

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

A	C		E	N	E	R	G	Y		A	N	D		I	N	F	R	A	S	T	R	U	C	T	U	R	E		
C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		

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

3	5	T	H		F	L	O	O	R	,		A	Y	A	L	A		T	R	I	A	N	G	L	E			
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M	A	K	A	T	I		C	I	T	Y		1	2	2	6													

Form Type

A	A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If
Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

cecile.cruzabra@acenrenewables.com

Company's Telephone Number

(632) 7730-6300

Mobile Number

N/A

No. of Stockholders

8

Annual Meeting (Month / Day)

Any date in April of each year

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ma. Cecilia T. Cruzabra

Email Address

cecile.cruzabra@acenrenewables.com

Telephone Number/s

(632) 7730-6300

Mobile Number

N/A

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**

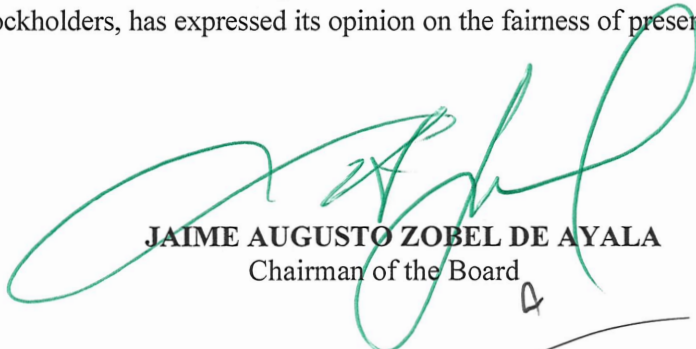
The management of **AC Energy and Infrastructure Corporation and Subsidiaries**, (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2024 and 2023, and for the years ended December 31, 2024 and 2023, 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 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.

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.



JAIME AUGUSTO ZOBEL DE AYALA
Chairman of the Board



JOHN ERIC T. FRANCIA
President & Chief Executive Officer



MA. CECILIA T. CRUZABRA
Treasurer & Chief Finance Officer

Signed this 8th day of April 2025

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
AC Energy and Infrastructure Corporation
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue,
Makati City 1226

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AC Energy and Infrastructure Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and consolidated its cash flows for the years then ended 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.

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 statement, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

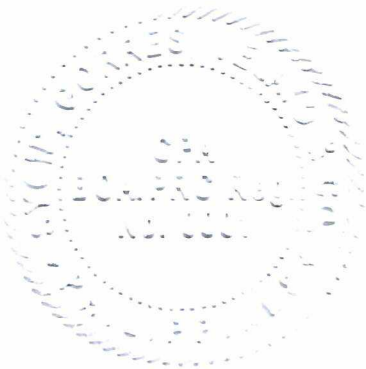
Tax Identification No. 164-533-282

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

BIR Accreditation No. 08-001998-071-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465361, January 2, 2025, Makati City

April 8, 2025



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

		December 31	
	Notes	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 21	₱27,773,320	₱40,865,927
Short-term investments		161,966	–
Current portion of:			
Receivables	5, 19	22,975,488	27,070,686
Input value-added taxes (VAT)		2,812,571	2,083,267
Creditable withholding tax		360,841	102,984
Investment in:			
Financial assets at fair value through profit or loss (FVTPL)	20	5,705,248	1,939,401
Financial assets at fair value through other comprehensive income (FVOCI)		–	315,475
Other current assets	11	2,584,779	1,989,329
Total Current Assets		62,374,213	74,367,069
Noncurrent Assets			
Investments in:			
Associates and joint ventures	6	58,917,152	45,102,454
Redeemable preferred shares and convertible loans	7, 21	17,828,524	21,633,799
Financial assets at FVOCI	21	12,673,914	6,193,903
Financial assets at FVTPL	21	921,787	1,932,975
Property, plant and equipment	8	120,177,653	90,296,105
Right-of-use assets	9	8,793,175	8,568,194
Investment property		415,854	415,854
Noncurrent portion of:			
Receivables	5, 19	62,843,538	52,243,107
Input VAT		3,044,816	3,235,846
Creditable withholding tax		4,412,442	3,110,254
Intangible assets:	10		
Goodwill		24,311,216	22,016,334
Other intangible assets		2,211,735	2,075,660
Deferred income tax assets – net	18	3,418,171	2,224,238
Other noncurrent assets	11	12,395,450	9,559,321
Total Noncurrent Assets		332,365,427	268,608,044
TOTAL ASSETS		₱394,739,640	₱342,975,113

(Forward)



		December 31	
	Notes	2024	2023
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	12, 21	₱13,617,081	₱15,678,117
Short-term loans	13, 21	5,600,000	1,500,000
Current portion of:			
Notes payable	13, 21	—	19,933,643
Loans payable	13, 21	7,583,997	1,496,351
Lease liabilities	9, 21	1,896,328	855,190
Other current liabilities	14, 21	1,671,591	1,462,501
Total Current Liabilities		30,368,997	40,925,802
Noncurrent Liabilities			
Noncurrent portion of:			
Notes payable	13, 21	56,724,038	54,634,283
Loans payable	13, 21	101,650,769	57,799,561
Lease liabilities	9, 21	12,645,561	7,543,414
Deferred income tax liabilities – net	18	2,194,665	1,288,295
Other noncurrent liabilities	15, 21	7,925,772	7,084,411
Total Noncurrent Liabilities		181,140,805	128,349,964
Total Liabilities		211,509,802	169,275,766
Equity			
Paid-in capital	16	33,537,221	33,537,221
Equity reserves	16	10,517,409	10,517,409
Remeasurement loss on defined benefit obligation		(102,776)	(106,742)
Unrealized fair value loss on equity instruments at FVOCI		(2,986,100)	(95,745)
Unrealized fair value gain (loss) on derivative instruments			
designated as hedges	21	(661,565)	561,130
Cumulative translation adjustments		7,325,046	4,816,537
Retained earnings	16	51,852,154	41,393,439
Treasury shares	16	(9,184,284)	(9,184,284)
Total equity attributable to equity holders of the Parent			
Company		90,297,105	81,438,965
Non-controlling interests	2, 16	92,932,733	92,260,382
Total Equity		183,229,838	173,699,347
TOTAL LIABILITIES AND EQUITY		₱394,739,640	₱342,975,113

See accompanying Notes to Consolidated Financial Statements.



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

		Years Ended December 31	
	Notes	2024	2023
REVENUE			
Rendering of services	17	₱36,671,202	₱36,544,489
Equity in net earnings of associates and joint ventures	6	4,622,839	6,938,506
Rental income		189,905	182,431
Others		917,663	124,720
		42,401,609	43,790,146
COST AND EXPENSES			
Cost of power operations	17	27,379,262	31,890,238
Salaries, wages and employee benefits		2,087,318	1,466,995
Provisions for impairment losses	5, 7, 8	1,149,723	3,001,493
Professional fees		909,833	801,909
Taxes and licenses		689,947	321,614
Depreciation and amortization	8, 9, 10	635,206	440,572
Contracted services		215,456	119,140
Insurance		143,679	31,688
Retirement and other benefits expense		119,932	122,385
Transportation and travel		117,140	134,391
Management fee		82,064	85,218
Repairs and maintenance		38,778	69,481
Supplies		22,771	20,530
Postal and communication		22,069	13,817
Entertainment, amusement and recreation		21,521	14,173
Others		871,651	814,854
		34,506,350	39,348,498
OTHER INCOME (EXPENSES) - net			
Interest income	4, 5, 7, 19	10,751,652	9,867,769
Interest expense and other financing charges	9, 13	(5,386,629)	(4,672,188)
Gain on acquisition and disposal of investments	2, 5, 6	1,566,736	2,361,275
Foreign exchange gains – net		909,686	15,290
Mark-to-market losses – net		114,670	(284,220)
Gain on remeasurement of retained interest	2	–	3,433,328
Other income	5, 17	1,683,848	934,000
		9,639,963	11,655,254
INCOME BEFORE INCOME TAX		17,535,222	16,096,902
PROVISION FOR INCOME TAX		1,109,260	397,830
NET INCOME		₱16,425,962	₱15,699,072
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		₱12,515,788	₱12,583,029
Non-controlling interests		3,910,174	3,116,043
		₱16,425,962	₱15,699,072



		Years Ended December 31	
	Notes	2024	2023
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustments		₱2,657,855	(₱1,074,387)
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		(1,289,611)	261,843
<i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:</i>			
Net changes in the fair market value of financial assets at FVOCI		(2,810,164)	(73,243)
Remeasurement loss on defined benefit obligation - net of tax		(71,012)	(21,166)
		(1,512,932)	(906,953)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES			
	6		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustments		(144,836)	(58,273)
Unrealized fair value gain on derivative instruments designated as hedges - net of tax		66,916	18,779
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gain (loss) on defined benefit obligation - net of tax		17,904	(27,031)
		(60,016)	(66,525)
TOTAL OTHER COMPREHENSIVE LOSS		(₱1,572,948)	(₱973,478)
TOTAL COMPREHENSIVE INCOME		₱14,853,014	₱14,725,594
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		₱10,938,330	₱11,533,403
Non-controlling interests		3,914,684	3,192,191
		₱14,853,014	₱14,725,594

See accompanying Notes to Consolidated Financial Statements.



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company										Non-controlling Interests (Note 16)	Total
	Common Shares (Note 16)	Redeemable Preferred Shares (Note 16)	Equity Reserves (Note 16)	Remeasurement (Loss) Gain on Defined Benefit Obligation	Unrealized Fair Value Loss (Gain) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on Derivative Instruments Designated as Hedges	Cumulative Translation Adjustments	Retained Earnings (Note 16)	Treasury Shares (Note 16)			
BALANCES AT JANUARY 1, 2024	₱15,986,599	₱17,550,622	₱10,517,409	(₱106,741)	(₱95,745)	₱561,130	₱4,816,537	₱41,393,439	(₱9,184,284)	₱81,438,966	₱92,260,382	₱173,699,348
Net income	–	–	–	–	–	–	–	12,515,788	–	12,515,788	3,910,174	16,425,962
Other comprehensive income (loss)	–	–	–	(71,012)	(2,810,164)	(1,289,611)	2,653,345	–	–	(1,517,442)	4,510	(1,512,932)
Share in other comprehensive income (loss) of associates and joint ventures (Note 6)	–	–	–	17,904	–	66,916	(144,836)	–	–	(60,016)	–	(60,016)
Total comprehensive income (loss)	–	–	–	(53,108)	(2,810,164)	(1,222,695)	2,508,509	12,515,788	–	10,938,330	3,914,684	14,853,014
Dividends (Note 16)	–	–	–	–	–	–	–	(2,000,000)	–	(2,000,000)	(2,761,995)	(4,761,995)
Transfer of remeasurement loss on defined benefit obligation (Note 16)	–	–	–	57,073	–	–	–	(57,073)	–	–	–	–
Redemption of financial assets at FVOCI (Note 2)	–	–	–	–	(80,191)	–	–	–	–	(80,191)	–	(80,191)
Capital redemption of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	(320,441)	(320,441)
Capital infusion of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	20,428	20,428
Acquisition of non-controlling interest in a subsidiary (Note 16)	–	–	–	–	–	–	–	–	–	–	(180,325)	(180,325)
	–	–	–	57,073	(80,191)	–	–	(2,057,073)	–	(2,080,191)	(3,242,333)	(5,322,524)
BALANCES AT DECEMBER 31, 2024	₱15,986,599	₱17,550,622	₱10,517,409	(₱102,776)	(₱2,986,100)	(₱661,565)	₱7,325,046	₱51,852,154	(₱9,184,284)	₱90,297,105	₱92,932,733	₱183,229,838

(Forward)



Attributable to Equity Holders of the Parent Company

	Common Shares (Note 16)	Redeemable Preferred Shares (Note 16)	Equity Reserves (Note 16)	Remeasurement (Loss) Gain on Defined Benefit Obligation	Unrealized Fair Value Loss (Gain) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on Derivative Instruments Designated as Hedges	Cumulative Translation Adjustments	Retained Earnings (Note 16)	Treasury Shares (Note 16)	Total	Non-controlling Interests (Note 16)	Total
BALANCES AT JANUARY 1, 2023	₱15,986,599	₱17,550,622	₱13,382,014	(₱58,545)	(₱22,502)	₱280,508	₱6,025,345	₱30,817,565	(₱9,184,284)	₱74,777,322	₱67,734,423	₱142,511,745
Net income	—	—	—	—	—	—	—	12,583,029	—	12,583,029	3,116,043	15,699,072
Other comprehensive income (loss)	—	—	—	(21,166)	(73,243)	261,843	(1,150,535)	—	—	(983,101)	76,148	(906,953)
Share in other comprehensive income (loss) of associates and joint ventures (Note 6)	—	—	—	(27,031)	—	18,779	(58,273)	—	—	(66,525)	—	(66,525)
Total comprehensive income (loss)	—	—	—	(48,197)	(73,243)	280,622	(1,208,808)	12,583,029	—	11,533,403	3,192,191	14,725,594
Dividends (Note 16)	—	—	—	—	—	—	—	(2,000,000)	—	(2,000,000)	(1,152,587)	(3,152,587)
Capital infusion of non-controlling interest in a subsidiary (Note 16)	—	—	—	—	—	—	—	—	—	—	24,478,932	24,478,932
Acquisition of non-controlling interest in a subsidiary (Notes 2 and 16)	—	—	(2,864,605)	—	—	—	—	—	—	(2,864,605)	(1,992,577)	(4,857,182)
Changes due to loss of control	—	—	—	—	—	—	—	(7,155)	—	(7,155)	—	(7,155)
	—	—	(2,864,605)	—	—	—	—	(2,007,155)	—	(4,871,760)	21,333,768	16,462,008
BALANCES AT DECEMBER 31, 2023	₱15,986,599	₱17,550,622	₱10,517,409	(₱106,742)	(₱95,745)	₱561,130	₱4,816,537	₱41,393,439	(₱9,184,284)	₱81,438,965	₱92,260,382	₱173,699,347



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

		Years Ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱17,535,222	₱16,096,902
Adjustments for:			
Interest income	4, 5, 7, 19	(10,751,652)	(9,867,769)
Interest expense and other financing charges	9, 19	5,386,629	4,672,188
Equity in net earnings of associates and joint ventures	6	(4,622,839)	(6,938,506)
Depreciation and amortization	8, 9, 10	2,658,265	1,647,991
Unrealized foreign exchange loss (gain) - net		(754,062)	28,561
Dividend income		(598,669)	—
Pension and other employee benefits		131,352	131,313
Mark-to-market losses		(32,679)	3,271
Provision for (reversal of):			
Impairment loss(recovery) on:			
Redeemable preferred shares and convertible loans		(93,695)	1,860,969
Property, plant and equipment	8	3,557	4,569
Advances to contractors		3,035	6,385
Expected credit losses		1,219,229	1,124,734
Loss (gain) on:			
Acquisition and disposal of investments	2	(1,214,531)	(2,323,938)
Sale and leaseback	9	(1,035,334)	—
Early redemption of convertible loan		(389,182)	—
Fair value adjustment on financial asset at FVTPL		147,349	262,383
Settlement of derivatives		(138,372)	31,268
Sale of property, plant and equipment		(46,416)	1,562
Sale of financial asset at FVTPL		(61,603)	(49,929)
Discount on long-term receivables		31,146	33,594
Remeasurement gain on investments	2	—	(3,433,327)
Settlement of development loan	5	—	(515,000)
Recovery of tax credit certificate on real property tax		—	(8,538)
Operating income before working capital changes		7,376,750	2,768,683
Decrease (increase) in:			
Trade receivables		5,894,609	(2,842,353)
Other assets		(3,129,731)	(1,123,516)
Input VAT		(535,915)	(621,936)
Increase (decrease) in:			
Accounts and other payables		(431,054)	25,621
Other liabilities		324,331	426,426
Cash generated from operating activities		9,498,990	(1,367,075)
Income taxes paid including CWTs withheld		(1,218,688)	(755,249)
Interest received		1,183,607	1,651,935
Net cash flows generated from (used in) operating activities		9,463,909	(470,389)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment	8	(33,815,146)	(27,525,927)
Financial assets at FVTPL		(21,986,011)	(6,672,399)
Investments in associates and joint ventures	6	(11,835,030)	(4,564,786)
Notes receivables	5, 19	(4,893,482)	(9,025,351)
Investments in redeemable preferred shares and subscription deposits	7	(1,893,212)	(3,927,671)
Financial assets at FVOCI		(1,108,163)	(5,604,075)
Advances for land acquisition	11	(767,568)	(437,749)
Investments in subsidiaries, net of cash acquired	20	(569,802)	53,165
Other intangible asset	10	(298,342)	(85,652)
Short-term investments		(161,966)	—
Convertible loans	7	—	(1,807,639)

(Forward)



Years Ended December 31			
	Notes	2024	2023
Proceeds from:			
Sale of investments in financial assets at FVTPL		₱18,289,592	₱4,131,285
Collection of notes receivables	5, 19	5,403,653	17,311,928
Redemption of financial assets at FVOCI		3,177,075	—
Redemption of redeemable preferred shares	7	1,389,659	323,987
Redemption of financial assets at FVTPL		587,989	—
Redemption of convertible loans	7	389,267	2,341,774
Sale of property, plant and equipment		63,939	16,260
Change due to loss of control, net of cash surrender	2	208,727	3,945,443
Return of capital from a joint venture		—	228,312
Short-term investment	11	—	528
Dividends received from investments in:			
Associates and joint ventures	6	4,061,253	1,362,464
Financial assets at FVOCI		598,669	—
Interest received		2,992,726	7,089,844
Net cash used in investing activities		(40,166,173)	(22,846,259)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of loans payable	13	47,870,871	20,086,442
Availment of short-term loans	13	26,100,000	9,000,000
Capital infusion of non-controlling interests in a subsidiary	2, 16	20,428	25,000,000
Payments of:			
Short-term loans	13	(17,800,000)	(10,400,000)
Notes payable		(20,824,200)	—
Interest expense, including capitalized borrowing cost	23	(9,776,230)	(5,290,662)
Dividends	16	(4,765,442)	(3,152,587)
Loans payable	13	(1,890,652)	(668,324)
Lease liabilities	9	(887,962)	(779,212)
Debt issuance cost	13	(622,934)	(55,125)
Capital redemption of non-controlling interest in a subsidiary		(320,441)	—
Acquisition of non-controlling interest	2, 16	(180,325)	(4,857,181)
Share issuance costs	16	—	(171,555)
Net cash provided by financing activities		16,923,113	28,711,796
EFFECT OF FOREIGN EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS		686,544	(41,423)
NET INCREASE (DECREASE) IN CASH AND CASH			
EQUIVALENTS		(13,092,607)	5,353,725
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		40,865,927	35,512,202
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	₱27,773,320	₱40,865,927

See accompanying Notes to Consolidated Financial Statements.



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information

AC Energy and Infrastructure Corporation. (ACEIC, the Parent Company) was incorporated on December 13, 2005, and is domiciled in the Philippines. The Parent Company and its subsidiaries (collectively, “the Group”) were organized primarily to engage in the business of generating electricity and supply of electricity, including the provision of related services.

The Parent Company is a wholly-owned subsidiary of Ayala Corporation (AC), a publicly-listed company which is 47.57% owned by Mermac, Inc. (ultimate parent company), and the rest by the public as of December 31, 2024. AC is incorporated in the Philippines.

The Parent Company’s registered address is at 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.

The consolidated financial statements of the Group as at and for the years ended December 31, 2024 and 2023 were approved and authorized for issuance by the BOD on April 8, 2025.

2. Summary of Material Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI), derivative asset and derivative liability which are all measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional and presentation currency of the Parent Company. 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 Parent Company and its subsidiaries as of December 31, 2024 and 2023. 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.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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 acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly owned are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity. Non-controlling interests are net of any outstanding subscription receivable. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity as "Equity reserves" and attributed to the owners of the Parent Company. Likewise, other comprehensive income accounts are reattributed between the owners of the Parent Company and the non-controlling interest. When there is a reduction in the ownership interest of a subsidiary without loss of control, a proportion of the goodwill is reallocated between the owners of the Parent Company and the non-controlling interest.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities of the subsidiary, non-controlling interest and the cumulative translation adjustments recorded in equity, recognizes the fair value of the consideration received and any investment retained, while the resulting gain or loss is recognized in profit or loss under "Gain (loss) on acquisition and disposal of investments". It also reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.



The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Principal Activities	Percentage of Ownership (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
ACEN Corporation (ACEN)	Power generation and trading	57.95	—	57.83	—
ACEN International, Inc. (ACEN International)	International investment holding	—	57.95	—	57.83
ACEN Renewables International Pte. Ltd.(ACRI) ^a	International investment holding	—	57.95	—	57.83
ACEN Cayman Limited (ACEN Cayman) ^b	International investment holding	—	57.95	—	57.83
ACEN Investments HK Limited (ACEN HK) ^c	International investment holding	—	57.95	—	57.83
UPC-AC Energy Australia (HK) Ltd. (UPC-ACE Australia)	Power generation	—	57.95	—	57.83
ACEN Finance Limited (ACEN Finance) ^b	Investment holding	—	57.95	—	57.83
Bulacan Power Generation Corporation (Bulacan Power)	Power generation	—	57.95	—	57.83
CIP II Power Corporation (CIPP)	Power generation	—	57.95	—	57.83
Guimaras Wind Corporation (Guimaras Wind)	Wind power generation	—	57.95	—	57.83
One Subic Oil Distribution Corporation	Distribution of petroleum products	—	57.95	—	57.83
One Subic Power Generation Corporation (One Subic Power)	Power generation	—	57.95	—	57.83
ENEX Energy Corp. (ENEX)	Oil, gas, and geothermal exploration	—	44.23	—	44.14
Palawan55 Exploration & Production Corporation (Palawan55)	Oil and gas exploration	—	48.43	—	48.33
Buendia Christiana Holdings Corp. (BCHC)	Investment holding	—	57.95	—	57.83
ACEN Shared Services, Inc. (“ACES;” formerly ACE Shared Services, Inc.)	Shared services	—	57.95	—	57.83
Giga Ace 1, Inc. (Giga Ace 1)	Power generation	—	57.95	—	57.83
Giga Ace 2, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 3, Inc. (Giga Ace 3)	Power generation	—	57.95	—	57.83
Giga Ace 4, Inc. (Giga Ace 4)	Power generation	—	57.95	—	57.83
Giga Ace 5, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 6, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 7, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 8, Inc. (Giga Ace 8)	Power generation	—	57.95	—	57.83
Giga Ace 9, Inc. (Giga Ace 9)	Power generation	—	57.95	—	57.83
Giga Ace 10, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 11, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 12, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 14, Inc.	Power generation	—	57.95	—	57.83
Giga Ace 15, Inc.	Power generation	—	57.95	—	57.83
Negros Island Solar Power, Inc. (ISLASOL)	Solar power generation	—	34.77	—	34.70
San Carlos Solar Energy, Inc. (SACASOL)	Solar power generation	—	57.95	—	57.83
Monte Solar Energy, Inc. (MONTESOL)	Solar power generation	—	57.95	—	57.83
ACEN Global Development Group, Inc. (“AGDGI;” formerly ACE Endeavor, Inc.)	Investment holding and management	—	57.95	—	57.83
Visayas Renewables Corp. (VRC)	Investment holding	—	57.95	—	57.83
San Julio Land Development Corporation	Leasing and land development	—	57.95	—	57.83
LCC Bulk Water Supply, Inc.	Water supply and distribution	—	57.95	—	57.83
MCV Bulk Water Supply Inc.	Water supply and distribution	—	57.95	—	57.83
SCC Bulk Water Supply Inc.	Water supply and distribution	—	57.95	—	57.83
HDP Bulk Water Supply Inc.	Water supply and distribution	—	57.95	—	57.83
Ingrid2 Power Corp.	Advisory/Consultancy	—	57.95	—	57.83
Ingrid3 Power Corp. (Ingrid3)	Advisory/Consultancy	—	57.95	—	57.83
Ingrid4 Power Corp.	Advisory/Consultancy	—	57.95	—	57.83
Ingrid5 Power Corp.	Advisory/Consultancy	—	57.95	—	57.83
Ingrid6 Power Corp.	Advisory/Consultancy	—	57.95	—	57.83
Solienda Inc.	Leasing and land development	—	57.95	—	57.83
Gigasol 1, Inc.	Power generation	—	57.95	—	57.83
Gigasol 2, Inc.	Power generation	—	57.95	—	57.83
Gigasol 3, Inc. (Gigasol 3)	Power generation	—	57.95	—	57.83
Gigasol 4, Inc.	Power generation	—	57.95	—	57.83
Gigasol 5, Inc.	Power generation	—	57.95	—	57.83

(Forward)



		Percentage of Ownership (%)			
		2024		2023	
	Principal Activities	Direct	Indirect	Direct	Indirect
Gigasol 6, Inc.	Power generation	—	57.95	—	57.83
Gigasol 7, Inc.	Power generation	—	57.95	—	57.83
Gigasol 8, Inc.	Power generation	—	57.95	—	57.83
Gigasol 9, Inc.	Power generation	—	57.95	—	57.83
Gigasol 10, Inc.	Power generation	—	57.95	—	57.83
GigaWind1 Inc.	Power generation	—	57.95	—	57.83
GigaWind2 Inc.	Power generation	—	57.95	—	57.83
GigaWind3 Inc.	Power generation	—	57.95	—	57.83
GigaWind4 Inc.	Power generation	—	57.95	—	57.83
GigaWind5 Inc.	Power generation	—	57.95	—	57.83
GigaWind6 Inc. ^e	Power generation	—	57.95	—	57.83
GigaWind7 Inc. ^f	Power generation	—	57.95	—	57.83
SolarAce1 Energy Corp. (SolarAce1)	Power generation	—	57.95	—	57.83
SolarAce2 Energy Corp. (SolarAce2)	Power generation	—	57.95	—	57.83
SolarAce3 Energy Corp.	Power generation	—	57.95	—	57.83
SolarAce4 Energy Corp.	Power generation	—	57.95	—	57.83
AC Subic Solar, Inc.	Power generation	—	57.95	—	57.83
AC Laguna Solar, Inc.	Power generation	—	57.95	—	57.83
AC La Mesa Solar, Inc.	Power generation	—	57.95	—	57.83
Bataan Solar Energy, Inc. (BSEI)	Power generation	—	57.95	—	57.83
Santa Cruz Solar Energy, Inc. (SCSE)	Power generation	—	57.95	—	57.83
Pagudpud Wind Power Corp. (PWPC)	Investment holding	—	57.95	—	57.83
Bayog Wind Power Corp. (BWPC)	Power generation	—	57.95	—	57.83
Manapla Sun Power Development Corporation (MSPDC)	Leasing and land development	—	57.95	—	57.83
ACE Renewables Philippines, Inc.	Investment holding	—	57.95	—	57.83
NorthWind Power Development Corporation (NorthWind)	Wind power generation	—	57.95	—	57.83
Viage Corporation	Investment holding	—	57.95	—	57.83
ACTA Power Corporation	Coal power generation	—	57.95	—	57.83
UAC Energy Holdings Pty Ltd	Investment holding	—	57.95	—	57.83
Buduan Wind Energy Co, Inc.	Power generation	—	57.95	—	57.83
Caraballo Mountains UPC Asia Corporation	Power generation	—	57.95	—	57.83
Pangasinan UPC Asia Corporation	Power generation	—	57.95	—	57.83
Sapat Highlands Wind Corporation	Power generation	—	57.95	—	57.83
UPC Mindanao Wind Power Corp.	Power generation	—	57.95	—	57.83
Itbayat Island UPC Asia Corporation	Power generation	—	57.95	—	57.83
Laguna Central Renewables, Inc.	Power generation	—	57.95	—	57.83
ACEN Technical Services, Inc.	Shared services	—	57.95	—	57.83
(Formerly Laguna West Renewables, Inc.)		—	57.95	—	57.83
Suyo UPC Asia Corporation	Power generation	—	57.95	—	57.83
Natures Renewable Energy Devt. Corporation (NAREDCO)	Power generation	—	55.81	—	55.69
Sinocalan Solar Power Corp. (Sinocalan)	Power generation	—	57.95	—	57.83
Adlao Energy Corporation ^g	Power generation	—	57.95	—	57.83
Zephyrus Energy Corporation ^g	Power generation	—	57.95	—	57.83
Aeolus Energy Corporation ^g	Power generation	—	57.95	—	57.83
Agueo Energy Corporation ^g	Power generation	—	57.95	—	57.83
Amman Energy Corporation ^g	Power generation	—	57.95	—	57.83
Aryaman Energy Corporation ^g	Power generation	—	57.95	—	57.83
Belenos Energy Corporation ^g	Power generation	—	57.95	—	57.83
Paivatar Energy Corporation (Paivatar) ^{g *}	Power generation	—	34.77	—	57.83
Laonsina Energy Corporation ^g	Power generation	—	57.95	—	57.83
Electryone Energy Corporation ^g	Power generation	—	57.95	—	57.83
Abagat Energy Corporation ^h	Power generation	—	57.95	—	57.83
Alinaga Energy Corporation ^h	Power generation	—	57.95	—	57.83
Amaterasu Energy Corporation ^h	Power generation	—	57.95	—	57.83
Banawag Energy Corporation ^h	Power generation	—	57.95	—	57.83
Liadlaw Energy Corporation ^h	Power generation	—	57.95	—	57.83
Oxylus Energy Corporation ^h	Power generation	—	57.95	—	57.83
ACEN Operational Services, Inc.					
(formerly Paddak Energy Corporation) ^h	Shared services	—	57.95	—	57.83
Paros Energy Corporation ⁱ	Power generation	—	57.95	—	57.83
Silak Energy Corporation ⁱ	Power generation	—	57.95	—	57.83
Vayu Energy Corporation ⁱ	Power generation	—	57.95	—	57.83
YMP Telecom Power Inc. (YMP Telecom)	Industrial instrumentations	—	57.95	—	57.83

(Forward)



	Principal Activities	Percentage of Ownership (%)			
		2024		2023	
		Direct	Indirect	Direct	Indirect
YMP Industrial Power Inc. (YMP Industrial)	Industrial instrumentations	—	57.95	—	57.83
Real Wind Energy, Inc.	Power generation	—	57.95	—	—
Aventus Capital Corporation ^j	Power generation	—	57.95	—	—
Aventus Solar Farm Inc. ^j	Power generation	—	57.95	—	—
Aventus Wind Farm Inc. ^j	Power generation	—	57.95	—	—
Energies by Nature Inc. ^j	Power generation	—	57.95	—	—
Global 1.5C Energies Inc. ^j	Power generation	—	57.95	—	—
Paseo De Roxas Energy Corporation ^j	Power generation	—	57.95	—	—
ACE Thermal International Pte. Ltd. (ACETI) ^a	International investment holding	100.00	—	100.00	—
ACE Thermal International (BVI), Inc. (ACETI BVI) ^d	International investment holding	—	100.00	—	100.00
ACE (BVI) GP, Inc. (BVI GP) ^d	International investment holding	—	100.00	—	100.00
AC Energy Finance International (ACEFIL) ^b	International investment holding	100.00	—	100.00	—
ACEIC Cayman Limited, formerly ACEN Finance International Limited (ACEIC Cayman) ^b	International investment holding	100.00	—	100.00	—
AC Energy GP Corporation (AEGC)	Investment holding	100.00	—	100.00	—
ACE Dinginin GP Corporation (ADGC)	Investment holding	100.00	—	100.00	—
ACE Mariveles GP Corporation (AMGC)	Investment holding	100.00	—	100.00	—
Klima 1.5 Corp., formerly ACE Thermal, Inc. (Klima)	Investment holding	100.00	—	100.00	—
Pilipinas Thermal Inc. (PTI)	Investment holding	100.00	—	100.00	—

^a No longer a subsidiary in 2024 and accounted as joint venture (see Notes 2 and 6)

^b Incorporated in Singapore

^c Incorporated in Cayman Islands

^d Incorporated in Hong Kong

^e Incorporated in British Virgin Islands

^f Incorporated on March 16, 2022

^g Incorporated on June 23, 2022

^h Incorporated on June 15, 2023

ⁱ Incorporated on November 21, 2023

^j Incorporated on November 22, 2023

^k 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 were the changes in the Group structure during 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 for 2,674 ordinary shares of URH (see 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 (P341.27 million) and accounted for as investment in associates (see Note 6) and development loans amounting to US\$12.02 million (P695.05 million) (see Note 19).

Issuance of Corporate Guarantee in support of ACEN Cayman

On January 12, 2024, ACEN as Guarantor to its subsidiary, ACEN Cayman, executed ACEN 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 (P20,129.24 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 August 18, 2022, as amended through an Amending Deed on January 6, 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 P1.00 par value and 0.56 million redeemable preferred shares with P100.00 par value. Total subscription amounted to P56.39 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.

ACEN'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 17)	<u>₱118</u>

After BrightNight APAC's subscription, the Group has diluted its interest and partially divested in Paivatar. The deconsolidation resulted in a gain of ₱0.12 million which is recognized under "Other income" account in the consolidated statement of comprehensive income.

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 17).

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 20).



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 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
	<u>\$26,311</u>	<u>₱1,543,465</u>

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.

Redemption of financial assets at FVOCI

On April 19, 2024, ACEIC redeemed in full, the investment in GNPowder Mariveles Energy Center Ltd. Co. (GMEC) Special Limited Partnership (SLIP) Interests equity investments accounted as financial assets at FVOCI amounting to \$5.94 million (₱339.17 million) with cumulative distributions of \$1.45 million (₱82.71 million) and recognized as "Dividend income". Unrealized fair value gain was derecognized amounting to ₱80.19 million.

In 2022, under the GMEC Limited Partnership Agreement, GMEC created an additional limited partner class of interest (issued by series) to raise additional equity capital in accordance with the Special Limited Partnership (SLIP) Interests Terms and Conditions. GMEC will offer a series of SLIP Interests to each of the limited partners pro-rated based on respective sharing percentages.

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 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 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\$1.5 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 (see Note 9)	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 (see Note 9)	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 17)	₱36,859	\$998

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 during 2023:

Second Tranche Sale of Investment in Kauswagan Power Holdings Limited Co. (KPHLC)

On June 30, 2023, the second tranche sale of 100% interest in BVI D, BVI F and BVI T and 88.38% interest in BVI PHILCO to Power Partners Ltd. Co. (PPLC) and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPow Kauswagan Ltd. Co. (GNPK) was completed (see Note 6).

As a result of the second tranche sale, the Group has fully divested its interest in GNPK.

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, 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, Tasmania, Victoria, and South Australia (see Note 16).

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 to Star Energy Oil & Gas Pte Ltd. (SEOG, a third party) for US\$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.

ACEN'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 Board and all matters shall be approved unanimously by both shareholders. ACEN'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 are included in profit or loss.



The net assets of ACEHI Netherlands as at June 30, 2023 and proceeds from divestment are as follow (amounts are in thousands):

	In US\$	In PHP
Assets:		
Cash	\$73	₱4,120
Investment in Associate	169,446	9,586,398
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	\$19,344	₱1,062,030

After the sale to SEOG, the Group has partially divested its interest in ACEHI Netherlands.

The disposal resulted in a gain which is recognized under “Gain (loss) on acquisition and disposal of investments” account in profit or loss.

ACEN 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 based 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	\$60,459	₱3,433,328

The disposal resulted in a remeasurement gain of the retained interest which is recognized under “Gain on remeasurement of retained interest” account in profit or loss.

Net cash inflow on disposal is as follows (amounts are in thousands):

	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 20).



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

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.

Information of subsidiary that have material non-controlling economic interests are provided below:

ACEN	2024	2023
Proportion of equity interests held by non-controlling interest	42.05%	42.17%
Voting rights held by non-controlling interest	42.05%	42.17%
Accumulated balances of non-controlling interest	₱91,984,814	₱90,405,816
Net income attributable to non-controlling interests	4,692,223	4,829,487
Total comprehensive income attributable to non-controlling interests	4,340,993	4,254,038

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

ACEN (amounts in thousands)	2024	2023
Statements of financial position		
Current assets	₱59,132,109	₱71,578,115
Noncurrent assets	270,410,122	213,355,385
Current liabilities	29,670,253	20,043,695
Noncurrent liabilities	142,428,778	91,513,948
Statements of comprehensive income		
Revenue	37,300,402	36,449,133
Net income attributable to:		
Equity holders of the Parent Company	9,360,006	7,396,140
Non-controlling interests	752,471	1,710,534
Total comprehensive income attributable to:		
Equity holders of the Parent Company	7,984,778	5,850,972
Non-controlling interests	787,678	1,786,683
Statements of cash flows		
Operating activities	11,729,618	3,187,033
Investing activities	(45,998,267)	(24,898,590)
Financing activities	20,279,903	26,899,452
Effect of foreign exchange rate changes		
on cash and cash equivalents	(549,558)	(121,244)
Net increase in cash and cash equivalents	(14,538,304)	5,066,651

New Standards, Interpretation and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to existing standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



Adoption of these amendments 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 does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

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 below have been applied consistently to all periods presented in the Group's consolidated financial statements.

Fair Value Measurement

Fair value is the 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 to 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 that 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.

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 as explained above.



Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

Initial recognition and measurement

The Group classifies financial assets, at initial recognition, as measured at amortized cost, FVOCI, or FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses upon derecognition (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- 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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This accounting policy relates to the Group's "Cash and cash equivalents", "Short term investments", "Receivables", "Investments in redeemable preferred shares and convertible loans" and "Bill deposits".

If the Group revises its estimates of receipts of future cashflows, it shall adjust the gross carrying amount of the financial asset to reflect the revised estimated contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in profit or loss as income or expense.



Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's investment 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 include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

The Group has compulsorily convertible debentures, listed equity instruments and unit investment trust funds (UITFs) accounted as financial asset at FVTPL.

Derecognition

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 consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired;



- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) 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 its 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 financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

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 profit or loss.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables (except trade receivables) and other investments at amortized cost, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, 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 and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

Definition of default

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value, except for loans and borrowings, and payables that are recognized net of directly attributable transaction costs.

The Group's financial liabilities pertain to "Accounts and other payables" (except taxes payable), "Short-term loans," "Notes payable," "Loans payable," "Lease liabilities," "Other current liabilities" and "Other noncurrent liabilities".



Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purposes of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9, *Financial Instruments*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest and other financing charges in profit or loss.

This accounting policy applies to the Group's "Accounts and other payables", "Short-term loans", "Notes payable", "Loans payable", "Lease liabilities", "Other current liabilities" and "Other noncurrent liabilities" (other than liabilities covered by other accounting standards such as pension liability and income tax payable).

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has 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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement 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.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, 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 profit or loss as other income/expense. 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 profit or loss as other income/expense.

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 profit or loss.



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 Note 11).

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 forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to forward commodity 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 a hedge of its exposure to price risk on its purchases (see Note 21).

Input Value-added Taxes (VAT)

Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's Output VAT liabilities. Input VAT is stated at its net realizable value (NRV).

Creditable Withholding Taxes (CWT)

CWTs represent amounts withheld from income subject to expanded withholding taxes. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWTs are stated at cost less any impairment loss.



Fuel and Spare Parts

Fuel and spare parts are stated at the lower of cost and NRV. Cost incurred in bringing spare part inventories to its present location and conditions includes purchase cost on a moving average basis. NRV is the current replacement cost of fuel and spare parts.

Property, Plant and Equipment

Property, plant and equipment, except land and construction in progress, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land and construction in progress are carried at cost less any impairment in value. 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 profit or loss as incurred. 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 is met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Category	Years
Land improvements	5-40
Buildings and improvements	6-25
Machinery and equipment:	
Solar	10-25
Wind	10-25
Thermal	10-25
Power barges	10
Others	40
Transportation equipment	3-5
Tools and other miscellaneous assets	5-10
Office furniture and equipment	3
Others	5-10

The useful life and depreciation method are reviewed periodically to ensure that the amounts, periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

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 profit or loss when the asset is derecognized.

Leases

The Group assess at the 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

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

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.

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 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 lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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; and,
- b. Lease contracts for which the underlying asset is of low value.

Intangible Assets

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 profit or loss 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 profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

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 profit or loss reflect 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 profit or loss 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 equals 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.

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 profit or loss.

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.

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 non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

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, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is included under "Gain on remeasurement of previously held interest" in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with the changes in fair value recognized in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests 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 profit or loss.

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 unit (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

When 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.

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, *Impairment of Assets*. 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 a period of five (5) years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the 5th year.

Impairment losses are recognized in profit or loss 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 profit or loss.



The following assets have specific characteristics for impairment testing:

CWTs and Input VAT

CWTs and input VAT are tested for impairment when circumstances indicate that there is no expected income tax payable and output VAT, respectively, in the future in which it can be used or when the balance can no longer be realized or collected after exhausting all efforts and courses of action.

Property, Plant and Equipment

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

Investments in Associates and Interest in Joint Ventures

For investment in associates and interest in joint ventures, the Group assesses for impairment based on impairment indicators such as the financial performance of each of these investees.

Goodwill

Goodwill is tested for impairment annually and 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 relates. 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.

Right-of-Use Assets and Other Intangible Assets

Right-of-use assets and other intangible assets with finite useful lives are tested for impairment when circumstances indicate that the carrying value may be impaired such as degradation from the use of the underlying asset.

Equity

Paid-in Capital

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.

Treasury Stock

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company and no dividends are allocated to them. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Retained Earnings

The amount included in retained earnings includes earnings and losses attributable to the Parent Company's stockholders and reduced by dividends, if any. Dividends are recognized as a liability and deducted from equity when they are declared by the Parent Company's BOD. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date. Retained earnings may also include the effect of changes in accounting policies as may be required by the standard's transitional provisions.



Equity Reserves

Changes in the Parent Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the consolidated statement of financial position.

Stock Options and Grants

Stock option and grants are accounted for in accordance with PFRS 2, *Share-based Payments*, 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 profit or loss 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.

Revenue and Income Recognition

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 and coal are composed of generation fees from spot sales to the Wholesale Electricity Spot Market (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 the 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 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. 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 over time 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.

Management Fees

Management fees for services rendered are recognized when earned.

Interest Income

Interest income is recognized as it accrues using the EIR method.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

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.

Cost and Expenses

Costs and expenses are recognized when a decrease in economic benefits related to a decrease in an asset or an increase in liability has arisen that can be measured reliably. These are generally recognized as they are incurred and measured at the fair value of the consideration paid or payable.

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.



Income 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.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

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

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, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of MCIT and 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 as part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred income tax assets to be recovered.



Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the end of the reporting period. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged or credited to income for the period.

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 other comprehensive income or directly in equity.

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 profit or loss.

The Group offsets deferred income tax assets and deferred income tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and deferred income tax assets and deferred income tax liabilities related to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amount of deferred income tax liabilities or assets are expected to be settled or recovered.

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

Foreign Currency Translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

The functional currency of certain subsidiaries are in US Dollar. As of reporting date, the assets and liabilities of these subsidiaries, with functional currencies other than the functional currency of the Parent Company, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and their respective income and expenses at the weighted average rates for the year. The exchange differences arising on the translation are recognized in OCI under "Cumulative translation adjustments". On disposal of a foreign operation, the component of OCI relating to that particular foreign operation shall be recognized in profit or loss.

Exchange differences arising from elimination of intragroup balances and intragroup transactions are recognized in profit or loss. As an exception, if the exchange differences arise from intragroup balances that, in substance, forms part of an entity's net investment in a foreign operation, the exchange differences are not to be recognized in profit or loss, but are recognized in OCI and accumulated in a separate component of equity until the disposal of the foreign operation. Where



circumstances have changed such that the entity decides that the monetary item is planned or is likely to be settled in the foreseeable future and ceases to form part of the net investment in a foreign operation, exchange differences that arise after that date are recognized in profit or loss.

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. If the Group changes the structure of its internal organization in a manner that caused the composition of its reportable segments to change, the corresponding information for earlier periods, shall be restated unless the information is not available and the cost to develop it would be excessive. The determination of whether the information is not available and the cost to develop it would be excessive shall be made for each individual item of disclosure. Following a change in the composition of its reportable segments, the Group discloses whether it has restated the corresponding items of segment information for earlier periods.

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. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Financial Reporting Date

Post year-end events up to the date when the consolidated financial statements are authorized for issue that provide additional information about the Group's financial position 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 consolidated financial statements when material.

3. Significant Accounting Judgments Estimates and Assumptions

The preparation of the accompanying consolidated financial statements in conformity with PFRS Accounting Standards 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 consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which can cause the assumptions used in arriving at those estimates to change. 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.



Judgments

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

Classification of Financial Instruments - Receivable and Financial Assets at Amortized Cost

The Group assessed that its affiliated subordinated indebtedness (ASI) with GNPK, which is presented as notes receivables in the consolidated statements of financial position, and receivable from PPLC arising from the Group's divestment of KPHLC which will be collected on a deferred basis. Financial assets at amortized cost also include redeemable preferred shares and convertible loans. Management assessed that these assets qualifies as debt instruments. This is 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 gives rise on specified dates to cash flows which are reflective of basic lending arrangements (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.

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, Energy Regulatory Commission (ERC) issued an order imposing administered or regulated pricing, which was lower than the WESM rate at that time. The Group 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 or regulated pricing void and upheld the December 2013 Meralco rate hike for recovery of costs. In October 2022, the Supreme Court denied all Motion for Reconsiderations. 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 the PEMC Multilateral Agreements which includes the Group's noncurrent receivable amounting to ₱1,123.51 million, booked as an additional cost of purchased power for the net buyer position, while the Group's noncurrent payable amounting to ₱115.07 million was booked as additional revenue for the net seller position.

While it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, a reliable estimate cannot be made yet since ERC has yet to instruct Independent Electricity Market Operator of the Philippines (IEMOP) to recalculate the rates and issue adjustments.

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 15).

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 Consumer Price Index (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 these entities, their joint arrangement agreement requires unanimous consent from all parties for the relevant activities identified. 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 these joint ventures through the terms of the contractual arrangements. Considering these factors, management assessed that it has joint control over these entities.

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. In 2024 and 2023, while waiting for the approved 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 Income Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries

The Group did not recognize deferred income 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.

Provisions

The Group establishes provisions, based on reasonable estimates, for possible consequences of certain proceedings and cases, including audits by the tax authorities. Uncertainties exist with respect to the interpretation of complex issues and changes in rules and regulations. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to provisions and expenses already recorded. The amount of such provisions is based on various factors, such as experience on previous cases.

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 periods 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.

Valuation of ASI Loan and Receivables from PPLC

Subsequent to initial recognition, management revises its estimates of receipts of future cashflow from the ASI loan and receivables from PPLC based on the distributable proceeds from GNPK and GNPD which is based on the priority payment waterfall provision of the divestment agreement and the management prepared forecast of future cashflows. Management has also exercised judgments in estimating the maturity dates of these assets when full collection will be made based on the terms and conditions of the assets.

Fair Value Measurement of Receivables and Retained Interests in KPHLC

In the determination of fair value of receivable from PPLC and the retained interest in KPHLC, management determined the appropriate techniques and inputs for fair value measurements. Management estimates the amount and timing of the future cash inflows based on the distributable proceeds that will be received by PPLC from its affiliates, namely GNPK and GNPD which is based on the priority payment waterfall provisions of the divestment agreement. A discount rate is applied to the cash flow projections to establish the net present value of the receivables and retained interests.

Likewise, in the determination of the effective interest rate of the ASI loan, management estimates the amount and timing of the future cash inflows based on the distributable proceeds of GNPK.

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 Notes 12 and 22).

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).



Purchase Price Allocation and Goodwill Impairment Assessment

The Group made several acquisitions accounted for using the acquisition method which require extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities at acquisition date. It also requires the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisitions have resulted in goodwill (see Note 20).

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, 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 profit or loss.

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 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.

Measurement of ECL

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 significant increase in credit risk 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 Bangko Sentral ng Pilipinas (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 8).



Impairment Assessment of Non-financial Assets

The Group reviews input VAT, CWTs, investments in associates and joint ventures, 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. Provision for impairment loss on nonfinancial assets amounted to ₱24.19 million and ₱4.57 million in 2024 and 2023 (see Notes 6, 8, 9 and 11).

Realization of Deferred Income 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 income tax assets.

As a result, the carrying amount of deferred income 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 income tax assets to be utilized (see Note 18).

Assessment of Contingencies

The Group is currently involved in various legal proceedings and assessments (see Note 24). 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	₱5,986	₱12,688
Cash in banks	7,000,696	13,823,701
Cash equivalents	20,766,638	27,029,538
	₱27,773,320	₱40,865,927

Cash on hand pertains to petty cash fund used under an imprest fund system. Cash in banks earn interest at the prevailing bank deposit rates.

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



Interest income earned from cash in banks and cash equivalents amounted to ₱1,076.07 million in 2024, at the range of 1.50% to 6.25%, and ₱1,631.57 million, at the range of 0.06% to 6.25% in 2023.

5. Receivables

This account consists of:

	2024	2023
Accounts receivable	₱10,523,140	₱12,571,115
Notes receivable (see Note 19):		
Development loans	4,515,678	5,863,298
Bridge financing	14,122,756	13,440,859
Other loans	40,516,336	39,980,539
Accrued interest receivable	18,669,490	8,774,260
	88,347,400	80,630,071
Less allowance for expected credit losses	2,528,374	1,316,278
	85,819,026	79,313,793
Less noncurrent portion	62,843,538	52,243,107
	₱22,975,488	₱27,070,686

Accounts receivable

This account consists of trade and other receivables from related parties and third parties:

	2024	2023
Trade receivables:		
Third parties:		
IEMOP	₱3,445,354	₱6,488,624
Retail Electricity Supplier (RES) customers	1,477,713	537,020
National Transmission Corporation (TransCo)	1,758,707	1,915,230
National Grid Corporation of the Philippines (NGCP)	413,361	91,670
Philippine Electricity Market Corporation (PEMC)	30,562	10,262
Others	122,489	429,288
Related parties (see Note 19)	8,837	47,795
Other receivables:		
Third parties	1,713,855	2,004,187
Related parties (see Note 19)	1,552,262	1,047,039
	10,523,140	12,571,115
Less allowance for expected credit losses	151,206	152,312
	10,371,934	12,418,803
Less noncurrent portion	3,495,435	2,568,200
	₱6,876,499	₱9,850,603

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 and 2023 by the Group amounted to ₱269.26 million and ₱309.30 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 and ₱37.41 million, in 2024 and 2023, 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 (see Note 17). 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.



Notes receivable

This account consists of development, bridge financing and other loans receivable:

	2024	2023
Bridge financing - related party (see Note 19)	₱14,122,756	13,440,859
Development loans:		
Third party	–	3,721,365
Related party (see Note 19)	4,515,678	2,141,933
Other loans:		
Third party	37,423,760	39,592,170
Related party (see Note 19)	3,092,576	388,369
	59,154,770	59,284,696
Less allowance for expected credit losses	880,574	836,333
	58,274,196	58,448,363
Less noncurrent portion	49,628,282	42,950,958
	₱8,645,914	₱15,497,405

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. Debt replacement facilities bear interest ranging from 7.00% to 15.00% per annum both for the years 2024 and 2023.

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

On February 4, 2021, the Group, Citicore Solar Energy Corporation (CSEC), AGDGI, formerly ACE Endeavor 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 from 7.00% to 15.00% on all amounts outstanding after June 30, 2023, until all amounts are paid.

The Omnibus Agreement has been amended several instances extending the maturity to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge financing 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 form 7.00% to 15% on all amounts outstanding after June 30, 2023, until all amounts are paid.



The Omnibus Agreement has been amended several instances extending the maturity to March 31, 2025.

As of December 31, 2024 and 2023, the outstanding bridge financing for Arayat Phase 2 amounted 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 (Asian Wind 1) (Joint venture)

In 2020, the Group and Asia Wind 1 entered into an interest-bearing bridge financing 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 earlier of 12 months from commissioning date or upon project financial close. The bridge financing facility maturity date was amended multiple times in 2022 and 2023. On September 27, 2023, the bridge financing 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 (Asian 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 42MW wind project in Vietnam, for an aggregate principal amount of US\$54.00 million. The loan is repayable on earlier of Project Financial Close, or 5 business days from the date from drawdown of Bridge Financing Facility, or 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 bridge financing 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	₱200.00 million	June 27, 2023	August 30, 2023
January 11, 2023	₱300.00 million	July 10, 2023	October 31, 2023
January 27, 2023	₱300.00 million	July 26, 2023	June 30, 2024

As at December 31, 2024 and 2023, the outstanding bridge financing amounts 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 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 Loan

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 Ltd. (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 undertake 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 is 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 also capitalized as part of the principal.

As at December 31, 2024 and 2023, the outstanding receivable amounted 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 acquisition of project sites for solar power projects. The interest-bearing loan has a total facility amounting to ₱1,000.00 million and bears annual fixed interest rate and payable upon maturity. On July 2, 2021, Provincia made an initial drawdown amounting to ₱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 receives 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, which is presented “Other income” account in the consolidated statement of comprehensive income.



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.

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 US\$2.00 million to fund renewable energy projects located in Taiwan and Malaysia.

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

f. UPC Power Solutions LLC (Joint Venture)

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

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

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

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

As at December 31, 2024, the outstanding receivable amounted to US\$0.98 million (₱56.82 million).

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

On January 3, 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 (₹386.02 million).

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

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

As at December 31, 2024, the outstanding receivable amounted to US\$4.36 million (₹252.21 million).

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

Other loans

Other loans from third parties include long term loan receivables from PPLC in relation to the divestment of indirect ownership interest in GNPK and long-term loan receivables for land acquisitions. There are interest bearing and matures 1-2 years upon drawdown.

a. *Receivable from Cleantech Renewable Energy 50 Corporation (Cleantech) (Third Party)*

On July 14, 2022, the Group and Cleantech Renewable Energy 50 Corporation entered into an interest-bearing loan agreement amounting to ₹266.93 million with an interest rate of 9.76%. Principal and interest of the loan is payable upon maturity on July 14, 2032.

As at December 31, 2024 and 2023, the outstanding receivable amounted to ₹266.93 million.

b. *Receivable from 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).

c. *Receivables from Power Partners Ltd. Co (PPLC)*

On March 5, 2021, ACEIC, PPLC and certain of their affiliated companies, signed a Divestment Agreement for the transfer of ACEIC's indirect ownership interest in GNPK in favor of PPLC and its affiliates. The transfer was implemented in tranches with the purchase price to be paid on a deferred basis.

In 2021, the first tranche sale of 100% interest in ACE B and 11.62% interest in ACE PHILCO to PPLC and subsidiaries, equivalent to 38.6% (45% of the 85.7%) interest in GNPK was completed.

On June 30, 2023, the second tranche sale of 100% interest in BVI D, ACE F and ACE T and 88.38% interest in ACE PHILCO to PPLC and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPK was completed.



The completion of the second tranche sale resulted in a gain of ₱1,261.91 million for the year ended December 31, 2023, which is presented under “Gain (loss) on acquisition and disposal of investments” in profit or loss.

The receivables from PPLC and affiliates arising from the first tranche and second tranche of sale amounted to ₱9,638.55 million and ₱13,898.50 million, respectively. The receivable is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50%. The maturity date of the loan is December 31, 2031. The amount and timing of collection is based on the priority payment waterfall provisions of the Divestment Agreement. Any unpaid interest shall accrue interest.

On September 19, 2024, the Group received payment amounting to US\$20.25 million (₱1,134.44 million).

Interest income of US\$51.38 million (₱2,950.36 million) and US\$27.49 million (₱1,602.22 million) in 2024 and 2023, respectively. As of December 31, 2024 and 2023, the outstanding interest receivable amounted to US\$97.66 million (₱5,648.95 million) and US\$46.28 million (₱2,571.43 million), respectively.

As of December 31, 2024 and 2023, receivables from PPLC amounted to US\$411.38 million (₱23,796.27 million) and US\$431.63 million (₱23,983.83 million), respectively.

d. Receivables from GNPK

On December 22, 2020, the Parent Company signed the ASI loan agreement with GNPK for a total amount of US\$200.00 million (₱9,607.20 million) to enable GNPK to partially pre-pay its outstanding senior loans and pursuant to the Parent Company’s BOD approval given on November 11, 2020. The ASI loan is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50% which shall accrue starting January 1, 2021. The maturity date of the loan is the later of the (1) the final maturity date of the GNPK Senior Loans (due 2031); and (2) the full payment on and redemption of full interest of a partner in GNPK and in GNPK’s Parent Company, KPHLC under the limited partnership agreements. GNPK’s payment of the interest on the ASI loan and the principal shall follow the repayment waterfall stipulation in the ASI loan agreement. Any unpaid interest shall accrue interest.

Below shows the priority payment waterfall as indicated in the ASI loan agreement:

1. Up to 50% of cash available for distribution will be used to pay for, and make current, the interest from ASI loan.
2. The remaining 50% of cash available for distribution plus any excess amount from #1 will be used to pay for, and make current, the coupons of Philippine Investment Alliance for Infrastructure (PINAI) fund’s interest.
3. If after #1, there is still excess cash available for distribution, it will be used to redeem PINAI’s interest or repay the ASI loan.
4. After full repayment of the Senior loans, excess will be used to either pay ASI loan or pay for the deferred purchase price for divestment or land loan.

Interest income from ASI loan amounted to ₱1,375.41 million and ₱1,140.77 million in 2024 and 2023, respectively, based on the effective interest rate of 8.21% and 7.70%. As of December 31, 2024 and 2023, the outstanding interest amounted to ₱4,248.09 million and ₱2,752.18 million, respectively.

As of December 31, 2024 and 2023, receivable from GNPK amounted to ₱11,602.80 million and ₱11,113.40 million, respectively.



Other loans carrying amount as at December 31, 2024 and 2023 amounted to ₱2,825.76 million and ₱2,044.95 million, respectively.

Accrued interest receivable:

This account consists of accrued interest receivable from related parties and third parties, and from redeemable preferred shares and convertible loans:

	2024	2023
Trade receivables:		
Third party	₱48,514	₱148,995
Related party (see Note 19)	2,010	9,068
Development loan:		
Third party	—	107,832
Related party (see Note 19)	527,057	198,534
Bridge financing - related party (see Note 19)	2,057,313	1,446,884
Redeemable preferred shares - related party (see Note 19)	4,733,771	3,473,000
Convertible loan - related party (see Note 19)	1,350,236	761,760
Other loan:		
Third party	9,821,057	2,594,399
Related party (see Note 19)	129,532	33,788
	18,669,490	8,774,260
Less allowance for expected credit loss	1,496,594	327,633
	17,172,896	8,446,627
Less noncurrent portion	9,719,821	6,723,949
	₱7,453,075	₱1,722,678

Interest income earned from these assets amounted to ₱6,759.35 million and ₱5,098.80 million in 2024 and 2023, respectively.

Allowance for expected credit loss

The following is the roll forward analysis of impaired receivables:

	2024	2023
Balances at the beginning of year	₱1,316,278	₱191,544
Provision	1,223,403	1,140,266
Write off	(7,134)	—
Reversal	(4,173)	(15,532)
Balances at the end of year	₱2,528,374	₱1,316,278

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

1. US\$1.00 million (₱55.85 million) on principal from development loan with UPC-AC Energy Solar Limited (UPC-ACE Solar);
2. US\$1.81 million (₱103.43 million) on accrued interest of development loan with UPC-ACE Solar;
3. US\$15.63 million (₱1,053.92 million) on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) (see Note 6); and,
4. Net allowance provided to other receivables amounted to ₱6.03 million.



For the year ended December 31, 2023, the Group recognized additional provision for ECL in its development loan to UPC-ACE Solar for its principal and interest amounting to US\$13.98 million (P812.63 million) and US\$6.05 million (P327.63 million), respectively. Net reversals of other credit losses in the current period amounted to P15.53 million.

6. Investments in Associates and Joint Ventures

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

	Percentage of Ownership (%)		Carrying Amounts	
	2024	2023	2024	2023
<i>Associates:</i>				
AA Thermal, Inc. (AATI) ⁽¹⁾	40.00	40.00	P17,188,390	P16,010,079
BIM Energy Holding Corporation (BIMEH) ⁽²⁾	28.40	—	5,551,931	—
Solar NT Holdings Pte. Ltd. (SUPER) ⁽³⁾	28.40	28.34	2,387,257	2,558,351
Maibarara Geothermal, Inc. (MGI) ⁽⁴⁾	14.49	14.46	981,295	909,694
PT Puri Prakarsa Batam ⁽⁵⁾	23.18	23.13	177,249	166,026
PT UPC Lombok Timur Bayu Energi (PT Lombok) ⁽⁶⁾	28.40	—	171,332	—
Others	various	various	182,506	47,609
			26,639,960	19,691,759
<i>Joint Ventures</i>				
ACEHI Netherlands B.V. (ACEHI Netherlands) ⁽⁷⁾	43.90	43.81	13,036,528	12,667,764
Philippine Wind Holdings Corporation (PhilWind) ⁽⁸⁾	40.45	40.37	5,697,785	4,971,035
BrightNight India, B.V. (BrightNight) ⁽⁹⁾	28.98	28.92	3,775,622	160,904
North Luzon Renewable Energy Corp. (NLR) ⁽⁸⁾	19.30	19.26	3,198,595	2,492,401
BIM Renewable Energy Joint Stock Company (BIMRE) ⁽¹⁰⁾	17.39	17.35	1,952,540	1,861,039
UPC Power Solutions LLC (UPC Power) ⁽¹¹⁾	48.29	48.19	1,804,121	562,624
Ingrid Power Holdings, Inc. (Ingrid) ⁽¹²⁾	28.98	28.92	1,342,835	968,535
Greencore Power Solutions 3, Inc. (Greencore 3) ⁽¹³⁾	28.98	28.92	367,484	434,936
Monsoon Wind B.V. (Monsoon Wind) ⁽¹⁴⁾	14.49	14.46	296,498	163,339
Paivatar Energy Corporation (Paivatar) ⁽¹⁵⁾	34.77	—	232,807	—
NEFIN Limited (NEFIN) ⁽¹⁶⁾	28.98	28.92	118,815	419,280
Others	various	various	946,203	712,802
			32,769,833	25,414,659
			59,409,793	45,106,418
Less allowance for impairment			492,641	3,964
			P58,917,152	P45,102,454



This account consists of:

	2024	2023
Cost:		
Balances at beginning of year	₱32,601,537	₱27,077,239
Additions and subscriptions	12,178,121	4,564,786
Conversion from subscription deposit	1,695,449	—
Reclass to receivables	(891,755)	—
Acquisition of control	(568,719)	—
Divestment	(77,174)	(2,260,215)
Remeasurement (see Note 2)	—	3,433,328
Return of capital	—	(228,312)
Translation and foreign exchange adjustments	1,157,980	(290,765)
Others	307,903	305,476
Balances at end of year	46,403,342	32,601,537
Accumulated equity in net earnings:		
Balances at beginning of year	12,548,957	7,488,116
Equity in net earnings for the year	4,622,839	6,938,506
Dividends received	(4,061,253)	(1,362,464)
Divestment	—	(515,201)
Balances at end of year	13,110,543	12,548,957
Accumulated share in		
other comprehensive income (loss):		
Balances at beginning of year	(44,076)	22,449
Interest rate swap	69,808	14,596
Unrealized fair value gain(loss) on derivative instruments designated as hedges - net of tax	(2,892)	4,183
Translation and foreign exchange adjustments	(144,836)	(58,273)
Remeasurement (loss) gain on defined benefit obligation - net of tax	17,904	(27,031)
Balances at end of year	(104,092)	(44,076)
Accumulated impairment losses:		
Balances at beginning and end of year	(492,641)	(3,964)
	₱58,917,152	₱45,102,454



Capital call, subscription deposit conversion and others

During the year 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	India	Hybrid			
	Maharashtra		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 period (see Note 2)

Dividends

The Group received dividends amounting to:

	2024	2023
AATI	₱2,275,160	₱—
ACEHI Netherlands	1,399,303	—
PhilWind	284,334	471,002
BIMRE	73,466	161,367
NLR	28,990	74,319
Salak-Darajat	—	655,776
	₱4,061,253	₱1,362,464

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's investments in associates and joint ventures is Philippines. Except as discussed in subsequent notes, the voting rights held by the Group in its investments in associates and joint ventures are in proportion to their ownership interest.

Interests in Associates

⁽¹⁾ AA Thermal, Inc. (AATI)

In 2018, AATI, holding company of the Group, was incorporated. On February 28, 2019, the PCC approved the acquisition by Aboitiz Power Corporation (Aboitiz Power) of a 49% voting interest and 60% economic interest in AATI. This follows the signing of a share purchase agreement on September 26, 2018 between Aboitiz Power and Arlington Mariveles Netherlands Holdings B.V (a subsidiary of the Group). During first half of 2019, the Group completed the sale.



(2) BIM Energy Holding Corporation (BIMEH)

On November 26, 2024, ACRI 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 Group’s effective ownership is at 28.40%. The purchase price was paid in tranches, with US\$35.0 million on November 26, 2024 and \$35.50 million 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 (₱5,534.30 million), of which, US\$24.50 million (₱1,417.20 million) was reclassified from Beacon Capital Holdings Limited subscription deposits (see Note 7).

(3) Solar NT Holding Pte. Ltd. (SUPER)

On January 28, 2022, ACRI, through its wholly-owned subsidiary, ACEN Vietnam Investments Pte. Ltd. (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 Group’s effective ownership is at 28.34%. The sale is subject to conditions precedent and has a transaction value of US\$165.00 million. SUPER will have 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 (₱2,820.85 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.

(4) Maibarara Geothermal, Inc. (MGI)

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



(5) 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.

(6) PT UPC Lombok Timur Bayu Energi (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.

Interests in Joint Ventures

(7) ACEHI Netherlands B.V. (ACEHI Netherlands)

In 2017, the Group acquired an interest in Salak and 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. Its 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 shall consist equal representations from both shareholders. Furthermore, all matters relating to ACEHI Netherlands, shall be approved unanimously by both shareholders, thereby making ACRI lose its control, and reclassifying ACEHI Netherlands as joint venture (see Note 2). Previously this was consolidated by the Group.

The carrying amount of the 24.24% investment that was derecognized amounted to US\$41.08 million (Rp2,260.15 million). Following deconsolidation of ACEHI Netherlands, investment of the Group in Salak and Darajat previously presented under "Investments in associates" is reclassified to "Investment in joint ventures" through ACEHI Netherlands.

(8) 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 PINAI to develop 81MW a wind power project in Ilocos Norte through NLR.



The principal place of business and country of incorporation of PhilWind and NLR is in 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 33.33% ownership in NLR for ₱2,385.27 million.

PhilWind directly and indirectly owns 66.7% of NLR through its 38.0% direct interest and 28.7% indirect interest through its wholly-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).

(9) 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. Its principal place of business and country of incorporation is in the Netherlands.

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

(10) 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 at 300 MW of Solar Farm in Ninh Thuan Province, Vietnam, through BIMRE and BIMEH. Its principal place of business and country of incorporation is in Vietnam.

BIMRE and BIM E is 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.



(11) 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.

During the current year 2024, US\$15.42 million (₱891.75 million) was reclassified to loans receivable from Investments in Associates and Joint Ventures.

(12) Ingrid Power Holdings, Inc. (Ingrid)

In 2021, ACEN 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 Group's effective ownership is at 28.98%. Its 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.

(13) Grencore Power Solutions 3, Inc.(Grencore 3)

On February 21, 2022, ACEN entered into a 50-50 joint venture with Citicore Renewable Energy Corporation (CREC) to develop, construct, and operate a 50MW solar power plant in Arayat and Mexico, Pampanga. The Group's effective ownership is at 28.98%. Its principal place of business and country of incorporation is in the Philippines.

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

(14) Monsoon Wind B.V. (Monsoon Wind)

On February 24, 2023, ACRI 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 Loa PDR. Investment resulted to 14.49% ownership interest in Moonsoon Wind BV. Its 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 reserve 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.



⁽¹⁵⁾ Paivatar Energy Corporation (Paivatar)

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 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.

⁽¹⁶⁾ NEFIN Limited (NEFIN) and NEFIN Asset Management Pte. Ltd.

On January 6, 2022, ACEN entered into a 50-50 joint venture with Canis Majoris Holding Limited 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. Its principal place of business and country of incorporation is in Hong Kong.



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

2024 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE (in billions)	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH (in billions)	BrightNight	UPC Power	AATI
Classification	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Associate
Functional currency	PHP	PHP	PHP	VND	USD	PHP	PHP	USD	VND	USD	USD	PHP
Dividends received	₱284.33	₱28.99	₱-	₱32.12	\$24.56	₱-	₱-	\$-	₱-	\$-	\$-	₱2,275.16
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	₱3.86
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	0.29
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	16,780.09
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	16,784.24
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	0.76
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	35.23	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	3,015.01	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	0.76
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	₱16,783.48
Share in equity	₱2,433.16	₱2,014.40	₱1,057.13	₱497.24	\$222.79	₱367.48	₱981.29	\$40.67	₱3,383.56	\$27.65	\$24.48	₱17,188.39
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	₱5,697.78	₱3,198.60	₱1,342.84	₱860.24	\$225.37	₱367.48	₱981.29	\$41.27	3,404.24	27.65	43.78	₱17,188.39
Carrying value of investments in Philippine Peso	₱5,697.78	₱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	₱17,188.39
CTA	-	-	-	(0.01)	563.60	-	-	49.84	0.06	(6.00)	177.96	-
Carrying value of investments in reporting currency	₱5,697.78	₱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	₱17,188.39



	PhilWind	NLR	Ingrid	BIMRE (in billions)	ACEHI Netherlands	Greencore 3	MGI	SUPER	BIMEH (in billions)	BrightNight	UPC Power	AATI
Classification	Joint	Joint	Joint	Joint	Joint	Joint	Joint	Associate	Joint	Joint	Joint	Associate
Functional currency	Venture	Venture	Venture	Venture	Venture	Venture	Venture	Associate	Venture	Venture	Venture	Associate
	PHP	PHP	PHP	VND	USD	PHP	PHP	USD	VND	USD	USD	PHP
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	₱8,579.68
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	–	–	–	0.07
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	–	–	0.16
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	(0.09)
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)	8,579.68
Other comprehensive (loss) income	(0.74)	(0.74)	(0.08)	(5.78)	2.59	–	(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)	8,579.68
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)	₱3,431.87
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)	₱8,579.68
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)	₱3,431.87



2023 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE (in billions)	ACEHI Netherlands	Greencore 3	MGI	SUPER	AATI
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Joint Venture	Joint Venture	Associate	Associate	Associate
Functional currency	PHP	PHP	PHP	VND	USD	PHP	PHP	USD	PHP
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	₱10.25
Other current assets	2,746.70	1,655.31	856.20	738.50	95.10	206.83	365.57	12.80	0.22
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	16,775.94
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	16,786.41
Accounts and other payables	675.07	630.43	398.69	9.92	5.38	225.94	298.71	4.92	0.85
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	648.19	235.25	12.38	9.03	0.20
Total Liabilities	10,765.89	7,842.28	737.86	4,841.32	1,724.29	4,935.73	1,885.26	174.33	1.05
Equity	₱8,813.55	₱3,822.28	₱1,364.99	₱1,267.11	\$1,247.85	₱843.68	₱3,655.68	\$75.64	₱16,785.36
Share in equity	₱1,706.41	₱1,308.20	₱682.83	₱452.74	\$226.20	₱434.94	₱909.69	\$45.60	₱16,010.08
Notional goodwill	3,264.62	1,184.20	285.71	363.00	2.58	—	—	0.60	—
Carrying value of investments in functional currency	₱4,971.03	₱2,492.40	₱968.54	₱815.74	\$228.78	₱434.94	₱909.69	\$46.20	₱16,010.08
Carrying value of investments in Philippine Peso	₱4,971.03	₱2,492.40	₱968.54	₱1.87	₱12,865.62	₱434.94	₱909.69	₱2,543.98	₱16,010.08
CTA	—	—	—	(0.01)	(197.86)	—	—	14.37	—
Carrying value of investments in reporting currency	₱4,971.03	₱2,492.40	₱968.54	₱1.86	₱12,667.76	₱434.94	₱909.69	₱2,558.35	₱16,010.08



	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	SUPER	AATI
Classification	Joint venture	Joint venture	Joint venture	Joint venture VND (in billions)	Joint Venture	Joint Venture	Associate	Associate	Associate
Functional currency	PHP	PHP	PHP		USD	PHP	PHP	USD	PHP
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	₱12,932.51
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	0.08
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	0.01
Other cost and expense	420.16	355.66	776.67	59.34	73.75	153.07	312.97	10.27	0.57
Net income (loss)	1,720.01	1,094.81	(400.07)	329.56	139.89	436.42	340.97	(8.10)	12,933.17
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)	12,933.17
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)	₱5,173.27
Total comprehensive income (loss) in Philippine Peso	₱1,717.83	₱1,092.63	(₱400.18)	₱0.78	₱7,630.86	₱436.42	₱343.15	(₱501.84)	12,933.17
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)	₱5,173.27



7. Investments in Redeemable preferred shares and convertible loans

The Group's investment 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	2,734,487	1,419,454
BIM Wind	2,327,794	2,232,294
NEFIN	2,007,222	1,713,369
BIMRE	1,410,647	1,350,290
BIM Energy Joint Stock Company (BIME)	246,140	235,610
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	2,112,850	2,113,578
Asian Wind 1	940,803	900,549
Asian Wind 2	907,414	868,589
	3,961,067	3,882,716
	19,941,374	24,779,177
Less allowance for expected credit losses	2,112,850	3,145,378
	₱17,828,524	₱21,633,799

Investment 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	(1,389,659)	—	(1,389,659)
Reclassification to:			
Financial asset at FVOCI	(3,861,101)	—	(3,861,101)
Investment in associate	—	(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 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 Farm 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 600MW Monsoon Wind Project. 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 on 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 Corporation (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 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), respectively.

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 Farm 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 Farm 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-ACE Energy Solar Limited (UPC-ACE Solar)

In 2021 and 2020, the Group entered into different Share Subscription Agreement with UPC-ACE Solar to subscribe to 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 payment 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\$1.06 million (₹60.40 million) was recognized in the consolidated statement of comprehensive 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 consolidated statement of comprehensive income through OCI.



For the years ended December 31, 2024 and 2023, the Group provided ECL provision amounting to US\$1.06 million (P59.71 million) and US\$15.47 million (P878.43 million), respectively.

As at December 31, 2024 and 2023, the carrying amount is nil and US\$62.23 million (P3,445.44 million), respectively.

h. UPC Renewable 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 earlier of July 15, 2035 or date as soon as funds are realised 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 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 P1,520.55 million (US\$25.92 million) presented under "Other income" in consolidated statement of comprehensive income.

As at December 31, 2024 and 2023, the carrying amount nil and US\$21.86 million (P1,210.63 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 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 (P1,356.57 million).

In November 2024, the reservation fee amounting to US\$24.50 million (P1,356.57 million) was reclassified as part of Investment in BIMEH, an associate (see Note 6).

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

On December 13, 2023, the Group entered into an agreement with UPCAPH 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 US\$2.00 million.

In 2024, total subscriptions amounted to US\$5.78 million (P228.14 million).



In 2024, subscription deposit 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 (see Note 6).

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

Convertible loans

The rollforward 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)
Translation and foreign exchange adjustments	78,351	(338,442)
	3,961,067	3,882,716
Less allowance for ECL	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 in 20 years of drawn down 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, the Group 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 in 25 years of drawn down 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 (P920.15 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 in 20 years from commissioning date.

As at December 31, 2024 and 2023, the outstanding loan US\$16.26 million (P940.80 million) and US\$16.26 million (P900.55 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 \$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 in 25 years of drawn down 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 (P887.49 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 in 20 years from commissioning date.

On September 29, 2023, Asian Wind 2 repaid the outstanding convertible loan facility amounting to US\$21.29 million (P1,023.00 million).

As at December 31, 2024 and 2023, the outstanding loan US\$15.69 million (P907.41 million) and US\$15.69 million (P868.59 million), respectively.

Allowance for 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 loss 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.

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.

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:

	2024	2023
<i>Redeemable preferred shares</i>		
AAR	P933,952	P907,287
UPC-ACE Solar	335,018	554,893
BIM Wind	367,901	383,421
UPC Asia III	68,276	256,680
BIMRE	197,764	180,476
NEFIN	179,273	128,350
Impact Wind	209,644	67,283
BIME	44,024	31,562
	2,335,852	2,509,952
<i>Convertible loans</i>		
Vietnam Wind	353,556	277,924
Asian Wind 1	116,916	178,097
Asian Wind 2	109,909	171,365
	580,381	627,386
	P2,916,233	P3,137,338



8. Property, Plant and Equipment

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	₱2,050,210	₱814,699	₱17,773,289	₱328,769	₱2,118,754	₱377,762	₱73,387,852	₱96,851,335
Additions	1,568	283,793	645,657	76,667	58,451	98,951	33,656,990	34,822,077
Capitalization of borrowing cost	—	—	2,634,809	—	—	—	—	2,634,809
Acquisition from business combination	—	—	—	—	10,118	—	—	10,118
Transfer to advances to suppliers and contractors	—	—	—	—	—	—	(1,868,438)	(1,868,438)
Transfer from advances for land acquisition	45,761	—	—	—	—	—	—	45,761
Disposals and retirement	(500,761)	—	(4,963)	(25,071)	—	(773)	(243,801)	(775,369)
Translation and foreign exchange adjustments	(636)	(31)	(2,072,183)	(1,704)	(3,714)	(2,229)	(814,200)	(2,894,697)
Reclassification	(1,607)	1,656,028	34,773,483	5,720	5,027,737	11,476	(41,472,837)	—
Balance at end of year	1,594,535	2,754,489	53,750,092	384,381	7,211,346	485,187	62,645,566	128,825,596
Accumulated depreciation:								
Balance at beginning of year	50,386	203,053	5,067,616	168,910	372,525	214,268	—	6,076,758
Depreciation	11,421	102,602	1,762,268	65,297	117,613	91,556	—	2,150,757
Translation and foreign exchange adjustments	—	(27)	(45,107)	131	12,206	(2,718)	—	(35,515)
Disposals and retirement	—	—	(2,564)	(23,056)	—	(466)	—	(26,086)
Reclassifications	—	—	266,709	—	(266,565)	(144)	—	—
Balance at end of year	61,807	305,628	7,048,922	211,282	235,779	302,496	—	8,165,914
Accumulated impairment loss:								
Balance at beginning of year	—	—	112,749	—	—	—	365,723	478,472
Provision for impairment loss	—	—	185	—	—	—	3,372	3,557
Balance at end of year	—	—	112,934	—	—	—	369,095	482,029
Net Book Value	₱ 1,532,728	₱ 2,448,861	₱46,588,236	₱ 173,099	₱ 6,975,567	₱ 182,691	₱62,276,471	₱120,177,653



2023

	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost:								
Balance at beginning of year	₱1,815,249	₱785,614	₱16,926,373	₱264,696	₱677,528	₱253,226	₱46,581,057	₱67,303,743
Additions	269,189	29,085	339,128	86,729	91,343	115,213	26,217,130	27,147,817
Capitalization of borrowing cost	—	—	1,852,968	—	—	—	—	1,852,968
Transfer from advances to contractors or other assets	—	—	—	—	—	—	500,669	500,669
Acquisition from business combination	—	—	18,458	—	—	10,475	12,892	41,825
Transfer to advances for land acquisition	(34,142)	—	—	—	—	—	—	(34,142)
Disposals and retirement	—	—	(8,721)	(31,125)	—	(770)	—	(40,616)
Translation and foreign exchange adjustments	(86)	—	(662)	(13)	(3,862)	(4)	83,698	79,071
Reclassification	—	—	(1,354,255)	8,482	1,353,745	(378)	(7,594)	—
Balance at end of year	2,050,210	814,699	17,773,289	328,769	2,118,754	377,762	73,387,852	96,851,335
Accumulated depreciation:								
Balance at beginning of year	39,175	136,454	4,055,024	132,404	436,763	144,181	—	4,944,001
Depreciation	11,211	66,599	957,141	54,092	(4,040)	70,623	—	1,155,626
Translation and foreign exchange adjustments	—	—	446	(744)	—	224	—	(74)
Disposals and retirement	—	—	(5,193)	(16,832)	—	(770)	—	(22,795)
Reclassifications	—	—	60,198	(10)	(60,198)	10	—	—
Balance at end of year	50,386	203,053	5,067,616	168,910	372,525	214,268	—	6,076,758
Accumulated impairment loss:								
Balance at beginning of year	—	—	112,749	—	—	—	361,154	473,903
Provision for impairment loss	—	—	—	—	—	—	4,569	4,569
Balance at end of year	—	—	112,749	—	—	—	365,723	478,472
Net Book Value	₱1,999,824	₱611,646	₱12,592,924	₱159,859	₱1,746,229	₱163,494	₱73,022,129	₱90,296,105



Significant Additions During the Year

In 2024 and 2023, the Group invested significant capital expenditure related to the following projects:

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

In 2024 and 2023, the Group acquired property, plant, and equipment through business combination amounting to ₱10.12 million and ₱41.83 million, respectively (see Note 20).

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 property. Total cost of land disposed during the transaction amounted to ₱500.76 million.

Unpaid Property, Plant and Equipment

Unpaid balances in the total additions amounted to ₱1,006.93 million and ₱378.11 million in 2024 and 2023, respectively.

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. 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 ₱1,686.60 million and ₱1,853.11 million as of 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 of 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 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 but not provided for in the consolidated financial statements amounting to ₱76,755.59 million and ₱45,096.84 million as of December 31, 2024 and 2023, respectively.

Depreciation

Total depreciation charged “cost of power operations” account in profit or loss amounted to ₱1,751.38 million and ₱934.09 million in 2024 and 2023, respectively. The amount charged to “Depreciation and amortization” account in the consolidated statement of income amounted to ₱399.37 million and ₱221.53 million in 2024 and 2023, respectively.

Others

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

9. Right-of-use Assets and Lease Liabilities

Right-of-use Assets

The rollforward analysis of this account is as follows:

2024

	Land and Easement Rights	Land and Power Plants	Office Space and Parking Slots	Leasehold Rights	Lease Vehicle	Total
As at January 1, 2024	₱1,676,018	₱1,335,251	₱2,580,847	₱2,976,078	₱—	₱8,568,194
New lease agreements	547,629	—	114,817	102	41,270	703,818
Amortization expense	(10,704)	(77,262)	(195,827)	(59,556)	(1,891)	(345,240)
Remeasurements	(5,223)	(62,109)	345,832	(48,174)	—	230,326
Capitalized amortization	(66,613)	(30,421)	(157,224)	(1,780)	(3,367)	(259,405)
Loss of control (see Note 2)	—	—	(10,732)	—	—	(10,732)
Translation and foreign exchange adjustments	—	—	(93,786)	—	—	(93,786)
Reclassifications	—	—	29,709	(29,709)	—	—
As at December 31, 2024	₱2,141,107	₱1,165,459	₱2,613,636	₱2,836,961	₱36,012	₱8,793,175

2023

	Land and Easement Rights	Land and Power Plants	Office Space and Parking Slots	Leasehold Rights	Total
As at January 1, 2023	₱838,001	₱533,131	₱2,396,882	₱334,976	₱4,102,990
New lease agreements	856,214	535,822	381,739	2,357,117	4,130,892
Amortization expense	(11,149)	(101,735)	(165,268)	(51,685)	(329,837)
Remeasurements	19	376,323	(4,685)	337,925	709,582
Capitalized amortization	(17,640)	(8,290)	(27,446)	(66,521)	(119,897)
Translation and foreign exchange adjustments	—	—	(375)	74,839	74,464
Reclassifications	10,573	—	—	(10,573)	—
As at December 31, 2023	₱1,676,018	₱1,335,251	₱2,580,847	₱2,976,078	₱8,568,194

There was no indication of impairment on the right-of-use assets of the Group as of December 31, 2024 and 2023.



Lease liabilities

The rollforward analysis of this account follows:

	2024	2023
Balance at beginning of year	₱8,398,604	₱4,510,341
New lease agreements	6,513,223	3,913,668
Capitalized interest expense	454,790	208,695
Interest expense	346,927	252,463
Payments	(887,962)	(779,212)
Loss of control (see Note 2)	(9,550)	–
Remeasurements	(112,129)	384,807
Translation and foreign exchange adjustments	(162,014)	(92,158)
	14,541,889	8,398,604
Less current portion	1,896,328	855,190
Noncurrent portion	₱12,645,561	₱7,543,414

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 project will be situated on Laguna Lake, the Philippines' largest freshwater lake, that could contribute a substantial ~1,000MW to ACEN's growing renewables 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 a total of ₱1,440.00 million, 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 and 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, ACEN Australia entered into several lease agreements with third parties for a total of 2,331 acres of land located in Uralla, NSW as site for the construction and operation of the proposed 320-megawatt renewable energy project.

The term of the leases shall be for a period of 30 years, with a fixed annual rental payment of \$721.08 per acre of leased area per annum, exclusive of GST. The rental fee shall be 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 ACEN Australia for up to another 20 years. It is a requirement that ACEN Australia 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 shall be for a period of 30 years, with a fixed annual rental payment amounting to \$1.10 million, exclusive of GST. The rental fee shall be 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 ACEN Australia 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.

ACES' Contract of Lease

In 2022, Ayala Land, Inc. (ALI), as a lessor, and ACEIC, as a lessee, signed a Deed of Assignment with ACES related to the contract of lease dated July 1, 2017 for the lease of office unit with a gross leasable area approximately 1,416.15 square meters located at the 4th Floor 6750 Ayala Avenue Office Tower and a total of eighteen (18) appurtenant parking slots, and a separate Stockroom Agreement dated October 23, 2018 for the lease of stockroom with a gross leasable area of approximately 12.76 square meters located on the same floor.

Effective February 1, 2022, ACEIC assigned to ACES all its rights and interests under the contract. ACES took over the lease subject to the same terms and conditions contained in the contract, which ended on June 30, 2022. On August 26, 2022, ACES entered into a renewal of contract of lease of the office units, parking slots, and stockroom with the term of lease of five years starting from July 1, 2022 to June 30, 2027.

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, SACASOL shall hold the land area delineated for Phase 1A for a period of 25 years. The area delineated for Phase 1B shall be held for the remaining term of the agreement upon the receipt of notice by SACASOL.

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, 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 site for the construction and operations of Phases 1C and 1D solar power plant projects. Upon execution of the agreement, SACASOL shall hold the land area for a period of 25 years.

On June 18, 2020, SACASOL 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.

10. Intangible Assets

Goodwill

The rollforward of this account follows:

	2024	2023
Balance at beginning of year	₱22,016,334	₱22,042,658
Acquisition of subsidiaries (see Note 20)	1,375,051	218,201
Translation and foreign exchange adjustments	919,831	(244,525)
Balance at end of year	₱24,311,216	₱22,016,334

In 2024, additions to goodwill are from acquisition of controlling interest in Real Wind Energy, Inc. amounting to ₱1,375.05 million (see Note 20).



In 2023, additions to goodwill are from acquisitions of Sinocalan amounting to ₱114.00 million and YMP Telecom and YMP Industrial amounting to ₱104.20 million (see Note 20).

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 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 is 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 - UPC-ACE Australia

The goodwill arising from the acquisitions in Sinocalan, YMP Telecom, YMP Industrial, 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 the investors for a fee.

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 potentail sites for its projects are 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%-8.52%**; 2023: 7.18%-8.32%)

The pre-tax discount rate 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 trend, tariffs, target market analysis, government regulations and other economic factors.
- EBITDA margin - It 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, interest expenses and changes in net working capital and maintenance capital expenditures in arriving 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 of December 31, 2024 and 2023.



Intangible assets other than goodwill

The rollforward of this account follows:

	2024	2023
Balance at beginning of year	₱2,075,660	₱2,155,392
Additions	298,342	85,597
Cash calls on deferred exploration costs	—	55
Recoveries from consortium partner	—	(2,856)
Amortization during the year	(162,267)	(162,528)
Balance at end of year	₱2,211,735	₱2,075,660

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.

This account also includes the contract of the Group for the supply and distribution of water to third parties.

11. Other Assets

This account consists of:

	2024	2023
Current:		
Inventories	₱974,526	₱964,053
Prepaid expenses	722,264	340,288
Bill deposits	394,995	267,496
Advances to suppliers and contractors	335,226	236,368
Derivative assets (see Note 21)	157,662	177,828
Other current assets	106	3,296
	₱2,584,779	₱1,989,329
Noncurrent:		
Derivative assets (see Note 21)	₱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
Bill deposits	192,698	166,816
Others	142,160	225,191
	₱12,395,450	₱9,559,321

Inventories consists of:

	2024	2023
Fuel	₱535,932	₱577,415
Spare parts	438,594	386,638
	₱974,526	₱964,053



Fuel charged to “Cost of power operations” account in the statements of consolidated income amounted to ₱1,022.34 million and ₱1,525.52 million for the years ended December 31, 2024 and 2023, respectively.

Prepaid expenses pertain to insurance, subscriptions, rent, taxes and other expenses paid in advance.

Bill deposits pertain to the deposit with Meralco equivalent to the RES customer’s average billing in the immediately preceding twelve (12) months or in case of a newly connected RES’s customer, based on projected demand and/or energy of such customer. The bill deposit may be applied by Meralco to any outstanding bill, billing adjustment or differential billing upon termination of the contract. Noncurrent bill deposits also include noncurrent portion of deposits to distribution utilities and noncurrent portion of the refundable security deposit with Subic Bay Metropolitan Authority (SBMA).

Advances to contractors 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.

Long-Term Energy Supply Agreements (LTESA)

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 to 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.



12. Accounts and Other Payables

This account consists of:

	2024	2023
Nontrade payables	₱2,893,459	₱4,293,691
Accrued expenses	2,676,820	1,939,823
Trade payables	2,659,138	3,226,344
Payable to contractors	2,093,107	2,857,166
Interest payable	1,843,811	1,526,178
Taxes payable	1,443,058	1,825,286
Other payables	7,688	9,629
	₱13,617,081	₱15,678,117

Payable to contractors pertains to the unpaid shuttle service, unpaid machinery repair cost and unpaid manpower cost related to plant preventive maintenance. These are non-interest bearing and are normally settled on 30- to 60-day terms after receipt of billing invoice.

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.

Trade payables include billings of goods and services from various suppliers and are normally settled within 30 days.

Accrued expenses includes the following:

	2024	2023
Compensation and benefits	₱1,381,582	₱687,030
Rent	212,816	—
Taxes and licenses	138,328	194,830
Professional fees	68,244	94,802
Insurance	3,386	1,242
Repairs and maintenance	1,451	881
Transportation and hotel accommodation	—	342,012
Other provisions for expenses	871,013	619,026
	₱2,676,820	₱1,939,823

Taxes payable include output tax, deferred output tax, withholding and income tax payable. As of December 31, 2024 and 2023, income tax payable amounted to ₱62.58 million and ₱211.23 million, respectively.

Other provisions for expenses include provision for potential claims and losses and corporate bonuses.



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

Short-term Loans

The rollforward of this account follows:

	2024	2023
Balances at beginning of year	₱1,500,000	₱2,900,000
Availments	26,100,000	9,000,000
Payments	(17,800,000)	(10,400,000)
Refinance to long-term loans	(4,200,000)	—
Balances 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 and other financing charges recognized on short-term loans for the years ended December 31, 2024 and 2023 amounted to ₱239.17 million and ₱174.58 million, respectively.

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.



Loans Payable

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
ACEIC								
₱10,000.00 million or US\$ equivalent Loan	\$62.50 million	November 23, 2020	12 years, November 22, 2032	4.0370% per annum for the first 5 years; subject to repricing for the next 7 years	Interest payable semi-annually	Net debt to equity ratio not exceeding 3.0x	₱5,883,006	₱5,640,011
	\$37.50 million	December 22, 2020	12 years, December 21, 2032	4.0267% per annum for the first 5 years; subject to repricing for the next 7 years	0.5% of the principal payable semi-annually starting on the 5 th interest payment date; 1.0% of the principal payable at the interest payment date before maturity; remaining 90% of the principal lump sum at maturity	Based on the ACEIC year-end balances. Tested semi-annual		
₱3,500.00 million Loan	₱3.50 billion	October 19, 2022	10 years, October 21, 2032	6.1830% per annum subject to quarterly repricing	Interest payable quarterly 0.5% of the principal payable semi-annually starting in October 2027; remaining 95% of the principal lump sum at maturity	Net debt to equity ratio not exceeding 3.0x Based on the ACEIC year-end balances. Tested semi-annual	3,500,000	3,500,000
US\$60.00 million Loan	US\$60.00 million	December 22, 2020	12 years, December 22, 2032	3.0000% per annum; subject to repricing on the 5 th and 10 th anniversaries	Interest payable quarterly 0.5% of the principal payable quarterly starting on the 9 th interest payment date; remaining 80% of the principal lump sum at maturity	Net debt to equity ratio not exceeding 3.0x Based on the ACEIC year-end balances. Tested semi-annual	3,467,505	3,352,096
₱1,000.00 million Loan	₱1,000.00 million	February 23, 2017	10 years, February 23, 2027	6.0000% per annum	Principal lump sum at maturity and interest payable semi-annual	Maximum DE ratio of 2.33x Based on the ACEIC year-end balances. Tested annual	1,000,000	1,000,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
₱5,000.00 million Loan	₱100.00 million	June 29, 2017	7 years, June 28, 2024	5.7500% per annum	16% of the principal and interest payable quarterly; remaining 84% of the principal lump sum at maturity	Maximum DE ratio of 2.33x and net debt to equity ratio of 3.0x Based on the ACEIC year-end balances. Tested annual	—	85,000
ACEF								
US\$10.00 million Loan	US\$10.00 million	January 23, 2024	January 23, 2027	5.3980% per annum	Interest payable quarterly and lump sum principal at maturity	Net debt to equity ratio not exceeding 3.0x Based on the ACEIC year-end balances. Tested semi-annual	578,450	—
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 year-end 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 For the first 5 years; repricing for the succeeding five (5) years is the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annually	4,736,842	4,789,473



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
₱7,000.00 million Loan C	₱500.00 million	July 15, 2020	July 15, 2030	5.00% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	6,823,000	6,907,000
	₱1,000.00 million	August 24, 2020	July 15, 2030	5.00% per annum 5.066% per annum in 2023				
	₱1,000.00 million	June 10, 2022	July 15, 2030	6.9273% per annum in 2024 Repricing for the 4th and 7th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
	₱2,000.00 million	November 15, 2022	July 15, 2030					
	₱2,500.00 million	January 13, 2023	July 15, 2030					
				7.1720% per annum: repricing for the 3rd and 6th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
				6.4580% per annum in 2023 6.9273% per annum in 2024				
				Repricing on the 4th and 7th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				



Facility	Loan Avalied	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
₱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-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	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% - 6.9359% per annum 6.5826% - 6.9698% per annum Floating interest rate repriced on every succeeding semi- annual period.	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	6,000,000	6,000,000
₱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-annual	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	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	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	4,670,797	500,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	₱3,200.00 million ₱1,000.00 million	August 6, 2024 December 18, 2024	July 24, 2029 April 30, 2030	to 12 months from initial drawdown. 5.1280% per annum 5.3310% per annum				
₱20,000.00 million Loan H	₱500.00 million ₱500.00 million ₱1,500.00 million	December 22, 2023 September 11, 2024 December 18, 2024	December 22, 2033 December 22, 2033 December 22, 2033	6.3859% - 6.5947% per annum 6.5295% - 6.5947% per annum 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.	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	2,500,000	500,000
₱5,500.00 million Loan I	₱509.00 million	October 24, 2024	October 24, 2034	6.0733% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x	2,800,000	—



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	₱2,290.91 million	October 24, 2024	October 24, 2034	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.		Based on the ACEN consolidated year-end balances. Tested semi-annual		
₱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-annual	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	2,800,000	—
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)	Principal and interest payable semi-annual	Minimum historical DSCR of 1.05 times	1,607,010	1,777,670



Facility	Loan Avalied	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				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		Based on the stand-alone balances of the borrower. Tested semi-annually.		
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-annual	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
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	Principal and interest payable semi-annual	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



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
				Factor, whichever is higher				
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 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	Principal and interest payable quarterly	- On each calculation date, maintain a Debt Service Coverage Ratio of at least 1.10x - 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.	1,330,000	—



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
ACEN International, Inc. (ACEN International)								
P7,000.00 million Loan	P198.00 million	January 22, 2024	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-annual	Maximum net DE ratio of 3.0x Based on ACEN International consolidated year-end balances. Tested semi-annual	4,166,274	—
	P285.00 million	February 16, 2024	January 31, 2031					
	P164.47 million	April 24, 2024	January 31, 2031					
	P1,209.00 million	June 21, 2024	January 31, 2031					
	P22.00 million	July 19, 2024	January 31, 2031					
	P187.80 million	September 17, 2024	January 31, 2031					
	P2,100.00 million	November 06, 2024	January 31, 2031					
ACEN Renewables International Pte. Ltd (ACRI)								
AU\$75.00 million	AU\$12.00 million	April 17, 2024	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	—
	AU\$34.00 million	June 18, 2024	December 7, 2028					
	AU\$21.50 million	September 16, 2024	December 7, 2028					
	AU\$7.50 million	November 11, 2024	December 7, 2028					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
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-annual together with 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 5.040% 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 6.25% per annum.	Interest is payable quarterly from date of availment; Principal amortization is payable in 2028 and 2029 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. Tested semi-annually together with financial statements	289,225	—
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 year-end balances. Tested semi-annual	8,098,300	—



Facility	Loan Avalued	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
\$180.00 million Loan	\$180.00 million	January 19, 2024	January 19, 2029	5.3060% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	10,307,979	—
ACEN Australia								
AU\$277.00 million Loan	AU\$2.64 million AU\$70.00 million AU\$0.86 million AU\$10.00 million AU\$20.00 million AU\$30.00 million AU\$23.00 million AU\$29.50 million AU\$10 million AU\$13 million	January 11, 2023 February 3, 2023 May 3, 2023 June 20, 2023 October 26, 2023 December 20, 2023 March 20, 2024 June 20, 2024 July 15, 2024 September 30, 2024	January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028	5.0350%-6.3025% per annum	Principal Repayment on Termination Date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Tested semi annually, together with the financial statements.	9,915,263	4,950,760



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	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						
	AU\$16.13 million	October 17, 2024						
	AU\$16.40 million	November 18, 2024						
	AU\$20.83 million	December 18, 2024						
	AU\$3.52 million	December 19, 2024						
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 payments 3 or 6 months or any such shorter period agreed.	Default DSCR Ratio of 1.15x, 12 months backward and forward looking. Secured by Property Based on the ACEN consolidated year-end balances. Tested quarterly after conversion to operation term facility.	6,481,930	7,560,254
	AU\$6.125 million	January 23, 2023	December 22, 2025					
	AU\$0.699 million	February 22, 2023	December 22, 2025					
	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					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	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\$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 the ACEN CORPORATION consolidated year-end balances.	2,412,293	1,646,345
	AU\$0.344 million	February 21, 2023	August 18, 2027			Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$9.00 million	April 12, 2023	August 18, 2027			Tested semi annually, together with the financial statements.		
	AU\$0.504 million	May 22, 2023	August 18, 2027					
	AU\$23.00 million	January 22, 2024						
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 any other period greater than 1	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances.	5,011,324	2,810,380
	AU\$11.00 million	January 23, 2023	September 16, 2027					



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		month agreed with Lender.	Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$5.00 million	May 18, 2023	September 16, 2027			Tested semi annually, together with the financial statements.		
	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\$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 the ACEN CORPORATION consolidated year-end balances.	2,397,382	1,571,556
	AU\$5.00 million	May 18, 2023	October 28, 2027			Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$7.00 million	August 18, 2023	October 28, 2027			Tested semi annually, together with the financial statements.		
	AU\$15.00 million	September 19, 2023	October 28, 2027					
	AU\$15.00 million	November 20, 2023	October 28, 2027					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2024	2023
	AU\$24.60 million	April 18, 2024	October 28, 2027					
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 any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances.	243,407	
	AU\$5.0 million	April 03, 2024	February 26, 2028			Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$1.5 million	June 20, 2024	February 26, 2028			Tested semi annually, together with the financial statements.		
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 the ACEN CORPORATION consolidated year-end balances.	248,776	—
	AU\$5.0 million	April 03, 2024	February 26, 2028			Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level.		
	AU\$1.5 million	June 20, 2024	February 26, 2028			Tested semi annually, together with financial statements.		
Less unamortized debt issue cost							₱109,913,113 678,347	₱59,517,105 221,193
Less current portion							109,234,766 7,583,997	59,295,912 1,496,351
Loans payable, net of current portion							₱101,650,769	₱57,799,561



The rollforward of this account is as follows:

	2024	2023
Balances at beginning of year	₱59,295,912	₱39,917,207
Availment	47,870,871	20,086,442
Refinance to long-term loans	4,200,000	—
Assumed through business combination	55,427	—
Amortization of debt issue cost	165,780	32,957
Accrued interest	100,628	81,129
Payments	(1,890,652)	(668,324)
Loan reassignment	(24,639)	—
Translation and foreign exchange adjustments	84,373	(98,374)
Additional debt issue cost	(622,934)	(55,125)
Balance at end of year	109,234,766	59,295,912
Less current portion	7,583,997	1,496,351
Noncurrent portion	₱101,650,769	₱57,799,561

Movements in debt issue costs related to loans payable are as follow:

	2024	2023
Balance at beginning of year	₱221,193	₱199,025
Additions	622,934	55,125
Amortization of debt issue cost	(165,780)	(32,957)
Balance at end of year	₱678,347	₱221,193

Total interest expense and other financing charges recognized on loans payable amounted to ₱3,191.78 million and ₱1,665.01 million for the years ended December 31, 2024 and 2023, respectively.

ACEIC

The Parent Company entered into several Term Loan Agreements to finance its investments in energy-related projects and for general corporate needs.

On February 20, 2017, the Parent Company entered into an unsecured loan agreement with an Insurance Company amounting to ₱1,000.00 million, payable in 10 years from the date of drawdown. The loan shall be paid in one lump sum at the maturity date.

On June 22, 2017, the Parent Company entered into unsecured loan agreement with a local bank amounting to ₱5,000.00 million. Principal payments has a grace period of up to three (3) years, reckoned from the initial drawdown. Interest rate is fixed on the outstanding principal amount of the loan for all drawdowns made from June 2017 to June 2018. For all drawdowns beyond June 2018, the interest rate shall be based on the relevant Peso Benchmark Rate PDST-R2 rate, plus credit spread, the fixed interest rate shall have a floor rate of 5.00%.

On September 25, 2020, the Parent Company secured a 12-year term loan facility from a local bank with maximum loanable amount of ₱10,000.00 million or its US dollar equivalent. Interest repricing will be based on the higher of the 7-year U.S. Treasury Rate plus an agreed margin, with the sum divided by an interest premium factor, or the existing rate, on the 5th anniversary from the drawdown date.



On November 27, 2020, the Parent Company secured a 12-year term loan facility from a local bank with maximum loanable amount of US\$60.00 million. Interest repricing shall be based on the higher of the relevant U.S. Dollar-denominated ROP Bond yield plus an agreed spread, or the floor rate of 2.70% on the 5th and 10th anniversary from the drawdown date.

On October 19, 2022, the Parent Company entered into unsecured loan agreement with BDO Unibank, Inc. amounting to ₱3,500.00 million. Interest rate is equivalent to a floating interest rate based on the 3-Month PHP BVAL Reference Rate.

The loans require the Parent Company to have a maximum debt to equity ratio of 2.33 to 1.00 and net debt to total equity ratio of 3.00 to 1.00. These were complied with by the Parent Company as of December 31, 2024 and 2023.

As of December 31, 2023, the Parent Company has available short term credit facilities up to ₱27,400.00 million available in pesos and dollar from local and foreign partner banks. There are no outstanding loans drawn from credit facilities as of December 31, 2024 and 2023. The credit facilities have expiry dates in 2024 with annual renewal option.

ACEF

On January 12, 2024, ACEIC as Guarantor to its subsidiary, ACEFIL, entered a loan agreement with a lender for US\$10.0 million. This loan obtained by ACEFIL shall be used to redeem its maturing green bonds in January 2024.

ACEN

The long-term loans ACEN 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 outstanding principal amounts, the



Description	Prepayment Provision
Loan E	outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement. 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 option on all long-term loans were assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

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, 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 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).

Loan Covenants

The loan covenants require NorthWind that the debt service coverage ratio (DSCR) should not fall below 1.05. The NorthWind complied with this covenant as of December 31, 2024 and 2023.

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 each Tranche A and Tranche B.

Both tranches have a term of 15 years with semi-annual interest payments starting on the date on when the loan was made. The Tranche A's interest is to be fixed at the higher of 10-year PDS Treasury Fixing (PDST-F) plus a spread 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 for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread or a minimum interest rate of 6.50%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. 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 under "Cash and cash equivalents" account in the consolidated statements of financial position (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.

Loan Covenants

Guimaras Wind has complied with the loan covenants as at December 31, 2024 and 2023. The compliance with the debt covenants is assessed semi-annually. Guimaras Wind shall maintain minimum DSCR of 1.2x and maximum debt to equity ratio of 70:30.



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%).

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.

ACRI and ACEN Australia

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 covenant

ACRI has complied with all its loan covenants as at December 31, 2024, and 2023.

Interest expense

Total interest and other financing charges recognized on long-term loans amounted to ₱4,129.53 million and ₱2,120.57 million for the years ended December 31, 2024, and 2023 respectively.



Notes Payable

The rollforward of this account is as follows:

	2024	2023
Principal		
Balance at beginning of year	₱74,771,837	₱75,251,312
Payment	(20,824,200)	—
Amortization of premium	37,235	(28,901)
Translation and foreign exchange adjustments	2,857,920	(450,574)
Balance at end of year	56,842,792	74,771,837
Debt issue cost		
Balance at beginning of year	203,911	316,169
Amortization	(49,598)	(111,105)
Translation and foreign exchange adjustments	(35,559)	(1,153)
Balance at end of year	118,754	203,911
	56,724,038	74,567,926
Less current portion	—	19,933,643
Noncurrent portion	₱56,724,038	₱54,634,283

Interest expense

Total interest and other financing charges recognized on notes payable amounted to ₱2,842.19 million and ₱3,636.17 million for the years ended December 31, 2024 and 2023, respectively.

ACEN Finance's Medium Term Note (MTN) Programme

On August 31, 2021, ACEN Finance established its MTN 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 medium-term note 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 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. On September 9, 2021, the notes were listed with the SGX-ST.

On September 9, 2021, the Notes were listed with the Singapore Exchange Securities Trading platform (SGX-ST).



The net proceeds from the bonds 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 (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.

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 is 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 as of December 31, 2024 and 2023.

ACEN Fixed-Rate ASEAN Green Bonds due 2027

On September 22, 2022, ACEN (the Issuer) used an unsecured-fixed rate Peso Green Bonds with an aggregate principal amounting to ₱10,000.00 million. The proceeds of the issuance will be 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.

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 embedded derivatives 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 requires 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.

ACEFIL's MTN Programme

On January 16, 2019, ACEFIL established its MTN Programme with an aggregate amount of US\$1,000.00 million (₱48,470.0 million). The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including eligible green projects and other use of proceeds under ACEFIL's green bond framework.

On November 17, 2020, ACEFIL amended the MTN Programme to increase the aggregate amount to US\$2,000.0 million (₱94,960.0 million) and allow the issuance of senior undated guaranteed notes under the MTN Programme.

On January 25, 2024, ACEFIL redeemed \$360.0 million of the Senior guaranteed notes under the MTN Programme. Remaining outstanding guaranteed notes amounted to \$410.0 million.

As of December 31, 2024 and 2023, ACEFIL has outstanding US\$410.0 million (₱23,130.19 million) and US\$770.0 million (₱42,634.9 million) notes under the MTN Programme, respectively.

Senior guaranteed notes due 2024 and 2029 and Senior undated guaranteed notes under the MTN Programme

On January 29, 2019, ACEFIL issued US\$225.0 million (₱11,417.4 million) senior guaranteed notes priced at US\$99.45 due 2024 guaranteed by the Parent Company with a fixed coupon of 4.75%.

On the July 9, 2020, ACEFIL issued US\$60.00 million (₱2,908.2 million) senior guaranteed notes priced at US\$104.75 due 2029 guaranteed by the Parent Company with a fixed coupon of 4.75%.

On November 25, 2020, ACEFIL issued US\$300.0 million (₱14,541.0 million) senior undated guaranteed notes priced at par with a fixed coupon of 5.10% for life. The new issue was used to finance the successful tender of US\$186.9 million (₱9,058.5 million) of the US\$400.0 million (₱19,388.0 million) 5.65% senior undated guaranteed notes at a tender price of US\$104.6 million.

Redemption at the option of the issuer

At any time, ACEFIL may on any one or more occasions redeem all or part of the "notes under the MTN Programme", by giving notice, at redemption price equal to 100% of the principal amount of the "notes under the MTN Programme" redeemed, plus the applicable premium (as defined in the respective pricing supplements) as of date, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the "notes under the MTN Programme" is registered on the relevant record date to receive interest due on the relevant interest payment date.

Covenants

The unsecured US dollar-denominated senior Green Bonds requires the Group to comply with certain covenants including among others, limitations on the incurrence or guarantee of additional indebtedness, creation or incurrence of certain liens, creation or permission of any restrictions on the payment of dividends to the Group by certain of the Group's subsidiaries, entering into unrelated businesses or engagement in certain activities, and limitations on the consolidation, merging or selling of all or substantially all of the Group's properties and assets with other entities if the Parent Company is not the surviving entity. The incurrence test for additional debt requires the Group to maintain a Net Debt to Total Equity ratio not exceeding 2.5 to 1.0. These were complied with by the Group as of December 31, 2024 and 2023.



14. Other Current Liabilities

This account consists of:

	2024	2023
Accrued construction cost	₱550,602	₱782,534
Retention payable	480,814	399,620
Due to related party	342,764	—
Derivative liabilities	40,308	10,563
Wages payable	—	65,915
Dividends payable	13,138	16,585
Others	243,965	187,284
	₱1,671,591	₱1,462,501

15. Other Noncurrent Liabilities

This account consists of:

	2024	2023
Unearned revenues	₱5,154,390	₱5,244,791
Asset retirement obligation	1,110,866	757,246
Pension and other employee benefits	329,025	368,827
Derivative liabilities	251,356	12,437
Bill deposits	42,850	73,513
Retention payable	41,745	20,499
Others (see Note 20)	995,540	607,098
	₱7,925,772	₱7,084,411

Asset retirement obligations (ARO) are from ISLASOL, SACASOL and MONTESOL and include restoration provision for the New England solar farm.

Others primarily consist of earnout consideration from the acquisition of shares of RWEI (see Note 20).

16. Equity

Capital Stock

This account consists of the following:

	Number of Stocks		Total
	Common	Redeemable Preferred	
Authorized shares	227,400,000	191,625,000	419,025,000
Par value	₱100	₱100	
Issued as at December 31, 2024 and 2023	159,865,993	175,506,216	335,372,209
Treasury stocks	—	(91,842,840)	(91,842,840)
Outstanding as at December 31, 2024 and 2023	159,865,993	83,663,376	243,529,369



	Amounts		
	Common	Redeemable Preferred	Total
Issued as at December 31, 2024 and 2023	₱15,986,599	₱17,550,622	₱33,537,221
Treasury stocks	—	(9,184,284)	(9,184,284)
Outstanding as at December 31, 2024 and 2023	₱15,986,599	₱8,366,338	₱24,352,937

Redeemable Preferred Stock

The Parent Company's redeemable preferred shares have the following features: (a) voting; (b) redeemable anytime at the option of the Parent Company; (c) dividend rate to be determined by the BOD upon issuance; (d) with pre-emptive rights only in respect of any issue of preferred shares; (e) cumulative in payment of current dividends as well as any unpaid back dividends; and (f) preference over holders of common stock in the distribution of corporate assets in the event of dissolution and of the Parent Company and in the payment of the dividend at the rate specified at the time of issuance.

On April 21, 2021, the Parent Company's BOD approved to redeem at par value the Philippine Peso equivalent of US\$122.00 million redeemable preferred shares or equivalent of ₱5,834.28 million.

On November 11, 2021, the Parent Company's BOD approved to redeem at par value the 33.50 million redeemable preferred shares for a total redemption price of ₱3,350.00 million.

The redemption of preferred shares is recorded as part of treasury stocks.

Retained Earnings

On March 7, 2022, the Parent Company's BOD approved the appropriation of the amount of ₱50,000.00 million from the unrestricted retained earnings as of December 31, 2021, to be used to fund and finance investments and acquisitions (directly or through its subsidiaries) of operating and development power companies in the Philippines and abroad which is expected to be completed in 3 years.

On October 31, 2023, the Parent Company declared ₱2,000.00 million cash dividends to AC at a rate of ₱12.51 per share. The record date is October 31, 2023, and paid within 2023.

On September 26, 2024, the Parent Company declared ₱1,000.00 million and US\$17.83 million (₱1,000.00) cash dividends to AC at a rate of ₱12.51 per share. The record date is September 26, 2024, and paid within 2024.

On December 31, 2024, the Group fully transferred the retirement plan to ACEN with derecognition of accumulated remeasurement loss amounting to ₱57.07 million.

Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries and associates and joint ventures accounted for under the equity method amounting to ₱58,586.30 million and ₱42,767.14 million as of December 31, 2024 and 2023, respectively, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

The Parent Company's retained earnings available for dividend declaration as of December 31, 2024 and 2023 amounted to ₱10,605.36 million and ₱7,453.63 million, respectively.



As of December 31, 2024 and 2023, deferred income tax liabilities have not been recognized on undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative translation adjustment amounted to US\$869.63 million (₱46,524.67 million) and US\$669.90 million (₱25,249.38 million) as of December 31, 2024 and 2023, respectively.

Transfer of remeasurement loss on defined benefit obligation

In 2024, the Group fully transferred the retirement plan to ACEN with derecognition of accumulated remeasurement loss amounting to ₱57.07 million.

Non-controlling Interest and Equity Reserves

Declaration of Cash Dividends by ACEN

2024

				Amounts		
Approval Date	Record Date	Payment Date	Dividend Per Share	Common Shares	Preferred Shares	
					ACENA	ACENB
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

				Amounts		
				Common Shares	Preferred Shares	
Approval Date	Record Date	Payment Date	Dividend Per Share		ACENA	ACENB
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

Additional Infusions

Additional infusion into ACEN amounting to ₱25,000.00 million through preferred share capital issuance was done in 2023. In 2022, additional infusions from minority shareholders of ACEN, which consists of: (a) infusion from UPC owners amounting to ₱10,558.58 million; (b) sale of ACEN shares to AC with a total impact of ₱11,936.76 million (see Note 2) and (c) infusion from minority shareholders of NAREDCO amounting to ₱1.09 million.

ACEIC's acquisition of ACEN shares

On April 29 and 30, 2024, the Parent Company purchased 30.00 million ACEN shares at ₱3.92 per share and 15.35 million ACEN shares at ₱4.10 per share, respectively, via block purchase. Total cost of purchase of shares amounted to ₱180.32 million.

On December 28 and 29, 2023, the Parent Company purchased 15.00 million ACEN shares at ₱3.50 per share and 20.00 million ACEN shares at ₱4.00 per share, respectively, via block purchase. Total cost of purchase of shares amounted to ₱132.50 million.



Acquisition by ACEN of the effective ownership interest of UPCAPH and Rohner in ACEN 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 completes the second and final tranche of ACRI's acquisition of ACEN Australia. ACEN Australia, through ACRI, is now a wholly owned subsidiary of ACEN (in thousands):

	In US\$	In PHP
Total consideration paid on February 1, 2023	\$85,391	₱4,724,682
Carrying amount of non-controlling interest	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" account in the consolidated statements of financial position.

Employee Stock Ownership Plan (ESOWN)

Under the Plan, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the Plan's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under the Plan are exercisable in three 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 the Plan, 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 for both years ended December 31, 2024 and 2023.

17. Rendering of Services, Cost of Power Operations and Other Income

Revenue from Rendering of Services

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

	2024	2023
Energy sales	₱36,158,234	₱36,315,036
Management fees (see Note 19)	507,484	220,053
Bulk water sales	5,484	9,400
	₱36,671,202	₱36,544,489



Power Supply Agreement with MERALCO

On September 9, 2019, ACEN 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, ACEN 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, ACEN 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 November 24, 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 07, 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 03, 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 but this time, as a RE generation company, which allows 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 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 for 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 the 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 grants 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) is 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 shall be 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 shall be ₱6.52/kWh and ₱8.90/kWh for Phase I & II 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.

NLR, a renewable energy producer and a joint venture through PhilWind, also accrued the retroactive net revenue adjustment amounting to ₱635.51 million.

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.

Cost of Power Operations

The Group's cost of power operations consists of:

	2024	2023
Cost of sale of electricity	₱23,285,289	₱28,883,665
Depreciation and amortization (Notes 8, 9 and 10)	2,023,059	1,207,418
Repairs and maintenance	693,732	499,277
Taxes and licenses	576,557	459,421
Compensation and benefits	342,925	288,065
Insurance	153,372	137,187
Others	304,328	415,205
	₱27,379,262	₱31,890,238

Other Income

In 2023, following the settlement of certain cases, the Parent Company recognized an income from reversal of provisions amounting to ₱80.04 million.

Income for property damage claims recognized by the Group amounting to nil and ₱45.59 million were recognized in 2024 and 2023, respectively.



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 there are no expected credit loss from its guaranteed obligation of the related parties.

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 transactions with GNPD, pertains to 2% per annum of the face value of the standby letter of credit (SBLC) for reimbursement support (or act as guarantor) as guarantee fee charged by the Parent Company for the debt service account obligations.

For the years ended December 31, 2024 and 2023, the Group recognized guarantee fee income amounting to ₱264.79 million and ₱154.69 million, respectively.

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” in the consolidated statement of comprehensive income.

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.

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 8).



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 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. For the year ended December 31, 2024, the Group recognized ₱1,035.33 million as “Other Income” in the consolidated statement of comprehensive income.

18. Income Taxes

Provision for (benefit from) income tax consists of:

	2024	2023
Current:		
Regular corporate income tax	₱809,599	₱454,551
Minimum corporate income tax	111,287	59,484
Deferred	188,374	(116,205)
	₱1,109,260	₱397,830

The reconciliation of statutory income tax to the provision for income tax follows:

	2024	2023
Income tax at statutory income tax rates	₱4,383,806	₱4,024,226
Additions to (reduction in) income tax resulting from:		
Income under income tax holiday and nontaxable income	(3,523,517)	(441,310)
Changes in unrecognized deferred income tax assets and others	1,371,159	360,965
Nontaxable share in net earnings of associates and joint ventures	(1,288,399)	(3,138,158)
Nondeductible expenses	435,228	—
Interest income already subject to final tax	(269,017)	(407,893)
	₱1,109,260	₱397,830



The components of the Group's net deferred income tax assets recognized in the consolidated statement of financial position follow:

	2024	2023
Deferred income taxes recognized in profit or loss:		
<i>Deferred income tax assets</i>		
NOLCO and MCIT	₱2,564,758	₱1,645,719
Lease liability	2,329,853	545,437
Accrued expenses	383,556	134,635
Decommissioning liability	36,572	19,704
Allowance for expected credit losses	28,739	30,854
Others	494,953	821,703
	5,838,431	3,198,052
<i>Deferred income tax liabilities</i>		
Right-of-use assets	1,646,542	374,944
Excess of fair value over cost of power plant	750,598	—
Long-term Payable	86,969	—
Unrealized foreign exchange gain	35,545	68,602
Unamortized debt issue costs	—	52,757
Others	16,912	73,508
	2,536,566	569,811
	3,301,865	2,628,241
Deferred income taxes recognized in other comprehensive income:		
<i>Deferred income tax assets</i>		
Derivative liability on hedging	103,616	14,851
Remeasurement effect on defined benefit obligation	12,660	13,807
Unrealized loss from financial asset at FVOCI	30	—
Unrealized fair value losses on derivative	—	2,641
	116,306	31,299
<i>Deferred tax liability</i>		
Derivative asset on hedging	—	435,302
	116,306	(404,003)
Total deferred income tax assets – net	₱3,418,171	₱2,224,238



The components of the Group's net deferred income tax liabilities recognized in the consolidated statement of financial position follow:

	2024	2023
Deferred income taxes recognized in profit or loss:		
<i>Deferred income tax assets:</i>		
Unrealized foreign exchange loss	₱598,040	₱30,327
Lease liability	26,961	81,401
Accrued income	—	2,223
Others	4,096	83,927
	629,097	197,878
<i>Deferred income tax liabilities</i>		
Unamortized capitalized borrowing costs	688,122	485,292
Unrealized foreign exchange gains	555,768	49,477
Accrued interest receivable	455,160	137,488
Right-of-use assets	445,415	124,729
Excess of fair value over cost of power plant	255,015	—
Straight-lining of rent	163,028	—
Long term payable	79,747	—
Unamortized debt issue cost	—	46,108
Others	144,756	650,700
	2,787,011	1,493,794
	2,157,914	1,295,916
Deferred income taxes recognized in other comprehensive income:		
<i>Deferred income tax asset</i>		
Remeasurement effect on defined benefit obligation	26,006	7,621
Unrealized fair value gains on financial asset at FVOCI	6,392	—
	32,398	7,621
<i>Deferred tax liability</i>		
Derivative asset on hedging	69,149	—
	36,751	(7,621)
Total deferred income tax liabilities - net	₱2,194,665	₱1,288,295

No deferred income tax assets have been recognized on the following as it is probable that no sufficient taxable income will be available to allow the benefit of deferred income tax assets to utilized:

	2024	2023
NOLCO	₱3,004,680	₱4,989,056
Allowance for expected credit losses	80,101	—
Accrued expenses	47,749	351,766
MCIT	46,992	36,837
Unrealized foreign exchange loss	3,696	3,281



NOLCO

The Group has incurred NOLCO which can be claimed as deduction from regular taxable income as follows:

Year Incurred	Beginning	Additions	Application	Expiration	Ending	Expiry Date
2016 ^(a)	₱129,030	₱116,549	(₱17,644)	(₱227,935)	₱—	2023
2017	—	470,941	—	(48,077)	422,864	2020
2018	422,864	1,293,442	—	(16,177)	1,700,129	2021
2019	1,700,129	1,080,806	—	(9,691)	2,771,244	2022
2020 ^(b)	2,771,244	1,231,416	(2,786,858)	(470,941)	744,861	2025
2021 ^(b)	744,861	528,379	(3,891)	(354,238)	915,111	2026
2022	915,111	4,788,262	(127,027)	(431,961)	5,144,385	2025
2023	5,144,385	3,094,186	(63,425)	(116,549)	8,058,597	2026
2024	8,058,597	1,563,612	—	—	9,622,209	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

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

MCIT

On June 20, 2023, the BIR issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to R.A. No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021. Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

The Group has excess MCIT that can be claimed as deduction from regular income tax liability as follows:

Year Incurred	Beginning	Additions	Application	Expiration	Ending	Expiry Date
2019	₱9,629	₱7,801	₱—	(₱17,430)	₱—	2022
2020	—	12,458	(8,325)	(4,133)	—	2023
2021	—	36,837	—	(9,629)	27,208	2024
2022	27,208	10,873	—	(17,080)	21,001	2025
2023	21,001	15,145	—	(12,458)	23,688	2026
2024	23,688	105,582	—	—	129,270	2027

Base Erosion and Profit Shifting (BEPS)

Pillar Two legislation has been implemented in some of the jurisdictions in which subsidiaries of ACEIC (the “Group”) operate. Legislation applicable to the Group is effective on January 1, 2024. Given this, the Group has assessed the applicable 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 set of 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 legislation provides for a transitional safe harbor (“TSH”) that applies for the first three fiscal years following the entry into force of the relevant regulation; the TSH 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 TSH 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).

ACEIC 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 BEPS Guidelines (“Guidelines”), 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 TSH. 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 TSH test criteria, and only BVI and Singapore is 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 Singapore entities have effective Income Inclusion Rule (IIR) in place, there is no top-up tax payable for entities incorporated in Singapore in the current period. There will also be no top-up tax payable in BVI as there is currently no legislation on the implementation of BEPS Pillar Two therein and none of the intermediate parent entities of the BVI entities have effective Income Inclusion Rule (IIR) in place.

19. Related Party Transactions

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

Except as otherwise stated, outstanding balances are unsecured, to be settled in cash throughout the financial year and there have been no guarantees provided or received.

The assessment of collectability of receivables from related parties is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements and electricity supply.



The composition of due to/from related parties are as follows:

a. Notes Receivables (see Note 5)

Related Party	Amount/ Volume	Outstanding Balance		Terms and conditions	
	2024	2023	2024		2023
Development loans					
<i>Associates:</i>					
PT Sidrap	₹386,018	₹—	₹386,018	₹—	Payable at the option of the lender; interest bearing; unsecured; no impairment Payable at the option of the lender; interest bearing; unsecured; no impairment Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Lombok	56,823	—	56,823	—	
PT Sukabumi	252,208	—	252,209	—	
<i>Joint Ventures:</i>					
UPC Power Solutions LLC	486,346	—	1,378,101	—	Payable in 2028; interest bearing; unsecured; no impairment Due in 2024; interest bearing; unsecured; with impairment Due in 2026; interest bearing; unsecured; no impairment
UPC-ACE Solar	—	—	856,874	806,694	
ACEN-Silverwolf	9,175	5,415	14,832	5,415	
<i>Affiliate:</i>					
Yoma	181,328	—	1,570,821	1,329,824	Due in 2033; interest bearing; unsecured; no impairment
	₹1,371,898	₹5,415	₹4,515,678	₹2,141,933	
Bridge Financing					
<i>Joint Ventures:</i>					
Grencore 3	₹184,539	₹248,591	₹4,659,075	₹4,474,536	Due in 2024; interest bearing; unsecured; no impairment Due in 2024; interest bearing; unsecured; no impairment Due in 2024; interest bearing; unsecured; no impairment Due in 2035; interest bearing; unsecured; no impairment Due 2045 interest bearing; unsecured; no impairment Due in 2024; interest bearing; unsecured; no impairment Due in 2028; interest bearing; unsecured; no impairment Due in 20 years from date of drawdown; interest bearing; unsecured; no impairment Due in 2024; interest bearing; unsecured; no impairment
Lac Hoa	—	—	2,742,492	2,625,150	
Hoa Dong	—	—	2,405,713	2,302,780	
Asian Wind 1	—	—	1,538,099	1,472,288	
Asian Wind 2	—	—	1,160,660	1,157,895	
NEFIN Solar	183,022	220,649	964,218	791,514	
AMI Greenergy Investment JSC	311,553	—	311,553	—	
Vietnam Wind	—	224,279	296,154	283,482	
PT Dewata ACEN Renewables Indonesia	10,094	33,214	44,792	33,214	
Ingrid	—	600,000	—	300,000	Due in 2024; interest bearing; unsecured; no impairment
	₹689,208	₹1,326,733	₹14,122,756	₹13,440,859	



Other Loans	Amount/ Volume		Outstanding Balance		Terms and conditions
	2024	2023	2024	2023	
<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	310,542	Due in 20 years; interest bearing; unsecured; no impairment
URH	454,926	–	462,662	–	Due in 2025; interest bearing; unsecured; no impairment
Infineum 4 Energy, Inc. (Infineum 4)	10,300	34,360	88,126	77,827	Due in 2024; interest bearing; unsecured; no impairment
	₱2,687,233	₱344,902	₱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 from December 31, 2023, to December 31, 2024.

b. Interest Income and Receivable

The Group maintains current and savings account and other short-term investments with Bank of the Philippine Islands (BPI) broken down as follows:

	2024	2023
Cash in banks	₱35,003	₱67,549
Cash equivalents	318,954	125,629
	₱353,957	₱193,178

Accrued interest income relates primarily to the dividend yields from the Group's investments in the redeemable preference shares and interest from loans extended to its related parties.

Related Party	Amount/Volume		Outstanding Balance		Terms
	2024	2023	2024	2023	
Redeemable preferred shares and convertible loans (see Notes 5 and 7)					
Redeemable preferred shares	₱2,335,852	₱2,509,951	₱4,733,771	₱3,473,000	various dates
Convertible loans	580,381	627,388	1,350,236	761,760	various dates
	₱2,916,233	₱3,137,339	₱6,084,007	₱4,234,760	
Development Loans (see Note 5)					
<i>Joint Ventures:</i>					
UPC-ACE Solar	₱106,179	₱102,677	₱442,677	₱–	various dates
URH	23,118	–	–	–	various dates
UPC-ACE Australia	–	14,664	–	–	various dates
UPC Power Solutions LLC	84,500	–	–	–	various dates
<i>Associate:</i>					
PT UPC Sukabumi Bayu Energi	7,044	–	7,033	–	various dates
PT UPC Sidrap Bayu Energi Tahap Dua	11,071	–	11,125	–	various dates
ACEN-Silverwolf	1,115	–	1,338	206	various dates
PT UPC Lombok Timur Bayu Energi	886	–	842	–	various dates
AMI Renewables (Quang Binh)	1,241	–	–	–	various dates
<i>Affiliate:</i>					
Yoma	66,204	53,314	64,042	198,328	various dates
	₱301,358	₱170,655	₱527,057	₱198,534	



	Amount/Volume		Outstanding Balance		
Related Party	2024	2023	2024	2023	Terms
Bridge Financing (see Note 5)					
<i>Joint Ventures:</i>					
Vietnam Wind	₱50,076	₱37,355	₱537,426	₱465,726	various dates
Hoa Dong	230,826	301,196	637,054	439,074	various dates
Lac Hoa	262,956	343,065	723,817	387,030	various dates
NEFIN Solar	78,142	47,487	—	63,448	various dates
Greencore 3	698,588	495,884	—	57,797	30-day non-interest bearing
Ingrid	35,063	76,405	—	33,337	30-day non-interest bearing
Dewata	4,424	—	4,946	472	various dates
Ami Greenergy Investment JSC	10,189	—	10,255	—	various dates
Asian Wind 1	152,817	283,695	134,143	—	various dates
Asian Wind 2	118,041	224,807	9,672	—	various dates
BIM Wind	—	130,266	—	—	various dates
	₱1,641,122	₱1,940,160	₱2,057,313	₱1,446,884	
Other Loans					
<i>Affiliates:</i>					
BrightNight	₱65,064	₱29,677	₱94,138	₱29,693	30-day non-interest bearing
GNPK *	—	478,691	—	—	30-day non-interest bearing
Others	9,359	3,833	35,394	4,095	30-day non-interest bearing
	₱74,423	₱512,201	₱129,532	₱33,788	
Trade Receivables:					
Affiliates	₱—	₱—	₱2,010	₱9,068	30-day non-interest bearing
<i>* Interest income earned for the period ending June 30, 2023 amounted to ₱478.69 million, the period in which GNPK is still a related party prior to the completion of the 2nd tranche sale of the Group's remaining interest.</i>					

* Interest income earned for the period ending June 30, 2023 amounted to ₱478.69 million, the period in which GNPK is still a related party prior to the completion of the 2nd tranche sale of the Group's remaining interest.

c. Loans Payable (see Note 13)

Related Party	Interest Expense		Outstanding Balance		Terms and conditions
	2024	2023	2024	2023	
BPI:					
Amortization of Debt Issue					
Cost / Interest payable	₱42,836	₱39,611	₱58,010	₱18,926	30 days unsecured
Short term Loans	51,677	66,492	—	1,500,000	63 days interest bearing
Long-term loans	266,386	209,253	8,351,576	5,702,633	12 years interest bearing

d. Financial asset at FVTPL

The Group holds investments in a Unit Investment Trust Fund (UITF) with BPI Wealth - A Trust Corporation (BPI Wealth).

Related Party	Amount/Volume		Outstanding Balance		Terms
	2024	2023	2024	2023	
BPI Wealth					
Peso	₱17,702,350	₱5,055,000	₱3,977,816	₱1,436,676	Redeemable (On Demand)
Foreign	4,283,661	300,794	1,727,432	—	Redeemable (On Demand)
	₱21,986,011	₱5,355,794	₱5,705,248	₱1,436,676	

e. Leases (see Note 9)

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		Outstanding Balance		Terms and conditions
	2024	2023	2024	2023	
ALI:					
Right-of-use Assets	₱143,028	₱109,951	₱1,211,227	₱1,103,946	10 years unsecured
Lease Liabilities	83,760	42,447	1,464,231	1,265,926	10 years unsecured
AREIT:					
Right-of-use Assets	₱—	₱—	₱535,118	₱—	25 years unsecured
Lease Liabilities	—	—	6,472,722	—	25 years unsecured
BPI CENTURY:					
Right-of-use Assets	₱421	₱—	₱3,621	₱—	2 years, unsecured
Lease Liabilities	114	—	3,769	—	2 years, unsecured

f. Other Related Party Transactions

	Amount / Volume		Outstanding Balance Receivable (Payable)		Terms and conditions
	2024	2023	2024	2023	
Management fees income	₱466,219	₱169,412	₱368,326	₱138,169	30-days unsecured
Rental income:					30-days unsecured
Ingrid	17,337	13,009	2,530	4,214	
GNPK*	—	56,923	—	—	30-days unsecured
Management fees expense	51,834	243,930	(48,703)	—	30-days unsecured
Revenue from power supply contracts	594,945	—	—	—	30-days, unsecured
Cost of sale of electricity	(1,115,485)	(569,485)	(105,187)	(103,650)	30-days unsecured
Due from related parties	—	—	889,987	648,496	On demand unsecured
Due to related parties	—	—	(2,363,950)	(2,691,079)	On demand unsecured

* In 2023, the rental income pertains to the income earned until June 30, 2023, the period in which GNPK is still a related party prior to the completion of the 2nd tranche sale of the Group's remaining interest.

Management fees 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 lease agreements with Ingrid and GNPK.

Management fees expense represent recoveries of AC for seconded key management personnel to the Parent Company.

The Group purchases the entire net electricity output of MGI.

The amount due from a related company pertains mostly from 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.

g. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱300.25 million in 2024 and ₱303.96 million in 2023 pertain to housing, car, salary and other loans granted to Group's officers and employees.



h. Compensation of key management personnel

Key management personnel who are employees of the Group received the following short-term employee benefits and post-employment benefits:

	2024	2023
Short-term employee benefits	₱76,443	₱84,073
Post-employment benefits	8,164	29,916
	₱84,607	₱113,989

20. Business Combination and Asset Acquisitions

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 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 (of which ₱30.00 million remains unpaid as of September 30, 2024) 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 (see Note 8)	10,118
Right-of-use assets	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 12)	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 9)	<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 (see Note 15)	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).

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 Combination

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 and its affiliate, 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 (amount in millions):

Assets	
Cash and cash equivalents	₱188,165
Accounts and notes receivable	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	537
	<u>328,068</u>
Total identifiable net liabilities	(83,201)
Total consideration	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 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, additional contribution to the net loss attributable to ACEN for the year ended December 31, 2023, 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:

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.

21. Financial Instruments and Risk Management

The following table presents the carrying values and fair values of the Group's financial assets and financial liabilities:

	December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	₱27,773,320	₱27,773,320	₱40,865,927	₱40,865,927
Short-term investments	161,966	161,966	—	—
Receivables	85,819,026	85,684,207	79,313,793	79,354,811
Financial assets at FVTPL	6,627,035	6,627,035	3,872,376	3,872,376
Financial assets at FVOCI	12,673,914	12,673,914	6,509,378	6,509,378
Derivative assets	4,551,769	4,551,769	6,447,517	6,447,517
Investments in redeemable preferred shares and convertible loans	17,828,524	18,579,456	21,633,799	15,078,135
Deposits	587,693	590,595	434,311	439,753
Total financial assets	₱156,023,247	₱156,642,262	₱159,077,101	₱152,567,897
Financial Liabilities				
Accounts and other payables*	₱11,249,360	₱11,249,360	₱11,544,871	₱11,544,871
Short-term loans	5,600,000	5,600,000	1,500,000	1,500,000
Loans payables	109,234,766	104,236,141	59,295,912	56,687,258
Notes payables	56,724,038	58,424,869	74,567,926	72,142,073
Lease liabilities	14,541,889	16,806,110	8,398,604	7,406,077
Derivative liability	291,664	291,664	23,000	23,000
Other current liabilities	1,631,283	1,631,283	1,451,938	1,451,938
Bill deposits	967,513	967,513	2,381,473	2,381,473
Other noncurrent liabilities	1,037,285	1,037,285	627,597	627,597
Total financial liabilities	₱201,277,798	₱200,244,225	₱159,791,321	₱153,764,287

*Excluding taxes payable

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, short-term investments, deposits, accounts and other payables, short-term loans, bill deposits and other current liabilities: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the consolidated statements of financial position.

Receivables: The fair value of receivables due within one year approximates its fair value. Noncurrent portion of receivable is discounted using the applicable discount rate for similar type of instruments. The discount rates used range from 6.09% to 6.61% and 1.66% to 6.24% for the years ended December 31, 2024 and 2023, respectively, using the remaining terms of maturity. This is a Level 3 valuation technique.



Derivative assets and liability: The fair value of the derivative assets 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

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. 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 ₱5,705.25 million and ₱1,437.58 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 2 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 ₱4,560.13 million and ₱5,799.32 million as at December 31, 2024 and 2023, respectively.



Investment in redeemable preferred shares and convertible loans: This includes investments in redeemable preferred shares and convertible loans. For investment in redeemable preferred shares and convertible loan, the fair values of the investments are determined using the applicable discount rate for similar type of instruments. The discount rates used for redeemable preferred shares and convertible loans ranges from 9.00% to 13.00% and 9.00% to 13.00% for the years ended December 31, 2024 and 2023, respectively, using the remaining terms of maturity, respectively. This is a Level 3 valuation technique

Lease Liabilities: 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 6.00% to 8.14% and 1.03% to 8.88% as at December 31, 2024 and 2023, respectively. This is a Level 3 valuation technique.

Loans and 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 ranged from 3.02% to 8.52 % and 1.03% to 8.88% as at December 31, 2024 and 2023, respectively. This is a Level 3 valuation technique.

In 2024 and 2023, there were no transfers between levels for fair value measurements.

Significant increase (decrease) in discount rate would result in significant lower (higher) fair value of receivables, financial assets at amortized cost, equity instruments at FVOCI, FVTPL, derivative asset, derivative liability, notes and loans payable, lease liabilities and other noncurrent liabilities.

Description of significant unobservable inputs to valuation follows:

Account	Valuation Technique	Significant Unobservable Inputs
Receivables	Discounted cash flow analysis	Discount rate
Financial assets at FVTPL	Discounted cash flow analysis	Discount rate
Financial assets at FVOCI	Discounted cash flow analysis	Discount rate
Derivative assets	Discounted cash flow analysis	Discount rate and volatility
Investment in redeemable preferred shares and convertible loans	Discounted cash flow analysis	Discount rate
Deposits	Discounted cash flow analysis	Discount rate
Loans payable	Discounted cash flow analysis	Discount rate
Notes payable	Discounted cash flow analysis	Discount rate
Lease liabilities	Discounted cash flow analysis	Discount rate
Other noncurrent liabilities	Discounted cash flow analysis	Discount rate

Financial Risk Management 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 and marketable instruments. 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 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.

Financial Risk

The Group's principal financial liabilities comprise of accounts and other payables, short-term loans, loans payable, notes payable, lease liabilities, derivative liability and other current and noncurrent liabilities. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations and investing activities.

The Group has various financial assets such as cash and cash equivalents, receivables, short-term investments, derivative assets, deposit, financial asset at FVOCI and FVTPL and other financial assets at amortized cost (redeemable preferred shares and convertible loans), which arise directly from its operations and investing activities. The main risk arising from the use of financial instruments are interest rate risk, liquidity risk, credit risk, foreign currency risk and commodity price risk.

The BOD reviews and approves the policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.

The Group's risk management policies are summarized below. The exposure to risk and how they arise, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior periods.

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 of 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.

Liquidity Risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same for 2024 and 2023.

Maturity Profile Financial Liabilities

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted contractual payments, including interest payable.

2024

	On Demand	Less than 1 Year	1 to 5 years	More than 5 Years	Total
Accounts and other payables	₱7,997,420	₱4,176,603	₱—	₱—	₱12,174,023
Other current liabilities	1,631,283	—	—	—	1,631,283
Short-term loans	1,558,455	4,041,545	—	—	5,600,000
Loans payable*	—	11,198,675	73,478,354	46,980,725	131,657,754
Notes payable*	—	334,055	61,237,756	—	61,571,811
Lease liabilities*	—	2,019,851	2,848,373	14,999,761	19,867,985
Derivative liability	—	40,308	251,356	—	291,664
Other noncurrent liabilities	—	—	1,063,428	16,707	1,080,135
	₱11,187,158	₱21,811,037	₱138,879,267	₱61,997,193	₱233,874,655

*includes future interest payable

2023

	On Demand	Less than 1 Year	1 to 5 years	More than 5 Years	Total
Accounts and other payables	₱9,470,471	₱4,382,360	₱—	₱—	₱13,852,831
Other current liabilities	912,842	539,096	—	—	1,451,938
Short-term loans	—	1,500,000	—	—	1,500,000
Loans payable*	—	2,805,272	24,214,865	50,405,130	77,425,267
Notes payable*	—	21,130,968	58,701,434	—	79,832,402
Lease liabilities*	—	1,270,566	3,063,854	8,639,112	12,973,532
Derivative liability	—	10,563	12,437	—	23,000
Other noncurrent liabilities	—	—	684,403	16,707	701,110
	₱10,383,313	₱31,638,825	₱86,676,993	₱59,060,949	₱187,760,080

*includes future interest payable

Credit or Counter Party 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 BOD.



- Discussions are done on every major investment by the Group's Treasury team before it is executed subject to approval limits. Exposure limits are tracked for every transaction and Treasury 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.

December 31, 2024

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash and cash equivalents	₱27,773,320	₱—	₱—	₱27,773,320
Short-term investments	161,966	—	—	161,966
Receivables:				
Trade	3,529,175	3,651,124	67,887	7,248,186
Due from related parties	17,200,041	12,538,220	2,353,766	32,092,027
Due from third parties	24,198,313	24,702,153	106,721	49,007,187
Financial asset at FVTPL	6,627,035	—	—	6,627,035
Financial asset at FVOCI	12,673,914	—	—	12,673,914
Derivative asset	4,551,769	—	—	4,551,769
Investment in redeemable preferred shares and convertible loans	17,828,524	—	2,112,850	19,941,374
Deposits	587,693	—	—	587,693
	₱115,131,750	₱40,891,497	₱4,641,224	₱160,664,471

December 31, 2023

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash and cash equivalents	₱40,865,927	₱—	₱—	₱40,865,927
Receivables:				
Trade	5,232,720	4,189,178	50,196	9,472,094
Due from related parties	16,504,190	5,327,321	1,157,518	22,989,029
Due from third parties	46,666,156	1,394,228	108,564	48,168,948
Financial asset at FVTPL	3,872,376	—	—	3,872,376
Financial asset at FVOCI	6,509,378	—	—	6,509,378
Derivative asset	6,447,517	—	—	6,447,517
Investment in redeemable preferred shares and convertible loans	21,633,799	—	3,145,378	24,779,177
Deposits	434,311	—	—	434,311
	₱148,166,374	₱10,910,727	₱4,461,656	₱163,538,757

Trade receivables - 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



December 31, 2024						
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade receivables:						
Current portion	₱369,250	₱726,393	₱2,058,805	₱3,041,134	₱–	₱6,195,582
Noncurrent portion	374,727	–	–	677,877	–	1,052,604
	₱743,977	₱726,393	₱2,058,805	₱3,719,011	₱–	₱7,248,186

December 31, 2023						
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade receivables:						
Current portion	₱4,012,398	₱827,924	₱344,603	₱2,947,160	₱50,196	₱8,182,281
Noncurrent portion	–	–	–	1,289,813	–	1,289,813
	₱4,012,398	₱827,924	₱344,603	₱4,236,973	₱50,196	₱9,472,094

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, short-term deposits, due from related parties, receivable from other parties, financial asset at FVOCI and FVTPL, other financial assets at amortized cost (redeemable preferred shares and convertible loans) and deposits, 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 and short-terms deposits were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.
- Due from related parties, receivable from other parties (except for receivable from Sta. Clara), other receivables, derivative assets, equity instruments at FVOCI, FVTPL financial assets, investment in redeemable preferred shares and convertible loans and deposits were assessed as high grade since these are investments with no history of default or instruments that carry guaranty or collateral.

There are no significant concentrations of credit risk within the Group.

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

Grade	2024				
	Lifetime ECL				Total
	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	
High	₱153,560,237	₱–	₱–	₱6,046,865	₱159,607,102
Standard	1,057,369	–	–	–	1,057,369
Substandard	–	–	–	–	–
Default	–	–	–	–	–
Gross carrying amount	154,617,606	–	–	6,046,865	160,664,471
Less loss allowance	4,490,018	–	–	151,206	4,641,224
Carrying amount	₱150,127,588	₱–	₱–	₱5,895,659	156,023,247



Grade	2023				Total
	12-month Stage 1	Lifetime ECL		Simplified Approach	
		Stage 2	Stage 3		
High	₱156,092,158	₱—	₱—	₱6,389,230	₱162,481,388
Standard	1,057,369	—	—	—	1,057,369
Substandard	—	—	—	—	—
Default	—	—	—	—	—
Gross carrying amount	157,149,527	—	—	6,389,230	163,538,757
Less loss allowance	4,309,344	—	—	152,312	4,461,656
Carrying amount	₱152,840,183	₱—	₱—	₱6,236,918	₱159,077,101

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%	12.66%	
Estimated total gross carrying amount at default	₱4,050,731	₱732,185	₱185,229	₱280,475	₱798,245	₱6,046,865
Expected credit loss	₱20,923	₱11,775	₱4,843	₱12,583	₱101,082	₱151,206

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

Foreign Exchange Risk

The Group's foreign exchange risk is limited to certain foreign currency denominated cash and cash equivalents, receivables and payables, resulting primarily from the movements of the Philippines Peso against the US dollar. The Group's significant foreign currency-denominated financial assets and financial liabilities are as follows:

	2024	2023
	U.S. Dollar (US\$)	U.S. Dollar (US\$)
Financial Assets		
Cash and cash equivalents	\$107,465	\$42,002
Other financial asset	29,761	—
Other receivables	290,681	256,331
	427,907	298,333
Financial Liabilities		
Accounts payable and other current liabilities	(\$82)	(\$41)
Loans payable	(231,721)	(160,854)
	(231,803)	(160,895)
Net foreign currency-denominated assets (liabilities)	\$196,104	\$137,438
Peso equivalent	₱11,376,714	₱7,637,031



In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱58.01 to US\$1.00 and ₱55.56 to US\$1.00 as at December 31, 2024 and 2023, respectively.

The following are the sensitivity rates used in the reporting of foreign currency risk internally to key management personnel. The sensitivity rates represent management's assessment of the reasonably possible change in foreign exchange rates.

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate	Effect on income before income tax Increase (Decrease)
2024	(₱1.00)	(₱196,104)
	1.00	196,104
2023	(₱1.00)	(₱137,438)
	1.00	137,438

For subsidiaries with functional currency in US\$, financial assets and liabilities are translated into Philippine peso, the 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 cash and cash equivalents, receivables from related parties, accrued interest receivable, financial assets at amortized cost, investments in financial assets at FVOCI, 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 ACEFIL, ACEIC Cayman, ACETI and subsidiaries, ACEC and ACEN Finance which are in US\$ functional currency were likewise translated to the Group's presentation currency. The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments" account in the consolidated statements of financial position.

	December 31, 2024	
	PHP	US\$
Financial assets:		
Cash and cash equivalents	₱8,620,120	\$149,021
Receivables	52,729,535	911,566
Other financial asset	6,382,559	110,339
	67,732,214	1,170,926
Financial liabilities:		
Accounts and other payables	9,154,781	158,264
Notes and loans payable	98,557,757	1,703,825
	107,712,538	1,862,089
Net foreign currency position	(₱39,980,324)	(\$691,163)

	December 31, 2023	
	PHP	US\$
Financial assets:		
Cash and cash equivalents	₱14,117,279	\$254,963
Receivables	53,483,242	965,925
Other financial assets	7,731,998	139,642
	75,332,519	1,360,530
Financial liabilities:		
Accounts and other payables	10,264,703	185,384
Notes and loans payable	82,564,081	1,491,134
	92,828,784	1,676,518
Net foreign currency position	(₱17,496,265)	(\$315,988)



The Philippine Peso - US Dollar exchange rate as of December 31, 2024 and 2023 used were ₱57.84 to US\$1.00 and ₱55.37 to US\$1.00.

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 other comprehensive income
2024	USD	+1.00	(₱691,163)
		-1.00	691,163
2023	USD	+1.00	(₱315,988)
		-1.00	315,988

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 and Loss of the Group
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for Hedge Accounting

Only the Group's Chief Executive Officer and Chief Finance Officer are authorized to make coal and bunker fuel oil hedging decisions for the Group. All executed hedges go through a stringent approval process to justify the tenor, price and volume of the hedge to be undertaken.

Monitoring and assessment of the hedge effectiveness of the Coal and Fuel Hedging Strategy are reviewed quarterly during the Group's Finance Committee (FINCOM). Continuation, addition, reduction and termination of existing hedges are decided by the FINCOM and any material change in permissible hedging instrument, counterparties and limits are elevated to the Board for approval.

The Group purchases coal and bunker fuel oil on an ongoing basis for its operating activities in the thermal energy power generators, composed of SLTEC and other diesel power plants (CIPP, One Subic Power, Bulacan Power). The increased volatility in coal and fuel oil price over time led to entering in commodity swap contracts. The forecasted volumes are determined based on each plant's projected operating capacity, plant availability, required monthly consumption and storage capacity.

These contracts are expected to reduce the volatility attributable to price fluctuations. Hedging the price volatility of forecast coal and bunker fuel oil purchases is in accordance with the risk management strategy outlined by the Board.



There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity swap contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following foreign exchange and commodity swap contracts:

	Maturity						
	< 1 month	1-3 Months	4-6 months	7-9 months	10-12 months	>12 months	Total
As of December 31, 2024							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$10,000	\$19,301	\$—	\$—	\$—	\$—	\$29,301
Average forward rate (\$/₦)	56.36	58.39	—	—	—	—	
<i>Coal</i>							
Notional amount (in Metric Tons)	1,200	—	—	—	—	—	1,200
Notional amount (in \$000)	(\$17)	\$—	\$—	\$—	\$—	\$—	(\$17)
Average hedged rate (\$ per Metric ton)	\$104.76	\$—	\$—	\$—	\$—	\$—	
	Maturity						
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
As of December 31, 2023							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$17,161	15,159	\$6,560	\$—	\$—	\$—	\$38,880
Average forward rate (\$/₦)	55.47	55.42	55.43	—	—	—	
<i>Coal</i>							
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 is as follows:

	Notional amount	Carrying amount	Line item in the consolidated statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As of December 31, 2024				
Foreign exchange forward contracts	\$17,147	₱15,089	Other current assets	₱15,089
Foreign exchange forward contracts	12,154	(7,974)	Other current liabilities	(7,974)
Commodity swap contracts - Coal	1,200	(925)	Other noncurrent liabilities	(925)
As of December 31, 2023				
Foreign exchange forward contracts	\$17,161	(₱10,563)	Accounts and other payables	(₱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 is as follows (amounts in thousands):

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As of December 31, 2024			
Highly probable forecast purchases	₱15,089	₱—	₱—
Highly probable forecast purchases	(7,974)	—	—
Coal purchase	(925)	—	—
As of 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 (amounts in thousands):

	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 of December 31, 2024						
Foreign exchange forward contracts	₱66,166	₱—	₱—	₱—	₱—	₱—
Foreign exchange forward contracts	24,664	—	—	—	—	—
Commodity swap contracts - Coal	(694)	—	—	—	—	—
As of 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 sufficient funds and equity capital in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjust it, in light of changes in economic conditions. No changes were made in the objectives, policies, or processes for the years ended December 31, 2024 and 2023. The Group considers its total equity as its core capital.

The loan agreements on long-term debt of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guarantees, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as of December 31, 2024 and 2023.

22. 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) or Commercial Operations (CO)
 2. Renewables - generation, transmission, distribution and supply of electricity using renewable sources such as solar, wind and geothermal resources
 3. Thermal - generation, transmission, distribution and supply of electricity using conventional way of energy generation
 4. Project development
 5. Leasing
 6. Bulk water supply and
 7. Petroleum and exploration - pursued 44.23% 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 Limited.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

Revenue earned from a single external customer amounted to ₱9,298.26 million and ₱13,328.00 million in 2024 and 2023, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arise from sales in the Philippine Segment.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results are shown net of transfers between operating segments. Those transfers are eliminated in consolidation.

The following tables regarding operating segments present revenue and income information for the year ended December 31, 2024 and 2023 and assets and liabilities as of December 31, 2024 and 2023:

December 31, 2024

	Parent and Others	Philippines	International	Consolidated
Revenue:				
Energy and bulk water sales	₱–	₱33,910,510	₱2,253,208	₱36,163,718
Equity in net income	3,431,874	1,014,047	176,918	4,622,839
Management fees	439,185	–	68,299	507,484
Rental income	–	189,905	–	189,905
Other revenues	207,079	310,106	400,478	917,663
	4,078,138	35,424,568	2,898,903	42,401,609
Cost and expenses:				
Costs of services	–	26,766,059	613,203	27,379,262
General and administrative	2,221,563	1,364,195	3,541,330	7,127,088
	2,221,563	28,130,254	4,154,533	34,506,350
Other income (charges):				
Foreign exchange gain	824,959	58,643	26,084	909,686
Interest income	4,700,338	1,299,645	4,751,669	10,751,652
Gains on acquisition and disposal of Investments	–	–	1,566,736	1,566,736
Mark-to-market losses - net	10,110	258,134	(153,574)	114,670
Interest and other financing charges	(3,833,837)	(483,589)	(1,069,203)	(5,386,629)
Other income	401,590	1,123,143	159,115	1,683,848
	2,103,160	2,255,976	5,280,827	9,639,963
Net income before income tax	3,959,735	9,550,290	4,025,197	17,535,222
Provision for income tax	(819,163)	(682,591)	392,494	(1,109,260)
Net income	₱3,140,572	₱8,867,699	₱4,417,691	₱16,425,962

(Forward)



	Parent and Others	Philippines	International	Consolidated
Other information:				
Segment assets	₱223,540,249	₱57,021,391	₱55,260,848	₱335,822,488
Investments in associates and joint ventures	—	29,069,248	29,847,904	58,917,152
Total assets	₱223,540,249	₱86,090,639	₱85,108,752	₱394,739,640
Segment liabilities	₱113,757,268	₱26,171,404	₱69,386,465	₱209,315,137
Deferred income tax liabilities	772,640	1,364,148	57,877	2,194,665
Total Liabilities	₱114,529,908	₱27,535,552	₱69,444,342	₱211,509,802

December 31, 2023

	Parent and Others	Philippines	International	Consolidated
Revenue:				
Energy and bulk water sales	₱—	₱35,493,708	₱830,728	₱36,324,436
Equity in net income	(10,650)	6,197,032	752,124	6,938,506
Management fees	183,555	—	36,498	220,053
Rental income	113,574	68,857	—	182,431
Other revenues	102,324	22,396	—	124,720
	388,803	41,781,993	1,619,350	43,790,146
Cost and expenses:				
Costs of services	—	31,890,238	—	31,890,238
General and administrative	2,752,771	44,491	4,660,998	7,458,260
	2,752,771	31,934,729	4,660,998	39,348,498
Other income (charges):				
Foreign exchange gain (loss)	(151,684)	14,302	152,672	15,290
Interest income	3,238,928	883,048	5,745,793	9,867,769
Gains on acquisition and disposal of Investments	1,299,245	—	1,062,030	2,361,275
Mark-to-market losses - net	(6,375)	(6,067)	(271,778)	(284,220)
Interest and other financing charges	(4,263,779)	(408,356)	(53)	(4,672,188)
Other income	831,531	(27,719)	3,563,516	4,367,328
	947,866	455,208	10,252,180	11,655,254
Net income before income tax	(1,416,102)	10,302,472	7,210,532	16,096,902
Provision for income tax	(932,039)	320,731	213,478	(397,830)
Net income (loss)	(₱2,348,141)	₱10,623,203	₱7,424,010	₱15,699,072
Other information:				
Segment assets	₱174,925,077	₱53,480,698	₱69,466,884	₱297,872,659
Investments in associates and joint ventures	—	28,636,121	16,466,333	45,102,454
Total assets	₱174,925,077	₱82,116,819	₱85,933,217	₱342,975,113
Segment liabilities	₱118,404,143	₱17,949,911	₱31,633,417	₱167,987,471
Deferred income tax liabilities	91,126	822,470	374,699	1,288,295
Total Liabilities	₱118,495,269	₱18,772,381	₱32,008,116	₱169,275,766



23. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities are as follows:

2024

	Short-term Loans	Notes Payable	Loans Payable	Interest Payable	Lease Liabilities	Dividends Payable	Total liabilities from financing activities
Balance at January 1	₱1,500,000	₱74,567,926	₱59,295,912	₱1,526,178	₱8,398,604	₱16,585	₱145,305,205
Cash inflows	26,100,000	—	47,870,871	—	—	—	73,970,871
Cash outflow	(17,800,000)	(20,824,200)	(1,890,652)	(9,517,380)	(887,962)	(4,765,442)	(55,685,636)
Non-cash changes:							
Additional debt issue cost	—	—	(622,934)	—	—	—	(622,934)
Disposal	—	—	—	—	(9,550)	—	(9,550)
Amortization of debt issue cost	—	37,235	165,784	(250,936)	—	—	(47,917)
Amortization of premium	—	49,598	—	—	—	—	49,598
Transfers	(4,200,000)	—	4,200,000	—	—	—	—
Interest expense	—	—	—	7,451,140	346,927	—	7,798,067
Acquired from Business Combination	—	—	55,427	—	—	—	55,427
Loan Reassignment	—	—	(24,639)	—	—	—	(24,639)
Cumulative translation adjustment	—	2,893,479	84,369	—	(162,014)	—	2,815,834
Accrued interest payable	—	—	100,628	—	—	—	100,628
New lease agreement	—	—	—	—	6,513,223	—	6,513,223
Remeasurements	—	—	—	—	(112,129)	—	(112,129)
Capitalized Interest Expense	—	—	—	2,634,809	454,790	—	3,089,599
Dividends declared	—	—	—	—	—	4,761,995	4,761,995
Balance at December 31	₱5,600,000	₱56,724,038	₱109,234,766	₱1,843,811	₱14,541,889	₱13,137	₱187,957,642

2023

	Short-term Loans	Notes Payable	Loans Payable	Interest Payable	Lease Liabilities	Dividends Payable	Total liabilities from financing activities
Balance at January 1	₱2,900,000	₱74,935,143	₱39,917,207	₱870,868	₱4,510,341	₱16,585	₱123,150,144
Cash inflows	9,000,000	—	20,086,442	—	—	—	29,086,442
Cash outflow	(10,400,000)	—	(668,324)	(3,437,694)	(779,212)	(3,152,587)	(18,437,817)
Non-cash changes:							
Amortization of debt issue cost	—	112,258	32,957	(145,215)	—	—	—
Amortization of premium	—	(28,901)	—	—	—	—	(28,901)
Additional debt issue cost	—	—	(55,125)	—	—	—	(55,125)
Interest expense	—	—	—	4,238,219	252,463	—	4,490,682
Cumulative translation adjustment	—	(450,574)	(98,374)	—	(92,158)	—	(641,106)
New lease agreement	—	—	—	—	3,913,668	—	3,913,668
Remeasurements	—	—	—	—	384,807	—	384,807
Accrued interest payable	—	—	81,129	—	—	—	81,129
Capitalized Amortization/Interest Expense	—	—	—	—	208,695	—	208,695
Dividends declared	—	—	—	—	—	3,152,587	3,152,587
Balance at December 31	₱1,500,000	₱74,567,926	₱59,295,912	₱1,526,178	₱8,398,604	₱16,585	₱145,305,205

The Group's noncash investing and financing activities are as follow:

2024

- Unpaid acquisition of property, plant, and equipment amounting to ₱1,006.93 million.
- Additions to right-of-use assets and lease liabilities amounting to ₱703.72 million and ₱6,513.22 million, respectively.



- Remeasurement of right-of-use assets and lease liabilities amounting to (₱165.28 million) and (₱112.13 million), respectively.

2023

- Unpaid acquisition of property, plant, and equipment amounting to ₱378.11 million.
- Additions to right-of-use assets and lease liabilities amounting to ₱4,130.89 million and ₱3,913.67 million, respectively.
- Remeasurement of lease liability due to modification amounting to ₱384.81 million.

24. Provisions and Contingencies

Tax assessments

- a. On February 6, 2024, the Parent Company received a Letter of Authority from the BIR covering taxable year 2021. On December 3, 2024, the Parent Company received preliminary assessment notice from the BIR covering taxable year 2021. No final assessment notice has been issued as of December 31, 2024.
- b. On August 20, 2014, ACEN distributed cash and property dividends in the form of shares in ENEX after securing SEC's approval of the registration and receipt of CAR from the BIR.

On October 22, 2014, ACEN received from the BIR a Formal Letter of Demand (FLD), assessing ACEN for a total donor's tax due of ₱157.75 million inclusive of penalty and interest up to September 30, 2014.

On November 21, 2014, ACEN and its independent legal counsel filed an administrative protest in response to the FLD, on the following grounds:

1. The dividend distribution is a distribution of profits by ACEN to its stockholders and not a "disposition" as contemplated under Revenue Regulations Nos. 6-2008 and 6-2013 which would result in the realization of any capital gain of ACEN;
2. ACEN did not realize any gain or increase its wealth as a result of the dividend distribution; and,
3. There was no donative intent on the part of ACEN.

On May 27, 2015, ACEN received from the BIR a Final Decision on Disputed Assessment (FDDA) denying the protest.

On June 25, 2015, ACEN filed with the Court of Tax Appeals (CTA) a Petition for Review seeking a review of the FDDA and requesting the cancellation of the assessment.

In its decision dated September 28, 2018, the CTA Third Division granted ACEN's petition and ordered the cancellation and withdrawal of the FLD (the "CTA Third Division Decision"). On January 18, 2019, the CTA denied the Commissioner of Internal Revenue's ("CIR") motion for reconsideration ("CTA Resolution"). On February 22, 2019, the CIR filed a petition for review with the CTA *en banc* seeking the reversal of the CTA Third Division's Decision and CTA Resolution. On July 21, 2020, the CTA *en banc* upheld the CTA Third Division Decision and denied the CIR's petition. The CIR filed a motion for reconsideration dated August 26, 2020. In response, ACEN filed its Comment/ Opposition. On October 13, 2021, CTA *en banc* issued a resolution stating that the Motion for Reconsideration and Motion to Release Surety Bond are now submitted for resolution.



As at March 10, 2025, the CIR's motion for reconsideration has not been resolved by the CTA *en banc*.

On May 15, 2023, the ACEN received a Letter of Authority from the BIR covering taxable year 2021. Pursuant thereto, assessment notices were served for various internal revenue taxes inclusive of increments which ACEN accordingly responded to and was the subject of a settlement last February 13, 2025.

Claims for tax refund

- a. On May 19, 2022, Guimaras Wind received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind's Petition for Review for lack of merit. The CTA *en banc* affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind's claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16.15 million, out of the total amount claimed of ₱335.76 million, 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 EB issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division's Decision limiting the Guimaras Wind's entitlement to refund to a reduced amount of ₱16.15 million.

The CTA EB held that the Certificate of Endorsement (COE) from the Department of Energy (DOE) and the Certificate of Compliance (COC) from the ERC are both required in order for Guimaras Wind to properly avail VAT zero-rating incentives. The CTA EB also rejected the 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. On March 6, 2023, the Company filed the Petition.

On January 24, 2024, the Supreme Court 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, 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 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) Sec 112(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 at March 10, 2025, the 2017 to 2023 RPT protest, regarding an aggregate amount of ₱212.49 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 ACEN 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 July 24, 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 PEMC. 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.



25. 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	$\frac{1}{4}$ of 7.1330% per annum	$\frac{1}{4}$ 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 was 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 ACEN executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT involving the sale by AEIT of 7,371 Redeemable Preferred Shares E (RPS E) of ISLASOL in favor of ACEN for a total purchase price of ₱141.27 million. The acquisition resulted in ACEN owning 100% of ISLASOL, which was previously 60% owned. As to date, transfer of certificate authorizing registration from the Bureau of Internal Revenue is still in process.

