COVER SHEET

for
SEC FORM 17-Q

SEC Registration Number

0 6 9 - 0 3 9 2 7 4

COMPANY NAME

A C   E N E R G Y   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)*

4 t h   F l o o r ,   6 7 5 0   O f f i c e   T o w e r ,

A y a l a   A v e n u e ,   M a k a t I   C i t y

Form Type	Department requiring the report	Secondary License Type, If Applicable
1 7 - Q	S E C	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	7730-6300	–
No. of Stockholders	**Annual Meeting (Month / Day)**	**Fiscal Year (Month / Day)**
3,185	04/19	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ALAN T. ASCALON	Ascalon.at@acenergy.com.ph	(02) 7730-6300	–

CONTACT PERSON's ADDRESS

4th Floor, 6750 Office Tower, Ayala Avenue, Makati City, Philippines 1200

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.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2021**

2. Commission identification number **39274**

3. BIR Tax Identification No. **000-506-020-000**

4. Exact name of issuer as specified in its charter **AC ENERGY CORPORATION**

5. Province, country or other jurisdiction of incorporation or organization **Metro Manila**

6. Industry Classification Code [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code
   4th Floor, 6750 Office Tower, Ayala Avenue, Makati City, 1210

8. Issuer's telephone number, including area code **(632) 7-730-6300**

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Number of shares of common stock outstanding	**19,960,037,644 shares**
Amount of debt outstanding	**None registered in the Philippine SEC and listed in PDEX/others**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [**X**] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
    Philippine Stock Exchange Common

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [**X**] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [**X**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached ANNEX "A"

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please refer to attached ANNEX "B"

PART II--OTHER INFORMATION

Please refer to attached ANNEX "C"

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on May 14, 2021.

AC ENERGY CORPORATION

JOHN ERIC T. FRANCIA
President & Chief Executive Officer

MARIA CORAZON G. DIZON
Treasurer & Chief Financial Officer

Annex A

AC Energy Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As at March 31, 2021
and for the Three Months Period Ended
March 31, 2021 and 2020
(With comparative audited figures as at
December 31, 2020)

AC ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 32)	**₱16,708,320**	₱5,135,474
Receivables (Notes 7, 29 and 32)	**6,141,189**	6,095,019
Fuel and spare parts (Note 8)	**1,340,127**	1,391,340
Current portion of:		
Input value added tax (VAT)	**476,429**	430,139
Creditable withholding taxes	**517,293**	649,271
Other current assets (Notes 9 and 32)	**951,334**	453,233
	26,134,692	14,154,476
Assets held for sale	**14,890**	–
Total Current Assets	**26,149,582**	14,154,476
Noncurrent Assets		
Property, plant and equipment (Note 10)	**31,508,469**	31,837,939
Investments in associates and joint venture (Notes 2 and 11)	**7,383,154**	6,593,492
Financial asset at fair value through other comprehensive income [(FVOCI) Notes 12 and 33]	**1,031**	1,211
Investment properties (Note 13)	**450,460**	341,549
Goodwill and other intangible assets (Note 14)	**2,482,412**	2,537,094
Right-of-use assets (Note 15)	**3,024,455**	2,343,404
Deferred income tax assets - net (Note 28)	**407,937**	416,353
Net of current portion:		
Input VAT	**931,852**	1,177,802
Creditable withholding taxes	**716,615**	601,840
Other noncurrent assets (Notes 16 and 32)	**3,856,328**	3,570,160
Total Noncurrent Assets	**50,762,713**	49,420,844
TOTAL ASSETS	**₱76,912,295**	₱63,575,320

(Forward)

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 17, 29 and 32)	**₱7,921,478**	₱6,539,227
Short-term loans (Notes 18 and 32)	**2,500,000**	9,438,600
Current portion of long-term loans (Notes 18, 32 and 33)	**659,799**	707,782
Current portion of lease liabilities (Notes 15, 32 and 33)	**349,401**	285,001
Income and withholding taxes payable	**141,282**	129,072
Due to stockholders (Note 20)	**1,199,143**	18,272
Total Current Liabilities	**12,771,103**	17,117,954
Noncurrent Liabilities		
Long-term loans - net of current portion (Notes 18, 32 and 33)	**21,628,491**	21,682,924
Lease liabilities - net of current portion (Notes 15, 32 and 33)	**2,485,046**	1,631,628
Pension and other employee benefits	**67,921**	50,929
Deferred income tax liabilities - net (Note 28)	**123,430**	127,693
Other noncurrent liabilities (Note 19)	**1,692,908**	1,609,123
Total Noncurrent Liabilities	**25,997,796**	25,102,297
Total Liabilities	**38,768,899**	42,220,251
Equity		
Capital stock (Notes 1 and 20)	**19,974,538**	13,706,957
Additional paid-in capital (Notes 1 and 20)	**19,586,527**	8,692,555
Other equity reserves	**(7,541,223)**	(7,541,223)
Unrealized fair value loss on equity instruments at FVOCI (Note 12)	**(8,349)**	(8,169)
Unrealized fair value gain (loss) on derivative instruments designated under hedging accounting (Note 32)	**98,964**	57,409
Remeasurement (loss) gain on defined benefit plans	**(24,436)**	(6,999)
Accumulated share in other comprehensive loss of associates and a joint venture	**(4,087)**	(2,723)
Retained earnings (Note 20)	**4,799,403**	5,167,685
Treasury shares (Note 20)	**(96,114)**	(40,930)
Total equity attributable to equity holders of the Parent Company	**36,785,223**	20,024,562
Non-controlling interests (Notes 20)	**1,358,173**	1,330,507
Total Equity	**38,143,396**	21,355,069
TOTAL LIABILITIES AND EQUITY	**₱76,912,295**	₱63,575,320

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Figures)

	Three-Month Period Ended March 31 (Unaudited)	
	2021	2020 (As Restated, Notes 2 and 5)
REVENUES		
Revenue from sale of electricity (Note 21)	**₱5,688,775**	₱4,535,343
Rental income	**13,663**	47,180
Other revenues	**10,741**	3,349
	5,713,179	4,585,872
COSTS AND EXPENSES		
Costs of sale of electricity (Note 22)	**4,433,444**	3,492,013
General and administrative expenses (Note 23)	**376,341**	338,889
	4,809,785	3,830,902
INTEREST AND OTHER FINANCE CHARGES (Note 26)	**(414,530)**	(396,354)
EQUITY IN NET INCOME OF ASSOCIATES AND A JOINT VENTURE (Note 11)	**400,741**	139,586
OTHER INCOME - NET (Note 27)	**106,348**	177,735
INCOME BEFORE INCOME TAX	**995,953**	675,937
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 28)		
Current	**142,490**	75,796
Deferred	**(6,823)**	17,093
	135,667	92,889
NET INCOME	**₱860,286**	₱583,048
Net Income Attributable To:		
Equity holders of the Parent Company	**₱829,320**	₱539,577
Non-controlling interests	**30,966**	43,471
	₱860,286	₱583,048
Basic/Diluted Earnings Per Share (Note 30)	**₱0.05**	₱0.07

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

	Three-Month Period Ended March 31 (Unaudited)	
	2021	2020 (As Restated, Notes 2 and 5)
NET INCOME	**₱860,286**	₱583,048
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		
Unrealized fair value gains (losses) on derivative instruments designated under hedge accounting (Note 32)	**49,939**	(190,568)
Income tax effect	**(8,384)**	57,170
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		
Net changes in the fair value of equity instruments at FVOCI (Note 12)	**(240)**	–
Remeasurement (losses) gains on defined benefit plans	**(23,249)**	182
Income tax effect	**5,872**	(55)
	23,938	(133,271)
SHARE IN OTHER COMPREHENSIVE INCOME OF ASSOCIATES AND JOINT VENTURE		
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		
Remeasurement loss on defined benefit plans, net (Note 11)	**(1,364)**	–
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**22,574**	(133,271)
TOTAL COMPREHENSIVE INCOME	**₱882,860**	₱449,777
Total Comprehensive Income Attributable To:		
Equity holders of the Parent Company	**₱851,894**	₱406,306
Non-controlling interests	**30,966**	43,471
	₱882,860	₱449,777

See accompanying Notes to Interim Condensed Consolidated Financial Statements.
.

AC ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 20)	Additional Paid-in Capital	Other Equity Reserves	Unrealized Fair Value Gain (Loss) on Equity Investments at FVOCI (Note 12)	Unrealized Fair Value Loss on derivative instrument designated under hedge accounting (Note 32)	Remeasurement Gain (Loss) on Defined Benefit Plans	Accumulated Share in Other Comprehensive Gain (Loss) of Associates and a Joint Venture	Retained Earnings (Note 20)	Treasury Shares (Note 20)	Total	Non-controlling Interests	Total Equity
For the three-month period ended March 31, 2021 (Unaudited)												
BALANCES AT JANUARY 1, 2021	**₱13,706,957**	**₱8,692,555**	**(₱7,541,223)**	**(₱8,169)**	**₱57,409**	**(₱6,999)**	**(₱2,723)**	**₱5,167,685**	**(₱40,930)**	**₱20,024,562**	**₱1,330,507**	**₱21,355,069**
Net income	–	–	–	–	–	–	–	**829,320**	–	**829,320**	**30,966**	**860,286**
Other comprehensive income (loss)	–	–	–	**(180)**	**41,555**	**(17,437)**	**(1,364)**	–	–	**22,574**	–	**22,574**
Total comprehensive income (loss)	–	–	–	**(180)**	**41,555**	**(17,437)**	**(1,364)**	**829,320**	–	**851,894**	**30,966**	**882,860**
Dividends declared (Note 20)	–	–	–	–	–	–	–	**(1,197,602)**	–	**(1,197,602)**	**(5,100)**	**(1,202,702)**
Issuance of capital stock (Note 20)	**6,267,581**	**10,986,585**	–	–	–	–	–	–	–	**17,254,166**	–	**17,254,166**
Stock issuance costs (Note 20)	–	**(92,613)**	–	–	–	–	–	–	–	**(92,613)**	–	**(92,613)**
Acquisition of treasury shares (Note 20)	–	–	–	–	–	–	–	–	**(55,184)**	**(55,184)**	–	**(55,184)**
Capital infusion of non-controlling interest in a subsidiary (Note 20)	–	–	–	–	–	–	–	–	–	–	**1,800**	**1,800**
	6,267,581	**10,893,972**	–	–	–	–	–	**(1,197,602)**	**(55,184)**	**15,908,767**	**(3,300)**	**15,905,467**
BALANCES AT MARCH 31, 2021	**₱19,974,538**	**₱19,586,527**	**(₱7,541,223)**	**(₱8,349)**	**₱98,964**	**(₱24,436)**	**(₱4,087)**	**₱4,799,403**	**(₱96,114)**	**₱36,785,223**	**₱1,358,173**	**₱38,143,396**
For the three-month period ended March 31, 2020 (Unaudited)												
BALANCES AT JANUARY 1, 2020, AS PREVIOUSLY REPORTED	₱7,521,775	₱83,768	(₱2,342,103)	(₱8,129)	(₱14,742)	(₱7,034)	(₱2,107)	₱2,922,514	(₱27,704)	₱8,126,238	₱2,978,580	₱11,104,818
Effects of common control business combinations (Note 5)	–	–	7,708,583	(88,455)	–	16,288	–	373,781	–	8,010,197	(2,729,996)	5,280,201
BALANCES AT JANUARY 1, 2020, AS RESTATED	₱7,521,775	₱83,768	₱5,366,480	(₱96,584)	(₱14,742)	₱9,254	(₱2,107)	₱3,296,295	(₱27,704)	₱16,136,435	₱248,584	₱16,385,019
Net income (loss)	–	–	–	–	–	–	–	539,577	–	539,577	43,471	583,048
Other comprehensive income (loss)	–	–	–	–	(133,398)	127	–	–	–	(133,271)	–	(133,271)
Total comprehensive income (loss)	–	–	–	–	(133,398)	127	–	539,577	–	406,306	43,471	449,777
Acquisition under common control	–	–	2,793,674	–	–	–	–	–	–	2,793,674	–	2,793,674
Acquisition of treasury shares	–	–	–	–	–	–	–	–	(7,309)	(7,309)	–	(7,309)
Other adjustments	–	–	–	–	–	–	–	878	–	878	–	878
	–	–	2,793,674	–	–	–	–	878	(7,309)	2,787,243	–	2,787,243
BALANCES AT MARCH 31, 2020	₱7,521,775	₱83,768	₱8,160,154	(₱96,584)	(₱148,140)	₱9,381	(₱2,107)	₱3,836,750	(₱35,013)	₱19,329,984	₱292,055	₱19,622,039

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Three-Month Period Ended March 31 (Unaudited)	
	2021	2020 (As Restated, Notes 2 and 5)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱995,953**	₱675,937
Adjustments for:		
Depreciation and amortization (Note 25)	**435,503**	390,368
Interest and other finance charges (Note 26)	**414,530**	396,354
Foreign exchange gains – net	**5,494**	(18,282)
Equity in net income of associates and joint ventures (Note 11)	**(400,741)**	(139,586)
Interest and other financial income (Note 26)	**(21,984)**	(52,219)
Pension and other employee benefits	**(445)**	(3,699)
Provision for (reversal of):		
Probable losses on deferred exploration costs (Note 14)	**23,379**	–
Others (Notes 7, 10 and 27)	**160,174**	–
Loss (gain) on:		
Settlement of foreign loans (Notes 18 and 27)	**62,200**	–
Sale of property and equipment (Note 27)	**470**	(6,996)
Settlement of derivatives (Note 27)	**(41,700)**	33
Sale of by-product (Note 27)	**(7,403)**	(6,762)
Operating income before working capital changes	**1,625,430**	1,235,148
Decrease (increase) in:		
Receivables	**(42,186)**	(1,473,820)
Fuel and spare parts	**58,616**	(124,862)
Other current assets	**199,660**	186,337
Other noncurrent assets	**(134,529)**	–
Increase in accounts payable and other current liabilities	**658,675**	2,452,646
Cash generated from operations	**2,365,666**	2,275,449
Income and withholding taxes paid	**(130,280)**	(8,799)
Net cash flows from operating activities	**2,235,386**	2,266,650

(Forward)

	Three-Month Period Ended March 31 (Unaudited)	
	2021	2020 (As Restated, Notes 2 and 5)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment (Note 10)	**(₱347,913)**	(₱732,962)
Investment properties (Note 13)	**(108,911)**	–
Deferred exploration costs (Note 14)	**(8,622)**	(1,110)
Investment in a joint venture (Note 11)	**(3,119)**	(2,573,300)
Investments in subsidiaries, net of cash acquired (Note 4)	**–**	(6,711,935)
Proceeds from:		
Sale of property, plant and equipment	**117**	11,022
Termination of short-term investments	**–**	100,000
Cash dividends received (Note 11)	**593,734**	–
Interest received	**13,648**	100,321
Increase in other noncurrent assets, non-current portion of input VAT and CWT (Note 35)	**(341,963)**	(1,117,443)
Net cash flows used in investing activities	**(203,029)**	(10,925,407)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Issuance of capital stock (Note 20)	**17,254,166**	–
Availment of short-term debt (Notes 18 and 35)	**3,000,000**	5,873,333
Availment of long-term debt (Notes 18 and 35)	**823,125**	–
Capital infusion of non-controlling interest in subsidiary (Note 20)	**1,800**	–
Payments of:		
Short-term loans (Notes 18 and 35)	**(10,000,800)**	(5,389)
Long-term loans (Notes 18 and 35)	**(939,135)**	(414,762)
Interest on short-term, long-term loans (Note 35)	**(439,691)**	(315,246)
Stock issuance costs (Note 20)	**(92,613)**	–
Lease liabilities (Notes 15 and 35)	**(55,455)**	(7,413)
Treasury shares (Note 20)	**(55,184)**	(7,309)
Interest on lease liabilities (Notes 15 and 35)	**(9,948)**	(17,789)
Debt issue cost (Note 20)	**(6,038)**	(1,839)
Cash dividends (Note 20)	**(5,100)**	–
Decrease in due to stockholders	**(16,731)**	(16,594)
Increase in other noncurrent liabilities	**81,880**	2,369,062
Net cash flows from financing activities	**9,540,276**	7,456,054
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**213**	18,314
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**11,572,846**	(1,184,389)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**5,135,474**	9,593,248
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 6)	**₱16,708,320**	₱8,408,859

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

1. Corporate Information and Status of Operations

AC Energy Corporation, formerly AC Energy Philippines, Inc. (“ACEN” or “the Parent Company”), incorporated on September 8, 1969, and registered with the Philippine Securities and Exchange Commission (“SEC”), is engaged in power generation and trading, oil and mineral exploration, development and production. The Parent Company is a licensed Retail Electricity Supplier (“RES”). As a RES, the Parent Company is allowed to supply electricity to the contestable market pursuant to the Electric Power Industry Reform Act (“EPIRA”). Other activities of the Parent Company include investing in various operating companies and financial instruments.

On December 30, 2020, ACEN and AC Energy and Infrastructure Corporation (ACEIC, formerly AC Energy, Inc.) signed an Investment Agreement with Arran for the latter’s investment into ACEN to acquire 17.5% ownership stake on the basis that ACEN’s stock rights offering (“SRO”) and follow-on offering (“FOO”), and the infusion by ACEIC of its international business into ACEN have been completed (see Note 20).

On March 18, 2021, Arran subscribed to 4 billion shares of ACEN at ₱2.97 per share through a private placement (the “Private Placement”), for an aggregate value or consideration of ₱11.88 billion.

As at March 31, 2021, ACEIC directly owns 55.99% of the ACEN’s total outstanding shares of stock.

The direct parent company (or intermediate parent company) of ACEN is ACEIC, a wholly owned subsidiary of Ayala Corporation (“AC”), a publicly-listed company which is 47.28% owned by Mermac, Inc. (ultimate parent company). ACEN is managed by ACEIC under an existing management agreement, which was assigned by PHINMA, Inc. to ACEIC on June 24, 2019 and which assignment was approved by the stockholders on September 17, 2019. ACEN, ACEIC and Mermac, Inc. are all incorporated and domiciled in the Philippines. ACEN and its subsidiaries are collectively referred to as “the Group”.

On October 9, 2019, the BOD of ACEN approved, among others, the following matters:

i) The swap between the Parent Company and ACEIC and the issuance of shares of stock in the Parent Company in favor of ACEIC in exchange for the latter’s shares of stock in its various Philippine subsidiaries and affiliates;
ii) The undertaking of a stock rights offering (the “Rights Offer” or the “SRO”), subject to applicable regulatory approvals; and
iii) The transfer to ACEN of ACEIC’s right to purchase the 20% ownership stake of Axia Power Holdings Philippines, Corporation (“APHPC”), a subsidiary of Marubeni Corporation, in South Luzon Thermal Energy Corporation (“SLTEC”).

On October 9, 2019 ACEN and ACEIC executed a Deed of Assignment wherein ACEIC assigned to ACEN shares of stock in various ACEIC subsidiaries and affiliates in exchange for ACEN shares. The Deed of Assignment was amended on November 13, 2019 to reflect the correct number of common shares of ACEIC in SLTEC, ACTA Power Corporation (“ACTA Power”) and Manapla Sun Power Development Corporation (“MSPDC”) (see Note 5).

On November 5, 2019, ACEN signed a Deed of Assignment with ACEIC to transfer ACEIC's rights to purchase 20% ownership stake of APHPC in SLTEC, which owns and operates the 2x135 megawatt (MW) Circulating Fluidized Bed Coal-Fired power plant (the "SLTEC Power Plant") in Calaca, Batangas.

On November 11, 2019, the BOD of ACEN approved, among others, the following matters:
i) Ratification of the Executive Committee's approval of the Parent Company's acquisition of Philippine Investment Alliance for Infrastructure's ("PINAI Fund") ownership interest in Philippine Wind Holdings Corporation ("PhilWind");
ii) Purchase of up to 100% of the PINAI Fund's ownership interest in San Carlos Solar Energy, Inc. ("SACASOL"), which owns and operates a 45 MW solar farm in San Carlos City, Negros Occidental;
iii) Purchase of up to 100% of the PINAI Fund's ownership interest in Negros Island Solar Power, Inc. ("ISLASOL"), which owns and operates an 80 MW solar farms in Negros Occidental;
iv) Additional short-term credit lines of up to ₱8 billion; and
v) Investment into, and construction of, a 60 MW solar power plant in Palauig, Zambales through ACE Endevor, Inc.'s ("ACE Endevor" or formerly AC Energy Development, Inc.), wholly owned project company, Gigasol3, Inc.

During the regular meeting held on March 18, 2020, the BOD of ACEN approved the change in the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation", and the increase in the Parent Company's authorized capital stock from ₱24.40 billion divided into 24.4 billion shares, to ₱48.40 billion divided into 48.4 billion shares.

The BOD also approved the consolidation of ACEIC's international business and assets into ACEN via a tax free exchange, whereby ACEIC will transfer its shares of stock in AC Energy International, Inc. ("ACE International", formerly Presage Corporation), ACEIC's subsidiary, a holding company that owns ACEIC's international business and investments) to ACEN in exchange for the issuance to ACEIC of additional primary shares in ACEN (assets-for-shares swap), on terms to be determined by ACEN Executive Committee.

On April 1, 2020, ACEN's Executive Committee approved the terms of the exchange and the issuance of 16,685,800,533 additional primary shares of ACEN to ACEIC at an issue price of ₱2.97 per share in exchange for property consisting of 100% of ACEIC's shares in ACE International.

During the Annual Stockholders' Meeting held on April 20, 2020, the stockholders of the Parent Company approved the following corporate actions:
i) Amendment to the Articles of Incorporation:
   a. to change the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation"; and
   b. to increase the authorized capital stock from ₱24.4 billion divided into 24.4 billion shares, to ₱48.4 billion divided into 48.4 billion shares
ii) Amendment to the By-laws to change the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation".

On January 5, 2021, the SEC approved the amendments to the Parent Company's Articles of Incorporation and By-laws to change the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation."

Effective on August 14, 2020, the Parent Company changed its PSE stock symbol from "ACEPH" to "ACEN".

On October 30, 2020, ACEN received BIR Certification Ruling SN027-2020 relative to the tax-exempt transfer of shares of stocks made by ACEIC to ACEN pursuant to Section 40 (C) (2) of the National Internal Revenue Code of 1997, as amended ("NIRC"). The Certification Ruling states that the property-for-share swap between ACEIC and ACEN covering the issuance of 6,185,182,288 shares of stock in ACEN in favor of ACEIC in exchange for ACEIC's shares of stock in select Philippine operating and development companies, is not subject to income tax/capital gains tax/expanded withholding tax/donor's tax and value-added tax (see Note 5).

On November 11, 2020, the BOD of ACEN approved, among others, the following matters:

i) The terms of the Parent Company's SRO for the issuance of 2,267,580,434 shares at an offer price of ₱2.37 per share, and at an entitlement ratio of 1.11 shares:1 offer share, subject to applicable SEC and other regulatory approvals of the offer, including the offer price and
ii) The offer of an affiliate of GIC Private Limited ("GIC"), Arran Investment Pte Ltd ("Arran"), to invest into ACEN and acquire a 17.5% ownership stake, subject to definitive documentation and satisfaction of agreed conditions. The proposed 17.5% ownership stake is on the basis that ACEN's SRO and follow-on-offering, and the infusion of ACEIC's international business into the Group, have been completed.

On December 11, 2020, ACEN received the confirmation letter from the SEC that the SRO is exempt from registration requirements under Section 8 of the Securities Regulation Code (the "Code") pursuant to Section 10.1 thereof. On December 16, 2020, the PSE approved the application of the Parent Company for the listing of additional shares of up to 2,267,580,434 common shares covering its SRO to all stockholders as of the proposed record date of January 13, 2021 (see Note 20).

On December 30, 2020, ACEN and ACEIC signed an Investment Agreement with Arran for the latter's investment into ACEN subject to agreed conditions precedent.

On March 18, 2021, the BOD of ACEN approved, among others, the following matters:

i) Approval of the issuance of 1.58 billion primary shares for the Company's Follow-on Offering;
ii) Approval of the property-for-share swap with ACEIC and the issuance of 16.686 billion primary shares to ACEIC in exchange for ACEIC's shares of stock in ACE International, which holds ACEIC's international assets, for an issue price of ₱5.15 per ACEN share;
iii) Approval of the amendment to the Articles of Incorporation to increase the number of shares exempt from the pre-emptive right of shareholders for issuance of shares in exchange for property needed for corporate purposes or in payment of previously contracted debt from 16 billion shares to 24 billion shares.

The registered office address of ACEN is 4th Floor, 6750 Ayala Avenue Office Tower, Makati City.

The interim condensed consolidated financial statements of the Group were approved and authorized for issuance by the ACEN Executive Committee on May 14, 2021.

The following are the significant transactions of the Group during the three-month period ended March 31, 2021:

Acquisition by the Parent Company of Shares in Solar Philippines Central Luzon Corporation
On January 22, 2021, ACEN signed a Deed of Absolute Sale of Shares with Solar Philippines Power Project Holdings, Inc. ("SP") for the acquisition by ACEN of SP's 0.24 million common shares in Solar Philippines Central Luzon Corporation ("SPCLC") with a par value of ₱1.00 per share or a total par value of ₱0.24 million (see Note 11).

On the same date, ACEN signed a Subscription Agreement with SPCLC for the subscription by ACEN to 0.38 million common shares with a par value of ₱1.00 per share or a total par value for a total subscription price of ₱0.38 million, to be issued out of the unissued authorized capital stock of SPCLC.

Withdrawal from SC 6 consortium by ACEX
On January 27, 2021, ACEX's Executive Committee approved ACEX's withdrawal from the SC 6 consortium. ACEX holds 7.78% participating interests in SC 6 Block A, located in offshore North Palawan. SC 6 does not have any commercial operations (see Note 14).

Completion of SRO
During the Rights Offer Period from January 18, 2021 to January 22, 2021, ACEN sold, by way of SRO, a total of 2,267,580,434 Common Shares at an Offer Price of ₱2.37 per share to eligible stockholders of record as at January 13, 2021 (See Note 20).

There were 2,094,898,876 shares and 172,681,558 shares sold in first round and second round allocation, respectively. The Rights Shares was listed with the PSE on January 29, 2021.

Proceeds from the SRO will be used to fund ongoing Solar Power Projects of Solarace1 and Gigasol3 as well as Balaoi Wind Energy Project of BWPC, a renewable energy laboratory, and for new technology investments in the Philippines.

Bulacan Power Generation Corporation's ("Bulacan Power") acquisition of 23,284,346 ACEN shares
Bulacan Power acquired 23,284,346 ACEN shares through its participation in ACEN's SRO. This is recognized as treasury shares in the consolidated financial statements (See Note 20).

Shareholders' Agreement among ACEN, ACE Endevor, and Citicore Solar Energy Corporation ("CSEC")
On February 4, 2021, ACEN and ACE Endevor signed a Shareholders' Agreement with CSEC, and Greencore Power Solutions 3, Inc. ("Greencore"), for the development, construction, and operation of a PV Solar Power Plant in Arayat and Mexico, Pampanga, Philippines with an installed nominal capacity of 50 MWac (72MWdc) (the "Project") (see Note 11).

The Project is scheduled to start operations in November 2021.Under the Shareholders' Agreement, CSEC will have 50% of the shares in Greencore, the special purpose vehicle of the Project, while ACEN and ACE Endevor will hold a 45% and 5% interest, respectively. ACEN has agreed to provide a term loan facility to Greencore to finance the construction of the Project. Greencore and its shareholders agreed to execute the necessary loan and security agreement for this purpose.

Term Loan Facility with Greencore
On February 4, 2021, ACEN signed an Omnibus Agreement with Greencore, ACE Endevor and CSEC for the financing of the Solar Project (see Note 11).

Under the Omnibus Agreement, ACEN will be extending a term loan facility to Greencore in the amount of up to ₱2.675 billion to finance the design, engineering, financing, construction, procurement and supply, manufacturing, commissioning, start up, testing, delivery, ownership, operation and maintenance of the power plant, which is expected to be operational in November 2021. The loan will be secured by (1) a real estate mortgage over Greencore's real assets in favor of ACEN, (2) a mortgage and pledge over the shareholding of the shareholders of Greencore in favor of ACEN, and (3) the cashflows of the project.

Subscription by ACEN to shares of Greencore
On February 4, 2021, ACEN and ACED signed subscription agreements with Greencore for the subscription of 2,250,000 and 250,000 common shares, respectively, with a par value of P 1.00 per share, or a total par values of ₱2,250,000 and ₱250,000, to be issued out of the unissued authorized capital stock of Greencore. The subscriptions will be used by Greencore to partially fund the Solar Project. ACEN and ACED have fully paid their subscriptions.

Axia Power Holdings Philippines, Corporation ("APHPC") subscription to Ingrid Power Holdings, Inc. ("Ingrid")
On March 18, 2021, Ingrid and APHPC executed a Subscription Agreement for the subscription by APHPC to 5 Common B Shares, 580,000 Redeemable Preferred F Shares, and 5,219,995 Redeemable Preferred G Shares of Ingrid. As at March 31, 2021, APHPC has infused ₱580 million to Ingrid. The issuance of the shares to APHPC remains subject to the necessary regulatory approvals from the SEC on the increase in authorized capital stock of Ingrid.

Following the subscription of APHPC, Ingrid will have a total subscribed capital of ₱1.97 billion.

ACEN's planned Follow-On Offering ("FOO")
On December 17, 2020, the Board approved the conduct of an FOO and delegated authority to the Executive Committee to determine the final issue price for the shares to be issued.

On February 4, 2021, acting on the authority delegated by the Board, ACEN's Executive Committee approved an FOO price range of ₱6.00-₱6.50 per share for up to 2,000,000,000 common shares (primary). On February 16, 2021, ACEN submitted a registration statement for up to 2,430,248,617 common shares (primary and secondary shares with over-allotment) with the SEC.

On March 18, 2021, the BOD of ACEN approved the issuance of 1.58 billion primary shares for the FOO (see Note 38).

The FOO is planned to be conducted by the middle of 2021.

Subscription by ACEN of shares in Giga Ace 4, Inc. ("Giga Ace 4")
On March 8, 2021, ACEN signed a subscription agreement with wholly-owned subsidiary Giga Ace 4 for the subscription by ACEN to (a) 43,975,374 Common A Shares at the subscription price of ₱219,876,870; and (b) 395,958,366 Redeemable Preferred A Shares ("RPS A") at the subscription price of ₱1,979,791,830; or a total Subscription Price of ₱2,199,668,700, to be issued out of the increase in authorized capital stock ("ACS") of Giga Ace 4.

The subscription will be used by Giga Ace 4 to fund the requirements of its 2x20 MW Alaminos Battery Energy Storage System (BESS) Project.

Original issuance of Shares by ACEN to Arran pursuant to a private placement
On March 18, 2021, pursuant to the Investment Agreement that ACEN signed with Arran (together ACEIC, ACEN's parent company) on December 30, 2020, Arran subscribed to 4 billion Common Shares of ACEN at a price of ₱2.97 per Common Share through a private placement (the "Private Placement"), for an aggregate value or consideration of ₱11.88 billion. The subscription price was offered by Arran pursuant to its binding offer on November 10, 2020, and which offer was approved by the BOD of ACEN during its meeting of November 11, 2020 (see Note 20).

Upon completion of the Private Placement in accordance with the Investment Agreement, Arran shall own 20.04% of the issued and outstanding Common Shares of ACEN.

The Private Placement will decrease the public float of ACEN from 24.96% to 19.96%, while foreign ownership level will increase from 2.88% to 22.34%.

The closing of Arran's Private Placement is subject to contractual terms and conditions customary for transactions of a similar nature. Since the shares to be issued pursuant to the Private Placement will not exceed 35% of the resulting total subscribed capital stock, it is exempt from pre-emptive rights of existing stockholders pursuant to the second paragraph of Article Seventh of ACEN's Articles of Incorporation.

The Private Placement will enable ACEN to raise additional capital to fund its various developmental and operating projects, as well as potential acquisitions. The entry of Arran as an institutional investor will also strengthen ACEN's investor base. The value or consideration per share for the Private Placement was determined by Arran after conducting a due diligence exercise on ACEN's existing business and potential. Arran valued the existing operating assets of ACEN as well as the various developmental projects in its pipeline.

Pursuant to the Investment Agreement, after completion of the Private Placement, ACEN's planned FOO, the proposed property for shares swap between ACEN and ACEIC for the infusion by ACEIC of its international assets to ACEN, and the purchase of Arran of secondary shares from ACEIC, Arran shall own 17.5% of ACEN.

Declaration and Payment of Cash Dividends to Stockholders
On March 18, 2021, the BOD of ACEN approved the declaration of cash dividends of six centavos (₱0.06) per share on the 19,960,037,644 issued and outstanding shares of the Parent Company, or a total dividend amount of ₱1,197,602,258.64, to be paid on April 19,2021 to the shareholders of record as of April 5, 2021.

President Duterte signed Corporate Recovery and Tax Incentives for Enterprises ("CREATE") bill into law
On March 26, 2021, President Duterte has signed Republic Act (RA) 11534 or the CREATE Act which introduce reforms to the corporate income tax and incentives system and to attract more investments and maintain fiscal prudence and stability.

RA 11534 cuts corporate income tax rate to 25% from the current 30%. This is retroactive from July 1, 2020. The law provides that corporations' income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period. The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by the twelve.

RA 11524, which was released by Malacañang on March 26, 2020, takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance
The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards ("PAS") 34, *Interim Financial Reporting*.

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

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2020.

New Standards, Interpretations and Amendments
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new standards effective as at January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have a material impact on the interim condensed consolidated financial statements of the Group.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*
  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:
  - The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Group is not required to restate prior periods. The amendments did not have a material impact on the Group.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of the Parent Company and its subsidiaries as at March 31, 2021 and December 31, 2020:

		Percentage of Ownership (%)			
		March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
Bulacan Power Generation Corporation (“Bulacan Power”)	Power generation	**100.00**	**–**	100.00	–
CIP II Power Corporation (“CIPP”)	Power generation	**100.00**	**–**	100.00	–
Guimaras Wind Corporation (“Guimaras Wind”)	Wind power generation	**100.00**	**–**	100.00	–
One Subic Oil Distribution Corporation	Distribution of petroleum products	**100.00**	**–**	100.00	–
One Subic Power Generation Corporation (“One Subic Power”)	Power generation	**–**	**100.00**	–	100.00
ACE Enexor, Inc. (“ACEX”)	Oil, gas, and geothermal exploration	**75.92**	**0.40**	75.92	0.40
Palawan55 Exploration & Production Corporation (“Palawan55”)	Oil and gas exploration	**30.65**	**52.93**	30.65	52.93
South Luzon Thermal Energy Corporation	Power generation	**100.00**	**–**	100.00	–
Buendia Christiana Holdings Corp. (“BCHC”)	Investment holding	**100.00**	**–**	100.00	–
ACE Shared Services, Inc. (“ACES”)	Shared services	**100.00**	**–**	100.00	–
Giga Ace 1, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 2, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 3, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 4, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 5, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 6, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 7, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 8, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 9, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 10, Inc.	Power generation	**100.00**	**–**	100.00	–
Negros Island Solar Power, Inc.	Solar power generation	**–**	**60.00**	–	60.00
San Carlos Solar Energy, Inc.	Solar power generation	**–**	**100.00**	–	100.00
Monte Solar Energy, Inc. (“MSEI”)	Solar power generation	**96.00**	**4.00**	96.00	4.00
ACE Endevor, Inc.	Investment holding and management	**94.00**	**6.00**	94.00	6.00
Visayas Renewables Corp. (”VRC”)	Investment holding	**–**	**100.00**	–	100.00
San Julio Land Development Corporation	Leasing and land development	**–**	**100.00**	–	100.00
LCC Bulk Water Supply, Inc.	Water supply and distribution	**–**	**100.00**	–	100.00
MCV Bulk Water Supply Inc.	Water supply and distribution	**–**	**100.00**	–	100.00
SCC Bulk Water Supply Inc.	Water supply and distribution	**–**	**100.00**	–	100.00
HDP Bulk Water Supply Inc.	Water supply and distribution	**–**	**100.00**	–	100.00
Ingrid2 Power Corp.	Advisory/Consultancy	**–**	**100.00**	–	100.00
Ingrid3 Power Corp.	Advisory/Consultancy	**–**	**100.00**	–	100.00
Solienda Inc.	Leasing and land development	**–**	**100.00**	–	100.00
Gigasol 2, Inc.	Power generation	**–**	**100.00**	–	100.00
Gigasol 1, Inc.	Power generation	**–**	**100.00**	–	100.00
Gigasol 3, Inc.	Power generation	**–**	**100.00**	–	100.00
Gigawind1 Inc.	Power generation	**–**	**100.00**	–	100.00
Gigawind2 Inc.	Power generation	**–**	**100.00**	–	100.00
Solarace1 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
Solarace2 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
Solarace3 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
Solarace4 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
AC Subic Solar, Inc.	Power generation	**–**	**100.00**	–	100.00
AC Laguna Solar, Inc.	Power generation	**–**	**100.00**	–	100.00
AC La Mesa Solar, Inc.	Power generation	**–**	**100.00**	–	100.00
Bataan Solar Energy, Inc.	Power generation	**–**	**100.00**	–	100.00
Santa Cruz Solar Energy, Inc.	Power generation	**–**	**100.00**	–	100.00

		Percentage of Ownership (%)			
		March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
Pagudpud Wind Power Corporation	Investment holding	**–**	**100.00**	–	100.00
Bayog Wind Power Corp.	Power generation	**–**	**60.00**	–	60.00
Manapla Sun Power Development Corporation ("MSPDC")	Leasing and land development	**36.37**	**29.63**	36.37	29.63
ACE Renewables Philippines, Inc.	Investment holding	**100.00**	**–**	100.00	–
NorthWind Power Development Corporation ("NorthWind")	Wind power generation	**19.52**	**48.27**	19.52	48.27
Viage Corporation	Investment holding	**100.00**	**–**	100.00	–
ACTA Power Corporation	Coal power generation	**100.00**	**–**	100.00	–

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

Seasonality of Operations
There were no operations subject to seasonality and cyclicality except for the operations of Guimaras Wind and NorthWind wind farms. The wind regime is high during the northeast monsoon ("amihan") season in the first and fourth quarter when wind turbines generate more power to be supplied to the grid. The generation drops in the second and third quarter due to low wind regime brought about by the southwest monsoon ("habagat"). This information is provided to allow for a better understanding of the results, however, management has concluded that this is not 'highly seasonal' in accordance with PAS 34.

3. Significant Accounting Judgment, Estimates and Assumptions

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

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

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

Assessment of Joint Control
Solar Philippines Central Luzon Corporation ("SPCLC") will be the special purpose vehicle (SPV) for the joint venture projects of Solar Philippines Power Project Holdings, Inc. ("SP") and ACEN in the Province of Tarlac. SPCLC, being the project SPV, is intended to own and operate the solar farm project/s, which may include battery energy storage systems. Even though the Group currently has a 99.00% ownership interest in SPCLC, the long-term arrangement and intent is for the SPV to be jointly owned and controlled whereby fundamental business and operational matters will require unanimous consent from all parties. The rights of the Group and the other parties to the joint venture, including as to the net assets of the joint venture, will be based on the contractual arrangements that they entered into (see Note 11).

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

Realization of Deferred Income Tax Assets
The Group reviewed its business and operations to take into consideration the estimated impacts of COVID-19, including its estimated impact on macroeconomic environment, the market outlook and the Group's operations. As such, the Group assessed its ability to generate sufficient taxable income in the future that will allow realization of net deferred tax assets. As a result, the carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. The Group assessed that sufficient taxable profit will be generated to allow all or part of the deferred income tax assets to be utilized (see Note 28).

Contingencies and Tax Assessments
The Group is currently involved in various legal proceedings and assessments for local and national taxes (see Note 36). 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.

4. **Business Combinations**

Step acquisition of SACASOL
On December 2, 2019, ACEN signed a share purchase agreement with the PINAI Investors, for the acquisition of PINAI's ownership interest in SACASOL.

On February 13, 2020, the PCC ruled that ACEN's acquisition of the PINAI Investors' ownership interest in SACASOL "will not likely result in substantial lessening of competition" and resolved "to take no further action with respect to the proposed Transaction..."

On March 23, 2020, the acquisition of the PINAI Investors' ownership interest in SACASOL and payment of the purchase price in the amount of ₱2,981.86 million by Giga Ace 2, Inc. ("Giga Ace 2") were completed. Giga Ace 2 is ACEN's wholly-owned subsidiary and the entity designated by ACEN to purchase the PINAI Investors' shares in SACASOL.

The transaction was accounted for using the acquisition method under PFRS 3. The fair values of the identifiable feed-in-tariff ("FIT") contract as intangible asset and property, plant and equipment were determined using the income approach. The fair value measurements are classified as level 3 for both with observable indirect level of inputs. The application of a different set of assumptions or technique could have a significant effect on the resulting fair value estimates.

ACEN remeasured its previously held interest in SACASOL based on its acquisition date fair value which resulted in a remeasurement loss of ₱69.71 million.

SACASOL runs a 45-MW solar farm which is under the government's FIT regime. The Group's acquisition is in line with its strategy to expand its business operations in renewable energy ("RE") platform.

As at March 31, 2020, provisional fair values were used for the identifiable net assets of SACASOL, which amounted to ₱3,418.29 million, and resulted into a ₱436.43 million negative goodwill.

Subsequently, the purchase price was adjusted to ₱3,088.11 million based on the provisions of the share purchase agreement. ACEN now owns 100% of equity interest in SACASOL. The Group finalized the accounting for the business combination as at December 31, 2020 wherein the fair values of identifiable net assets of ₱3,240.91 million, resulting to ₱49.97 million negative goodwill. SACASOL was sold at a discount since PINAI investors are keen to divest its investment in Solar Renewable Entities.

Consideration transferred was paid in cash on transaction date.

Step acquisition of ISLASOL
On December 2, 2019, the following significant transactions were executed:
- ACEN and TLCTI Asia entered into Investment Agreement with the intention for them to own 66% and 34% voting interest, and 60% and 40% economic interest, respectively, in ISLASOL. The investment agreement details the series of undertakings, to wit:
  - acquisition by ACEN or its designee, as the case may be, of ISLASOL, in accordance with the terms and conditions of the share purchase agreement between the PINAI Investors and ACEN
  - creation by ISLASOL of a new class of shares ("Class E Redeemable Preferred Shares") by increasing its authorized capital stock from ₱6,917 million to ₱8,000 million. Class E Redeemable Preferred Shares shall have the same features as the other redeemable preferred shares of ISLASOL (that are not Class D redeemable preferred shares) and shall have voting rights.
  - subscription by TLCTI Asia to ISLASOL's Class E Redeemable Preferred Shares for a total subscription amount of ₱2,780 million, which includes a premium over par value amounting to ₱1,745 million. As at December 31, 2019, ISLASOL has outstanding notes payable to TLCTI Asia amounting to ₱2,140 million. This was settled in 2020.
- ACEN signed a share purchase agreement with the PINAI Investors for the acquisition of PINAI's 98% ownership interest in ISLASOL.

TLCTI Asia and ISLASOL amended the original loan agreement entered into on September 14, 2015 under which TLCTI Asia agreed to provide ISLASOL financing of up to ₱2.140 billion. Under the amended loan agreement, the residual amount of ₱1.745 billion shall be payable by ISLASOL to TLCTI Asia only in the event that ISLASOL is able to raise additional equity funding through primary issuance of shares.

On February 26, 2020, the PCC approved ACEN's acquisition of the PINAI Investors' ownership interest in ISLASOL.

On March 23, 2020, the acquisition of the PINAI Investors' ownership interest in ISLASOL and payment of the purchase price in the amount of ₱1,629.97 million by Giga Ace 3, Inc. ("Giga Ace 3") were completed. Giga Ace 3 is ACEN's wholly-owned subsidiary and the entity designated by ACEN to purchase the PINAI Investors' shares in ISLASOL.

On March 30, 2020, a resolution to increase the authorized capital stock of ISLASOL was approved by its BOD and ratified by the stockholders.

As at March 31, 2020, provisional fair values were used for the identifiable net assets of SACASOL, of which, amounted to ₱3,987.21 million, and resulted into a ₱2,357.24 million negative goodwill.

Subsequently, the purchase price was adjusted to ₱1,632.32 million, pursuant to the provisions of the share purchase agreement.

On May 22, 2020, a subscription agreement was signed between TLCTI Asia and ISLASOL which finalizes the subscription of TLCTI Asia to the increase in ISLASOL's authorized capital stock. On the same date, GigaAce 3, TLCTI Asia and ISLASOL entered into a Shareholders' Agreement which sets out the provisions of their ownership interest in ISLASOL.

On October 30, 2020, ISLASOL, VRC and TLCTI Asia entered into letter agreement on the extension of payment for the balance of subscription payable by TLCTI Asia in favor of ISLASOL in the amount of ₱405.97 million with an interest rate of 8% for any portion paid on or before February 28, 2021; and 10% for any portion paid after February 28, 2021. TLCTI Asia has until December 31, 2021 to pay the balance of the subscription price.

The abovementioned series of transactions provided ACEN an economic interest of 60%, on fully diluted basis, post subscription of TLCTI Asia. The Parent Company assessed that although executed subsequent to the acquisition date (March 23, 2020), the subscription agreement between TLCTI Asia and ISLASOL dated May 22, 2020 was executed in contemplation of the Investment Agreement, with an overall economic objective for the Parent Company and TLCTI Asia to have 60% and 40% economic interest, respectively.

The transaction was accounted for using the acquisition method under PFRS 3. The fair value of the property, plant and equipment was determined using the income approach. The fair value measurement is classified as level 3, with observable indirect level of inputs. The application of a different set of assumptions or technique could have a significant effect on the resulting fair value estimates.

ACEN remeasured its previously held interest in ISLASOL based on its acquisition date fair value which resulted in a remeasurement loss ₱26.06 million.

The Group finalized the accounting for the business combination as at December 31, 2020 wherein the fair values of identifiable net assets of ₱2,748.36 million, resulting to ₱12.45 million goodwill from acquisition. The non-controlling interest was measured at the proportionate share in ISLASOL's net assets measured as at acquisition date. Goodwill comprises the fair value of expected synergies arising from the acquisition. This is presented under Goodwill and other intangible assets in the consolidated statements of the financial position. None of the goodwill recognized is expected to be deductible for income tax purposes.

ISLASOL owns and operates an 80-MW solar farm in Negros Occidental. The Group's acquisition is in line with its strategy to expand its business operations in RE platform.

Consideration transferred was paid in cash on transaction date.

5. Business Combinations of Entities under Common Control

Acquisition of ACEIC's subsidiaries through share swap

On June 22, 2020, the application for the increase in the capital stock of ACEN was approved by the SEC.

Effective July 1, 2019 (date when ACEN and the Onshore Companies became related parties under the common control of ACEIC), ACEN acquired these entities through the share swap transaction with ACEIC. Shares involve common, founders and preferred shares. As the transaction is outside the scope of PFRS 3 (see Note 2), the acquisition was accounted for using the pooling-of-interests method. In applying the pooling-of-interests method, the assets and liabilities of acquired entities are taken into the merged business at their carrying values with restatement of comparative 2019 figures. Likewise, no goodwill was recognized in the business combination.

The income statement for the three-month period ended March 31, 2020, after considering the retroactive impact of the share swap transaction with ACEIC.

	Three-month Period Ended March 31, 2020	
	(Unaudited, as previously reported)	(Unaudited, as restated)
REVENUES		
Revenue from sale of electricity	₱4,205,539	₱4,535,343
Rental income	–	47,180
Other revenue	–	3,349
	4,205,539	4,585,872
COSTS AND EXPENSES		
Costs of sale of electricity	3,365,730	3,492,013
General and administrative expenses	306,140	338,889
	3,671,870	3,830,902
INTEREST AND OTHER FINANCE CHARGES	(349,473)	(396,354)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	29,099	139,586
OTHER INCOME – NET	173,993	177,735
INCOME BEFORE INCOME TAX	387,288	675,937
PROVISION FOR INCOME TAX		
Current	61,625	75,796
Deferred	14,099	17,093
	75,724	92,889
NET INCOME	₱311,564	₱583,048
Net Income Attributable To:		
Equity holders of the Parent Company	₱306,936	₱539,577
Non-controlling interests	4,628	43,471
	₱311,564	₱583,048

6. Cash and Cash Equivalents

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Cash on hand and in banks	**₱8,536,439**	₱3,354,039
Short-term deposits	**8,171,881**	1,781,435
	₱16,708,320	₱5,135,474

Cash in banks earn interest at the respective bank deposit rates for its peso and dollar accounts. Short-term deposits 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 on cash in banks and short-term deposits for the three-month period ended March 31, 2021 and 2020 amounted to ₱6.69 million and ₱45.10 million, respectively (see Note 27).

Short-term deposits include debt service reserves account amounting to ₱334.66 million and ₱212.24 million as at December 31, 2020, respectively, for the payment of loans by and SLTEC (see Note 18).

7. Receivables

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Trade	**₱3,998,638**	₱4,662,852
Due from related parties (Note 29)	**981,350**	219,965
Receivables from:		
Third parties (Note 16)	**1,169,999**	1,227,849
Consortium - service contracts and assignee of mining rights	**78,809**	78,809
Employees	**15,183**	16,608
Others	**65,058**	55,911
	6,309,037	6,261,994
Less allowance for credit losses	**167,848**	166,975
	₱6,141,189	₱6,095,019

Trade receivables mainly represent receivables from Independent Electricity Market Operator of the Philippines ("IEMOP"), NGCP and National Transmission Corporation ("TransCo") for the FIT and from the group's bilateral customers. Significant portion of outstanding balance relate to receivables from Manila Electric Company ("MERALCO") baseload and Mid-Merit PSAs as well as FIT system adjustments (see Notes 16 and 21).

Trade receivables consist of both noninterest-bearing and interest-bearing receivables. The term is generally thirty (30) to sixty (60) days.

Receivable from third parties mainly pertains to the current portion of noninterest-bearing long-term receivable from the sale of transmission assets and submarine cable. Also included under this account is SLTEC's receivable from NGCP for the remaining uncollected consideration for the sale of the

230KV Salong Switching Station and related assets and subscription receivable of ISLASOL from TLCTI Asia.

Receivable from third parties also include the ₱280-million loan agreement with Greencore to implement the Arayat project.

As at March 30, 2021 and December 31, 2020, the aging analysis of receivables are as follows:

	March 31, 2021 (Unaudited)						
		Neither Past	**Past Due but not Impaired**				**Past Due**
	Total	**Due nor Impaired**	**<30 Days**	**30–60 Days**	**61–90 Days**	**More than 90 Days**	**and Impaired**
Trade	**₱3,998,638**	**₱3,352,925**	**₱15,410**	**₱126,834**	**₱65,423**	**₱356,182**	**₱81,864**
Due from related parties	**981,350**	**981,350**	**–**	**–**	**–**	**–**	**–**
Others	**1,329,049**	**464,710**	**–**	**–**	**428,734**	**349,621**	**85,984**
	₱6,309,037	**₱4,798,985**	**₱15,410**	**₱126,834**	**₱494,157**	**₱705,803**	**₱167,848**

	December 31, 2020 (Audited)						
		Neither Past	Past Due but not Impaired				
	Total	Due nor Impaired	<30 Days	30–60 Days	61–90 Days	More than 90 Days	Past Due and Impaired
Trade	₱4,662,852	₱3,896,807	₱2,640	₱21,729	₱11,208	₱649,477	₱80,991
Due from related parties	219,965	219,965	–	–	–	–	–
Others	1,379,177	851,974	1,697	14,511	24,333	400,678	85,984
	₱6,261,994	₱4,968,746	₱4,337	₱36,240	₱35,541	₱1,050,155	₱166,975

The movements in the allowance for credit losses on individually impaired receivables are as follows:

	March 31, 2021 (Unaudited)		
	Trade	**Others**	**Total**
Balances at beginning of period	**₱80,991**	**₱85,984**	**₱166,975**
Provisions - net (Note 23)	**873**	**–**	**873**
Balances at end of period	**₱81,864**	**₱85,984**	**₱167,848**

	December 31, 2020 (Audited)		
	Trade	Others	Total
Balances at beginning of year	₱80,991	₱86,016	₱167,007
Reversal	–	(32)	(32)
Balances at end of year	₱80,991	₱85,984	₱166,975

The allowance for credit losses includes ₱39.37 million full provision for receivables from mining rights assigned to a third party.

8. Fuel and Spare Parts

Fuel charged to "Costs of sale of electricity" in the consolidated statements of income amounted to ₱799.55 million and ₱741.84 million for the three-month period ended March 31, 2021 and 2020, respectively (see Note 22).

For the three-month period ended March 31, 2021 and 2020, no provision for impairment, both for fuel and spare parts was recognized by the Group. As at March 31, 2021 and December 31, 2020, the allowance for inventory obsolescence amounted to ₱6.96 million.

9. Other Current Assets

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Prepaid expenses	**₱583,395**	₱186,213
Advances to contractors	**276,840**	264,979
Derivative asset (Note 32)	**131,952**	46,968
Others	**9,031**	4,957
	1,001,218	503,117
Less allowance for impairment loss	**(49,884)**	(49,884)
	₱951,334	₱453,233

Prepaid expenses pertain to insurance, subscriptions, rent, taxes and other expenses paid in advance. Allowance for impairment relates to the advances to contractors paid by BSEI for the development of its renewable energy laboratory facility with energy storage system project (see Notes 3 and 10).

Advances to contractors pertain to advance payments for services and supply of repairs and maintenance. In 2020, advances to contractors amounting to ₱14.59 million were transferred to Property, plant and equipment (see Note 10).

Derivative asset pertains to coal swaps contracts with Macquarie Bank Ltd., used to hedge the risks associated with changes in coal and fuel oil prices (see Note 32).

10. Property, Plant and Equipment

Acquisitions and disposals

During the three-month period ended March 31, 2021, the Group acquired assets with a cost of ₱729.18 million (December 31, 2020: ₱6,452.42 million), excluding property, plant and equipment acquired through a business combination.

For the three-month period ended March 31, 2021, assets (other than those classified as held for sale) with a net book value of ₱0.59 million were disposed by the Group which resulted in a net loss of ₱0.47 million (nil for the three-month period ended March 31, 2020) (see Note 27).

Significant Additions During the Period

For the three-month period ended March 31, 2021, the Group invested significant capital expenditures related to the following projects:

- ₱388.49 million for its 40-MW battery energy storage system (BESS) project in Alaminos, Pangasinan through its subsidiary, Giga Ace 4, Inc.;
- ₱175.70 million for its 120 MW solar farm project in Alaminos, Laguna through its subsidiary, Solarace1 Energy Corp.; and,
- ₱106.42 million for its 60 MW solar power project in Palauig, Zambales through its subsidiary, Gigasol 3, Inc.

In 2020, the Group invested significant capital expenditures related to the following projects:

- ₱3,321.33 million for its 120 MW solar farm project in Alaminos, Laguna through its subsidiary, Solarace1 Energy Corp.;
- ₱464.75 million for its 150 MW diesel-fired power facility in Pililia, Rizal through its subsidiary, Ingrid Power Holdings, Inc.
- ₱1,657.69 million for its 60 MW solar power project in Palauig, Zambales through its subsidiary, Gigasol 3, Inc;
- ₱105.18 million for its 5 MW Solar Plant Project in Mariveles Bataan through its subsidiary, BSEI.
- Capital expenditures for One Subic Power amounting to ₱269.24 million which consists of crankshaft engine, air cooler, major parts for diesel engines.
- Capitalized costs for ACEN amounting to ₱100.63 million which consists of drydocking costs of PB101, cylinder head cover and installation costs of engine bearing.

Mortgaged Property and Equipment
Guimaras Wind's wind farm with carrying value of ₱3,857.90 million and ₱3,909.77 million as at March 31, 2021 and December 31, 2020, respectively included under "Machinery and Equipment" account is mortgaged as security for the long-term loan. (see Note 18).

SLTEC's Contract for Design and Supply of HIP Rotor with Harbin Electric International Co., Ltd. (HEI)
On July 20, 2019, SLTEC engaged the services of HEI to design, fabricate, and supply SLTEC with the brand-new spare HIP rotor and it is expected to be completed and delivered within the next seven (7) months. SLTEC capitalized the advance payment made on September 19, 2019 amounting to ₱30.58 million under Construction-in-Progress.

For the year ended December 31, 2020, SLTEC recognized additional capital expenditure relating to the HIP rotor amounting to ₱102.12 million. SLTEC received the HIP rotor on June 17, 2020.

Insurance Claims
SLTEC recognized a claim amounting to nil and ₱35.28 million as at March 31,2021 and December 31,2020 respectively, as compensation for the property damage covered by industrial all risk insurance. This was deducted from the construction-in progress.

Impairment Losses
ACEN's Power Barge ("PB") 102 located in Barrio Obrero, Iloilo City, accidentally discharged fuel oil on July 3, 2020. Based on initial investigation, there was an explosion in one of the barge's fuel tanks which ruptured the hull of the barge and resulted in the oil spill.

PB101 and 102 were commissioned in 1981 while PB 103 in 1985. These were acquired by ACEN from the Power Sector Assets and Liabilities Management Corporation (PSALM) in 2015. Each power barge is a barge-mounted bunker-fired diesel generating power station with Hitachi diesel generator units and a gross capacity of 32MW and providing dispatchable reserve services to the Visayas grid.

The Group assessed as at December 31, 2020 and determined that the incident has raised impairment indication that the asset's carrying amount exceeded its estimated recoverable amount. The Group recognized full provision for impairment for PB 102 and PB103 amounting to ₱270.53 million.

Other provisions in 2020 include ₱96.16 million and ₱14.89 million for BSEI's construction-in-progress and tools and miscellaneous assets, respectively, and ₱0.46 million for Guimaras Wind's construction-in-progress of its Sibunag Wind Project.

For the three-month period ended March 31, 2021, the Group recognized reversals of impairment on property, plant and equipment amounting to ₱72.00 million which was determined as the recoverable amount from the power barges, and ₱14.89 million from BSEI tools identified as salable which then reclassified subsequently to assets held for sale (see Note 27).

11. Investments in Associates and a Joint Venture

Investments in Associates
MGI
The Parent Company subscribed to 25% of the capital stock of MGI which was incorporated and registered with the SEC on August 11, 2010 to implement the integrated development of the Maibarara geothermal field in Calamba, Laguna and Sto. Tomas, Batangas for power generation. MGI's registered business address is 7th F JMT Building, ADB Avenue, Ortigas Center, Pasig City.

NIBHI
NIBHI is a domestic corporation registered in the Philippines and located at 26th floor, PSE Tower Bonifacio High St., 28th cor. 5th Ave., Bonifacio Global City, Taguig City. NIBHI is a holding firm for the BioPower Group (SCBP, SNBP and NNBP). The Group, in partnership with TLCTI Asia, currently has a portfolio totaling 63.44 MW in generation capacity from biomass.

Upon effectivity of ACEN's share swap with ACEIC, the Parent Company acquired a 45.12% voting ownership in NIBHI, through ACE Endevor, Inc. (see Note 5).

As at December 31, 2020, the Group assessed that there is an objective evidence that the investment in NIBHI was impaired. The Group provided ₱186.51 million provision for impairment for its investments in NIBHI calculated as the difference between the recoverable amount of the investment and its carrying amount.

Interest in Joint Ventures
PhilWind
On November 5, 2019, the Parent Company's Executive Committee approved and authorized the share purchase agreement to acquire PINAI's ownership interest in PhilWind, a holding company for North Luzon Renewable Energy Corp. ("NLR"). This approval was ratified by the BOD during its meeting on November 11, 2019.

On November 14, 2019, ACEN signed a First Amended and Restated Share Purchase Agreement with the PINAI Investors for the acquisition of PINAI's indirect ownership interest in NLR.

PINAI effectively has a 31.01% preferred equity and 15.00% common equity ownership in NLR. NLR is a joint venture of ACEIC, UPC Philippines Wind Holdco I B.V., Luzon Wind Energy Holdings B.V. (DGA) and the PINAI Investors. NLR owns and operates an 81 MW wind farm in Pagudpud, Ilocos Norte, which started commercial operations in November 2014. PhilWind is the parent company of NLR. PhilWind directly and indirectly owns 66.69% of NLR, through its 38.00% direct interest and 28.69% indirect interest through its 100% wholly owned subsidiary, Ilocos Wind Energy Holding Co., Inc. ("Ilocos Wind").

On February 27, 2020, the Parent Company purchased all the shares of PINAI Investors in PhilWind for ₱2,573.30 million through its wholly-owned subsidiary Giga Ace 1, Inc.

The investment in PhilWind is accounted for as an investment in joint venture as the relevant activities of PhilWind and NLR require the unanimous consent of the stockholders.

On June 22, 2020, upon the effectivity of ACEN's share swap transaction with ACEIC, the Parent Company increased its ownership interest in PhilWind to 69.81% (see Note 5).

PhilWind was incorporated and registered with the SEC on November 12, 2009, primarily to engage in the business of a holding company for renewable energy and other corporations. The registered office address is at 15th Floor, Picadilly Star Bldg., 4th Avenue Cor. 27th St., Bonifacio Global City, Taguig, with principal place of business at 4th Floor 6750 Ayala Avenue Office Tower, Makati City. Dividends declared by PhilWind for the three-month period ended March 31, 2021 amounted to ₱ 593.73 million (December 31, 2020 - ₱270.51 million).

The summarized financial information of PhilWind which is a material joint venture are shown below:

Summarized Statement of Financial Position:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Current assets*	**₱1,716,053**	₱1,624,625
Noncurrent assets	**7,717,225**	7,542,675
Total assets	**9,433,278**	9,167,300
Current liabilities**	**906,018**	445,949
Noncurrent liabilities***	**5,255,337**	5,219,873
Net assets	**3,271,923**	3,501,478
Ownership interest in investee	**69.81%**	69.81%
Share in net assets of investee	**2,284,129**	2,444,382
Goodwill and other adjustments	**3,356,192**	3,409,179
Carrying amount of investment	**₱ 5,640,321**	₱5,853,561

**including cash and cash equivalents amounting to ₱1,045.41 million and ₱711.98 million as at March 31, 2021 and December 31, 2020, respectively.*
***including financial liabilities amounting to ₱321.95 million and. ₱326.41 million as at March 31, 2021 and December 31, 2020, respectively.*
****including financial liabilities amounting to ₱5.12 billion as at March 31, 2021 and December 31, 2020.*
Financial liabilities exclude trade and other payables and provisions.

Summarized Statement of Comprehensive Income:

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (Unaudited)
Revenue from sale of electricity	**₱967,370**	₱668,017
Costs of sale of electricity	**174,313**	169,785
Gross profit	**793,057**	498,232
Interest income	**7,013**	–
Interest expense and other financing charges	**(71,606)**	(86,929)
Depreciation expense	**(272)**	–
Other general and administrative expenses	**(7,695)**	(10,223)
Other expenses - net	**(2,352)**	(9,420)
Income before income tax	**718,145**	391,660
Provision for (benefit from) income tax	**(1,803)**	108
Net income	**719,948**	391,552
Other comprehensive income	**649**	–
Total comprehensive income	**₱ 720,597**	₱391,552

Greencore

On February 21, 2020, Citicore Renewable Energy Corporation ("CREC") and ACE Endevor entered into a Framework Agreement for the joint development, ownership and operation of solar and other power plants in the Philippines, CSEC is a wholly-owned subsidiary of CREC. Pursuant to the Framework Agreement, CREC and ACE Endevor (directly or through nominated affiliates) agreed to be shareholders in the Company, which was incorporated to wholly own and undertake the development of a PV Solar Power Plant in Arayat and Mexico, Pampanga, Philippines with an installed nominal capacity of 50 MWac (72MWdc) (the "Project").

On February 4, 2021, ACEN and ACE Endevor signed a Shareholders' Agreement with CSEC, and Greencore Power Solutions 3, Inc. ("Greencore"), for the development, construction, and operation of the Project. On the same date, ACEN and ACED signed subscription agreements with Greencore for the subscription of 2.25 million and 0.25 million common shares, respectively, with a par value of ₱1.00 per share, or a total par values of ₱2.25 million and ₱0.25 million, to be issued out of the unissued authorized capital stock of Greencore. ACEN and ACED have fully paid their subscriptions.

The Project is scheduled to start operations in March 2022. Under the Shareholders' Agreement, CSEC will have 50% of the shares in Greencore, the special purpose vehicle of the Project, while ACEN and ACE Endevor will hold a 45% and 5% interest, respectively. ACEN has agreed to provide a term loan facility to Greencore of up to ₱2.675 billion to finance the design, engineering, financing, construction, procurement and supply, manufacturing, commissioning, start up, testing, delivery, ownership, operation and maintenance of the power plant. Greencore and its shareholders agreed to execute the necessary loan and security agreement for this purpose (see Note 1).

The investment in Greencore is accounted for as an investment in joint venture as the relevant activities of Greencore require the unanimous consent of the stockholders.

Greencore is a domestic corporation registered in the Philippines with principal office address at Lot 4 Magalang - Arayat Road, Barangay San Antonio, Arayat, Pampanga, Philippines.

Solar Philippines Central Luzon Corporation ("SPCLC")

On January 22, 2021, ACEN signed a Deed of Absolute Sale of Shares with Solar Philippines Power Project Holdings, Inc. ("SP") for the acquisition by ACEN of SP's 0.24 million common shares in SPCLC with a par value of ₱1.00 per share or a total par value of ₱0.24 million.

On the same date, ACEN signed a Subscription Agreement with SPCLC for the subscription by ACEN to 0.38 million common shares with a par value of ₱1.00 per share or a total par value for a total subscription price of ₱0.38 million, to be issued out of the unissued authorized capital stock of SPCLC.

SPCLC is a special purpose vehicle and is meant to implement the joint venture between ACEN and SP for the development and operation of solar power projects in the Philippines. As at March 31, 2021, commercial operations have not yet commenced.

12. Financial assets at FVOCI

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Golf club shares	**₱1,010**	₱1,190
Listed shares of stock	**21**	21
	₱1,031	₱1,211

The movements in net unrealized loss on financial assets at FVOCI for the period ended are as follows:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Balance at beginning of period	**(₱8,169)**	(₱96,584)
Effect of business combinations under common control (Note 32)	–	88,455
Unrealized gain recognized in other comprehensive income	**(180)**	(40)
Balance at end of period	**(₱8,349)**	(₱8,169)

No dividend income earned from financial assets at FVOCI for the three-month period ended March 31, 2021 and 2020.

13. Investment Properties

Investment properties include land which are held by the Group for long-term capital appreciation and future use as investment properties.

BCHC purchased 1.92-hectare land in located in Botolan, Zambales amounting to ₱108.91 million in 2021 and a 1.79-hectare land in located in Binugao, Toril, Davao City amounting to ₱44.60 million. These are classified as investment properties as it will be held for the potential use of Joint Venture-Special Purpose Vehicle projects in building and operating power plants.

Movement on the account during 2020 includes reclassification from Property, plant and equipment of a land owned by BCHC amounting to ₱283.86 million.

The account also include Bulacan Power‘s land amounting to ₱13.09 million.

The Group did not generate rental income on the investment property but incurred direct costs pertaining to real property taxes amounting to ₱0.01 million for the three-month period ended March 31, 2021 and 2020.

14. **Goodwill and Other Intangible Assets**

Changes in goodwill and other intangible assets for the period ended March 31, 2021 and December 31, 2021 are as follows:

	March 31, 2021 (Unaudited)				
	Goodwill	**Deferred Exploration Costs**	**Leasehold and Water Rights**	**Other Intangible Assets**	**Total**
Cost:					
Balance at beginning of period	**₱246,605**	**₱121,975**	**₱185,104**	**₱2,191,814**	**₱2,745,498**
Additions/Cash calls	**–**	**8,622**	**–**	**–**	**8,622**
Balance at end of period	**246,605**	**130,597**	**185,104**	**2,191,814**	**2,754,120**
Accumulated amortization:					
Balance at beginning of period	**₱–**	**₱–**	**₱32,610**	**₱113,696**	**₱146,306**
Amortization (Note 25)	**–**	**–**	**2,027**	**37,898**	**39,925**
Balance at end of period	**–**	**–**	**34,637**	**151,594**	**186,231**
Accumulated impairment:					
Balance at beginning of period	**–**	**62,098**	**–**	**–**	**62,098**
Impairment (Note 23)	**–**	**23,379**	**–**	**–**	**23,379**
Balance at end of period	**–**	**85,477**	**–**	**–**	**85,477**
Net book value	**₱246,605**	**₱45,120**	**₱150,467**	**₱2,040,220**	**₱2,482,412**

	December 31, 2020 (Audited)				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	₱234,152	₱108,139	₱185,347	₱–	₱527,638
Step acquisition of ISLASOL	12,453	–	–	–	12,453
Step acquisition of SACASOL	–	–	–	2,191,814	2,191,814
Reclassification	–	–	(243)	–	(243)
Additions/Cash calls	–	13,836	–	–	13,836
Balance at end of year	246,605	121,975	185,104	2,191,814	2,745,498
Accumulated amortization:					
Balance at beginning of year	₱–	₱–	₱24,463	₱–	₱24,463
Amortization	–	–	8,147	113,696	121,843
Balance at end of year	–	–	32,610	113,696	146,306
Accumulated impairment:					
Balance at beginning and end of year	–	62,098	–	–	62,098
Net book value	₱246,605	₱59,877	₱152,494	₱2,078,118	₱2,537,094

Goodwill and Leasehold Rights

The leasehold rights and goodwill arose from Bulacan Power's acquisition of the entire outstanding shares of stocks of One Subic Power in 2014. One Subic Power and Subic Bay Metropolitan Authority ("SBMA") have an existing Facilities Lease Agreement (FLA) for a period of five (5) years up to July 19, 2020, as amended, with the option to extend subject to mutually acceptable terms and conditions.

On December 21, 2017, the SBMA Board approved and ratified the amendment of the Facilities Lease Agreement extending the lease term until July 19, 2030. As at January 1, 2019, the leasehold rights were reclassified as right-of-use assets.

Solienda, Inc. ("Solienda") holds a leasehold right on its contracts of lease with San Carlos Sun Power, Inc., San Carlos Biopower Inc. and SACASOL. As at March 31, 2021 and December 31, 2020, the carrying amount of the leasehold right amounted to ₱142.78 million and ₱144.69 million, respectively.

Goodwill recognized in 2020 came from the acquisition of ISLASOL amounting to ₱12.45 million.

Water Supply Contract
HDP holds a water supply contract with San Carlos Bioenergy, Inc. The carrying amount as at March 31, 2021 and December 31, 2020 is ₱7.69 million and ₱7.81 million respectively.

Other Intangible Assets
Intangible assets amounting to ₱2,191.81 million arising from identifiable FIT contract was recognized from acquisition of SACASOL. The carrying amount as at March 31, 2021 and December 31, 2020 is ₱2,040.22 million and ₱2,078.12 million, respectively.

Impairment Testing of Goodwill
The Parent Company performs its impairment test annually and when circumstances indicate that the carrying value may be impaired. In light of the impact of COVID-19 and the ECQ restricting movements and construction activities, management reassessed recoverable amounts for the Parent Company's goodwill. The key assumptions used to determine the recoverable amount for the different cash-generating units were disclosed in the annual consolidated financial statements as at December 31, 2020.

Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognized on goodwill as at March 31, 2021 and December 31, 2020.

Deferred Exploration Costs
Details of deferred exploration costs are as follows:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Petroleum and gas:		
SC 55 (Southwest Palawan)	**₱ 45,120**	₱36,639
SC 6 (Northwest Palawan)		
Block A	**23,379**	23,238
Block B	**4,892**	4,892
SC 50 Northwest Palawan	**11,719**	11,719
SC 52 (Cagayan Province)	**10,994**	10,994
Geothermal - SC 8 (Mabini, Batangas)	**34,493**	34,493
	130,597	121,975
Allowance for impairment loss	**(85,477)**	(62,098)
Net book value	**₱45,120**	₱59,877

Below is the rollforward analysis of the deferred exploration costs:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Cost:		
Balances at beginning of period	**₱121,975**	₱108,139
Additions - cash calls	**8,622**	13,836
Balance at end of period	**130,597**	121,975
Allowance for a probable loss:		
Balances at beginning of period	**62,098**	62,098
Provisions	**23,379**	–
Balance at end of period	**85,477**	62,098
Net book value	**₱45,120**	₱59,877

The foregoing deferred exploration costs represent the Group's share in the expenditures incurred under petroleum SCs with the DOE. The contracts provide for certain minimum work and expenditure obligations and the rights and benefits of the contractor. Operating agreements govern the relationship among co-contractors and the conduct of operations under an SC.

On January 27, 2021, the ACEX Executive Committee approved the ACEX's withdrawal from the SC 6 Block A consortium. SC 6A does not have any commercial operations. Provision for probable loss was recognized for SC 6A amounting to ₱23.4 million. Write-off of SC 6 will be done upon receipt of DOE approval.

Additions for the period for SC 55 pertains to the well engineering, drilling planning services and assessment.

No impairment was recognized for SC 55 as at March 31, 2021 and December 31, 2020 as there are no indicators for impairment.

15. **Right-of-Use Assets and Lease Liabilities**

The Group's Right-of-Use Assets arise from the lease agreements of the following entities:

- ACEN - rental of office space in 22nd Floor of Ayala Tower together with 8 parking slots and in 35th Floor of Ayala Triangle Gardens Tower 2 with 3 parking slots.
- One Subic Power - facilities and lease agreement with SBMA for the Land in Subic including the 116 MW Diesel Powerplant.
- Guimaras Wind - lease commitments from various landowners in Guimaras for land, easement rights and right of way use to connect to the grid.
- SLTEC - rental of office space in 8 Rockwell, Plaza Dr. Makati City.
- SACASOL - lease of land for its solar power facility and office building.
- MSEI - lease of land for its solar power facility.
- NorthWind - lease of land for its wind power facility and rental of office space with parking slots.
- Solarace1 - lease of land for the construction and operation of its solar power facility.
- MCV - lease of land as site for its water supply system.
- LCC – lease of land as site for its water supply system.
- ISLASOL - lease of land for its solar power facility.
- BCHC - lease of land for its solar power facility
- Ingrid - lease of equipment for its powerplant facility.

There were no land or lease improvements noted. Each entity did not exercise or avail any renewal, extension, or termination option. No practical expedient was elected such as short-term lease or lease of low-value assets except for Guimaras Wind which used the short-term lease practical expedient which impact amounted to ₱0.25 million.

In 2020, SACASOL and ISLASOL were consolidated to the Group. SACASOL entered into an amendatory agreement with its lessor, San Julio Realty, Inc., to adjust the annual rental payments based on the average of the available and published inflation rates of the CPI for the immediately preceding 12-month period. The Lease modification amounted to a reduction of ₱116.11 million to both the Right-of-Use asset and Lease Liability.

Mobilization fee for the leased equipment amounting to ₱378.49 million was paid by Ingrid.

In 2021, the Parent Company entered into a 10-year lease agreement with Ayala Land, Inc, a related party, for the use of its office unit and parking slot with a gross leasable area of approximately 4,905.80 sqm. The Company recognized a right-of-use asset and lease liability amounting to ₱1,024.86 million and ₱1,024.35 million, respectively, arising from this lease agreement (see Note 29).

For the period ended March 31, 2021 and 2020, the total cash outflow in respect of leases amounted to ₱65.40 million and ₱3.33 million, respectively. Also, interest expense in relation to lease liabilities for the three-month period ended March 31, 2021 and 2020 amounted to ₱9.95 million and ₱17.79 million, respectively, and is presented as part of Interest and Other Finance Charges in the consolidated statement of income (see Note 26).

Moreover, the Group recognized amortization expense for its right-of-use asset amounting to ₱27.80 million and ₱32.73 million and is presented as part of Depreciation and amortization in the consolidated statement of income for the three-month period ended March 31, 2021 and 2020, respectively (see Note 25).The Group recognized rent expense from short-term leases amounting to nil for the three-month period ended March 31, 2021 and 2020, respectively.

There was no indication of impairment on the Right-of-Use Asset of the Group for the period ended March 31, 2021 and December 31, 2020.

16. **Other Noncurrent Assets**

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Trade receivables - net of allowance for credit losses (Note 21)	**₱2,051,255**	₱1,916,726
Advances to suppliers	**936,578**	850,384
Receivables from third parties (Note 7)	**370,627**	349,673
Development costs	**352,360**	309,395
Deposits	**129,723**	105,337
Derivative assets	**–**	35,046
Others	**15,785**	3,599
Balance at end of the period	**₱3,856,328**	₱3,570,160

Noncurrent trade receivables represent refundable amount from the Philippine Electricity Market Corporation (PEMC) arising from recalculation of November and December 2013 spot prices as directed by the ERC. In 2014, the Group, PEMC, and other WESM participants signed a Multilateral Agreement pending the resolution of cases filed by WESM participants in the Supreme Court. On various dates in 2014 to 2016, ACEN recorded collections in relation to the Multilateral Agreement amounting to ₱1,123.51 million. In June 2016, the 24-month period of repayment prescribed; hence, the Group provided an allowance for doubtful accounts related to Multilateral Agreement amounting to ₱13.75 million. Collections are presented as “Trade payables” under “Other noncurrent liabilities” (see Note 19). Noncurrent trade receivables also include FIT system adjustments that are expected to be realized beyond 12 months after end of reporting period (see Notes 7 and 21).

Receivables from third parties are non-interest-bearing receivables from NGCP arising from the sale of transmission assets, which are collectible annually within 3 years, discounted using the PHP BVAL Reference rates on transaction date ranging from 2.14% - 4.56%.

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

Development costs include expenditures related to the development phase of power plant project which are stated at cost less any accumulated impairment losses. These include direct expenses that will eventually be capitalized as part of property, plant and equipment upon start of construction of the project. These costs are not depreciated or amortized until such time as the relevant assets are completed and available for use.

Deposits includes noncurrent portion of deposits to distribution utilities and noncurrent portion of the refundable security deposit with SBMA.

17. Accounts Payable and Other Current Liabilities

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Nontrade (Note 19)	**₱4,488,288**	₱2,728,641
Accrued expenses	**1,029,131**	610,361
Output VAT - net	**971,904**	946,529
Trade	**754,158**	1,183,743
Due to related parties (Note 29)	**446,688**	588,007
Accrued interest expenses	**177,743**	260,796
Retention payables	**28,029**	74,974
Accrued directors’ and annual incentives (Note 29)	**25,537**	30,574
Redemption payable	**–**	95,000
Contract liabilities	**–**	4,132
Derivative liability (Note 32)	**–**	3,300
Others	**–**	13,170
	₱7,921,478	₱6,539,227

Accounts payable and other current liabilities are noninterest-bearing and are normally settled on thirty (30) to sixty (60)-day terms.

Nontrade payables include liabilities for various purchases such as additions to property, plant and equipment and spare parts. It also includes the payable for the purchase of additional 20% interest in SLTEC through the assignment of ACEIC to ACEN of the share purchase agreement executed by ACEIC and APHPC amounting to ₱1.89 billion. The amount is payable on September 30, 2021.

Accrued expenses include insurance, sick and vacation leave accruals, station use and One Subic Power’s variable rent for lease with SBMA and accruals for incentive pay and operating expense such as security fee, plant repairs and maintenance.

Trade payables refer to liabilities to suppliers of electricity and fuel oil purchased by the Group.

Retention payables pertain to amounts retained from liabilities to suppliers and contractors.

Redemption payable pertain to subscription redemption of ACE International from Gigasol 2.

Derivative liability pertains to foreign exchange forward contracts entered by ACEN with various banks, which are short-term in nature and had realized ₱41.70 million gain and ₱0.03 million loss from its maturities for the three-month period ended March 31, 2021 and 2020. (see Notes 27 and 32).

The Group is a party to certain claims and assessments in the ordinary conduct of business. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the ground that it can be expected to prejudice the outcome or the Group's position with respect to these matters recorded under accrued expenses.

18. Loans

Long-term loans
This account consists of:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
SLTEC long-term loans	**₱10,587,500**	₱10,587,500
ACEN long-term loans	**8,057,014**	8,128,347
NorthWind loan	**2,233,530**	2,233,530
Guimaras Wind term-loan facility	**1,347,466**	1,410,268
BWPC long-term loans	**292,960**	271,934
	22,518,470	22,631,579
Add premium on long-term loans (embedded derivative)	**–**	–
Less unamortized debt issue costs	**230,180**	240,873
	22,288,290	22,390,706
Less current portion of long-term loans (net of unamortized debt issue costs)	**659,799**	707,782
Noncurrent portion	**₱21,628,491**	₱21,682,924

Movements in derivatives and debt issue costs related to the long-term loans follow:

	Derivatives	Debt Issue Costs
As at December 31, 2019	2,429	257,071
Additions	–	28,500
Amortization/accretion for the year	(2,429)	(44,698)
As at December 31, 2020	₱–	₱240,873
Additions	–	6,038
Amortization/accretion for three-month period* (Note 25)	–	(16,731)
As at March 31, 2021	₱–	₱230,180

**Included under "Interest and other financial charges" in the consolidated statements of income.*

ACEN

On March 30, 2021, ACEN prepaid in full its ₱1,175million term loan facility with DBP. ACEN was granted consent by DBP for the prepayment of the loan without premium or penalty.

ACEN's Loan Agreement with Development Bank of the Philippines ("DBP")

On March 19, 2021, the Parent Company entered into a new loan agreement with DBP for a maximum principal amount of ₱4.50 billion.

First drawdown on the facility was made on March 30, 2021 amounting to ₱805.00 million. The loan has a term of one hundred twenty (120) months from and after the initial drawdown date. The payments shall be made in semi-annual principal installments commencing on the thirtieth (30^{th}) month from the initial drawdown date. Each principal installment shall be payable on the principal repayment date which shall coincide with an interest payment date.

The loan is subject to a floating interest rate that is repriced on every succeeding semi-annual period. The Company has the option to convert the interest rate to fixed on any semi-annual payment date up to the second (2^{nd}) anniversary from the initial drawdown on the facility.

Loan covenants. ACEN closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keeps the compliance of these covenants into consideration.

In 2020, ACEN was able to obtain waivers of compliance for the Debt Service Coverage Ratio, Debt-to-Equity ratio and Current ratio covenants on its legacy loans with SBC (₱1.18 billion) and DBP (₱1.18 billion) as required by the terms of each respective Lender's loan agreement. The waivers granted on the covenants for ACEN are valid until the next succeeding testing date. These ratios are computed based on the annual consolidated audited financial statements of ACEN, and the next testing date will be sometime during the first quarter of 2022, based on the 2021 consolidated audited financial statements. ACEN classified the loans amounting to ₱1.68 billion as noncurrent as at December 31, 2020.

<u>Guimaras Wind</u>

The loan facility is secured by Guimaras Wind's wind farm, included in "Machinery and equipment" account under "Property, plant and equipment" with carrying values amounting to ₱3,857.90 million and ₱3,909.77 million as at March 31, 2021 and December 31, 2020, respectively (see Note 10). 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 was in compliance with the loan covenants as at March 31, 2021 and December 31, 2020. The compliance with the debt covenants is assessed annually by the lenders. The Company shall maintain a minimum DSCR of 1.2x, a maximum Debt to equity ratio of 70:30. Guimaras Wind continues to take necessary measures to ensure compliance with loan covenants.

<u>SLTEC</u>

Under the terms and conditions of the loan, the security trust indentures are the following: a) real estate mortgage and chattel mortgage on project assets; b) pledge on 66.67% of the voting shares of SLTEC; c) assignment of receivables; d) assignment of all material contracts, guarantees, insurance and; e) assignment of cash flow waterfall accounts.

Loan Covenants. SLTEC has complied with its contractual agreements and is compliant with the loan covenants as at reporting dates. As compliance with the debt covenants, SLTEC should maintain a minimum DSCR of 1.1 times, and a maximum Net debt to Equity ratio of 3 times.

NPDC

NorthWind closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keeps the compliance of these covenants into consideration. NorthWind is required to maintain a minimum historical DSCR of 1.05 times. As at March 31, 2021 and December 31, 2020, NorthWind is compliant with its loan covenants.

BWPC

The outstanding loan balance to UPC Holdco amounting to ₱154.97 million and ₱145.04 million as at March 31, 2021 and December 31, 2020, respectively, was used for the funding of the Balaoi and Cauanayan Wind Energy Project. BWPC availed loans from UPC Holdco amounting to ₱8.47 million and ₱17.28 million in 2021 and 2020, respectively. These loans are unsecured, due in 5 years and bears interest at an annual rate of 8.00%. Interest is accrued daily and compounded annually and payable together with the principal amount. Accrued interest expense for the three-month period ended March 31, 2021 and 2020 arising from the loans payable amounted to ₱2.98 million and ₱ 16.88 million. The outstanding interest payable amounted ₱65.90 million and ₱62.92 million as at March 31, 2021 and December 31, 2020 respectively.

The outstanding loan balance to ACE International amounting to ₱137.99 million and ₱136.55 million as at March 31, 2021 and December 31, 2020, respectively, was used as additional funding of the Balaoi and Cauanayan Wind Energy Project. BWPC availed loans from PC amounting to nil and ₱28.46 million in 2021 and 2020, respectively. These loans are unsecured, due in 5 years and bears interest at an annual rate of 8.00%. Interest is accrued daily and compounded annually and payable together with the principal amount. Accrued interest expense for the three-month period ended March 31, 2021 and 2020 arising from the loans payable amounted to ₱3.41 million and ₱13.20 million. The outstanding interest payable amounted ₱28.03 million and ₱24.61 million as at March 31, 2021 and December 31, 2020 respectively.

Total interest expense recognized on ACEN's, Guimaras Wind's, SLTEC's, NorthWind's and BWPC's long-term loans amounted to ₱305.14 million and ₱341.11 million for the three-month period ended March 31, 2021 and 2020, respectively (see Note 26).

Principal payments made relative to the Group's long-term loans amounted to ₱939.14 million and ₱588.63 million for the three-month period ended March 31, 2021 and 2020. ACEN paid ₱6.04 million and ₱10.88 million debt issue costs for the relevant loans availed in for the current period 2021 and in 2020.

Short-term loans

This account consists of:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Beginning balance	**₱9,438,600**	₱3,556
Availments	**3,000,000**	10,506,500
Loans assumed through business combination	**–**	395,388
Payments	**(10,000,800)**	(1,148,944)
Foreign exchange adjustments (Note 27)	**62,200**	(317,900)
Ending balance	**₱2,500,000**	₱9,438,600

Below are the pertinent details of the loans from RCBC.

Bank	Date of Availment	Amount	Interest	Maturity
RCBC	October 8, 2020	₱500,000,000	3.750%	April 6, 2021
RCBC	March 12, 2021	₱2,000,000,000	3.000%	April 6, 2021

The Company further availed of a ₱2,000 million short-term loan from RCBC on March 12, 2021, with a maturity date on April 06, 2021.

In March 2021, Parent Company also availed a new short-term loan from BDO amounting to ₱1,000 million which was also settled during the same month.

In 2021, the Parent Company paid out the short-term loan availed from AC Renewables International Pte. Ltd. (ACRI), an entity under the common control of ACEIC, amounting to $100 million or ₱5,121.50 million.

In 2021, the Parent Company also paid out the outstanding short-term loans availed on various dates in September, October and December of 2020.

Below are the pertinent details of the loans from BDO, SBC and CBC that were s were paid in full by the Parent Company on their respective maturity dates.

Bank	Date of Availment	Amount	Interest	Maturity
BDO	September 18, 2020	₱1,000,000,000	4.000%	March 17, 2021
SBC	September 18, 2020	₱800,000,000	3.750%	March 17, 2021
BDO	October 23, 2020	₱550,000,000	4.000%	March 31, 2021
BDO	October 28, 2020	₱450,000,000	4.000%	March 31, 2021
CBC	December 14, 2020	₱1,335,000,000	4.210%	March 12, 2021

As of March 31, 2021, the total outstanding short-term loans of the Company amounted to ₱2,500 million.

Total interest expense recognized on ACEN's short-term loans amounted to ₱55.90 million and ₱3.36 million for the three-month period ended March 31, 2021 and 2020, respectively (see Note 26).

19. Other Noncurrent Liabilities

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Trade payable (Note 17)	**₱1,123,511**	₱1,123,511
Contract liabilities	**198,722**	161,125
Asset retirement obligation	**181,318**	137,407
Deposit payable	**174,888**	167,593
Nontrade payable	**9,621**	15,048
Others	**4,848**	4,439
	₱1,692,908	₱1,609,123

Trade payable pertains to collections in relation to multilateral agreement (see Note 17).

Contract liabilities consists of the deferred connection fee related to ISLASOL and the deferred rental income from ISLASOL, SACASOL, MSPDC and Solienda.

Asset retirement obligation are from the acquisitions of ISLASOL, SACASOL and MSEI.

Deposit payables consist of security deposits from RES customers refundable at the end of the contract.

Nontrade payable are payables from over remittance of business interruption claims and environmental laws compliance.

20. Equity

Capital Stock

Following are the details of the Parent Company's capital stock:

	Number of Shares	
	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Authorized capital stock - ₱1 par value	**24,400,000,000**	24,400,000,000
Issued shares:		
Balance at beginning of period	**13,706,957,210**	7,521,774,922
Issuance of new shares during the period	**6,267,580,434**	6,185,182,288
Balance at end of period	**19,974,537,644**	13,706,957,210

The issued and outstanding shares as at March 31, 2021 and December 31, 2020 are held by 3,185 and 3,182 equity holders, respectively.

The following table presents the track record of registration of capital stock:

Year Approval	No. of shares Registered	No. of shares Issued	Par Value	Issue/ Offer Price
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00	1.00
2007	–	552,528,364	1.00	1.00
2008	–	4,713,558	1.00	1.00
2009	–	304,419	1.00	1.00
2010	–	2,022,535	1.00	1.00
2011	2,200,000,000	1,165,237,923	1.00	1.00
2012	4,200,000,000	2,027,395,343	1.00	1.00
2013	–	6,603,887	1.00	1.00
2014	–	1,283,332	1.00	1.00
2016	–	20,751,819	1.00	1.00
2017	–	3,877,014	1.00	1.00
2019	–	2,632,000,000	1.00	1.00
2020	16,000,000,000	6,185,182,288	1.00	1.00
2021	–	6,267,580,434	1.00	2.37 / 2.97

**On April 7, 1997, par value was increased from ₱0.01 to ₱1.00.*
***Equivalent number of shares at ₱1.00 par.*

Stock Rights Offering
On November 11, 2020, The BOD of ACEN approved the pricing for, and volume of, the shares that will be issued pursuant to ACEN's stock rights offering (SRO). ACEN will issue 2,267,580,434 shares at ₱2.37, and at an entitlement ratio of 1.11 shares:1offer share subject to requisite approval by the SEC of the details of the offer, including the offer price.

On December 11, 2020, ACEN received the confirmation letter from the SEC that the SRO is exempt from registration requirements under the Section 8 of the Code pursuant to Section 10.1 thereof. On

On December 16, 2020, the PSE approved ACEN's application for the listing of additional shares of up to 2,267,580,434 common shares subject of the Rights Offer to all stockholders as of the Record Date of January 13, 2021 (the "Record Date"), at ₱2.37 per share, comprised of two rounds and a domestic institutional offer, as follows:

1. The First Round of the Offer consisting of a total of 2,267,580,434 Offer Shares, offered on a pre-emptive rights basis to eligible shareholders of ACEN as of a determined Record Date where holders of Common Shares as of the Record Date who are eligible to participate in the Rights Offer are: (i) holders located inside the Philippines and (ii) holders located outside the Philippines where it is legal to participate in the Rights Offer under the securities laws of such jurisdiction without requiring registration or the need to obtain regulatory approvals under such laws ("Eligible Shareholder"), and where each Eligible Shareholder may subscribe to one (1) Share for every 1.11 Common Shares held, as of the Record Date.;
2. The Second Round of the Offer consisting of the unsubscribed Rights Shares from the First Round of the Rights Offer ("Additional Rights Shares"), which shall be offered to those shareholders that exercised their rights in the prior round and had simultaneously signified their intention to subscribe to any unsubscribed Rights Shares by tendering payment of the total Offer Price of all Rights Shares subscribed to, including all Rights Shares in excess of their entitlements.; and
3. The Domestic Institutional Offer, where the Joint Lead Underwriters BPI Capital Corporation and China Bank Capital Corporation will firmly underwrite the Rights Offer in accordance with an underwriting agreement to ensure that any Offer Shares that, after the mandatory Second Round of the Rights Offer are either not taken up or subscribed to by Eligible Shareholders or not paid for by Eligible Shareholders will be fully subscribed, and that in case there are Rights Shares remaining after the mandatory Second Round of the Rights Offer, the remaining Rights Shares shall be sold by the Joint Lead Underwriters to qualified buyers, as defined in the 2015 Implementing Rules and Regulations of the Code ("SRC IRR") ("Institutional Investors"), at the same Offer Price as the Rights Shares (the "Institutional Offer"), and any shares herein not taken up by Institutional Investors shall be taken up by the Joint Lead Underwriters,

During the Rights Offer Period from January 18, 2021 to January 22, 2021, ACEN sold, by way of SRO, a total of 2,267,580,434 shares which were subsequently listed with the PSE on January 29, 2021.

Transaction costs include documentary stamp taxes and SEC fees paid relevant to share issuance amounting to ₱24.13 million were charged to additional paid-in capital account.

Arran's Private Placement
On December 30, 2020, ACEN and ACEIC signed an Investment Agreement with Arran for the latter's investment into ACEN to acquire 17.5% ownership stake on the basis that ACEN's stock rights offering ("SRO") and follow-on offering ("FOO"), and the infusion by ACEIC of its international business into ACEN have been completed (see Note 1).

On March 18, 2021, Arran subscribed to 4 billion common shares of ACEN at a price of ₱2.97 per common share through a private placement (the "Private Placement"), for an aggregate value or consideration of ₱11.88 billion. The subscription price was offered by Arran pursuant to its binding offer on November 10, 2020, and which offer was approved by the BOD of ACEN during its meeting of November 11, 2020.

The Investment, which will be implemented through a combination of subscription to four billion primary shares (via a private placement) and purchase of secondary shares from ACEIC, will be at a price of ₱2.97 per share on a post-SRO basis and is subject to agreed price adjustments. The price for the private placement represents a 25% premium to the BOD-approved SRO price of ₱2.37 per share, which is subject to regulatory approval.

The completion of Arran's purchase of secondary shares from ACEIC is subject to definitive documentation being signed by the parties, the completion of the infusion by ACEIC of its international business into ACEN by way of a property for shares swap, which is expected to occur in the third quarter of 2021, and applicable regulatory approvals (see Note 38).

As at March 31, 2021, ACEIC directly owns 55.99% (December 31, 2020: 81.62%) of the ACEN's total outstanding shares of stock.

Transaction costs include documentary stamp taxes and SEC fees paid relevant to share issuance amounting to ₱68.48 million were charged to additional paid-in capital account.

Retained Earnings
Retained earnings represent the Group's accumulated earnings, net of dividends declared. The balance includes accumulated earnings of subsidiaries, joint venture and associates, which are not available for dividend declaration. Retained earnings not available for dividend declaration included in the Group's retained earnings to the extent of (a) the cost of treasury shares amounted to ₱96.11 million and ₱40.93 million as at March 31, 2021 and December 31, 2020, respectively, and (b) undistributed earnings of subsidiaries, associates and joint ventures included in the Group's retained earnings amounted to ₱2,579.51 million and ₱2,197.50 million as at March 31, 2021 and December 31, 2020, respectively.

Dividends
On March 18, 2021, the BOD of ACEN approved the declaration of cash dividends of six centavos (₱0.06) per share on the 19,960,037,644 issued and outstanding shares of the Parent Company, or a total dividend amount of ₱1,197,602,258.64, to be paid on April 19,2021 to the shareholders on record as of April 5, 2021.

There was no declaration of dividends for the three-month period ended March 31, 2020.

Treasury Shares
Bulacan Power holds ACEN shares and are classified as treasury shares. In 2021, Bulacan Power acquired 23,284,346 ACEN shares at an Offer Price of ₱2.37 per share through its participation in ACEN's SRO, while in 2020, 16.70 million ACEN shares held by Bulacan Power amounting to ₱ 15.43 million were disposed.

On March 18, 2020, the BOD of the Parent Company approved a share buy-back program to support its share prices through the repurchase in the open market of up to ₱1.00 billion worth of common shares, of which, the cumulative number of shares repurchased is at 14.50 million for an aggregate repurchase price of ₱28.66 million.

Non-controlling Interest (NCI)

The rollforward of this account is as follows:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Balance at beginning of period	**₱1,330,507**	₱248,584
Total comprehensive income attributable to NCI	**30,966**	115,700
Capital infusions	**1,800**	–
Dividends	**(5,100)**	(133,121)
Additions through business combination (Note 4)	–	1,099,344
Balance at end of period	**1,358,173**	1,330,507

Capital infusions
On July 28, 2020, UPC Philippines HoldCo. IV B.V. ("UPC") signed a subscription agreement to Solarace4 for 0.18 million common shares and 1.62 million redeemable preferred B shares, both with ₱1.00 par value, with total subscription price of ₱1.80 million, to be issued out of Solarace4 increase in the authorized capital stock, of which, as at report date, is pending approval by the SEC.

In 2021, UPC infused ₱1.80 million for its subscription to Solarace4.

Dividends
In 2021, the BOD of MSPDC approved the declaration of cash dividends amounting to ₱15.00 million, of which, ₱5.10 million was attributable to NCI. These were fully paid on March 6, 2021.

In 2020, the BOD of MSPDC declared total cash dividends of ₱60.00 million, while the BOD of NorthWind declared cash dividends of ₱300.00 million. Both were fully paid in 2020.

21. Revenue from Sale of Electricity

The table presents the Group's revenue from different revenue streams:

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As restated
Revenue from power supply contracts	**₱3,781,485**	₱3,764,886
Revenue from power generation and trading	**1,907,290**	770,457
	₱5,688,775	₱4,535,343

Meralco Mid-Merit PSA
On October 22, 2019, MERALCO and ACEN filed with the ERC a joint application for approval of the mid-merit PSA. Under the PSA, ACEN will supply, at a fixed rate, 110 MW mid-merit capacity to MERALCO for five (5) years from the issuance by the ERC of a provisional approval. Hearings were conducted on December 3, 2019, January 14, 21, and 28, 2020.

On January 31, 2020, ACEN received a copy of the Order from the ERC, provisionally approving the mid-merit PSA between MERALCO and ACEN. Under the PA Order, the ERC granted a rate of ₱4.2366/kWh regardless of the plant capacity factor.

On February 07, 2020, ACEN filed a Motion for Reconsideration and Urgent Re-evaluation of the Provisionally Approved Rates, arguing among others, for the implementation of the bid parameters of MERALCO, including the inclusion of the plant capacity factor in determining the rate and retroactive application of the rates.

On June 1, 2020, ACEN received a copy of the Order of the ERC granting ACEN's Motion for Reconsideration. The ERC, in its Order Granting the MR, approved a rate of ₱4.8763/kWh at 60% plant capacity factor, and allowed a retroactive recovery of approved rate from January 30, 2020, among others. The parties have entered into an agreement for the amortization schedule and/or payment schedule for the collection of the retroactive differential adjustment amounting to ₱158.50 million. As of April 29, 2021, the amount of P158.50 has already been fully collected (see Note 7).

FIT adjustment
On February 19, 2021, ERC clarified on its letter to National Transmission Corporation ("TransCo"), the Administrator of the FIT system, by specifying the timing and manner of billing 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 generation billing. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

Pre-termination fees
Revenues from power supply contract for the three-month period ended March 31, 2020 include customer pre-termination fees of ₱289.08 million, nil in 2021.

22. Costs of Sale of Electricity

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As restated)
Costs of purchased power	**₱2,338,148**	₱1,758,063
Fuel (Note 8)	**799,550**	741,840
Depreciation and amortization (Notes 10, 15 and 25)	**396,148**	366,645
Stations used	**170,359**	129,036
Repairs and maintenance	**138,457**	159,644
Taxes and licenses	**123,646**	92,766
Insurance	**89,693**	75,568
Salaries and directors' fees (Note 24)	**85,772**	70,751
Contractor's fee	**30,635**	–
Transmission costs	**9,926**	22,549
Filing fees	**6,150**	–
Rent	**5,877**	5,798
Communication	**3,497**	911
Pension and other employee benefits	**3,374**	1,195
Transportation and travel	**2,612**	1,647
Others	**229,600**	65,600
	₱4,433,444	₱3,492,013

23. General and Administrative Expenses

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As restated)
Taxes and licenses	**₱105,481**	₱118,626
Salaries and directors' fees (Note 24)	**60,479**	74,695
Management and professional fees	**60,359**	99,780
Depreciation and amortization (Note 25)	**39,355**	23,723
Provision for tax assessment	**36,191**	–
Provision for deferred exploration costs (Note 14)	**23,379**	–
Building maintenance and repairs	**12,565**	3,053
Transportation and travel	**8,812**	1,471
Corporate social responsibilities	**3,849**	83
Pension and other employee benefits	**3,835**	183
Contractor's fee	**3,312**	3,905
Insurance, dues and subscriptions	**3,288**	819
Rent	**2,595**	2,908
Office supplies	**1,207**	971
Provision for credit losses (Note 7)	**873**	–
Communication	**586**	157
Meeting and conferences	**547**	199
Others	**9,628**	8,316
	₱376,341	₱338,889

24. Personnel Expenses

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As restated)
Salaries and directors' fees included under:		
Cost of sale of electricity (see Note 22)	**₱85,772**	₱70,751
General and administrative (see Note 23)	**60,479**	74,695
Pension and other employee benefits included under:		
Cost of sale of electricity (see Note 22)	**3,374**	1,195
General and administrative (see Note 23)	**3,835**	183
	₱153,460	₱146,824

25. Depreciation and Amortization

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As restated)
Property, plant and equipment (Note 10)	**₱367,782**	₱355,709
Intangible assets (Note 14)	**39,925**	1,930
Right-of-use assets (Note 15)	**27,796**	32,729
	₱435,503	₱390,368
Cost of sale of electricity (Note 22)	**₱396,148**	₱366,645
General and administrative expenses (Note 23)	**39,355**	23,723
	₱435,503	₱390,368

26. Interest and Other Finance Charges

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As restated)
Interest expense on:		
Long-term loans* (Note 18)	**₱305,141**	₱341,114
Short-term loans (Note 18)	**55,897**	3,359
Discount in accounts payable	**23,243**	22,866
Amortization of debt issue cost (Note 18)	**16,731**	8,425
Lease obligations (Note 15)	**9,948**	17,789
Other finance charges	**3,570**	2,801
	₱414,530	₱396,354

**Net of accretion of interest expense of nil and ₱0.47 million for the three-month period ended March 31, 2021 and 2020, respectively, as an effect of amortization of embedded derivatives.*

Discount in accounts payable pertains to the interest expense of ACEN's accounts payable to APHPC in relation to the 20% acquisition of SLTEC (see Note 17).

27. Other Income - Net

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As Restated)
Reversal of impairment on property, plant and equipment (Note 10)	**₱86,890**	₱–
Gain (loss) on settlement of derivatives – net (Notes 17 and 32)	**41,700**	(33)
Interest and other financial income	**21,984**	52,219
Gain on sale of by-product	**7,403**	6,762
Loss on settlement of foreign loans	**(62,200)**	–
Foreign exchange gain - net	**(6,686)**	(10,278)
Gain (Loss) on sale of property and equipment	**(470)**	6,966
Fees for advisory services	**–**	121,685
Others	**17,727**	414
	₱106,348	₱177,735

Gain (loss) on settlement of derivatives pertain to maturities of foreign exchange forward contracts entered by ACEN with various banks (see Notes 17 and 32).

Gain on sale of by-product includes the gain on sale of fly-ash which is a by-product from coal of SLTEC. It also includes the gain on sale of scrap from the Parent Company and One Subic Power.

Loss on settlement of foreign loans arise from settlement of $100.00 million ACRI short-term loans of ACEN.

Interest and Other Financial Income

The details of interest and other financial income are as follows:

	For the three-month period ended March 31	
	2021 (Unaudited)	2020 (As Restated)
Interest income on:		
Cash in banks and Short-term deposits (see Note 6)	**₱6,686**	**₱45,103**
Receivables and others	**15,298**	**7,116**
	₱21,984	**₱52,219**

28. **Income Taxes**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statements of income are:

	For the three-month period ended March 31	
	2021 (Unaudited)	**2020 (As Restated)**
Current	**₱142,490**	**₱75,796**
Deferred	**(6,824)**	**17,093**
Provision for income tax	**₱135,666**	**₱92,889**

Applying the provisions of the CREATE Act, the Parent Company and certain subsidiaries of the Group were subjected to either a lower regular corporate income tax rate of 25% or a minimum corporate income tax rate of 1% effective July 1, 2020.

Based on the provisions of Revenue Regulations (RR) No. 5-2021 dated April 8, 2021 issued by the BIR, the prorated RCIT and MCIT rates of the Company for CY2020 are 27.5% and 1.5%, respectively. This resulted in reduction of provision for current income tax by ₱32.96 million and of provision for deferred income tax by ₱25.36 million for the year ended December 31, 2020. These adjustments were recognized in the consolidated statement of comprehensive income for the three-month period ended March 31, 2021.

Net deferred income tax assets and net deferred income tax liabilities amounted to ₱407.94 million and ₱123.43 million, respectively, as at March 31, 2021 and ₱416.35 million and ₱127.69 million, respectively, as at December 31, 2020.

DTAs on various elected deductible temporary differences and unused NOLCO have not been recognized as management believes it is not probable that sufficient future taxable income will be available against which the related deferred income tax assets can be used.

29. Related Party Transactions

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

Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. Provision for credit losses recognized for receivables from related parties amounted to nil for the three-month period ended March 31, 2021 and 2020. The assessment of collectability of receivables from related parties is undertaken each financial period 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 transactions and balances of accounts as at and for the period ended March 31, 2021 and December 31, 2020 with related parties are as follows:

	As at and for the three-month period Ended March 31, 2021 (Unaudited)					
	Amount/		**Outstanding Balance**			
Company	**Volume**	**Nature**	**Receivable**	**Payable**	**Terms**	**Conditions**
Parent						
ACEIC						
Due to related parties / General and administrative expenses	**₱46,797**	Management fees	**₱–**	**(₱222,885)**	30-day, non-interest bearing	Unsecured
Due from related parties/Management fees income	**17,089**	Management fess	**2,972**	–	30-day, non-interest bearing	Unsecured
Due to related parties	–	Lease assignment	–	**(41,438)**	30-day, non-interest bearing	Unsecured
Due to related parties / General and administrative expenses	–			**(100)**	30-day, non-interest bearing	Unsecured
Due to related parties / General and administrative expenses	**1,438**	Various expenses	–	**(1,338)**	30-day, non-interest bearing	Unsecured;
Associates and Joint Venture						
MGI						
Due to related parties / Cost of sale of electricity	**370,861**	Purchase of electricity	–	**(83,928)**	30-day, non-interest bearing	Unsecured;
Asia Coal						
Due to related parties	–	Advances	–	**(254)**	Non-interest bearing	Unsecured
PhilWind.						
Due from related parties	**593,734**	Dividend Income	**422,592**	–	30-day, non-interest bearing	Unsecured; no impairment
North Luzon Renewable Energy Corp.						
Due from related parties	–	Management fees	**9,760**	–	30-day, non-interest bearing	Unsecured; no impairment
Due to related parties	–	Due to related Parties	–	**(1,103)**	30-day, non-interest bearing	Unsecured

	As at and for the three-month period Ended March 31, 2021 (Unaudited)					
	Amount/		Outstanding Balance			
Company	**Volume**	**Nature**	**Receivable**	**Payable**	**Terms**	**Conditions**
Entities Under Common Control of Ultimate Parent Company						
Various Entities under ACEIC						
Due from related parties	–	Management fees	**32,626**	–	30-day, non-interest bearing	Unsecured; no impairment
Due from related parties	**21,970**	Rental income	**14,448**	–	Subsequently on demand	Unsecured; no impairment
AC Renewables International Pte. Ltd.						
Short-term loans	**(5,121,500)**	Short-term loan	–	–	180-day, interest bearing	Unsecured
Short-term loans	**55,897**	Interest on short-term loan	–	–	30 days	Unsecured
ACE International						
Long-term loans	**1,441**	Long-term loan	–	**(137,992)**	5 years	Unsecured
Due to related parties	**3,414**	Interest on long-term loan	–	**(28,026)**	30 days	Unsecured
Due to related parties	**6**	Due to related Parties	–	**(1,718)**	30-day, non-interest bearing	Unsecured
Due from related Parties	–	Due from related Parties	**48,991**	–	30-day, non-interest bearing	Unsecured; no impairment
Bank of the Philippine Islands						
Long-term loans	–	Long-term loan	**₱–**	**(₱2,233,530)**	12 years	Unsecured
Long-term loans	**29,308**	Interest on long-term loan	–	**(40,276)**	30 days	Unsecured
Long-term loans	–	Due from related Parties	–	–	12 years	Unsecured
Other affiliates						
Ayala Land, Inc. (ALI)						
Right-of-use asset	**21,341**	Lease of office unit and parking slot	**1,024,857**	–	10 years	Unsecured
Lease liability	**8,472**	Lease of office unit and parking slot	–	**(1,024,352)**	10 years	Unsecured
Others						
Due from related parties	**329,000**	Advances	**449,961**	–	Due and demandable	Unsecured; no impairment
Other related parties						
Directors						
General and administrative expenses	**25,537**	Directors' fee and annual incentives	–	**(25,537)**	On demand	Unsecured
Stockholders						
Due to stockholders	**1,199,143**	Cash Dividends	–	**(1,199,143)**	On demand	Unsecured
Due from related parties (see Note 7)			**981,350**	–		
Due to related parties (see Note 17)			–	**446,688**		
Long-term loans (see Note 18)			–	**2,566,766**		
Accrued director's and annual incentives (see Note 17)			–	**25,537**		
Due to stockholders (see Note 32)			–	**1,199,143**		
Right-of-use asset (see Note 15)			**1,024,857**			
Lease liability (see Note 15)			–	**(1,024,352)**		

	As at and for the Year Ended December 31, 2020 (Audited)					
	Amount/		Outstanding Balance			
Company	Volume	Nature	Receivable	Payable	Terms	Conditions
Parent						
ACEIC						
Due from related parties/Management fees income	₱387,138	Management fees	₱34,018	₱–	30-day, non-interest bearing	Unsecured; no impairment
Due to related parties / General and administrative expenses	462,602	Management fees	–	(305,350)	30-day, non-interest bearing	Unsecured
Due to related parties	50,767	Lease assignment	–	(50,666)	30-day, non-interest bearing	Unsecured
Due to related parties / General and administrative expenses	8,744	SAP IT Support Services	–	(7,530)	30-day, non-interest bearing	Unsecured
Due to related parties / General and administrative expenses	6,809	Various expenses	–	(6,809)	30-day, non-interest bearing	Unsecured;
Associates and Joint Venture						
MGI						
Due to related parties / Cost of sale of electricity	116,378	Purchase of electricity	–	(128,447)	30-day, non-interest bearing	Unsecured;
Asia Coal						
Due to related parties	–	Advances	–	(254)	Non-interest bearing	Unsecured
North Luzon Renewable Energy Corp.						
Due from related parties	31,310	Management fees	11,344	–	30-day, non-interest bearing	Unsecured; no impairment
Due to related parties	–	Due to related Parties	–	(1,286)	30-day, non-interest bearing	Unsecured
Entities Under Common Control of Ultimate Parent Company						
Various Entities under ACEI						
Due from related parties	3,980	Management fees	3,155	–	30-day, non-interest bearing	Unsecured; no impairment
Due from related parties	810	Rental income	563	–	Subsequently on demand	Unsecured; no impairment
ACE Renewables Philippines, Inc. (Moorland)						
Due from related parties	–	Dividend Income	11,521	–	Due and demandable	Unsecured; no impairment
Viage Corporation						
Due from related parties	–	Advances	110,373	–	Due and demandable	Unsecured; no impairment
AC Renewables International Pte. Ltd.						
Short-term loans	4,803,600	Short-term loan	–	(4,803,600)	180-day, interest bearing	Unsecured
Short-term loans	58,838	Interest on short-term loan	–	(58,838)	30 days	Unsecured
ACE International						
Loans Payable	136,551	Long-term loan	–	(136,551)	5 years	Unsecured
Due to related parties	24,612	Interest on long-term loan	–	(24,612)	30 days	Unsecured
Due to related parties	1,712	Due to related Parties	–	(1,712)	30-day, non-interest bearing	Unsecured
Due from related Parties	48,991	Due from related Parties	48,991	–	30-day, non-interest bearing	Unsecured; no impairment

	As at and for the Year Ended December 31, 2020 (Audited)					
	Amount/		Outstanding Balance			
Company	Volume	Nature	Receivable	Payable	Terms	Conditions
Bank of the Philippine Islands						
Long-term loans	₱2,145,042	Long-term loan	₱–	(₱2,233,530)	12 years	Unsecured
Long-term loans	–	Interest on long-term loan	–	(146,196)	30 days	Unsecured
Long-term loans	15,784	Due from related Parties	–	(15,784)	12 years	Unsecured
Other related parties						
Directors						
General and administrative expenses	30,574	Directors' fee and annual incentives		(30,574)	On demand	Unsecured
Stockholders						
Due to stockholders	₱18,272	Cash Dividends		(₱18,272)	On demand	Unsecured
Due from related parties (see Note 7)			₱219,965	₱–		
Due to related parties (see Note 17)			–	(588,007)		
Short-term loans (see Notes 18)			–	(4,862,438)		
Long-term loans (see Note 18)			–	(2,667,444)		
Accrued director's and annual incentives (see Note 17)			–	(30,574)		
Due to stockholders (see Note 32)			–	(18,272)		

ACEIC
The Parent Company and its subsidiaries Bulacan Power, CIPP and Guimaras Wind have management contracts with PHINMA, Inc. These Management Contracts were assigned to ACEIC on June 25, 2019 through the executed Deed of Assignment.

MGI
The Parent Company purchases the entire net electricity output of MGI.

ACE International
The Parent Company paid income taxes on behalf of ACE International. These are recorded as advances which are intended to be settled within the year.

Identification, Review and Approval of Related Party Transactions
All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

Compensation of Key Management Personnel
Compensation of key management personnel of the Group amounted to ₱20.73 million and ₱6.40 million for the three-month period ended March 31, 2021 and 2020, respectively.

30. Earnings Per Share

Basic and diluted EPS are computed as follows:

	For the three-month period Ended March 31	
	2021 (Unaudited)	2020 (As Restated)
	(In Thousands, Except for Number of Shares and Per Share Amounts)	
(a) Net income attributable to equity holders of Parent Company	**₱829,320**	₱57,654
Common shares outstanding at beginning of period (Note 20)	**13,692,457,210**	7,521,774,922
Weighted average number of:		
Shares issued during the period	**2,114,693,405**	–
Shares buyback during the period	–	(219,780)
(b) Weighted average common shares outstanding	**15,807,150,615**	7,521,555,142
Basic/Diluted earnings per share (a/b)	**₱0.05**	₱0.07

On June 22, 2020, upon the SEC's approval of increase in capital stock, 6,185,182,288 shares of ACEN were issued to ACEIC through the share swap transaction (see Notes 5 and 20).

For the three-month periods ended March 31, 2021 and 2020, the Parent Company does not have any potential common shares or other instruments that may entitle the holder to common shares. Consequently, diluted earnings per share is the same as basic earnings per share for the three-month periods ended March 31, 2021 and 2020.

The planned FOO (see Notes 1 and 38) will compensate current shareholders for dilution of their existing share as Arran's investment is set to acquire 17.5% ownership stake (see Notes 1 and 38).

31. Significant Laws, Commitments and Contracts

Updates to certain contracts and commitments disclosed in the annual consolidated financial statements as at December 31, 2020 and new contracts entered during the three-month period ended March 31, 2021 are provided below:

Administration and Management Agreement ("AMA")
On August 26, 2019, ACEN and SLTEC entered into an Administration and Management Agreement ("AMA") granting ACEN the exclusive right and obligation to administer and manage all of the net available output of SLTEC's power plant and ACEN's obligation to supply and deliver the necessary coal to generate electricity at an agreed price, subject to certain adjustments. The AMA is effective from August 26, 2019 and shall terminate on April 23, 2040 and February 20, 2041 for Unit 1 and Unit 2, respectively.

Power Administration and Management Agreement ("PAMA")
ACEN entered into PAMAs with its subsidiaries Bulacan Power, CIPP and One Subic Power. Under the terms of the PAMA, ACEN will administer and manage the entire capacity and net output of the foregoing entities' power plants and will pay for all electricity delivered by the power plant based on a formula as set forth in the PAMA and shall be payable monthly. The PAMAs with Bulacan Power and CIPP are valid for ten (10) years and are subject to regular review, while the PAMA with One

Subic Power is valid throughout the life of the related Facilities Lease Agreement with SBMA (see Note 1).

On January 12, 2018, the PAMAs of the Group with CIPP and Bulacan Power were amended, providing for certain capacity rates based on nominated capacity and billing of fuel recovery and utilization fee. The new PAMAs became effective starting March 26, 2018 and are valid for ten (10) years subject to regular review.

Ancillary Services Procurement Agreements (“ASPA”) with NGCP
ACEN and certain subsidiaries executed ASPAs with the NGCP. Under the ASPA, the power plants 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 approval or final approval issued by the ERC. Pending ERC's issuance of a final approval, the provisional approval is extended every year.

Tower 2 lease agreement with Ayala Land, Inc.

The Parent company entered into an agreement with Ayala Land, Inc. (the Lessor) for lease of office units at 34th, 35th, and 36th floors of Ayala Triangle Gardens Two Building and 69 Appurtenant parking slots starting January 18. 2021 for a period of 10 years. The lease agreement provides for a 5% annual escalation rate for the rental payments. (See Note 15)

32. Financial Risk Management Objectives and Policies

Objectives and Investment Policies
The funds of the entities are held directly by the Group and are managed by ACEIC’s Risk, Corporate Finance, Investor Relations and Treasury Group (RCIT).

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 is yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

RCIT manages the funds of the Group and invests them in highly liquid instruments such as short-term deposits, marketable instruments, corporate promissory notes and bonds, government bonds, and trust funds denominated in Philippine peso and U.S. dollar. It is responsible for the sound and prudent management of the Group’s financial assets that finance the Group’s operations and investments in enterprises.

RCIT focuses on the following major risks that may affect its transactions:
- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Market risk
- Interest rate risk
- Equity price risk
- Commodity price Risk

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Group.

Risk Management Process

Foreign Exchange Risk
The Group defines foreign exchange risk as the risk of realizing reduced operating cash flows and/or increasing the volatility of future earnings from movements in foreign exchange. The risk is measured based on potential downside impact of market volatility to operating cash flows and target earnings.

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:
- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:
- Trading either by spot conversions; and
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values

The Group's significant foreign currency-denominated financial assets and financial liabilities as at March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	U.S. Dollar (US$)	**Sing (S$)**	U.S. Dollar (US$)	Sing (S$)
Financial Assets				
Cash and cash equivalents	**$10,520**	**S$–**	$10,593	S$–
Other receivables	**38,699**	**–**	–	–
	$49,219	**S$–**	$10,593	S$–
Financial Liabilities				
Accounts payable and other current liabilities	**($21,191)**	**–**	(4,860)	(24)
Short-term loans	**–**	**–**	(114,263)	–
Long-term loans	**(292,961)**	**–**	(5,662)	–
	($314,152)	**(S$–)**	($124,785)	(S$24)
Net foreign currency-denominated assets (liabilities)	**($264,933)**	**(S$–)**	($114,192)	(S$24)
Peso equivalent	**(₱12,841,303)**	**(₱–)**	(₱5,485,784)	(₱867)

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱48.47 to US$1.00, ₱56.793 to €1.00 and ₱35.96 to S$1.00 as at March 31, 2021 and ₱48.04 to US$1.00, ₱58.69 to €1.00 and ₱36.12 to S$1.00 as at December 31, 2020.

The following tables demonstrate the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, of the Group's profit before tax (due to the changes in the fair value of monetary assets and liabilities) in periods presented. The possible changes are based on the survey conducted by management among its banks. There is no impact on the Group's equity other than those already affecting the profit or loss. The effect on profit before tax already includes the impact of derivatives.

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate	US$	Sing (S$)
March 31, 2021	**(₱0.50)**	**₱132,466**	**₱**
(Unaudited)	**(1.00)**	**264,933**	–
	0.50	**(132,466)**	–
	1.00	**(264,933)**	–
December 31, 2020	(₱0.50)	₱57,512	₱11
(Audited)	(1.00)	114,609	23
	0.50	(56,681)	(13)
	1.00	(113,777)	25

Credit or Counterparty Risk
The Group defines Credit or Counterparty Risk as the risk of sustaining a loss resulting from a counterparty's default to a transaction entered with the Group.

Credit or counterparty risk is managed through the following:

- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the Board.
- Discussions are done on every major investment by RCIT before it is executed subject to the Group's Chief Financial Officer (CFO) approval. Exposure limits are tracked for every transaction and RCIT Finance Managers supervise major transaction executions.
- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the receivables of the Group, its exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	March 31, 2021 (Unaudited)					
	Neither Past Due nor Impaired			Past Due but not	Past Due Individually	
	Class A	Class B	Class C	Impaired	Impaired	Total
Trade and other receivables						
Current:						
Trade receivables	**₱3,265,987**	**₱16,980**	**₱18,218**	**₱615,589**	**₱81,864**	**₱3,998,638**
Due from related parties	**562,469**	**–**	**418,881**	**–**	**–**	**981,350**
Others	**376,243**	**41,005**	**321,991**	**503,826**	**85,984**	**1,329,049**
Noncurrent						
Trade receivables	**1,509,711**	**–**	**–**	**541,544**	**13,752**	**2,065,007**
Receivables from third parties	**39,234**	**–**	**–**	**331,393**	**–**	**370,627**
	₱5,753,644	**₱57,985**	**₱759,090**	**₱1,992,352**	**₱181,600**	**₱8,744,671**

	December 31, 2020 (Audited)					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Trade and other receivables						
Current:						
Trade receivables	₱3,896,805	₱–	₱–	₱685,056	₱80,991	₱4,662,852
Due from related parties	–	2,158	–	217,807	–	219,965
Others	469,645	146,875	235,454	441,218	85,985	1,379,177
Noncurrent						
Trade receivables	810,021	–	–	1,106,705	13,752	1,930,478
Receivables from third parties	349,673	–	–	–	–	349,673
	₱5,526,144	₱149,033	₱235,454	₱2,450,786	₱180,728	₱8,542,145

The Group uses the following criteria to rate credit risk as to class:

Class	Description
Class A	Customers with excellent paying habits
Class B	Customers with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, short-term investments, financial assets at FVOCI and derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group's assessments of the credit quality of its financial assets are as follows:

- Cash and cash equivalents, short-term investments and derivative assets were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.
- Listed and unlisted financial assets at FVOCI were assessed as high grade since these are investments in instruments that have a recognized foreign or local third-party rating or instruments which carry guaranty or collateral.

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

Maximum exposure to credit risk of financial assets not subject to impairment
The gross carrying amount of financial assets not subject to impairment also represents the Group's maximum exposure to credit risk which mainly pertains to financial assets at FVOCI amounting to ₱1.83 million and ₱1.21 million as at March 31, 2021 and December 31, 2020.

Maximum exposure to credit risk of financial assets subject to impairment
The gross carrying amount of financial assets subject to impairment are as follows:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Financial Assets at Amortized Cost (Portfolio 1)		
Cash and cash equivalents	**₱16,706,512**	₱5,133,784
Under "Receivables" account		
Trade receivables	**3,998,638**	4,662,852
Due from related parties	**981,350**	219,965
Others	**1,329,049**	1,379,177
Under "Other Noncurrent Assets" account		
Trade receivables	**2,065,007**	1,930,478
Receivables from third parties	**370,627**	349,673
Deposits	**129,723**	105,337
	₱25,580,906	₱13,781,266

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

	March 31, 2021 (Unaudited)				
		Lifetime ECL			
Grade	**12-month Stage 1**	**Stage 2**	**Stage 3**	**Simplified Approach**	**Total**
High	**₱16,706,512**	**₱–**	**₱–**	**₱6,063,645**	**₱22,770,157**
Standard	**–**	**–**	**–**	**–**	**–**
Substandard	**–**	**–**	**–**	**–**	**–**
Default	**–**	**–**	**–**	**13,752**	**13,752**
Gross carrying amount	**16,706,512**	**–**	**–**	**6,077,397**	**22,783,909**
Less loss allowance	**–**	**–**	**–**	**167,848**	**167,848**
Carrying amount	**₱16,706,512**	**₱–**	**₱–**	**₱5,909,549**	**₱22,616,061**

	December 31, 2020 (Audited)				
		Lifetime ECL			
Grade	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	Total
High	₱5,133,784	₱–	₱–	₱6,593,330	₱11,727,114
Standard	–	–	–	–	–
Substandard	–	–	–	–	–
Default	–	–	–	13,752	13,752
Gross carrying amount	5,133,784	–	–	6,607,082	11,740,866
Less loss allowance	–	–	–	166,975	166,975
Carrying amount	₱5,133,784	₱–	₱–	₱6,440,107	₱11,573,891

Liquidity Risk
Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price.

Liquidity risk is managed through:

- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Group.

- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Group's plans. Average duration of investments does not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

	March 31, 2021 (Unaudited)					
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than 1 Year to 5 Years**	**More than 5 Years**	**Total**
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	**₱3,184,288**	**₱ 1,239,110**	**₱819,048**	**₱–**	**₱–**	**₱ 5,242,446**
Retention payable	**–**	**–**	**28,029**	**–**	**–**	**28,029**
Accrued expenses [a]	**256,387**	**462,451**	**310,293**	**–**	**–**	**1,029,131**
Accrued interest	**–**	**166,972**	**10,771**	**–**	**–**	**177,743**
Due to related parties	**5,632**	**34,529**	**406,527**	**–**	**–**	**446,688**
Short-term loans	**–**	**2,500,000**	**–**	**–**	**–**	**2,500,000**
Due to stockholders		**1,199,143**	**–**	**–**	**–**	**1,199,143**
Lease liabilities [c]	**–**	**45,207**	**288,516**	**1,445,117**	**4,241,719**	**6,020,559**
Long-term loans [d]	**–**	**721,839**	**1,257,098**	**8,835,674**	**21,262,233**	**32,076,844**
Other noncurrent liabilities [e]	**–**	**–**	**–**	**370,675**	**1,123,511**	**1,494,186**
	₱3,446,307	**₱ 6,369,251**	**₱3,120,282**	**10,651,466**	**₱26,627,463**	**₱50,214,769**

[a] *Excluding current portion of vacation and sick leave accruals.*
[b] *Gross contractual payments.*
[c] *Including contractual interest payments.*
d. *Excluding contract liabilities.*

	December 31, 2020 (Audited)					
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	Total
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱504,520	₱956,567	₱2,451,297	₱–	₱–	₱3,912,384
Accrued expenses [a]	20,441	287,762	302,158	–	–	610,361
Accrued interest	–	250,025	10,771	–	–	260,796
Due to related parties	–	131,265	458,207	–	–	589,472
Retention payable	–	–	74,974	–	–	74,974
Derivative liability	–	3,300	–	–	–	3,300
Others	–	800	10,905	–	–	11,705
Short-term loans	–	8,306,239	1,085,630	–	–	9,391,869
Due to stockholders	–	18,272	–	–	–	18,272
Lease liabilities [b]	–	62,605	174,583	903,641	3,154,948	4,295,777
Long-term loans [c]	–	266,765	1,720,907	8,811,500	80,163,617	90,962,789
Other noncurrent liabilities[d]	–	–	–	324,486	1,123,511	1,447,997
	₱524,961	₱10,283,600	₱6,289,432	₱10,039,627	₱84,442,076	₱111,579,696

[a] *Excluding current portion of vacation and sick leave accruals.*
[b] *Gross contractual payments.*
[c] *Including contractual interest payments.*
d. *Excluding contract liabilities.*

As at March 31, 2021 and December 31, 2020, the profile of financial assets used to manage the Group's liquidity risk is as follows:

	March 31, 2021 (Unaudited)				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Over 12 Months**	**Total**
Loans and receivables:					
Current:					
Cash and cash equivalents	**₱16,708,320**	**₱–**	**₱–**	**₱–**	**₱16,708,320**
Receivables:					
Trade	**–**	**3,301,185**	**615,589**	**–**	**3,916,774**
Due from related parties	**–**	**–**	**981,350**	**–**	**981,350**
Others	**–**	**1,162,374**	**503,826**	**–**	**1,666,200**
Noncurrent:					
Trade receivables	**–**	**–**	**–**	**2,051,255**	**2,051,255**
Receivable from third parties	**–**	**–**	**–**	**370,627**	**370,627**
Deposit receivables	**–**	**–**	**–**	**129,723**	**129,723**
Derivative assets	**–**	**131,952**	**–**	**–**	**131,952**
Financial assets at FVOCI:					
Quoted	**–**	**–**	**–**	**21**	**21**
Unquoted	**–**	**–**	**–**	**1,010**	**1,010**
	₱16,708,320	**₱4,595,511**	**₱2,100,765**	**₱2,552,636**	**₱25,957,232**

	December 31, 2020 (Audited)				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
Current:					
Cash and cash equivalents	₱5,135,474	₱–	₱–	₱–	₱5,135,474
Receivables:					
Trade	313	3,892,086	689,463	–	4,581,862
Due from related parties	–	2,158	217,807	–	219,965
Others	–	163,139	1,130,053	–	1,293,192
Noncurrent:					
Trade receivables	–	–	–	1,916,726	1,916,726
Receivable from third parties	–	–	–	349,673	349,673
Deposit receivables	–	–	–	105,337	105,337
Derivative assets	–	46,968	–	–	46,968
Financial assets at FVOCI:					
Quoted	–	–	–	21	21
Unquoted	–	–	–	1,190	1,190
	₱5,135,787	**₱4,104,351**	**₱2,037,323**	**₱2,372,947**	**₱13,650,408**

Market Risk

Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes. Interest rate, foreign exchange rates and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2021 and December 31, 2020, the Group has fixed rate financial instruments measured at fair value.

The Group's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate. The Group generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans. Specific interest rate risk policies are as follows:

ACEN
In 2019, the Parent Company availed a ₱5.00 billion loan with BDO with a term of ten (10) years payable in semi-annual installments. The loan has a fixed interest rate for the first five (5) years and is subject to be repriced for the succeeding five (5) years.

On July 10, 2020, the Parent Company entered into a term loan agreement with CBC amounting to ₱7.00 billion. The loan has a term of ten (10) years with an option to choose the pricing structure prior to each drawdown. As at December 31, 2020, the Parent Company has drawn ₱1.50 billion and is subject to a fixed interest rate of 5% for ten (10) years with no repricing. The undrawn portion of the term loan facility amounting to ₱5.50 billion is still subject to interest rate risk depending on the pricing structure to be selected once drawdown is made.

On March 19, 2021, the Parent Company entered into a term loan agreement with DBP amounting to ₱4.50 billion. The loan has a term of ten (10) years with an option for a floater or fixed interest rate. As at March 31, 2021, the Parent Company has drawn ₱805 million and is subject to a floating interest rate, subject to repricing on every semi-annual payment date. The undrawn portion of the term loan facility amounting to ₱3.695 billion is still subject to interest rate risk depending on the then benchmark rate plus spread.

Guimaras Wind
Guimaras Wind entered into a ₱4.30 billion peso-denominated Term Loan Facility that will be used to partially finance the 54MW San Lorenzo Wind Farm. The loan facility is divided into two tranches amounting to ₱2.15 billion each - DBP as the Tranche A lender and SBC as the Tranche B lender.

Both tranches have a term of fifteen (15) years with semi-annual interest payments starting on the date on which the loan is made. The interest of Tranche A bears a fixed rate for the first ten (10) years and is subject to an interest rate repricing on the last five (5) years.

On April 28, 2016, the Group prepaid a portion of its long-term debt in accordance with the terms of the Agreement as follows:
- the Group shall effect a mandatory prepayment of the loan, without premium or penalty, within three (3) business days from receipt by the Group of any transmission line proceeds;
- prepay the loan to the extent of seventy percent (70%) of the transmission line proceeds;
- the remaining thirty percent (30%) shall be transferred directly into the Group controlled distribution account for further distribution to the Project Sponsor.

SLTEC
On April 29, 2019 SLTEC entered into an Omnibus Loan and Security Agreement (the “New Omnibus Agreement”) with the following:
- Banco de Oro Unibank, Inc. (BDO), Security Bank Corporation (SBC) and Rizal Commercial Banking Corporation (RCBC) as the Lenders;
- ACEI, ACEN, and APHC as the Sponsors;
- BDO Capital & Investment Corporation as the Mandated Lead Arranger and Sole Bookrunner;
- RCBC Capital Corporation and SB Capital Investment Corporation as the Lead Arrangers; and,
- Banco de Oro Unibank, Inc. - Trust and Investments Group as the Facility Agent, Security Trustee and Paying Agent

The New Omnibus Agreement covering a ₱11,000.00 million syndicated loan facility was entered into for the purpose of re-leveraging and optimizing the capital structure of the Company as permitted by law and other agreements to which the Company is a party and to fund its general corporate requirements. Tenor of the loan is 12 years from initial drawdown date and is subject to interest rates ranging from 4.44% to 7.11%. The Company shall pay the interest at the applicable interest rate on the unpaid principal amount of each advance on each interest payment date for the interest period then ending. Such interest shall accrue from and including the first day of each interest period and excluding the last day of such interest period.

NPDC
On May 29, 2020, NorthWind entered into an Omnibus Loan and Security Agreement with BPI for a long-term loan facility amounting to ₱2.30 billion. The proceeds of the loan were used to fully repay its senior loans. The loan shall be repaid in twenty-four (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 of 1.115%, or (b) 5.125% per annum, whichever is higher.

BWPC
The outstanding loan balance to UPC Holdco amounting to ₱154.97 million and ₱135.43 million as at March 31, 2021 and December 31, 2020, respectively, was used for the funding of the Balaoi and Cauanayan Wind Energy Project. BWPC availed loans from UPC Holdco amounting to ₱8.47 million and ₱17.28 million in 2021 and 2020, respectively. These loans are unsecured, due in 5 years and bears interest at an annual rate of 8.00%. Interest is accrued daily and compounded annually and payable together with the principal amount.

The outstanding loan balance to ACE International amounting to ₱137.99 million and ₱136.55 million as at March 31, 2021 and December 31, 2020, respectively, was used as additional funding of the Balaoi and Cauanayan Wind Energy Project. No new loans were availed by BWPC from PC both for 2021 and 2020. These loans are unsecured, due in 5 years and bears interest at an annual rate of 8.00%. Interest is accrued daily and compounded annually and payable together with the principal amount.

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets at FVOCI.

Cash flow hedges
Commodity Price Risk
The Group defines Commodity Price Risk as the risk of realizing reduced profit margins and/or increasing the volatility of future earnings that are affected by the pricing variability and uncertainty in coal and fuel supply and any associated foreign exchange risk. The risk is measured based on potential downside impact of market volatility to target earnings.

To manage Commodity Price Risk, the Group develops a Coal and Fuel Hedging Strategy aimed to:
- Manage the risk associated with unexpected increase in coal and fuel prices which affect the target Profit & Loss of the Group
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for hedge accounting

Only the Group's Chief Executive Officer 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 and 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 BOD for approval.

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

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

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

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

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

	Maturity						
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
As at March 31, 2021 (Unaudited)							
Commodity swap contracts - Coal							
Notional amount (in Metric Tons)	**16,500**	**–**	**49,500**	**49,500**	**99,500**	**–**	**215,000**
Notional amount (in $000)	**$308**	**–**	**$830**	**$516**	**$1,068**	**–**	**$2,722**
Average hedged rate ($ per Metric ton)	**$75.41**	**–**	**$74.73**	**$75.28**	**$76.01**	**–**	
As at December 31, 2020 (Audited)							
Foreign exchange forward contracts							
Notional amount ($000)	$–	$100,000	$–	$–	$–	$–	$100,000
Average forward rate ($/₱)	–	48.24	–	–	–	–	
Commodity swap contracts - Coal							
Notional amount (in Metric Tons)	27,500	–	49,500	49,500	49,500	145,500	321,500
Notional amount (in $000)	$144	–	$272	$291	$258	$742	$1,707
Average hedged rate ($ per Metric ton)	$74.45	–	$75.41	$74.73	$75.28	$73.29	–

The Group had fuel oil hedges entered in 2020 but were all settled in 2020. There were no additional coal and fuel commodity swap contracts entered into by the Company as at March 31, 2021.

The impact of the hedging instruments on the consolidated statements of financial position is, as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As at March 31, 2021 (Unaudited)				
Commodity swap contracts - Coal	**2,722**	**131,952**	Other current assets	**₱41,555**
As at December 31, 2020 (Audited)				
Foreign exchange forward contracts	$100,000	(₱3,300)	Accounts payable and other current liabilities	(₱3,300)
Commodity swap contracts - Coal	1,707	82,014	Other current and noncurrent assets	72,151

The impact of hedged items on the consolidated statements of financial position is as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at March 31, 2021 (Unaudited)			
Coal purchases	**₱41,555**	**₱98,964**	**₱–**
As at December 31, 2020 (Audited)			
Coal purchases	₱72,151	₱57,409	₱–
Highly probable forecast purchases	(3,300)	–	–

The effect of the cash flow hedge in the consolidated statements of comprehensive income is as follows:

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at March 31, 2021 (Unaudited)						
Commodity swap contracts - Coal	**₱41,555**	**₱–**	**Unrealized fair value gains on derivative instruments designated under hedge accounting**	₱–	₱–	₱–
As at December 31, 2020 (Audited)						
Foreign exchange forward contracts	₱–	(₱3,300)	Other income (expense)	₱–	₱–	₱–
Commodity swap contracts - Coal	72,151	–	Unrealized fair value gains on derivative instruments designated under hedge accounting	–	–	–

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:

- 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.
- Weekly market reports are submitted to the Management Committee that includes an updated summary of global and domestic events of the past month and the balance of the year.
- 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 is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or acquire long-term debts.

The Group monitors capital using a gearing ratio of debt to equity and net debt to equity.

Debt consists of short-term and long-term debts of the Group. Net debt includes short-term and long-term debts less cash and cash equivalents, short-term investments and restricted cash. The Group considers its total equity as capital.

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Short-term debt (Note 18)	**₱2,500,000**	₱9,438,600
Long-term debt (Note 18)	**22,288,290**	22,390,706
Total debt	**24,788,290**	31,829,306
Less:		
Cash and cash equivalent (Note 6)	**16,373,661**	4,923,232
Restricted cash (Note 6)	**334,659**	212,242
Net debt	**8,079,970**	26,693,832
Total equity	**38,143,396**	21,355,069
Debt to equity	**64.99%**	149.05%
Net debt to equity	**21.18%**	125.00%

The Group closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keep the compliance of these covenants into consideration. The Group is not subject to externally imposed capital requirements.

33. Fair Values

The table below presents the carrying values and fair values of the Group's financial assets and financial liabilities, by category and by class, as at March 31, 2021 and December 31, 2020:

	March 31, 2021 (Unaudited)			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Financial assets at FVOCI	**₱1,830**	**₱21**	**₱1,809**	**₱–**
Derivative asset*	**131,952**	**–**	**131,952**	**–**
Refundable deposits**	**5,595**	**–**	**6,138**	**–**
Trade Receivables***	**2,094,534**	**–**	**1,997,739**	**–**
Receivables from third parties****	**1,540,626**	**–**	**1,540,626**	**–**
	₱3,774,537	**₱21**	**₱3,678,264**	**₱–**
Liabilities				
Long-term debt	**₱22,288,290**	**₱**	**₱22,965,523**	**₱–**
Deposit payables and other liabilities*****	**174,888**	**–**	**165,752**	**–**
Derivative liability	**–**	**–**	**–**	**–**
Lease liabilities	**2,834,448**	**–**	**3,461,118**	**–**
	₱25,297,626	**₱–**	**₱26,592,393**	**₱–**

** Included under "Other current assets" account.*
*** Included under "Other noncurrent assets" account.*
**** Included under "Receivables" and "Other noncurrent assets" accounts and pertain to FIT adjustments and multilateral agreement with PEMC*
***** Included under "Receivables" and "Other noncurrent assets" accounts.*
****** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.*

	December 31, 2020 (Audited)			
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Financial assets at FVOCI	₱1,211	₱21	₱1,190	₱–
Derivative asset*	46,968	–	46,968	–
Refundable deposits**	105,337	–	105,337	–
Trade Receivables***	2,008,697	–	1,942,804	–
Receivables from third parties****	1,577,522	–	1,577,522	–
	₱3,739,735	₱21	₱3,673,821	₱–
Liabilities				
Long-term debt	₱22,390,706	₱–	₱24,674,467	₱–
Deposit payables and other liabilities*****	172,768	–	172,768	–
Derivative liability	3,300	–	3,300	–
Lease liabilities	1,916,630	–	2,714,990	–
	₱24,483,404	₱–	₱27,565,525	₱–

** Included under "Other current assets" account.*
*** Included under "Other noncurrent assets" account.*
**** Included under "Receivables" and "Other noncurrent assets" accounts and pertain to FIT adjustments and multilateral agreement with PEMC*
***** Included under "Receivables" and "Other noncurrent assets" accounts.*
****** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.*

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions are used to estimate the fair values of each class of financial instruments:

Cash and Cash Equivalents, Short-term Investment, Receivables, Accounts Payable and Other Current Liabilities and Due to Stockholders
The carrying amounts of cash and cash equivalents, short-term investment, receivables, accounts payable and other current liabilities and due to stockholders approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial Asset at FVOCI
Quoted market prices have been used to determine the fair values of quoted financial assets at FVOCI.

Noncurrent trade receivables, Receivables from third parties, Refundable Deposits, Deposits Payable and Other Liabilities
Estimated fair value is based on present value of future cash flows discounted using the prevailing BVAL rates that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

Long-Term Loans
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 3.64% to 12.41% and 3.11% to 6.25% as at March 31, 2021 and December 31, 2020, respectively.

Lease liabilities
Estimated fair value of lease liabilities is based on the present value of future cash flows, discounted using the prevailing risk-free rates that are specific to the tenor of the instruments' cash flows at the end of the reporting period. The discount rates used range from 3.29% to 5.94% and 1.77% to 5.85% as at March 31, 2021 and December 31, 2020, respectively.

Derivative asset and liability
The fair value of the derivative asset and liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period.

34. **Operating Segments**

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 scope of the operating segments has been modified following the changes in the organization due to various acquisitions (see Notes 1, 2, 4, 5, and 31).

- Petroleum has been aggregated with a new segment "Parent and Others". This segment now includes ACEN parent, ACEX parent, Palawan55 Exploration and Production Corporation and ACE Shared Services Inc.
- Power segment has been renamed to "Philippines" and now includes the Retail Electricity Supply (RES) or Commercial Operations, Renewables and Thermal and Diesel entities.

2019 comparative segment information has been restated.

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 interim condensed 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 ₱1,817.77 million and ₱1,009.43 million for the three-month period ended March 31, 2021 and 2020, respectively, which accounted for more than 10% of the consolidated revenue from external customers, arise from sale 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 include transfers between operating segments. Those transfers are eliminated in consolidation.

The following tables regarding operating segments present revenue and income information for the three-month period ended March 31, 2021 and 2020 and assets and liabilities as at March 31, 2021 and December 31, 2020:

	For the three-month period ended March 31, 2021 (Unaudited)			
	Parent and Others	Philippines	Intersegment Eliminations	Consolidated
Revenues				
Revenue from sale of electricity				
External customers	**₱–**	**₱5,688,775**	**₱–**	**₱5,688,775**
Inter-segment	**–**	**1,576,675**	**(1,576,675)**	**–**
Rental income				
External customers	**–**	**13,664**	**–**	**13,664**
Inter-segment	**–**	**33,873**	**(33,873)**	**–**
Other Revenues				
External customers	**6,851**	**3,889**	**–**	**10,740**
Inter-segment	**117,000**	**1,902**	**(118,902)**	**–**
	123,851	**7,318,778**	**(1,729,450)**	**5,713,179**
Costs and expenses				
Cost of sale of electricity	**–**	**5,689,235**	**(1,255,791)**	**4,433,444**
General & administrative expenses	**265,050**	**147,200**	**(35,909)**	**376,341**
	265,050	**5,836,435**	**(1,291,700)**	**4,809,785**
Equity in net income of associates and a joint venture	**–**	**400,741**	**–**	**400,741**
Interest and other finance charges	**(179,375)**	**(299,237)**	**64,082**	**(414,530)**
Other income	**4,976**	**80,700**	**20,672**	**106,348**
Net income (loss) before income tax	**(315,598)**	**1,664,547**	**(352,996)**	**995,953**
Provision for (benefit from) income tax	**149,020**	**51,572**	**(64,925)**	**135,667**
Segment net income (loss)	**(₱464,618)**	**₱1,612,975**	**(₱288,071)**	**₱860,286**

	As at March 31, 2021 (Unaudited)			
Operating assets	**₱ 58,740,087**	**₱ 72,226,075**	**(₱54,053,867)**	**₱76,912,295**
Operating liabilities	**₱ 15,647,825**	**₱ 38,757,733**	**(₱15,636,659)**	**38,768,899**
Other disclosures:				
Depreciation and amortization	**40,130,528**	**451,596,321**	**(69,996,216)**	**421,730,633**
Investments and advances	**36,872,757**	**11,709,602**	**(41,199,204)**	**7,383,155**
Capital expenditures	**11,130**	**718,047**		**729,177**
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	**23,379**		**(9,902)**	**13,477**
Pension & other employment benefits	**31,320**	**36,600**	**–**	**67,920**

	For the three-month period ended March 31, 2020 (As Restated)			
	Parent and Others	Philippines	Intersegment Eliminations	Consolidated
Revenues				
Revenue from sale of electricity				
External customers	₱–	₱4,535,343	₱–	₱4,535,343
Inter-segment	–	1,504,108	(1,504,108)	–
Rental income				
External customers	–	47,180	–	47,180
Inter-segment	–	–	–	–
Other Revenues				
External customers	–	3,349	–	3,349
Inter-segment	–	6,300	(6,300)	–
	–	6,096,280	(1,510,408)	4,585,872
Costs and expenses				
Cost of sale of electricity	–	4,856,960	(1,364,947)	3,492,013
General & administrative expenses	189,069	153,129	(3,309)	338,889
	189,069	5,010,089	(1,368,256)	3,830,902
Equity in net income (loss) of associates and a joint venture	–	139,586	–	139,586
Interest and other finance charges	(146,093)	(203,379)	(46,882)	(396,354)
Other income - net	174,956	21,980	(19,201)	177,735
Net income (loss) before income tax	(160,206)	1,044,378	(208,235)	675,937
Provision for (benefit from) income tax	64,132	15,235	13,522	92,889
Segment net income (loss)	(₱224,338)	₱1,029,143	(₱221,757)	583,048

	As at December 31, 2020 (Audited)			
Operating assets	₱46,060,798	₱68,053,659	(₱50,539,137)	₱63,575,320
Operating liabilities	₱20,782,118	₱35,816,229	(₱14,378,096)	₱42,220,251
Other disclosures:				
Depreciation and amortization	₱29,697	₱1,804,367	(₱23,357)	₱1,810,707
Investments and advances	34,807,481	12,131,243	(40,345,232)	6,593,492
Capital expenditures	43,105	6,409,317	–	6,452,422
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	–	618,435	–	618,435
Pension & other employment benefits	19,312	31,617	–	50,929

Adjustments and Eliminations

Interest and other financial income, including fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Likewise, certain operating expenses and finance-related charges are managed on a group basis and are not allocated to operating segments.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditures consist of additions to property, plant and equipment. Investments and advances consist of investments and cash advances to the Group's associates and joint venture.

Other income - net include foreign exchange gain (loss), gain (loss) on sale of property, plant and equipment and financial assets at FVOCI, provision for probable losses, gain (loss) on derivatives and other miscellaneous income (expense) which are managed on a group basis and are not allocated to operating segments.

35. Supplemental Cash Flows Information

The non-cash investing activities of the Group for the three-month period ended March 31, 2021 and 2020 are as follow:

	For the three-month period Ended March 31	
	2021 (Unaudited)	2020 (Unaudited)
Non-cash additions to property, plant and equipment	**₱381,264**	₱–
Set-up of ROU assets from new lease agreements	**1,141,175**	–
Acquired through business combination:		
Property, plant and equipment	**–**	8,610,088
Right-of-use assets	**–**	64,295
Other noncurrent assets	**–**	32,582
Reclassifications to (from):		
Property, plant and equipment	**(292,976)**	(3,546)
Assets held for sale	**14,890**	1,373
Goodwill and other intangible assets	**–**	(9,427)

Movements in the Group's liabilities from financing activities for the three-month period ended March 31, 2021 and 2020 are as follows:

	January 1, 2021	**Availments/ Proceeds**	**Payments**	**Others**	**March 31, 2021 (Unaudited)**
Current portion of:					
Short-term loans	**₱9,438,600**	**₱3,000,000**	**(₱10,000,800)**	**₱62,200**	**₱2,500,000**
Long-term loans	**707,782**	**–**	**(939,135)**	**891,152**	**659,799**
Lease liabilities	**285,001**	**–**	**(65,403)**	**129,803**	**349,401**
Interest payable	**346,749**	**–**	**(439,691)**	**364,609**	**271,667**
Due to stockholders	**18,272**	**–**	**(21,831)**	**1,202,702**	**1,199,143**
Noncurrent portion of:					
Long-term loans	**21,682,924**	**823,125**	**–**	**(877,558)**	**21,628,491**
Lease liabilities	**1,631,628**	**–**	**–**	**853,418**	**2,485,046**
Other noncurrent liabilities	**1,609,123**	**81,880**	**–**	**1,905**	**1,692,908**
Total liabilities from financing activities	**₱35,720,079**	**₱3,905,005**	**(₱11,466,860)**	**₱2,628,231**	**₱30,786,455**

	January 1, 2020	Availments/ Proceeds	Payments	Others	March 31, 2020 (Unaudited)
Current portion of:					
Short-term loans	₱3,556	₱5,873,333	(₱5,389)	(₱17,100)	₱5,854,400
Long-term loans	905,931	–	(414,762)	2,563,040	3,054,209
Lease liabilities	128,796	–	(25,202)	163,709	267,303
Interest payable	159,090	–	(315,246)	347,275	191,119
Dividends payable	–	–	(5,100)	5,100	–
Due from stockholders	16,594	–	–	(16,594)	–
Noncurrent portion of:					
Long-term loans	22,292,698	–	–	(414,351)	21,878,347
Lease liabilities	852,742	–	–	(124,053)	728,689
Other noncurrent liabilities	3,289,903	2,369,062	–	(1,714,307)	3,944,658
Total liabilities from financing activities	₱27,649,310	₱8,242,395	(₱765,699)	₱792,719	₱35,918,725

Others include foreign exchange and reclass of current and noncurrent.

36. **Provisions and Contingencies**

Tax assessments:

a. On August 20, 2014, ACEN distributed cash and property dividends in the form of shares in ACEX 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. As at May 14, 2021, the CIR's motion for reconsideration has not been resolved by the CTA *en banc*.

b. NLR 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 NLR located in the municipalities of Pagudpud, Bacarra, Burgos, Pasuquin, and Bangui. NLR was assessed RPT at a rate of two percent (2%) or an aggregate amount of ₱411.01 million for years 2015 to 2019. NLR paid under protest the RPT thereon and filed a protest questioning the imposition of 2% tax rate on its RE facilities, and the penalty assessed for the RPT for the year 2015. Under the RE Act, 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.

   In 2017, the Central Board Assessment Appeals ("CBAA") ruled in favor of NLR stating that NLR can recover the RPT paid in year 2015 to 2016 and the penalty paid in 2015 totaling

₱50.96 million. In a decision dated February 26, 2020, the CTA *en banc* upheld the CBAA ruling and ruled in favor of NLR. The decision is not yet final and executory.

As at March 31, 2021, the 2017 to 2020 RPT protest, regarding an aggregate amount of ₱369.37 million, is still pending decision with the Local Board Assessment Appeals of Ilocos Norte.

c. On September 5, 2017, CIPP received a Final Decision on Disputed Assessment from the BIR for various alleged deficiency taxes for taxable year 2013. On October 4, 2017, CIPP filed its request for reconsideration with the Office of the Commissioner. On March 13, 2020, CIPP received a Letter Notice from the Chief of the Appellate Division of the BIR informing CIPP of its opportunity to avail of the Tax Amnesty on Delinquencies provided under Republic Act No. 11213 or the Tax Amnesty Act. On December 18, 2020, CIPP paid the tax amnesty amount equivalent to forty percent (40%) of the Basic Tax or ₱80.19 million and received the Notice of Issuance of Authority to Cancel Assessment (ATCA) dated January 14, 2021 from the BIR.

d. On March 30, 2021, CIPP received from the BIR a preliminary assessment notice ("PAN") for taxable year 2017, assessing CIPP for a total deficiency income tax, VAT, expanded withholding tax ("EWT"), final withholding tax ("FWT"), withholding tax on compensation ("WTC"), DST and administrative penalties (including interest and compromise penalty) of ₱3.58 million. On March 31, 2021, CIPP settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

e. On April 13, 2021, Bulacan Power received from the BIR a PAN for taxable year 2017, assessing Bulacan Power for a total deficiency income tax, VAT, EWT, WTC, fringe benefits tax ("FBT") and administrative penalties (including interest and compromise penalty) of ₱10.01 million. On the same date, Bulacan Power settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

f. On March 30, 2021, ACEN received from the BIR a PAN for taxable year 2017, assessing ACEN for a total deficiency income tax, VAT, EWT, FWT, DST and administrative penalties (including interest and compromise penalty) of ₱31.41 million. On March 31, 2021, ACEN settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

g. On March 31, 2021, SLTEC received from the BIR a PAN for taxable year 2017, assessing SLTEC for a total deficiency income tax, VAT, WTC, EWT, DST and administrative penalties (including interest and compromise penalty) of ₱10.00 million. On the same date, SLTEC settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

h. On March 30, 2021, One Subic Power received from the BIR a PAN for taxable year 2017, assessing One Subic Power for a total deficiency income tax, VAT, EWT, DST and administrative penalties (including interest and compromise penalty) of ₱4.81 million. On March 31, 2021, One Subic Power settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

i. On April 30, 2021, ACEN received from the BIR a PAN for taxable year 2018, assessing ACEN for a total deficiency income tax, VAT, EWT, FBT, FWVAT, DST and administrative penalties (including interest and compromise penalty) of ₱31.10 million. On the same date, ACEN settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

j. On April 30, 2021, Bulacan Power received from the BIR a PAN for taxable year 2018, assessing Bulacan Power for a total deficiency income tax, VAT, EWT, WTC, FWT, DST and administrative penalties (including interest and compromise penalty) of ₱10.00 million. On the same date, Bulacan Power settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

k. On April 30, 2021, SLTEC received from the BIR a PAN for taxable year 2018, assessing SLTEC for a total deficiency income tax, VAT, EWT and administrative penalties (including interest and compromise penalty) of ₱10.01 million. On the same date, SLTEC settled the PAN and filed its payment form with the BIR as evidence that the assessment has been paid.

Claims for tax refund

a. On August 15, 2016, Guimaras Wind filed with the BIR a letter and application for tax credits or refund for Guimaras Wind's excess and unutilized input VAT for the period July 1, 2014 to June 30, 2015 amounting to ₱335.76 million attributable to Guimaras Wind's zero-rated sales. On December 19, 2016, Guimaras Wind received a letter from the BIR denying the administrative claim for refund of excess and unutilized input VAT for the period July 1, 2014 to December 31, 2014. On January 11, 2017, Guimaras Wind filed with the CTA a Petition for Review. During 2018, Guimaras Wind and the BIR presented their evidence and arguments. On January 9, 2020, Guimaras Wind received a copy of the Decision of the CTA.

   In its Decision, the CTA partially granted Guimaras Wind's Petition for Review and ordered the BIR to refund or issue a tax credit certificate in favor of Guimaras Wind in the reduced amount of ₱16.15 million. The CTA ruled that Guimaras Wind was able to prove compliance with the essential elements for the grant of VAT zero-rating under Section 15(g), RE Act beginning June 1, 2015, which are as follows:
   1. The seller (Guimaras Wind) is an RE Developer of renewable energy facilities;
   2. It sells fuel or power generated from renewable sources of energy, such as wind;
   3. The said seller is a "generation company," i.e., a person or entity authorized by the ERC to operate facilities used in the generation of electricity; and
   4. Such authority is embodied in a COC issued by the ERC which must be secured before the actual commercial operations of the generation facility.

   However, the CTA held that Guimaras Wind was not able to prove compliance with the 3rd and 4th essential elements to qualify for VAT zero-rating prior to June 1, 2015. The CTA considered the condition fulfilled only upon the issuance of the COC by the ERC in favor of Guimaras Wind on June 1, 2015. Hence, Guimaras Wind's generated sales from its power generation activities which were considered by the CTA to be subject to zero percent (0%) VAT were only those made during the period June 1, 2015 to June 30, 2015.

   On January 24, 2020, Guimaras Wind filed its motion for reconsideration where it presented that the sale of power through renewable sources of energy by VAT-registered persons shall be subject to 0% VAT per the NIRC and RE Act and that the COC issued by the ERC merely confirms the status of Guimaras Wind as a Generation Company. Nowhere in Section 108(B)(7), Tax Code, Section 15(g) Renewable Energy Act of 2008, and its IRR can the requirement be found that a VAT-registered person must secure a COC, or any document for that matter, before its sale can be considered subject to zero percent VAT. Rather, this provision requires that: (a) there is a sale of power or fuel; (b) the power or fuel is generated through renewable sources of energy; (c) the sale is done by a VAT-registered person; and (d) the sale was done in the Philippines. For as long as it is sufficiently established that all of the above-mentioned requirements are complied with, then there should be no question that the sale of power is subject to zero percent VAT.

On January 29, 2020, the BIR also filed a motion for reconsideration praying that the Court reconsider its January 3, 2020 Decision and deny the entirety of Guimaras Wind's claim for refund.

On July 1, 2020, Guimaras Wind received the CTA Third Division’s Resolution denying Guimaras Wind’s motion for reconsideration for lack of merit. Guimaras Wind filed its appeal on August 20, 2020 with the CTA Third Division.

On September 23, 2020, the CTA Third Division denied CIR’s Motion for Partial Reconsideration and affirmed its earlier decision partially granting Guimaras Wind's claim for refund in the amount of ₱16.15 million. On October 30, 2020, the CIR filed an appeal with the CTA *en banc* which may be consolidated with the Petition for Review which Guimaras Wind filed on August 20, 2020.

Meanwhile, on September 4, 2020, Guimaras Wind filed a Motion to Amend Petitioner's Name from PHINMA Renewable to Guimaras Wind Corporation which motion was granted by the CTA *en banc* on September 18, 2020.

Pursuant to a Resolution promulgated by the CTA en banc on February 23, 2021, the consolidated cases are now submitted for decision.

b. In 2018, SACASOL filed a Petition for Review with the CTA regarding the disallowed claim of 2014 and 2015 input VAT amounting to ₱62.64 million. On February 3, 2020, SACASOL filed a Memorandum with the CTA on the pending case. No decision has been received from the CTA as at report date.

c. In March 2018, NLR filed a claim with the BIR for the conversion of its unutilized Input VAT for the taxable period from 1st quarter to 4th quarter of 2016 amounting to ₱9.28 million into tax credit certificates, of which, ₱8.32 million was disallowed by the BIR. Related impairment loss of the same amount was recognized in 2019 for the disallowed input VAT.

   In 2018, NLR converted into tax credit certificates the amount of ₱0.96 million out of the ₱9.28 million.

   On July 25, 2020, NLR filed an appeal with the CTA questioning the BIR’s denial of the conversion. A Memorandum was filed by both parties and has been submitted for decision.

   NLR’s allowance for input VAT impairment amounted to ₱19.31 million for both years ended December 31, 2020 and 2019.

<u>Power Barge 102 Oil Spill</u>

ACEN’s Power Barge (“PB”) 102 located in Barrio Obrero, Iloilo City, accidentally discharged fuel oil in the afternoon of July 3, 2020. Based on the investigation, an explosion in one of the barge’s fuel tanks ruptured the hull of the barge which resulted in the oil spill. Bulacan Power, the operator and maintenance services provider of PB 102, immediately activated containment protocols. With the assistance of the Philippine Coast Guard (“PCG”) and industry and community partners, the leakage was substantially contained within the same day. After containment, ACEN, through Bulacan Power, and the PCG immediately started recovery of the spilled fuel oil with recovery capacity being accelerated with the deployment of additional oil skimming equipment. ACEN also engaged Harbor Star Shipping Services, Inc. (“Harbor Star”), a leading maritime services provider, to complete the clean-up of both the waters and the coastline.

ACEN notified the insurers of PB 102 about the incident, and discussions are ongoing in this regard. As of May 14, 2021, the Group has incurred ₱50.67 million in fuel loss, community assistance oil containment and recovery expenses, net of insurance proceeds. The Group will continue to take measures to mitigate the environmental impact of the spill and to fully cooperate with authorities to address all relevant concerns.

On July 28, 2020, the Parent Company received a Resolution dated July 27, 2020 issued by the Department of Environment and Natural Resources - Environmental Management Bureau ("DENR-EMB") Region VI, in relation to Notice of Violation No. 20-NOVW-0630-164, for possible violation of Section 27(a) of DENR Administrative Order 2005-10, the Implementing Rules and Regulations of the Philippine Clean Water Act of 2004 (Republic Act or "RA No. 9275"), in connection with the oil spill involving PB 102 which occurred on July 3, 2020.

Possible payment of fines to be determined by the Pollution Adjudication Board, are in the range of (1) ₱10,000 to ₱200,000 per day from the time of the incident (July 3, 2020) until full recovery of the discharged fuel (July 13, 2020), for alleged violation of RA 9275; and (2) ₱50,000 to ₱1,000,000 or imprisonment of not less than one (1) year but not more than six (6) years, or both, for alleged violation of Section 4 of PD 979.

The Parent Company has contested this Resolution and filed a Motion for Reconsideration.

The Parent Company has received claims for compensation for property damages and loss of livelihood from claimants in Iloilo and Guimaras which were allegedly affected by the oil spill. The claims undergo validation before they are paid.

Compliance with Must Offer Rule

On October 4, 2018, CIPP, One Subic Power, Bulacan Power and the Parent Company received a letter from PEMC for pending investigation of trading intervals covering periods from 2014 to 2018. The scope of the investigation covers possible non-compliance with the Must Offer Rule (MOR) and with the Real-Time Dispatch (RTD) or System Operator Instructions. As of May 14, 2021, the investigation is still ongoing.

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, which motion remains pending.

37. **Impact of Coronavirus Diseases 2019 (COVID-19) Outbreak**

The Philippines remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of Overseas Filipino Workers ("OFWs") globally; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In response to the recent outbreak of COVID-19, the Philippines has imposed travel bans on several affected countries, which may have an adverse impact on ACEN's suppliers' ability to deliver, which could delay the construction of ACEN's projects.

Due to numerous uncertainties and factors beyond its control, the Group is unable to predict the impact that COVID-19 will have going forward on its businesses, results of operations, cash flows, and financial condition. These factors and uncertainties include, but are not limited to:

- the severity and duration of the pandemic, including whether there is a "second wave" or "third wave" or other additional periods of increases or spikes in the number of COVID-19 cases in future periods in areas in which the Group operates;
- the duration and degree of governmental, business or other actions in response to the pandemic, including but not limited to quarantine, stay-at-home or other lockdown measures as well as measures taken by the Group's regulators;
- restrictions on operations up to and including complete or partial closure of offices, plants and other facilities;
- economic measures, fiscal policy changes, or additional measures that have not yet been effected;
- the health of, and effect of the pandemic on, the Group's personnel and the Group's ability to maintain staffing needs to effectively operate its power generation portfolio;
- evolving macroeconomic factors, including general economic uncertainty, unemployment rates, and recessionary pressures;
- impacts - financial, operational or otherwise - on the Group's supply chain, including manufacturers, suppliers and third party contractors, particularly for ongoing maintenance and construction of certain plants and facilities;
- volatility in the credit and financial markets during and after the pandemic;
- the impact of any litigation or claims from customers, suppliers, regulators or other third parties relating to COVID-19 or the Group's actions in response thereto;
- the pace of recovery when the pandemic subsides; and
- the long-term impact of the pandemic on the Group's businesses.

These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve. In particular, the enhance community quarantine and various degrees of community quarantine imposed across the Philippines have affected and could adversely impact (a) the completion of ACEN's projects as construction is not an activity given priority under the government guidelines, (b) demand for ACEN's product, as industries, offices, and shopping malls account for bulk of energy consumption, (c) WESM prices as demand for electricity is lower, and (d) ability to collect from its customers, which could negatively impact its cash flows. The outbreak of COVID-19 and the measures to contain this increase in severity, have had an adverse effect on economic activity in the Philippines and could materially and adversely affect ACEN's business, financial condition and results of operations.

Even as quarantine measures continue at the current time, with various levels of restrictions applicable to certain areas, DOE recognized that energy utilization is a basic necessity and is vital to the society. To this end, DOE allows the movement of energy related goods and the movement of energy related personnel subject to adherence to necessary public health precautions prescribed by the DOH. As such, the Group's operating plants continues to produce power.

38. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at March 31, 2021.

During the Annual Stockholders' Meeting held on April 19, 2021, the stockholders of the Parent Company approved, among others, the following corporate actions:

i) *Amendments to the Articles of Incorporation,*
Amendment to the Seventh Article of the Articles of Incorporation:
   a. to increase the authorized capital stock from ₱24.40 billion divided into 24.40 billion shares at par value of ₱1.00 per share, to ₱48.40 billion divided into 48.4 billion shares at par value of ₱1.00 per share; and
   b. to increase the number of shares exempt from pre-emptive rights in relation to shares issued in exchange for property needed for corporate purposes or in payment for previously contracted debt from 16.00 billion shares to 24.40 billion shares.

ii) *Issuance of shares to Arran Investment Pte Ltd.(“Arran”)*
Issuance and listing of 4.00 billion shares to Arran, from the authorized but unissued capital stock of the Parent Company, at a subscription price of ₱2.97 per share or an aggregate subscription price of ₱11.88 billion which subscription constitutes less than 35% of the resulting subscribed capital of the Parent Company and thus, under the Articles of Incorporation, is not subject to pre-emptive rights of the stockholders.

iii) *Issuance of 1.58 billion primary common shares pursuant to the Corporation’s Follow-On Offering (“FOO”)*
Issuance of 1.58 billion primary common shares pursuant to the Parent Company’s FOO with a secondary common shares component of up to 430,248,617 common shares at an FOO price range of ₱6.00-₱8.20 per share, and the registration under the Securities Regulation Code with the Securities and Exchange Commission and listing with the Philippine Stock Exchange of the FOO Shares.

The SEC approval was obtained on April 22, 2021, favorably considering the sale of up to 2,010,248,617 common shares of ACEN at an offer price range of P6.00 to P8.20 per share, comprised of (a) a firm offer of 1,580,000,000 common shares (b) a firm offer of 330,248,617 common shares; and (c) an over-subscription option of up to 100,000,000 common shares.

ACEN plans to commence the FOO on May 3, 2021 and list the shares on the PSE on May 14, 2021.Net proceeds from the primary offer, estimated up to ₱12.64 billion, will be used to partially fund the development of power projects, inorganic growth opportunities, repayment of loans and reduction of payables, as well as other general corporate requirements.

iv) *Issuance of 16,685,800,533 common shares to ACEIC in exchange for the ACEIC’s International Renewable Energy Assets and Investments*
Subscription by ACEIC to, and the issuance of 16,685,800,533 shares, out of the increase in capital stock of the Parent Company, at a subscription price of ₱5.15 per share, or an aggregate subscription price of ₱85,931,872,744.95 in exchange for ACEIC’s 1,701,284,345 common shares and 15,030,279,000 redeemable preferred shares in AC Energy International, Inc.

The Stockholders also approved the registration under the Securities Regulation Code with the Securities and Exchange Commission and listing with the Philippine Stock Exchange ("PSE") of the Shares.

On April 26, 2021, the Parent Company and ACEIC executed a Deed of Assignment to implement the subscription by ACEIC to, and the issuance to ACEIC of, 16,685,800,533 shares, out of the increase in capital stock of the Parent Company, at a subscription price of ₱5.15 per share, or an aggregate subscription price of 85,931,872,744.95 in exchange for ACEIC's 1,701,284,345 common shares and 15,030,279,000 redeemable preferred shares in AC Energy International, Inc.

v) Waiver of the requirement to Conduct a Rights or Public Offering of Shares in Relation to the Issuance of 16,685,800,533 shares to ACEIC in Exchange for ACEIC's International Renewable Energy Assets and Investments
To waive the requirement of Article V, Part A, Section 1 of the PSE's Consolidated Listing and Disclosure Rules of the Corporation to conduct rights or public offering in relation to the 16,685,800,533 common shares to ACEIC in exchange for ACEIC's 1,701,284,345 common shares and 15,030,279,000 redeemable preferred shares in AC Energy International, Inc.

vi) Stock Ownership Plan
To approve the stock ownership plan to be made available to qualified officers, employees and consultants of the Parent Company, its affiliates and subsidiaries (the "ACEN Group"), further, to allocate 960 million common shares from the unsubscribed portion of the Corporation's authorized capital stock for the Stock Ownership Plan.

At the Parent Company's organizational meeting held immediately after the annual stockholders' meeting, the Board of Directors considered and approved, among others, material resolutions, transactions and corporate actions:

i) Execution of a Power Supply Agreement between the Parent Company and DirectPower Services, Inc.;
ii) Authorization of the Parent Company's wholly-owned subsidiary, Buendia Christiana Holdings Corp., to execute an Option to Lease Agreement and eventually, a Lease Agreement, with Tabangao Realty Inc. for properties in Brgy. Malaya, Pililla, Rizal and Brgy. Libjo, Batangas; and
iii) Investment of ₱4.50 billion into Santa Cruz Solar Energy Inc. and the issuance of a notice to proceed for the development, mobilization, design and construction of the access and infrastructure and grid connection facilities of a solar power project to be located in San Marcelino, Zambales.

ANNEX B

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial position and results of operations of AC Energy Corporation or ACEN and its subsidiaries collectively referred to as "the Group", should be read in conjunction with the unaudited interim consolidated financial statements as at March 31, 2021, for the three-month period ended March 31, 2021 and 2020 and the audited consolidated financial statements as at December 31, 2020. The unaudited interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standards ("PAS") 34, *Interim Financial Reporting*.

The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to **₱829.32 million** for the first quarter of 2021 compared to **₱539.58 million** restated net income in the same period last year.

The tables below summarize the consolidated results of operations of the Group's revenues, costs and expenses for the first quarter ended March 31, 2021 and 2020.

Revenues

	Jan - Mar		**Increase (Decrease)**	
In thousand Pesos	**2021**	**2020**	**Amount**	**%**
Revenue from sale of electricity	5,688,775	4,535,343	1,153,432	25%
Rental income	13,663	47,180	(33,517)	(71%)
Other revenue	10,741	3,349	7,392	221%

- Revenue from sale of electricity increased by almost ₱1.2 billion mainly driven by lower Meralco rate recognized in the first quarter of 2020 following the TRO on the Meralco PSA, the motion for reconsideration for which was approved in the second quarter 2020.
- Rental income decreased due to the consolidation of ISLASOL and SACASOL having various lease agreements within the Group that are eliminated following acquisition of majority interest in both companies last March 2020.
- Other revenue consists of management fees earned by ACEN from its joint venture and bulk water sales.

Costs and Expenses

	Jan - Mar		**Increase (Decrease)**	
In thousand Pesos	**2021**	**2020**	**Amount**	**%**
Cost of sale of electricity	4,433,444	3,492,013	941,431	27%
General and administrative	376,341	338,889	37,452	11%

- Costs of sale of electricity increased largely on trading and other operating costs parallel to power operations and contracted capacities. Current margins increased vs. last year given the lower Meralco PSA price recognized in the first quarter of 2020.
- General and administrative expenses include ₱42 million PSE filing and listing fees for shares issued to Arran as well as for the planned follow-on offering.

Other Income and Expenses

In thousand Pesos	Jan – Mar 2021	Jan – Mar 2020	Increase (Decrease) Amount	Increase (Decrease) %
Interest and other finance charges	(414,530)	(396,354)	18,176	5%
Equity in net income of associates and joint ventures	400,741	139,586	261,155	187%
Other income - net	106,348	177,735	(71,387)	(40%)

- **Interest and other finance charges** is higher due to increased volume of currently held long-term and short-term loans from period to period.
- Higher **equity in net income of associates and joint ventures** coming from NLR due to better wind regime and increase in ownership interest from same period last year.
- **Other income** for the current period includes ₱42 million realized gain from foreign currency forward contracts and ₱72 million impairment reversal on power barges, offset by realized foreign exchange losses for the period mainly from payment forex-denominated ACRI short-term loans.

Provision for (benefit from) income tax

In thousand Pesos	2021	2020	Increase (Decrease) Amount	Increase (Decrease) %
Current	142,490	75,796	66,694	88%
Deferred	(6,823)	17,093	(23,916)	(140%)

- The increase in **provision for income tax - current** was due to higher consolidated taxable income for the current period mainly driven by revenue growth.
- **Provision for deferred income tax** in 2021 includes reversal of deferred tax assets mainly on NOLCO and accrued expenses.

Material changes in Consolidated Statements of Financial Position accounts

In thousand pesos	March 31, 2021	December 31, 2020	Increase (Decrease) Amount	Increase (Decrease) %
Current Assets				
Cash and cash equivalents	**16,708,320**	5,135,474	11,572,846	225%
Receivables	**6,141,189**	6,095,019	46,170	1%
Fuel and spare parts	**1,340,127**	1,391,340	(51,213)	(4%)
Current portion of:				
Input value added tax (VAT)	**476,429**	430,139	46,290	11%
Creditable withholding taxes	**517,293**	649,271	(131,978)	(20%)
Other current assets	**951,334**	453,233	498,101	110%
Assets held for sale	**14,890**	–	14,890	–
Noncurrent Assets				
Plant, property and equipment	**31,508,469**	31,837,939	(329,470)	(1%)
Investments in associates and joint ventures	**7,383,154**	6,593,492	789,662	12%
Financial assets at FVOCI	**1,031**	1,211	(180)	(15%)
Investment properties	**450,460**	341,549	108,911	32%
Goodwill and other intangible assets	**2,482,412**	2,537,094	(54,682)	(2%)

In thousand pesos	**March 31, 2021**	**December 31, 2020**	**Increase (Decrease) Amount**	**%**
Right-of-use asset	**3,024,455**	2,343,404	681,051	29%
Deferred income tax assets – net	**407,937**	416,353	(8,416)	(2%)
Net of current portion:				
Input VAT	**931,852**	1,177,802	(245,950)	(21%)
Creditable withholding taxes	**716,615**	601,840	114,775	19%
Other noncurrent assets	**3,856,328**	3,570,160	286,168	8%

- Increase in **cash and cash equivalents** were mainly attributable to ₱5.37 billion and ₱11.88 billion gross proceeds from the recently concluded SRO and Arran's private placement to fund the Group's various developmental and operating projects, as well as potential acquisitions. The entry of Arran as an institutional investor will also strengthen ACEN's investor base. The increase was partially offset by payment of short-term loans amounting to ₱4.80 billion and ₱4.14 billion to ACRI and to various bank, respectively. Refer to the Consolidated Statements of Cash Flows for the detailed movement.
- Trade **Receivables** decreased from timely collection of accounts vs last year when there was Bayanihan law which extended due dates of receivables.
- **Fuel & spare parts** decreased largely on bunker fuel inventory with lower operating requirements following impairment of power barges.
- Increase in **current portion of input VAT** is mainly driven by input tax from purchases of various materials needed for construction and maintenance of various plants and services procured by the Group.
- **Creditable withholding tax** decreased following utilization for income tax settlements.
- **Other current assets** increased primarily due to SLTEC's prepayments of taxes and insurance as well as advances to contractors.
- **Assets held for sale** pertain to BSEI's tools and equipment that are available for immediate sale.
- Movements in **Plant, property and equipment's** include capitalizations during the period for solar power projects amounting to ₱175 million for Solarace1 in Laguna, ₱106 million for Gigasol3 in Zambales and ₱388 million for the Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4.
- **Investments in associates and joint ventures** increased mainly due to the reclassification of Ingrid from subsidiary to joint venture (₱981 million) following the effectivity of the Shareholder Agreement with APHPC on March 2021. There are also new joint venture investments reported during the quarter such as Greencore3 and Solar Philippines. Accumulated equity in net earnings increased for the period largely coming from PhilWind (₱380 million), but reduced by ₱593 million dividend payout.
- **Financial assets at FVOCI** include golf club shares and listed equity instruments.
- **Goodwill & other intangible assets** decreased coming from amortizations for the period.
- Majority of the balance of **deferred tax asset** came from recognition on accrued expenses, NOLCO, MCIT and lease liabilities. Deferred tax asset of the Group went down mainly due to the application of the Group's NOLCO in current period taxable income.
- Movements in **Input VAT non-current** include reclassifications to current.
- **Right-of-use asset's** significant increase came from new ACEN office lease agreement with ALI, offset by amortizations during the period.
- **Other non-current assets** increased primarily due various advances to contractors for ongoing various developmental and operating projects of the Group. The account also includes non-current portion of receivable from FIT system adjustments.

In thousand pesos	**March 31, 2021**	**December 31, 2020**	**Increase (Decrease) Amount**	**%**
Current Liabilities				
Accounts payable and other current liabilities	**7,921,478**	6,539,227	1,382,251	21%
Short-term loans	**2,500,000**	9,438,600	(6,938,600)	(74%)
Current portion of long-term loans	**659,799**	707,782	(47,983)	(7%)
Current portion of lease liability	**349,401**	285,001	64,400	23%
Income and withholding taxes payable	**141,282**	129,072	12,210	9%
Due to stockholders	**1,199,143**	18,272	1,180,871	6,463%
Noncurrent Liabilities				
Long-term loans - net of current portion	**21,628,491**	21,682,924	(54,433)	(1%)
Lease liabilities - net of current portion	**2,485,046**	1,631,628	853,418	52%
Pension and other employment benefits	**67,921**	50,929	16,992	33%
Deferred tax income liabilities - net	**123,430**	127,693	(4,263)	(3%)
Other noncurrent liabilities	**1,692,908**	1,609,123	83,785	5%
Equity				
Capital Stock	**19,974,538**	13,706,957	6,267,581	46%
Additional paid-in capital	**19,586,527**	8,692,555	10,893,972	125%
Other equity reserves	**(7,541,223)**	(7,541,223)	–	–
Unrealized fair value loss on equity instruments at FVOCI	**(8,349)**	(8,169)	(180)	2%
Unrealized fair value gain on derivative instruments designated under hedge accounting	**98,964**	57,409	41,555	72%
Remeasurement loss on defined benefit plan	**(24,436)**	(6,999)	(17,437)	249%
Accumulated share in other comprehensive loss of associates and a joint venture	**(4,087)**	(2,723)	(1,364)	(50%)
Retained earnings	**4,799,403**	5,167,685	(368,282)	(7%)
Treasury shares	**(96,114)**	(40,930)	(55,184)	135%
Non-controlling interests	**1,358,173**	1,330,507	27,666	2%

- **Accounts payable and other current liabilities** went up mainly driven by the increase in payable to contractors related to development and operating projects as well as purchases of property, plant and equipment and spare parts, and increase in utilities, and insurance payables. The account also includes ₱1.89 billion non-trade payable to APHPC from the purchase of 20% interest in SLTEC through the assignment of ACEIC to ACEN.
- **Short term loans** decreased on repayments of loans from affiliate AC Renewables International Pte. Ltd. amounting to ₱4.80 billion ($100 million) and bank loans to BDO (₱2.00 billion), CBC (₱1.34 billion) and SECB (₱800 million), partially offset by availments during the period amounting to ₱2.00 billion and ₱1.00 billion from RCBC and BDO, respectively.
- **Current portion of long-term loans** decreased due to currently matured principal repayments made during the period.
- **Current portion of lease liability** increased due to new office lease agreement with ALI.

- Increase in **income and withholding taxes payable** was mainly due to accrual of income tax expense of several subsidiaries.
- **Due to stockholders** increased from the declaration of ₱1.20 billion dividends from ACEN.
- **Pension & other employment benefits** increased due to ₱8.46 million remeasurement loss coming from various actuarial loss and ₱9.46 loss on return on plan assets.
- **Long-term loans - net of current portion** decreased due to the principal repayments amounting to ₱876 million and ₱63 million from ACEN and Guimaras Wind, respectively. The decrease was offset by the new loans availed by ACEN and BWPC amounting to ₱805 million and ₱18 million, respectively, to fund various development and operating projects.
- **Lease Liability-net of current portion** increased mainly due to new office lease agreements with ALI.
- Majority of the balance of **deferred income tax liabilities** came from recognition on unrealized foreign exchange gains and right-of-use assets of the Group as at period ended.
- **Other non-current liabilities** include ₱1.12 billion non-trade payables to PEMC and ₱198 million asset retirement obligation related to leases on solar operations.
- **Capital stock and additional paid in capital** increased by 2.27 billion shares at ₱2.37 from SRO and 4 billion shares at ₱2.97 from the private placement with Arran. Proceeds from the SRO will be used to fund ongoing Solar Power Projects of Solarace1 and Gigasol3 as well as Balaoi Wind Energy Project of BWPC, and other RE laboratories and new technologies. ACEN plans to utilize the proceeds of the Private Placement as follows:
    - Funding of the development and construction of the Group’s renewable energy projects, including its Arayat solar project in Pampanga and Bayog wind project in Ilocos Norte, as well as possible expansions of existing plants and acquisition of other operating plants, of approximately up to ₱10 billion, estimated to be used in the 1st half of 2021 at the earliest;
    - Repayment of debt drawn earlier to fund development funding requirements; and
    - Funding of working capital requirements and for general corporate purposes of approximately up to ₱500 million, estimated to be used in the first quarter of 2021 at the earliest.
- The decrease in **unrealized FV loss on equity instruments at FVOCI** came from mark-to-market loss for the current period.
- **Unrealized fair value gain on derivative instruments designated under hedge accounting** increased from its mark-to market gain in proportion to hypothetical value of the coal swap prices of the derivative contracts as at period end.
- The increase in **accumulated comprehensive loss of JV and associates** came from share in remeasurement loss from defined benefit obligation of associate and joint venture.
- **Remeasurement loss on defined benefit plan** increased parallel to various actuarial loss and loss on return on plan assets.
- **Retained earnings** increased from resulting net income earned for the period offset by ₱1.20 billion dividends declared last March 18, 2021 and for payment by April 19, 2021.
- **Treasury shares** increased by 23 million shares at ₱2.37 held by BPGC obtained from the SRO.
- **Non-controlling interests’** share in net income amounted to ₱30.97 million, while dividends paid by MSPD amounted to ₱5.10 million. ₱1.80 million capital infusion from UPC Philippines HoldCo. IV B.V was received as interest to Solarace4.

Key Performance Indicators

The key performance indicators of ACEN and its majority owned subsidiaries, as consolidated, are the following:

Key Performance Indicator	Formula	31-Mar-21 Unaudited	31-Dec-20 Audited	Increase (Decrease)	
				Amount	%
Liquidity Ratios					
Current Ratio	Current assets / Current liabilities	**2.05**	**0.83**	1.22	147%
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**1.79**	**0.66**	1.13	171%
Solvency Ratios					
Debt/Equity ratio	Total liabilities / Total equity	**1.02**	**1.98**	(0.96)	(48%)
Asset-to-equity ratio	Total assets / Total equity	**2.02**	**2.98**	(0.96)	(32%)
Interest Coverage Ratio	Earnings before interest & tax (EBIT) / Interest expense	**3.40**	**3.32**	0.08	2%
Net bank Debt to Equity ratio	Short & long-term loans - Cash & Cash Equivalents / Total Equity	**0.21**	**1.25**	(1.04)	(83%)

Key Performance Indicator	Formula	31-Mar-21 Unaudited	31-Mar-20 Unaudited	Increase (Decrease)	
				Amount	%
Profitability Ratios					
Return on equity*	Net income after tax attributable to equity holders of the Parent Company / Average stockholders' equity	–	–	–	–
Return on assets*	Net income after taxes / Average total assets	–	–	–	–
Asset Turnover	Revenues / Average total assets	**8.13%**	**8.25%**	(0.12%)	(1%)

Computed on annual basis.

Current ratio & Acid test ratio

Current ratio & acid test ratio increased due to higher liquid assets such as cash and cash equivalents at period end alongside the decrease in current liabilities primarily from short-term loans repayment.

Debt/Equity ratio & Asset-to-equity ratio

D/E ratio dropped with lower total liabilities and higher equity accounts, including net income for the period. Asset-to-equity ratio also declined as the increase in equity outpaced the increase in total assets.

Interest coverage ratio

Higher net income before interest and taxes coupled with lower interest expense following debt settlements yield to higher interest coverage ratio for the current period.

Net bank debt to equity ratio

The decrease in total debt and increase in cash and cash equivalents combined with higher capital accounts and retained earnings at period-end resulted to the drop in the ratio.

Asset turnover

Asset turnover decreased due to increase in capital expenditures of the Group during the period.

Material events and uncertainties

- There were no events that triggered direct or contingent financial obligation that was material to the Group. There were no contingent assets or contingent liabilities since the last annual balance sheet date.

- There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Parent Company with unconsolidated entities or other persons created during the reporting period.

- There were no material events that had occurred subsequent to the balance sheet date except for the events after the reporting period disclosed in Note 38 of the Audited Consolidated Financial Statements.

- ACEN has material commitments to invest in capital expenditure projects mainly in the following:
    - 120MWdc solar power project in Alaminos, Laguna through Solarace1;
    - 150MW diesel plant in Pililla, Rizal through IPHI, a joint venture of ACEN, ACE Endevor and APHPC
    - 60MWdc solar power project in Palauig, Zambales through Gigasol3;
    - 50MWac (72MWdc) solar power project in Arayat and Mexico, Pampanga through Greencore 3, a joint venture of ACEN, ACE Endevor and Citicore;
    - 75MWdc solar power project in Palauig, Zambales through ACE Endevor and GigaAce8;
    - 2x20 MW Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4;
    - Investment in 160MW Balaoi wind project through BWPC;
    - Investment into 4MW renewable energy laboratory in Bataan through BSEI; and
    - Funding of up to U.S.$100 million for new technology investments in the Philippines. Refer to Notes to Consolidated Financial Statements for the details.

- Any known trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations

- The results of operations of ACEN and its subsidiaries depend to a significant extent, on the performance of the Philippine economy.
- The current highly competitive environment, operation of priority-dispatch variable renewable energy, and community quarantines resulted in lower demand for electricity and have driven market prices of electricity downward.
- Movements in the WESM prices could have a significant favorable or unfavorable impact on the Group's financial results.

• Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way - The Group is developing a line-up of renewable energy projects as part of its growth aspiration. The capital expenditures shall be funded by a combination of equity and debt. Several capital raising activities are also set for 2021, including the recently concluded SRO which raised ₱5.37 billion, the completion of subscription by Arran to ₱4 billion primary shares pursuant to a private placement, and the planned issuance of 1.58 billion primary shares for FOO (subject to regulatory approvals).

• There were no significant elements of income or loss that did not arise from continuing operations that had material effect on the financial condition or results of operations.

• There were no operations subject to seasonality and cyclicality except for the operation of wind farms. The wind regime is high during the northeast monsoon ("amihan") season in the first and fourth quarter when wind turbines generate more power to be supplied to the grid. The generation drops in the second and third quarter due to low wind regime brought about by the southwest monsoon ("habagat").

ANNEX C
AC Energy Corporation (“ACEN” or the “Company”)
(For Q1 2021)

1. January 4, 2021 – Press release on GIC Private Limited’s investment in the Company
2. January 5, 2021 – Notice of Investors' Briefing on January 7, 2021
3. January 5, 2021 – Public Ownership Report for the for the Quarter ended December 31, 2020
4. January 7, 2021 – Attendance of Directors in the Meetings of the Company's Board of Directors in 2020
5. January 8, 2021 – Executive Committee’s approval of the final timeline for the Company’s SRO
6. January 8, 2021 – Amendment of the disclosure on the amendment to the Company’s Articles of Incorporation to reflect the Company’s receipt on January 6, 2021 of the SEC approval dated January 5, 2021 on the change in the corporate name of the Company from “AC Energy Philippines, Inc.” to “AC Energy Corporation”
7. January 8, 2021 – Amendment of the disclosure on the Change in Corporate Name and/or Stock Symbol to reflect the SEC approval dated January 5, 2021 on the change in the corporate name of the Company from “AC Energy Philippines, Inc.” to “AC Energy Corporation”
8. January 8, 2021 – Amendment of the disclosure on the amendment of the Company’s By-laws to reflect the Company’s receipt on January 6, 2021 of the SEC approval dated January 5, 2021 on the change in the corporate name of the Company from “AC Energy Philippines, Inc.” to “AC Energy Corporation”
9. January 8, 2021 – Amendment of the disclosure on the Company’s SRO to: (1) Update the planned timetable of ACEN’s stock rights offering, and (2) Update compliance with SEC MC 14-2013.
10. January 11, 2021 – Amendment of the disclosure on the Company’s SRO to update the corporate names of “AC Energy Philippines, Inc.” to “AC Energy Corporation”, and “AC Energy, Inc.” to “AC Energy and Infrastructure Corporation”.
11. January 12, 2021 – List of Top 100 stockholders for the period ended December 31, 2020
12. January 18, 2021 – Submission of SEC Form 23-B of Danilo L. Panes
13. January 21, 2021 – Amendment of the Public Ownership Report as of December 31, 2020
14. January 25, 2021 – Notice of Annual Stockholders’ Meeting – Approval of the Company’s Board of Directors of the date and time of the Company’s Annual Stockholders’ Meeting 2021
15. January 25, 2021 - Matters taken up at the special board meeting held today, 22 January 2021, via video conferencing:
    a. The proposed joint venture with Solar Philippines Power Project Holdings, Inc. (“SP”) for the development and construction of solar projects in the Philippines;
    b. The subscription by the Company to primary shares, and purchase of secondary shares from SP, in Solar Philippines Central Luzon Corp. (“SPCLC”), and the grant of authority to SPCLC to participate in biddings for electricity supply;
    c. The sharing of the Company’s credit facilities with its wholly-owned subsidiary, Santa Cruz Solar Energy, Inc. (“SCSEI”) to enable SCSEI to participate in biddings for electricity supply;
    d. The lease of land in Alaminos, Laguna from Crimson Field Enterprises, Inc. and Red Creek Properties Inc. (subsidiaries of Ayala land, Inc.) for the Company’s Eco-Learning Hub; and
    e. The setting of the schedule of the Company’s Annual Stockholders’ Meeting to 19 April 2021 at 9:00 A.M., and the grant of authority to conduct a fully virtual or a combined virtual and in-person meeting, subject to applicable rules and regulations of the Securities and Exchange Commission and such other relevant rules and procedures as may be determined by the Chairman of the Board.
16. January 25, 2021 - Acquisition by ACEN of shares in Solar Philippines Central Luzon Corporation from Solar Philippines Power Project Holdings, Inc.
17. January 25, 2021 – Amendment of the matters taken up during the special board meeting held today, 22 January 2021, via video conferencing to include the Company’s signing of preliminary binding agreements with SP and its affiliate Provincia Investments Corporation for possible joint ventures to develop solar power projects in the Philippines.
18. January 25, 2021 – Amendment of the disclosure on the Acquisition by ACEN of shares in Solar Philippines Central Luzon Corporation from Solar Philippines Power Project Holdings, Inc. to include the signing of the Subscription Agreement between ACEN and Solar Philippines Central Luzon Corporation dated 22 January 2021.

19. January 28, 2021 – Notification of the results of the Company's Stock Rights Offering from 18 January 2021 to 22 January 2021
20. February 2, 2021 – Clarification of the news article in philSTAR.com on February 2, 2021 entitled "Ayala power unit plans to raise P30 billion this year"
21. February 4, 2021 – ACEN Executive Committee approval of Follow-On Offering Price Range and Issue Size
22. February 5, 2021 – Joint Venture – Shareholders' Agreement among AC Energy Corporation, ACE Endevor, Inc., and Citicore Solar Energy Corporation
23. February 5, 2021 – Subscription by the Company to shares of Greencore Power Solutions 3, Inc.
24. February 5, 2021 – Omnibus Agreement among AC Energy Corporation, ACE Endevor, Inc, Greencore Power Solutions 3, Inc., and Citicore Solar Energy Corporation
25. February 5, 2021 – Submission of SEC Form 23-B of Sebastian Arsenio R. Lacson
26. February 5, 2021 – Submission of SEC Form 23-B of Andree Lou C. Kintanar
27. February 5, 2021 – Submission of SEC Form 23-B of Gerardo C. Ablaza, Jr.
28. February 5, 2021 – Submission of SEC Form 23-B of John Philip S. Orbeta
29. February 5, 2021 – Submission of SEC Form 23-B of Mariejo P. Bautista
30. February 8, 2021 – Submission of SEC Form 23-B of Sherisa P. Nuesa
31. February 8, 2021 – Submission of SEC Form 23-B of Gabino Ramon G. Mejia
32. February 8, 2021 – Submission of SEC Form 23-B of Danilo L. Panes
33. February 8, 2021 – Submission of SEC Form 23-B of Alan T. Ascalon
34. February 8, 2021 – Submission of SEC Form 23-B of Dodjie D. Lagazo
35. February 8, 2021 – Submission of SEC Form 23-B of Maria Corazon G. Dizon
36. February 8, 2021 – Submission of SEC Form 23-B of John Eric T. Francia
37. February 8, 2021 – Submission of SEC Form 23-B of Irene S. Maranan
38. February 8, 2021 – Submission of SEC Form 23-B of Consuelo D. Garcia
39. February 8, 2021 – Submission of SEC Form 23-B of Ma. Teresa P. Posadas
40. February 8, 2021 – Submission of SEC Form 23-B of Jose Rene Gregory D. Almendras
41. February 8, 2021 – Bulacan Power Generation Corporation's acquisition of 23,284,346 ACEN shares
42. February 8, 2021 – Public Ownership Report as of February 5, 2021
43. February 8, 2021 – Amendment of SEC Form 23-A of Fernando Zobel de Ayala
44. February 8, 2021 – Submission of SEC Form 23-B of Fernando Zobel de Ayala
45. February 8, 2021 – Submission of SEC Form 23-B of Roman Miguel G. de Jesus
46. February 8, 2021 – Submission of SEC Form 23-B of Jaime Augusto Zobel de Ayala
47. February 16, 2021 – Filing of the Registration Statement with the Securities and Exchange Commission for the Company's Planned Follow-On Offering
48. March 1, 2021 – Disbursements of the proceeds generated from the Company's Stock Rights Offering as of February 26, 2021
49. March 5, 2021 – Amendment of Notice of Annual Stockholders' Meeting to attach the Notice of Meeting dated March 4, 2021
50. March 8, 2021 – Notice of Analysts' Briefing on March 11, 2021
51. March 8, 2021 – Subscription by the Company of shares in Giga Ace 4, Inc.
52. March 9, 2021 – Disclosure of the Consolidated Financial Statements with Independent Auditor's Report of ACEN and its subsidiaries for the year ended December 31, 2020.
53. March 10, 2021 – Comprehensive Corporate Disclosure on original issuance of Shares by ACEN to Arran Investment Pte Ltd ("Arran") pursuant to a private placement
54. March 15, 2021 – Subscription by the Company to shares in ACE Endevor, Inc.
55. March 18, 2021 – Update on Corporate Actions/Material Transactions/Agreements – Completion of subscription by Arran to Primary Shares in ACEN pursuant to a private placement
56. March 19, 2021 – Amendment of the Joint Venture disclosure dated February 5, 2021 to apprise the public of Axia's initial subscription to shares in Ingrid.
57. March 19, 2021 – Matters taken up at the regular board meeting held today, 18 March 2021, via video conferencing:
    a. Ratification of the Executive Committee's approval of the Company's 2020 Consolidated Audited Financial Statements;
    b. Acceptance of the resignation of Mr. Gerardo C. Ablaza, Jr. as director;
    c. Election of Ms. Nicole Goh Phaik Khim as new director;

d. Appointment of Mr. Peter C. Buenaseda as Chief Human Resources Officer;
e. Approval of the Company's revised counterparty limits for cash investments;
f. Approval of the Company's Parent Audited Financial Statements for the year ended 31 December 2020;
g. Approval of the declaration of cash dividends of six centavos (PhP0.06) per share on the 19,960,037,644 issued and outstanding shares of the Company, or a total dividend amount of PhP1,197,602,258.64 to be paid on or before 19 April 2021 to stockholders of record as of 5 April 2021;
h. Approval of the Balaoi wind project;
i. Approval of the Agenda for the 2021 annual stockholders' meeting;
j. Approval of the issuance of 1.58 billion primary shares for the Company's Follow-on Offering;
k. Voluntary commitment to not issue, offer, sell or dispose of Company shares for a period of 180 days from the completion of the Company's Follow-on Offering subject to certain exceptions;
l. Approval of the Company's pro-forma financial statements for the year ended 31 December 2020 for purposes of the Company's Follow-on Offering;
m. Confirmation of previous approval to amend the Articles of Incorporation to increase the authorized capital stock to PhP48,400,000,000.00;
n. Approval of the property-for-share swap with AC Energy and Infrastructure Corporation ("ACEIC") and the issuance of 16.686 billion primary shares to ACEIC in exchange for ACEIC's shares of stock in AC Energy International, Inc., which holds ACEIC's international assets, for an issue price of PhP5.15 per ACEN share;
o. Approval of the amendment to the Articles of Incorporation to increase the number of shares exempt from the pre-emptive right of shareholders for issuance of shares in exchange for property needed for corporate purposes or in payment of previously contracted debt from 16 billion shares to 24 billion shares; and
p. Approval of the Company's stock ownership plan.

58. March 19, 2021 – Amendments to Articles of Incorporation - The Company's Board of Directors' (1) re-confirmation of its approval of the increase of its authorized capital stock to P48,400,000,000.00, and (2) approval of a further amendment to the Articles of Incorporation of the Company to increase the number of shares exempt from the pre-emptive right of shareholders for issuance of shares in exchange for property needed for corporate purposes or in payment of previously contracted debt from 16 billion shares to 24 billion shares.
59. March 19, 2021 – Declaration and Payment of Cash Dividends to Stockholders
60. March 19, 2021 – Submission of 23-A of Peter C. Buenaseda
61. March 19, 2021 – Submission of 23-A of Arran Investment Pte Ltd
62. March 19, 2021 – Submission of 23-A of Nicole Goh Phaik Khim
63. March 19, 2021 – Submission of 23-B of Arran Investment Pte Ltd
64. March 19, 2021 – Update on Corporate Actions/Material Transactions/Agreements – Approval of Follow-On Offering Issue Size
65. March 19, 2021 – Update on Corporate Actions/Material Transactions/Agreements – Property-for-Share Swap between ACEN and AC Energy and Infrastructure Corporation (formerly AC Energy, Inc., "ACEIC")
66. March 19, 2021 – Resignation of director, Election of new director, and Appointment of officer
67. March 19, 2021 – Amendment of the Comprehensive Corporate Disclosure dated March 10, 2021 to announce the completion of the subscription of Arran to 4,000,000,000 primary shares of ACEN, via a Private Placement.
68. March 19, 2021 – Amendment of the Notice of Annual Stockholders' Meeting to reflect the Board of Directors' approval of the agenda for the Company's 2021 ASM
69. March 23, 2021 – Amendment of Notice of Annual Stockholders' Meeting to attach the Notice of Meeting dated March 22, 2021
70. March 24, 2021 – Company's Definitive Information Statement for the Annual Stockholders' Meeting 2021
71. March 26, 2021 – Amendment of the Definitive Information Statement to provide the additional information as requested by the Securities and Exchange Commission on March 24, 2021
72. March 29, 2021 – Resignation of officer
73. March 31, 2021 – Change in Number of Issued and/or Outstanding Shares