's consolidated financial statements or notes to consolidated financial statements.</i>	

Attachment I

ACEN CORPORATION AND SUBSIDIARIES**Schedule A. Financial Assets****December 31, 2024****(Amounts in Thousands)**

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial assets at fair value through profit or loss (FVTPL)		₱6,626,140	₱6,626,140	₱–
Financial assets at fair value through other comprehensive income (FVOCI)		12,116,640	12,116,640	–
Investments in other financial assets at amortized cost				
Redeemable preferred shares				
Investment in AAR		7,254,017	10,814,892	933,952
Investment in UPC- ACE Solar		–	–	335,018
Investment in BIM Wind		2,327,794	1,021,644	367,901
Investment in NEFIN		2,007,222	2,007,221	179,273
Investment in Impact Wind		2,734,487	2,734,487	209,644
Investment in BIMRE		1,410,647	1,108,653	197,764
Investment in UPC Asia III		–	–	68,276
Investment in BIME		246,140	194,007	44,023
Subscription deposits				
Investment in Beacon Capital Holdings Limited		–	–	–
Investment in UPCAPH		–	–	–
Convertible loans				
Investment in Vietnam Wind		2,112,850	–	353,556
Investment in Asian Wind 1		940,803	355,586	116,916
Investment in Asian Wind 2		907,414	342,966	109,909
		19,941,374	18,579,456	2,916,232
Allowance for expected credit losses		2,112,850	–	–
		17,828,524	18,579,456	2,916,232
Loans and receivables				
Cash and cash equivalents		25,158,358	25,158,358	989,573
Short-term investments		161,966	161,966	–
Trade and other receivables		17,851,563	17,986,382	66,412
Long-term receivables		22,721,874	22,721,874	2,362,167
		65,893,761	66,028,580	3,418,152
Derivative assets		4,551,769	4,551,769	–
		₱107,016,834	₱107,902,585	₱6,334,384

ACEN CORPORATION AND SUBSIDIARIES

December 31, 2024

(Amounts in Thousands)

[illegible]

Attachment I

ACEN CORPORATION AND SUBSIDIARIES**Schedule C.1 Accounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements****December 31, 2024****(Amounts in Thousands)**

Name and Designation of Creditor	Balance at Beginning of Period	Additions	Deductions	Amount Written-Off	Current	Non-Current	Balance at End of Period
			Amount Collected				
Subsidiaries:							
Giga Ace 3, Inc.	P–	P1,867,281	(P606,456)	P–	P1,260,825	P–	P1,260,825
ACEN Global Development Group, Inc.	1,580,431	3,528,238	(3,969,216)	–	1,139,453	–	1,139,453
Giga Ace 4, Inc.	1,400	318,286	(7)	–	319,679	–	319,679
Buendia Christiana Holdings Corp.	22,068	1,275,284	(1,104,806)	–	192,546	–	192,546
Santa Cruz Solar Energy, Inc.	–	1,945,936	(1,793,220)	–	152,716	–	152,716
Gigasol 2, Inc.	35,179	1,250,548	(1,137,077)	–	148,650	–	148,650
Gigasol 3, Inc.	131,997	–	(1)	–	131,996	–	131,996
ACEN Shared Services, Inc.	162,538	619,736	(674,132)	–	108,142	–	108,142
Bulacan Power Generation Corporation	63,209	1,052,741	(1,016,485)	–	99,465	–	99,465
ACEN Technical Services, Inc.	–	326,819	(245,784)	–	81,035	–	81,035
SolarAce1 Energy Corp.	65,321	38	(5,272)	–	60,087	–	60,087
CIP II Power Corporation	22,361	664,132	(633,486)	–	53,007	–	53,007
Giga Ace 2, Inc.	–	367,329	(317,304)	–	50,025	–	50,025
San Julio Land Development Corporation	–	224,873	(193,787)	–	31,086	–	31,086
ACE Enexor, Inc.	–	13,437	–	–	13,437	–	13,437
YMP Industrial Power Inc.	–	10,432	(3,206)	–	7,226	–	7,226
ACE Renewables Philippines, Inc.	11,527	161,177	(168,083)	–	4,621	–	4,621
Giga Ace 5, Inc.	–	10,182	(7,485)	–	2,697	–	2,697
AC Energy International, Inc.	1,108,372	16,522	(1,122,427)	–	2,467	–	2,467
One Subic Power Generation Corporation	72,930	836,977	(908,907)	–	1000	–	1000
Northwind Power Development Corporation	895	29,448	(30,079)	–	264	–	264
Bayog Wind Power Corp.	1,487	2,298	(3,542)	–	243	–	243
San Carlos Solar Energy, Inc.	3,074	1,197,353	(1,200,353)	–	74	–	74
Negros Island Solar Power, Inc.	5,514	49	(5,534)	–	29	–	29
Others	4,067	964,801	(925,019)	–	43,849	–	43,849
	P3,292,370	P16,683,917	(P16,071,668)	P–	P3,904,619	P–	P3,904,619

Attachment I

ACEN CORPORATION AND SUBSIDIARIES

Schedule C.2. Accounts Payable from Related Parties which are Eliminated During the Consolidation of Financial Statements

December 31, 2024

(Amounts in Thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions	Amount Written-Off	Current	Non-current	Balance at End of Period
			Amount Paid				
Subsidiaries:							
Santa Cruz Solar Energy Inc	₱1,182,564	₱6,569,398	(₱2,591,731)	₱—	₱5,160,231	₱—	₱5,160,231
Natures Renewable Energy Development Corporation	5,924	2,712,901	(145,550)	—	2,573,275	—	2,573,275
SolarAce1 Energy Corp.	3,391,130	2,170,743	(3,048,843)	—	2,513,030	—	2,513,030
Bayog Wind Power Corp.	492,564	2,024,672	(1,110,417)	—	1,406,819	—	1,406,819
Gigasol 3, Inc.	1,475,183	846,857	(1,203,930)	—	1,118,110	—	1,118,110
Negros Island Solar Power, Inc.	6,422	2,529,672	(1,548,120)	—	987,974	—	987,974
One Subic Power Generation Corporation	75,095	3,712,375	(3,258,042)	—	529,428	—	529,428
Giga Ace 6, Inc.	103,160	3,579,421	(3,155,946)	—	526,635	—	526,635
San Carlos Solar Energy, Inc.	(3,032)	3,692,438	(3,235,602)	—	453,804	—	453,804
Gigasol 2, Inc.	1,038,400	758,525	(1,466,906)	—	330,019	—	330,019
Giga Ace 4, Inc.	392,346	597,336	(686,380)	—	303,302	—	303,302
Northwind Power Development Corporation	15,627	403,400	(197,395)	—	221,632	—	221,632
Bulacan Power Generation Corporation	92,336	1,727,045	(1,609,353)	—	210,028	—	210,028
Bataan Solar Energy, Inc.	215,075	328,852	(342,285)	—	201,642	—	201,642
Giga Ace 7, Inc.	48,524	272,694	(164,161)	—	157,057	—	157,057
Real Wind Energy, Inc.	—	146,171	—	—	146,171	—	146,171
AC Subic Solar, Inc.	3,967	279,338	(154,247)	—	129,058	—	129,058
Gigasol 1, Inc.	65,376	1,933,941	(1,873,629)	—	125,688	—	125,688
Pangasinan UPC Asia Corporation	—	361,277	(246,699)	—	114,578	—	114,578
SolarAce3 Energy Corp.	29,365	223,161	(146,397)	—	106,129	—	106,129
Manapla Sun Power Development Corporation	78,047	647,682	(624,107)	—	101,622	—	101,622
Guimaras Wind Corporation	21,347	310,748	(232,095)	—	100,000	—	100,000
SolarAce2 Energy Corp.	11,016	90,765	(4,630)	—	97,151	—	97,151
UPC Mindanao Wind Power Corp.	—	132,878	(47,164)	—	85,714	—	85,714
Others	1,302,698	28,072,598	(28,436,881)	—	938,415	—	938,415
	₱10,043,134	₱64,124,888	(₱55,530,510)	₱—	₱18,637,512	₱—	₱18,637,512

Attachment I

ACEN CORPORATION AND SUBSIDIARIES**Schedule D. Long-Term Debt****December 31, 2024****(Amounts in Thousands)**

	Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Maturity Date
<u>ACEN</u>	Bank loan A	₱1,500,000	₱95,486	₱420,341	6.50%	July 11, 2029
	Bank loan B	5,000,000	52,632	4,684,210	5.05% - 7.13%	November 14, 2029
	Bank loan C	7,000,000	84,000	6,739,000	5.00% - 7.17%	July 15, 2030
	Bank loan D	4,500,000	45,000	4,387,500	7.00% - 7.25%	March 30, 2031
	Bank loan E	10,000,000	—	6,000,000	6.25% - 6.97%	December 13, 2032
	Bank loan F	10,000,000	5,250	239,500	7.09%	August 17, 2033
	Bank loan G	5,000,000	—	4,670,797	5.13% - 6.61%	July 24, 2029
						April 24, 2030
						October 24, 2033
	Bank loan H	20,000,000	—	2,500,000	6.39% - 6.59%	December 22, 2033
	Bank loan J	5,500,000	—	2,800,000	5.89%	October 24, 2034
			282,368	32,441,348		
	Unamortized debt issue costs		(30,413)	(193,382)		
			251,955	32,247,966		
	Bank loan I	5,500,000	—	2,800,000	6.07% - 6.72%	October 24, 2034
	Unamortized debt issue costs		(5,593)	(40,675)		
			(5,593)	2,759,325		
<u>Guimaras</u>	Bank loan A	2,150,000	87,906	368,357	6.84% - 8.17%	February 14, 2029
	Bank loan B	2,150,000	87,906	276,223	6.84% - 8.17%	February 14, 2029
			175,812	644,580		
	Unamortized debt issue costs		(1,209)	(1,774)		
			174,603	642,806		
<u>NorthWind</u>	Bank loan A	2,300,000	180,090	1,426,920	5.13%	May 29, 2032
	Unamortized debt issue costs		(1,681)	(5,578)		
			178,409	1,421,342		
<u>MONTESOL</u>	Bank loan A	600,000	50,004	499,992	7.15%	September 20, 2035
	Unamortized debt issue costs		(579)	(3,128)		
			49,425	496,864		
<u>SACASOL</u>	Bank loan A	1,400,000	140,000	1,190,000	6.82% - 7.32%	May 22, 2034
<i>(Forward)</i>						
<u>SACASOL</u>	Unamortized debt issue costs		(₱1,711)	(₱7,686)		

Title of Issue and Type of Obligation		Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Maturity Date
			138,289	1,182,314		
<u>ACEN International</u>	Bank loan A	₱7,000,000	–	4,166,274	6.61% - 7.46%	January 31, 2031
	Unamortized debt issue costs		(4,668)	(24,954)		
			(4,668)	4,141,320		
<u>ACEN Cayman</u>	Bank loan A	US\$140,000	–	8,098,300	5.40%	January 23, 2027
	Bank loan B	US\$180,000	208,242	10,099,737	5.31%	January 19, 2029
			208,242	18,198,037		
	Unamortized debt issue costs		(16,225)	(88,453)		
			192,017	18,109,584		
<u>ACRI</u>	Bank loan A	AU\$75,000	–	2,684,638	5.82% - 5.92%	December 7, 2028
	Bank loan B	US\$150,000	–	2,239,346	6.53%	April 15, 2029
	Bank loan C	US\$100,000	–	1,156,900	6.49%	December 7, 2028
	Bank loan D	US\$150,000	–	289,225	6.23%	July 4, 2029
			–	6,370,109		
	Unamortized debt issue costs		–	(200,549)		
			–	6,169,560		
<u>ACEN Australia Pty. Ltd.</u>	Bank loan A	AU\$100,000	–	2,412,293	5.25% - 6.24%	August 18, 2027
	Bank loan B	AU\$140,000	–	5,011,324	4.87% - 6.07%	September 16, 2027
	Bank loan C	AU\$75,000	–	2,397,382	6.43%	October 28, 2027
	Bank loan D	AU\$204,540	6,481,930	(0)	2.90%	December 22, 2025
	Bank loan E	AU\$277,000	–	9,915,264	5.04% - 6.30%	January 6, 2028
	Bank loan F	AU\$75,000	–	243,407	6.05% - 6.18%	February 26, 2028
	Bank loan G	AU\$75,000	–	248,776	6.05% - 6.18%	February 26, 2028
			6,481,930	20,228,446		
	Unamortized debt issue costs		–	–		
			6,481,930	20,228,446		
Long-term loans			₱7,456,367	₱87,399,527		
<u>ACEN Finance</u>	Green bonds	US\$400,000	₱–	₱20,383,600	4.00%	Senior undated fixed-for-life (non-deferrable) Notes with fixed coupon of 4.00% for life, with no step-up and no reset, priced at par.
	Unamortized debt issue costs		–	(36,247)		
	Cumulative translation adjustment		–	2,782,842		
			–	23,130,195		
<u>ACEN</u>	ACEN Fixed rate ASEAN Green Bonds	10,000,000	–	10,000,000	6.05%	September 22, 2027
	Unamortized debt issue costs		–	(73,714)		
			–	9,926,286		
Notes Payable			₱–	₱33,056,481		

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2024
(Amounts in Thousands)

Name of related party	Balance at Beginning of Year	Balance at End of Year
Bank of the Philippine Islands	₱2,367,909	₱4,899,772

Attachment I

ACEN CORPORATION AND SUBSIDIARIES
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee
ACEN Finance Limited (ACEN Finance)	US\$ Green Bonds*	US\$400.00 million senior guaranteed undated notes under the MTN Programme, with ₱23,138.00 million outstanding as at December 31, 2024	None	ACEN unconditionally and irrevocably guarantees that in case the sum payable are not paid by ACEN Finance on the relevant due date, ACEN agrees to pay all such amounts due in accordance with the manner provided for in the agreement.
ACEN Cayman Limited (ACEN Cayman)	Debt instrument	(a) Philippine National Bank for US\$140.00 million with outstanding ₱8,098.30 million, and (b) Rizal Commercial Banking Corporation for US\$180.00 million with outstanding ₱10,307.98 million as at December 31, 2024	None	In case the obligations are not paid by ACEN Cayman on the relevant due date and the applicable cure period has lapsed and the Bank has made a written demand to ACEN Cayman for payment and payment is not made in accordance with the agreement, ACEN shall become liable as principal obligor and pay the Bank such amounts due in accordance with the agreement.
San Carlos Solar Energy, Inc. (SACASOL)	Debt instrument	₱1,400.00 million with ₱1,330.00 million outstanding as at December 31, 2024	None	In case the obligations are not paid by SACASOL on the relevant due date and the applicable cure period has lapsed and the Bank has made a written demand to SACASOL for payment and payment is not made in accordance with the agreement, ACEN shall become liable as principal obligor and pay the Bank such amounts due in accordance with the agreement.
ACEN Australia Pty Ltd. (ACEN Australia)	Debt instrument	AU\$277.00 million with ₱9,915.26 million outstanding balance as at December 31, 2024	None	ACEN irrevocably and unconditionally undertakes that in case ACEN Australia does not pay any amount owing under the agreement when due and the applicable cure period has lapsed and the Bank has made a demand for payment to ACEN Australia and payment is not made in accordance with the agreement, ACEN agrees to pay the Bank such amounts due in accordance with the agreement.

(Forward)

		AU\$140.00 million with ₱5,011.32 million outstanding as at December 31, 2024 AUS 100.00 million with ₱2,412.29 million outstanding balance as at December 31, 2024 AU\$75.00 million with ₱2,397.38 million outstanding balance as at December 31, 2024 AU\$75.00 million with ₱248.78 million outstanding balance as at December 31, 2024 AU\$75.00 million with ₱243.41 outstanding balance as at December 31, 2024		
<i>* Please refer to Note 13 - Short-term Loans, Long-term Loans, and Notes Payable of the 2024 Consolidated Audited Financial Statements for detailed discussion.</i>				

Attachment I

ACEN CORPORATION AND SUBSIDIARIES

Schedule G. Capital Stock

December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued	Treasury Shares	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of shares held by:		
						Related parties	Directors, Officers and Employees	Others
Common	48,300,000,000	39,691,894,773	(14,500,000)	39,677,394,773	919,189,237	29,795,128,371	198,115,287	9,684,151,115
Redeemable Preferred	100,000,000							
Series A (ACENA)		8,341,500	—	8,341,500	—	—	—	8,341,500
Series B (ACENB)		16,658,500	—	16,658,500	—	—	—	16,658,500

Attachment II

ACEN CORPORATION
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

December 31, 2024

(Amounts in Thousands)

Unappropriated Retained Earnings (Deficit), beginning of the reporting period (see Footnote 2)		₱1,431,566
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings appropriation	₱—	
Effect of reinstatements or prior-period adjustments	—	
Others	—	—
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	3,911,549	
Retained Earnings appropriated during the reporting period	—	
Effect of reinstatements or prior-period adjustments	—	
Others	—	3,911,549
Unappropriated Retained Earnings (Deficit), as adjusted		(2,479,983)
Add/Less: Net income (loss) for the current year		5,148,211
Less: Category C.1 Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate / joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(179,233)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	1,544	
Unrealized fair value gain of Investment Property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Subtotal		(177,689)
Add: Category C.2 Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	34,641	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	—	
Realized fair value gain of Investment Property	528	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—	
Subtotal		35,169
Add: Category C.3 Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	—	
Reversal of previously recorded fair value gain of Investment Property	—	
Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—	
Subtotal		—
Adjusted Net Income / Loss		5,005,691

(Forward)

Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Subtotal	—

Add/Less: Category E: Adjustments related to the relief granted by SEC and BSP
(see Footnote 3)

Amortization of the effect of reporting relief	
Total amount of reporting relief granted during the year	—
Others	—
Subtotal	—

Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution

Net movement of the treasury shares (except for reacquisition of redeemable shares)	—
Net movement of the deferred tax asset not considered in reconciling items under previous categories	(34,942)
Net movement of the deferred tax asset and deferred tax liabilities related to same transaction, e.g, set-up of right of use asset and lease liability, set-up of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Others	—
Subtotal	(34,942)

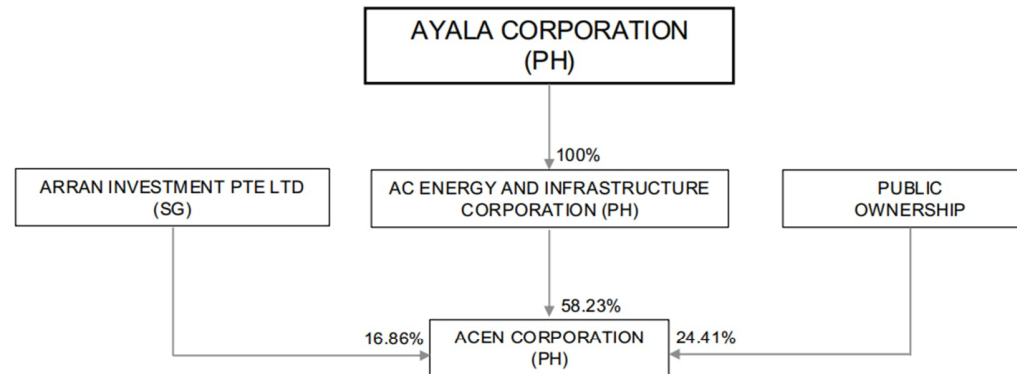
Total Retained Earnings, end of the reporting period available for dividend	₱2,490,766
--	-------------------

FOOTNOTES:

- (1) The amount of retained earnings of the company should be based on its separate (“stand alone”) audited financial statements.
- (2) Unappropriated Retained Earnings, beginning of the reporting period refers to the ending balance as reported in the “Reconciliation of Retained Earnings Available for Dividend Declaration” of the immediately preceding period.
- (3) Adjustments related to the relief provided by SEC and BSP pertain to accounting relief (e.g losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.
- (4) This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec.42 of the Revised Corporate Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT Act and its Implementing Rules and Regulations.

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**



Note:

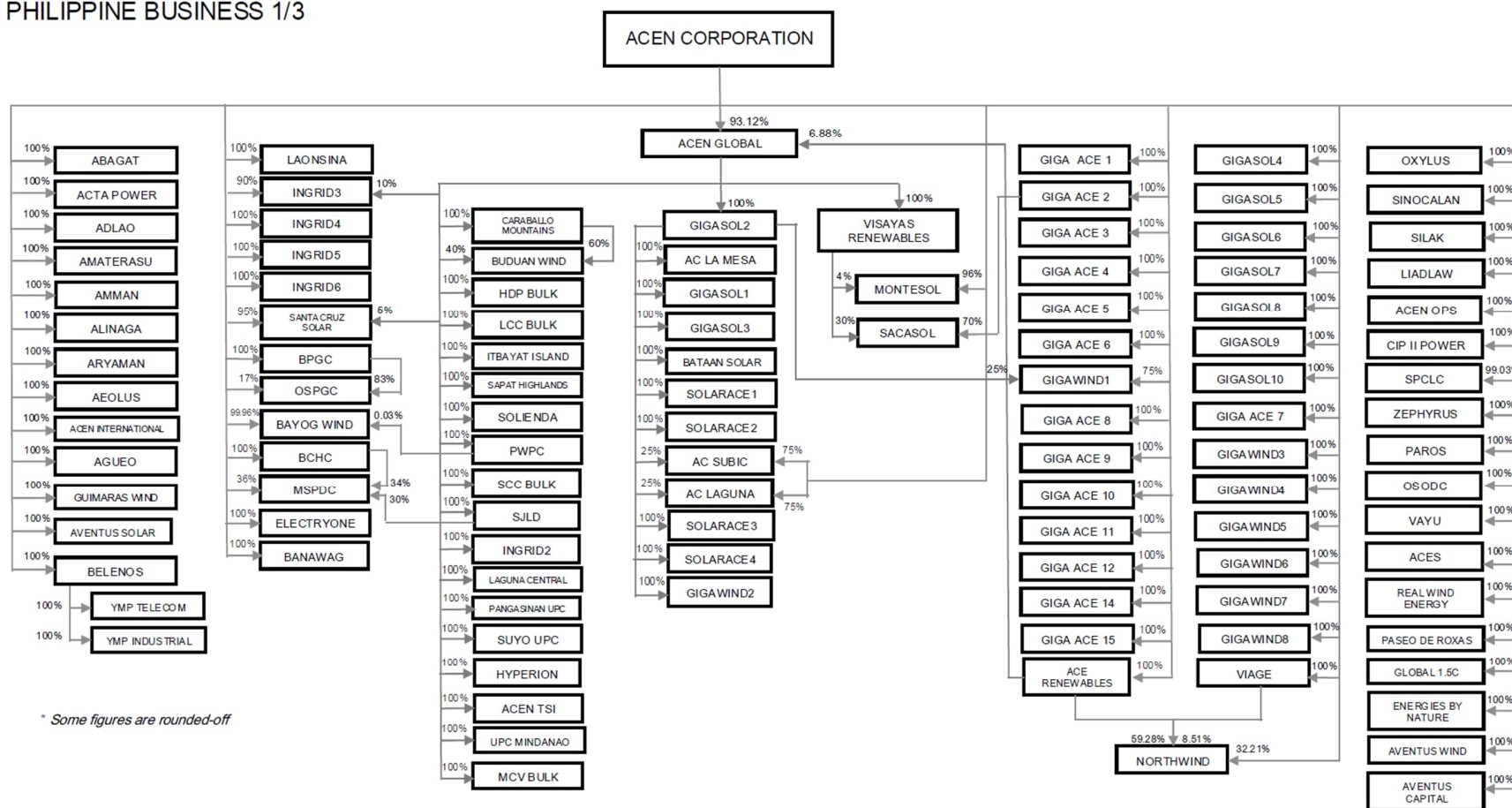
For figures in split form (X%/Y%) as shown in all slides, figures in left represent voting interest, while figures in right represent economic interest.

For figures not in split form, figures represent both voting and economic interest.

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

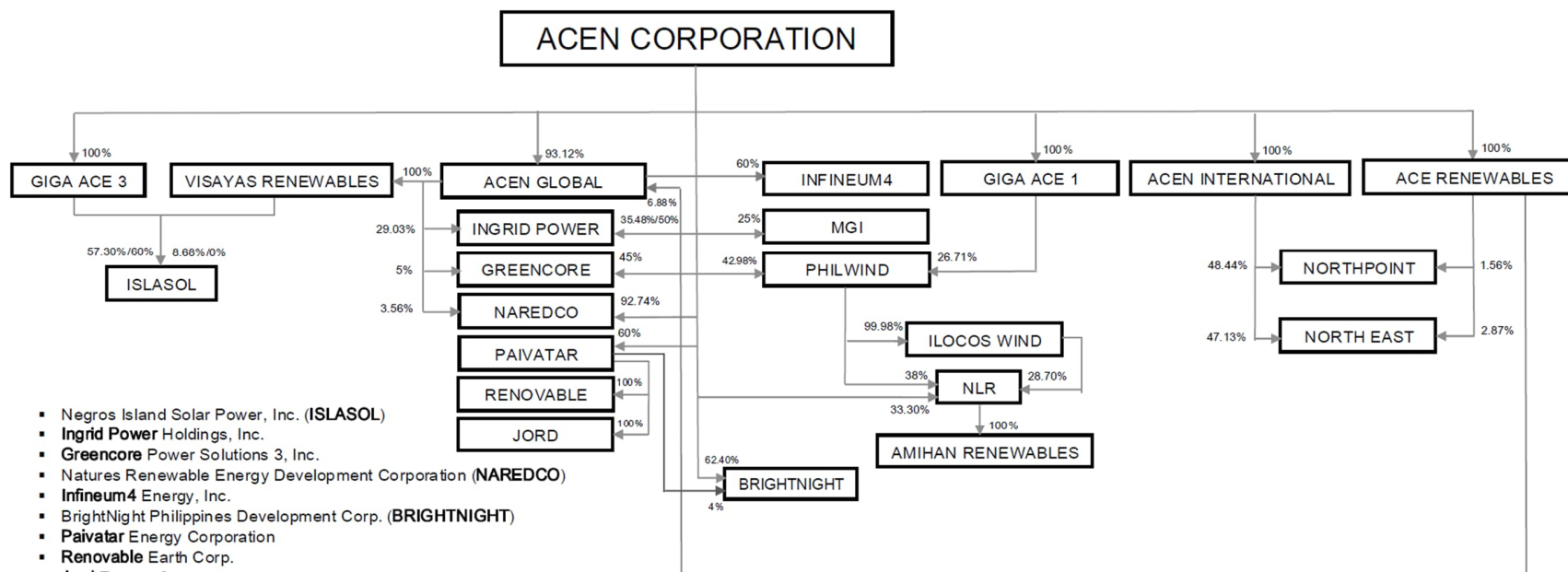
**ACEN WHOLLY-OWNED COMPANIES
PHILIPPINE BUSINESS 1/3**



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

ACEN JOINT VENTURES
PHILIPPINE BUSINESS 2/3

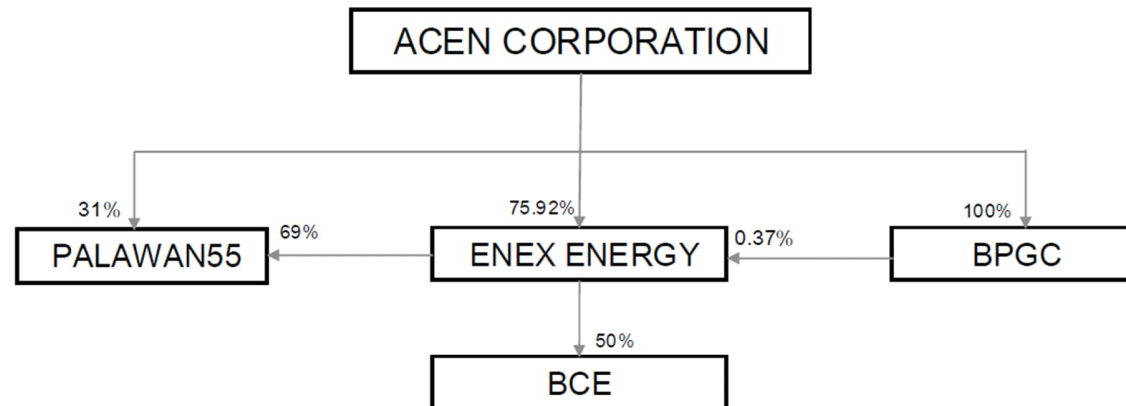


- Negros Island Solar Power, Inc. (ISLASOL)
- Ingrid Power Holdings, Inc.
- Greencore Power Solutions 3, Inc.
- Natures Renewable Energy Development Corporation (NAREDCO)
- Infineum4 Energy, Inc.
- BrightNight Philippines Development Corp. (BRIGHTNIGHT)
- Paivatar Energy Corporation
- Renewable Earth Corp.
- Jord Energy Corp.
- Maibarara Geothermal, Inc. (MGI)
- Philippine Wind Holdings Corp. (PHILWIND)
- Ilocos Wind Energy Holding Co., Inc. (ILOCOS WIND)
- North Luzon Renewable Energy Corp. (NLR)
- Amihan Renewable Energy Corp.
- ACE Renewables Philippines, Inc.
- Northpoint Wind Power Development Corporation
- North East Wind Systems Corporation

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

ACEN - ENEX COMPANIES
PHILIPPINE BUSINESS 3/3

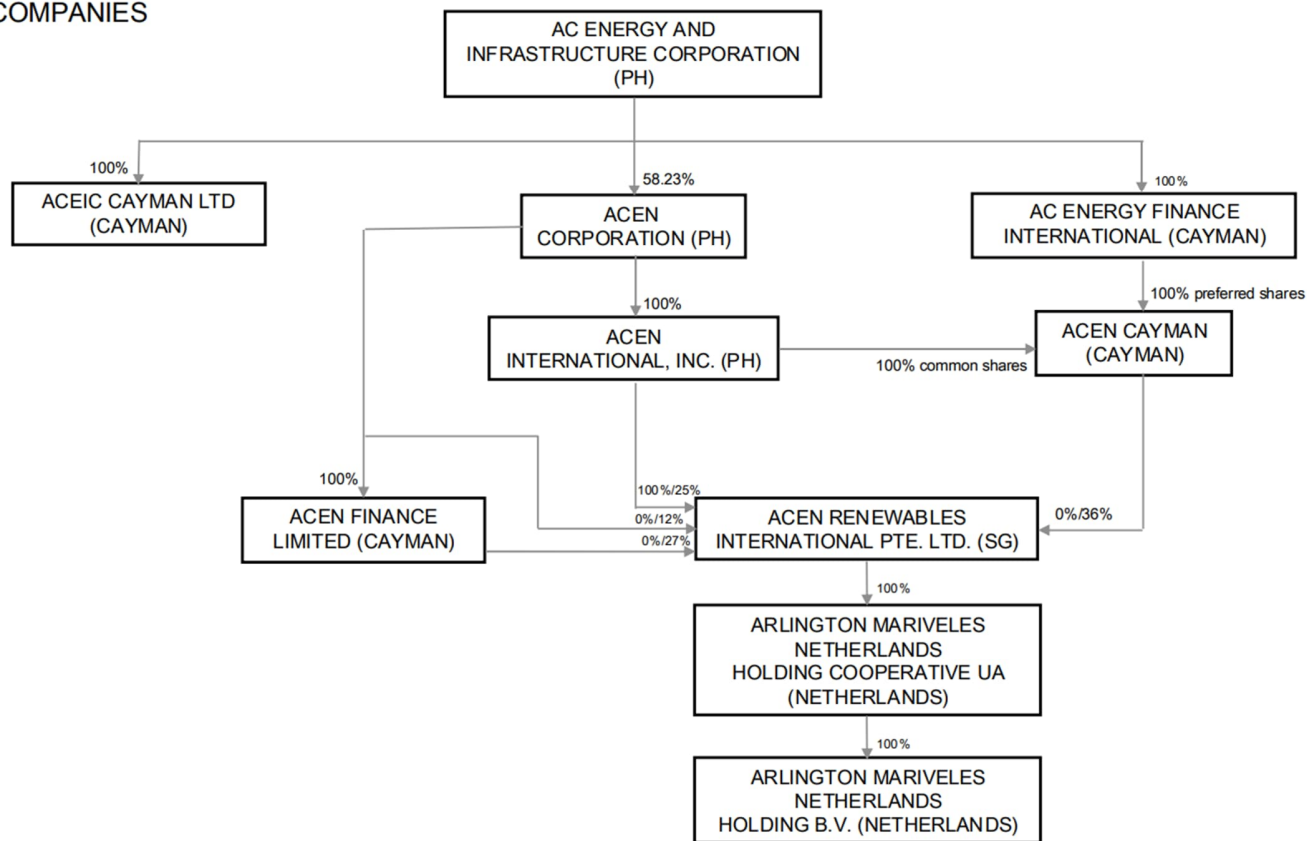


- **Enex Energy** Corporation (PSE-Listed Company)
- **Palawan55** Exploration and Production Corp.
- Bulacan Power Generating Corp. (BPGC)
- Batangas Clean Energy, Inc. (BCE)

**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

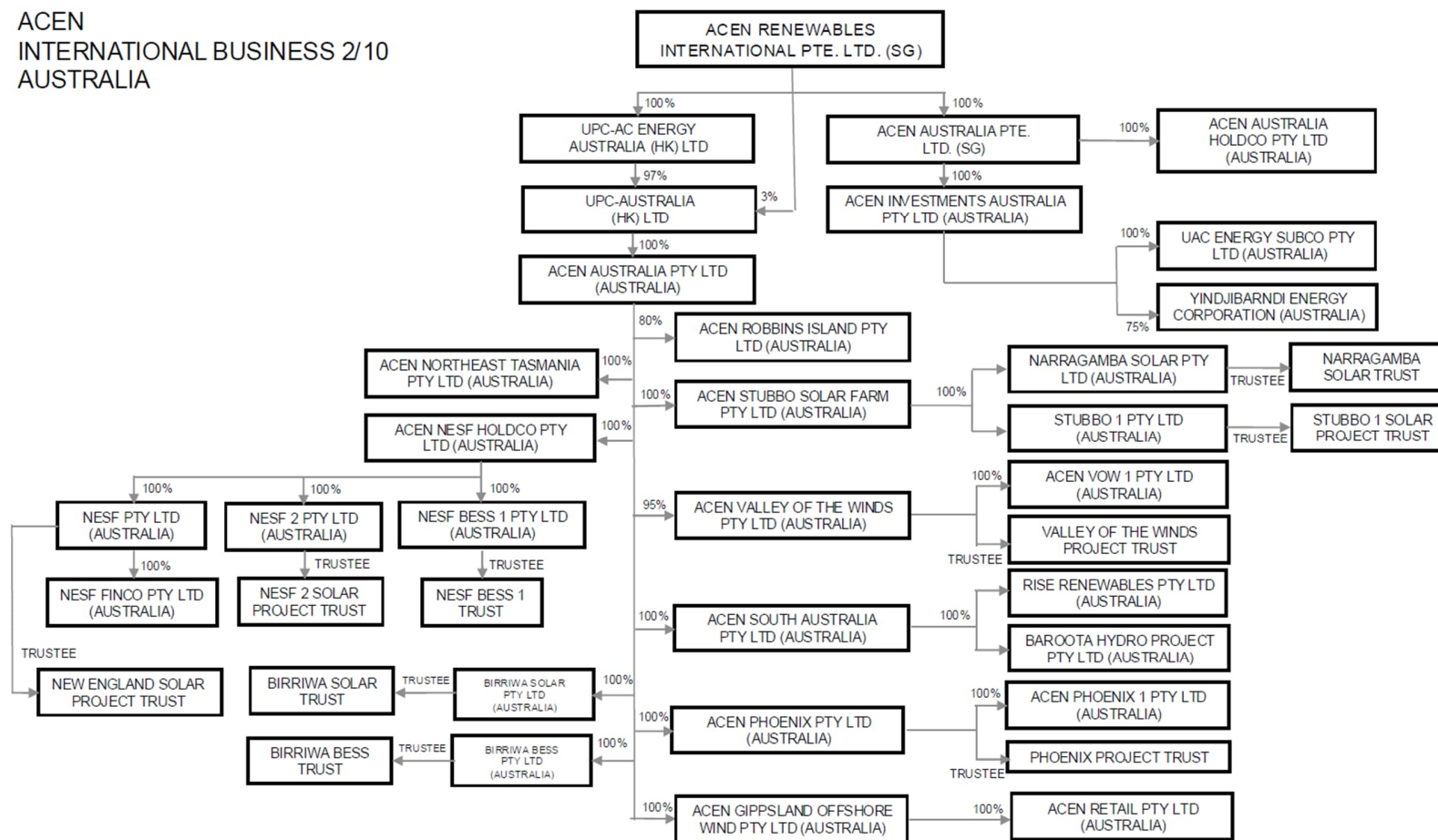
ACEN INTERNATIONAL BUSINESS 1/10
HOLDING COMPANIES



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

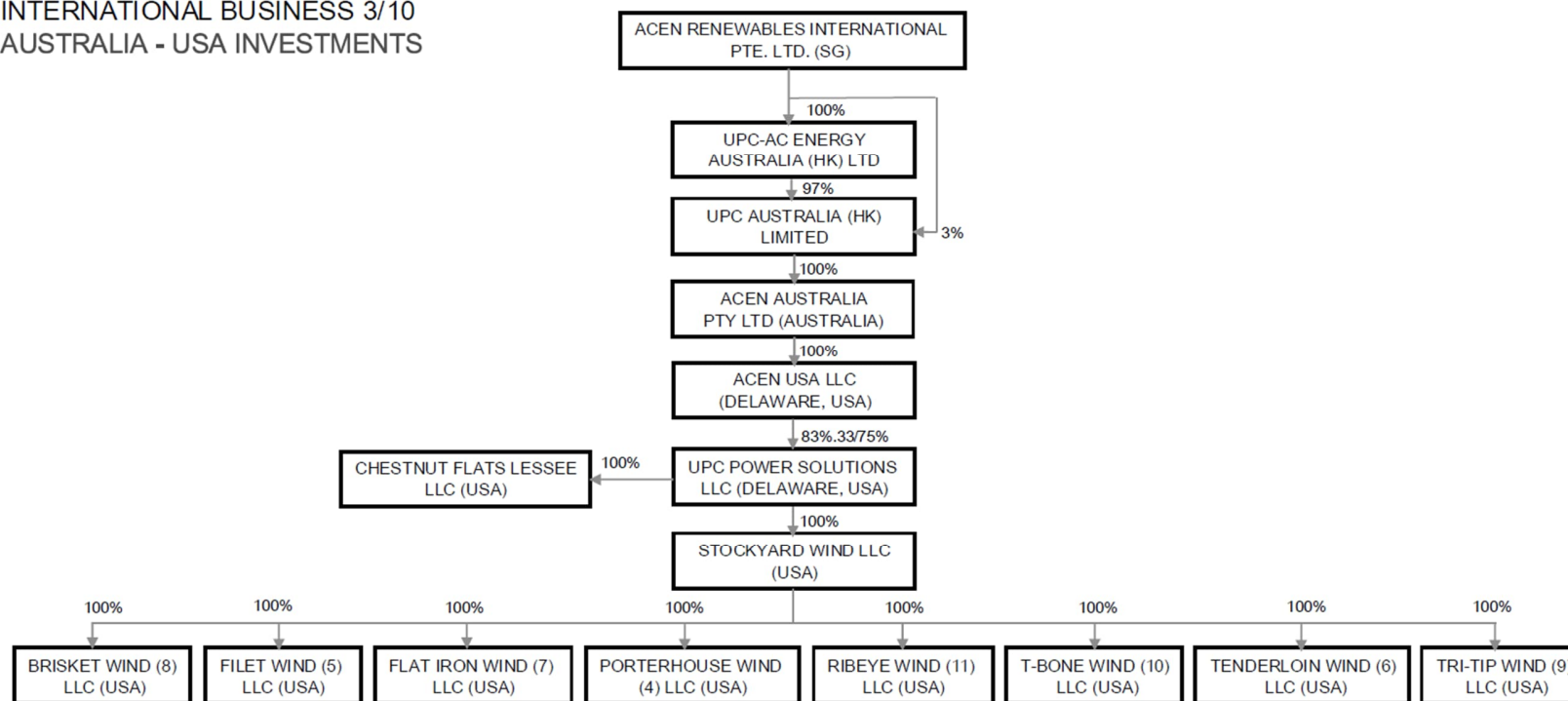
ACEN
INTERNATIONAL BUSINESS 2/10
AUSTRALIA



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

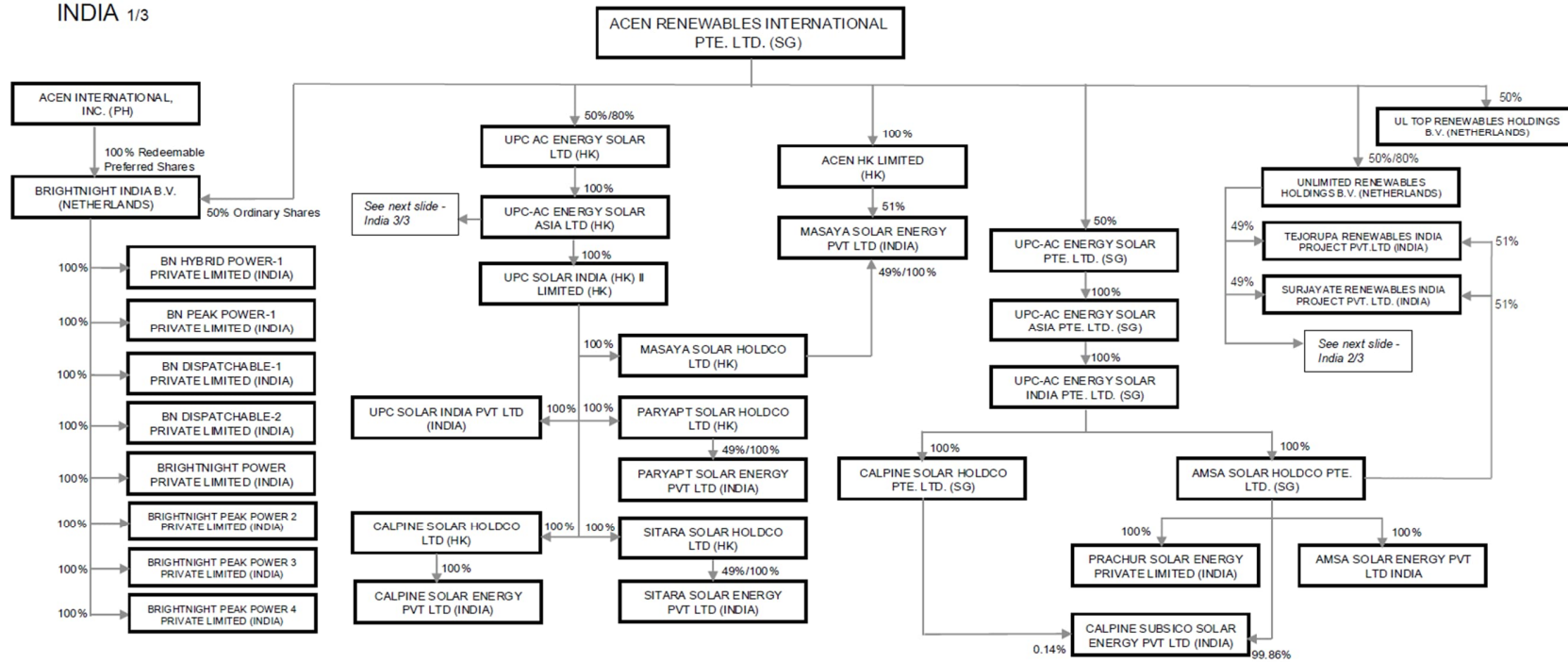
ACEN
INTERNATIONAL BUSINESS 3/10
AUSTRALIA - USA INVESTMENTS



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

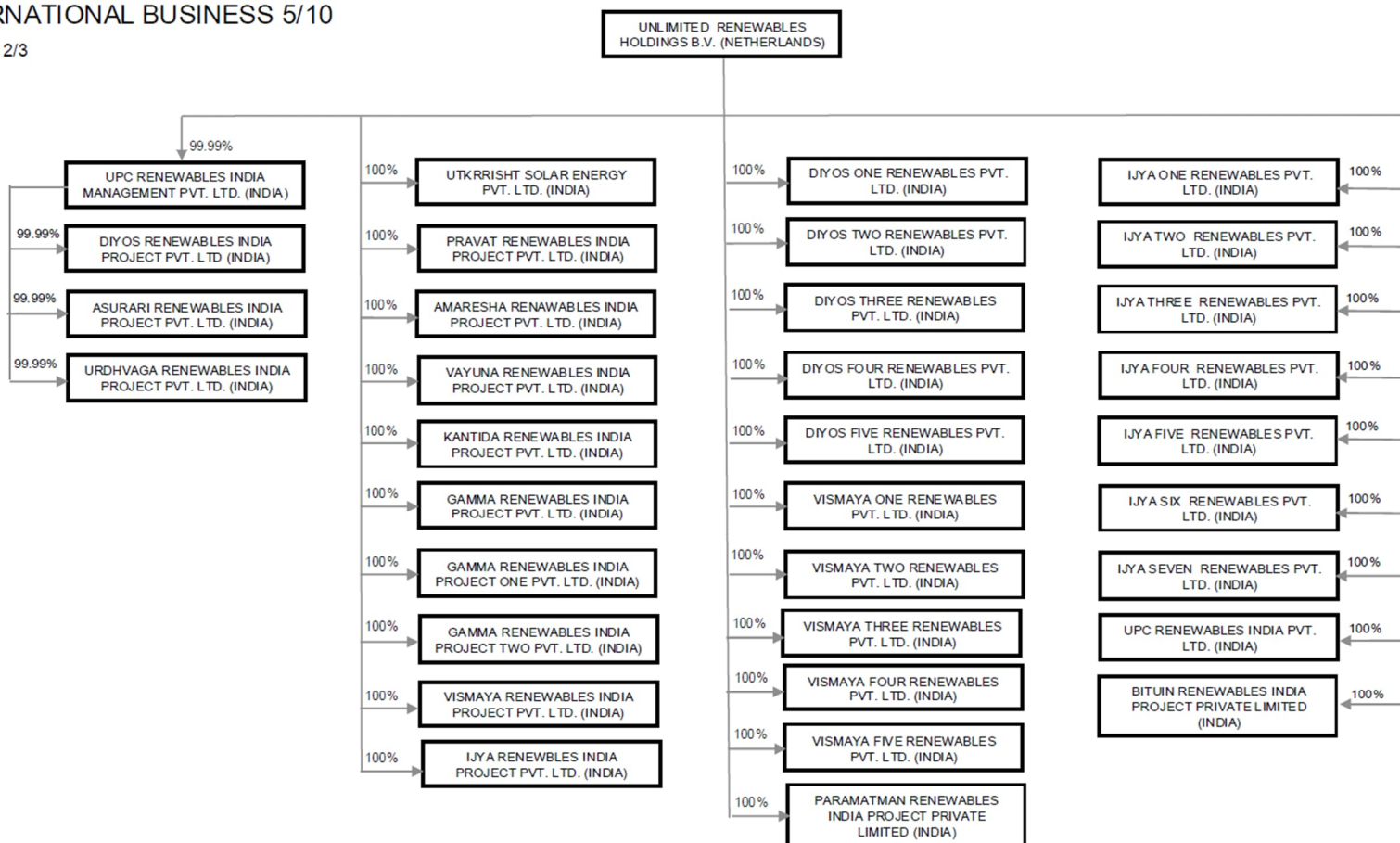
ACEN
INTERNATIONAL BUSINESS 4/10
INDIA 1/3



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

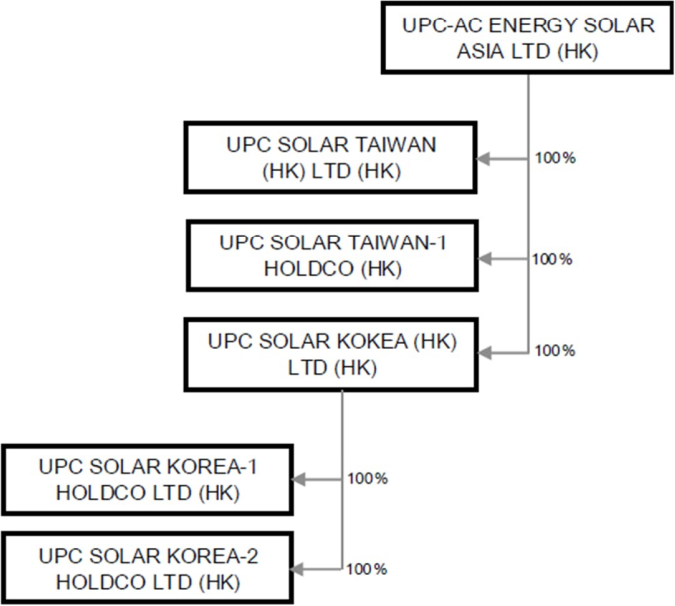
ACEN
INTERNATIONAL BUSINESS 5/10
INDIA 2/3



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

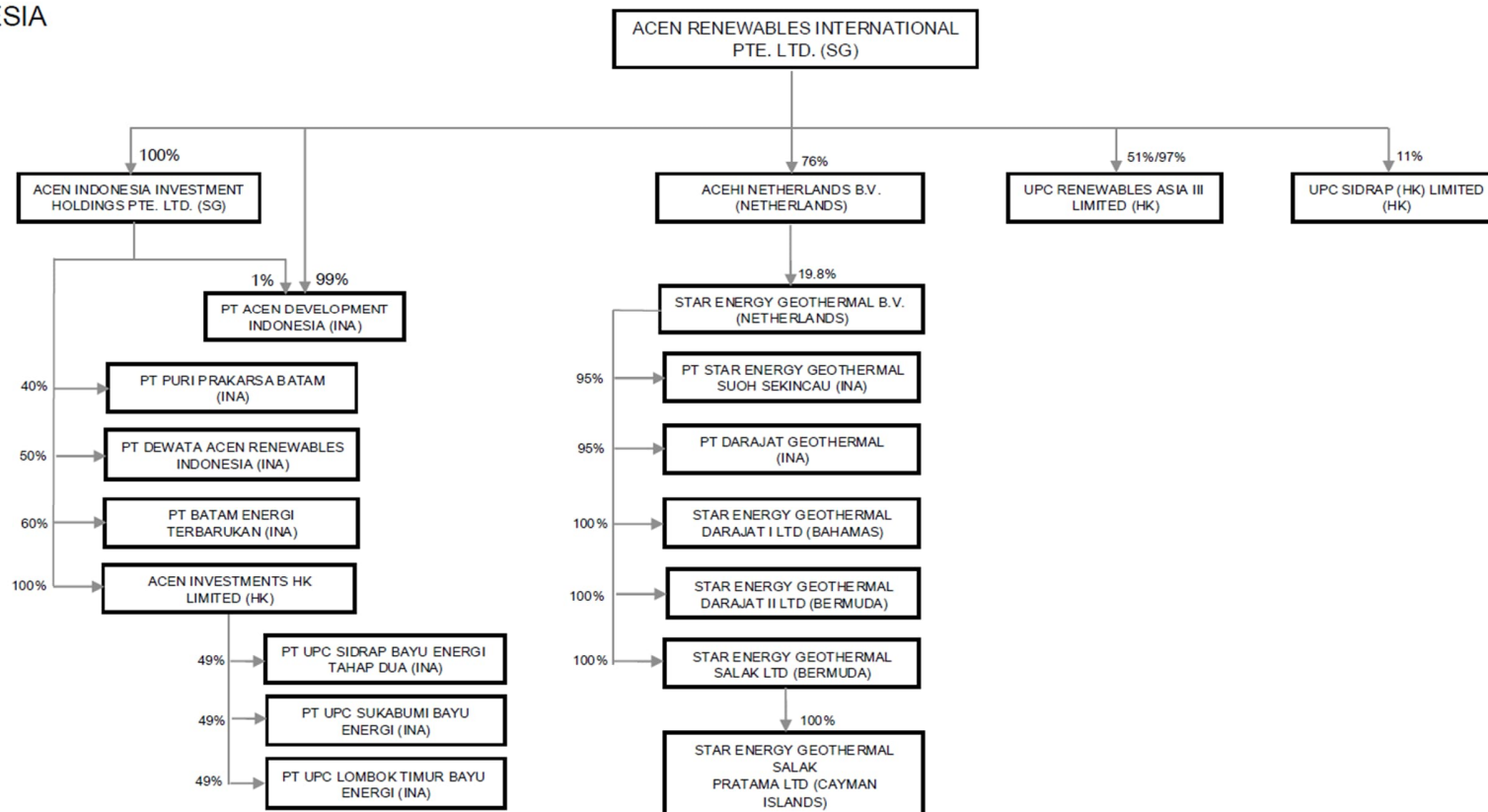
ACEN
INTERNATIONAL BUSINESS 6/10
INDIA 3/3



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

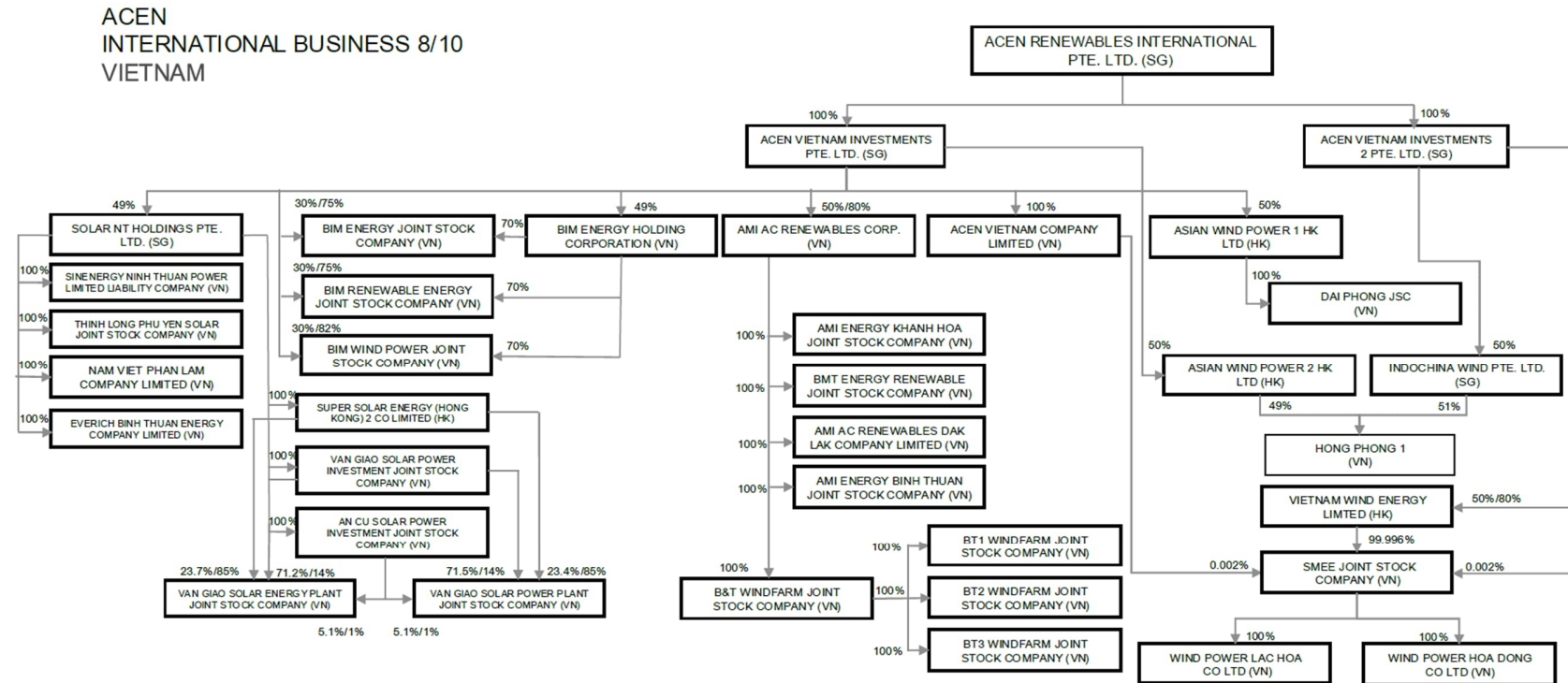
**Conglomerate Map
As of December 31, 2024**

ACEN
INTERNATIONAL BUSINESS 7/10
INDONESIA



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

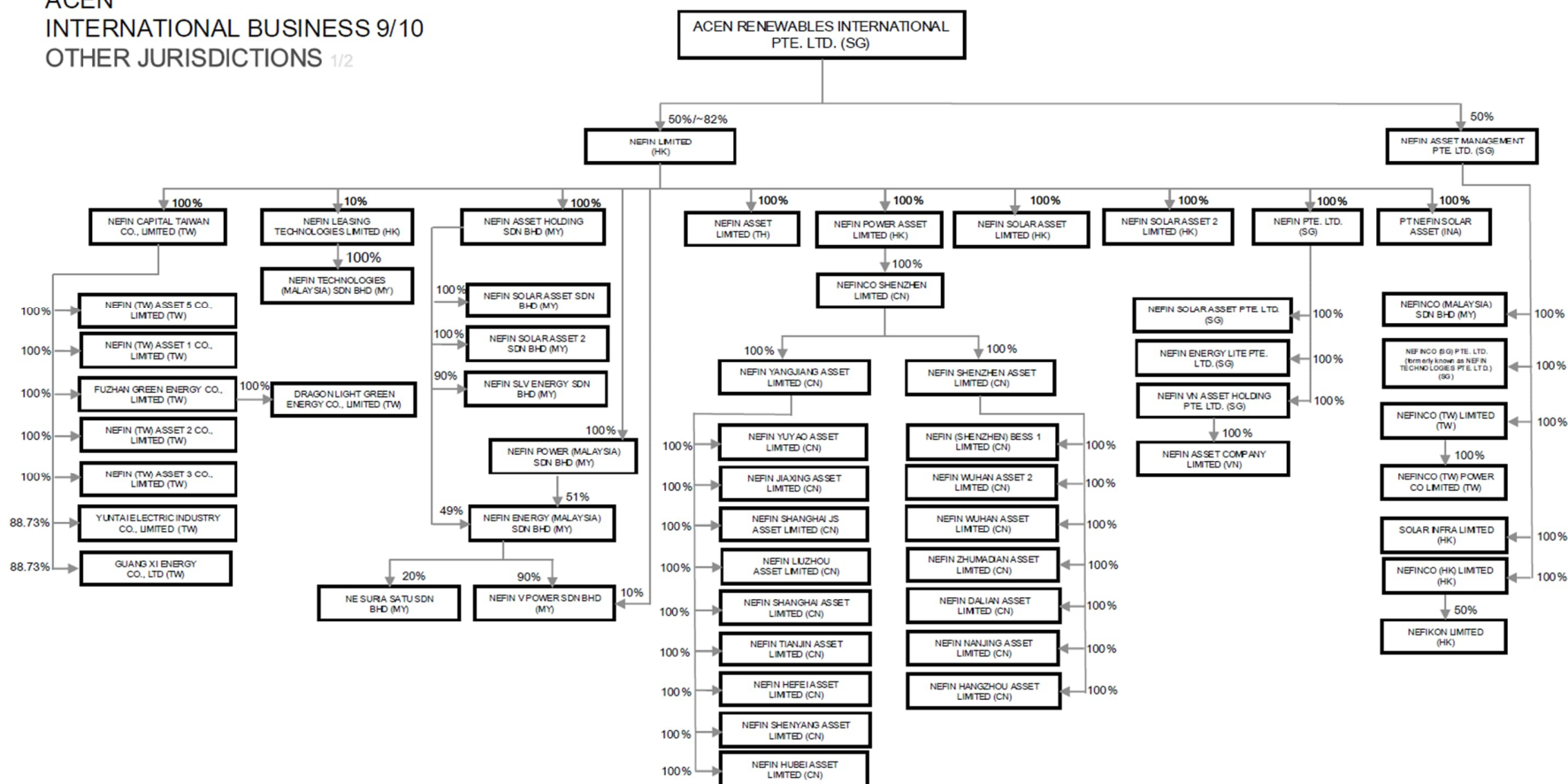
**Conglomerate Map
As of December 31, 2024**



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

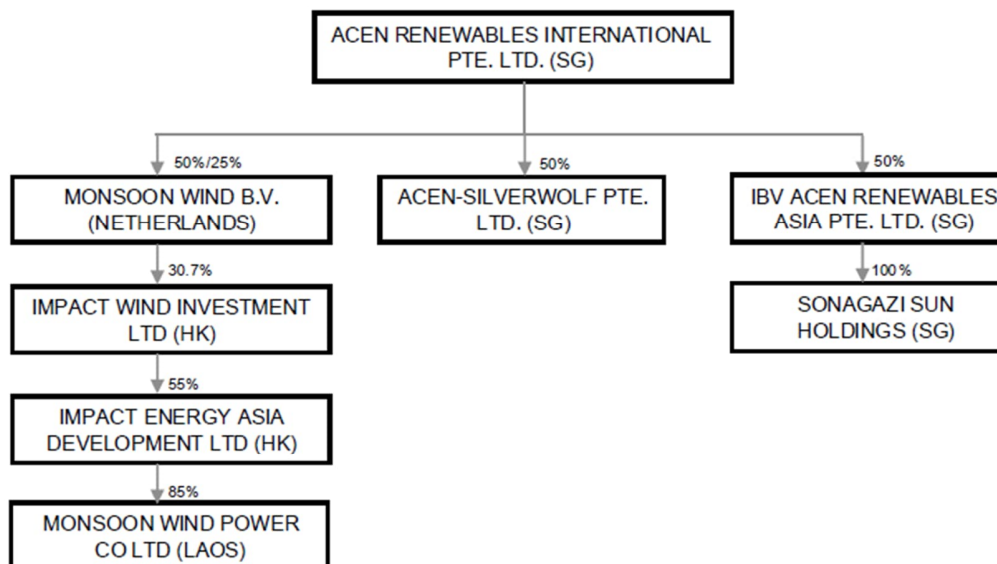
ACEN
INTERNATIONAL BUSINESS 9/10
OTHER JURISDICTIONS 1/2



**ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

**Conglomerate Map
As of December 31, 2024**

ACEN
INTERNATIONAL BUSINESS 10/10
OTHER JURISDICTIONS 2/2



ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

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

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

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

**SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING
OF SECURITIES TO THE PUBLIC**

**ACEN CORPORATION
As at December 31, 2024
(Amounts in Thousands)**

1. Gross and net proceeds as indicated in the final prospectus

	Preferred Shares Offering
Gross proceeds	₱25,000,000
Net proceeds	₱24,831,983

2. Actual gross and net proceeds

	Preferred Shares Offering
Gross proceeds	₱25,000,000
Net proceeds	₱24,848,833

3. Each expenditure item where the proceeds were used

Net Proceeds		₱24,848,833
Refinancing of short-term bridge loans for Eligible Green Projects		4,000,000
Financing of Eligible Green Projects		
Zambales Solar Projects	8,602,833	
IslaWind Power	7,425,000	
Palauig 2 Solar	2,440,000	
Pangasinan Solar	1,722,000	
Cagayan North Solar	659,000	20,848,833
Balance as at December 31, 2024		<u>₱—</u>

4. Balance of the proceeds as at the end of reporting period

The balance of the proceeds as of December 31, 2024 is nil.

Attachment VI

ACEN CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
For the year ended December 31, 2024
(Amounts in Thousands)

	2024	2023
Total Audit Fees	₱11,851	₱10,412
Non-audit services fees:		
Other assurance services	5,498	7,500
Tax services	1,746	253
All other services	1,073	111
Total Non-audit Fees	8,317	7,864
Total Audit and Non-audit Fees	₱20,168	₱18,276