ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Avenue, Makati City 1226
Telephone Number (+632) 7730-6300

Shelf Registration of
Up to ₱30 Billion Debt Securities

First Tranche:
₱10 Billion Fixed-Rate Green Bonds due 2027

at an Offer Price of 100% of Face Value and
an Interest Rate of 6.0526% per annum

to be listed and traded through
The Philippine Dealing & Exchange Corp.

Joint Issue Managers[1]

BDO Capital BPI Capital Corporation

Joint Lead Underwriters and Bookrunners

BDO Capital BPI Capital Corporation RCBC Capital Corporation SB CAPITAL A Subsidiary of Security Bank

Trustee
Rizal Commercial Banking Corporation – Trust and Investments Group[2]

The date of this Prospectus is 7 September 2022.

THE SECURITIES AND EXCHANGE COMMISSION (SEC) HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SEC.

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1 BPI Capital Corporation is a wholly-owned subsidiary of the Bank of the Philippine Islands (BPI). ACEN CORPORATION's parent company, AC Energy and Infrastructure Corporation, and BPI are affiliated companies, each with Ayala Corporation as a major shareholder.

2 RCBC Capital Corporation is a wholly owned subsidiary of the Trustee, Rizal Commercial Banking Corporation, and a part of the Yuchengco Group of Companies.

ACEN CORPORATION
35th Floor, Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Avenue
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Telephone Number (+632) 7730-6300

This Prospectus relates to ACEN CORPORATION's (formerly AC Energy Corporation) ("ACEN" or the "Issuer" or the "Company") three-year shelf registration (the "Shelf Registration") of up to Thirty Billion Pesos (₱30,000,000,000.00) debt securities (the "Securities") to be offered in one or more tranches (each a "Tranche") under a debt securities program ("Securities Program") to be registered with the Securities and Exchange Commission ("SEC"), and the proposed public offer and sale in the Philippines of ASEAN Green fixed-rate bonds with a tenor of five (5) years, in the aggregate principal amount of Ten Billion Pesos (₱10,000,000,000.00) due 2027 (the "Green Bonds"), to be issued as the first tranche of the Securities Program (the "Offer") to be listed on the Philippine Dealing & Exchange Corp. ("PDEx"). A registration statement covering the Securities Program was filed by the Issuer with the SEC on 11 July 2022 and an application for the listing of the Green Bonds will be filed with the PDEx on or about 8 September 2022. The Securities Program will be issued in one or more tranches (each, a "Tranche") as authorized by a resolution of the Executive Committee, by authority of the Board of Directors, dated 6 July 2022.

The Green Bonds shall be issued on 22 September 2022 or the immediately succeeding Business Day if such Issue Date is not a Business Day or such other date as may be agreed upon by the Issuer, and the Joint Lead Underwriters and Bookrunners ("Issue Date").

The Green Bonds shall have a term ending five (5) years from the Issue Date, with a fixed interest rate of 6.0526% per annum. Interest on the Green Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear on 22 December, 22 March, 22 June, and 22 September of each year. In the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than 22 September 2022, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. Subsequent offerings of Securities under the Securities Program shall be issued as provided by applicable SEC rules and regulations effective at the time of issuance, and the terms of which will be set out in offer supplement per Tranche.

Subject to the consequences of default as contained in the Trust Indenture dated 7 September 2022 executed by and between ACEN Corporation and RCBC Trust and Investments Group, and unless otherwise redeemed prior to the Maturity Date, the Green Bonds will be redeemed at par (or 100% of face value) on its Maturity Date.

The Green Bonds shall constitute the direct, unconditional, unsubordinated, and unsecured obligations of ACEN and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of the Company, other than obligations preferred by law. The Green Bonds shall effectively be subordinated in right of payment to, among others, all of the Company's secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines which have not been waived.

The Green Bonds have been rated PRS Aaa with a Stable Outlook by the Philippine Rating Services Corporation ("PhilRatings") on 11 July 2022. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. On the other hand, an Outlook is an indication as to the possible direction of any rating change within a one-year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. A Stable Outlook is defined as: “The rating is likely to be maintained or to remain unchanged in the next twelve months. The rating is not a recommendation to buy, sell, or hold the Securities, and may be subject to revision, suspension, or withdrawal at any time by PhilRatings.

The Green Bonds shall be offered to the public at face value through the Joint Lead Underwriters and Bookrunners with the Philippine Depository & Trust Corp. (“PDTC”) as the Registrar of the Green Bonds. It is intended that upon issuance, the Green Bonds shall be issued in scripless form, with PDTC maintaining the scripless Register of Bondholders, and listed with PDEx. The Green Bonds shall be issued in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.

The Company expects to raise gross proceeds of approximately ₱10,000,000,000.00 from the sale of the Offer. The net proceeds from the sale of the Offer, determined by deducting from the gross proceeds the fees, commissions, and expenses relating to the issuance are expected to be approximately ₱9,873,906,845.00. The proceeds will be used by the Company to finance or refinance, in whole or in part, new or existing Eligible Green Projects, as defined in the Company’s Green Bond Framework see “***Use of Proceeds***” on page 76 of this Prospectus). The Joint Lead Underwriters and Bookrunners shall receive a fee of up to 0.4033%, inclusive of Gross Receipt Tax (“GRT”), on the final aggregate nominal principal amount of the Green Bonds (see “***Plan of Distribution***” on page 80 of this Prospectus).

Within three (3) years following the effectivity date of the Securities Program, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Securities covered by such Securities Program, in one or more subsequent Tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code. The Shelf Registration provides the Company with the ability to take advantage of opportunities in a volatile debt capital market, as these occur. However, there can be no assurance in respect of: (i) whether ACEN would issue such Securities at all; (ii) the size or timing of any individual issuance or the total issuance of such Securities; or (iii) the specific terms and conditions of any such issuance. Any decision by ACEN to offer the Securities will depend on a number of factors at the relevant time, many of which are not within ACEN’s control, including but not limited to: prevailing interest rates, the financing requirements of ACEN’s business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

The Offer is being conducted exclusively in the Philippines and is pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Issuer or any person on behalf of the Issuer to permit an offering of the Green Bonds in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Green Bonds may not be offered or sold, directly or indirectly, nor may any offering material relating to the Green Bonds be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Green Bonds is prohibited.

The Company confirms that, as of the date of this Prospectus, the information contained herein relating to the Company and its operations, which are in the context of the Offer (including all material information required by the applicable laws of the Republic of the Philippines), is true and that there is no material misstatement or omission of facts which would make any statement in this Prospectus misleading in any material respect and that the Company hereby accepts full and sole responsibility for the accuracy of the information contained in this Prospectus with respect to the same. The Company confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Prospectus. The Company, however, has not independently verified any such publicly available information, data or analysis.

Unless otherwise indicated, all information in this Prospectus is as at 31 March 2022. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstance, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date. Market data and certain industry data used throughout this Prospectus were obtained from market research, publicly available information and industry publications. Industry publications generally state that the information contained therein have been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Issuer nor the Joint Lead Underwriters and Bookrunners makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. The Joint Lead Underwriters and Bookrunners assume no liability for any information supplied by the Company in relation to this Prospectus. Each person contemplating an investment in the Green Bonds should make his own investigation and analysis of the creditworthiness of ACEN and his own determination of the suitability of any such investment. The risk disclosure herein does not purport to disclose all the risks and other significant aspects of investing in the Green Bonds. A person contemplating an investment in the Green Bonds should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those high-risk securities. For a discussion of certain factors to be considered in respect of an investment in the Green Bonds, see the section entitled "***Risk Factors***" beginning on page 44.

The contents of this Prospectus are not investment, legal or tax advice. In making any investment decision regarding the Green Bonds, prospective investors must rely on their own examination of the Company and the terms of the Offer, including, without limitation, the merits and risks involved, such prospective investor's own determination of the suitability of any such investment with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. Neither the Company nor any of the Joint Lead Underwriters and Bookrunners makes any representation to any prospective investor regarding the legality of participating in the Offer under any law or regulation. Each prospective investor should be aware that it may be required to bear the financial risks of any participation in the Offer for an indefinite period of time. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Green Bonds, among others. Investing in the Green Bonds involves certain risks. For a discussion of certain factors to be considered in respect of an investment in the Green Bonds, see the section on *"**Risk Factors**"* beginning on page 44.

THE GREEN BONDS ARE BEING OFFERED ON THE BASIS OF THIS PROSPECTUS ONLY. ANY DECISION TO PURCHASE THE GREEN BONDS MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

No dealer, salesman or other person has been authorized by the Company or by the Joint Lead Underwriters and Bookrunners to issue any advertisement or to give any information or make any representation in connection with the Company, its Associates, or the Offer other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or the Joint Lead Underwriters and Bookrunners or any of their respective Associates.

ACEN is organized under the laws of the Republic of the Philippines. Its principal office is at the 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Avenue, Makati City 1226, with telephone number (+632) 7730-6300.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

ACEN CORPORATION
By:

JOHN ERIC T. FRANCIA
President and CEO

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

Before me, a notary public for and in the city named above, personally appeared John Eric T. Francia, known to me and to me known to be the same person who presented the foregoing instrument and signed the instrument in my presence, who took an oath before me as to such instrument, and who presented to me his evidence of identity, as follows: [redacted]

Witness my hand and seal this SEP 07 2022 at Makati City.

Doc. No. 48 ;
Page No. 11 ;
Book No. III ;
Series of 2022.

AMIRAH L. PEÑALBER
NOTARY PUBLIC
ROLL NO. 66353
MAKATI CITY, PHILIPPINES

AMIRAH L. PEÑALBER
Notary Public for Makati City
Appointment No. M-252 valid until 31 December 2023
Attorney's Roll No. 66353; 22 June 2016
PTR No. MKT 8853591/ 03 January 2022/Makati City
IBP No. 175285/ 12 January 2022
MCLE Compliance No. VII-0021507 valid until 14 April 2025
35/F Ayala Triangle Gardens Tower 2
Makati Avenue corner Paseo de Roxas, Makati City
Tel No. 77306300

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FORWARD-LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL INFORMATION

Forward-Looking Statements

This Prospectus contains certain "forward-looking statements." These forward-looking generally can be identified by use of statements that include words or phrases such as "aims," "believes," "expects," "anticipates," "intends," "plans," "foresees," "seeks," "may," "might," "can," "could," "will," "would," "shall," "should," "is/are likely to," or other words or phrases of similar import. Similarly, statements that describe ACEN's objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of ACEN include, among others:

- *General economic and business conditions in the Philippines and in other markets ACEN's Associates operate;*
- *Holding company structure;*
- *Intensive capital requirements of ACEN's Associates in the course of business;*
- *Increasing competition in the industries in which ACEN's Associates operate;*
- *Industry risk in the areas in which ACEN's Associates operate;*
- *Changes in laws and regulations that apply to the segments or industries in which ACEN and its Associates operate;*
- *Changes in political conditions in the Philippines and in other markets ACEN's Associates operate;*
- *Changes in foreign exchange control regulations in the Philippines and in other markets ACEN's Associates operate; and*
- *Changes in the value of the Philippine Peso and the currencies in other markets ACEN's Associates operate.*

For a further discussion of such risks, uncertainties and assumptions, see the *"**Risk Factors**"* section of this Prospectus. Prospective purchasers of the Green Bonds are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus and ACEN undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

Presentation of Financial Information

Amounts presented throughout this Prospectus have been subject to rounding adjustments to facilitate their presentation. Accordingly, numbers shown for the same item of information may vary and may not precisely reflect the absolute figures or the arithmetic aggregate of their components due to rounding adjustments.

Due to the incorporation of the effect of common control business combination in the Company's audited consolidated financial statements as of and for the years ended 31 December 2021, 2020, and 2019, the Company restated its consolidated balance sheet as of 31 December 2019 presented as comparative in the audited consolidated financial statements as of 31 December 2021. See Note 32 of the Company's audited consolidated financial statements included elsewhere in this Prospectus for more details. The relevant accounts in the audited consolidated financial statements as of 31 December 2018 have not been restated and may not be comparable to the information presented in 2019. See also "***Summary Financial Information***" beginning on page 39 of this Prospectus.

GLOSSARY OF TERMS

The following is a listing of some of the terms and abbreviations used throughout this Prospectus:

ACE Endevor	-	ACE Endevor, Inc. (formerly, AC Energy Development Inc.; San Carlos Clean Energy, Inc.)
ACE Enexor	-	ACE Enexor, Inc. (formerly PHINMA Petroleum and Geothermal Inc.; Trans-Asia (Karang Besar) Petroleum Corporation; Trans-Asia Petroleum Corporation (TAPET))
ACEIC	-	AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.)
ACEIC International Transaction	-	the issuance of additional 16,685,800,533 Common Shares of ACEN in favor ACEIC in exchange for property consisting of shares owned by ACEIC in its 100% subsidiary AC Energy International, which holds various international operating and development companies
ACEIC Philippine Transaction	-	the issuance of 6,185,182,288 Common Shares of ACEN in favor of ACEIC in exchange for property consisting of shares owned by ACEIC in its various onshore operating and development companies
AC Energy International	-	AC Energy International, Inc. (formerly Presage Corporation)
ACEN or the Company or the Issuer or the Parent Company	-	ACEN CORPORATION (formerly, AC Energy Corporation; AC Energy Philippines, Inc.; PHINMA Energy Corporation; Trans-Asia Oil and Energy Development Corporation; Trans-Asia Oil and Mineral Development Corporation)
ACE Renewables	-	ACE Renewables Philippines, Inc. (formerly Moorland Philippines Holdings, Inc.)
ACRS	-	AC Renewables International Pte. Ltd.
ACS	-	Authorized capital stock
ACTA	-	ACTA Power Corporation
Affiliate	-	with respect to ACEN, any corporation directly or indirectly controlled by it, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of management contract or authority granted by said corporation to ACEN.

Application to Purchase	-	with respect to the Green Bonds, the document to be executed by any Person or entity qualified to become a Bondholder for the Green Bonds.
ASM	-	Annual Stockholders' Meeting
ASPA	-	Ancillary Services Procurement Agreement, a contract with NGCP to replenish the contingency reserve services whenever a generating unit trips or a single transmission interconnection loss occurs
Arran	-	Arran Investment Pte Ltd, an affiliate of GIC Private Limited
Arran Investment	-	the subscription by Arran to primary shares in ACEN and/or purchase by Arran of secondary shares of ACEN from ACEIC, pursuant to and under the terms of the Investment Agreement dated 30 December 2020 and the Subscription Agreement dated 18 March 2021 and more particularly described in the section "***Material Contracts – Arran Investment Pte Ltd Investment***," on page 226 of this Prospectus
Associates	-	as defined under PFRS
AUD	-	Australian Dollar
Axia Power	-	Axia Power Holdings Philippines Inc.
Ayala	-	Ayala Corporation
Ayala Group	-	companies where Ayala Corporation has equity interests, currently engaged in the following sectors: real estate, financial services, telecommunications, water, industrial technologies, power, infrastructure, education, and technology ventures
BCHC	-	Buendia Christiana Holdings Corp.
BDO Capital	-	BDO Capital & Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 17th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City
BIR	-	Bureau of Internal Revenue
Block	-	a petroleum contract area categorized under a block reference system established by the DOE to facilitate the establishment of the most effective exploration strategy and to further allow the DOE to evaluate the market value or true value of the area explored for petroleum that is being offered to contractors
Board or Board of Directors	-	the board of directors of the Company

BOI	-	Board of Investments
Bond Agreements	-	with respect to the Green Bonds, collectively, the Trust Indenture, the Terms and Conditions, the Master Certificate of Indebtedness, the Registry and Paying Agency Agreement, the Underwriting Agreement, and any other document, certificate or writing contemplated thereby
Bondholders	-	the holders of the Green Bonds
BPGC	-	Bulacan Power Generation Corporation (formerly PHINMA Power Generation Corporation; Trans-Asia Power Generation Corporation)
BPI	-	Bank of the Philippine Islands
BPI Capital	-	BPI Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 11th Floor, Ayala North Exchange (Tower 1), 6796 Ayala Avenue corner Salcedo Street, Makati City
BSP	-	Bangko Sentral ng Pilipinas, the central bank of the Philippines
Business Day	-	a day, except Saturday, Sunday, and public holidays, on which commercial banks are not required or are authorized to close by law for business in Makati City, Metro Manila, and the Philippine Clearing House Corporation has clearing and settlement operations in accordance with BSP issuance
BVAL	-	Bloomberg Valuation Service
BWPC	-	Bayog Wind Power Corp.
CAGR	-	compound annual growth rate
Captive Market	-	a market of electricity end-users who may not choose their supplier of electricity
CIPP	-	CIP II Power Corporation
COC	-	certificate of compliance issued by the ERC
COC-FIT	-	certificate of compliance for eligibility for FIT issued by the ERC under the FIT Rules
Common Shares or Shares	-	the shares of common stock of the Company with a par value of ₱1.00 per Share
Consolidated Financial Statements	-	audited financial statements of the Parent Company and its subsidiaries
Contestable Market	-	the electricity end-users that have a choice of a supplier of electricity as may be determined by the ERC

Corporation Code	-	Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines
COVID-19	-	novel coronavirus
CPCN	-	certificate of public convenience
Credit Rating Report	-	The credit rating report issued by PhilRatings
Debt	-	total current and non-current liabilities
Diesel Power Plants	-	the plants operated by OSPGC, BPGC and CIPP
DENR	-	the Philippine Department of Environment and Natural Resources
Distribution Code	-	the Philippine Distribution Code
DOE	-	the Philippine Department of Energy
EBIT margin	-	Earnings Before Interest and Taxes Margin
ECC	-	an environmental compliance certificate issued by the DENR
Economic Zones or Ecozone	-	special economic zones and selected areas which are highly developed or have the potential to be developed into agro-industrial, industrial, tourist, recreational, commercial, banking, investment, and financial centers
EIA	-	Environmental Impact Assessment
EIS System	-	the Philippine Environmental Impact Statement System, a system requiring relevant government agencies to prepare an Environment Impact Assessment for any project or activity that affects the quality of the environment
Eligible Green Projects	-	The Program for Eligible Green Projects which are defined in accordance with the broad categorization of eligibility for green projects set out by the ASEAN Green Bond Standards, as administered by the ASEAN Capital Markets Forum, or the Green Bond Principles 2021, as administered by the International Capital Market Association
ESOP/ESOWN	-	Employee Stock Option Plan/Employee Stock Ownership Plan; the issuance by the Company of Shares to qualified officers, employees, and consultants of the Company, its affiliates, and subsidiaries pursuant to a duly approved stock option, stock purchase, stock subscription or similar plans
EPC	-	Engineering, Procurement and Construction Contract

EPIRA	-	Republic Act No. 9136 or the “Electric Power Industry Reform Act (EPIRA) of 2001”
ERC	-	the Philippine Energy Regulatory Commission
First Increase in ACS	-	the increase of the Company’s total authorized capital stock to ₱24,400,000,000, consisting of 24,400,000,000 Common Shares with a par value of ₱1.00 per Share approved by the SEC on 22 June 2020
First SEC Approval	-	the approval of the SEC of the First Increase in ACS
FIT	-	Feed-in-Tariff
FIT-All	-	FIT Allowance
FIT Rate	-	guaranteed fixed price of RE-derived electricity sourced by electric power industry participants as mandated by the FIT scheme under the RE Law
FIT Rules	-	ERC Resolution No. 16-2010
FTI Consulting	-	FTI Consulting Philippines, Inc.
Follow-on Offering	-	the primary offering of 1,580,000,000 Common Shares and secondary offering of 330,248,617 Common Shares with an oversubscription option of up to 100,000,000 Common Shares in the Company to the public, which was completed on 14 May 2021
GDP	-	Gross Domestic Product
GigaAce8	-	Giga Ace 8, Inc.
Gigasol2	-	Gigasol2, Inc.
Gigasol3	-	Gigasol3, Inc.
Government	-	the Government of the Republic of the Philippines
Green Bonds	-	the fixed-rate bonds in the aggregate principal amount of ₱10.00 billion to be issued by ACEN on the Issue Date
Green Bond Framework	-	as discussed in the section on Green Bond Framework on page 80 of this Prospectus
Greencore 3	-	Greencore Power Solutions 3, Inc.
greenfield power project	-	new projects that are built from ground up, with the proponent undertaking activities from pre-development to commissioning
Grid Code	-	the Philippine Grid Code

grid operator	-	the party responsible for electricity generation dispatch to ensure safety, power quality, stability, reliability and security of the electrical grid. In the Philippines, the national grid operator is NGCP.
Group	-	the group of companies comprised of ACEN, its Associates and joint ventures
GWC	-	Guimaras Wind Corporation (formerly PHINMA Renewable Energy Corporation; Trans-Asia Renewable Energy Corporation; Trans-Asia Petroleum (Maratua) Corporation)
HDP Bulk Water	-	HDP Bulk Water Supply, Inc.
Ilocos Wind	-	Ilocos Wind Energy Holding Co., Inc.
Ingrid	-	Ingrid Power Holdings, Inc.
Interest Payment Date	-	with respect to the Green Bonds, 22 December 2022, for the first Interest Payment Date and 22 December, 22 March, 22 June, and 22 September of each year for each subsequent Interest Payment Date, or the subsequent Business Day if such date is not a Business Day, during which any of the relevant Green Bonds are outstanding, until and including the Maturity Date, and in the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than 22 September 2022, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date.
IPP	-	independent power producer or an existing power generating entity which is not owned by NPC
IRRs	-	Implementing Rules and Regulations
IslaSol	-	Negros Island Solar Power, Inc.
Issue Date	-	with respect to the Green Bonds, 22 September 2022 or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon between the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC, and PDEx
Joint Issue Managers	-	BDO Capital and BPI Capital
Joint Lead Underwriters and Bookrunners	-	BDO Capital, BPI Capital, RCBC Capital, and SB Capital

kW	-	kilowatt, a unit of electrical power equal to 1,000 watts or 1.341 horsepower
kWh	-	kilowatt hour, a measure of energy equivalent to the expenditure of one kilowatt for one hour
LCC Bulk Water	-	LCC Bulk Water Supply, Inc.
Master Certificate of Indebtedness	-	with respect to the Green Bonds, the certificate to be issued by ACEN to the Trustee evidencing and covering such amount corresponding to the Green Bonds
Maturity Date	-	with respect to the Green Bonds, five (5) years after Issue Date; provided that, in the event that the Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid
MCV Bulk Water	-	MCV Bulk Water Supply, Inc.
MERALCO	-	Manila Electric Company
MGI	-	Maibarara Geothermal, Inc.
MonteSol	-	Monte Solar Energy Inc.
MSPDC	-	Manapla Sun Power Development Corp.
MW	-	megawatt, a unit of electrical power, equal to a thousand Kw
MWac	-	megawatt of alternating current
MWdc	-	megawatt of direct current
Net Attributable Capacity	-	the Company's effective economic interest in the relevant power project multiplied by the net capacity of the relevant power project. Net Attributable Capacity in solar plants is determined with reference to MWdc.
New England Solar Farm	-	the solar farm located in Uralla, New South Wales
NGCP	-	the National Grid Corporation of the Philippines or the corporation awarded the concession to operate the transmission facilities of the TransCo pursuant to Republic Act No. 9136, otherwise known as "Electric Power Industry Reform Act of 2001" and Republic Act No. 9511
NIBHI	-	Negros Island Biomass Holdings, Inc.
NLREC	-	North Luzon Renewable Energy Corporation
NPC	-	the National Power Corporation

NPDC	-	Northwind Power Development Corp.
NREB	-	the National Renewable Energy Board
Offer	-	offering of Green Bonds by the Issuer under the Terms and Conditions
Offer Period	-	with respect to the Green Bonds, the period commencing at 9:00 a.m. on 9 September 2022 and ending at 5:00 p.m. on 15 September 2022, or such earlier or later date as may be determined by the Issuer and the Joint Lead Underwriters and Bookrunners
OSPGC	-	One Subic Power Generation Corporation
OSODC	-	One Subic Oil Distribution Corp., formerly Trans-Asia Gold and Minerals Development Corporation
Palawan55	-	Palawan55 Exploration & Production Corporation
PAMA	-	Power Administration and Management Agreement
PCD	-	Philippine Central Depository, Inc.
PCD Nominee	-	PCD Nominee Corporation, a corporation wholly-owned by the PDTC, which acts as trustee-nominee for all shares lodged in the PCD system. It was formerly known as PCD Nominee Corporation. The beneficial owners of such shares are the participants of PCD which holds the shares on their behalf or in behalf of their clients. PCD is a private institution established in March 1995 to improve operations in securities transactions. PCD seeks to provide a fast, safe and highly efficient system for securities settlement. The PCD was organized to implement an automated book-entry system of handling securities transactions in the Philippines.
PDEx	-	Philippine Dealing & Exchange Corp.
PDTC	-	the Philippine Depository & Trust Corp., the central securities depositary of, among others, securities listed and traded on the PSE
person	-	an individual, firm, partnership, limited liability company, joint venture, association, trust, corporation, government, committee, department, authority, or any body, incorporated or unincorporated, whether having a distinct legal personality or not
Peso or ₱	-	the lawful currency of the Philippines
PEZA	-	the Philippine Economic Zone Authority
PFRS	-	the Philippine Financial Reporting Standards

Philippine National	-	a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals
Philippines	-	Republic of the Philippines
PHI	-	PHINMA, Inc. (formerly Philippine Investment-Management (PHINMA), Inc.)
PHN	-	PHINMA Corporation
PINAI	-	Philippine Investment Alliance for Infrastructure
PPA	-	power purchase agreement
PSA	-	power supply agreement
PSALM	-	the Power Sector Assets and Liabilities Management Corporation
PSE or Exchange	-	The Philippine Stock Exchange, Inc., the corporate body duly organized and existing under Philippine law, licensed to operate as a securities exchange by the SEC
PWHC	-	Philippine Wind Holdings Corp. (formerly UPC Philippine Wind Holdings Corp.)
PWPC	-	Pagudpud Wind Power Corp.
RCBC Capital	-	RCBC Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at 21F Tower 2, RCBC Plaza, 6819 Ayala Avenue, Makati City
RCBC Trust	-	Rizal Commercial Banking Corporation – Trust & Investments Group
Record Date	-	the cut-off date in determining Bondholders entitled to receive interest or principal amount due
Register of Bondholders	-	with respect to the Green Bonds, the electronic records of the Registrar bearing the official information on the names and addresses of the Bondholders and the number of Green Bonds they respectively hold, including all transfers

		of the Green Bonds and the names of subsequent transferee Bondholders, maintained pursuant to and under the Registry and Paying Agency Agreement
Registrar and Paying Agent	-	with respect to the Green Bonds, the Philippine Depository & Trust Corp.
Registry and Paying Agency Agreement	-	with respect to the Green Bonds, means the Registry and Paying Agency Agreement dated 7 September 2022, between ACEN and the Registrar and Paying Agent
RE Law	-	Republic Act No. 9513 or the "Renewable Energy Act of 2008"
RE Law IRR	-	Implementing Rules and Regulations of the RE Law
Renewable Energy	-	energy derived from resources (*e.g.*, sunlight, wind, water, earth's heat, and plant and animal wastes) that are regenerative or, for all practical purposes, cannot be depleted
RES	-	Retail Electricity Supplier or the non-regulated business segment of the distribution utility catering to the Contestable Market only within its franchise area, or persons authorized by appropriate entities to supply electricity within their respective Economic Zones
Rights Offer	-	the offering of 2,267,580,434 Common Shares in the Company to eligible shareholders of the Company, which was completed on 29 January 2021
SacaSol	-	San Carlos Solar Energy, Inc.
SEC Permit	-	means the certificate of permit to offer securities for sale issued by the SEC in connection with the Offer
SB Capital	-	SB Capital Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 18th Floor, Security Bank Centre, 6776 Ayala Avenue, Makati City
SC	-	service contract, an agreement entered into by the Government and a company which grants the latter the exclusive right to undertake petroleum exploration, development and production over a certain area, in exchange for a share by the Government on sales proceeds
SCC Bulk Water	-	SCC Bulk Water Supply, Inc.
SEC or Commission	-	the Philippine Securities and Exchange Commission
Second Increase in ACS	-	the further increase of the Company's authorized capital stock to ₱48,400,000,000, consisting of 48,400,000,000 Common Shares with a par value of ₱1.00 per Share.

Second SEC Approval	-	the approval of the SEC of the Second Increase in ACS
Securities	-	the up to Thirty Billion Pesos (₱30,000,000,000.00) debt securities to be offered in one or more tranches under a debt securities program registered with the SEC
Securities Regulation Code	-	the Securities Regulation Code of the Philippines (Republic Act No. 8799) and its implementing rules and regulations, as they may be amended from time to time
SGV & Co.	-	SyCip Gorres Velayo & Co.
SJLD	-	San Julio Land Development Corporation
SLTEC	-	South Luzon Thermal Energy Corporation
Solienda	-	Solienda Incorporated
SolarAce1	-	SolarAce1 Energy Corp
SRC	-	the Securities Regulation Code
Tax Code	-	Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended
Terms and Conditions	-	the terms and conditions of the Green Bonds as herein contained
ThomasLloyd	-	ThomasLloyd CTI Asia Holdings. Pte Ltd.
TransCo	-	the National Transmission Corporation
Trustee	-	with respect to the Green Bonds, Rizal Commercial Banking Corporation – Trust & Investments Group
Trust Indenture	-	with respect to the Green Bonds, the Trust Indenture dated 7 September 2022 among ACEN and the Trustee
Underwriting Agreement	-	with respect to the Green Bonds, the Underwriting Agreement dated 7 September 2022 among ACEN and the Joint Lead Underwriters and Bookrunners
USD or U.S.$	-	United States dollar
VAT	-	Value added tax
Viage	-	Viage Corporation
VRC	-	Visayas Renewables Corp. (formerly Bronzeoak Clean Energy Inc.)
WESM	-	the Wholesale Electricity Spot Market
WESC	-	Wind Energy Service Contract

Titles of sections, subsections and clauses in this Prospectus are used for convenience of reference only and do not limit or affect the interpretation of the sections, subsections and clauses hereof. In case of conflict between the provisions of this Prospectus and the Bond Agreements, the provisions of the Bond Agreements shall prevail.

EXECUTIVE SUMMARY

*The following summary does not purport to be complete and is taken from and qualified in its entirety by the more detailed information including the Company's financial statements and notes relating thereto appearing elsewhere in this Prospectus. For a discussion of certain matters that should be considered in evaluating any investment in the Green Bonds, see the section entitled "**Risk Factors**" on page 42 of this Prospectus. Terms defined elsewhere in this Prospectus shall have the same meanings when used in this summary.*

Prospective investors should read this entire Prospectus fully and carefully, including the Company's financial statements and related notes. In case of any inconsistency between this summary and the detailed information in this Prospectus, the more detailed portions, as the case may be, shall prevail.

The Company

ACEN is a corporation duly organized and existing under Philippine law with SEC Registration No. 39274, and listed with the PSE with ticker symbol "ACEN" (formerly "ACEPH" and "PHEN"). It was incorporated on 8 September 1969 and was originally known as "Trans-Asia Oil and Mineral Development Corporation," reflecting its original purpose of engaging in petroleum and mineral exploration and production. In order to diversify its product and revenue portfolio, the Company invested in power generation and supply, which eventually became its main business and revenue source. On 11 April 1996, the Company's name was changed to "Trans-Asia Oil and Energy Development Corporation." On 22 August 2016, the Company aligned its name with its then parent company, to become known as "PHINMA Energy Corporation," and extended its corporate life for another 50 years.

On 8 February 2019, PHN, PHI, and ACEIC, signed an Investment Agreement under the terms of which PHN and PHI will sell their aggregate of 2,517,064,700 common shares in the Company (then PHINMA Energy Corporation), constituting 51.476% of the total issued and outstanding shares of the Company, to ACEIC. ACEIC also agreed to subscribe to 2,632,000,000 new common shares of the Company, constituting 34.9% of the total issued and outstanding shares of the Company after the said issuance. After securing corporate and regulatory approvals, including the conduct of a mandatory tender offer in accordance with Section 19 of the SRC Rules, the transactions closed on 19 June 2019. On 11 October 2019, the Company changed its name to "AC Energy Philippines, Inc." to recognize its affiliation with its largest stockholder, ACEIC.

On 5 January 2021, the Company was renamed to "AC Energy Corporation" in consideration of the potential regional expansion of the Company following the ACEIC International Transaction.

On 15 December 2021, during a Special Stockholders' Meeting, stockholders representing at least 2/3 of the ACEN's outstanding capital stock, approved the following:

1. Amendment to the Articles of Incorporation ("Articles") to change the corporate name from "AC Energy Corporation" to "ACEN Corporation";

2. Amendment to the Articles to remove oil exploration, mining and related businesses from the Primary Purpose and Secondary Purposes and to specify retail electricity supply and provision of guarantees as part of the Primary Purpose; and

3. Amendment to the Articles to change the principal office of the Parent Company from "4th Floor, 6750 Office Tower, Ayala Avenue, Makati City 1226, Philippines," to "35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226, Philippines."

These material actions were initially approved by the Board of Directors of the Company on 11 November 2021, as endorsed by the Corporate Governance and Nomination Committee.

The changes to the Primary Purpose and Secondary Purposes are intended to remove the activities that place the Company's business under the purview of the Philippine foreign investment negative list, and to expressly specify the Parent Company's authority to provide guarantees in furtherance of its business.

The Company filed with the SEC the amendment to its Articles and By-laws to implement the foregoing on 10 May 2022. On 20 July 2022, the SEC approved the amendments.

Description of Business

The Company's principal product of power generation and supply is the electricity produced and delivered to the end-consumers. Power generation involves the conversion of fuel or other forms of energy to electricity.

As of 16 August 2022, ACEN had a pro forma total Net Attributable Capacity of 3,942 MW from operating projects and projects under construction, including the acquisition of UPC Australia and 49% of Solar NT, an affiliate of Super Energy. The table below presents the Net Attributable Capacity as of 16 August 2022, broken down by geography and technology.

	Net Attributable Capacity (in MW)		
By Geography	**Operating**	**Under Construction**	**Total**
Philippines	972	677	1,649
International Assets:			
Vietnam	999	48	1,047
Australia	0	521	521
India	168	336	504
Indonesia	186	3	189
Various[1]	12	19	31
Total International Assets	1,365	927	2,292
Total	**2,338**	**1,604**	**3,942**

Note:
1. Various is comprised of Mainland China, Hong Kong, Malaysia, Thailand, and Taiwan

	Net Attributable Capacity (in MW)		
By Technology	**Operating**	**Under Construction**	**Total**
Renewable Assets:			
Solar	1,143	1,278	2,420
Wind	548	265	813
Geothermal	138	3	141
Battery	0	40	40
Rooftop Solar	12	19	31
Total Renewable Assets	1,841	1,604	3,445
Thermal Assets:			
Diesel	251	0	251
Coal	246	0	246
Total Thermal Assets	497	0	497
Total	**2,338**	**1,604**	**3,942**

The Company's power supply business comprises buying electricity from and selling electricity to the Wholesale Electricity Spot Market ("WESM") to produce trading gains. This allows the Company to meet electricity requirements of contracted customers, not only from its diversified power generation portfolio, but also by making purchases from the WESM. Alternatively, the Company can also supply to the spot market any excess capacity that it has generated.

The Company began its active participation in the WESM when it obtained membership as a Wholesale Aggregator on 20 September 2007. The WESM serves as a platform where electricity generated by power producers are centrally coordinated and traded like any other commodity in a market of goods. On 19 November 2012, the Company secured its Retail Electricity Supplier ("RES") license from the Philippine Energy Regulatory Commission ("ERC") under RES License No. SL-2012-11-009 to supply electricity to the Contestable Market. On 20 November 2019, the ERC issued to the Company RES License No. 11- 2019-0057RS valid until 19 November 2022. As of the period ended 31 March 2022, the revenue sales from power supply contracts reached ₱4.53 billion and contributed the bulk of total energy sold.

In support of the Company's efforts to provide grid reliability and stability through the reserve market, the Company's diesel plants operated by OSPGC, BPGC, and CIPP have existing approved non-firm Ancillary Services Procurement Agreements ("ASPAs") with the National Grid Corporation of the Philippines ("NGCP"). Each of these diesel power plants provide dispatchable reserve services to NGCP, as they are fast start generators that are readily available for dispatch when called by NGCP to replenish the contingency reserve services whenever a generating unit trips or a single transmission interconnection loss occurs.

For the Luzon grid, OSPGC and BPGC have been providing dispatchable reserve services since 2013, while CIPP commenced providing dispatchable reserve services in 2017. Since 2013, revenues from ancillary services provide additional and substantial income to the Company, furthering providing an alternative market for the sale of electricity apart from the usual sale to customers through bilateral contracts, or sale to the WESM.

In oil and gas exploration, the Company continues to create and pursue upstream opportunities covering various risk-reward scenarios, success in which would lead to a significant, sustained contribution to the revenue stream of the Company. The Company's subsidiary, ACE Enexor, Inc., is at present a co-contractor, through Palawan55, in one Service Contract with the Philippine government. A Service Contract grants the contractor the exclusive right to explore, develop and produce petroleum resources within the contract area. In the event of commercial production, the Government and the contractor share in the profit. Service Contracts grant the contractor an exploration period of seven years, which may be extended for a limited number of years. If the reserves found are deemed commercial, the Service Contract allows a production period of 25 years, which may be extended.

Throughout the 50 years' operations of the Company, it has earned a good reputation as a prudent operator with strong management and technical teams highly regarded in the energy industry. Its diversified investments have given the Company greater financial resources to support its commitment to energy development.

Under the Ayala Group, the Company continues to seek other business opportunities and investments that will help it optimize and utilize these financial resources. After the acquisition by ACEIC of a majority stake in the Company, the Company integrated its assets and capabilities with ACEIC to form a strong and agile energy platform.

On 14 May 2020, the Company and ACEIC executed the Second Amended and Restated Deed of Assignment effective as at 9 October 2019, whereby ACEIC transferred and conveyed to the Company its rights and interest in 10 corporations as payment for its subscription to the Company's Common Shares ("ACEIC Philippine Transaction") as detailed in the table below:

Company	Type of Share	Number of Shares	Par Value per Share (₱)	% of Ownership Transferred	No. of Exchange Shares
AC Energy Development, Inc.	Common A	2,000,000	100.00	7.08	504,543,447
	Founders	3,979,868	0.01	14.08	119,397
	Preferred	20,5800,905	100.00	72.83	822,001,346
Monte Solar Energy, Inc.	Common A	12,000,000	0.06	2.52	42,240,000
	Preferred A	445,310,895	2.50	93.52	467,576,440
Ingrid Power Holdings, Inc.	Common	100,000	100.00	100.00	1,904,000
South Luzon Thermal Energy Corporation	Common	12,540,588	100.00	17.50	1,075,982,622
	Preferred	12,540,588	100.00	17.50	1,075,982,451
Philippine Wind Holdings, Inc.	Common	230,256	100.00	39.69	243,265,464
	Preferred A-1	15,088	15,866.51	2.60	292,757,293
	Preferred A-2	2,631	228,712.35	0.45	733,563,186
ACTA Power Corporation	Common	364,000	100.00	50.00	15,433,450
ACE Renewables Philippines, Inc.	Common	12,057,240	10.00	10.00	265,259,280
	Redeemable Preferred	108,515,160	10.00	90.00	401,506,092
Manapla Sun Power Development Corp.	Common	490,999	1.00	36.37	107,047,820
Viage Corporation	Common	1,250	100.00	100.00	100,000,000
NorthWind Power Development Corporation	Preferred	1,000,000	100.00	19.52	36,000,000
Total					**6,185,182,288**

In exchange for the above shares, ACEIC subscribed to a total of 6,185,182,288 Common Shares issued out of the First Increase in ACS at ₱2.37 per Share or a total transfer value of ₱14,658,882,022.56. Upon the issuance of the First SEC Approval on 22 June 2020, ACEIC acquired beneficial ownership of 6,185,182,288 Common Shares pursuant to the ACEIC Philippine Transaction with effective date as at 9 October 2019. On 30 October 2020, the BIR issued a ruling confirming that the ACEIC Philippine Transaction qualifies as a tax-free exchange. On 18 December 2020, the PSE issued a Notice of Approval approving the listing of the said Common Shares, together with the listing of up to 2,267,580,434 Common Shares pursuant to the Rights Offer. The Common Shares issued pursuant to the ACEIC Philippine Transaction were listed with the PSE on 28 January 2021.

On 29 January 2021, the Company completed the Rights Offer of 2,267,580,434 Common Shares. The net proceeds from the Rights Offer, after deducting the expenses related to the Rights Offer, were at ₱5,309,058,150.93, and was used to partially fund the development of power projects in pipeline and for other general corporate requirements.

On 26 April 2021, the Company and ACEIC executed the Deed of Assignment effective as at 26 April 2021, whereby ACEIC transferred and conveyed to the Company its rights and interest in AC Energy International as payment for its subscription to the Company's Common Shares ("ACEIC International Transaction") as detailed in the table below:

Company	Type of Share	Number of Shares	Par Value per Share (₱)	% of Ownership Transferred	No. of Exchange Shares
AC Energy International, Inc.	Common	1,701,284,345	1.00	100%	13,767,299,756
	Redeemable Preferred	15,030,279,000	1.00	100%	2,918,500,777
Total					**16,685,800,533**

In exchange for the above shares, ACEIC subscribed to a total of 16,685,800,533 Common Shares to be issued out of the Second Increase in ACS at ₱5.15 per Share or a total transfer value of

₱85,931,872,744.95. Upon the issuance of the Second SEC Approval on 7 June 2021, ACEIC acquired beneficial ownership of 16,685,800,533 Common Shares pursuant to the ACEIC International Transaction with effective date as at 26 April 2021. On 29 July 2021, the BIR issued the Certificate Authorizing Registration. On 23 September 2021, the PSE issued a Notice of Approval approving the listing of the said Common Shares. The Common Shares issued pursuant to the ACEIC International Transaction were listed with the PSE on 22 October 2021.

On 14 May 2021, the Company completed the Follow-on Offering of 2,010,248,617 Common Shares. The net proceeds from the Follow-on Offering, after deducting the expenses related to the Follow-on Offering, were at ₱10.0 billion, and will be used by the Company to partially fund the development of power projects in the pipeline and inorganic growth opportunities if and when they arise, repayment of loans and reduction of payables, and other general corporate requirements. As at 31 March 2022, about ₱6.8 billion of the Follow-on Offering proceeds has been disbursed and the balance of the Follow-on Offering proceeds stands at about ₱3.2 billion.

Recent Issuances of Securities

In the past three years, the Company entered into the following transactions registered or exempt from the registration requirements of the Securities Regulation Code:

Transaction	Date and Securities Sold	Purchasers/ Underwriters	Consideration	Registration/ Exemption
ACEIC Philippine Transaction	21 December 2020 6,185,182,288 Common Shares	ACEIC	Rights and interest in 10 corporations of ACEIC with a value of ₱14,658,882,022.56 (see above for a detailed description of the nature of the transaction and type and amount of consideration received by the Company)	SRC 10.1(i) The Common Shares were issued to ACEIC by way of subscription to the increase in the authorized capital stock of the Corporation. The request for approval of valuation required under Section 62 of the Corporation Code was deemed to include a request for confirmation of exemption (SRC Rule 10.1(4)(C)).
Rights Offer	29 January 2021 2,267,580,434 Common Shares	Stockholders of record as of 13 January 2021, underwritten by BPI Capital and China Bank Capital Corporation	Net proceeds from the Rights Offer, after deducting the expenses related to the Rights Offer, were at ₱5,309,058,150.93 in cash. No underwriting discounts or commissions.	SRC 10.1(e) and (l) SEC Confirmation of Exemption Transaction dated 9 December 2021. The Common Shares were issued only to stockholders of the Company. As the Rights Offer was fully subscribed by the stockholders of the Company, no Common Shares were issued pursuant to SRC 10.1(l).
Arran Investment (Primary Shares) (as described in the section	18 March 2021 4,000,000,000 Common Shares	Arran	₱11,880,000,000 in cash	SRC 10.1(c) The Common Shares were issued pursuant to an isolated

Transaction	Date and Securities Sold	Purchasers/ Underwriters	Consideration	Registration/ Exemption
"*Material Contracts – Arran Investment Pte Ltd Investment*," on page 226 of this Prospectus)				transaction with Arran for subscription to unissued shares in the Company.
ACEIC International Transaction	26 April 2021 16,685,800,533 Common Shares	ACEIC	Rights and interest in AC Energy International with a value of ₱85,931,872,744.95 (see above for a detailed description of the nature of the transaction and type and amount of consideration received by the Company)	SRC 10.1(i) The Common Shares were issued to ACEIC by way of subscription to the increase in the authorized capital stock of the Corporation. The request for approval of valuation required under Section 62 of the Corporation Code was deemed to include a request for confirmation of exemption (SRC Rule 10.1(4)(C)).
Follow-on Offering	14 May 2021 2,010,248,617 Common Shares	Public offer underwritten by BPI Capital Corporation, CLSA Limited, and UBS AG Singapore Branch	Net proceeds from the Follow-on Offering, after deducting the expenses related to the Follow-on Offering, were at ₱ 10,002,236,235.47 in cash.	SEC Order of Registration dated 20 April 2021
NW Founders (as described in the section "*Material Contracts – Subscription by NW Founders*," on page 229 of this Prospectus)	15 November 2021 90,000,000 Common Shares	Niels Jacobsen – 16,767,108 Ferdinand A. Dumlao – 41,375,371 Jose Ildebrando B. Ambrosio – 1,956,209 Laura Baui – 1,956,132 Kresten B. Jacobsen – 13,972,590 Kia Jacobsen – 13,972,590	Aggregate amount of ₱1,018,800,000.00 in cash	SRC 10.1(c) The Common Shares were issued pursuant to an isolated transaction with the NW Founders for subscription to unissued shares in the Company.
UPC Australia Group (as described in the section "*Material Contracts – Subscription by UPC Australia Group*," on page	21 March 2022 930,750,000 Common Shares	UPC Renewables Asia Pacific Holdings Pte Limited – 869,119,204 Anton Johannes Rohner - 61,630,796	Aggregate amount of ₱7,325,940,539.00 in cash	SRC 10.1(c) The Common Shares were issued pursuant to an isolated transaction with the UPC Australia Group for subscription to unissued shares in the Company.

Transaction	Date and Securities Sold	Purchasers/ Underwriters	Consideration	Registration/ Exemption
231 of this Prospectus)				
UPC Philippines Group (as described in the section "*Material Contracts – Subscription by UPC Philippines Group*," on page 231 of this Prospectus)	22 March 2022 389,995,833 Common Shares	UPC Philippines Wind Partners Ltd. – 19,059,423 Wind City Inc. – 142,668,634 Estanyol Holdings Ltd. – 153,493,200 Tenggay Holdings Ltd. – 70,525,763 Alan Kerr - 4,248,813	Aggregate amount of ₱3,232,636,457.00 in cash	SRC 10.1(c) The Common Shares were issued pursuant to an isolated transaction with the UPC Philippines Group for subscription to unissued shares in the Company.

Except for the Rights Offer and Follow-on Offering, no confirmation of exemption or approval of registration statement from the SEC was secured for these transactions. For the ACEIC Philippine Transaction and the ACEIC International Transaction, the request for approval of valuation required under Section 62 of the Corporation Code was deemed to include a request for confirmation of exemption (SRC Rule 10.1(4)(C)).

Competitive Strengths

The Company has a number of competitive strengths that it can use to enhance and leverage its position in the Philippine energy industry. Having positioned itself in various forms of power generation and having a balanced mix of supply and customer contracts, the Company sees expansion of its power generation portfolio via its upcoming projects to increase its flexibility in meeting the varying power generation requirements of its customers and stakeholders at the lowest possible cost. ACEIC, as its majority shareholder with a proven track record as the Ayala Group's platform for its investments in the power sector, also facilitates in strengthening the Company's balance sheet and ultimately, delivering the Company's vision of reaching 5,000 MW in 2025 to become the largest listed renewables platform in Southeast Asia. As of 16 August 2022, the Company has approximately 3,942 MW of pro forma attributable energy in the Philippines and across the region, of which approximately 87% is renewable.

The Company considers the following to be its principal competitive strengths:

- Portfolio of projects across the Philippine and Asia-Pacific, technologies and energy sources and regulatory regimes provides stable cash flows, diversification and a strong platform for growth;
- Strong pipeline of projects in partnership with recognized and accomplished power industry developers, operators and investors provides a visible path to growth;
- The Company is well positioned to capture future demand growth in various forms of power generation in the Philippines;
- Well-positioned to benefit from the Philippines increasingly embracing renewable energy sources to address its long-term energy needs;
- The Company has an optimal mix of supply and customer contracts;
- Strengthened balance sheet and good visibility of future cash flows;

- ACEIC as the majority shareholder with proven track record of delivering growth, rapid execution, performance and realizing value;
- The Company is supported by its ultimate shareholder, the Ayala Group, fully committed to delivering the Company's vision;
- Led by a reputable and experienced board and management team; and
- Highly motivated organization actively involved in the management of the energy portfolio with capabilities to anticipate and react to developing market thematics and trends rapidly

*See the section entitled "**Competitive Strengths**" on page 154 of this Prospectus*

Listing

The Company has been listed on the PSE since 5 January 1970. As of 30 June 2022, the Company's major stockholders and their respective shareholdings (based on the total outstanding shares) are the following: PCD Nominee Corporation (11.06%, excluding ACEIC's and Arran's lodged shares), Arran (16.87%) and ACEIC (62.48%).

The Offer

ACEN has filed with the SEC a registration statement covering a three-year Shelf Registration of up to Thirty Billion Pesos (₱30,000,000,000.00) debt securities to be offered in one or more tranches under a debt securities program, and the proposed public offer and sale in the Philippines of ASEAN Green fixed-rate Green Bonds in the aggregate principal amount of Ten Billion Pesos (₱10,000,000,000.00), to be issued as the first Tranche of the Securities Program to be listed on PDEx. Details about the Offer can be found in the section entitled "***Description of the Green Bonds***" on page 91 of this Prospectus.

Use of Proceeds

The Company expects to raise gross proceeds of approximately ₱10,000,000,000.00 from the sale of the Offer. The net proceeds from the sale of the Offer, determined by deducting from the gross proceeds the fees, commissions, and expenses relating to the issuance are expected to be approximately ₱9,873,906,845.00. The proceeds will be used by the Company to finance or refinance, in whole or in part, new or existing Eligible Green Projects, as defined in the Company's Green Bond Framework, and other general corporate requirements. See "***Use of Proceeds***" on page 76 of this Prospectus.

Risks of Investing

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Green Bonds. These risks include:

- risks relating to the Company and its businesses:
  - Increased competition in the power industry
  - Heightened competition in the renewable energy sector
  - Inability to adapt to technological changes
  - More stringent public float requirements proposed by the Philippine Securities and Exchange Commission and the Philippine Stock Exchange
  - Volatility in commodity prices
  - Fluctuations in the capacity factor of renewable resources
  - Inability to unable to maintain relationships and obligations with its existing clients
  - Regulatory price caps in the Philippine and Australian electricity spot markets
  - Inability to successfully implement growth and other strategic objectives; impact of acquisitions and investments
  - Significant government regulations relating to its operations

- Failure to obtain financing on reasonable terms or at all
    - Debt financing and refinancing risk
    - Macroeconomic, social and political developments and conditions of the countries where the Company's portfolio of projects are located
    - COVID-19, future pandemics, epidemics or outbreaks of diseases
    - Cybersecurity threats or other breaches of network or IT security
    - Ability to attract and retain key personnel
    - Government policy commitments to the promotion of renewable energy.
    - Inability to adequately influence the operations of its Associates and joint ventures and the failure of its strategic partnerships
    - Risks and delays relating to the development of greenfield power projects
    - Restriction or prohibition on the Company's Associates' or joint ventures' ability to distribute dividends
    - Risks relating to the administration and operation of power generation projects by project companies
    - Climate Change
    - Environmental regulations
    - Risks inherent to power project development operations and the operations of the power projects and occupational hazards
    - Grid curtailment
    - Related party transactions
    - Credit and collection risk
    - Exchange rate and/or interest rate fluctuations
    - Inadequate insurance coverage
    - WESM price fluctuations
    - Damage to reputation or brand erosion
    - Major political and economic developments abroad
    - Labor disputes

- risks relating to the Philippines:
    - Economic conditions
    - Political instability
    - Credit rating risk
    - Territorial disputes

- risks relating to the Securities:
    - Inability to develop an active or liquid trading market
    - Reinvestment risk
    - Gain or loss from secondary sales
    - Credit rating risk
    - Lack of preference
    - Suitability for investors

- risks relating to statements in this Prospectus:
    - Statistical and industry information
    - Possible deviation in the Use of Proceeds
    - Information may be derived from unofficial publications
    - Financial information may be inaccurate or of limited use

Please refer to the section of this Prospectus entitled "***Risk Factors***," which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with the purchase of the Green Bonds.

Company Information

The registered office of the Company is at 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Avenue, Makati City 1226, Philippines. Its telephone number is +(632) 7730-6300 and its corporate website is https://www.acenrenewables.com/. The information on the Company's website is not incorporated by reference into, and does not constitute part of, this Prospectus.

Recent Developments

Issuance of Shares to Grantees of Employee Stock Ownership Plan

On 19 August 2022, the Company issued an aggregate of 32,622,666 common shares to certain employees in their capacity as grantees of its Employee Stock Ownership Plan. These common shares will be applied for lodgment with the PCD and listing with the PSE.

Execution of Common Provisions Agreement and Facility Agreement with ACEN Australia and DBS Bank Ltd.

On 18 August 2022, the Company, as guarantor to ACEN Australia Pty Ltd. ("ACEN Australia"), executed a Common Provisions Agreement and a Facility Agreement with ACEN Australia and DBS Bank Ltd., Australia Branch ("DBS Bank") for an AUD 100 million green long-term revolving loan facility.

Additional Subscription in NAREDCO

On 16 August 2022, the Company and its wholly-owned subsidiary ACE Endevor signed subscription agreements with Natures Renewable Energy Devt. (NAREDCO) Corporation ("NAREDCO") for the subscription by (1) ACEN to 275,000 Redeemable Preferred Shares A with a par value of ₱2,820.51 per share or an aggregate par value of ₱775,640,250.00 and 200,000 Redeemable Preferred Shares C with a par value of ₱2,585.55 per share or an aggregate par value of ₱517,110,000.00; and (2) ACE Endevor to 25,000 Redeemable Preferred Shares B with a par value of ₱1.00 per share or an aggregate par value of ₱25,000.00 in NAREDCO.

Corporate Vision and Strategy

On 8 August 2022, the Board of Directors, through its Executive Committee approved the corporate vision and strategy targeting 20 gigawatts ("GW") of attributable renewables capacity by 2030.

This represents 6x growth from 3.4 GW of renewables capacity today, or a 25% compounded annual growth rate up to the end of the decade. The Company currently has 18 GW of pipeline across the Asia-Pacific region, which will help with the achievement of the Company's 2030 goals.

The Philippines will remain as the core market, which currently accounts for 40% of total capacity, and is expected to remain at this level. The Company also plans to aggressively grow its investments in Australia, which is expected to be its second largest market within the decade. The Company will also continue to grow its presence in Vietnam, Indonesia and India, and expand its geographic footprint through strategic partnerships.

Solar and wind will remain as core energy technologies, complemented by investments in new technologies such as battery energy storage, floating solar, and offshore wind.

Board Approvals on 12 May 2022

On 25 July 2022, the Board of Directors in its special meeting approved the following material matters:

- The Company's Interest Rate Risk Management Policy.

- The retirement of the Company's business office / permit for its office located on the 22nd Floor of the 6750 Office Tower, Ayala Avenue, Makati City.

Signing of the Agreement for the Supply and Installation for the Caparispisan Wind Project

On 29 July 2022, the Company, through its subsidiary Amihan Renewable Energy Corp., signed an agreement with Siemens Gamesa Renewable Energy Technology (SGRE) for the supply and installation of 14 units of wind turbines for the construction of the wind project in Caparispisan, Pagudpud, Ilocos Norte. Once completed, the wind project can produce over 220 GWh of renewable energy per year, and eliminate over 130,000 tonnes of CO2 emissions annually. The 70 MW wind project will help deliver the Company's supply commitments secured under the first round of the DOE's Green Energy Auction Program held in June 2022, with the wind project providing the lowest winning bid for wind renewable energy supply at a flat rate of ₱3.8583/kilowatt-hour for 20 years.

Board Approvals on 25 July 2022

On 25 July 2022, the Board of Directors in its special meeting approved the following material matters:

- (i) Issuance of a notice to proceed for the 70 MW Amihan (Caparispisan 2) wind power project in Pagudpud, Ilocos Norte (the "Amihan Project"), (ii) issuance of a parent company guarantee for the Amihan Project in relation to the contracts with Siemens Gamesa Renewable Energy for the benefit of Amihan Renewable Energy Corp. ("AREC"), in exchange for a guarantee fee, (iii) procurement of a Performance Bond for the Green Energy Auction Program for the account of AREC, in exchange for a fee payable by AREC, and (iv) infusion of up to ₱1 billion as equity into AREC, either directly or through AREC's parent company and the Company's subsidiary, North Luzon Renewable Energy Corp.

- Issuance of a parent company guarantee for the benefit of Ingrid Power Holdings, Inc. ("Ingrid") in connection with Ingrid's Bid Security and Performance Security for the National Grid Corporation's Competitive Selection Process for Ancillary Services, in exchange for an annual guarantee fee.

- (i) Additional investment in the San Marcelino Solar Energy Power Plant Project (Phases 1 and 2) and funding into the project company, Santa Cruz Solar Energy, Inc., by way of equity and/or loans/advances, and (ii) the use of ACEN lines and/or issuance by the Company of a corporate guarantee that may be needed for purposes of implementing the additional investments into the project.

- Issuance of corporate guarantees, comfort letters, letters of awareness, and similar documents in support of the Australia projects of up to an aggregate of AUD1.0 billion with initial issuance of up to AUD622 million for AUD Revolver/Term/Club Loan financing.

- (i) Sale of the Company's common shares in South Luzon Thermal Energy Corporation ("SLTEC") to ETM Philippines Holdings, Inc. ("EPHI"), consistent with the Company's announced efforts on the early retirement of the SLTEC coal power plant in Calaca, Batangas by 2040 (15 years ahead of its technical life) under an Energy Transition Mechanism, which aims to leverage a market-based approach to accelerate the transition from fossil fuels to clean energy, and (ii) extension of a bridge loan to EPHI, subject to definitive documentation and agreed conditions precedent.

Amendment of Articles of Incorporation and By-laws

On 20 July 2022, the SEC approved the amendment of the Company's Articles of Incorporation to (1) change in the corporate name of the Company to "ACEN CORPORATION," (2) removal of oil exploration, mining, and related activities from the Primary Purpose and Secondary Purposes, and specification of retail electricity supply and provision of guarantees, and (3) change in the principal office of the Company.

On the same date, the SEC approved the amendment of the Company's By-laws to reflect the change in corporate name and principal office of the Company, align with the Revised Corporation Code and good corporate governance practices, and geared towards the digitalization of certain governance processes, the importance of which has been highlighted by the current circumstances.

Execution of Loan and Security Agreement with NAREDCO

On 14 July 2022, the Company signed a Loan and Security Agreement with Natures Renewable Energy Development Corporation ("NAREDCO") as borrower in the amount of up to ₱1,139,000,000.00 to finance the 133-MWdc solar farm and transmission line project located in Lal-lo, Cagayan. The loan will be secured by (1) a real estate mortgage over the parcels of land where the project will be located and (2) a pledge over the shares of CleanTech Renewable Energy 4 Corp. in NAREDCO.

Executive Committee Approval of the Offer and Shelf Registration

On 6 July 2022, the Executive Committee of the Company, by authority of the Board of Directors, approved the Offer and the Shelf Registration.

Deed of Cancellation between the Company and ACE Enexor, Inc.

At a special meeting of the Board of Directors held on 3 June 2022, the Board of Directors approved the cancellation of (a) the property-for-shares swap between the Company and ACE Enexor and (b) the Deed of Assignment dated 29 December 2021, as amended on 31 January 2022, that was executed to implement the property-for-shares swap. It likewise approved the withdrawal of (a) the request for confirmation of valuation in relation to the property-for-shares swap and currently pending with the SEC, and (b) the application for a certificate authorizing registration ("CAR") that is pending with the BIR in relation to the property-for-shares swap.

On the same date, ACEN and ACEX signed a Deed of Cancellation to cancel the Deed of Assignment dated 29 December 2021 and the Amendment to the Deed of Assignment dated 31 January 2022, covering the property-for-shares swap between ACEN and ACEX.

Under the Deed of Assignment, ACEX would have issued 339,076,058 shares of stock in ACEX (the "Shares") to ACEN at an issue price of ₱10.00 per Share in exchange for the following properties of ACEN: (a) 3,064,900 common shares in Palawan55 Exploration & Production Corporation ("Palawan55") with a par value of ₱100.00 per share, comprising 30.65% of the issued and outstanding shares in Palawan55; (b) 6,000,000 common shares in Bulacan Power Generation Corporation ("BPGC") representing 100% of the issued and outstanding shares in BPGC; (c) 6,351,000 common shares in CIP II Power Corporation ("CIPP") with a par value of ₱50.00 per share representing 100% of the issued and outstanding shares in CIPP; (d) 3,600,000 redeemable preferred shares in Ingrid3 Power Corp., ("Ingrid3"), a special purpose vehicle for the development of a new power project, with a par value of ₱1.00 per share, representing 100% of the issued and outstanding redeemable preferred shares in Ingrid 3; and (e) 33,493,366 common shares in One Subic Power Generation Corporation ("OSPGC") with a par value of ₱1.00 per share representing 17.13% of the issued and outstanding shares in OSPGC. The Amendment to the Deed of Assignment corrected the reference to the resulting ownership percentage of ACEN in ACEX from 89.96% to 89.78% of the outstanding capital stock of ACEX.

As a result of the execution of the Deed of Cancellation, ACEX filed for the withdrawal of the Request for Confirmation of the Valuation of the Assets in exchange for the Shares filed with the SEC, which is still pending with the SEC as of the date of this Prospectus, and the issuance of a CAR filed with the BIR, which was approved on 10 June 2022.

Omnibus Agreement among ACEN, ACE Endevor, Inc., Greencore Power Solutions 3, Inc., and Citicore Solar Energy Corporation

On 25 May 2022, the Company and ACE Endevor, Inc. ("ACE Endevor"), a wholly-owned subsidiary of the Company, signed an Omnibus Agreement with Greencore Power Solutions 3, Inc. ("Greencore") as borrower and Citicore Solar Energy Corporation ("CSEC") for the financing of Greencore's 42MWdc solar power plant project and associated facilities to be located in Arayat and Mexico, Pampanga, which is Phase 2 of the Arayat Solar Power Plant Project ("Arayat Project").

Under the Omnibus Agreement, the Company, as lender, will be extending a term loan facility to Greencore in the amount of up to ₱2.3 billion to finance the design, engineering, financing, construction, procurement and supply, manufacturing, commissioning, start-up, testing, delivery, ownership, operation and maintenance of the plant, which is expected to be operational in February 2023. The loan will be secured by (1) a real estate mortgage over the real assets of the Greencore, (2) a pledge over the shares of the Greencore, and (3) the cashflows of the project.

Greencore, the special purpose vehicle of the project and the borrower, is 50%-owned CSEC, 45% by the Company, and 5% by ACE Endevor.

Listing of Shares in the Company

On 26 May 2022, the PSE issued a Notice of Approval approving the listing of the shares issued to the NW Founders, to UPC Australia Group, and to the UPC Philippines Group, subject to post-approval requirements and conditions. As of 29 June 2022, the Company has complied with all applicable requirements for the listing of these shares on 1 July 2022.

Subscription by NW Founders

On 12 November 2021, the Company and the minority shareholders of NPDC ("NW Founders") signed a Share Purchase Agreement for the acquisition by the Company of the 32.2% ownership interest of the NW Founders for up to ₱1.093 billion.

On 15 November 2021, the Company signed Subscription Agreements with the following NW Founders for the following number of shares in the Company at a price of ₱11.32 per share:

1. Niels Jacobsen – 16,767,108
2. Ferdinand A. Dumlao – 41,375,371
3. Jose Ildebrando B. Ambrosio – 1,956,209
4. Laura Baui – 1,956,132
5. Kresten B. Jacobsen – 13,972,590
6. Kia Jacobsen – 13,972,590

The subscribed shares were issued to the NW Founders on 29 November 2021 and have been duly recorded in the books of the Company.

Subscription by UPC Australia Group

On 21 March 2022, the Company signed Subscription Agreements with the following entities for the following number of shares in the Company at a price of ₱7.871 per share:

1. UPC Renewables Asia Pacific Holdings Pte Limited – 869,119,204

2. Anton Johannes Rohner - 61,630,796 (collectively, the “UPC Australia Group”)

The subscribed shares were issued to the above shareholders on 18 April 2022, and have been duly recorded in the books of the Company.

Subscription by UPC Philippines Group

On 22 March 2022, the Company signed Subscription Agreements with the following for shares in the Company at a price of ₱8.2889 per share:

1. UPC Philippines Wind Partners Ltd. – 19,059,423

2. Wind City Inc. – 142,668,634

3. Estanyol Holdings Ltd. – 153,493,200

4. Tenggay Holdings Ltd. – 70,525,763

5. Alan Kerr – 4,248,813 (collectively, the “UPC Philippines Group”)

The subscribed shares were issued to the above shareholders on 18 April 2022, and have been duly recorded in the books of the Company.

Investment in Suryagen

On 16 May 2022, the Company and the Puri Usaha Group have agreed to work together in a platform for the joint development of groundbreaking renewable energy projects in Indonesia focusing on large-scale solar power plants, battery energy storage system and green hydrogen projects, subject to applicable regulatory approvals and execution of definitive documentation. The proposed joint venture entity is Suryagen Capital Pte. Ltd.

The Suryagen platform covers the Batam, Bintan and Karimun (BBK) islands as well as East Nusa Tenggara province where the majority of the projects that the Puri Usaha Group have been developing are located, with the aim to begin the construction of its first project by 2023.

Board Approvals on 12 May 2022

On 12 May 2022, the Board of Directors in its regular meeting approved the following material matters:

- Additional term loan facilities of up to ₱6 billion to support the Company’s growth plans; and

- Issuance of corporate guarantees in support of the Company’s Australia projects for an aggregate of up to AUD360 million.

Board Approvals on 26 April 2022

On 26 April 2022, the Board of Directors in its organizational meeting approved the following material matters:

- Joint venture with Pivot Power for possible renewable energy projects in the U.S.;

- Issuance of a corporate guarantee/s for a fee in favor of the Company’s subsidiary, ACE Enexor, Inc., to support the latter’s bank loans and financing requirements of up to ₱4.5 billion; and

- Investment in the development, mobilization, design, and construction of Phase 2 of the San Marcelino solar farm with up to 105 MWdc capacity and a floating solar farm of up to 345Wdc capacity, both to be located in San Marcelino, Zambales.

Shareholders Approvals on 26 April 2022

On 26 April 2022, the shareholders of the Company in its 2022 ASM approved the following material matters:

- Issuance of 389,995,833 primary common shares to the owners, affiliates, and/or partners of UPC Philippines Wind Investment Co. BV; and

- Management agreement with South Luzon Thermal Energy Corporation.

Sale of Power Barge 103

On 19 April 2022, the Company and SPC Power Corporation executed the Deed of Absolute Sale and Assignment effective 18 April 2022 for Power Barge 103, a decommissioned 4 x 8MW oil-fired diesel power barge located in Barangay Poblacion, Lapu-Lapu City.

Amended and Restated Omnibus Loan and Security Agreement, Administration and Management Agreement, and Operations and Maintenance Agreement between ACEN and SLTEC

On 11 April 2022, the Company, as share security grantor, and its subsidiary South Luzon Thermal Energy Corporation ("SLTEC"), as borrower, signed an amended and restated Omnibus Loan and Security Agreement ("OLSA") for the refinancing of the 2x135 MW SLTEC Circulating Fluidized Bed thermal power plant under an energy transition financing with the Bank of Philippine Islands and Rizal Commercial Banking Corporation as lenders.

The Company and SLTEC also signed an Administration and Management Agreement for the Company's administration, control, and management of the entire capacity of the SLTEC power plant, and an Operations and Maintenance Agreement.

The amended and restated OLSA increased the facility from ₱11 billion (₱9.8 billion of which is outstanding as of execution date) to ₱13.7 billion, which will be used to refinance the existing loan, finance the partial redemption of SLTEC shares held by the Company upon regulatory approval, and fund transaction-related costs.

Approval of Sponsor Documents for SLTEC Refinancing

On 6 April 2022, the Executive Committee approved the execution by ACEN, as the project sponsor of SLTEC, of sponsor documents for the refinancing of SLTEC under an energy transition financing with certain Philippine banks as lenders, and the delegation to the President, John Eric T. Francia, and CFO, Maria Corazon G. Dizon, of the authority to finalize the terms and conditions of the Sponsor Documents and the list of lenders for SLTEC's energy transition financing.

OVERVIEW OF THE SECURITIES PROGRAM

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of the Securities Program, the applicable terms and conditions contained in the relevant offer supplement. In case of conflict between the terms below and those contained in the offer supplement corresponding to a particular Tranche, the latter shall prevail.

ACEN is offering the Securities Program comprised of debt securities (the "Securities") in the aggregate principal amount of up to Thirty Billion Pesos (₱30,000,000,000.00) to be issued in one or more tranches (each, a "Tranche"). The following sections outline the description of the Securities Program followed by specific indicative terms and conditions applicable to a particular Tranche.

The Securities Program

Issuer:	ACEN CORPORATION (formerly AC Energy Corporation)
Facility:	Up to Thirty Billion Pesos (₱30,000,000,000.00) Securities Program
Purpose:	The intended use of proceeds for each Tranche of the Securities Program being offered shall be set in the relevant prospectus and/or offer supplement under the "Use of Proceeds" section.
Availability:	The Securities Program will be continuously available until the expiration of the shelf registration and the permit to offer securities for sale to be issued by the SEC.
Maturity:	Fixed-rate bonds: to be determined per issuance Other Securities: as provided by applicable SEC rules and regulations at the time of issuance
Method of Issue:	Each of the Securities will be issued on a continuous basis in Tranches on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, interest commencement date, and principal amount of the Tranche, will be similar to the terms of other Tranches of the same Securities) will be set forth in the relevant prospectus or corresponding offer supplement.
Form of Securities:	Each Tranche of the Securities will be represented by a Master Certificate of Indebtedness to be issued and registered in the name of the Trustee for the holders of the Securities ("Security Holders") and by applicable document pursuant to the rules or other relevant regulations as promulgated by the SEC. Legal title to the Securities shall be shown on and recorded in the Register of Security Holders maintained by the Registrar.
Denomination of the tranche Securities to be issued:	Fixed-rate Green Bonds: minimum of ₱50,000.00 face value and in increments of ₱10,000.00.
Redemption for Taxation Reasons:	If payments under the relevant Tranche become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the relevant Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the relevant Tranche in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par or 100% face value plus accrued interest.

Final Redemption:	Except when a call option on the Securities is exercised, the Securities will be redeemed at par or 100% face value on the relevant maturity date.
Status of the Securities:	The Securities shall constitute direct, unconditional, unsubordinated, and unsecured Peso-denominated obligations of the Issuer and will rank *pari passu* and ratably without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law.
Negative Pledge:	The Securities shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens.
Taxation:	Except: (1) tax on a Security Holder's interest income on the Securities which is required to be withheld by the Issuer, and (2) capital gains tax/income tax, documentary stamp tax and other taxes on the transfer of Securities (whether by assignment or donation), if any and as applicable, which are for the account of the Security Holder, all payments of principal and interest will be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Republic of the Philippines or any political subdivision, agency or instrumentality thereof, including, but not limited to, issue, registration, or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided, however, that the Issuer shall not be liable for, and will not gross-up the payments of interest on the principal amount of the Securities so as to cover any final withholding tax applicable on interest earned on the Securities prescribed under the National Internal Revenue Code of 1997, as amended, and its implementing rules and regulations. Documentary stamp tax on the original issue of the Securities shall be for the Issuer's account. A Security Holder who is exempt from or is not subject to final withholding tax on interest income may claim such exemption by submitting to the relevant underwriter, together with its Application to Purchase: (a) a current and valid original of BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Security Holder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the corporate secretary of the Security Holder that: (a) the original is in the possession of the corporate secretary as the duly authorized custodian of the same; and (b) the corporate secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity; (b) with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Security Holder or, if the Security Holder is a fiscally transparent entity, each of the Security Holder's owners or beneficiaries with the proof of receipt by the concerned office of the BIR, as required under BIR Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Security Holder or, if the Security Holder is a fiscally transparent entity, the country of residence of each of the Security Holder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant

provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, special power of attorney executed by the Security Holder or the Security Holder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Security Holder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; and (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Security Holder or, if the Security Holder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Security Holder/Registrar and Paying Agent to the Issuer no later than the 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

(c) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Security Holder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Security Holder holds, the Securities for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Securities pursuant to its management of tax-exempt entities (*i.e.*, Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and Paying Agent, and the Joint Lead Underwriters and Bookrunners free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and

(d) such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, including a copy of the submitted Application Form for Treaty Purposes, the valid and existing tax residence certificate issued by the relevant foreign tax authority, and evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Security Holder or the Security Holder's or beneficiaries' legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Security Holder is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Security Holder on the interest payments to such Security Holder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Security Holder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar and Paying Agent.

The tax treatment of a Security Holder may vary depending upon such person's particular situation and certain Security Holders may be subject to special rules not discussed above. This summary does not purport to address all the aspects that may be important and/or relevant to a Security Holder. Security Holders are advised to consult their own tax advisers on the ownership and disposition of the Securities, including the applicability and effect of any state, local or foreign tax laws.

Governing Law:	Philippine Law

Specific terms related to any Tranche of the Fixed-rate Green Bonds

Issue Price:	The fixed-rate bonds will be issued at 100% of face value.
Fixed-rate Green Bonds Interest:	Interest on fixed-rate bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrears.
Call Option:	The applicable final terms will indicate either that the relevant fixed-rate bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such fixed-rate bonds will be redeemable at the option of the Issuer and/or the fixed-rate bondholders upon giving notice to the bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the underwriters.
Purchase and Cancellation:	The Issuer may at any time purchase any of the fixed-rate bonds in the open market or by tender or by contract at market price without any obligation to purchase (and the bondholders shall not be obliged to sell) fixed-rate bonds pro-rata from all bondholders. Any fixed-rate bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the fixed-rate bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.
Registrar and Paying Agent:	Philippine Depository & Trust Corp.
Trustee:	RCBC Trust & Investments Group
Listing:	Philippine Dealing & Exchange Corp.

SUMMARY OF THE OFFER

This Prospectus and Offer relates to the first Tranche of the Securities Program for the proposed public offer and sale in the Philippines of ASEAN Green Fixed-rate Green Bonds (the "Green Bonds"). The following summary of the Offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and the Bond Documents. This Summary of the Offer relates to the first tranche of the Green Bonds, with an aggregate principal amount of Ten Billion Pesos (₱10,000,000,000).

The following summary of the Offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation.

Prospective investors are enjoined to perform their own independent investigation and analysis of the Company and the Offer. Each prospective investor must rely on its own appraisal of the Company and the Offer and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether or not to invest in the Offer and must not rely solely on any statement or the significance, adequacy, or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis.

Issuer..	ACEN CORPORATION (formerly AC Energy Corporation)
Issue..	ASEAN Green fixed-rate bonds (the "Green Bonds") constituting the direct, unconditional, unsubordinated, unsecured and general obligations of the Issuer
Issue Amount	Ten Billion Pesos (₱10,000,000,000.00) in aggregate principal amount due 2027 (the "Offer"), to be issued as the first tranche under the Issuer's Shelf Registration
Joint Issue Managers	BDO Capital and BPI Capital
Joint Lead Underwriters and Bookrunners	BDO Capital, BPI Capital, RCBC Capital, and SB Capital
Issue Date	22 September 2022, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon by the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC, and PDEx.
Maturity Date	Five (5) years from Issue Date provided that, in the event that the Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

Interest Rate..	Fixed interest rate of 6.0526% per annum
Issue Price..	Par or 100% of face value
Offer Period	The period commencing at 9:00 a.m. on 9 September 2022 and ending at 5:00 p.m. on 15 September 2022, or such earlier or later date as may be determined by the Issuer and the Joint Lead Underwriters and Bookrunners
Use of Proceeds.......................................	To finance or refinance, in whole or in part, new or existing Eligible Green Projects, as defined in the Company's Green Bond Framework. See "***Use of Proceeds***" on page 73 of this Prospectus for details of how the total net proceeds are expected to be applied.
Interest Payment Date..............................	22 December 2022 for the first Interest Payment Date, and 22 December, 22 March, 22 June, and 22 September; and in the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due; provided that, if the Issue Date is set at a date other than 22 September 2022, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.
Interest Period	The period commencing on the Issue Date and having a duration of three months and, thereafter, each successive three (3)-month period commencing on the last day of the immediately preceding Interest Period up to, but excluding the first day of the immediately succeeding Interest Period, but in the case of the last Interest Period, it will be the period from and including the last day of the immediately preceding Interest Period up to, but excluding, the Maturity Date.
Call Option & Price...................................	Redeemable at the option of the Issuer:

Call Option Dates	**Call Option Price**
12th to 15th Interest Payment Date	101.00%

16th to 19th Interest Payment Date	100.50%

Issue Rating .... The Green Bonds are rated PRS Aaa by PhilRatings.

SUMMARY FINANCIAL INFORMATION

The following tables present a summary consolidated financial information for ACEN and should be read in conjunction with ACEN's audited consolidated financial statements and notes thereto contained in this Prospectus and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The summary financial information presented below as of and for the years ended 31 December 2021, 2020, 2019, and 2018, and for the quarterly periods ended 31 March 2022 and 2021, was prepared in accordance with Philippine Financial Reporting Standards. The Company's consolidated financial statements as of 31 December 2021, 2020, 2019, and 2018 were audited by SyCip Gorres Velayo & Co ("SGV & Co"). The Company's interim condensed consolidated financial statements as of 31 March 2022 and for the three-month period ended 31 March 2022 and 2021 were reviewed by SGV & Co.

Due to the incorporation of the effect of common control business combination in the Company's audited consolidated financial statements as of and for the years ended 31 December 2021, 2020, and 2019, the Company restated its consolidated balance sheet as of 31 December 2019 presented as comparative in the audited consolidated financial statements as of 31 December 2021. See Note 32 of the Company's audited consolidated financial statements included elsewhere in this Prospectus for more details.

The selected financial information set out below does not purport to project the results of operations or financial position of the Company for any future period or date. Please note that figures may not sum up due to rounding off; the complete financial statements of the Company can be found starting on page F-1 of this Prospectus.

Consolidated Statements of Financial Position

	For the years ended 31 December				For the three months ended 31 March
	2018	**2019**	**2020**	**2021**	**2022**
(*in thousands of Pesos*)		(As restated)	(As restated)		
		Audited			**Unaudited**
ASSETS					
Current Assets					
Cash and cash equivalents	₱1,022,366	₱39,630,296	₱28,077,171	₱26,445,429	₱27,697,266
Short-term investment	35,326	100,000	–	68,310	196,712
Accounts and notes receivable	2,627,291	7,417,212	16,611,719	33,309,297	**31,603,834**
Fuel and spare parts	413,673	938,459	1,391,340	1,490,559	**1,663,322**
Financial assets at fair value through other comprehensive income (FVOCI)	743,739	–	12,620,756	–	–
Current portion of:					
Input value added tax (VAT)	26,332	190,816	438,738	1,173,169	1,840,884
Creditable withholding taxes	79,443	179,007	649,271	837,472	998,203
Other current assets	182,766	212,819	453,424	744,269	1,040,284
	5,130,936	48,668,609	60,242,419	64,068,505	65,040,505
Noncurrent assets held for sale	34,328	3,546	–	203,464	119,179
Total Current Assets	**5,165,264**	**48,672,155**	**60,242,419**	**64,271,969**	**65,159,684**
Noncurrent Assets					
Investments in:					
Associates and joint ventures	4,322,684	17,072,173	18,795,088	21,358,301	29,200,652
Other financial assets at amortized cost	–	3,374,290	15,297,105	26,085,959	28,669,031
Financial assets at fair value through profit or loss (FVTPL)	5,452	–	–	406,739	1,211,227
Financial assets at FVOCI	257,995	21,796,602	381,168	354,868	352,408
Property, plant and equipment	5,760,963	25,438,977	31,837,950	36,038,563	37,998,678
Right-of-use assets	–	951,750	2,343,404	2,135,479	1,972,345
Investment properties	13,085	13,085	341,549	13,085	13,085
Accounts and notes receivable – net of current portion	–	2,389,231	6,540,288	13,191,314	16,998,207
Goodwill and other intangible assets	320,219	441,077	2,537,094	2,375,980	2,433,909

(in thousands of Pesos)	2018	2019 (As restated)	2020 (As restated)	2021	2022
	For the years ended 31 December				**For the three months ended 31 March**
		Audited			**Unaudited**
Net of current portion:					
Input VAT	335,759	372,917	1,177,802	524,733	612,102
Creditable withholding taxes	704,726	861,208	601,840	726,804	709,584
Deferred income tax assets - net	261,346	653,923	416,353	512,366	1,176,429
Other noncurrent assets	1,777,202	2,401,613	1,303,760	3,165,227	4,332,731
Total Noncurrent Assets	**13,759,431**	**75,766,846**	**81,573,401**	**106,889,418**	**125,680,388**
TOTAL ASSETS	**₱18,924,695**	**₱124, 439,001**	**₱141,815,820**	**₱171,161,387**	**₱190,840,072**

(in thousands of Pesos)	2018	2019 (As restated)	2020 (As restated)	2021	2022
	For the years ended 31 December				**For the three months ended 31 March**
		Audited			**Unaudited**
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable and other current liabilities	₱2,269,398	₱4,064,597	₱6,490,190	₱6,280,829	₱6,926,631
Short-term loans	400,000	3,556	4,635,000	–	3,237,020
Current portion of long-term loans	265,460	905,931	707,782	824,488	830,995
Current portion of lease liabilities	–	128,796	285,001	536,950	192,637
Income and withholding taxes payable	11,762	103,361	345,281	169,920	225,470
Due to stockholders	16,651	16,594	18,272	16,585	16,585
Total Current Liabilities	2,963,271	5,222,835	12,481,526	7,828,772	11,429,338
Noncurrent Liabilities					
Notes payable		–	–	20,195,054	20,676,392
Long-term loans – net of current portion	6,071,473	22,292,698	21,546,373	20,117,733	22,038,315
Lease liabilities – net of current portion	–	852,742	1,631,628	2,159,302	2,384,690
Pension and other employee benefits	40,246	71,034	50,929	80,422	94,194
Deferred income tax liabilities – net	95,180	350,487	130,981	74,422	243,745
Other noncurrent liabilities	1,383,077	3,289,902	1,695,048	2,736,920	3,572,599
Total Noncurrent Liabilities	**7,589,976**	**26,856,863**	**25,054,959**	**45,363,853**	**49,009,935**
Total Liabilities	**10,553,247**	**32,079,698**	**37,536,485**	**53,192,625**	**60,439,273**
Equity					
Capital stock	4,889,775	7,521,775	13,706,957	38,338,527	39,659,273
Additional paid-in capital	83,768	83,768	8,692,555	98,043,831	107,281,663
Other equity reserves	18,338	41,570,060	28,662,357	(56,604,532)	(56,715,021)
Unrealized fair value (loss) gain on equity instruments at FVOCI	59,772	(26,546)	143,625	(90,089)	(103,546)
Unrealized fair value gain on derivative instruments designated as hedges	–	(14,742)	57,409	6,228	56,320
Remeasurement loss on defined benefit plans	536	9,254	(6,999)	(24,436)	(25,191)
Accumulated share in other comprehensive gain (loss) of associates and joint ventures	(2,193)	(168,154)	(229,844)	29,723	69,551
Cumulative translation adjustments	–	96,227	(3,453,708)	(359,910)	1,106,122
Retained earnings	3,303,708	3,943,403	6,349,082	8,707,301	9,112,328
Treasury shares	(27,706)	(27,704)	(40,930)	(28,657)	(28,657)
Total equity attributable to equity holders of the Parent Company	8,325,998	52,987,341	53,880,504	88,017,986	100,412,842

Non-controlling interests	45,450	39,371,962	50,398,831	29,950,776	29,987,957
Total Equity	8,371,448	92,359,303	104,279,335	117,968,762	130,400,799
TOTAL LIABILITIES AND EQUITY	₱18,924,695	₱124,439,001	₱141,815,820	₱171,161,387	₱190,840,072

Consolidated Statements of Income

	Years Ended 31 December				Three months ended 31 March	
(in thousands of Pesos)	**2018**	**2019** (As Restated)	**2020** (As Restated)	**2021**	**2021**	**2022**
	Audited				**Unaudited**	
REVENUE						
Revenue from sale of electricity	₱15,113,601	₱16,096,549	₱20,283,303	₱25,878,039	₱5,688,775	₱7,358,378
Rental income	674	3,116	86,622	61,466	13,663	17,053
Dividend income	9,117	15,746	14,034	11,725	6,549	3,635
Other revenues	-	11,298	104,276	130,211	18,857	23,540
	15,123,392	**16,126,709**	**20,488,235**	**26,081,441**	**5,727,844**	**7,402,606**
COSTS AND EXPENSES						
Costs of sale of electricity	15,109,491	15,302,530	13,420,538	21,469,733	4,433,444	7,868,135
General and administrative expenses	654,517	827,980	3,017,665	2,785,549	394,770	284,969
	15,764,008	**16,130,510**	**16,438,203**	**24,255,282**	**4,828,214**	**8,153,104**
INTEREST AND OTHER FINANCE CHARGES	(433,649)	(962,840)	(1,988,086)	(1,694,380)	(428,679)	(504,313)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	532,460	739,073	1,490,192	1,952,753	576,409	344,473
OTHER INCOME - NET	120,252	947,784	3,551,889	5,723,640	1,014,452	1,219,806
INCOME BEFORE INCOME TAX	(421,553)	720,216	7,104,027	7,808,172	2,061,812	309,468
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	20,699	161,364	404,053	297,689	135,201	41,722
Deferred	150,904	(220,884)	297,823	(155,552)	(6,824)	(484,700)
	171,603	(59,520)	701,876	142,137	128,377	(442,978)
NET INCOME	**₱(593,156)**	**₱779,736**	**₱6,402,151**	**₱7,666,035**	**₱1,933,435**	**₱752,446**
Net Income Attributable To:						
Equity holders of the Parent Company	(560,496)	₱704,764	₱4,288,102	₱5,250,972	₱1,272,255	₱405,027
Non-controlling interests	(323,660)	74,972	2,114,049	2,415,063	661,180	347,419
	₱(593,156)	**₱779,736**	**₱6,402,151**	**₱7,666,035**	**₱1,933,435**	**₱752,446**
Basic/Diluted Earnings Per Share	₱(0.11)	₱0.11	₱0.40	₱0.18	₱0.08	₱0.01

Consolidated Statements of Cash Flows

	For the years ended 31 December				31 March	
(in thousands of Pesos)	**2018**	**2019** (As Restated)	**2020** (As Restated)	**2021**	**2021**	**2022**
	Audited				**Unaudited**	
CONSOLIDATED STATEMENTS OF CASHFLOWS						
Net cash flows from operating activities	(₱1,003,908)	₱477,007	₱3,123,743	₱3,420,573	₱4,356,186	₱3,920,746
Net cash flows from investing activities	1,657,162	(18,886,944)	(22,307,936)	(23,068,646)	(3,877,605)	(18,294,774)
Net cash flows from financing activities	(935,358)	14,706,984	9,069,740	16,626,695	8,885,577	15,283,920
Net effect of foreign exchange rate changes on cash and cash equivalents	3,471	(26,852)	(1,438,672)	1,389,636	189,395	341,945
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(278,633)	(3,729,805)	(11,553,125)	(1,631,742)	9,553,553	1,251,837
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,300,999	43,360,101	39,630,296	28,077,171	28,077,170	26,445,429

CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,022,366	₱39,630,296	₱28,077,171	₱26,445,429	₱37,630,723	₱27,697,266

	For the years ended 31 December				For the quarterly period ended 31 March
KEY PERFORMANCE INDICATORS*	**2018**	**2019**	**2020**	**2021**	**2022**
Current ratio	1.74	9.32	4.83	8.21	5.70
Current assets to total assets	0.27	0.39	0.42	0.38	0.34
Net bank debt to equity ratio	0.68	-0.18	-0.01	0.12	0.15

Note:

* Refer to the computations under ***Management's Discussion and Analysis of Financial Condition and Results of Operation***

RISK FACTORS

An investment in the Offer involves a number of risks. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. Past performance is not indicative of future performance and results, and there may be a large difference between the buying price and the selling price of the Green Bonds.

Investors deal in a range of investments, each of which may carry a different level of risk. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Green Bonds. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on the Company's business, financial condition and results of operations and cause the market price of the Green Bonds to decline or may cause investors to lose all or part of their investment in the Green Bonds.

This risk factor discussion does not purport to disclose all of the risks and other significant aspects of investing in the Green Bonds. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the Offer or the nature of risks involved in the trading of securities, and specifically those of high-risk securities. Investors may request publicly available information on the Offer and the Company from the SEC.

The risk factors discussed in this section are of equal importance, presented in no particular order, and are only separated into categories for ease of reference.

Risks Relating to the Company and its Businesses

Increased competition in the power industry, including competition resulting from legislative, regulatory, and industry restructuring efforts could have a material adverse effect on the Company's operations and financial performance.

The Company's success depends on its ability to identify, invest in and develop new power projects, and the Company faces competition to acquire future rights to develop power projects and to generate and sell power. No assurance can be given that the Company will be able to acquire or invest in new power projects successfully.

In recent years, the Philippine government has sought to implement measures designed to establish a competitive power market. These measures include the planned privatization of at least 70% of the NPC-owned-and-controlled power generation facilities and the grant of a concession to operate transmission facilities. The move towards a more competitive environment could result in the emergence of new and numerous competitors. These competitors may have greater financial resources, and have more extensive experience than the Company, giving them the ability to respond to operational, technological, financial and other challenges more quickly than the Company. These competitors may therefore be more successful than the Company in acquiring existing power generation facilities or in obtaining financing for and the construction of new power generation facilities. The type of fuel that competitors use for their generation facilities may also allow them to produce electricity at a lower cost and to sell electricity at a lower price. The Company may therefore be unable to meet the competitive challenges it will face.

The impact of the ongoing restructuring of the Philippine power industry will change the competitive landscape of the industry and such changes are expected to affect the Company's financial position, results of operations and cash flows in various ways.

Any decision to develop and construct power projects in various jurisdictions, including, but not limited to, the Philippines, Indonesia, Vietnam, India and Australia, will be made after careful consideration of regulatory requirements, availability of fiscal incentives, market conditions (including the demand and supply conditions), land availability, and other considerations. For those jurisdictions that require participation through a competitive bidding process or through the submission of a formal proposal, in which the Company will need to compete for projects based on pricing, technical and engineering qualifications, the financial condition of the Company, availability of land, access to financings, track record and other specifications of the proposed project, the bidding or proposal submission process and selection process may be affected by a number of factors, including factors which may be beyond the Company's control, such as market conditions or government incentive programs. In such cases, the Company may not acquire the rights to develop new power projects in the event that the Company misjudges its competitiveness when submitting its bids or proposals or, where bidding includes price competition, if the Company's competitors have more competitive pricing. The ability of the Company's competitors to access resources that it does not have access to, including labor and capital, may prevent the Company from acquiring additional power projects in strategic locations or from increasing its generating capacity, and the Company may not be able to expand its business as a result.

To be able to adapt with the potential changes, the Company continues to develop a pipeline of projects particularly in securing potential sites, continuously looking into technology that will allow the projects to be economically viable while being competitive in terms of offer and negotiating with adequate coverage in terms of unexpected changes on the regulations. The Company monitors developments in the industry, competition and regulatory environment to ensure that it can adapt as necessary to any change.

Heightened competition in the renewable energy sector may adversely affect the Company's business performance.

As mentioned in the section on ***Business—Competition*** on page of this 213 of this Prospectus, the Company views itself as playing within its niche among its peers both in the Philippines and regionally. Locally, ACEN has a significant international portfolio, reaching close to 60% of total attributable capacity. In addition, among peers with over 1,500MW in capacity, only the Company has attained close to 90% of its portfolio in RE. ACEN is expected to reach 100% renewable output by 2025, spinning off all current thermal capacity, as part of the Ayala Group's commitment to achieve Net Zero greenhouse gas emissions by 2050. Net Zero is a global movement to achieve zero net greenhouse gas emissions to limit global warming to 1.5 degrees Celsius by 2050. ACEN is also unique among major Southeast Asian peer generation companies; most other publicly-listed regional players with capacities over 2,000 MW have less than 50% of their portfolio from RE sources, according to the Company's internal estimates and competitive scanning.

According to the Department of Energy ("DOE"), the Philippine renewable energy sector only accounts for 29% of the country's total net dependable capacity as of 31 December 2021. With the recent significant increases in coal prices, currently thermal-dominant power generation companies are now becoming increasingly opening up their platforms to greater RE capacity to balance the potential margin downside risks from even higher thermal input costs.

After ACEN seized the opportunity to become a dominant player in the Philippine renewable energy (RE) sector, several of the Company's peers announced RE capacity targets of their own. In March 2021, Aboitiz Power Corporation (PSE: AP) disclosed their 50:50 target ratio between its RE and thermal portfolios by 2030. To achieve this, AP has projected ₱190 billion in estimated spending targets an additional 3,700 MW of attributable renewable capacity, bringing their projected total RE capacity to 4,600 MW in 2030. Then, in May 2021, Meralco subsidiary Meralco PowerGen Corporation ("MGEN"), through MGen Renewable Energy, Inc. ("MGreen"), reiterated its 1,500-MW target in approximately five to seven years from 2021. Later, in October that year, First Gen Corporation (PSE: FGEN) set the phaseout of its natural gas plants to make a pathway to net zero greenhouse gas emissions by 2030.

Because of the sizeable sector-wide requirement demanded by the Philippine economy, alongside the supply-demand profiles of the other markets ACEN is in, the Company welcomes the entry of large peer energy companies into the renewables space. ACEN believes that fulfilling the country's power demand will be an industry-wide effort that will require generation companies to expand capacity to prevent unexpected outages and to deliver consistent, reliable service. As a result, while opportunities in the RE space remain broad and underpenetrated, the Company is already one of the dominant players in the Philippine and regional renewables sector.

Inability to adapt to technological changes may negatively impact the Company's competitiveness.

Among the Company's growth strategies is the adoption of new technologies such as battery energy storage, floating solar, offshore wind, and distributed generation technology focusing on scaling up its renewable energy portfolio. See *"**Competitive Strengths - New Technologies: Focus on scaling up renewable energy portfolio, utilizing new technologies**"* on page 179 of this Prospectus.

Any inability of the Company to adopt such new technologies may impact its competitiveness, which would in turn negatively impact its business, results of operations and financial condition. Further, the Company's future growth may be adversely affected if it is unable adapt to such changes.

To be able to adapt with the potential changes, the Company monitors developments in the industry to ensure that it can adapt as necessary to any change. In addition, the Company has the Bataan Solar Renewable Energy Laboratory which is being used to study state-of-the-art PV modules and other emerging technologies that may be incorporated by the Company in its upcoming projects.

The Company will have to meet more stringent public float requirements proposed by the Philippine Securities and Exchange Commission and the Philippine Stock Exchange.

Effective 16 August 2021, PSE Memorandum Circular 2021-0046, or the Revised Policy on Index Management and Results of the Review of PSE Indices noted the following:

> "Increase in free float level requirement for index membership to 20% from the current 15% to qualify for inclusion in the PSE indices;
>
> "Early inclusion provision for issuances that can comply with specific size and liquidity criteria; and
>
> "Adjustments to the rules for insertions and removals wherein a listed company shall be included in the PSEI if it ranks 25th or higher and shall be excluded from the PSEI if it ranks 36th or lower in terms of full market capitalization."

"The new float requirement will be implemented for the December 2022 index review to give listed companies ample time to satisfy this criterion. Meanwhile, the early inclusion provision and the rules for insertions and removals were applied in this June 2021 index review," said the memorandum.

This builds upon a previous memorandum circular of the Philippine SEC, MC No. 13 s.2017 – Rules and Regulations on Minimum Public Ownership (MPO) on Initial Public Offerings, posted 29 November 2017, citing that "any company applying for the registration of its shares for the purpose of conducting an initial public offering," must "at all times, maintain an MPO of at least 20%," subject to "administrative sanctions provided under Section 54 of the Securities Regulation Code."

A previous draft released by the SEC for the comments of capital markets participants, in a Notice dated 31 May 2017,[3] had intended that "Companies with existing registration statements filed with the

[3] https://www.sec.gov.ph/wp-content/uploads/2020/02/MPO-Rules-and-Notice-for-public-comments-for-posting.pdf

Commission and whose shares are listed and traded in an exchange shall increase their public float to at least twenty percent (20%) on or before the end of 2020," and "this requirement of minimum public ownership shall form part of the requirement for the registration of securities." No prohibition exists to prevent incumbent and future officials of the SEC to promulgate a similar ruling.

For ACEN, this means that its public float, as of the latest Public Ownership Report submitted by the Company to the PSE on 13 May 2022, of 7,413,193,062 shares, accounting for 18.70% of ACEN's outstanding common shares, must reach at least 20% of the aforementioned outstanding shares by the December 2022 index review.

On 29 April 2022, Ayala Corporation declared a property dividend consisting of ACEN shares acquired from ACEIC to Ayala's common shareholders at a ratio of 3 ACEN shares per 1 Ayala common share, subject to: (a) completion of the acquisition of ACEN shares by Ayala, and (b) applicable regulatory approvals. Record date was on 27 May 2022, with payment date to be determined by Ayala Management after applicable regulatory approvals have been obtained. The property dividend declaration enables ACEN to meet the 20% minimum public ownership requirement for companies included in the Philippine Stock Exchange Index. Post-transaction, ACEIC's ownership level in ACEN will be at 57.79% from 62.48%. To date, regulatory approvals are still pending for the completion of the property dividend.

Should ACEN be unable to reach or maintain the minimum public float requirement to retain its position within the PSE Index, and therefore be removed from the aforementioned index, market valuations of the company's shares and its market capitalization may decrease, possibly affecting the Company's reputation in the capital markets and affecting its ability to secure credit and the value of the Notes that are the subject of this Issuance.

Furthermore, in the extreme case, if, as a result of prospective new rules from the SEC, the Company is unable to meet the MPO and is delisted altogether from the PSE, ACEN's access to credit and reputation in the market may be affected. ACEN closely monitors legal developments and endeavors to comply with relevant regulations.

Volatility in commodity prices may increase project costs and, in turn, affect the Company's ability to execute on projects.

With the global inflation rate expected by Euromonitor to reach 7.9% by the end of 2022,[4] there has been significant volatility in costs over the last year resulting from multiple factors such as the sudden surge in "new normal" consumer demand, the rise of thermal fuel prices due to the Russo-Ukrainian War, and the supply chain challenges in the shipping industry, among others.

The price of photovoltaic cell-grade polysilicon, which is used to form the cells that make up solar panels, has gone up 112% to U.S.$32.28 per kilogram as of the week of 25 May 2022 on the Chinese polysilicon market, according to Bloomberg. The China Silicon Industry Association quotes an average price as high as U.S.$40.62 per kg on 22 June 2022. The global demand for solar panels was intensified by China's thrust to convert arid desert lands into solar farms and, for other countries, the volatile rise of coal, oil, and gas resulting from the war in Ukraine.

Although the costs of projects already under construction are mostly fixed in the relevant EPC contracts, the Company anticipates an increase in the costs of its projects, which may result in the contractors renegotiating the EPC cost in the contract. As a result of the rise in the prices of key materials, especially those used for solar panels, development costs for the Company's EPC contract negotiations for future

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[4] Euromonitor International. https://www.euromonitor.com/article/global-inflation-tracker-q2-2022-energy-dependent-countries-under-pressure#:~:text=Under%20the%20baseline%20scenario%2C%20global,higher%20inflationary%20effects%20in%202022.

projects, *i.e.*, pre-construction, are anticipated to rise further. The Company allots a portion of the project cost for contingencies to account for possible price increases, or cost overruns, among others.

With regard to the Company's coal plant, fuel costs have elevated significantly over the last year, driven by the post-pandemic peak recovery. According to Bloomberg, Newcastle Coal (ICE: NEWC) prices for July 2022 forward contracts have risen to a closing price of U.S.$410.10 on 31 May 2022, up 345% from a year ago at U.S.$92.15 on 31 May 2021. The SLTEC coal plant has a long-term coal supply contract for the majority of its requirement that is indexed to Newcastle prices, but has a price collar that protects SLTEC from extreme spikes in coal prices. The Company also has a RES contract that allows for pass-through of fuel costs. Also, to the extent that the Company has excess capacity for sale to the spot market, it can also mitigate the impact of rising fuel costs, since historically, rising fuel costs also tend to drive spot market prices higher.

Any further increases in costs could have a material adverse effect on the Company's business, financial condition, and results of operations.

Fluctuations in the capacity factor of renewable sources can impact the ability of the Company to match power supply with RES customers' demand. Hence, in the long-term, for renewable energy to be more reliable, it must be complemented with battery storage, whose costs remain elevated.

The generation of various sources of electricity can be ascertained using either capacity factor for intermittent energy sources such as renewables, or availability for thermal sources. Capacity factor refers to "the ratio of the electrical energy produced by a generating unit for the period of time considered to the electrical energy that could have been produced at continuous full power operation during the same period,"[5] while availability refers to the "amount of time that it is able to produce electricity over a certain period, divided by the amount of the time in the period."[6] Capacity factors for renewable sources have remained significantly lower than the availability of baseload coal. The following are the plant availability and capacity factors of ACEN's portfolio, separated by technology, for the years ending 31 December 2020 and 31 December 2021:

Plant Availability (in %)

Technology	2021	2020
Solar	98	99
Wind	96	96
Geothermal	96	99
Diesel	96	93
Coal	83	84

Capacity Factor (in %)

Technology	2021	2020
Solar	15	17
Wind	29	27
Geothermal	95	97
Diesel	16	3
Coal	77	74

To complement the relatively low capacity factors of solar and wind, which make up most of ACEN's attributable renewable energy portfolio, the Company maintains a diversified portfolio of technologies,

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5 U.S. Energy Information Administration (EIA). "Glossary." https://www.eia.gov/tools/glossary/index.php?id=Capacity_factor#:~:text=Capacity%20factor%3A%20The%20ratio%20of,operation%20during%20the%20same%20period

6 WÄRTSILÄ Encyclopedia of Marine and Energy Technology.

including quick response peaking plants. The Company matches its customer load profile with the generation profile of its portfolio, as much as possible.

Additionally, the Company will begin to utilize battery energy storage solutions (BESS) to increase the reliability of RE plants. An example of this is the Company's first BESS project, the 40-MW Alaminos Battery Storage in Laguna, which will store power produced by the 120-MW Alaminos Solar farm once completed. In addition, ACEN is in pre-development stages for the 15-MW Khanh Hoa Battery Storage project in Vietnam, a joint venture with AMI Renewables, which is connected to the 80-MW Khanh Hoa and Dak Lak Solar complex, and the 50-MW battery facility connected to the planned 720-MW New England Solar Farm. Lithium-ion batteries, such as the ones used for Alaminos Storage, have decreased in terms of levelized cost of electricity (LCOE). From a high of around U.S.$800 per MWh, BESS costs have fallen to just U.S.$187 per MWh as of 31 December 2021, or a noteworthy 77% decrease, according to Bloomberg NEF. In 2021, coal was a relatively low ~U.S.$108 per MWh, making battery storage still more expensive. However, in 2022, Newcastle Coal prices soared to U.S.$410 per metric ton as of 31 May 2022, which will have consequences on coal LCOE.

The Company may be unable to maintain relationships and obligations with its existing clients.

The Company relies on income from the off-take contracts signed with its existing clients. In the Philippines, these agreements include ones with Meralco, with whom the Company has 310 MW in baseload and mid-merit contracts, as well as with contestable customers of ACEN's RES business. As for the international business, ACEN maintains long-term power purchase agreements ("PPAs") with major distribution utilities, namely, EVN in Vietnam, PLN in Indonesia, and GUVNL and SECI in India. In Australia, the Company may sell its capacity to a merchant power market that caters to most consumer segments, from commercial/industrial to individual households. ACEN relies on power generated by its power plants to service these customers. Unexpected outages may result in inability to deliver sufficient power to customers and may pose a reputational risk to the company.

To mitigate these risks, the Company maintains a diversified portfolio of plants of varying technologies, in various locations, and with various load profiles to address the various customers' needs. Preventive maintenance activities are also performed to ensure optimal plant availability and to minimize the risk of unexpected outages. Scheduled maintenance outages are factored into the forecast of available power for supply to customers.

In addition, ACEN's experienced Commercial Operations team maintains close contact with its customers to provide solutions to any energy challenges that may arise. The Company targets customers that match the generation profile of its power portfolio.

In case of outages, the Company also has the option to source replacement power from third party sources, including the spot market.

Some contracts, including those under the Philippine Government's Green Energy Auction Program, require that new power plants are built by a certain time in order to supply the needed capacity. Failure to do so may result in penalties of financial losses and a negative reputational impact to ACEN. To address this risk, the Company ensures that it bids for projects with a reasonable lead time for completion. The Company has a good track record of timely execution of projects. Nonetheless, there is no assurance that all such projects will be completed in a timely manner.

Regulatory price caps in the Philippine and Australian electricity spot markets may adversely impact the Company's ability to earn gains on power traded.

A significant portion of the Company's business relies on the sale and trading of power on the spot market, specifically in its two merchant markets, the Philippines (current as of 31 March 2022) and Australia (future). This is unlike in geographies wherein offtakers are characterized by dominant electricity distribution utilities, such as Vietnam (EVN), Indonesia (PLN), and India (state-specific electricity utilities).

In the Philippines, the WESM Tripartite Committee, composed of the DOE, ERC, and PEMC, agreed on an offer price cap of ₱32,000 per MWh (₱32.00 or U.S.$0.58 per KWh) in 2014, which was amended in 2017 with the imposition of a Secondary Price Cap of ₱6,245/MWh (₱6.245 or U.S.$0.11 per KWh) upon breach of a ₱9,000/MWh (₱9.00 or U.S.$0.16 per KWh) rolling average price over a 3-day period aims to protect the public and prevent the repetition of excessive and unreasonable high market prices. The U.S. dollar rate used here was ₱55.021 as of 30 June 2022.

In Australia, the Australian Energy Market Operator ("AEMO"), in accordance with the country's National Electricity Rules, has set a nationwide AU$300 per MWh (AU$3.00 or U.S.$ 2.06 per KWh) price cap. According the AEMO, "for NEM wholesale electricity prices, the cumulative price threshold is AU$1,359,100 over a 7-day period (2016 trading intervals). This triggers an administered price cap of AU$300/MWh under the National Electricity Rules."[7]

Both price caps significantly drive down the price at which the Company can sell its power on the WESM and the NEM, should it need to engage in significant trading activities. Although advantageous when in a net buying position, this is disadvantageous in a net seller's position, which should be ideal for a power generation company. In a market wherein there is significant demand and undersupply, the Company should be able to recoup the costs of power generated and purchased. However, the price caps may disincentivize producers such as the Company to sell power if the caps make the Company unable to recoup its costs.

The Company may not successfully implement its growth and other strategic objectives and the impact of acquisitions and investments could be less favorable than anticipated.

As part of its business strategy, the Company continues to carry out acquisitions and investments of varying sizes, some of which are significant, as well as develop additional power projects. This strategy may require entering into strategic alliances and partnerships and will involve substantial investments. In addition, the Company may from time to time divest its interests in certain of its assets in order to realise value or to structure its portfolio to align with the Company's long-term objectives. The Company's success in implementing its strategic priorities will depend on, among other things, its ability to identify and assess potential partners, investments and acquisitions, successfully finance, close and integrate such investments and acquisitions, control costs, identify value realization initiatives and potential purchasers, and maintain sufficient operational and financial controls.

The Company's strategic initiatives could place significant demands on the Company's management and other resources. The Company's future growth may be adversely affected if it is unable to make these investments, form these partnerships, engage in value realization and portfolio restructuring initiatives, or if these investments and partnerships prove unsuccessful. Further, the Company's strategic goals, including acquisitions and investments involve numerous risks, including, without limitation, the following: (i) the assumptions used in the underlying business plans may not prove to be accurate, in particular with respect to synergies and expected demand; (ii) the Company may not integrate acquired businesses, technologies, products, personnel, and operations effectively; (iii) the Company may fail to retain key employees, customers and suppliers of the companies acquired; (iv) the Company may be required or wish to terminate pre-existing contractual relationships, which could be costly and/or on unfavourable terms; and (v) the Company may increase its indebtedness to finance these acquisitions. As a result, it is possible that the expected benefits of completed or future acquisitions, investments, or value realization or portfolio restructuring initiatives may not materialize within the time periods or to the extent anticipated and may affect the Company's financial condition.

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7 https://aemo.com.au/newsroom/media-release/price-caps-administered-across-multiple-states

The Company may not be able to identify suitable acquisition and investment, value realization and portfolio restructuring opportunities or make acquisitions and investment, investments, value realizations or portfolio restructuring, on beneficial terms, or obtain financing necessary to complete and support such acquisitions and investments. Regulation of merger and acquisition activity by relevant authorities or other national regulators may also limit the Company's ability to engage in future acquisitions or mergers. The impact on the Company of any future acquisitions or investments cannot be fully predicted and any of the risks outlined above, should they materialize, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company nonetheless has shown capability to develop meaningful partnerships, has been agile and fast in decision making and adept in structuring deals with potential partners. While the Company embarks on acquisitions to grow its portfolio, the Company also ensures it has its own portfolio of assets under development to secure its growth strategy.

The operations of the Company's power projects are subject to significant government regulation, including regulated tariffs such as Feed-In-Tariff ("FIT"), and the Company's profit margins and results of operations could be adversely affected by changes in the law or regulatory schemes.

The Company's inability to predict, influence or respond appropriately to changes in law or regulatory schemes, including any inability or delay in obtaining expected or contracted increases in electricity tariff rates or tariff adjustments for increased expenses, or any inability or delay in obtaining or renewing permits for any facilities, could adversely impact the Company's results of operations and cash flow. Furthermore, changes in laws or regulations or changes in the application or interpretation of laws or regulations in jurisdictions where power projects are located, particularly utilities where electricity tariffs are subject to regulatory review or approval, could adversely affect the Company's business, including, but not limited to:

- adverse changes in tax law;
- changes in the timing of tariff increases or in the calculation of tariff incentives;
- change in existing subsidies and other changes in the regulatory determinations under the relevant concessions;
- other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business; or
- other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with the Company's existing financial and business planning.

Any of the above events may result in lower profit margins for the affected businesses, which could adversely affect the Company's results of operations.

For renewable energy assets, pricing is fixed by regulatory arrangements which operate instead of, or in addition to, contractual arrangements. To the extent that operating costs rise above the level approved in the tariff, the Company's businesses that are subject to regulated tariffs would bear the risk. During the life of a project, the relevant government authority may unilaterally impose additional restrictions on the project's tariff rates, and related payments, subject to the regulatory frameworks applicable in each jurisdiction. For example, in April 2021, the ERC released a public advisory that there will be a moratorium on the imposition of interest on delayed FIT payments due to the COVID-19 pandemic. This moratorium will be imposed for six billing periods from the relevant billing period wherein the interest had first been incurred. While the moratorium is not expected to have a significant impact on ACEN cash flows, future tariffs or changes to existing tariffs and the collection of payments in the future may not permit the project to maintain current operating margins, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

As potential regulatory changes are an inherent risk on the industry where the Company is operating, the Company keeps track and remains up to speed on such potential changes, analyzes impact and conducts risk assessment as necessary, and develops means to be able to cover such potential risks.

Failure to obtain financing on reasonable terms or at all could adversely impact the execution of the Company's expansion and growth plans.

The Company's expansion and growth plans are expected to require significant fund raising. As part of the Company's current strategy to reach 5,000 MW of renewable energy capacity by 2025, the Company estimates that it will require around U.S.$2 billion. The Company's continued access to debt and equity financing as a source of funding for new projects, acquisitions and investments, and for refinancing maturing debt is subject to many factors, including: (i) laws, regulations, and internal bank policies limiting bank exposure (including single borrower limits) to a single borrower or related group of borrowers; (ii) the Company's compliance with existing debt covenants; (iii) the ability of the Company to service new debt; (iv) the macroeconomic fundamentals driving credit ratings of the Philippines and other jurisdictions; and (v) perceptions in the capital markets regarding the Company and the industries and regions in which it operates and other factors, some of which may be outside of its control, including general conditions in the debt and equity capital markets, political instability, an economic downturn, social unrest, changes in the regulatory environments where any power projects are located or the bankruptcy of an unrelated company operating in one or more of the same industries as the Company, any of which could increase borrowing costs or restrict the Company's ability to obtain debt or equity financing. There is no assurance that the Company will be able to arrange financing on acceptable terms, if at all. Any inability of the Company to obtain financing from banks and other financial institutions or from capital markets would adversely affect the Company's ability to execute its expansion and growth strategies.

The Company nonetheless is on track on enhancing its balance sheet: (i) it has low debt and debt servicing levels built on assets with proven track record of generating reliable cash returns; (ii) it invests into projects that are economically viable; and (iii) it anticipates potential impacts to future performance of the projects caused by changes on the regulatory environment that can have impact on the future performance of the projects and strives to be a partner of choice for potential investors to secure financing for its projects. It is well-managed by reputable finance professionals overseen by the Board of Directors, which enhances the credit profile of the Company as a borrower. The Company also maintains regular communication with its relationship banks to ensure continued availability of credit facilities.

The Group may face risks associated with debt financing and refinancing activities.

ACEN, as well as certain Group companies, is party to several loan agreements. Consequently, the Group may be subject to risks normally associated with debt financing, including the risk that it may not be able to meet required payments of principal and interest under such financing. If there is a failure or delay in the payment of any Group company, such Group company could be declared in default resulting in all amounts becoming immediately due and demandable. Pursuant to the terms of certain agreements, a payment default by a Group companies could trigger a cross-default on such Group company's other obligations, or those of other Group companies. The Group may also be subject to the risk that it may not be able to refinance its indebtedness or that the terms of such refinancing will not be as favorable as the terms of existing indebtedness. In addition, the Group may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations. Such covenants may restrict the ability to acquire properties or require it to set aside funds for maintenance or the paying back of security deposits.

Further, certain Group companies have constituted securities over their respective properties to cover debt financing. In the event that such Group company is unable to meet interest or principal payments in respect of such indebtedness, the properties or any of them could be foreclosed by or otherwise transferred to the creditor, or the creditor could require a forced sale of such property with a consequent loss of income and asset value to the relevant Group company.

Notably, the Bonds have been rated PRS Aaa by PhilRatings. Obligations rated PRS Aaa are of the highest quality with minimal credit risk.

To mitigate this risk, the Company takes a prudent approach to financial management and cost control, closely monitoring the capital and cash positions and maintaining discipline in the capital commitments. As the Company secures financing to further support its investment strategy in the future, it will continue to employ a healthy mix of debt and equity to fund its operations.

The Company's international businesses and results of operations are subject to the macroeconomic, social and political developments and conditions of the countries where the Company's portfolio of projects are located.

The Company's portfolio of power projects in operation and under construction will include those located in Australia, Indonesia, Vietnam, and India, with plans for further international expansion in other countries such as South Korea and Taiwan through its joint ventures. International operations and plans for further international expansion may be affected by the respective domestic economic and market conditions as well as social and political developments in these countries, government interference in the economy in certain countries, and changes in regulatory conditions. There is no guarantee that the Company's operations as well as expansion plans will be successful in those countries and the Company cannot provide assurance of effective mitigation to systemic risks in those countries. The Company's financial condition, prospects and results of operations could be adversely affected if it is not successful internationally or if these international markets are affected by changes in political, regulatory, economic and other factors, over which the Company has no control.

For example, in October 2019, the Group disclosed plans to form a joint venture with the Yoma Group, to invest in Yoma Micro Power and jointly explore developing renewable energy projects within Myanmar. Pursuant to this undertaking, AC Renewables International ("ACRI") provided development loans to the Yoma Group amounting to U.S. $24.0 million. Due to the current situation in the country, plans in Myanmar have currently been put on hold. The Group takes a long-term view on its investment in Myanmar and continues to monitor the situation closely.

Changes in tax policies, affecting tax exemptions and tax incentives could also adversely affect the Company's results of operations.

Certain Associates of the Company are registered with the Board of Investments ("BOI") and the Philippine Economic Zone Authority ("PEZA") as new operators with pioneer status and non-pioneer status for greenfield projects and benefit from certain capital tax exemptions and tax incentives, deductions from taxable income subject to certain capital requirements and duty-free importation of capital equipment, spare parts and accessories.

If these tax exemptions or tax incentives expire, are revoked, or are repealed, the income from these sources will be subject to the corporate income tax rate, which is 25% of taxable income. As a result, the Company's income tax expense would increase, and its profitability would decrease. The expiration, non-renewal, revocation or repeal of these tax exemptions and tax incentives, and any associated impact on the Company, could have a material adverse effect on the Company's business, financial condition and results of operations.

Similar to continuously monitoring potential changes on the regulatory environment, the Company anticipates the impact of potential changes on its projects' tax incentives. Whenever possible, contracts are negotiated to include provisions protecting the Company for any potential increases in tax due owing to the revocation or repeal of the tax incentives currently available to its projects.

COVID-19, future pandemics, epidemics or outbreaks of diseases could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect ACEN's business, financial condition and results of operations.

In December 2019, an outbreak of the novel coronavirus ("COVID-19") occurred in China and spread to other countries, including the Philippines. On 10 March 2020 the World Health Organization characterized COVID-19 as a pandemic. As of 25 June 2022, the Philippine Department of Health reported 3,700,028 cases of COVID-19 nationwide with 60,507 deaths attributed to COVID-19.

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 its suppliers' ability to deliver, which could delay the construction of the Company's projects.

In a move to contain the COVID-19 outbreak, on 13 March 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective 15 March 2020. On 16 March 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six months and imposed an enhanced community quarantine ("ECQ") throughout the island of Luzon until 12 April 2020, unless earlier lifted or extended. On 24 March 2020. Congress passed Republic Act No. 11469, the Bayanihan to Heal as One Act (the "Bayanihan Act") into law, which confers emergency powers on the President of the Philippines. On 25 June 2020, the Bayanihan Act measures implemented to address the pandemic in the Philippines expired without extension or replacement. On 11 September 2020, Republic Act No. 11494, the Bayanihan to Recover as One Act (the "Bayanihan 2 Act") was signed into law by President Duterte. The Bayanihan 2 Act seeks to provide a stimulus package to struggling sectors as part of the country's COVID-19 response and recovery plan, and to scrutinize the government's implementation of programs related to the pandemic. Similar to the Bayanihan Act, the Bayanihan 2 Act confers emergency powers to President Duterte was in effect until 19 December 2020. Such powers include the authority to adopt measures to "conserve and regulate the distribution and use of power, fuel, energy and water, and ensure adequate supply of the same." The Bayanihan 2 Act also imposes a minimum 30-day grace period for the payment of electricity and other utilities falling due within the period of community quarantine without penalty and further provides that such payments may be settled on a staggered basis in no fewer than three monthly installments. On 17 November 2020, House Bill No. 8031 or the Bayanihan to Arise as One Act, was filed which proposes to extend the effectivity of Bayanihan 2 Act until 4 June 2021 to ensure its full implementation. On 29 December 2020, the Congress passed Republic Act No. 11519, extending the availability of appropriations under Bayanihan 2 until 30 June 2021.

On 1 June 2021, the House of Representatives approved on final reading House Bill No. 9411 or the Bayanihan to Arise as One bill ("Bayanihan 3 Bill"), which proposes a stimulus budget amounting to ₱401 Billion which will serve as financial aid and cash subsidy to Filipinos impacted by the COVID-19 pandemic. The Bayanihan 3 Bill is currently pending before the Senate of the Philippines. Due to the increasing number of Delta variant cases in the Philippines, Metro Manila was place under ECQ from 6 August to 20 August 2021, while the rest of the country (including Metro Manila after 20 August 2021) was under various degrees of general community quarantines for the month of August 2021.

In the last week of November 2021, "Omicron," a new variant of the coronavirus, emerged. Considered as a highly contagious strain of COVID-19, Omicron prompted a return to stricter quarantine measures from 3 January 2022 to 31 January 2022. Due to a reduction in the number of active cases, NCR has been on Alert Level 1 since 1 March 2022 and will remain under such alert level until end of 15 August 2022.

Other countries where the Company operates such as Vietnam, Australia, Indonesia, and India were also affected by COVID-19 and their respective governments have reacted in varying degrees of social and economic controls to mitigate the spread. To support their economies and local businesses, the various national governments have initiated various fiscal and monetary programs.

Vietnam, one of the few countries that initially managed to effectively contain the spread of COVID-19, began its response to the pandemic with a ban on all flights coming from China beginning 1 February 2020. On 3 March 2020, Prime Minister Nguyen Xuan Phuc announced a U.S.$1.16 billion fiscal stimulus package from the government's contingency budget. The package included tax breaks, delayed tax payments, and government spending on infrastructure. The government has delayed collecting an estimated U.S.$7.6 billion in value-added tax, corporate income tax, and land rent from various businesses and households for five months starting April. As the pandemic progressed, the country went into a national lockdown on 1 April 2020. Shortly thereafter, the government announced plans for a U.S.$2.6 billion fiscal package to support those most affected by the pandemic. Under the new package, those displaced from their jobs received about U.S.$76 per month through June 2020, low-income households collected about U.S.$42 per month, and those who "rendered services to the state during the revolution" were sent about U.S.$22 a month. By 25 April 2020, the government began releasing guidelines that allowed certain areas of Vietnam to lift quarantine measures once virus containment has been proven. Throughout May to July 2020, Vietnam attempted to reopen its economy, gradually allowing in-land travel as well as the resumption of flights to and from China. As Vietnam began to revive its tourism industry, a number of cases were detected, and the government immediately imposed lockdowns in select localities. Vietnam has since witnessed multiple waves of COVID-19 cases. Following the emergence of the Delta variant of the virus, the number of cases detected in the country has seen a sharp increase from just about 10,000 total cases in June 2021 to about 190,000 in early August 2021, this has caused the government to impose several lockdowns for its biggest cities.

The current project construction in Vietnam has been impacted by the recent COVID-19 outbreak in the country, wherein stricter restrictions of travel and movement of both people and equipment are imposed. This can potentially lead to restricted access of foreign consultants to the site and construction delays, resulting in portions of the projects to miss the FIT deadline if not extended by the Vietnam government.

During the pandemic, Australia's various states has varying degrees of restrictions, with some declaring state of emergencies, social restrictions, closing of schools, suspending flights, and closing interstate borders as needed. Generally, while most other countries faced prolonged strict restrictions, Australians enjoyed fairly open societies given its geographic isolation and its strict limits on international arrivals, however, following the emergence of the Delta variant, the National Cabinet also decided to halve the number of airline passengers allowed into Australia per week from over 6,000 to just about 3,000. In early March 2020, an initial AUD23 billion stimulus package was unveiled by the Prime Minister to protect Australians' health, secure jobs and set the economy to bounce back from the crisis. On 22 March 2020, the government announced a second stimulus package of AUD66 billion, increasing the amount of total financial package offered to AUD89 billion. This included several new measures; most notably a coronavirus supplement of an extra AUD550 per fortnight of income support, and relaxed eligibility criteria for individuals on Jobseeker Payment (formerly Newstart), and grants of up to AUD100,000 for small and medium-sized businesses. Australia's federal budget document in May 2021 also revealed that about AUD311 billion has been spent for direct economic and health support in the country since the onset of the pandemic.

While the pandemic has had no significant impacts to the construction of the solar farm located in Uralla, New South Wales ("New England Solar Farm"), the Company did opt to delay the commencement of construction to 2021, after the initial wave of the pandemic in 2020. Travel restrictions have also posed some difficulties in the conduct of physical site visits, impacting the conduct of predevelopment works in the country.

Prior to any official social restrictions in Indonesia, in support of its economy, Indonesian President Joko Widodo issued the country's first stimulus package worth U.S.$725 million on 25 February 2020, providing fiscal incentives to support the country's tourism, aviation, and property industries as well as allocating U.S.$324 million to low-income households. In March 2020, the government announced two stimulus packages totaling to U.S.$33.1 billion covering tax reliefs, healthcare spending, and social protection. On 31 March 2020, by virtue of Presidential Decree No. 11 of 2020, the President of Indonesia declared COVID-19 a "Public Health Emergency" ("Darurat Kesehatan Masyarakat") and on 13 April 2020 through Presidential Decree No. 12 of 2020, a "National Disaster" ("Bencana Nasional"). The government of Indonesia implemented various protective measures, including large-scale social restrictions ("Pembatasan Sosial Berskala Besar"), imposing temporary travel restrictions on inbound travellers, closing of certain schools and workplaces, the cancellation of hajj pilgrimage which about 200,000 Indonesians were preparing to make, and bans on activities in public places. On 18 May 2020, the government announced another U.S.$43 billion in economic stimulus supporting state-owned enterprises and subsidizing loan repayments. In September 2020, Jakarta again went into large-scale social restrictions as cases in the capital city continued to rise. By October 2020, Indonesia began a wider reopening of the economy; however, following the emergence of coronavirus variants, the country has again been placed in varying degrees of lockdowns which are still in place as of August 2021.

In India, a nationwide lockdown was first announced on 24 March 2020 putting the country into a lockdown for 21 days. The lockdown was subsequently extended until 3 May then 17 May then 31 May, with relaxations for regions where the diseases is thought to be contained. On 30 May, restrictions were lifted for some areas, while extensions were implemented only for containment zones with businesses and services resuming in phases ("Unlock 1.0"). Subsequent easings named Unlock 2.0, 3.0, 4.0, 5.0, 6.0, and 7.0 followed thereafter for the months of July to October. In aiding its people and its economy, India first announced a relief package worth U.S.$22.6 billion to assist its poor population during the pandemic. On 12 May 2020, Narendra Modi announced another relief package worth U.S.$266 billion in fiscal and monetary measures to support the economy. On 12 November 2020, the country's finance minister also announced another U.S.$35.7 billion stimulus package which is aimed to incentivize job creation and boost real estate investments. Due to a second wave of infections in the county and the onset of the Delta variant infections, several localized lockdowns were again introduced beginning April of 2021.

The Company's two solar projects in India were completed despite the pandemic, and both started operations in the second quarter of 2021. However, the Company has experienced some delays in predevelopment work for other projects in its pipeline, given the implementation of lockdowns in India.

Due to numerous uncertainties and factors beyond its control, the Company 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 Company 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 Company's regulators;
- restrictions on operations up to and including complete or partial closure of offices, plants and other facilities;
- restrictions on travel or mobilization, which may result in supply chain disruptions and delays in construction;
- economic measures, fiscal policy changes, or additional measures that have not yet been effected;

- the health of, and effect of the pandemic on, the Company's personnel and the Company'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;
- dampened demand due to lower consumption, shutdown of businesses, and restrictions on operations of various industries;
- impacts — financial, operational or otherwise — on the Company'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 Company's actions in response thereto;
- the pace of recovery when the pandemic subsides; and
- the long-term impact of the pandemic on the Company'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. To the extent the COVID-19 pandemic adversely affects the business and financial results of ACEN, it may also have the effect of heightening many of the other risks described in this Prospectus.

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 Company's operating plants continues to produce power.

Cybersecurity threats or other breaches of network or IT security may have an adverse effect on the Company's business if not identified immediately.

The cybersecurity landscape is rapidly evolving. New technologies and systems being installed in the name of advanced capabilities and processing efficiencies may introduce new risks which could potentially challenge the Company's ability to properly identify, assess and address such risks if not assessed effectively. These risks are heightened by work from home protocols necessitated by the various quarantine measures in response to the COVID-19 pandemic.

These new technologies and systems increase the Company's exposure to various forms of cybersecurity threats, which could result in disruption of business operations, damage to reputation, legal and regulatory fines and customer claims. Cybersecurity threats may include gaining unauthorized access to the Company's systems or inserting computer viruses or malicious software in its systems to misappropriate data and other sensitive information, corrupt the Company's data or disrupt its operations. Unauthorized access may also occur through traditional means such as the theft of laptop computers, data devices and mobile phones and intelligence gathering on employees with access.

Further, the Company's employees or other persons may have unauthorized or authorized access to the Company's systems and/or take actions that affect the Company's networks in a manner which is inconsistent with its policies or otherwise adversely affects the Company's ability to adequately process internal information.

As of the date of this Prospectus, the Company has not been the subject of any cybersecurity breaches or threats that have resulted in major losses, business disruption or damage to the Company's reputation. However, any significant cyber-attack or data leakage from either known or unknown threat vectors that could not be mitigated by existing tools and capabilities may result in a material adverse effect on the Company's results of operations, reputation and financial condition. To manage these risks, the Company continuously adopts new technologies, including in the areas of cyber security, and provides periodic cybersecurity training to all its employees.

The Company's long-term success is dependent upon its ability to attract and retain key personnel and in sufficient numbers.

The Company depends on its senior executives and key management members to implement the Company's projects and business strategies. If any of these individuals resigns or discontinues his or her service, it is possible that a suitable replacement may not be found in a timely manner or at all. If this were to happen, there could be a material adverse effect on the Company's ability to successfully operate its power projects and implement its business strategies.

Power generation involves the use of highly complex machinery and processes and the Company's success depends on the effective operation and maintenance of equipment for its power generation assets. Technical partners and third-party operators are responsible for the operation and maintenance of certain power projects. Although the Company is circumspect in its selection of technical partners and third-party operators, any failure on the part of such technical partners and third-party operators to properly operate and/or adequately maintain these power projects could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the Company's growth to date has placed, and the anticipated further expansion of the Company's operations will continue to place, a significant strain on the Company's management, systems and resources. In addition to training, managing and integrating the Company's workforce, the Company will need to continue to develop the Company's financial and management controls. The Company can provide no assurance that the Company will be able to efficiently or effectively manage the growth and integration of the Company's operations dispersed businesses and any failure to do so may materially and adversely affect the Company's business, financial condition, results of operations and prospects. In addition, if general economic and regulatory conditions or market and competitive conditions change, or if operations do not generate sufficient funds or other unexpected events occur, the Company may decide to delay, modify or forego some aspects of its growth strategies, and its future growth prospects could be adversely affected.

To mitigate such risks, the Company structures the organization in such a way that there is development and advancement opportunities for each individual within the organization, maintains competitive benefits and compensation structure and ensures provision of training to its employees.

The Company's business depends on various government policy commitments to the promotion of renewable energy.

The countries in which the Company has investments have demonstrated a commitment to renewable energy. As a result, these countries have created favorable regulatory and tax regimes and financial incentives, as well as renewable portfolio standards that require distributors to source a certain percentage of their power requirements from renewable energy sources.

For the Philippines, it adopted a FIT programme in 2010 for eligible renewable power projects from wind, solar, hydro, biomass, and hybrid energy sources, among others. Eligible renewable power plants are granted a 20-year entitlement. However, subsidies will gradually decrease with the expected grid parity of solar and wind to be achieved by 2020 and 2025 for new projects respectively.

Subsequent to the FIT program in the Philippines, the DOE also issued the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards ("RPS") for On-Grid Areas and Off-Grid Areas in 2017 and 2018, respectively. The RPS is a market-based policy that mandates power distribution utilities, electric cooperatives and retail electricity suppliers to source an agreed portion of their energy supply from eligible renewable energy facilities. The RPS Rules established a minimum annual RPS requirement. This pertains to the RE share of electricity coming from RE resources in the energy mix based on an aspirational target of 35% in the generation mix expressed in MWh by 2030, subject to regular review and assessment by the DOE. The RPS Rules also established the minimum annual incremental RE percentage. This is initially set at 1% to be applied to the net electricity sales of the mandated participant for the previous year, and thereafter adjusted by the DOE as may be necessary.

For Vietnam, its FIT programme provides for a FIT rate of U.S.$0.0935/kWh for 20 years for solar plants completed by June 2019 with the exception of solar power projects in located in Ninh Thuan province, which has extended this period to December 2019) and U.S.$0.0850/kWh for wind projects completed by November 2021. In April 2020, the Vietnam government unveiled a second round of FIT rates as follows for project commissioned within 2020: U.S.$0.0769/kWh for floating solar, U.S.$0.0709/kWh for ground mounted solar, and U.S.$0.0838/kWh for rooftop energy solar energy projects. Both FIT rates for solar and wind projects are expected to be set for 20 years once awarded.

Further, the FIT commitments are generally matters of domestic public policy and are subject to the execution of the relevant power purchase agreement ("PPA"). Should these commitments to renewable energy be reduced for any reason, it could affect the project company's ability to operate or renew the project company's permits and licenses and reduce the financial incentives available to the project companies, which could, in turn, have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Similar to continuously monitoring potential changes on the regulatory environment, the Company anticipates the impact of potential changes on its projects' financial incentives. Whenever possible, contracts are negotiated to include provisions protecting the project companies for any potential increases in tax due owing to the revocation or repeal of the tax incentives currently available to its projects.

The Company may not be able to adequately influence the operations of its Associates and joint ventures and the failure of one or more of its strategic partnerships may negatively impact its business, financial condition, results of operations and prospects.

The Company derives portion of its income from investments in Associates and joint ventures, in which it does not have majority voting control. These relationships involve certain risks including the possibility that these partners:

- may have economic interests or business goals that are not aligned with the Company's;
- may be unable or unwilling to fulfill their obligations under relevant agreements, including shareholder agreements under which the Company has certain voting rights in respect of key strategic, operating and financial matters;
- may take actions or omit to take any actions contrary to, or inconsistent with, the Company's policies or objectives or prevailing laws;

- may have disputes with the Company as to the scope of their responsibilities and obligations; and/or
- may have difficulties in respect of seeking funds for the development or construction of projects.

The success of these partnerships depends significantly on the satisfactory performance by the partners and the fulfilment of their obligations. If the Company or a strategic partner fails to perform its obligations satisfactorily, or at all, the partnership may be unable to perform adequately. As a result, cooperation among its partners or consensus with other shareholders in these entities is crucial to these businesses' sound operation and financial success. The Company's business, financial condition, results of operations and prospects may be materially adversely affected if disagreements develop between the Company and its strategic partners, and such disagreements are not resolved in a timely manner.

In addition, if any of the Company's strategic partners discontinues its arrangement with the Company, is unable to provide the expected resources or assistance, or competes with the Company on business opportunities, the Company may not be able to find a substitute for such strategic partner. Failure of one or more of the Company's strategic partners to perform their obligations may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In entering into partnerships, the Company ensures that there are adequate protection clauses on the shareholder agreements to protect the interest of Company. The criteria for the selection of potential partners also ensures that the Company is only working with those that are aligned with its core values.

Risks and delays relating to the development of greenfield power projects could have a material adverse effect on the Company's operations and financial performance.

The development of greenfield power projects involves substantial risks that could give rise to delays, cost overruns, unsatisfactory construction or development in the projects. Such risks include the inability to secure adequate financing, inability to negotiate acceptable offtake agreements, unavailability of suitable land for acquisition, and unforeseen engineering and environmental problems, among others. Any such delays, cost overruns, unsatisfactory construction or development could have a material adverse effect on the business, financial condition, results of operation and future growth prospects of the Company.

For the Company's projects under development, the estimated time frame and budget for the completion of critical tasks may be materially different from the actual completion date and costs, which may delay the date of commercial operations of the projects or result in cost overruns.

The Company is expanding its power generation operations and there are projects in its energy portfolio under construction. These projects involve environmental, engineering, construction and commission risks, which may result in cost overruns, delays or performance that is below expected levels of output or efficiency. In addition, projects under construction may be affected by the timing of the issuance of permits and licenses by government agencies, any litigation or disputes, inclement weather, natural disasters, accidents or unforeseen circumstances, manufacturing and delivery schedules for key equipment, defect in design or construction, and supply and cost of equipment and materials. Further, project delays or cancellations or adjustments to the scope of work may occur from time to time due to incidents of force majeure or legal impediments.

Depending on the severity and duration of the relevant events or circumstances, these risks may significantly delay the commencement of new projects, reduce the economic benefit from such projects, including higher capital expenditure requirements and loss of revenues, which in turn could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's expected Net Attributable Capacity from its pipeline to be undertaken together with various partners and through various subsidiaries, associates and joint ventures have not yet been determined. The target pipeline reflects its current strategy and may change as proposed projects are reviewed or contracts are entered into, and subject to various factors, including market conditions, the general state of the economy and investment environment where the projects will be located and the ability to obtain financing, among others.

Given its growth target and considering the challenges on development, the Company ensures that it has adequate pipeline of projects to manage potential delays, and has a team specifically focused on development up to bringing a plant into construction and eventually commercial operations in the Philippines and international operations. In addition to green field developments, the Company keeps an open eye on potential mergers and acquisitions as well as partnership with other development companies to be on track with its growth targets.

Any restriction or prohibition on the Company's Associates' or joint ventures' ability to distribute dividends would have a negative effect on its financial condition and results of operations and its ability to fulfil obligations under the Green Bonds.

The Company is a holding company that conducts its operations through its Associates and joint ventures. As a holding company, the Company's income is derived primarily from dividends paid to the Company by its Associates and joint ventures.

The Company is reliant on these sources of funds with respect to its obligations and in order to finance its Associates. The ability of the Company's Associates and joint ventures to pay dividends to the Company (and their shareholders in general) is subject to applicable law and may be subject to restrictions contained in loans and/or debt instruments of such Associates and may also be subject to the deduction of taxes. Currently, the payment of dividends by a Philippine corporation to another Philippine corporation is not subject to tax. Under Philippine law, dividends may be declared by a corporation's board of directors, however, any stock dividend declaration requires the approval of shareholders holding at least two-thirds of such corporation's total outstanding capital stock. Additionally, SEC approval is required if the issuance of stock dividends requires an increase in such corporation's authorized capital stock.

In addition, certain Associates are subject to debt covenants for their respective existing debt. Failure to comply with these covenants may result in a potential event of default, which if not cured or waived, could result in an actual event of default and the debt becoming immediately due and payable. This could affect the relevant company's liquidity and ability to generally fund its day-to-day operations. In the event this occurs, it may be difficult to repay or refinance such debt on acceptable terms or at all. Furthermore, such restrictions could likewise impact the Company's ability to fulfil its guarantee obligations under the Green Bonds.

Any restriction or prohibition on the ability of some or all of the Company's Associates and/or joint ventures to distribute dividends or make other distributions to the Company, either due to regulatory restrictions, debt covenants, operating or financial difficulties or other limitations, could have a negative effect on the Company's cash flow and therefore, its financial condition.

Overall, the Company monitors potential regulatory impacts on its projects and anticipates means to manage the impact of any regulatory changes. The Company also regularly tracks the performance of its projects to ensure delivery of budgeted results including distribution of the dividends to the Company.

The administration and operation of power generation projects by project companies involve significant risks.

The administration and/or operation of power generation projects by project companies involve significant risks, including:

- breakdown or failure of power generation equipment, transmission lines, pipelines or other equipment or processes, leading to unplanned outages and operational issues;
- flaws in the equipment design or in power plant construction;
- issues with the quality or interruptions in the supply of key inputs, including fuel or water;
- material changes in legal, regulatory or licensing requirements;
- operator error;
- performance below expected levels of output or efficiency;
- actions affecting power generation assets owned or managed by the Company, its Associates, joint ventures or its contractual counterparties;
- pollution or environmental contamination affecting the operation of power generation assets;
- claims or issues in relation to potential environmental, ecological and social effects in relation to the sites of its power development projects;
- force majeure and catastrophic events including fires, explosions, earthquakes, volcanic eruptions, floods and terrorist acts that could cause forced outages, suspension of operations, loss of life, severe damage and plant destruction;
- planned and unplanned power outages due to maintenance, expansion and refurbishment;
- inability to obtain or the cancellation of required regulatory, permits and approvals; and
- opposition from local communities and special interest groups.

There is no assurance that any event similar or dissimilar to those listed above will not occur or will not significantly increase costs or decrease or eliminate revenues derived by the Company, its joint ventures and affiliates from their power projects.

As above risks are inherent in the industry where the Company's projects operate, the Company ensures that contracts with suppliers cover portion of the risks, there are proper insurance coverages in case of the occurrence of events hampering the projects' operations and develops an operations team that focuses on monitoring plants' performance and ensures proper repairs and maintenance procedures or capital expenditures are conducted at the right time.

Permits and approvals are regularly monitored by a team to ensure that all are properly renewed and maintained. Regular dialogues are conducted and Corporate Social Responsibility activities are implemented in the community where the projects are located.

Climate change may adversely affect the Company's business and prospects.

The Company is currently involved in the operation of a coal power plant in Batangas. Policy and regulatory changes, technological developments and market and economic responses relating to climate change may affect the Company's business and the markets in which it operates. The enactment of an international agreement on climate change or other comprehensive legislation focusing on greenhouse gas emissions could have the effect of restricting the use of coal. Other efforts to reduce greenhouse gas emissions and initiatives in various countries to use cleaner alternatives to coal such as natural gas may also affect the use of coal as an energy source. For example, in October 2020, the

DOE declared a moratorium on endorsements for greenfield coal power plants as its most recent assessment revealed the need for the country to shift to a more flexible power supply mix.

In addition, technological developments may increase the competitiveness of alternative energy sources, such as renewable energy, which may decrease demand for coal generated power. Other efforts to reduce emissions of greenhouse gases and initiatives in various countries to encourage the use of natural gas or renewable energy may also discourage the use of coal as an energy source. Similarly, recent trends in investment mandates and strategies favouring renewable over conventional energy sources may make it more difficult for the Company to obtain financing or refinance existing financing in respect of its thermal coal projects. The physical effects of climate change, such as changes in rainfall, water shortages, rising sea levels, increased storm intensities and higher temperatures, may also disrupt the Company's operations. As a result of the above, the Company's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Company keeps track of potential changes in the climate and regulations that may affect its business and prospects. To prepare for such changes, the Company develops a diverse portfolio of assets that is aligned with the country's vision of an optimum mix of energy sources. The Company has been focusing on the development of renewables in its portfolio which is aligned with the country's vision on optimum mix of energy sources. The Company further looks into advancements in technology as it develops its projects to be able to create a stable supply of power due to intermittent availability of power generated from renewable sources. The Company also complies with the requirements of the Task Force on Climate-Related Financial Disclosures. Climate related risks and corresponding mitigants are also discussed as part of the Company's risk assessment process Climate related risks are discussed in the Sustainability Committee and the Board Risk Management and Related Party Transaction Committee.

Environmental regulations may cause the relevant project companies to incur significant costs and liabilities.

The operations of the project companies are subject to environmental laws and regulations by central and local authorities in which the projects operate. These include laws and regulations pertaining to pollution, the protection of human health and the environment, air emissions, wastewater discharges, occupational safety and health, and the generation, handling, treatment, remediation, use, storage, release and exposure to hazardous substances and wastes. These requirements are complex, subject to frequent change and have tended to become more stringent over time. The project companies have incurred, and will continue to incur, costs and capital expenditures in complying with these laws and regulations and in obtaining and maintaining all necessary permits. While the project companies have procedures in place to allow it to comply with environmental laws and regulations, there can be no assurance that these will at all times be in compliance with all of their respective obligations in the future or that they will be able to obtain or renew all licenses, consents or other permits necessary to continue operations or that there will be no complaints filed or issues raised by environmental groups and local communities against the Company, its subsidiaries, or its affiliates for its operations. Any failure to comply with such laws and regulations or to address such complaints or issues could subject the relevant project company to significant fines, penalties and other liabilities, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, environmental laws and regulations, and their interpretations, are constantly evolving and it is impossible to predict accurately the effect that changes in these laws and regulations, or their interpretation, may have upon the Company's business, financial condition, results of operations or prospects. If environmental laws and regulations, or their interpretation, become more stringent, the costs of compliance could increase. If the Company cannot pass along future costs to customers, any increases could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The cost and effects of compliance with environmental laws, particularly on violations thereof are specified in the relevant regulations of the DENR. To this effect, the Company exerts best efforts to comply with regulations as it develops its projects.

See also discussion on "***Legal Proceedings – Power Barge 102 Oil Leakage***" on page 213 of this Prospectus.

The Company's power project development operations and the operations of the power projects are subject to inherent operational risks and occupational hazards, which could cause an unexpected suspension of operations and/or incur substantial costs.

Due to the nature of the business of power project development and operations, the Company and its project companies engage or may engage in certain inherently hazardous activities, including operations at height, use of heavy machinery and working with flammable and explosive materials. These operations involve many risks and hazards, including the breakdown, failure or substandard performance of equipment, the improper installation or operation of equipment, labour disturbances, natural disasters, environmental hazards and industrial accidents. For example, on 3 July 2020, Power Barge 102, a diesel barge located in Iloilo, Philippines discharged fuel oil in in the coast of Iloilo City resulting in the temporary displacement of over 60 households. Initial findings revealing that the discharge was attributable to the ignition of fuel oil in storage, which ruptured the barge's fuel tank. The leakage was contained with the aid of the Philippine Coast Guard, Petron Corporation, and Global Business Power Corp. and skimming of the remaining floating residue was done with the aid of Shell Philippines. The Company engaged Harbor Star Shipping Services, Inc. to finish the clean-up of both the waters and the coastline. Households within the neighbouring area were temporarily relocated in coordination with local government officials while their surroundings underwent clean-up. These hazards can cause personal injury and loss of life, damage to or destruction of property and equipment, and environmental damage and pollution, any of which could result in suspension of the development or operations of any of the power projects or even imposition of civil or criminal penalties, which could in turn cause the Company or any of the project companies to incur substantial costs and damage its reputation and may have a material adverse effect on the Company's business, financial condition and results of operations.

Given above risks, the Company procures proper insurance coverages, complies with various health and security measures, implements a culture of safety in the working environment, conducts proper and timely repairs and maintenance of the plants, and regularly trains employees on safety and security.

See also discussion on "***Legal Proceedings – Power Barge 102 Oil Leakage***" on page 213 of this Prospectus.

Grid curtailments may limit the generation capacity of power projects.

From time-to-time, national grid operators curtail the energy generation for a number of reasons, including for matching demand with supply and for technical maintenance reasons, including as a result of grid infrastructure that is not up to international standards. For example, in the first half of 2021, the Company experienced a 5.8% curtailment in respect of the power generation of its solar assets in Vietnam as a result of lower demand due to the COVID-19 pandemic and the Tết holidays in the country, and it is possible that the Company will be subject to further curtailments in the future as electricity generation and supply is adjusted in line with demand and other market factors. In such circumstances, a power project's access to the grid and thus its generation capacity can be reduced. Such reductions result in a corresponding decrease in revenue, which if prolonged or occur frequently could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

To manage such risk, the Company works closely with the grid operator to ensure that there is adequate capacity on the grid covering for the sites and projects it undertakes. Grid capacity availability is a key criterion on assessing the viability of a project in addition to consideration of the transmission development plan of NGCP and other grid operators in its international operations.

The Company enters into transactions with related parties.

In the ordinary course of business, the Company transacts with its related parties, such as its Associates and certain of its Associates and joint ventures enter into transactions with each other. These transactions have principally consisted of advances, loans, bank deposits, reimbursement of expenses, purchase and sale of real estate and other properties and services, sale of electricity, construction contracts and development, management, marketing and administrative service agreements.

While the Company believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms, these transactions may involve conflicts of interest, which, although not contrary to law, may be detrimental to the Company.

The Company has instituted internal policies with respect to related party transactions and the Company ensures that it is compliant with the policies instituted on transactions involving related parties. Relevant related party transactions are also discussed at the Related Party Committee or Audit and Risk Committees of the companies who oversee such matters. Further, the Company will be complying with BIR Revenue Regulation No. 19-2020 on the disclosure of related party transactions.

For further information on the Company's related party transactions, see "***Related Party Transactions***" on page 337 of this Prospectus.

The Company is exposed to credit and collection risks.

As in other businesses, the power business is exposed to credit and collection risks related to its customers. These include the TransCo, rated corporations as well as cooperatives that have varying credit ratings and private distribution utilities. Further, the government may impose moratorium on collections. For example, the Bayanihan 2 Act imposed a minimum 30-day grace period for the payment of electricity and other utilities falling due within the period of ECQ or modified ECQ without penalty and further provides that such payments may be settled on a staggered basis in no fewer than three monthly instalments. In April 2021, the ERC released a public advisory implemented a moratorium on the imposition of interest on delayed FIT payments due to the COVID-19 pandemic. This moratorium was imposed for six billing periods from the relevant billing period wherein the interest had first been incurred. In addition, the power projects in Indonesia and in Vietnam are exposed to collection risks from the Perusahaan Listrik Negara ("PLN") as the sole electricity business authority in Indonesia and Vietnam Electricity ("EVN"), which has total control of the national power transmission and distribution market in Vietnam, respectively. The power projects in India, once operational, may also be exposed to collection risk from government related entities such as Solar Energy Corporation of India ("SECI") and Gujarat Urja Vikas Nigam Ltd. ("GUVNL"), which are its off-takers. There can, however, be no assurance that all customers will pay the Company in a timely manner or at all. In such circumstances, the Company's working capital needs would increase, which could, in turn, divert resources away from the Company's other projects. If a large amount of its customers were unable or unwilling to pay the Company, its financial condition could be negatively affected.

Given potential collection risk, the Company conducts review of the capability of its potential wholesale and retail clients as part of the accreditation process. Clients are also requested to put in security deposits equivalent to a certain period of their consumption.

Exchange rate and/or interest rate fluctuations may have a significant adverse impact on the Company's business, financial condition, results of operations and prospects.

The Company's functional currency is the Philippine Peso, and the Company has and may have assets, income streams and liabilities denominated in a number of currencies, including U.S. Dollars, Indonesian Rupiah, Vietnamese Dong, Indian Rupee, and Australian Dollars. Changes in foreign currency exchange rates could have an adverse impact on the Company's business, financial condition, results of operations and prospects. Currency fluctuations affect the Company because of mismatches between the currencies in which operating costs, capital expenditures, and debt obligations are incurred and those in which revenues are received.

Currently, the PPA and FIT contracts of the existing offshore assets in Vietnam have foreign currency adjustments and the PPA and FIT contracts of the existing offshore assets in Indonesia have foreign currency and inflation adjustments to mitigate the impact of market fluctuations.

The insurance coverage of the power projects may not be adequate.

The power projects maintain levels of insurance, which the Company believes are typical with the respective business structures and in amounts that it believes to be commercially appropriate. However, a power project may become subject to liabilities against which it has not insured adequately or at all, or are unable to insure. In addition, insurance policies contain certain exclusions and limitations on coverage, which may result in claims not being honoured to the extent of losses or damages suffered. Further, such insurance policies may not continue to be available at economically acceptable premiums, or at all. The occurrence of a significant adverse event, the risks of which are not fully covered or honored by such insurers, could have a material adverse effect on a power project's business, financial condition, results of operations and prospects. In addition, under some of the power project's debt agreements, the power project is required to name the lenders under such debt agreements as a beneficiary or a loss payee under some of its insurance policies, or assign the benefit of various insurance policies to the lenders. Therefore, even if insurance proceeds were to be payable under such policies, any such insurance proceeds will be paid directly to the relevant lenders instead of to the power project. If an insurable loss has a material effect on a power project's operations, the power project's lenders may not be required to pay any insurance proceeds or to compensate the power project for loss of profits or for liabilities resulting from business interruption, and this could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company regularly reviews its insurance coverages and benchmarks it with the industry trends and keeps track of the insurance claims conducted in the past. The Company also continues to explore further means to strengthen its insurance coverages including participating in the Ayala Group's insurance optimization initiative to augment its existing insurance policies, which include optimizing coverages within a bigger pool to achieve scale and generate diversification for new types and approaches to loss mitigation to address plant-specific risks.

The Company may be adversely affected by WESM price fluctuations.

Market prices for electric power fluctuate substantially. As electric power can only be stored on a very limited basis and generally must be produced concurrently with its use, frequent supply and demand imbalances result in power prices that are subject to significant volatility. Electricity prices may also fluctuate substantially due to other factors outside of the Company's control, including, but not limited to:

- changes in the generation capacity in the markets, including additional new supply of power from development or expansion of power plants, and decreased supply from closure of existing power plants;
- additional transmission capacity;

- electric supply disruptions, such as power plant outages and transmission disruptions;
- changes in power demand or in patterns of power usage, including the potential development of demand-side management tools and practices;
- the authority of the ERC to review and adjust the prices on the WESM;
- climate, weather conditions, natural disasters, wars, embargoes, terrorist attacks and other catastrophic events;
- availability of competitively priced alternative power sources; and
- changes in the power market and environmental regulations and legislation.

These factors may have a material adverse effect on the business, financial condition and operations of the Company.

As it has been trading in the spot market since 2006, the Company has gained valuable experience in trading at the WESM. This experience will allow the Company to continue to take advantage of further opportunities in the WESM that will allow it to supplement the power generation business.

The Company's ability to produce and source electricity from various sources allows it to take advantage of trading opportunities in the WESM by purchasing power for its customers and/or selling excess supply if costs are less than the prevailing prices in the WESM.

ACEN has a portfolio of operating projects and projects under construction in Indonesia, Vietnam, India, and Australia. For projects in Indonesia and India, all projects currently have long term off-take contracts with respective distribution utilities in their locations. For Vietnam, operating projects are currently under long-term contracts with FIT, while projects under construction are also intended to qualify for applicable FIT.

Damage to reputation or brand erosion arising from internal or external factors may negatively affect the Group's business.

The Group is exposed to various reputational risks, from those which may result directly from the Group's actions or those of its competitors, indirectly from actions of the Group's directors, officers or employees, or consequently through actions of outsourced partners, suppliers or joint venture partners. To manage such risks, the Group endeavors to adhere to sound corporate governance practices in the appointment of its directors and officers, and in hiring of its employees. Further, the Company carefully scrutinizes potential partners and suppliers to ensure that such partners and suppliers are aligned with its core values.

Damage to the Group's reputation and erosion of brand equity may also be triggered by any inability to promptly and adequately address negative sentiments relating to the Group, which may in turn be triggered by various factors such as environmental concerns, among others. Any inability to preserve brand equity and reputation may adversely impact the Group's results of operations and financial condition. While the Group has dedicated investors relations and corporate communications teams, there can be no assurance that the Group will be able to adequately address such negative sentiments. Any inability to preserve brand equity and reputation may adversely impact the Group's results of operations and financial condition.

The prospects of the Company may be influenced by major political and economic developments abroad.

The growth and profitability of the Company may be influenced by major political and economic developments, which may have a negative effect on the operations and financial results of the Company.

On 21 February 2022, Russian president Vladimir Putin announced that Russia recognizes the independence of two pro-Russian breakaway regions in eastern Ukraine. On 22 February 2022, the Russian Federation Council unanimously authorized the use of military force, and the entry of Russian soldiers into both territories. On 24 February 2022, places across Ukraine, including Kyiv, the national capital, were struck with missiles. The Ukrainian Border Guard reported attacks on posts bordering Russia and Belarus. Shortly afterwards, Russian Ground Forces entered Ukraine prompting Ukrainian President Volodymyr Zelenskyy to enact martial law and general mobilization (the "Russo-Ukrainian War"). Since the outbreak of the Russo-Ukrainian War the cost of fuel has increased dramatically around the world causing an increase in WESM prices. Global commodity prices have likewise increased as a result of the Russo-Ukrainian War.

The increase in WESM prices negatively impacted ACEN in the first quarter of 2022, as it purchased more power than it produced, due in part to the extended maintenance outage of SLTEC during the same period. While the Company benefitted from elevated WESM prices in the second quarter of 2022, as it sold more power than it purchased from the WESM, and although it aims to balance its supply and demand for power, there is no guarantee that it will be able to maintain a net selling position or that no unanticipated outages will occur which will require it to purchase power. As a result, any further increase in the cost of fuel and in WESM prices may increase the Company's costs, which could negatively impact its results of operation. The Company has also experienced an increase in panel prices which increase total project costs.

The Russo-Ukrainian War has also increased volatility in the capital markets. To curb inflationary pressure due in part to the Russo-Ukrainian War, the *Bangko Sentral ng Pilipinas* has raised key policy interest rates by 25 basis points, and has disclosed that it may further increase such rates. Any disruption of the credit and equity markets may impede or prevent access to the capital markets for additional funding to expand the Company's business and may affect the availability or cost of borrowing. While the Company may seek funding through credit facilities outside of the capital markets, if the Company is unable to obtain such alternative funding, it may have to adjust its business plans and strategies, which may adversely affect its prospects, market value and results of operations.

While the Company does not expect any material impact from the ongoing Russo-Ukrainian War to its current and future businesses, ongoing tensions may continue to affect oil and commodity prices in the near to medium term.

Any political or economic developments of a global scale could impact prices in general and disrupt supply chains, which could in turn increase the Company's costs. The Company continuously monitors such developments abroad and will assess any direct and indirect impact that the Russo-Ukrainian War may have on its current and future businesses.

Labor disputes, including failure to maintain satisfactory labor relations, or changes in employment laws may disrupt the Company's operations and could adversely affect its business.

The Group generally considers its labor relations to be good and harmonious. However, there can be no assurance that it will not experience future disruptions to its operations due to labor disputes or other issues with employees, which could materially and adversely affect its business.

Various labor laws govern the Group's relationship with its employees and affect operating costs. These laws include minimum wage requirements, mandatory health benefits, overtime compensation, and other terms and conditions of employment. These and significant changes in labor regulations, for example, in respect of outsourcing services to independent third-party contractors, could materially affect the Group's business. Engagement of third party service providers carries with it certain inherent risks including potential actions from employees of its third-party service providers who may claim an employee-employer relationship with it and the risk that third party contracting arrangements in place may be found by the Department of Labor and Employment ("DOLE") to be "labor-only contracting," which could have a significant impact on its labor costs. In addition, a labor dispute involving a substantial number or all of the Company's employees may harm its reputation, disrupt its operations and reduce its revenues, and resolution of disputes may increase its costs. See "***Regulation and Environmental Matters***" on page 257 of this Prospectus.

The Group is also exposed to litigation risk from employees of its various third-party contractors, who may implead it as party to their labor cases and labor disputes against these third-party contractors.

The Group ensures compliance with various laws and rules and regulations promulgated by the DOLE on labor standards and labor relations to mitigate labor-related risks.

Risks Relating to the Philippines

The operations of the Company in the Philippines are subject to any downturn in general economic conditions in the Philippines could have a material adverse impact on the Company.

The Company's results of operations have been influenced, and will continue to be influenced, by the general state of the Philippine economy in view of its significant Net Attributable Capacity being located in the Philippines, and as a result, its income and results of operations depend, to a significant extent, on the performance of the Philippine economy. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the peso and the imposition of exchange controls.

In addition, global financial, credit and currency markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions. There is significant uncertainty as to the potential for a continued downturn in the U.S. and the global economy, which would be likely to cause a deterioration of the economic conditions in the Philippines to deteriorate. There can be no assurance that current or future governments will adopt economic policies conducive to sustaining economic growth, and the Company cannot provide assurance of effective mitigation to such systemic risk.

Any political instability in the Philippines may adversely affect the Company.

The Philippines has from time to time experienced political and military instability. The Philippine constitution provides that in times of national emergency, when the public interest so requires, the Philippine government may take over and direct the operation of any privately-owned public utility or business. In the last few years, there has been political instability in the Philippines, including public and military protests. No assurance can be given that the political environment in the Philippines will stabilize and that the Company can provide effective mitigation to such political instability. Any political instability in the future may result in inconsistent or sudden changes in the economy, regulations and policies that affect the Company, which could have an adverse effect on its business, results of operations and financial condition.

The Philippine general elections for national and local officials took place on 9 May 2022 despite the ongoing COVID-19 pandemic in the country. The newly elected officials were inaugurated on 30 June 2022.

There can be no assurance that the newly elected administration will continue to implement social and economic policies that promote a favorable and stable macroeconomic and business environment. Any major deviation from the previously established policies or a fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any such instability could materially and adversely affect the Company's business, financial conditions, results of operations and prospects, reduce consumer demand or result in inconsistent or sudden changes in regulations and policies that affect the Company's business operations, which could adversely affect the Company's results of operations and financial condition. While the Company has operations and derives revenue from outside the Philippines, a significant proportion of its operations are located in and revenues sourced from the Philippines. Consequently, the Company cannot provide assurance of effective mitigation to such systemic risk.

Any decrease in the credit ratings of the Philippines may adversely affect the Company's business.

The Philippines is currently rated investment grade by major international credit rating agencies such as Moody's S&P and Fitch. In recent months these rating agencies have assigned stable or negative outlooks to the Philippines' sovereign rating, and no assurance can be given that these agencies will not in the future downgrade the credit ratings of the Philippines and, therefore, Philippine companies, including the Company. As a systemic risk, the Company cannot provide assurance of effective mitigation. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Philippine government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Territorial disputes among the Philippines and its neighboring nations may adversely affect the Philippine economy and the Company's business.

China and other Southeast Asian nations, such as Brunei, Malaysia, and Vietnam, have been engaged in competing and overlapping territorial disputes over islands in the West Philippine Sea (also known as the South China Sea). This has produced decades of tension and conflict among the neighboring nations. The West Philippine Sea is believed to house unexploited oil and natural gas deposits, as well as providing home to some of the biggest coral reefs in the world. China, in recent years, has been vocal in claiming its rights to nearly the whole of the West Philippine Sea – as evidenced by its increased military presence in the area. This has raised conflict in the region among the claimant countries.

In 2013, the Philippines filed a case to legally challenge China's claims in the West Philippine Sea and to resolve the dispute under the United Nations Convention on the Law of the Sea. The case was filed on the Permanent Court of Arbitration, the international arbitration tribunal at The Hague, Netherlands. In July 2016, the tribunal ruled in favor of the Philippines and stated that China's claim was invalid. China rejected the ruling, claiming that it did not participate in the proceedings as the tribunal had no jurisdiction over the case. News reports have reported increased Chinese activity in the area, including the installation of missile systems and the deployment of bomber planes. Other claimants have challenged China's actions in the West Philippine Sea.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighboring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and the Company's business and financial standing may be adversely affected, particularly as to the operations of ACE Enexor's SC 55 block which is located near the West Philippine Sea. While the Company has operations and derives revenue from outside the Philippines, a significant proportion of its operations are located in and revenues sourced from the Philippines. Consequently, the Company cannot provide assurance of effective mitigation to such systemic risk.

Risks Relating to the Securities

An active or liquid trading market for the Securities may not develop.

The Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Company cannot guarantee that the market for the Securities will always be active or liquid. Even if the Securities are listed on the PDEx, trading in securities such as the Securities may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, and the overall market for debt securities among other factors. There is no assurance that the Securities may be easily disposed at prices and volumes at instances best deemed appropriate by their holders and that the Company will be able to manage such risk.

Holders of the Securities may be unable to reinvest the proceeds of their Securities following redemption by the Company.

The Issuer may have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Securities prior to the relevant maturity dates of certain tranches of the Securities. Prior to the Maturity Date, the Issuer has the option, but not the obligation, to redeem in whole (and not in part) the outstanding Green Bonds on the relevant Call Option Dates (see "***Summary of the Offer –Call Option***" on page 36 of this Prospectus). In the event that the Company exercises this call option, the relevant series of the Securities, such as the Green Bonds, will be redeemed and the Company will pay the amounts to which holders would be entitled. The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual holders of the Securities. This may be disadvantageous to them in light of market conditions or their individual circumstances. Following such redemption and payment, there can be no assurance that investors in the redeemed Green Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time. There is no assurance that the Company will be able to manage such risk.

Holders of the Securities may face possible gain or loss if the Securities are sold on the secondary market.

As with all fixed income securities, the Securities' market values move (either up or down) depending on the change in interest rates. The Securities when sold in the secondary market are worth more if interest rates decrease since the Securities have a higher interest rate relative to the market. Likewise, if the prevailing interest rate increases, the Securities are worth less when sold in the secondary market. Therefore, holders may either make a gain or incur a loss when they decide to sell the Securities. There is no assurance that the Company will be able to manage such risk.

The Securities may not be able to retain its credit rating

There is no assurance that the rating of the Securities will be retained throughout the life of the Securities. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization. The Company's capacity to meet its financial commitment is only one of the factors in the assignment of credit rating. Other factors include project expansion and pipeline, which are contingent on other risk factors specified in this Prospectus, and there is no assurance that the Company will be able to manage such risks.

The Securities have no Preference under Article 2244(14) of the Civil Code

No other loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the Securities as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority, subject to the condition that should any creditor of ACEN have a preference or priority as a result of notarization of the documents evidencing such indebtedness and ACEN has not procured a waiver of such preference from the other creditors, then the waiver shall be deemed automatically cancelled and the benefit of preference of priority created by the notarization is automatically reinstated without need of any further act or deed. However, should any bank or security holder hereinafter have a preference or priority over the Securities as a result of notarization, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Securities as may be practicable.

Securities issued as "Green Bonds" may not be a suitable investment for all investors seeking exposure to green assets.

Prospective investors should have regard to the information set out in the "Green Bond Framework" regarding use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment if Green Bonds issued under the Program are issued as "Green Bonds" together with any other investigation such investor deems necessary.

In particular, the Issuer may choose to apply the proceeds from the issue of Green Bonds under the Program for Eligible Green Projects which are defined in accordance with the broad categorization of eligibility for green projects set out by the ASEAN Green Bond Standards, as administered by the ASEAN Capital Markets Forum, or the Green Bond Principles 2021, as administered by the International Capital Market Association ("Eligible Green Projects"). No assurance is given by the Company or the Joint Lead Underwriters and Bookrunners that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental sustainability or social impact of any projects or uses the subject of or related to, any Eligible Green Projects.

There can be no assurance that the relevant project(s) or use(s) (including those the subject of, or related to, any Eligible Green Projects) will be capable of being implemented in or substantially in the manner described in the Green Bond Framework and/or the applicable pricing supplement and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project(s) or use(s). Nor can there be any assurance that any such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Company. Any such event or failure by the Company will not constitute an Event of Default under the Green Bonds. In addition, it would not be a default under the Green Bonds if (i) the Company were to fail to comply with such undertaking or were to fail to allocate the proceeds in the manner specified in the applicable pricing supplement and/or (ii) any Second Party Opinion issued in connection with such Green Bonds were to be withdrawn. The Second Party Opinion for the Green Bond Framework was issued by Sustainalytics on 18 August 2021.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a green or sustainable or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as green or sustainable or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any project(s) or use(s) the subject of or related to any Eligible Green Projects will meet any or all investor expectations regarding such green or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any project(s) or use(s) the subject of, or related to, any Eligible Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Company) which may be made available in connection with the issue of the Green Bonds and in particular with any Eligible Green Projects to fulfil any environmental and/or other criteria. For the avoidance of doubt, any such opinion or certification (i) is not, nor shall be deemed to be, incorporated in and/or form part of the applicable pricing supplement or this Prospectus, (ii) is not, nor should be deemed to be, a recommendation by the Company or the Joint Lead Underwriters and Bookrunners or any other person to buy, sell or hold any the Green Bonds and (iii) would only be current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Green Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that the Green Bonds will be listed or admitted to trading on any dedicated green, environmental, sustainable or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Company or the Joint Lead Underwriters and Bookrunners or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, for example with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Additionally, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Company, the Joint Lead Underwriters and Bookrunners or any other person that any such listing or admission to trading will be obtained in respect of the Green Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Bonds.

Any such event or failure to apply the proceeds of the Green Bonds for any project(s) or use(s), including any Eligible Green Projects, and/or the withdrawal, modification or downgrade of any opinion or certification as described above or any such opinion or certification attesting that the Company is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on, and/or the Company no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Green Bonds and also potentially the value of any other Green Bonds which are intended by the Company to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Any material deviation for the use of proceeds as disclosed under "*Use of Proceeds*" will be disclosed in accordance with the relevant rules of the SEC and/or PDEx.

Risks Relating to Statements in this Prospectus

The Prospectus contains certain statistical and industry information.

Certain statistical or industry information in this Prospectus relating to the Philippines and other jurisdictions, the industries and markets in which the Company operates, and other data used in this Prospectus was obtained or derived from internal surveys, market research, governmental data, publicly available information and/or industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable. However, there is no assurance that such information is accurate nor complete. Similarly, internal surveys, industry forecasts and market research have not been independently verified by the Company and may not be accurate, complete, up-to-date, balanced or consistent with other information compiled within or outside the Philippines.

There may be possible deviation in the Use of Proceeds.

The intended use of proceeds from the Offer is set out under "***Use of Proceeds***" on page 73 of this Prospectus. It is the Company's current intention to apply the net proceeds from the Offer in the manner as described in that section.

However, as new business opportunities arise, or as unforeseen events occur, the Company may opt to reallocate a portion or all of the net proceeds to other business plans or new projects or to other uses or hold such funds in bank accounts or short-term securities, if such action is considered to be in the best interests of the Company. As a consequence, the actual application of the proceeds from the Offer may deviate from the intended use as described in this document. Any such material deviation, however, will be disclosed in accordance with the relevant rules of the SEC and/or PDEx.

In addition, the business plans of the Company as described herein are based on assumptions of future events, which by their nature, are subject to uncertainty. As such, while the Company exerts reasonable efforts in planning, there is no assurance that the plans of the Company will materialize as intended.

Certain information contained herein is derived from unofficial publications.

Certain information in this Prospectus relating to the Philippines and jurisdictions, the industries in which the Company's businesses compete and the markets in which the Company develops its projects, including statistics relating to market size, are derived from various government and private publications.

The presentation of financial information in this Prospectus may be of limited use to investors and may not accurately show or serve as an adequate basis from which to evaluate the Company's financial position, future prospects, business performance and results of operations.

The presentation of financial information in this Prospectus comprises historical information of the Company as at and for the years ended 31 December 2021, 31 December 2020, 31 December 2019, and 31 December 2018, and for the three months ended 31 March 2022.

Following receipt of Philippine SEC approval in respect of the increase in the Company's capital stock necessary to effect the ACEIC Philippine Transaction on 22 June 2020, the Company's historical financial information as at and for the year ended 31 December 2019 was restated to give effect to the ACEIC Philippine Transaction, which was deemed to be effective as of 1 July 2019. Similarly, following receipt of Philippine SEC approval in respect of the second increase in the Company's capital stock necessary to effect the ACEIC International Transaction on 7 June 2021, the Company's historical financial information for the year ended 31 December 2020 was restated to give effect to the ACEIC International Transaction, which was deemed to be effective as of 1 July 2019.

The presentation of separate and/or historical financial results of the Company as at and for the years ended 31 December 2021 and 2018, and for the three months ended 31 March 2022, and restated historical financial results of the Company as at and for the years ended 31 December 2020 and 2019 included in this Prospectus may be of limited use to investors given the completion of the ACEIC Philippine Transaction and the ACEIC International Transaction in June 2020 and June 2021, respectively.

There is no assurance that the presentation of the historical condensed consolidated financial information in this Prospectus accurately depicts what the Company's financial results would have been for the relevant periods presented assuming the ACEIC Philippine Transaction and the ACEIC International Transaction had the acquisition of ACEIC's assets been effected prior to such periods, nor is such presentation indicative of future prospects, business performance, results of operations or financial position and should not be relied upon as being so indicative.

Accordingly, the Company's consolidated financial information in this Prospectus may not provide a meaningful basis for evaluating the Company's future prospects, business and results of operations. Further, there can be no reliance on the Company's historical results of operations as an indication of future performance.

USE OF PROCEEDS

Following the offer and sale of the Green Bonds in the aggregate principal amount of ₱10 billion, ACEN expects that the net proceeds of the Offer shall amount to approximately ₱9,873,906,845.00 after deducting fees, commissions and expenses.

Based on an issue size of ₱10,000,000,000.00:

	Total
Estimated proceeds from the sale of the Green Bonds	**₱10,000,000,000.00**
Less:	
SEC Registration and Legal Research Fee	3,093,155.00
Documentary Stamp Tax	75,000,000.00
Underwriting Fee[1]	40,330,000.00
Estimated Professional Expenses and Agency fees[2]	6,520,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket Expenses[3]	1,000,000.00
Listing Fee	150,000.00
Total Estimated Upfront Expenses	**₱126,093,155.00**
Estimated net proceeds	**₱9,873,906,845.00**

[1]*The underwriting fee rate is up to 0.4033%, inclusive of GRT, of the total amount raised.*
[2]*This includes accounting (₱3,500,000.00), legal (₱200,000.00), rating (₱2,400,000.00), registry and paying agency (₱300,000.00), and trusteeship (₱120,000.00) fees.*
[3]*This includes publication and out-of-pocket-expense fees of ₱500,000.00 each.*

Aside from the fees enumerated above, the Company will be paying the following estimated annual fees related to the Green Bonds:

- PDEx and PDTC annual listing and registry paying agency maintenance fee of ₱150,000.00;
- Annual Rating Monitoring and Agency fees of ₱560,000.00 plus VAT; and
- Annual Trustee fee of ₱120,000.00.

Expenses incurred in connection with the Offer, including documentary stamp tax, fees of the Trustee, and the Registrar and Paying Agent will be for the account of the Issuer.

There are no finder's fees, or discounts or commissions to be paid to any broker dealer in connection with the Offer.

The Company plans to use the ₱9,873,906,845.00 net proceeds of the Offer to finance or refinance, in whole or in part, new or existing Eligible Green Projects, as defined in the Company's Green Bond Framework.

Below presents the breakdown of the Company's planned work program and disbursement schedule:

Allocation	**Amount (₱ million)**	**Percentage of net proceeds (%)**	**Period of Usage**
Financing or refinancing, in whole or in part, new or existing Eligible Green Projects, as defined in the Company's Green Bond Framework	₱9,873.91	100%	3Q 2022 to 4Q 2023
Estimated Net Proceeds	**₱9,873.91**	**100.00%**	

To fully finance the Company's business plans, it will use internally generated funds, existing credit lines, and/or bank financing, if and when necessary.

To the extent that the net proceeds from the Offer are not immediately applied to the above purposes, the Company shall invest the net proceeds from Offer in short-term liquid investments including, but not limited to, interest-bearing short-term demand deposits, short-term government securities, and money market instruments which are expected to earn interest at prevailing market rates.

Financing or refinancing, in whole or in part, new or existing Eligible Green Projects, as defined in the Company's Green Bond Framework

The Company intends to allocate approximately 100% of the net proceeds or ₱9,873,906,845.00 to partially finance the projects below, in order of priority. The specific timelines, the costs and/or locations of these projects are yet to be finalized and the actual funding for any such projects will also depend on outside factors, such as obtaining permits and approvals, and market conditions, among others.

Project	**Disbursement (₱ million)**	**Percentage of Total (%)**	**Percentage Completion[8] (%)**	**Period of Usage**
San Marcelino Solar I	₱5,874	59.48%	32%	3Q 2022 to 4Q 2023
Cagayan Solar I	2,000	20.26%	4%	3Q 2022 to 4Q 2023
Arayat-Mexico Solar Expansion	2,000	20.26%	25%	3Q 2022 to 4Q 2023
Total	**₱9,874**	**100%**		

San Marcelino Solar I

The Company plans to use the net proceeds to partially finance its investment in Santa Cruz Solar Energy Inc. ("SCSEI").

SCSEI was incorporated to manage the development and construction of a 283 MWdc solar farm located in San Marcelino, Zambales. San Marcelino Solar Phase I is one of the largest solar projects in the country as of 31 December 2021, capable of producing over 421 GWh of renewable energy per year and eliminating 287,796 tonnes of CO_2 emissions annually. The project is expected to be completed by the first half of 2023.

The solar farm sits on approximately 300 hectares of unutilized land covered by lahar, effectively converting the area to a sustainable energy source, and has an expansion potential of up to 700 MW. The project is expected to bring significant value to the local community, with up to 500 direct jobs during construction.

The total estimated project cost of San Marcelino Solar Phase 1 is approximately ₱15.7 billion and is intended to be fully funded by equity from the Company. The Company plans to use ₱5.9 billion of the net proceeds of the Offer to partially finance the Company's equity investment in SCSEI. The remaining ₱9.8 billion of the Company's equity investment is intended to be funded through a combination of internally generated funds, existing credit lines, and/or bank financing. The Company will infuse its equity share via a subscription to common shares and redeemable preferred shares issued by SCSEI.

[8] Percentage completion of construction as of 17 August 2022

Cagayan Solar I

The Company plans to use the proceeds to partially finance its investment in Natures Renewable Energy Development Corporation ("NAREDCO").

NAREDCO was incorporated to manage the development and construction of a 133.463MWdc solar farm and transmission line project in Lal-lo, Cagayan. With notice to proceed issued for the project, construction of the solar facility began in June 2022. NAREDCO is a joint venture of ACEN, ACE Endevor, and Cleantech Renewable Energy 4 Corp ("Cleantech"). ACEN and ACE Endevor to have a combined 60% ownership stake in NAREDCO, and CleanTech owning the remaining 40%.

The total estimated project cost is approximately ₱6.1 billion, and is intended to be funded 60% via equity, or about ₱3.7 billion. The Company plans to use ₱2.0 billion of the net proceeds of the Offer to partially finance its 60% share in the equity investment in NAREDCO (equivalent to ₱2.2 billion). The remaining ₱1.7 billion of the equity investment in NAREDCO is intended to be funded through a combination of internally generated funds, existing credit lines, and/or bank financing. The Company will infuse its equity share via a subscription to redeemable preferred shares issued by NAREDCO. The remaining 40% of the project cost, or about ₱2.4 billion is intended to be funded through project financing.

Arayat-Mexico Solar Expansion

The Company plans to use the proceeds to partially finance its term loan facility with Greencore Power Solutions 3, Inc. ("GreenCore").

Greencore, the special purpose vehicle of the project and the borrower, is 50%-owned CSEC, 45% by the Company, and 5% by ACE Endevor.

On 25 May 2022, the Company and ACE Endevor, a wholly-owned subsidiary of the Company, signed an Omnibus Agreement with Greencore as borrower and Citicore Solar Energy Corporation ("CSEC") for the financing of Greencore's 42 MWdc Phase 2 of the Arayat Solar Power Plant Project and associated facilities to be located in Arayat and Mexico, Pampanga.

Under the Omnibus Agreement, the Company, as lender, will be extending a term loan facility to Greencore in the amount of up to ₱2.3 billion to finance the design, engineering, financing, construction, procurement and supply, manufacturing, commissioning, start-up, testing, delivery, ownership, operation and maintenance of the plant, which is expected to be operational by the fourth quarter of 2023. Of the ₱2.3 billion project cost, ₱1.5 billion is for engineering, construction, testing and maintenance of the project. The loan will be secured by (1) a real estate mortgage over the real assets of the Greencore, (2) a pledge over the shares of the Greencore, and (3) the cashflows of the project.

The Company plans to use ₱2.0 billion of the net proceeds of the Offer to partially finance the Company's term loan facility with GreenCore. The total estimated project cost of the expansion is approximately ₱2.30 billion and is intended to be fully funded by the term loan facility. The remaining ₱0.3 billion of the term loan facility will be funded through the Company's existing funds.

Adjustments in the Use of Proceeds

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event there is any change in the Company's current plans, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds at the discretion of the Company's management. In the event of any material deviation, reallocation or adjustment in the planned use of proceeds, the Company shall inform the SEC and issue all appropriate disclosures within thirty (30) days prior to its implementation. Any material or substantial adjustment to the use of proceeds, as indicated above, shall be approved by the Board and shall be publicly disclosed through the SEC, PSE, and PDEx.

GREEN BOND FRAMEWORK

Introduction

ACEIC, the parent company of ACEN, and its subsidiaries ("AC Energy Group") recognize the importance of creating value not only for its businesses, but also for its stakeholders, the environment, and the communities in which it operates. The AC Energy Group strives to integrate sustainability in the core of its corporate strategies and to balance its growth with environmental and social responsibility, and recognizes the importance of creating value not only for its businesses, but also for its stakeholders, the environment, and the communities in which it operates. The AC Energy Group strives to integrate sustainability in the core of its corporate strategies and to balance its growth with environmental and social responsibility.

ACEN and its parent company, ACEIC, support the 10 Principles of the UN Global Compact, and ACEIC's parent company, Ayala Corporation, is a founding member of the UN Global Compact Network Philippines. ACEIC and ACEN have developed a Green Bond Framework under which Notes issued under the Programme may be designated as Green Bonds (if so designated, each such issuance, a "Green Bonds Issuance") to fund selected Eligible Green Projects.

The Green Bond Framework is intended to govern Green Bond Issuances across the AC Energy Group, including (but not limited to) ACEIC, AC Energy Finance International Limited, ACEN, ACEN Finance Limited, and any other entity that may issue Green Bonds from time to time.

Eligible Green Project Categories

An amount equal to the aggregate net proceeds from a Green Bonds issuance will be used to finance or refinance, in whole or in part, new or existing "Eligible Green Projects"; that is, qualifying assets and projects which meet the criteria (the "Eligibility Criteria") outlined below (each asset or project, an "Eligible Green Project"), including, but not limited to:

Development, construction and production of the components, acquisitions and operation of:

- Solar Energy Projects
- Wind Energy Projects (onshore and offshore)Geothermal Energy Projects (direct emissions < 100gCO_2/kWh)

Eligible Green Projects may be found throughout the Group and the Company reserves the right to choose the most efficient way of transferring cash between entities to fund Eligible Green Projects.

Eligible Green Projects may include ACEN investments made during the three years prior to the issuance date of the relevant Green Bonds and during the life of such Green Bonds.

Net proceeds from the relevant Green Bonds may also be used to refinance outstanding green bond issuances of the Group, including any entities within the AC Energy Group.

Process for Project Evaluation and Selection

The Eligible Green Projects are identified and selected according to the Eligibility Criteria outlined above and via a process that involves participants from various functional areas including the Company's Business Development, Finance and Sustainability teams. Prior to investing in a project in a given region, the Company ensures local regulations regarding environmental and social constraints are adhered to, in line with the Company's Environmental and Social ("E&S") policy.

A short list of projects is reviewed for approval by the Company's senior management on at least an annual basis, until all proceeds are accounted for and thereafter in the event of material developments. The Company's Board of Directors and senior management are responsible for the approval of assets and projects in accordance with the Green Bond Framework.

Management of Proceeds

An amount equal to the proceeds from the Green Bonds Issuance will be allocated to finance designated Eligible Green Projects across the Group, selected in accordance with the Eligibility Criteria, and using the evaluation and selection process mentioned above.

Payment of principal and interest on the Green Bonds will be made from ACEN's general funds and will not be directly linked to the performance of any one specific Eligible Green Project.

The Company intends to spend an amount equal to majority of the net proceeds from the sale of the Green Bonds within three years from the date of issuance.

Tracking of Proceeds

ACEN will monitor the allocation of an amount equal to the proceeds via internal information systems. A register will be created to facilitate the monitoring and reporting of the Green Bonds Issuance and the deployment of an amount equal to the net proceeds.

The register will include, among others:

- Green Bond details: including ISIN, issue date, maturity date, principal amount and coupon;
- Eligible Green Project list;
- Renewable/Green Asset Category;
- The regions in which the projects are located;
- The amount of net proceeds allocated to the projects;
- The date of allocation and foreign exchange rates; and
- Environmental certification of the project (if applicable).

Use of Unallocated Proceeds

Pending any allocation or reallocation, an amount equal to the net proceeds from the Green Bonds Issuance may be invested in cash or cash equivalents, or used to repay existing borrowings under general credit facilities of ACEN.

These funds will be managed according to ACEN's own internal liquidity management policies and may be transferred to other entities within the Group.

Substitution of Assets

ACEN will allocate an amount equal to the net proceeds to assets or projects that comply with the Eligibility Criteria as soon as reasonably practicable, reallocating to replacement assets or projects in the event that a previously allocated asset or project is sold or no longer available.

Allocation Reporting

At least annually, until an amount equal to the net proceeds has been allocated, and thereafter, in the event of material changes, ACEN will provide information on the allocation of an amount equal to the net proceeds of the Green Bonds Issuance on its website and/or in ACEN's integrated reports. The information will contain at least the following details:

- A list of approved Eligible Green Projects, including amounts allocated; and
- Remaining balance of unallocated proceeds

Where possible, ACEN will also provide additional information, case studies or examples of selected projects, subject to considerations such as confidentiality agreements.

The annual reporting will be reviewed and approved by ACEN's senior management.

For each Green Bonds Issuance, ACEN intends to engage an external auditor to provide independent verification on its reporting and management of proceeds in accordance with this Green Bond Framework.

Impact Reporting

Where relevant and possible, ACEN will also report on selected impact metrics (per project or in aggregate for all projects financed by the proceeds of a Green Bonds Issuance), as outlined below:

- Energy generated from renewable sources (kWh)
- Greenhouse Gas (GHG) emissions reduced/avoided (tCO2e)

PLAN OF DISTRIBUTION

The detailed plan of distribution and underwriting arrangement for each succeeding Tranche shall be set out in the relevant offer supplement.

THE OFFER AND SECURITIES PROGRAM SHELF REGISTRATION

On 11 July 2022, ACEN filed a Registration Statement with the SEC in connection with the Securities Program.

The Green Bonds will be issued as the first Tranche of the Securities Program in the aggregate principal amount of ₱10,000,000,000.00.

SHELF REGISTRATION OF SECURITIES NOT COVERED BY THE OFFER

After the close of the Offer and within three (3) years following the effectivity date of the Registration Statement filed for the Securities Program, ACEN may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Securities covered by such registration statement, in one or more subsequent Tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code. Such a shelf registration provides ACEN with the ability to conduct such an offering within a comparatively short period of time. ACEN believes that this provides it with the increased ability to take advantage of opportunities in a volatile debt capital market, as these occur. Any subsequent offering under such rule requires the submission by ACEN of the relevant updates and amendments to the registration statement and the issuance of the corresponding SEC Permit by the SEC. As a listed company, ACEN regularly disseminates such updates and information in its disclosures to the SEC and the PSE.

At any time, which may include periods shortly following the completion of the Offer, ACEN may initiate subsequent offers of other Securities in various Tranches from the balance of the aggregate principal amount of Securities that will remain unissued from the Securities Program. Such subsequent offers may be conducted on different terms and tenors involving different issue managers, underwriters or other transaction parties. ACEN regularly considers prevailing market conditions and opportunities in relation to such offers that are permitted within the three (3) year effectivity of the Securities Program.

However, there can be no assurance in respect of: (i) whether ACEN will issue any such Securities at all; (ii) the size or timing of any individual issuance or the total issuance of such Securities; or (iii) the tenor, interest rate or other specific terms and conditions of any such issuance. Any decision by ACEN to offer such Securities will depend on a number of factors at the relevant time, many of which are not within ACEN’s control, including but not limited to: prevailing interest rates, the financing requirements of ACEN’s business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

THE JOINT LEAD UNDERWRITERS AND BOOKRUNNERS FOR THE OFFER

BDO Capital, BPI Capital, RCBC Capital, and SB Capital, pursuant to an Underwriting Agreement with ACEN dated 7 September 2022, (the “Underwriting Agreement”), have agreed to act as the Joint Lead Underwriters and Bookrunners for the Offer and as such, distribute and sell the Green Bonds at the Issue Price, and have also committed jointly, and not solidarily, to underwrite in total ₱10,000,000,000.00 of the Offer on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

For the Offer, the Joint Lead Underwriters and Bookrunners will receive a fee of up to 0.4033% on the underwritten principal amount of the Green Bonds issued. The amount of the firm commitments of the Joint Lead Underwriters and Bookrunners are as follows:

Joint Lead Underwriters and Bookrunners	Commitment
BDO Capital	₱ 3,000,000,000.00
BPI Capital	₱ 3,000,000,000.00
RCBC Capital	₱ 2,000,000,000.00
SB Capital	₱ 2,000,000,000.00
Total	**₱ 10,000,000,000.00**

There is no arrangement for the Joint Lead Underwriters and Bookrunners to return any unsold Green Bonds to ACEN. The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to ACEN of the net proceeds of the Green Bonds.

The Joint Lead Underwriters and Bookrunners, are each duly licensed by the SEC to engage in underwriting or distribution of the Green Bonds. The Joint Lead Underwriters and Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business for ACEN or other members of the Ayala Group of which ACEN forms a part. None of the Joint Lead Underwriters and Bookrunners have the right to designate or nominate a member of the Board of Directors of ACEN.

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of 31 March 2022, it had ₱3,670.5 billion and ₱429.9 billion in assets and capital, respectively.

BPI Capital is a corporation organized in the Philippines as a wholly owned subsidiary of the Bank of the Philippine Islands ("BPI"). It obtained its license to operate as an investment house in 1994 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of 31 March 2022, its total assets amounted to ₱3.4 billion and its capital base amounted to ₱3.3 billion.

RCBC Capital is a licensed investment house providing a complete range of capital-raising and financial advisory services. Established in 1974, RCBC Capital has over 47 years of experience in the underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country's largest fully integrated financial services conglomerates. As of 31 March 2022, RCBC Capital's total assets were ₱3.7 billion while total capital was ₱3.1 billion.

SB Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. SB Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. SB Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. As of 31 March 2022, its total assets amounted to ₱1.5 billion and its capital base amounted to ₱1.4 billion.

Except for BPI Capital and as otherwise disclosed herein, none of the Joint Lead Underwriters and Bookrunners have any direct or indirect relations with ACEN in terms of material ownership by their respective major stockholder(s). BPI Capital Corporation is a wholly-owned subsidiary of the Bank of the Philippine Islands ("BPI"). ACEN's parent company, ACEIC, and BPI are affiliated companies, each with Ayala Corporation as a major shareholder.

SALE AND DISTRIBUTION

The distribution and sale of the Green Bonds shall be undertaken by the Joint Lead Underwriters and Bookrunners who shall sell and distribute the Green Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Joint Lead Underwriters and Bookrunners from purchasing the Green Bonds for their own respective accounts should there be any unsold Green Bonds after the Offer Period. There are no selling agents nor sub-underwriters for the Offer.

The obligations of each of the Joint Lead Underwriters and Bookrunners will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Joint Lead Underwriters and Bookrunners. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an Underwriter to carry out its obligations thereunder shall neither relieve the other Joint Lead Underwriters and Bookrunners of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the obligation of another Underwriter.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on 9 September 2022 and end at 5:00 p.m. on 15 September 2022, or on such other dates as the Issuer and the Joint Lead Underwriters and Bookrunners may agree upon.

APPLICATION TO PURCHASE

Applicants may purchase the Green Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Bookrunners properly completed application forms (the "Application to Purchase"), whether originally signed or electronically submitted, either through the e-Securities Issue Portal ("E-SIP") upon and subject to, the SEC's approval of E-SIP's required application process and procedures, or directly through any of the Joint Lead Underwriters and Bookrunners, together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the Green Bonds in the manner provided therein. Corporate and institutional applicants may also be required to submit, in addition to the foregoing:

(a) an original notarized certificate of the corporate secretary or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the Green Bonds indicated in the Application to Purchase and (ii) designating the signatories, with their specimen signatures, for the said purpose;

(b) copies of its Articles of Incorporation and By-Laws (or the Articles of Partnership, in case of a partnership) and latest amendments thereof, together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);

(c) two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies);

(d) validly issued tax identification number issued by the BIR;

(e) identification document(s) of the authorized signatories of the applicant, as specified in item (a) of the immediately succeeding paragraph below; and

(f) such other documents as may be reasonably required by any of the Joint Lead Underwriters and Bookrunners or the Registrar in the implementation of its internal policies regarding "know your customer" and anti-money laundering.

Individual applicants may also be required to submit, in addition to the accomplished Applications to Purchase and its required attachments:

(a) identification document ("ID") of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Philippine Identification Card (PhilID), Passport, Driver's License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, the SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);

(b) two (2) duly accomplished signature cards containing the specimen signature of the Applicant;

(c) validly issued tax identification number issued by the BIR; and

(d) such other documents as may be reasonably required by any of the Joint Lead Underwriters and Bookrunners or the Registrar in implementation of its internal policies regarding "know your customer" and anti-money laundering.

An Applicant claiming exemption from any applicable tax, or is subject to a preferential withholding tax rate shall, in addition to the requirements set forth above, be required to submit the following requirements, subject to acceptance by the Issuer, as being sufficient in form and substance:

(a) a current and valid original of BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the corporate secretary of the Bondholder that: (a) the original is in the possession of the corporate secretary as the duly authorized custodian of the same; and (b) the corporate secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;

(b) with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under BIR Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, special power of attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the first day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

(c) a duly notarized undertaking executed (substantially in the prescribed form by the Issuer) declaring and warranting that the same Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation or modification of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer, the Registrar and Paying Agent, and the Joint Lead Underwriters and Bookrunners free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and

(d) such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, including a copy of the submitted Application Form for Treaty Purposes, the valid and existing tax residence certificate issued by the relevant foreign tax authority, and evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder or the Bondholder's owners' or beneficiaries' legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines; provided that, the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder or the Bondholder's owners or beneficiaries claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

Completed Applications to Purchase and corresponding payments must reach the Joint Lead Underwriters and Bookrunners prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Lead Underwriters and Bookrunners. Acceptance by the Joint Lead Underwriters and Bookrunners of the completed Application to Purchase shall be subject to the availability of the Green Bonds and the acceptance by ACEN. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of ₱50,000.00 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₱10,000.00.

ALLOTMENT OF THE GREEN BONDS

If the Green Bonds are insufficient to satisfy all Applications to Purchase, the available Green Bonds shall be allotted at the discretion of the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer and subject to the Issuer's right of rejection.

REFUNDS

If any application is rejected or accepted in part only, the corresponding payment or the appropriate portion thereof shall be returned without interest to such applicant through the Joint Lead Underwriters and Bookrunners from whom such application to purchase the Green Bonds was made.

UNCLAIMED PAYMENTS

Any payment of interest on, or the principal of, the Green Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders at the latter's risk.

PURCHASE AND CANCELLATION

The Issuer may at any time purchase any of the Green Bonds in the open market or by tender or by contract at market price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) the Green Bonds pro-rata from all Bondholders. Any Green Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Green Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

SECONDARY MARKET

ACEN intends to list the Green Bonds in the PDEx. ACEN may purchase the Green Bonds at any time in the PDEx trading system without any obligation to make pro-rata purchases of Green Bonds from all Bondholders. The Green Bonds shall be traded in denominations of ₱10,000 in the secondary market.

REGISTER OF BONDHOLDERS

The Green Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Green Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Beneficial title to the Green Bonds shall be shown in the Register of Bondholders to be maintained by the designated registrar for the Green Bonds. Initial placement of the Green Bonds and subsequent transfers of interests in the Green Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. The Issuer will cause the Register of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Green Bonds held by them and of all transfers of Green Bonds shall be entered in the Register of Bondholders.

DETERMINATION OF OFFER PRICE

The determination of the Offer Price for each succeeding Tranche being offered shall be set out in the relevant offer supplement under “Determination of the Offer Price”.

The Green Bonds shall be issued on a fully-paid basis and at an issue price that is at par.

The interest rate of the Green Bonds will be based on the closing rates of the relevant five (5)-year PHP Bloomberg Valuation Service (“PHP BVAL Reference Rates”), as published on the relevant page of Bloomberg at approximately 5:00 p.m. (Philippine Standard Time), for the three (3) consecutive Business Days immediately preceding and ending on the interest rate setting date, and a spread of thirty-five (35) basis points, as determined via a book building process.

The use of PHP BVAL Reference Rates as the basis for the computation of the interest rate is market convention and is the prevalent practice in pricing corporate bonds. The Bankers Association of the Philippines recognizes PHP BVAL Reference Rates as the metric to be used as the Philippine Peso Government Securities (“GS”) benchmark in the GS market and is currently the benchmark administrator and owner of the PHP BVAL Reference Rates. The PHP BVAL Reference Rates are solely calculated by Bloomberg Finance Singapore L.P. and/or its affiliates (“Bloomberg”), under an agreement with BAP, and are derived from sources deemed reliable by Bloomberg.

CAPITALIZATION

The following table sets forth ACEN's liabilities and equity as of the quarterly period ended 31 March 2022 and as adjusted upon issuance of the Green Bonds for the Issue Amount of ₱10 billion. This table should be read in conjunction with the more detailed information and audited financial statements, including the notes thereto, found in this Prospectus.

(*in thousands of Pesos*)	**As of 31 March 2022 (Unaudited)**	**As adjusted for Issue Amount of ₱10 billion (Upon issuance of the Green Bonds)**
Current Liabilities		
Accounts payable and other current liabilities	₱6,926,631	₱6,926,631
Short-term loans	3,237,020	3,237,020
Current portion of long-term loans	830,995	830,995
Current portion of lease liabilities	192,637	192,637
Income and withholding taxes payable	225,470	225,470
Due to stockholders	16,585	16,585
Total Current Liabilities	**11,429,338**	**11,429,338**
Noncurrent Liabilities		
Notes payable	20,676,392	20,676,392
Bonds payable	-	10,000,000
Long-term loans – net of current portion	22,038,315	22,038,315
Lease liabilities – net of current portion	2,384,690	2,384,690
Pension and other employee benefits	94,194	94,194
Deferred income tax liabilities – net	243,745	243,745
Other noncurrent liabilities	3,572,599	3,572,599
Total Noncurrent Liabilities	**49,009,935**	**59,009,935**
Total Liabilities	**60,439,273**	**70,439,273**
Equity		
Capital stock	39,659,273	39,659,273
Additional paid-in capital	107,281,663	107,281,663
Other equity reserves	(56,715,021)	(56,715,021)
Unrealized fair value (loss) gain on equity instruments at FVOCI	(103,546)	(103,546)
Unrealized fair value gain on derivative instruments designated as hedges	56,320	56,320
Remeasurement loss on defined benefit plans	(25,191)	(25,191)
Accumulated share in other comprehensive gain (loss) of associates and joint ventures	69,551	69,551
Cumulative translation adjustments	1,106,122	1,106,122
Retained earnings	9,112,328	9,112,328
Treasury shares	(28,657)	(28,657)
Total equity attributable to equity holders of the Parent Company	**100,412,842**	**100,412,842**
Non-controlling interests	29,987,957	29,987,957
Total Equity	**130,400,799**	**130,400,799**
TOTAL LIABILITIES AND EQUITY	**₱190,840,072**	**₱200,840,072**

DESCRIPTION OF THE GREEN BONDS

The following is a description of certain terms and conditions of the Green Bonds. This description of the terms and conditions of the Green Bonds set forth herein does not purport to be complete and is qualified in its entirety by reference to the agreements relating to the Green Bonds, copies of which are available for inspection at the offices of the Trustee. The terms and conditions set out in this section will, subject to amendment, be set out in the Trust Indenture between the Issuer and the Trustee.

A registration statement was filed by the Issuer covering the shelf registration (the "Securities Program") of up to Thirty Billion Pesos (₱30,000,000,000.00) on 11 July 2022 and an application for the listing of the Green Bonds will be filed with the PDEx on or about 8 September 2022. Pursuant to the confirmation and certificate of permit to offer securities for sale to be issued by the SEC, the Company will issue fixed-rate bonds with a tenor of five (5) years in aggregate principal amount of Ten Billion Pesos (₱10,000,000,000.00) (the "Offer"), to be issued as the first tranche under the Securities Program consisting of 6.0526% p.a. bonds due 2027, for public offer and sale in the Philippines under the prospectus dated 7 September 2022.

The Green Bonds are constituted by a Trust Indenture executed on 7 September 2022 (the "Trust Indenture") between the Issuer and RCBC Trust and Investments Group (the "Trustee", which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture). The description of the terms and conditions of the Green Bonds set out below ("Terms and Conditions") includes summaries of, and is subject to, the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement executed on 7 September 2022 (the "Registry and Paying Agency Agreement") between the Issuer, and the Registrar and Paying Agent.

Philippine Depository & Trust Corp. ("PDTC") has no interest in or relation to ACEN which may conflict with its roles as Registrar and Paying Agent for the Offer. RCBC Trust and Investments Group has no interest in or relation to ACEN which may conflict with its role as Trustee for the Offer. RCBC Capital is a wholly owned subsidiary of the Trustee, Rizal Commercial Banking Corporation.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The holders of the Green Bonds (the "Bondholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

1. Form, Denomination and Title

(a) Form and Denomination

The Green Bonds are in scripless form, and shall be issued, in denominations of Fifty Thousand Pesos (₱50,000.00) each, as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

(b) Title

The beneficial interest to the Green Bonds shall be shown on and recorded in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Green Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Green Bonds shall pass by recording the transfer from a transferor to the transferee in the Register of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the

Green Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) Bond Rating

The Green Bonds have been rated PRS Aaa with a Stable Outlook by Philippine Rating Services Corporation ("PhilRatings") on 11 July 2022. Obligations rated PRS Aaa are of the highest quality with minimal risk. PRS Aaa is the highest rating assigned by PhilRatings. On the other hand, a Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months. PhilRatings identified the following key considerations in the assignment of the ratings and the corresponding Outlook: (a) the aggressive expansion of its power generation capacity throughout the region via partnerships with a focus on renewable energy; (b) its conservative capital structure; (c) the significant turnaround upon ACEIC's acquisition of a controlling stake in ACEN in 2019, with a strong pipeline of projects which will support profitability and cash flow generating ability moving forward; (d) the strong support from its ultimate shareholder; and (e) its well-experienced management.

PhilRatings shall continuously monitor developments relating to ACEN and may change the ratings at any time, should circumstances warrant a change. The rating is subject to annual review, or more frequently as market developments may dictate, for as long as the relevant Green Bonds are outstanding. After Issue Date, the Trustee shall monitor the compliance of the Green Bonds with the regular annual reviews.

2. Transfer of the Green Bonds

(a) Register of Bondholders

The Issuer shall cause the Register of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Green Bonds held by them and of all transfers of Green Bonds shall be entered into the Register of Bondholders. As required by Circular No. 428, Series of 2004 issued by the BSP*,* the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Green Bonds that is effected in the Registrar's system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the Green Bonds may be made during the period commencing on a Record Date as defined in the section on "*Interest Payment Date*."

(b) Transfers; Tax Status

Transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Business Day, provided however that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax on the PDEx Trading System, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "Tax Categories" refer to the three (3) final withholding tax categories covering, particularly, (i) tax-exempt entities, (ii) 20% tax-withheld entities and (iii) 25% tax-withheld entities. This restriction shall be in force until a non-restricted trading and settlement environment for corporate securities is implemented. Transfers taking place in the Register of Bondholders after the Green Bonds are listed on PDEx may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under and are in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC. Transfers to or from Bondholders claiming the benefit of any tax treaty which subjects the interest income to a final withholding tax rate other than the final withholding tax categories indicated above shall only be allowed on Interest Payment Dates that fall on a Business Day.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

(c) Registrar

For transfers and record updates, notices and communication with the Registrar may be made through the following:

Philippine Depository & Trust Corp.
29th Floor BDO Equitable Tower
Paseo de Roxas, Makati City, Metro Manila

Telephone no:	(632) 8884-4425
Fax no:	(632) 8230-3346
E-mail:	josephine.delacruz@pds.com.ph
Attention:	Josephine Dela Cruz, Director – Securities Services

(d) Secondary Trading of the Green Bonds

The Issuer intends to list the Green Bonds on PDEx for secondary market trading. The Green Bonds will be traded in a minimum board lot size of Ten Thousand Pesos (₱10,000.00) as a minimum, and in multiples of Ten Thousand Pesos (₱10,000.00) in excess thereof for as long as any of the Green Bonds are listed on PDEx. Secondary market trading in PDEx shall follow the applicable PDEx rules, conventions, and guidelines governing trading and settlement between Bondholders of different tax status and shall be subject to the relevant fees of PDEx and PDTC, all of which shall be for the account of the relevant Bondholder.

3. Ranking

The Green Bonds constitute direct, unconditional, unsubordinated, and unsecured Peso-denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, except obligations preferred by the law, other than the preference or priority established by Article 2244, paragraph 14 of Republic Act No. 386, otherwise known as the Civil Code of the Philippines which have not been waived.

4. Interest

(a) Interest Payment Dates

The Green Bonds bear interest on its principal amount from and including the Issue Date at the following fixed interest rate per annum from the Issue Date:

Green Bonds due 2027	6.0526%%

Interest on the Green Bonds is payable quarterly in arrear on 22 December, 22 March, 22 June and 22 September of each year while the Green Bonds are outstanding (each of which, for purposes of this section is an “Interest Payment Date”) commencing on 22 December 2022, until and including the Maturity Date. In the event that any of such Interest Payment Dates are not Business Days, such Interest Payment Dates shall be deemed to be the immediately succeeding Business Day without any adjustment to the amount due, provided that if the Issue Date is set at a date other than 22 September 2022, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date, or the immediately succeeding Business Day if such date is not a Business Day, without any adjustment to the amount due.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be the day two (2) Business Days prior to the relevant Interest Payment Date (the “Record Date”), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Green Bonds. No transfers of the Green Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) Interest Accrual

Each Bond shall cease to bear interest, net of applicable withholding taxes, from and including the Maturity Date, as defined in the discussion on *“Final Redemption”,* unless, upon due presentation, payment of the principal in respect of the Green Bonds then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see *“Penalty Interest”*) shall apply.

(c) Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

5. Call Option

(a) Call Option

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Green Bonds before the relevant Maturity Date on any one of the following Interest Payment Dates indicated below (the “Call Option Dates”), or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

Call Option Dates	Call Option Price
12th to 15th Interest Payment Date	101.00%
16th to 19th Interest Payment Date	100.50%

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Call Option Price applied to the principal amount of the then outstanding Green Bonds being redeemed and (ii) all accrued interest on the Green Bonds as of the Call Option Date through any of the means prescribed under Paragraph 22 of these Terms and Conditions.

(b) Exercise of a Call Option

Should the Issuer elect to exercise a Call Option, it shall do so by delivery of an original and three (3) copies of a notice of such exercise to the Trustee, submitted during business hours on a date no earlier than sixty (60) days and no later than thirty (30) days prior to the Call Option Date through any of the means prescribed under Paragraph 22 of these Terms and Conditions.

Once executed, completed and delivered to the Trustee, a Call Option notice is irrevocable.

Upon receipt of a Call Option notice fully complying with these Terms and Conditions, the Trustee shall notify the Bondholders thereof by transmitting such notice through any of the means prescribed under Paragraph 22(b) of these Terms and Conditions.

Notwithstanding anything to the contrary, in the event the Issuer has notified the Trustee that it will exercise the Call Option, any interest payment due on the Interest Payment Date immediately preceding the Call Option Date shall be paid on such Call Option Date.

6. Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, the Green Bonds shall be redeemed at par or One Hundred percent (100%) of face value on the Maturity Date. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment to the amount of interest and principal to be paid, on the immediately succeeding Business Day if the Maturity Date is not a Business Day.

(b) Redemption for Taxation Reasons

If payments under the Green Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Green Bonds in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par plus accrued interest, net of applicable withholding taxes.

Upon receipt by the Trustee of a redemption notice from the Issuer hereunder, the Trustee shall transmit the same notice to the Bondholders.

(c) Purchase and Cancellation

The Issuer may at any time purchase any of the Green Bonds in the open market or by tender or by contract at market price, in accordance with PDEx Rules without any obligation to purchase (and the Bondholders shall not be obliged to sell) Green Bonds pro-rata from all Bondholders. Any Green Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Green Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

(d) Change in Law or Circumstance

The following events shall be considered as changes in law or circumstances ("Change in Law or Circumstance") as it refers to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the Green Bonds:

(i) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the Green Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, shall materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld.

(ii) Any provision of the Trust Indenture or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that shall become for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.

(iii) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.

(iv) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

If any one or more of the events enumerated as a Change of Law or Circumstance shall occur and be continuing for a period of thirty (30) days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said thirty (30) day period, may declare the principal of the Green Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty, anything contained in the Trust Indenture or in the Green Bonds to the contrary notwithstanding, subject to the notice requirements under the discussion on *"Notice of Default."*

7. Payments

The principal or interest and all other amounts payable on the Green Bonds shall be paid to the Bondholders by crediting of the cash settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Green Bonds shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the Green Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Green Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

8. Payment of Additional Amounts; Taxation

Interest income on the Green Bonds is subject to a final withholding tax at rates of between ten percent (10%) and twenty-five percent (25%) depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

(a) The applicable final withholding tax applicable on interest earned on the Green Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations promulgated by the BIR as may be in effect from time to time (the "Tax Code").

An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

(i) a current and valid original of BIR certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the corporate secretary of the Bondholder that: (a) the original is in the possession of the corporate secretary as the duly authorized custodian of the same; and (b) the corporate secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;

(ii) with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the Bureau of Internal Revenue, as required under BIR Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, special power of attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than first day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

(iii) a duly notarized undertaking (substantially in the prescribed form by the Issuer) declaring and warranting that the same Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation or modification of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer, the Registrar and Paying Agent, and the Joint Lead Underwriters and Bookrunners free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and

(iv) such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, including a copy of the submitted Application Form for Treaty Purposes, the valid and existing tax residence certificate issued by the relevant foreign tax authority, and evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder or the Bondholder's owners' or beneficiaries' legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder or the Bondholder's owners or beneficiaries claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

The tax treatment of a Bondholder may vary depending upon such person’s particular situation and certain Bondholders may be subject to special rules not discussed above. This summary does not purport to address all the aspects that may be important and/or relevant to a Bondholder. Bondholders are advised to consult their own tax advisers on the ownership and disposition of the Green Bonds, including the applicability and effect of any state, local or foreign tax laws.

(b) Gross Receipts Tax under Section 121 of the Tax Code;

(c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and

(d) Value-added Tax ("VAT") under Sections 106 to 108 of the Tax Code, as amended by Republic Act No. 9337 and Republic Act No. 10963.

Documentary stamp tax for the primary issue of the Green Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

9. Financial Ratios

The Issuer shall maintain, for as long as any of the Green Bonds remain outstanding, a Net Debt to Total Equity Ratio of not more than 3.0:1.0.

10. Negative Pledge

For as long as any of the Green Bonds remain outstanding, the Issuer covenants that it shall not, without the prior written consent of the Majority Bondholders, permit any indebtedness for borrowed money to be secured by or to benefit from any mortgage, pledge, security interest, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligation (a "Lien") in favor of any creditor or class of creditors without providing the Bondholders with a Lien, the benefit of which is extended equally and ratably among them to secure the Green Bonds; provided however that, this restriction shall not prohibit "Permitted Liens," which are:

(a) Any Lien over any asset including, but not limited to assets purchased, leased or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by ACEN in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset.

(b) Any Lien constituted for any obligation or credit facility incurred for the purpose of pursuing any project or investment therein, whether such project is undertaken by ACEN itself, by its Affiliates, and/or by ACEN or its Affiliates with third parties, and whether the same is carried on separately from or integrated with any of the projects of ACEN, or any Lien constituted by ACEN on its right to receive income or revenues (whether in the form of dividends or otherwise) from projects or related investments therein.

(c) Any Lien created for the purpose of paying current Taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof and adequate reserves having been provided for the payment thereof.

(d) Any Lien to secure, in the normal course of the business of ACEN or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases.

(e) Any Lien: (i) imposed by law, such as carrier's, warehousemen's, mechanics' liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledge or deposits under the workmen's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements.

(f) Any Lien in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by ACEN under a governmental program, and which cover assets of the Borrower which have an aggregate appraised value, determined in accordance with PFRS, not exceeding ten percent (10%) of total assets as reflected in the latest consolidated annual audited financial statements.

(g) Any Lien existing on the date of this Agreement which is disclosed in writing by ACEN to the Trustee prior to the execution of this Agreement.

(h) Any Lien for an aggregate loan accommodation not exceeding the equivalent of ten percent (10%) of the total assets as reflected in the latest consolidated audited financial statements of ACEN;

(i) Any Lien established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets or the requirements of the *Bangko Sentral ng Pilipinas* on loans and financial accommodations extended to directors, officers, stockholders and related interest (DOSRI).

(j) The assignment, transfer or conveyance of the right of ACEN to receive any income or revenues other than from any asset of ACEN not used in the ordinary course of its business; provided that, the constitution by ACEN of such Lien shall not cause ACEN to breach the financial covenant in Subsection 4.1(h).

(k) Any Lien constituted over the investment of ACEN in any of its Affiliates, whether such investment is in the form of shares, deposits or advances, to guarantee or secure the obligations of the said Affiliates.

(l) Any Lien constituted for the purpose of guaranteeing an obligation of an Affiliate in connection with any contract or agreement that has been assigned to such Affiliate by ACEN.

(m) Any Lien constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement (other than for borrowed money);

(n) Any title transfer or retention of title arrangement entered into by ACEN in the normal course of its trading activities on the counterparty's standard or usual terms.

(o) Any Lien created over (i) deposits made by ACEN with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos ("foreign currency"); or (ii) financial instruments denominated in foreign currency owned by ACEN, in each case solely for the purpose of securing loan facilities denominated in Philippine Pesos granted by ACEN in an aggregate principal amount not exceeding the amount of the deposit of the face amount (or value) of that financial instrument.

(p) Any Lien created over cash deposits or marketable investment securities in favor of a bank or financial institution to secure any borrowed money in connection with a treasury transaction; provided that, the aggregate amount of security does not at any time exceed Forty Million U.S. Dollars (US$40,000,000) or its equivalent. For this purpose, a "treasury transaction" means any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to ACEN's treasury management.

(q) Any Lien to be constituted on the assets of ACEN after the date of this Agreement which is disclosed in writing by ACEN to the Trustee prior to the execution of this Agreement.

11. Events of Default

The Issuer shall be considered in default under the Green Bonds and the Trust Indenture in case any of the following events (each an "Event of Default") shall occur and is continuing:

(a) Payment Default

The Issuer fails to pay when due and payable any amount which the Issuer is obliged to pay to the Bondholders under the Trust Indenture and the Green Bonds, provided, that such non-payment shall not constitute an Event of Default if it is solely due to an administrative or technical cause, not attributable to the fault or negligence of the Issuer, affecting the transfer of funds despite timely payment instructions having been given by the Issuer and such payment is received by the Paying Agent within two (2) Business Days from the relevant due date.

(b) Representation/Warranty Default

Any representation and warranty of the Issuer hereof or any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than fourteen (14) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Trustee to that effect.

(c) Other Default

The Issuer fails to perform or violates any other provision or term of the Trust Indenture and the Green Bonds, and such failure or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation with respect to the covenant to maintain the prescribed financial ratio, (particularly a maximum Net Debt to Total Equity Ratio of 3.0:1.0) and within ten (10) Business Days from the date of the occurrence of said violation, with respect to any other covenant or obligation; provided that, the Events of Default constituting insolvency initiated by the Issuer or closure default, or a violation of a negative covenant shall not be remediable.

(d) Cross Default

The Issuer violates any material term or condition of any contract executed by the Issuer with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer within ten (10) Business Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation shall, further, in the reasonable opinion of the Trustee, adversely and materially affect the performance by the Issuer of its obligations under the Trust Indenture and the Green Bonds; provided however that, no event of default shall occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds One Billion Pesos (₱1,000,000,000).

(e) Insolvency Default

There is an act of Bankruptcy vis-à-vis the Issuer and the relevant proceedings, to the extent not initiated by the Issuer, shall not have been reversed or stayed within a period of sixty (60) days or such longer period as the Issuer satisfies the Bondholders is appropriate under the circumstances.

(f) Judgment Default

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of One Billion Pesos (₱1,000,000,000) or its equivalent in any other currency is entered against the Issuer and the enforcement of which is not stayed, and is not paid, discharged or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(g) Writ and Similar Process Default

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of the Issuer's assets and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy.

(h) Closure Default

The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or force majeure.

12. Notice of Default

The Trustee shall, within thirty (30) days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of Payment Default, as described in "*Payment Default*," the Trustee shall immediately notify the Bondholders upon the occurrence of such Payment Default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days (at the expense of ACEN) further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Green Bonds at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

13. Consequences of Default

(a) If any one or more of the Events of Default shall have occurred and be continuing, either (i) the Trustee, upon the written instruction of the Majority Bondholders, whose written instructions/consents/letters shall be verified by the Registrar against the identification documents or the two-dimensional digital copies thereof in its possession, and by notice in writing delivered to the Issuer, or (ii) the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, with a copy furnished to the Paying Agent and Registrar, may declare the principal of the Green Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Indenture or in the Green Bonds to the contrary notwithstanding.

(b) This provision, however, is subject to the condition that, except in the case of a Writ and Similar Process Default, the Majority Bondholders may, by written notice to the Issuer and the Trustee, during the prescribed curing period, if any, rescind and annul such declaration made by the Trustee pursuant to Condition 13(a), and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

(c) At any time after any Event of Default shall have occurred, the Trustee may:

(i) by notice in writing to the Issuer, require the Registrar and Paying Agent to:

(aa) act thereafter as agents of the Bondholders represented by the Trustee on the terms provided in the Registry and Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Indenture in relation to the Green Bonds and available to the Trustee for such purpose) and thereafter to hold all sums, documents and records held by them in respect of the Green Bonds on behalf of the Trustee; and/or

(bb) deliver all evidence of the Green Bonds and all sums, documents and records held by them in respect of the Green Bonds to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; and

(ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Green Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, the Issuer's affirmative covenant to pay principal and interest, net of applicable withholding taxes, on the Green Bonds to the Paying Agent shall cease to have effect.

In case any amount payable by the Issuer under the Green Bonds, whether for principal, interest or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay Penalty Interest on the defaulted amount(s) from the time the amount falls due until it is fully paid.

14. Penalty Interest

In case any amount payable by the Issuer under the Green Bonds, whether for principal, interest, net of applicable withholding taxes, or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay penalty interest on the defaulted amount(s) at the rate of twelve percent (12%) per annum (the "Penalty Interest") from the time the amount falls due until it is fully paid.

15. Payment in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Green Bonds with interest at the rate borne by the Green Bonds on the overdue principal, net of applicable withholding taxes, and with Penalty Interest as described above, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

16. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Registrar and Paying Agent, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second*, to the payment of the interest, net of applicable withholding taxes, in default, in the order of the maturity of such interest with Penalty Interest, which payment shall be made pro-rata among the Bondholders; *third*, to the payment of the whole amount then due and unpaid upon the Green Bonds for principal, and interest, net of applicable withholding taxes, with Penalty Interest, which payment shall be made pro-rata among the Bondholders; and *fourth*, the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. For this purpose, the Paying Agent shall deliver to the Trustee a joint certification of the funds to be applied for payment, and a schedule of payments to be made in accordance with these Terms and Conditions of the Green Bonds.

17. Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

18. Remedies

All remedies conferred by the Trust Indenture and these Terms and Conditions to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the discussion below on "*Ability to File Suit*."

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

19. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest, net of applicable withholding taxes, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Green Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee, for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such Green Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

20. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or may, on behalf of the Bondholders waive any past default, except the events of default defined as a payment default, breach of representation or warranty default, insolvency default, or closure default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Green Bonds.

21. Trustee; Notices

(a) Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture and the Prospectus and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:	**RCBC TRUST AND INVESTMENTS GROUP**
Attention:	Ryan Roy W. Sinaon First Vice President
Subject:	ACEN Green Bonds due 2027
Address:	9th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City
Telephone No.:	8894-9000
Email:	rwsinaon@rcbc.com

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

Any requests for documentation or certification and other similar matters must be communicated by the Bondholder to the Trustee in writing and shall be subject to review, acceptance and approval by the Trustee.

In the absence of any applicable period stated elsewhere in these Terms and Conditions, written requests shall be reviewed and, if accepted and approved, addressed by the Trustee within ninety (90) days from receipt. This period may be extended should the Trustee be unable to review and address the requests for causes not attributable to the Trustee.

(b) Notice to the Bondholders

Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient and binding when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Register of Bondholders. The Trustee shall rely on the Register of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by ACEN to the SEC on a matter relating to the Green Bonds shall be deemed a notice to Bondholders of said matter on the date of the first publication.

(c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

22. Duties and Responsibilities of the Trustee

(a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.

(b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture and in the Terms and Conditions. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

(c) The Trustee shall exercise such rights and powers vested in it by the Trust Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

(d) None of the provisions contained in these Terms and Conditions or the Prospectus shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(e) Unless a fixed period is otherwise specified in the Trust Indenture and in the absence of a period specifically agreed to by the Trustee and ACEN and in the case of notices required to be sent by the Trustee to Bondholders, the Trustee must act promptly in the sending of such notices but in any case shall have a period of not more than thirty (30) days to complete the sending of all such notices in the manner allowed by the Trust Indenture.

(f) Notwithstanding the above, the Trustee, on its own discretion, may send notices or disclose to the Bondholders any fact, circumstance or event, which would have the effect of effectively reducing the principal amount of the Green Bonds outstanding, including changes in Laws.

23. Resignation and Change of Trustee

(a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the Bondholders of such resignation.

(b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the resigning trustee and one (1) copy to the successor trustee. However, notwithstanding the immediately preceding sentence, in cases where an Event of Default shall have occurred and be continuing, it is the Majority Bondholders, not the Issuer, that shall appoint the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide holder for at least six (6) months (the "Bona Fide Bondholder") may, for and in behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.

(c) Subject to Section (e) below, a successor trustee must possess all the qualifications required under pertinent laws.

(d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the successor trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee. Subject to the provisions of Subsection (e) below, such successor trustee must possess all the qualifications required under pertinent laws.

(e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Bondholders in the Terms and Conditions.

(f) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any provisions of the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) effectivity of the resignation notice sent by the Trustee under the Trust Indenture (the "Resignation Effective Date"); provided however that, until such successor trustee is qualified and appointed, the outgoing Trustee shall continue to discharge its duties and responsibilities solely as custodian of records for turnover to the successor trustee promptly upon the appointment thereof by the Issuer; provided finally that, such successor trustee possesses all the qualifications as required by pertinent laws.

(g) In the event of a change in the Trustee, the Trustee shall be given ninety (90) days to prepare documents, records or any other instruments necessary to be transferred to the successor trustee, unless removed for cause, in which case, it shall transfer to such documents, records or other instruments within such period as may be reasonably determined by ACEN.

24. Successor Trustee

(a) Any successor trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as Trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.

(b) Upon acceptance of the appointment by a successor trustee, the Issuer shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Bondholders to be notified at the expense of the Issuer.

25. Reports to the Bondholders

(a) The Trustee shall submit to the Bondholders on or before 28 February of each year from the relevant Issue Date until full payment of the Green Bonds a brief report dated as of 31 December of the immediately preceding year with respect to:

(i) the property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and

(ii) any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Green Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.

(b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Green Bonds at such time.

(c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

(i) Trust Indenture;

(ii) Registry and Paying Agency Agreement;

(iii) Articles of Incorporation and By-Laws of the Issuer;

(iv) Registration Statement relating to the Securities Program; and

(v) Opinions of the legal counsel with respect to the Issuer and the Green Bonds.

26. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of Green Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the Green Bonds.

(a) Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Green Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

(b) Failure of the Trustee to Call a Meeting

In case at any time, the Issuer, pursuant to a resolution of its board of directors or executive committee, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Green Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then the Issuer or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) Procedure for Meetings

(i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.

(ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Green Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one or more Green Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one (1) vote for every Ten Thousand Pesos (₱10,000) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

(f) Voting Requirement

Except as provided in Condition 29 (Amendments), all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture. Any resolution of the Bondholders which has been duly approved with the required number of votes of the

Bondholders as herein provided shall be binding upon all the Bondholders and the Issuer as if the votes were unanimous.

(g) Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Green Bonds, the appointment of proxies by registered holders of the Green Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

27. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Green Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing; or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith, or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

28. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or willful misconduct.

29. Amendments

The Issuer and the Trustee may amend or waive any provisions of the Bond Agreements if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency, without prior notice to or the consent of the Bondholders or other parties; provided that in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders; provided further that all Bondholders are notified of such amendment or waiver.

The Issuer and the Trustee may amend the Terms and Conditions with notice to every Bondholder following the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Green Bonds) or a vote of the Majority Bondholders at a meeting called for the purpose. However, without the consent of each Bondholder affected thereby, an amendment may not:

(a) reduce the percentage of principal amount of Green Bonds outstanding that must consent to an amendment or waiver;

(b) reduce the rate of or extend the time for payment of interest on the Green Bonds;

(c) reduce the principal of or extend the Maturity Date of the Green Bonds;

(d) impair the right of any Bondholder to receive payment of principal of and interest on such Bondholder's Green Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;

(e) reduce the amount payable upon the redemption or repurchase of the Green Bonds under the Terms and Conditions or change the time at which the Green Bonds may be redeemed;

(f) make the Green Bonds payable in money other than that stated in the Green Bonds;

(g) subordinate the Green Bonds to any other obligation of ACEN;

(h) release any security interest that may have been granted in favor of the Bondholders;

(i) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the Bondholders; or

(j) make any change or waiver of this Condition 29.

It shall not be necessary for the consent of the Bondholders under this Condition 29 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, the Issuer shall send a notice briefly describing such amendment to the Bondholders in the manner provided in the paragraph entitled "*Notice to the Bondholders*."

30. Governing Law

The Bond Agreements are governed by and are construed in accordance with Philippine law.

31. Venue

Any suit, action, or proceeding against the Issuer with respect to the Green Bonds or the Bond Agreements or on any judgment entered by any court in respect thereof may be brought in any competent court in the City of Makati, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer and Bondholders expressly waiving other venue.

32. Waiver of Preference

The obligation created under the Bond Agreements and the Green Bonds shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippine are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

33. Certain Defined Terms

The following sets forth the respective definitions of certain terms used in this Terms and Conditions. Except as otherwise provided and where context indicates otherwise, defined terms in this Terms and Conditions have the meanings ascribed to them in the Trust Indenture.

(a) **Affiliate** means any corporation, directly or indirectly controlled by the Issuer, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of contract or authority granted by said corporation to the Issuer.

(b) **Bankruptcy** means, with respect to a Person, (a) that such Person has (i) made an assignment for the benefit of creditors; (ii) filed a voluntary petition in bankruptcy; (iii) been adjudged bankrupt, or insolvent; or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (iv) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (v) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person’s properties; (b) sixty (60) days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (c) sixty (60) days have elapsed since the appointment without such Person’s consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person’s properties and such appointment has not been vacated or stayed or the appointment is not vacated within sixty (60) days after the expiration of such stay.

(c) **BIR** refers to the Bureau of Internal Revenue of the Republic of the Philippines.

(d) **Indebtedness** means any indebtedness for borrowed money incurred by the Issuer to the extent that it appears as a liability on the consolidated financial statements of the Issuer prepared in accordance with PFRS, but excluding indebtedness for borrowed money owed by the Issuer to Affiliates or Subsidiaries.

(e) **Issue Date** means 22 September 2022 or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such other date as may be agreed upon between the Issuer and the Joint Lead Underwriters and Bookrunners with advice to the SEC, PDTC, and PDEx

(f) **Lien** means any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties, for the purpose of securing its or its Affiliates' obligation.

(g) **Limited Recourse Project Financing** means any indebtedness (i) which is incurred by any Project Company; (ii) which is secured by the asset or assets of such Project Company; and (iii) in respect of, and in connection with which, the providers of such indebtedness have no recourse whatsoever to any asset of the Issuer or any Material Subsidiary or, in the case of a Project Company that is a Material Subsidiary, to any asset of the Issuer or any other Material Subsidiary (including for the repayment of, or payment of any sum relating to, such indebtedness) other than (a) guarantees or other support in respect of completion or construction risk in respect of the relevant project or (b) any recourse over the shares or other ownership interests in the Project

Company following the enforcement of any Lien over such assets given by the Issuer or the relevant Material Subsidiary, as the case may be.

(h) **Majority Bondholders** means Bondholders representing more than fifty percent (50%) of the outstanding principal amount of the Green Bonds.

(i) **Material Subsidiary** means:

a. any Subsidiary of the Issuer whose gross revenues (consolidated in the case of a Subsidiary which has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent, in each case, at least 10% of the consolidated gross revenues or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated, respectively, by reference to the then latest available consolidated audited balance sheet and profit and loss accounts of the Issuer and its consolidated Subsidiaries, provided that:

   i. in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are available, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary;

   ii. if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, gross revenues or gross assets of the Issuer and any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Trustee;

   iii. if at any relevant time in relation to any Subsidiary, no accounts are audited, its gross revenues or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Trustee; and

   iv. if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (a) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of such Subsidiary's accounts (consolidated, in each case, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer; or

b. any Subsidiary to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer was a Material Subsidiary, whereupon (I) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (II) the transferee Subsidiary shall immediately become a

Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of the sub-paragraphs above.

For the avoidance of doubt, (i) a Person will cease to be a Material Subsidiary in the event that and at such time such person ceases to be a Subsidiary, and (ii) in the event of a Material Subsidiary ceasing to be a Subsidiary, determination of the remaining Material Subsidiaries shall be made by reference to the consolidated audited balance sheet and profit and loss accounts of the Issuer and its consolidated Subsidiaries after such Material Subsidiary ceases to become a Subsidiary.

(j) **Maturity Date** means five (5) years after Issue Date; provided that, in the event that the Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

(k) **Net Debt** means the aggregate (without duplication) of all Indebtedness (other than Non-Recourse Debt and Limited Recourse Project Financing) less cash and cash equivalents of the Issuer and its Subsidiaries (excluding cash and cash equivalents of all Subsidiaries with Non-Recourse Debt or Limited Recourse Project Financing), which appears on a consolidated balance sheet of the Issuer and its Subsidiaries as of the end of the most recent fiscal quarter for which internal financial statements are available, prepared in accordance with PFRS.

(l) **Net Debt to Equity** means the ratio of Net Debt to Total Stockholders' Equity.

(m) **Non-Recourse Debt** means any Indebtedness of a Subsidiary in respect of which the Issuer has not provided a guarantee and for which the Issuer is not otherwise liable. For the avoidance of doubt, to the extent the Issuer has provided a guarantee or is liable for Indebtedness of a Subsidiary up to a certain specified limit, any Indebtedness in excess of such limit shall be Non-Recourse Debt.

(n) **PFRS** means Philippine Financial Reporting Standards

(o) **Project Company** means any company, partnership or other entity in which the **Issuer** or a Material Subsidiary has an ownership interest.

(p) **Subsidiary** means, with respect to any person, any corporation, association or other business entity (i) of which more than 50.0% of the voting power of the outstanding voting stock is owned or controlled, directly or indirectly, by such person and one or more other Subsidiaries of such person or (ii) of which 50.0% or less of the voting power of the outstanding voting stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person and in each case which is "controlled" and consolidated by such person in accordance with PFRS.

(q) **Total Equity** means the aggregate (without duplication) stockholder's equity of the Issuer and its Subsidiaries, which appears on a consolidated balance sheet of the Issuer and its Subsidiaries as of the end of the most recent fiscal quarter for which internal financial statements are available, prepared in accordance with PFRS.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of the Company's financial results should be read in conjunction with the Company's consolidated financial statements as of and for the period ended 31 December 2021, 2020, 2019, and 2018, and the quarterly period ended 31 March 2022, and the notes thereto contained in the section entitled "**Financial Information**" and elsewhere in this Prospectus.*

Due to the incorporation of the effect of common control business combination in the Company's audited consolidated financial statements as of and for the years ended 31 December 2021, 2020, and 2019, the Company restated its consolidated balance sheet as of 31 December 2019 presented as comparative in the audited consolidated financial statements as of 31 December 2021. See Note 32 of the Company's audited consolidated financial statements included elsewhere in this Prospectus for more details.

*This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "**Risk Factors**" and elsewhere in this Prospectus.*

For the Three Months Ended 31 March 2022 vs 2021

To help achieve its capacity expansion targets and return to a robust growth trajectory, ACEN recently entered into new partnerships. In March, the Group formed a joint venture with CleanTech Renewable Energy 4 Corporation to begin construction on a 133-MW solar farm and transmission line in Lal-lo, Cagayan, Philippines. The following month, ACEN and ib vogt, a German-based developer of tracking solar farms, have agreed to set up a 1,000-MW solar asset platform in Asia. Finally, in late April, ACEN announced the formation of a strategic partnership with United States-based firms Pivot Power Management and UPC Solar & Wind Investments LLC to pursue opportunities to acquire operating wind projects in the US and to explore strategies for extending their useful life through preventative maintenance and repowering.

Operating Highlights:

Attributable output increased by 4% to 1,161 gigawatt-hours (GWh) in the first quarter of 2022. Although output grew as a result of new operating capacity opened in 2021, this was offset by the effects of the SLTEC maintenance outage, as well as curtailment in the Visayas.

- Output from International assets rose by a noteworthy 62%, reducing the impact of the decline in Philippine generation. Renewables' contribution to ACEN's output increased by a significant 52%, bringing RE's share to 76% of total energy production.

- ACEN currently has ~3,800 MW of pro forma attributable capacity in the Philippines and across the region, of which ~3,300 MW, or close to 90%, is renewable. This puts the Group in a strong position to reach its 5,000-MW target earlier than 2025, towards its vision of becoming the largest listed renewables platform in Southeast Asia.

Financial Highlights:

- The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to ₱405.03 million for the first quarter of 2022 compared to ₱1,272.26 million 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 31 March 2022 and 2021.

Revenues

In thousand Pesos	Jan - Mar 2022	Jan - Mar 2021	Increase (Decrease) Amount	Increase (Decrease) %
Revenue from sale of electricity	7,358,378	5,688,775	1,669,603	29
Rental income	17,053	13,663	3,390	25
Dividend Income	3,635	6,549	(2,914)	(44)
Other revenue	23,540	18,857	4,683	25
Total Revenues	7,402,606	5,727,844	1,674,762	29

- **Revenue from sale of electricity** registered 29% growth from last year mainly driven by the following: 1) revenue contribution from 600MWdc Palauig Solar Farm and 120MWdc Alaminos Solar Farm that started operations April 2021 and June 2021, respectively; 2) revenues generated by merchant plants at higher WESM prices this 2022 vs. 2021; 3) higher wind resource and plant availability from wind plants this year vs. lower generation due to outages in 2021; and 4) higher dispatch and dependable capacity from diesel plants. The growth is partly offset by SLTEC outages, RES customer contract buy-out fee, and curtailment of Visayas plants.

- **Rental income** increased mainly coming from BCHC.

- **Dividend income** came from UPC Sidrap, which is recognized as financial asset at FVOCI.

- **Other revenue** consists of management fees earned by ACEN from its joint venture and bulk water sales.

Costs and Expenses

In thousand Pesos	Jan - Mar 2022	Jan - Mar 2021	Increase (Decrease) Amount	Increase (Decrease) %
Cost of sale of electricity	7,868,135	4,433,444	3,434,691	77
General and administrative	284,969	394,770	(109,801)	(28)
Total Costs and Expenses	8,153,104	4,828,214	3,324,890	69

- **Costs of sale of electricity** increased largely on higher costs of purchased power due to elevated spot market prices during a major preventive maintenance outage of the SLTEC thermal plant. Other operating costs also increased such as fuel cost with increasing oil prices as well as repairs following SLTEC outages during the quarter. The Group registered negative gross profit margin for the period ended 31 March 2022 of ₱509.76 million vs. ₱1,255.33 million gross profit contribution from same period last year with lower supply amidst increasing WESM prices as well as the ₱605 million buy-out fees.

- **General and administrative expenses** were lower than last year with higher development management and borrowing costs that were capitalized in the first quarter of 2022.

Other Income and Expenses

In thousand Pesos	Jan – Mar 2022	2021	Increase (Decrease) Amount	%
Interest and other finance charges	(504,313)	(428,679)	(75,634)	18
Equity in net income of associates and joint ventures	344,473	576,409	(231,936)	(40)
Other income – net	1,219,806	1,014,452	205,354	20
Total Other Income and Expenses	1,059,966	1,162,182	(102,216)	(9)

- **Interest and other finance charges** is higher due to increased volume of currently held long-term and short-term loans from period to period with additional availments during the quarter.

- Lower **equity in net income of associates and joint ventures** coming from NLR and ACRI, as well as income from NIBHI in Q1 last year, none this year.

- **Other income** registered an increase vs. last year with higher interest income mainly coming from international loan receivables and investments in convertible loans and redeemable preferred shares.

Provision for (benefit from) income tax

In thousand Pesos	Jan – Mar 2022	2021	Increase (Decrease) Amount	%
Current	41,722	135,201	(93,479)	(69)
Deferred	(484,700)	(6,824)	(477,876)	7,003
Total Provision from (benefit from) income tax	(442,978)	128,377	(571,355)	(445)

- The increase in **Provision for income tax - current** was due to lower consolidated taxable income with sustained losses for the current period.

- **Benefit for deferred income tax** in 2022 increased with the additional set-up of DTA on NOLCO of ACEN Parent and SLTEC for the quarter.

Material changes in Consolidated Statements of Financial Position accounts

In thousand pesos	31 March 2022	31 December 2021	Increase (Decrease) Amount	%
Current Assets				
Cash and cash equivalents	27,697,266	26,445,429	1,251,837	5
Short-term investments	196,712	68,310	128,402	188
Accounts and notes receivable	31,603,834	33,309,297	(1,705,463)	(5)
Fuel and spare parts	1,663,322	1,490,559	172,763	12
Current portion of:				
Input value added tax (VAT)	1,840,884	1,173,169	667,715	57
Creditable withholding taxes	998,203	837,472	160,731	19
Other current assets	1,040,284	744,269	296,015	40
Assets held for sale	119,179	203,464	(84,285)	(41)
Total Current Assets	65,159,684	64,271,969	887,715	1

In thousand pesos	31 March 2022	31 December 2021	Increase (Decrease) Amount	%
Noncurrent Assets				
Investments in:				
Associates and joint ventures	29,200,652	21,358,301	7,842,351	37
Other financial assets at amortized cost	28,669,031	26,085,959	2,583,072	10
Financial assets at FVTPL – Noncurrent	1,211,227	406,739	804,488	198
Financial assets at FVOCI – Noncurrent	352,408	354,868	(2,460)	(1)
Plant, property and equipment	37,998,678	36,038,563	1,960,115	5
Right-of-use (ROU) assets	1,972,345	2,135,479	(163,134)	(8)
Investments properties	13,085	13,085	–	–
Accounts and notes receivable - net of current portion	16,998,207	13,191,314	3,806,893	29
Goodwill and other intangible assets	2,433,909	2,375,980	57,929	2
Net of current portion:				
Input VAT - net of current portion	612,102	524,733	87,369	17
Creditable withholding tax - net of current portion	709,584	726,804	(17,220)	(2)
Deferred income tax assets – net	1,176,429	512,366	664,063	130
Other noncurrent assets	4,332,731	3,165,227	1,167,504	37
Total Noncurrent Assets	125,680,388	106,889,418	18,790,970	18

- Increase in **Cash and cash equivalents** were mainly attributable to issuance of shares to UPC and its entities totalling to ₱10,558.58 million. This was partly offset by the Group's acquisition and additional investment in various associates and joint ventures totalling to ₱7,485.35 million (*i.e.*, NLR, UPC entities, NEFIN Limited and BCEI), as well as additional capital expenditures, interest and dividend payments during the quarter.

- Decrease in **Accounts and notes receivable** with timely collection of accounts vs. last year when Bayanihan law was still effective which extended due dates of receivables.

- **Short-term investments** include cash placements to cover for expected loan principal and interest repayments upon maturity.

- **Fuel and spare parts** went up as a result of SLTEC's purchases of spare parts and other direct materials in preparation for maintenance works, coupled with the Group's purchases of fuel which have not yet been consumed as at 31 March 2022

- Increase in **current portion of input VAT** mainly driven by input tax from purchases of various materials needed for construction and maintenance of various plants and services procured.

- **Creditable withholding tax** went up due to improvement in collection of ACEN's receivable from retail customers and unutilized CWT.

- **Other current assets** increased primarily due to ACEN's fuel hedge valuation amounting to ₱199M and increase in the Group's prepaid insurance and prepaid taxes. Increase is partially offset by last year's derivative asset on forward contracts (₱241.74 million).

- **Assets held for sale** as of 31 March 2022 include Power Barge (PB) 103 valued at its fair value less cost to sell amount as well as building improvements, machineries, tools, and equipment of ACEN and BSEI that are available for immediate sale. Decrease from last year is due to disposal of PB 101 and PB 102 during the first quarter of 2022.

- **Investments in associates and joint ventures** increased mainly due to additional investment in UPC-ACE Australia (₱4,070.41 million) and Philwind/NLR (₱2,286.00 million). There are also new joint venture investments reported during the period such as Batangas Clean Energy, Inc., NEFIN Limited, and UPC Australia (HK) Limited. Accumulated equity in net earnings increased for the period largely coming from PhilWind/NLR (₱227.10 million) and Salak-Darajat (₱251.71 million) but reduced by ₱233.65 million total dividend payout coming from PhilWind/NLR.

- **Investments in other financial assets at amortized cost** include investments in redeemable preferred shares of, and convertible loans extended to associates and joint ventures. These increased with additional subscriptions into redeemable preferred shares of various international projects, as well as additional loan facilities extended.

- **Noncurrent financial assets at FVTPL** pertains to Compulsorily Convertible Debentures (CCDs) from Masaya Solar. Masaya Solar is currently constructing the 420MWp solar farm in the Central Indian state of Madhya Pradesh.

- **Noncurrent financial assets at FVOCI** are largely the investment in UPC Sidrap and also include golf club shares and listed equity instruments.

- **Plant, property and equipment's** increased mainly due to increase in capitalization for the construction of Solar Plant and Transmission Lines in Marcelino, Zambales (₱148 million), and Wind Farm in Balaoi and Caunayan Pagudpud, Ilocos Norte (₱1.52 billion). The Group also had ₱86.6 million capitalized borrowing costs from project companies during the year.

- **Right-of-use asset's** decrease came from amortizations of leases.

- **Investment properties** pertains to Bulacan Power's land amounting to ₱13.09 million.

- **Receivables - net of current portion** increased primarily due to non-current portion of loans and interest receivable of ACRI.

- **Goodwill & other intangible assets** increased mainly due to goodwill arising from control acquisition over various UPC PH development entities ₱93.39 million and offset by amortizations of other intangibles for the period.

- Majority of the balance of **Deferred tax asset** came from recognition on accrued expenses, NOLCO, MCIT and lease liabilities.

- **Input VAT non-current** increased due to reclassification of input vat of ACE Endevor entities from current to non-current.

- **Other non-current assets** include various advances to contractors for the ongoing project developments.

In thousand pesos	**31 March 2022**	**31 December 2021**	**Increase (Decrease)**	
			Amount	**%**
Current Liabilities				
Accounts payable and other current liabilities	6,926,631	6,280,829	645,802	10
Short-term loans	3,237,020	–	3,237,020	100
Current portion of long-term loans	830,995	824,488	6,507	1
Current portion of lease liability	192,637	536,950	(344,313)	(64)
Income and withholding taxes payable	225,470	169,920	55,550	33
Due to stockholders	16,585	16,585	–	–
Total Current Liabilities	11,429,338	7,828,772	3,600,566	46
Noncurrent Liabilities				
Notes payable	20,676,392	20,195,054	481,338	2
Long-term loans - net of current portion	22,038,315	20,117,733	1,920,582	10
Lease liabilities - net of current portion	2,384,690	2,159,302	225,388	10
Pension and other employment benefits	94,194	80,422	13,772	17
Deferred tax income liabilities - net	243,745	74,422	169,323	228
Other noncurrent liabilities	3,572,599	2,736,920	835,679	31
Total Noncurrent Liabilities	49,009,935	45,363,853	3,646,082	8
Equity				
Capital Stock	39,659,273	38,338,527	1,320,746	3
Additional paid-in capital	107,281,663	98,043,831	9,237,832	9
Other equity reserves	(56,715,021)	(56,604,532)	(110,489)	0
Unrealized fair value loss on equity instruments at FVOCI	(103,546)	(90,089)	(13,457)	15
Unrealized fair value gain on derivative instruments designated under hedge accounting	56,320	6,228	50,092	804
Remeasurement loss on defined benefit plan	(25,191)	(24,436)	(755)	3
Accumulated share in other comprehensive loss of associates and a joint venture	69,551	29,723	39,828	134
Cumulative translation adjustments	1,106,122	(359,910)	1,466,032	(407)
Retained earnings	9,112,328	8,707,301	405,027	5
Treasury shares	(28,657)	(28,657)	–	–
Non-controlling interests	29,987,957	29,950,776	37,181	0
Total Equity	130,400,799	117,968,762	12,432,037	11

- **Accounts payable and other current liabilities** increased mainly on BWPC loan from ACEIC amounting to ₱785 million, as well as increase in output tax (current and deferred) and accrued expenses.

- **Short-term loans** increased from the Parent's availment during the period amounting to ₱3.24 billion from BPI.

- **Current portion of long-term loans** increased due to reclassifications of currently maturing principal within 12-month period, offset by repayments during the year.

- **Current portion of lease liability** decreased due to lease payments during the period.

- Increase in **income and withholding taxes payable** was mainly due to income tax provision for the period and increase in expanded withholding tax payable.

- **Notes payable** pertains to the US$400.0 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) green bonds (the FFL Green Bonds Non-call 2022) issued and listed in SGX-ST.

- **Long-term loans - net of current portion** increased to the new loans availed by ACEN (₱2.0 billion). The increase was offset by the principal payments made by ACEN (₱47.19 million) and GWC (₱66.9 million).

- **Lease Liabilities-net of current portion** increased mainly due to interest expense recognized during the period.

- **Pension and other employment benefits** increased due to accrual of retirement expense for the period.

- 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.

  Deferred tax liabilities have not been recognized on undistributed earnings of and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative adjustment amounted to US$534.39 million (₱27,151.66 million).

- **Other non-current liabilities** include ₱1.12 billion trade payables in relation to a Multilateral Agreement signed by the Group, PEMC and other WESM participants. These also include contract liabilities and asset retirement obligations related to solar operations.

- **Capital stock and additional paid in capital** increased by 1.32 billion shares at ₱7.87 and ₱8.29 per share from share issuance to UPC international and Philippine development entities, respectively.

- The movement in **other equity reserves** pertain to the impact of the share issuance to UPC Philippine development entities, mainly BWPC. Excess of consideration from acquisitions of non-controlling interest in BWPC amounted ₱110.42 million.

- The increase in **unrealized FV loss on equity instruments at FVOCI** came from mark-to-market loss for UPC Sidrap for the current period.

- **Unrealized fair value gain on derivative instruments designated as hedges** increased due to fuel hedge valuation.

- **Remeasurement loss on defined benefit plan** decreased parallel to various actuarial loss and loss on return on plan assets.

- The decrease in **accumulated share in other comprehensive loss of associates and joint ventures** came from share in remeasurement loss from defined benefit obligation of associate and joint venture.

- **Retained earnings** increased from resulting net income earned for the period.

- **Treasury shares** has no movement during the period.

- **Non-controlling interests** are mainly comprised of redeemable preferred shares of ACE Cayman held by AC Energy Finance International Limited. Non-controlling interests' share in net income amounted to ₱347.42 million, which was offset by dividends totalling ₱352.34 million. The Group also acquired the non-controlling interest in BWPC with carrying amount of ₱16.87 million in BWPC.

Key Performance Indicators

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

Key Performance Indicators				
	31-Mar-22	31-Dec-21	Increase (Decrease)	
In thousand Pesos	**Unaudited**	**Audited**	**Amount**	**%**
Liquidity Ratios				
Current assets	65,159,684	64,271,969		
Divided by: Current liabilities	11,429,338	7,828,772		
Current Ratio	5.70	8.21	(2.51)	(31%)
Cash & cash equivalents	27,697,266	26,445,429		
Plus: Short-term investments	196,712	68,310		
Plus: Receivables	31,603,834	33,309,297		
Cash & cash equivalents + Short-term investments + Receivables	59,497,812	59,823,036		
Divided by: Current liabilities	11,429,338	7,828,772		
Acid test ratio	5.21	7.64	(2.44)	(32%)
Solvency Ratios				
Total liabilities	60,439,273	53,192,625		
Divided by: Total equity	130,400,799	117,968,762		
Debt/Equity ratio	0.46	0.45	0.01	3%
Total assets	190,840,072	171,161,387		
Divided by: Total equity	130,400,799	117,968,762		
Asset-to-equity ratio	1.46	1.45	0.01	1%
Income (loss) before income tax	309,467	7,808,172		
Plus: Interest and other finance charges	504,313	1,694,380		
Earnings before interest & tax (EBIT)	813,781	9,502,552		
Divided by: Interest expense	504,313	1,694,380		
Interest Coverage Ratio	1.61	5.61	(3.99)	(71%)
Short-term loans	3,237,020	-		
Plus: Long-term loans	43,545,702	41,137,275		
Less: Cash & cash equivalents	27,697,266	26,445,429		
Short-term loans + long-term loans - Cash & Cash Equivalents	19,085,456	14,691,846		
Total Equity	130,400,799	117,968,762		
Net bank Debt to Equity ratio	0.15	0.12	0.02	18%

Profitability Ratios				
Net income after tax attributable to equity holders of the Parent Company	405,027	5,250,972		
Divided by: Average equity attributable to equity holders of Parent Company	94,215,414	70,949,245		
Return on equity	0.43%	7.40%	(6.97%)	(93%)
Net income after taxes	752,446	7,666,035		
Divided by: Average total assets	181,000,730	156,488,604		
Return on assets	0.42%	4.90%	(4.48%)	(92%)
Revenues	7,402,606	26,081,441		
Divided by: Average total assets	181,000,730	156,488,604		
Asset Turnover	4.09%	16.67%	(12.58%)	(75%)

Current ratio & Acid test ratio

- Current ratio & acid test ratio decreased with increase in accounts payable and availment of short-term loans, which outpaced the increase in cash and other current assets.

Debt/Equity ratio & Asset-to-equity ratio

- D/E ratio slightly increased with additional short-term and long-term loan availments, which were cushioned by the increase in paid-in capital and net income for the period. Asset-to-equity ratio also went up as the increase in total assets slightly outpaced the increase in equity.

Interest coverage ratio

- Lower net income before interest and taxes coupled with higher interest expense following additional loan availments yield to lower interest coverage ratio for the current period.

Net bank debt to equity ratio

- Higher cash and cash equivalents vs. short-term loans resulted to negative ratio for the current period.

Return on equity and assets

- Return on equity dropped with lower net income generated for the period, coupled with increase in paid-in capital.

Asset turnover

- Asset turnover decreased due to lower net revenues and increase in average total assets 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 Interim Consolidated Financial Statements for the quarterly period ended 31 March 2022.

- ACEN has material commitments to invest in capital expenditure projects mainly in the following:

- 288MW solar project in Buguey and Lal-lo, Cagayan and the proposed 275MW expansion of Gigasol Palauig solar project in Zambales.

    - 120MWdc solar power project in Alaminos, Laguna through Solarace1;

    - 150MW diesel plant in Pililla, Rizal through Ingrid, 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;

    - 500MW solar power project in San Marcelino, Zambales through Santa Cruz Solar;

    - 2x20 MW Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4;

    - 160MW wind farm in Balaoi, Pagudpud, Ilocos Norte through BWPC, in partnership with UPC Renewables;

    - Investment into 4MW renewable energy laboratory in Bataan through BSEI;

    - 521MWdc New England Solar Farm (NESF) and adjacent 50MW battery energy storage system located near Uralla in New South Wales through UPC-ACE Australia, a joint venture of ACEN and UPC Renewables Australia.

    - Various Vietnam wind farms:

        - 252MW wind farm in Quang Binh through AMI Renewables Energy Joint Stock Company

        - 88MW wind farm in Ninh Thuan through BIM Energy Joint Stock Co.(“BIME”)

        - 40MW second phase of the Mui Ne Wind Farm in Binh Thuan through the partnership with the Blue Circle.

        - 60MW Lac Hoa & Hoa Dong wind farm in Soc Trang through a joint venture with UPC

    - 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 2022.

- 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").

For the Years Ended 31 December 2021 vs 2020

PLAN OF OPERATION

Financial Performance

The following discussion and analysis of financial position and results of operations of ACEN and its subsidiaries should be read in conjunction with the audited consolidated financial statements as at 31 December 2021, and the restated consolidated financial statements as at 31 December 2020 and 2019. The audited consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards.

<u>2021</u>

Corporate Highlights:

- In January 2021, ACEN sold, by way of stock rights offering (SRO), 2,094,898,876 shares and 172,681,558 shares in first round and second round allocations, respectively, which were subsequently listed with the PSE on 29 January 2021.

- In April 2021, ACEN signed a Deed of Assignment with ACEIC for the subscription by ACEIC to, and the issuance to ACEIC of, 16,685,800,533 shares in exchange for ACEIC's 1,701,284,345 common shares and 15,030,279,000 redeemable preferred shares in AC Energy International, Inc., which holds ACEIC's international renewable assets. This is in line with the intention to designate ACEN as the energy platform of the Ayala Group, holding all of the group's energy assets worldwide.

- The SEC approved ACEN's increase in ACS from 24.4 billion shares to 48.4 billion shares in June 2021, thus enabling the implementation of the assets-for-share swap between ACEN and ACEIC for the latter's international assets. As such, the 2021 results now present the results of operations of the international assets under ACEN. Prior period financials have similarly been restated, to account for the retroactive impact of the share swap transaction effective 1 July 2019, the date when ACEN and the Offshore Companies became under the common control of ACEIC.

- In May 2021, ACEN completed its follow-on offering (FOO) with an offer of 2.01 billion common shares priced at ₱6.50 per share, consisting of 1.58 billion shares sold pursuant to the primary offer, 330.24 million shares sold by ACEIC and Bulacan Power pursuant to a secondary offer, and an over-subscription of 100 million secondary shares sold by ACEIC.

- In June 2021, ACEN and ACE Endevor signed a Deed of Absolute sale for transfer of its equity stake in three biopower assets through NIBHI to ThomasLloyd CTI Asia Holdings Pte. Ltd., which already indirectly owns over 90% of the economics of these biomass-fired power plants. The divestment of its minority interest in the biomass assets allows ACEN to focus on the expansion of its core solar and wind businesses.

- In September 2021, ACEN, through its wholly-owned subsidiary, ACEN Finance Limited (the Issuer), successfully issued its U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) green bonds (the FFL Green Bonds Non-call 2022) at an aggregate principal amount of US$400.0 million, with a fixed coupon of 4.0% for life, with no step-up and no reset, priced at par.

- The FFL Green Bonds Non-call 2022 are issued under its US$1.5-billion medium-term note program, are guaranteed by ACEN, and are listed on Singapore Exchange Securities Trading (SGX-ST).

- Pricing for the bonds was at 4.0%, which was 45 basis points tighter than the initial price guidance. The final order book volume exceeded US$2.0 billion (more than 5 times oversubscribed), attracting a wide range of high-quality investors.

- The Philippine SEC confirmed that the FFL Green Bonds Non-call 2022 comply with the requirements under the ASEAN Green Bonds Circular and qualify as an ASEAN Green Bond. The net proceeds from the FFL Green Bonds Non-call 2022 will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with the Company's Green Bond Framework (GBF). These include solar energy projects, onshore and offshore wind energy projects, and geothermal energy projects with direct emissions of less than 100g CO2/kWh. The GBF sets out well-defined guidelines for the use of proceeds for RE projects, with comprehensive monitoring and reporting commitments.

- Including the Parent Company's ₱5.4 billion (US$111.2 million) stock rights offering (SRO), ₱10.3 billion (US$212.2 million) follow-on offering (FOO), and ₱11.9 billion (US$244.2 million) primary share investment by GIC affiliate Arran Investment Pte. Ltd. (Arran), ACEN has raised a total of close to US$1.0 billion in fresh capital in 2021, which it can use to fund its goal of 5,000 megawatts (MW) in attributable renewable energy (RE) capacity by 2025.

Operating Highlights:

- ACEN ended the year with 3,028MW of attributable capacity in operation and under construction, up from just 1,889MW in the same period in 2020.

    - 50% of the portfolio is located in the Philippines, with the other 33.5% spread across the region: Indonesia, Vietnam, Australia and India.

    - 64% of the capacity is operating, while the remaining 36% is still under construction

    - 83% of the portfolio is powered by renewable energy

- In the Philippines, the 120MW Gigasol Alaminos and 63MW Gigasol Palauig solar farms have both started operating in the second quarter, while the 150MW Ingrid peaking plant was completed and started operations in October of this year. ACEN is currently completing the 114MW Greencore Arayat solar plant, the 160MW GigaWind Pagudpud wind farm, the 40MWh Alaminos battery energy storage project, and the 4MW Bataan RE Tech Hub.

- Despite the pandemic, the Group has commenced with its first two solar projects in India, the 140MWdc Sitara Solar and 70MWdc Paryapt Solar projects, which have generating power since started in May 2021 and October 2021. The 88MW Ninh Thuan wind farm in Vietnam also completed and started operation in October of this year. The 252MW Quang Binh wind farm in Vietnam has reached commercial operation in November 2021. The Group started construction of its first project in Australia, the 521MWdc New England Solar Farm, earlier this year.

- The Group currently has 2,073MW of attributable renewable energy capacity and is working toward its goal of 5,000MW of renewable energy capacity by 2025, in line with its vision of becoming the largest listed renewables platform in Southeast Asia.

Financial Highlights:

- The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to ₱5,250.97 million for the year ended 31 December 2021, up from ₱4,288.10 million restated net income in the same period last year.

  This includes the results of operations of the international assets that have been infused into ACEN. Currently, none of the international assets are being consolidated by the Group, and that the earnings from these assets are reflected under Equity in Net Income of Associates and Joint Ventures, which is presented net of project development expenses for the various power projects under construction and in the pipeline. Interest and other financial income from investments in redeemable preferred shares of associates and joint ventures, and from development loans and advances to these companies, are reflected under Other Income.

- Net income growth was mainly driven by the growth in operating capacity from acquisitions made in 2020 as well as recently completed renewable energy projects. Attributable generation grew 21.3% to 4,632.9 GWh for year ending 31 December 2021, up from 3,818.3 GWh in the same period last year.

  Challenges in the availability of thermal assets, coupled with high WESM prices, led to an increase in the cost of purchased power during the period, but this was partially offset by improved wind regime.

The tables below summarize the impact of operations on the Group’s consolidated revenues, costs and expenses for the years ended 31 December 2021 and 2020.

Revenues

In thousand Pesos	2021	2020 (As restated)	Increase (Decrease) Amount	%
Revenue from sale of electricity	25,878,039	20,283,303	5,594,736	28%
Rental income	61,466	86,622	(25,156)	(29)%
Dividend income	11,725	14,034	(2,309)	(16)%
Other revenue	130,211	104,276	25,935	25%
Total Revenues	26,081,441	20,488,235	5,593,206	27%

- **Revenue from sale of electricity** increased mainly due to demand recovery, exceeding Group's pre-pandemic level, vis-à-vis the mobility restrictions in the previous year, significant increase in retail contracts, and growth in operating capacity following the acquisition of additional stakes in the Islasol and Sacasol solar farms last year. Gigasol3 and SolarAce1 have started commercial operations of the 60MWdc Palauig Solar Farm and 120MWdc Alaminos Solar Farm in April and June 2021, respectively, which also contributed to the increase, despite typhoon damages in Visayas region transmission and distribution systems towards end of year.

- **Rental income** decreased due to the consolidation of ISLASOL and SACASOL, which have various lease agreements within the Group that have been eliminated following acquisition of majority interest in both companies last March 2020.

- **Dividend Income** came from UPC Sidrap, which is recognized as financial asset at FVOCI.

- **Other revenue** consists of management fees earned by ACEN from its joint ventures, as well as bulk water sales. Management fees drove the increase due to commencement of fees on the international projects starting Q2 2021.

Costs and Expenses

In thousand Pesos	2021	2020 (As restated)	Increase (Decrease) Amount	%
Costs of sale of electricity	21,469,733	13,420,538	8,049,195	60%
General and administrative expenses	2,785,549	3,017,665	(232,116)	(8)%
Total Costs and Expenses	24,255,282	16,438,203	7,817,079	48%

- **Costs of sale of electricity** increased largely because of the higher cost of purchased power and increased utilization of the diesel plants for power generation given high WESM prices during the SLTEC outage in the second quarter of the year and preventive maintenance activities in the latter half of the year. Power for station use, bunker fuel and start-up costs also increased due these outages and preventive maintenance activities.

- **General and administrative expenses** include additional ₱219.53 million provision for impairment in BSEI, which was partially offset by lower salaries, management and professional fees during the year following the capitalization of project development costs. Prior year included one-off transactions such as ₱105.48 million incidental expenses and ₱186.51 million impairment of investment in NIBHI.

Other Income and Expenses

In thousand Pesos	2021	2020 (As restated)	Increase (Decrease) Amount	%
Interest and other finance charges	(1,694,380)	(1,988,086)	293,706	(15%)
Equity in net income of associates and joint ventures	1,952,753	1,490,192	462,561	31%
Other income - net	5,723,640	3,551,889	2,171,751	61%
Total Other Income and Expenses	5,982,013	3,053,995	2,928,018	96%

- **Interest and other finance charges** dropped year-on-year with lower interest on loans and the repayment of short-term loans during the first half of 2021 following ACEN's equity capital raising activities. The account included accrual of the interest on FFL Green Bonds Non-call 2022 covering the last quarter of the year.

- **Equity in net income of associates and joint ventures** increased mainly from income contributions from Salak-Darajat and NLR with better wind regime in current year and increase in ownership interest from same period last year. The Group's joint venture with BIM Group, Ninh Thuan wind farm, and with AMI Renewables, Quang Binh wind farm, both in Vietnam and have Feed-in Tariffs (FIT), since started commercial operation have contributed equity increase during the year. The increase was partially offset by equity decrease due to predevelopment costs from commencement of construction of the New England Solar Farm in Australia.

- **Other income** mainly comprised of interest and other financial income from investments in redeemable preferred shares in associates and joint ventures, and from development loans and advances to associates and joint ventures. Other Income for the current period also includes ₱485 million realized forex gains from ACRI largely coming from redemption of redeemable preferred shares of UAC Energy Holdings Pty ("UACH") last September, ₱254 million guarantee fee income, ₱72 million PPE impairment reversals, ₱22 million gain on deconsolidation of Ingrid and ₱42 million realized gain from foreign currency forward contracts. In addition, the Group recognized recoveries from investment in NIBHI amounting to ₱38 million impairment reversal upon the Group's divestment to biomass. Prior year included one-off transaction such as ₱867 million gain on disposal of investments in Infigen accounted as FVTPL.

Provision for (benefit from) income tax

In thousand Pesos	2021	2020 (As restated)	Increase (Decrease) Amount	%
Current	297,689	404,053	(106,364)	(26%)
Deferred income tax	(155,552)	297,823	(453,375)	(152%)
Total Provision for (benefit from) income tax	142,137	701,876	(559,739)	(80%)

- The decrease in **provision for income tax - current** was due to the lowering of the income tax rate from 30% to 25% due to the CREATE Act.
- **Provision for deferred income tax** in 2021 includes recognition of deferred tax of the Group's NOLCO in current period taxable income.

Material changes in Consolidated Statements of Financial Position accounts

In thousand pesos	2021	2020 (As restated)	Increase (Decrease) Amount	%
Current Assets				
Cash and cash equivalents	26,445,429	28,077,171	(1,631,742)	(6%)
Short-term investment	68,310	–	68,310	100%
Accounts and notes receivable	33,309,297	16,611,719	16,697,578	101%
Fuel and spare parts	1,490,559	1,391,340	99,219	7%
Financial assets at fair value through other comprehensive income (FVOCI)	–	12,620,756	(12,620,756)	(100)%
Current portion of:				
Input value added tax (VAT)	1,173,169	438,738	734,431	167%
Creditable withholding taxes	837,472	649,271	188,201	29%
Other current assets	744,269	453,424	290,845	64%
Assets held for sale	203,464	–	203,464	100%
Total Current Assets	64,271,969	60,242,419	4,029,550	7%
Noncurrent Assets				
Investments in:				
Associates and joint ventures	21,358,301	18,795,088	2,563,213	14%
Other financial assets at amortized cost	26,085,959	15,297,105	10,788,854	71%
Financial assets at fair value through profit or loss (FVTPL)	406,739	–	406,739	100%
Financial assets at FVOCI	354,868	381,168	(26,300)	(7)%
Property, plant and equipment	36,038,563	31,837,950	4,200,613	13%
Right-of-use asset	2,135,479	2,343,404	(207,925)	(9%)
Investment properties	13,085	341,549	(328,464)	(96%)
Accounts and notes receivable – net of current portion	13,191,314	6,540,288	6,651,026	102%
Goodwill and other intangible assets	2,375,980	2,537,094	(161,114)	(6%)
Net of current portion:				
Input VAT	524,733	1,177,802	(653,069)	(55%)
Creditable withholding taxes	726,804	601,840	124,964	21%
Deferred income tax assets – net	512,366	416,353	96,013	23%
Other noncurrent assets	3,165,227	1,303,760	1,861,467	143%
Total Noncurrent Assets	106,889,418	81,573,401	25,316,017	31%

- Decrease in **cash and cash equivalents** were mainly attributable to investments in new projects, capitalized expenditures and ongoing constructions in project companies, net repayment of short-term and long-term loans, and payment of cash dividends. The decrease was net of gross proceeds from SRO, FOO and Arran's private placement amounting to ₱10.27 billion, ₱5.37 billion and ₱11.88 billion, respectively. This is to fund the Group's various development and operating projects, as well as potential acquisitions. Refer to the Consolidated Statements of Cash Flows for the detailed movement.

- Short-term investments include cash placements to cover for expected loan principal and interest repayments upon maturity.

  - Increase in **accounts and notes receivable** was largely coming from trade with the increase in revenues from sale of electricity. The increase was also due to additional drawdowns of loans and other advances extended by ACRI for the funding of various projects.

- **Fuel & spare parts** went up as a result of SLTEC's purchases of spare parts and other direct materials in preparation for maintenance works, coupled with the Group's purchases of fuel which have not yet been consumed as at 31 December 2021.

- Current **financial assets at FVOCI** were reduced with the full redemption of (ACRI's) investment in AYCFL redeemable preferred shares.

- Increase in **current portion of input VAT** mainly driven by input tax from purchases of various materials needed for construction and maintenance of various plants and services procured.

- **Creditable withholding tax** went up due to improvement in collection of ACEN's receivable from retail customers and unutilized CWT.

- **Other current assets** increased primarily due to ACEN's foreign exchange forward contracts maturing within 12-month period, SLTEC's advances to contractors and Group's prepaid taxes.

- **Assets held for sale** include Power Barges (PB) 101, 102 and 103 valued at its fair value less cost to sell amount. The account also includes building improvements, machineries, tools, and equipment of ACEN and BSEI that are available for immediate sale.

- **Investments in associates and joint ventures** increased mainly due to the reclassification of Ingrid from subsidiary to joint venture (₱1.2 billion) following the effectivity of the Shareholder Agreement with APHPC on March 2021. There are also new joint venture investments reported during the period such as Greencore3, Solar Philippines and Natures Renewable Energy Development Corporation (NAREDCO), and additional investment in UPC-ACE Australia. Accumulated equity in net earnings increased for the period largely coming from PhilWind (₱974 million) and Salak-Darajat (₱1.1 billion) but reduced by ₱1.7 billion total dividend payout and NIBHI divestment.

- **Investments in other financial assets at amortized cost** include investments in redeemable preferred shares of, and convertible loans extended to associates and joint ventures. These increased with additional subscriptions into redeemable preferred shares of various international projects, as well as additional loan facilities extended.

- **Noncurrent financial assets at FVTPL** includes Compulsorily Convertible Debentures (CCDs) from Masaya Solar. Masaya Solar is currently constructing the 420MWp solar farm in the Central Indian state of Madhya Pradesh.

- **Noncurrent financial assets at FVOCI** are largely the investment in UPC Sidrap and also include golf club shares and listed equity instruments.

- **Plant, property and equipment's** increased mainly due to completion of Gigasol3's solar power plant in Palauig, Zambales, and Solarace1's solar power plant in Alaminos, Laguna, capitalization of ₱1.19 billion for Balaoi wind farm project in Ilocos through BWPC and ₱ 963 million for the Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4. The Group also had ₱135.8 million capitalized borrowing costs from project companies during the year. The increase was partially offset by ₱591 million coming from Ingrid's deconsolidation.

- **Right-of-use asset's** decrease came from deconsolidation of Ingrid. During the year, ACEN entered into an office lease agreement with ALI, offset by amortizations.

- **Investment properties** includes Bulacan Power's land amounting to ₱13.09 million. Decrease is due to reclassification to Property, plant and equipment of a land owned by BCHC amounting to ₱283.86 million which are leased out to other subsidiaries of the Group.

- **Accounts and notes receivable – net of current portion** increased primarily due to loans receivable from Greencore amounting to ₱2.3 billion and to non-current portion of Loans and Interest Receivable of ACRI from related parties amounting to ₱6.2 billion.

- **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.

  Deferred tax liabilities have not been recognized on undistributed earnings of and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative adjustment amounted to US$468.49 million (₱23,727.21 million).

- **Input VAT non-current** decreased due to reclassification of input vat to current as well as deconsolidation of Ingrid with ₱266 million input VAT from importations.

- **Other non-current assets** include various advances to contractors for the ongoing project developments.

In thousand pesos	**2021**	**2020 (As restated)**	**Increase (Decrease) Amount**	**%**
Current Liabilities				
Accounts payable and other current liabilities	6,280,829	6,490,190	(209,361)	(3%)
Short-term loans	–	4,635,000	(4,635,000)	(100%)
Current portion of long-term loans	824,488	707,782	116,706	16%
Current portion of lease liabilities	536,950	285,001	251,949	88%
Income and withholding taxes payable	169,920	345,281	(175,361)	(51%)
Due to stockholders	16,585	18,272	(1,687)	(9%)
Total Current Liabilities	7,828,772	12,481,526	(4,652,754)	(37%)
Noncurrent Liabilities				
Notes payable	20,195,054	–	20,195,054	100%
Long-term loans - net of current portion	20,117,733	21,546,373	(1,428,640)	(7%)
Lease liabilities - net of current portion	2,159,302	1,631,628	527,674	32%
Pension and other employment benefits	80,422	50,929	29,493	58%
Deferred tax income liabilities - net	74,422	130,981	(56,559)	(43%)
Other noncurrent liabilities	2,736,920	1,695,048	1,041,872	61%
Total Noncurrent Liabilities	45,363,853	25,054,959	20,308,894	81%
Equity				
Capital Stock	38,338,527	13,706,957	24,631,570	180%
Additional paid-in capital	98,043,831	8,692,555	89,351,276	1,028%
Other equity reserves	(56,604,532)	28,662,357	(85,266,889)	(297%)
Unrealized fair value (loss) gain on equity instruments at FVOCI	(90,089)	143,625	(233,714)	(163%)
Unrealized fair value gain on derivative instruments designated as hedges	6,228	57,409	(51,181)	(89%)

In thousand pesos	2021	2020	Increase (Decrease)	
Remeasurement loss on defined benefit plan	(24,436)	(6,999)	(17,437)	249%
Accumulated share in other comprehensive gain (loss) of associates and joint ventures	29,723	(229,844)	259,567	(113%)
Cumulative translation adjustments	(359,910)	(3,453,708)	3,093,798	(90%)
Retained earnings	8,707,301	6,349,082	2,358,219	37%
Treasury shares	(28,657)	(40,930)	12,273	(30%)
Non-controlling interests	29,950,776	50,398,831	(20,448,055)	(41%)
Total Equity	117,968,762	104,279,335	13,689,427	13%

- **Accounts payable and other current liabilities** decreased following the full settlement of ₱2.04 billion payables to APHPC this September for the acquisition of 20% interest in SLTEC through the assignment of ACEIC to ACEN in 2019. The decrease was partially offset by increase in trade payables.

- **Short-term loans** decreased on repayments of bank loans to BDO (₱2.00 billion), CBC ₱1.34 billion) and SECB (₱800 million). Availments during the period amounting to ₱2.00 billion and ₱1.00 billion from RCBC and BDO, respectively, were paid in full during the year.

- **Current portion of long-term loans** increased due to reclassifications of currently maturing principal within 12-month period, offset by repayments during the year.

- **Current portion of lease liability** increased due to new office lease agreement with ALI.

- Decrease in **income and withholding taxes payable** was mainly due to settlement of income tax payable of ACRI.

- **Notes payable** pertains to the US$400.0 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds (the FFL Green Bonds Non-call 2022) issued and listed in SGX-ST.

- **Long-term loans - net of current portion** decreased due to the principal repayments by ACEN (₱964 million), GWC (₱130 million), NPDC (₱140 million) and BWPC (₱178 million). The decrease was offset by the new loans availed by ACEN and BWPC amounting to ₱805 million and ₱34 million, respectively, to fund various development and operating projects. SLTEC also paid principal amortization payment (₱275 million) and cash sweep prepayment (₱500 million).

- **Lease Liabilities-net of current portion** increased mainly due to new office lease agreements with ALI.

- **Pension and other employment benefits** increased due to accrual of retirement expense for the year.

- 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 trade payables in relation to a Multilateral Agreement signed by the Group, PEMC and other WESM participants. These also include contract liabilities and asset retirement obligations related to solar operations.

- **Capital stock and additional paid in capital** increased by 2.27 billion shares at ₱2.37 from SRO, 4 billion shares at ₱2.97 from the private placement with Arran and 1.58 billion shares at ₱6.50 from FOO. Proceeds from the SRO were used to fund ongoing Solar Power Projects of

Solarace1, Gigasol3 and Greencore 3 Power Solutions, Inc. as well as other projects such as investment into a renewable energy laboratory, and funding for up to U.S.$100 million for new technology investments in the Philippines. 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 ₱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.

Proceeds from the FOO will be used to partially fund the development of renewable power projects in the pipeline and inorganic growth opportunities in and when they arise, repayment of loans and reduction of payables, and other general corporate requirements. There were also 8.19 million shares granted through the employee stock ownership plan of the Group.

- The movement in **other equity reserves** pertain to the impact of the share swap transaction with ACEIC to acquire the latter's ownership interest in various international business and assets ("Offshore Companies") in exchange for ACEN's issuance of additional primary shares via a tax-free exchange, which rendered prior period restatement to account for the retroactive impact. This business combination of entities under common control had a ₱53.28 billion excess impact over subscription price from the acquisition. Excess of consideration from acquisitions of non-controlling interest in MSPDC and NPDC amounted ₱261.73 million and ₱723.97 million, respectively.

- The decrease in **unrealized FV loss on equity instruments at FVOCI** came from mark-to-market loss for UPC Sidrap for the current period and reversal of unrealized fair value gain upon redemption of AYCFL shares.

- **Unrealized fair value gain on derivative instruments designated as hedges** decreased due to winding down of ACEN's coal swap transactions which were all sold in third quarter of the year. The account also includes BWPC's mark-to-market gains from foreign exchange forward contracts.

- **Remeasurement loss on defined benefit plan** decreased parallel to various actuarial loss and loss on return on plan assets.

- The increase in **accumulated share in other comprehensive loss of associates and joint ventures** came from share in remeasurement loss from defined benefit obligation of associate and joint venture.

- **Retained earnings** increased from resulting net income earned for the period offset by ₱1.20 billion dividends declared last 19 March 2021 and paid last 19 April 2021.

- **Treasury shares** decreased during the period through the offer of secondary shares during the FOO.

- **Non-controlling interests** are mainly comprised of redeemable preferred shares of ACEC held by ACEFIL. Non-controlling interests' share in net income amounted to ₱2.42 billion, which was offset by dividends totaling ₱2.23 billion. There were also capital redemptions amounting to ₱47.50 million in NPDC, ₱830.98 million ($16.31 million) in UAC Energy Holdings Pty ("UACH") and ₱19.51 billion ($400.00 million) in ACEC. The Group also acquired the non-controlling interest in MSPDC and NPDC with carrying amount of ₱18.77 million and ₱294.8 million, respectively.

Key Performance Indicators

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

Key Performance Indicators				
	31-Dec-21	**31-Dec-20**	**Increase (Decrease)**	
In thousand Pesos	**Audited**	**As restated**	**Amount**	**%**
Liquidity Ratios				
Current assets	64,271,969	60,242,419		
Divided by: Current liabilities	7,828,773	12,481,526		
Current Ratio	8.21	4.83	3.38	70%
Cash & cash equivalents	26,445,429	28,077,171		
Plus: Short-term investments	68,310	-0		
Plus: Receivables	33,309,297	16,611,719		
Cash & cash equivalents + Short-term investments + Receivables	59,823,036	44,688,890		
Divided by: Current liabilities	7,828,773	12,481,526		
Acid test ratio	7.64	3.58	4.06	113%
Solvency Ratios				
Total liabilities	53,192,625	37,536,485		
Divided by: Total equity	117,968,762	104,279,335		
Debt/Equity ratio	0.45	0.36	0.09	25%
Total assets	171,161,387	141,815,820		
Divided by: Total equity	117,968,762	104,279,335		
Asset-to-equity ratio	1.45	1.36	0.09	7%
Income (loss) before income tax	7,808,172	7,104,028		
Plus: Interest and other finance charges	-1,694,380	-1,988,086		
Earnings before interest & tax (EBIT)	9,502,552	9,092,113		
Divided by: Interest expense	1,694,380	1,988,086		
Interest Coverage Ratio	5.61	4.57	1.04	23%
Short-term loans	-	4,635,000		
Plus: Long-term loans	41,137,275	22,254,155		
Less: Cash & cash equivalents	26,445,429	28,077,171		
Short-term loans + long-term loans - Cash & Cash Equivalents	14,691,846	-1,188,016		
Total Equity	117,968,762	104,279,335		
Net bank Debt to Equity ratio	0.12	(0.01)	0.13	(1,193%)

Profitability Ratios				
Net income after tax attributable to equity holders of the Parent Company	5,250,972	4,288,102		
Divided by: Average equity attributable to equity holders of Parent Company	70,949,245	53,433,923		
Return on equity	7.40%	8.03%	(0.62%)	(8%)
Net income after taxes	7,666,035	6,402,151		
Divided by: Average total assets	156,488,604	133,127,411		
Return on assets	4.90%	4.81%	0.09%	2%
Revenues	26,081,441	20,488,235		
Divided by: Average total assets	156,488,604	133,127,411		
Asset Turnover	16.67%	15.39%	1.28%	8%

Current ratio & Acid test ratio

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

Debt/Equity ratio & Asset-to-equity ratio

- Significant increase in D/E ratio was driven by additional liabilities with the issuance of bonds despite the increase in equity accounts. Asset-to-equity ratio also increased as the increase in total assets outpaced the increase in total equity.

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 year.

Net bank debt to equity ratio

- The increase in total debt and increase in cash and cash equivalents combined with lower capital accounts and retained earnings at year-end resulted to a lift in the ratio.

Return on equity and assets

- Return on equity partially decreased despite higher net income year-on-year, while return on assets registered an increase due to higher generation capacities combined with the increase in the Group's total assets, as compared in the same period last year.

Asset turnover

- Asset turnover's increase mainly attributable to the Group's efficiency in generating revenue from its assets, alongside the inclusion of international operations to ACEN.

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 39 of the Audited Consolidated Financial Statements.

- ACEN has material commitments to invest in capital expenditure projects mainly in the following:

  - 288MW solar project in Buguey and Lal-lo, Cagayan and the proposed 275MW expansion of Gigasol Palauig solar project in Zambales.

  - 120MWdc solar power project in Alaminos, Laguna through Solarace1;

  - 150MW diesel plant in Pililla, Rizal through Ingrid, 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;

  - 500MW solar power project in San Marcelino, Zambales through Santa Cruz Solar;

  - 2x20 MW Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4;

  - 160MW wind farm in Balaoi, Pagudpud, Ilocos Norte through BWPC, in partnership with UPC Renewables;

  - Investment into 4MW renewable energy laboratory in Bataan through BSEI;

  - 521MWdc New England Solar Farm (NESF) and adjacent 50MW battery energy storage system located near Uralla in New South Wales through UPC-ACE Australia, a joint venture of ACEN and UPC Renewables Australia.

  - Various Vietnam wind farms:

    - 252MW wind farm in Quang Binh through AMI Renewables Energy Joint Stock Company

    - 88MW wind farm in Ninh Thuan through BIM Energy Joint Stock Co.("BIME")

    - 40MW second phase of the Mui Ne Wind Farm in Binh Thuan through the partnership with the Blue Circle.

    - 60MW Lac Hoa & Hoa Dong wind farm in Soc Trang through a joint venture with UPC

- 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 were executed in 2021: the 2.27 billion shares sold through SRO, the subscription by Arran to 4 billion primary shares pursuant to a private placement, and the issuance of 1.58 billion primary shares for FOO.

- 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").

For the Years Ended 31 December 2020 vs 2019, as restated

The Company posted restated consolidated net income attributable to equity holders of the Parent Company amounting to ₱4,288.10 million for the year ended 31 December 2020 compared to ₱704.76 million restated net income attributable to the parent in the same period last year.

The tables below summarize the consolidated results of operations of ACEN's revenues, costs and expenses for the years ended 31 December 2020 and 2019.

Revenues

In thousand Pesos	**2020**	**2019 (As restated)**	**Increase (Decrease)**	
			Amount	**%**
Revenue from sale of electricity	20,283,303	16,096,549	4,186,754	26%
Rental income	86,622	3,116	83,506	2,680%
Dividend income	14,034	15,746	(1,712)	(11%)
Other revenue	104,276	11,298	92,978	823%
Total Revenues	20,488,235	16,126,709	4,361,526	27%

- The increase in **revenue from sale of electricity** was primarily due to higher energy sales from the Parent Company's power supply business as a result of the new contracts. The Group also recognized additional revenues from the consolidation of newly acquired entities and FIT adjustments.

- **Dividend Income** came from UPC Sidrap, which is recognized as financial asset at FVOCI.

- **Rental income** increased due to the contribution from entities acquired as a result of the asset swap with AC Energy and Infrastructure Corporation (ACEIC).

- **Other revenue** consists of management fees earned by ACEN from its joint ventures and bulk water sales.

Costs and Expenses

In thousand Pesos	2020	2019 (As restated)	Increase (Decrease) Amount	%
Costs of sale of electricity	13,420,538	15,302,530	(1,881,992)	(12%)
General and administrative	3,017,665	827,980	2,189,685	264%
Total Costs and Expenses	16,438,203	16,130,510	307,693	2%

- Despite increase in energy sales, **costs of sale of electricity** for the twelve-month period ending 31 December 2020 declined mainly due to lower WESM prices especially during the first half of the year compared to same period last year.

- **General and administrative expenses** increased due to personnel integration-related expenses, management fees paid to ACEIC, documentary stamp taxes on share issuances, advances and borrowings and provision for oil spill expenses before insurance recovery.

Other Income and Expenses

In thousand Pesos	2020	2019 (As restated)	Increase (Decrease) Amount	%
Interest and other finance charges	(1,988,086)	(962,840)	(1,025,246)	106%
Equity in net income of associates and joint ventures	1,490,192	739,073	751,119	102%
Other income - net	3,551,889	947,784	2,604,105	275%
Total Other Income and Expenses	3,053,995	724,017	2,329,978	322%

- **Interest and other finance charges** is higher due to availment of new long-term and short-term loans from November 2019 to December 2020. This was also driven by higher interest accretion on lease liabilities with additional lease contracts consolidated in the group following the asset swap with ACEIC, as well as new contracts in 2019.

- Higher **equity in net income of associates and JV** was posted in 2020 compared to same period last year mainly attributed to income contribution from PhilWind with the transfer of indirect interest from ACEIC through asset swap together with acquisition of PINAI's interest in February 2020.

- **Other income** in 2020 is higher than 2019 attributed to foreign exchange gain and advisory service fee pursuant to ACEN's Service Agreement with a third party rendered during first quarter of 2020.

Provision for (benefit from) income tax

In thousand Pesos	2020	2019 (As restated)	Increase (Decrease) Amount	%
Current	404,053	161,364	242,689	150%
Deferred	297,823	(220,884)	518,707	(235%)
Total Provision for (benefit from) income tax	701,876	(59,520)	761,396	(1,279%)

- The increase in **provision for income tax - current** was due to higher consolidated taxable income for the period ended 31 December 2020 mainly driven by revenue growth coupled with drop in cost of sales.

- **Provision for deferred income tax** in 2020 was higher due to the reversal of deferred tax assets on NOLCO.

Material changes in Consolidated Statements of Financial Position accounts

In thousand pesos	2020 (As restated)	2019 (As restated)	Increase (Decrease) Amount	%
Current Assets				
Cash and cash equivalents	28,077,171	39,630,296	(11,553,125)	(29%)
Short-term investment	–	100,000	(100,000)	(100%)
Accounts and notes receivable	16,611,719	7,417,212	9,194,507	124%
Fuel and spare parts	1,391,340	938,459	452,881	48%
Financial assets at fair value through other comprehensive income (FVOCI)	12,620,756	–	12,620,756	100%
Current portion of:				
Input value added tax (VAT)	438,738	190,816	247,922	130%
Creditable withholding taxes	649,271	179,007	470,264	263%
Other current assets	453,424	212,819	240,605	113%
Assets held for sale	–	3,546	(3,546)	(100%)
Total Current Assets	60,242,419	48,672,155	11,570,264	24%
Noncurrent Assets				
Investments in:				
Associates and joint ventures	18,795,088	17,072,173	1,722,915	10%
Other financial assets at amortized cost	15,297,105	3,374,290	11,922,815	353%
Financial assets at FVOCI	381,168	21,796,602	(21,415,434)	(98%)
Property, plant and equipment	31,837,950	25,438,977	6,398,973	25%
Right-of-use asset	2,343,404	951,750	1,391,654	146%
Investment properties	341,549	13,085	328,464	2,510%
Accounts and notes receivable – net of current portion	6,540,288	2,389,231	4,151,057	174%
Goodwill and other intangible assets	2,537,094	441,077	2,096,017	475%
Net of current portion:				
Input VAT	1,177,802	372,917	804,885	216%
Creditable withholding taxes	601,840	861,208	(259,368)	(30%)
Deferred income tax assets – net	416,353	653,923	(237,570)	(36%)
Other noncurrent assets	1,303,760	2,401,613	(1,097,853)	(46%)
Total Noncurrent Assets	81,573,401	75,766,846	5,806,555	8%

- Decrease in **cash and cash equivalents** was due to various expenditures for development projects and new investments including strategic acquisitions. Refer to the Consolidated Statements of Cash Flows for the detailed movement.

- Decrease in **short term investments** was due to redemption of time deposit of ACEN.

- Increase in **accounts and notes receivable** mainly attributed to the approval of price adjustment for power supply agreements and accrual of additional revenues from FIT system adjustments.

- **Fuel & spare parts** went up as a result of SLTEC's purchases of spare parts and other direct materials for maintenance works, coupled with ACEN's purchases of bunker fuel, together with settlement of fuel commodity swaps which are unconsumed as of year-end.

- **Financial assets at FVOCI** pertains to redeemable preferred shares in AYCFL, an unconsolidated affiliate of the Group, expected to be redeemed in 2021.

- 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** went up due to improvements in collection of ACEN's receivable from retail customers and unutilized CWT.

- **Other current assets** increased primarily due to SLTEC's prepayments of taxes and insurance as well as advances to contractors. Acquisition of ISLASOL and SACASOL also contributed to the increase of the group's other current assets.

- **Assets held for sale** was reclassified back to property, plant and equipment as the Group changed its intention of selling to using the assets of OSODC for future projects.

- **Investments in associates and joint ventures** increased mainly due to additional investments of ₱2.57 billion in PhilWind and ₱280.41 million in BIM Renewables JSC. Accumulated equity in net earnings increased for the period largely coming from PhilWind (₱826 million) and Salak-Darajat (₱667 million) but reduced by ₱2.0 billion dividends and ₱186 million impairment of investments in NIBHI

- **Investments in other financial assets** at amortized cost include investments in redeemable preferred shares of, and convertible loans extended to, associates and joint ventures. These increased with additional subscriptions into redeemable preferred shares of various international projects, as well as additional loan facilities extended.

- **Financial assets at FVOCI** decreased upon obtaining control of ISLASOL and SACASOL with the Group's step acquisition in March 2020 and subscription to redeemable class B preferred shares of UPC Sidrap HK.

- **Plant, property and equipment** increased due to significant capital expenditures of the Group for its line-up of projects: ₱3.32 billion for the solar farm project in Alaminos, Laguna, ₱1.66 billion for the solar farm project in Palauig, Zambales and ₱464.75 million for the 150MW diesel-fired power facility in Pililia, Rizal were some of the major contributors. The account also increased with the consolidation of ISLASOL's and SACASOL's fixed assets.

- **Right-of-use asset's** significant increase came from consolidation of ISLASOL's and SACASOL's leased properties. Increase was also attributable to new lease agreements from Ingrid and BCHC amounting to ₱261.73 million and ₱50.32 million, respectively.

- **Investment properties** increased due to reclassification from Property, plant and equipment of a land owned by BCHC amounting to ₱283.86 million.

- **Goodwill and other intangible assets** increased mainly as a result of recognition of SACASOL's identifiable FIT contract as intangible asset amounting to ₱2.19 billion, as well as goodwill on acquisition of ISLASOL amounting to ₱12.45 million.

- **Input VAT non-current** increased due to reclassification of input vat in non-operating subsidiaries to non-current.

- Majority of the balance of **deferred tax asset** came from recognition on NOLCO and lease liabilities. Despite the increase from acquisition of ISLASOL and SACASOL, deferred tax asset of the Group went down mainly due to the application of the Group's NOLCO in current year taxable income.

- **Other non-current assets** decreased primarily due to non-current portion of receivable from FIT system adjustments as well as various advances to contractors for the ongoing project developments.

In thousand pesos	**2020 (As restated)**	**2019 (As restated)**	**Increase (Decrease) Amount**	**%**
Current Liabilities				
Accounts payable and other current liabilities	6,490,190	4,064,597	2,425,593	60%
Short-term loans	4,635,000	3,556	4,631,444	130,243%
Current portion of long-term loans	707,782	905,931	(198,149)	(22%)
Current portion of lease liabilities	285,001	128,796	156,205	121%
Income and withholding taxes payable	345,281	103,361	241,920	234%
Due to stockholders	18,272	16,594	1,678	10%
Total Current Liabilities	12,481,526	5,222,835	7,258,691	139%
Noncurrent Liabilities				
Long-term loans - net of current portion	21,546,373	22,292,698	(746,325)	(3%)
Lease liabilities - net of current portion	1,631,628	852,742	778,886	91%
Pension and other employment benefits	50,929	71,034	(20,105)	(28%)
Deferred tax income liabilities - net	130,981	350,487	(219,506)	(63%)
Other noncurrent liabilities	1,695,048	3,289,902	(1,594,854)	(48%)
Total Noncurrent Liabilities	25,054,959	26,856,863	(1,801,904)	(7%)
Equity				
Capital Stock	13,706,957	7,521,775	6,185,182	82%
Additional paid-in capital	8,692,555	83,768	8,608,787	10,277%
Other equity reserves	28,662,357	41,570,060	(12,907,703)	(31%)
Unrealized fair value gain (loss) on equity instruments at FVOCI	143,625	(26,546)	170,171	(641%)
Unrealized fair value gain (loss) on derivative instruments designated as hedges	57,409	(14,742)	72,151	(489%)
Remeasurement loss (gain) on defined benefit plan	(6,999)	9,254	(16,253)	(176%)
Accumulated share in other comprehensive loss of associates and joint ventures	(229,844)	(168,154)	(61,690)	37%
Cumulative translation adjustments	(3,453,708)	96,227	(3,549,935)	(3,689%)
Retained earnings	6,349,082	3,943,403	2,405,679	61%
Treasury shares	(40,930)	(27,704)	(13,226)	48%
Non-controlling interests	50,398,831	39,371,962	11,026,869	28%
Total Equity	104,279,335	92,359,303	11,920,032	13%

- **Accounts payable and other current liabilities** went up mainly driven by the increase in payable to contractors, which include both manpower cost related to plant preventive maintenance and purchases of property, plant and equipment and spare parts, utilities, and insurance payables. Output vat also significantly increased with higher sales volume. Consolidation of ISLASOL and SACASOL also contributed to the increase in the account.

- **Short-term loans** went up mainly from outstanding short-term loans from outstanding balance of ₱4.6 billion from various banks such as BDO, SBC, RCBC and CBC as at year-end. Short-term loan from TLCTI Asia assumed from acquisition of ISLASOL was paid in full during the year.

- **Current portion of long-term loans** decreased due to the principal payments and pretermination of loans made during the year, mainly by ACEN.

- **Current portion of lease liabilities** increased due to acquisition of ISLASOL and SACASOL.

- Increase in **income and withholding taxes payable** was mainly due to accrual of income tax expense of several subsidiaries and higher tax withheld from purchases.

- **Due to stockholders** increased from the unpaid dividend to minority shareholders of MSPDC.

- **Long-term loans - net of current portion** decreased due to the principal payments and pretermination of loans mainly by ACEN. The decrease was partly offset by the new loans availed by NorthWind and ACEN amounting to ₱2.30 billion and ₱1.50 billion, respectively, to fund new investments.

- **Lease Liabilities - net of current portion** increased as a result of acquisition of ISLASOL and SACASOL, as well as new lease agreements.

- 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 year end.

  Deferred tax liabilities have not been recognized on undistributed earnings of and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative adjustment amounted to US$364.53 million (₱15,364.79 million).

- **Pension and other employment benefits** decreased due to benefits paid amounting to 7.42 million paid from ACEN retirement fund and ₱11.96 million paid from NorthWind's operating funds, partially offset by ₱11.13 million ACEN actuarial loss from change in financial assumptions.

- **Other non-current liabilities'** significant decrease came from the reclassification of the currently maturing non-trade 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 in September 2021.

- **Capital stock and additional paid in capital** increased from the issuance of common stock for the share swap agreement with ACEIC Common shares equivalent to 6,185,182,288 at ₱2.37 per share were issued in exchange for ACEIC's interest in various domestic entities.

- The decrease in **other equity reserve** also resulted from the share swap transaction with ACEIC.

- The decrease in **unrealized FV loss on equity instruments at FVOCI** was due to adjustments upon completion of the step acquisition of ISLASOL and SACASOL in March 2020.

- **Unrealized fair value loss on derivative instruments designated under hedge accounting** decreased in proportion to hypothetical value of the coal swap prices of the derivative contracts as at year end.

- The increase in **accumulated comprehensive loss of associates and joint ventures** was a result of the adjustment made in MGI comprehensive income and came from share in remeasurement gain from defined benefit obligation of associate and joint venture.

- **Remeasurement gain on defined benefit plan** decreased as a result of various actuarial losses including a ₱11.13 million ACEN actuarial loss from change in financial assumptions.

- **Retained earnings** increased as a result of the net income earned for the year.

- **Treasury shares** increased due to 14.50 million shares repurchased amounting to ₱28.66 million during the year partially offset by the reissuance of 16.70 million ACEN shares held by Bulacan Power amounting to ₱15.43 million.

- **Non-controlling interests** are mainly comprised of redeemable preferred shares of ACEC held by ACEFIL. Non-controlling interests' share in net income amounted to ₱2.1 billion, which was offset by dividends totaling ₱1.96 billion. Increase is also due to the 40% investment of TLCTI Asia in ISLASOL.

Key Performance Indicators

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

Key Performance Indicators				
	31-Dec-20	**31-Dec-19**	**Increase (Decrease)**	
In thousand Pesos	**As restated**	**As restated**	**Amount**	**%**
Liquidity Ratios				
Current assets	60,242,419	48,672,155		
Divided by: Current liabilities	12,481,526	5,222,835		
Current Ratio	4.83	9.32	(4.49)	(48%)
Cash & cash equivalents	28,077,171	39,630,296		
Plus: Short-term investments	-0	100,000		
Plus: Receivables	16,611,719	7,417,212		
Cash & cash equivalents + Short-term investments + Receivables	44,688,890	47,147,508		
Divided by: Current liabilities	12,481,526	5,222,835		
Acid test ratio	3.58	9.03	(5.45)	(60%)
Solvency Ratios				
Total liabilities	37,536,485	32,079,698		
Divided by: Total equity	104,279,335	92,359,303		
Debt/Equity ratio	0.36	0.35	0.01	4%
Total assets	141,815,820	124,439,001		
Divided by: Total equity	104,279,335	92,359,303		
Asset-to-equity ratio	1.36	1.35	0.01	1%
Income (loss) before income tax	7,104,028	720,216		
Plus: Interest and other finance charges	1,988,086	962,840		

Earnings before interest & tax (EBIT)	9,092,113	1,683,056		
Divided by: Interest expense	1,988,086	962,840		
Interest Coverage Ratio	4.57	1.75	2.83	162%
Short-term loans	4,635,000	3,556		
Plus: Long-term loans	22,254,155	23,198,629		
Less: Cash & cash equivalents	28,077,171	39,630,296		
Short-term loans + long-term loans - Cash & Cash Equivalents	-1,188,016	-16,428,111		
Divided by: Total Equity	104,279,335	92,359,303		
Net bank Debt to Equity ratio	(0.01)	(0.18)	0.17	(94%)
Profitability Ratios				
Net income after tax attributable to equity holders of the Parent Company	4,288,102	704,764		
Divided by: Average equity attributable to equity holders of Parent Company	53,433,923	30,656,670		
Return on equity	8.03%	2.30%	5.73%	249%
Net income after taxes	6,402,151	779,736		
Divided by: Average total assets	133,127,411	71,681,848		
Return on assets	4.81%	1.09%	3.72%	342%
Revenues	20,488,235	16,126,709		
Divided by: Average total assets	133,127,411	71,681,848		
Asset Turnover	15.39%	22.50%	(7.11%)	(32%)

Current ratio & Acid test ratio

- Current ratio & acid test ratio dropped due to the increase in current liabilities primarily from short-term loans and accounts payable and other current liabilities.

Interest coverage ratio

- The increase in interest coverage ratio was brought about by higher restated net income before interest and tax for the year ended 31 December 2020 as compared in the same period last year.

Net bank debt to equity ratio

- Net debt equity ratio increased due to additional loans in 2020.

Return on equity and assets

- Return on equity and assets went up this year as the Group registered a significantly higher net income of ₱4.29 billion for the year ending 31 December 2020 due to increase in energy sales and lower WESM prices, compared to ₱704.76 million restated net income reported in the same period last year.

Asset turnover

- Asset turnover decreased primarily due to significant capital expenditures of the Group during the year.

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 39 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;
    - 63MWdc solar power project in Palauig, Zambales through Gigasol3;
    - 75MWdc solar power project in Mexico, Pampanga through Greencore 3;
    - 75MWdc solar power project in Palauig, Zambales through GigaAce8;
    - Investment in 160MW Balaoi wind project;
    - Investment into a renewable energy laboratory; 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 the Company 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 Company'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 previously announced subscription by GIC to 4 billion primary shares (subject to certain conditions precedent), and the planned 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").

For the Years Ended 31 December 2019 vs 2018

The Company posted consolidated net income attributable to parent amounting to ₱704.76 million restated net income for the year ended 31 December 2019 compared to ₱560.50 million net loss attributable to parent in the same period last year.

The tables below summarize the consolidated results of operations of ACEN's revenues, costs and expenses for the calendar years ended 31 December 2019 and 2018.

In July 2019, ACEIC and Axia Power Holdings Philippines Corp. (APHPC) signed a share purchase agreement where ACEIC has the right to purchase Axia's 20% interest in SLTEC. ACEIC assigned the right to ACEN who accounted for the business combination using the pooling of interests method which resulted in the consolidation of SLTEC from 1 July 2019.

Revenues

In thousand Pesos	2019 (As restated)	2018	Increase (Decrease) Amount	%
Revenue from sale of electricity	16,096,549	15,113,601	982,948	7%
Rental income	3,116	674	2,442	362%
Dividend income	15,746	9,117	6,629	73%
Other revenue	11,298	–	11,298	–
Total Revenues	16,126,709	15,123,392	1,003,317	7%

- **Dividend income -** Higher dividend income was recognized from the Company's various investments and newly acquired entities in 2019 as compared to the same period last year.

- **Rental income -** Increased as a result of new rental contracts entered into by the Parent Company in the first half of the year and from the rental income of the newly acquired entities.

Costs and Expenses

In thousand Pesos	2019 (As restated)	2018	Increase (Decrease) Amount	%
Costs of sale of electricity	15,302,530	15,109,491	193,039	1%
General and administrative	827,980	654,517	173,463	27%
Total Costs and Expenses	16,130,510	15,764,008	366,502	2%

- **Costs of sale of electricity** for the twelve-month period ending 31 December 2019 increase mainly driven by higher fuel costs, repairs and maintenance and depreciation expense, partly cushioned by lower cost of power purchased compared to same period last year.

- **General and administrative expenses** increase mainly due driven by higher taxes and licenses and manpower costs.

Other Income and Expenses

In thousand Pesos	2019 (As restated)	2018	Increase (Decrease) Amount	%
Interest and other finance charges	(962,840)	(433,649)	(529,191)	122%
Equity in net income of associates and joint ventures	739,073	532,460	206,613	39%
Other income - net	947,784	120,252	827,532	688%
Total Other Income and Expenses	724,017	219,063	504,954	231%

Other Income – net

In thousand Pesos	2019 (As restated)	2018	Increase (Decrease) Amount	%
Claims for business interruption	236,306	10,167	226,139	2,224%
Interest & other financial income	696,686	96,851	599,835	619%
Gain (loss) on sale of:				
Property and equipment	294,725	254	294,741	115,933%
Asset held for sale	14,289	–	14,289	100%
By-product	13,226	–	13,226	100%
Investment	1,375	5,834	(4,459)	(76%)
Inventory	(461)	–	(461)	100%
Recovery of costs from third party	–	28,626	(28,626)	(100%)
Foreign exchange gain	(338,955)	29,329	(368,284)	(1,256%)
Loss on derivatives – net	(6,850)	(15,056)	8,206	(55%)
Provision for unrecoverable input tax	–	(43,712)	43,712	(100%)
Others	37,443	7,959	29,484	370%
Total Other Income – net	947,784	120,252	827,802	688%

- **Interest and other finance charges -** 2019 includes non-cash PFRS 16 lease adjustments and interest on ₱5 billion loan.

- **Equity in net earnings of associates and Joint Ventures –** The increase from previous year was mainly attributed to share in net earnings from joint ventures acquired from onshore and offshore asset swaps with ACEIC (*i.e.*, PhilWind/NLR) and international Associates and Joint Ventures which cushioned the 45% share in the net loss of SLTEC from January to June 2019 compared to the full year share in equity earnings from SLTEC which reported net income in 2018.

- **Other income – net -** Went up due to the combined effects of the following:

  - Claims for business interruption from SLTEC

  - Increase in interest and other financial income due to higher level of investments

  - Gain realized from the sale of asset held for sale, fly ash, scrap and investment, offset by loss on disposal of property and equipment and inventory

  - Higher YTD foreign exchange gain on foreign-currency denominated deposits due to fluctuation of peso in 2019.

  - Lower loss on derivatives was posted in 2019 as compared to 2018.

- No provision for unrecoverable input tax was recorded in 2019 as compared in 2018.

- Others pertains to reimbursement of feasibility cost, reversal of outstanding payables, refund of excess business taxes paid, and oil hauling and disposal.

Provision for (benefit from) income tax

In thousand Pesos	2019 (As restated)	2018	Increase (Decrease) Amount	%
Current	161,364	20,699	140,665	680%
Deferred income tax	(220,884)	150,904	(371,788)	246%
Total Provision for (benefit from) income tax	(59,520)	171,603	(231,123)	(135%)

- **Provision for income tax – current -** Increase due to higher consolidated taxable income for the calendar year ended 31 December 2019.

- **Provision for deferred income tax -** Recognition of deferred tax asset on NOLCO with expected taxable income benefit in future years, offset by the tax effect of deferred revenue.

Material changes in Consolidated Statements of Financial Position accounts

The material changes in the consolidated statement of financial position accounts were mainly due to the consolidation of Onshore Companies from the share swap agreement with ACEIC in exchange for ACEN's issuance of additional primary shares via a tax-free exchange, which rendered prior period restatement to account for the retroactive impact of the share swap transaction effective 1 July 2019, the date when ACEN and the Onshore Companies became under the common control of ACEIC.

In December 2019, the Parent Company entered into a subscription agreement with BCHC to subscribe to the increase in authorized capital stock of BCHC.

In thousand pesos	2019 (As restated)	2018	Increase (Decrease) Amount	%
Current Assets				
Cash and cash equivalents	39,630,296	1,022,366	38,607,930	3,776%
Short-term investment	100,000	35,326	64,674	183%
Accounts and notes receivable	7,417,212	2,627,291	4,789,921	182%
Fuel and spare parts	938,459	413,673	524,786	127%
Financial assets at fair value through profit or loss (FVTPL)	–	743,739	(743,739)	(100%)
Current portion of:				
Input value added tax (VAT)	190,816	26,332	164,484	625%
Creditable withholding taxes	179,007	79,443	99,564	125%
Other current assets	212,819	182,766	30,053	16%
Assets held for sale	3,546	34,328	(30,782)	(90%)
Total Current Assets	48,672,155	5,165,264	43,506,891	842%
Noncurrent Assets				
Investments in:				
Associates and joint ventures	17,072,173	4,322,684	12,749,489	295%
Other financial assets at amortized cost	3,374,290	–	3,374,290	100%
Financial assets at FVTPL	–	5,452	(5,452)	(100%)
Financial assets at FVOCI	21,796,602	257,995	21,538,607	8,348%
Property, plant and equipment	25,438,977	5,760,963	19,678,014	342%
Right-of-use asset	951,750	–	951,750	100%

In thousand pesos	2019 (As restated)	2018	Increase (Decrease) Amount	%
Investment properties	13,085	13,085	–	–
Accounts and notes receivable – net of current portion	2,389,231	–	2,389,231	100%
Goodwill and other intangible assets	441,077	320,219	120,858	38%
Net of current portion:				
Input VAT	372,917	335,759	37,158	11%
Creditable withholding taxes	861,208	704,726	156,482	22%
Deferred income tax assets – net	653,923	261,346	392,577	150%
Other noncurrent assets	2,401,613	1,777,202	624,411	35%
Total Noncurrent Assets	75,766,846	13,759,431	62,007,415	451%

- **Cash and cash equivalents, short-term investments, and financial assets at fair value through profit and loss -** The Consolidated Statements of Cash Flows detail the material changes of these accounts.

- **Accounts and notes receivable -** Increase in receivables was due to combination of Onshore Companies from share swap agreement with ACEIC.

- **Fuel and spare parts -** Aside from the effect of SLTEC consolidation, fuel and spare parts inventory went up due to increase in fuel purchases, as well as the acquired inventoriable items from common control business combination.

- **Input VAT-** Higher due to increase in purchases subject to VAT.

- **Creditable withholding taxes –** current portion - Higher balance brought about by balances from Onshore Companies.

- **Other current assets -** Increased due to Onshore Companies' advances to contractors, partially offset by collection of deposits as a result of the expiration of certain contracts.

- **Asset held for sale -** Lower due to the sale of the Guimaras Power Plant.

- **Investments in associates and joint venture and financial assets at fair value through other comprehensive income -** Increased due to the acquisition of onshore and offshore JV's from asset swaps with ACEIC, partly reduced by SLTEC consolidation in 2019.

- **Property, plant and equipment -** Significant increase due to consolidation of SLTEC with ₱15.84 billion Plant assets and BCHC with land holdings.

- **Right of use asset -** Reported as a result of the application of PFRS 16 starting 2019.

- **Goodwill and other intangible assets -** Increase from acquired Solienda's and SCC's leasehold rights amounting to ₱152.34 million and ₱0.24 million, partially offset by the provision for probable loss in a geothermal service contract.

- **Deferred income tax assets -** Increase mainly due to the recognition of deferred tax asset on NOLCO, net of reversal of DTA on deferred income.

- **Creditable withholding taxes – noncurrent -** Increase due to withholding from customers. Also, the Parent Company has no income tax payments for the calendar year ended 31 December 2019.

In thousand pesos	2019 (As restated)	2018 (As restated)	Increase (Decrease)	
			Amount	%
Current Liabilities				
Accounts payable and other current liabilities	4,064,597	2,269,398	1,795,199	79%
Short-term loans	3,556	400,000	(396,444)	(99%)
Current portion of long-term loans	905,931	265,460	640,471	241%
Current portion of lease liabilities	128,796	–	128,796	100%
Income and withholding taxes payable	103,361	11,762	91,599	779%
Due to stockholders	16,594	16,651	(57)	0%
Total Current Liabilities	5,222,835	2,963,271	2,259,564	76%
Noncurrent Liabilities				
Long-term loans - net of current portion	22,292,698	6,071,473	16,221,225	267%
Lease liabilities - net of current portion	852,742	–	852,742	100%
Pension and other employment benefits	71,034	40,246	30,788	76%
Deferred tax income liabilities - net	350,487	95,180	255,307	268%
Other noncurrent liabilities	3,289,902	1,383,077	1,906,825	138%
Total Noncurrent Liabilities	28,856,863	7,589,976	19,266,887	254%
Equity				
Capital Stock	7,521,775	4,889,775	2,632,000	54%
Additional paid-in capital	83,768	83,768	–	–
Other equity reserves	41,570,060	18,338	41,551,722	226,588%
Unrealized fair value (loss) gain on equity instruments at FVOCI	(26,546)	59,772	(86,318)	(144%)
Unrealized fair value gain on derivative instruments designated as hedges	(14,742)	–	(14,742)	100%
Remeasurement loss on defined benefit plan	9,254	536	8,718	1,626%
Accumulated share in other comprehensive gain (loss) of associates and joint ventures	(168,154)	(2,193)	(165,961)	7,568%
Cumulative translation adjustments	96,227	–	96,227	100%
Retained earnings	3,943,403	3,303,708	639,695	19%
Treasury shares	(27,704)	(27,706)	2	0%
Non-controlling interests	39,371,962	45,450	39,326,512	86,527%
Total Equity	92,359,303	8,371,448	83,987,855	1,003%

- **Accounts payable and other current liabilities -** Higher due to increase in purchases on account and includes the current portion of payable to Axia, as well as significant assumed liabilities from Onshore and Offshore Companies from the share swap.

- **Income and withholding taxes payable -** Increase mainly due to higher tax withheld from purchases.

- **Short-term loan -** Decrease due to the prepayment and amortization of loans.

- Current and noncurrent lease liability - Recognized due to the application of PFRS 16.

- **Long-term loans – current and non-current -** Increase due to ₱10.8 billion balance of SLTEC loan and the ₱5 billion loan availed by the Parent Company in November 2019, as well as assumed ₱2.15 billion loans from NorthWind arising from common control business combination

- **Pension and other employee benefits -** Increase due to the accrual of retirement expense for the period.

- **Deferred tax liabilities – net -** Higher due to the tax effect of the recognition of right of use asset as a result of the application of PFRS 16.

  Deferred tax liabilities have not been recognized on undistributed earnings of and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative adjustment amounted to US$379.21 million (₱19,242.39 million).

- **Other noncurrent liabilities -** Increase brought about by the purchase of 20% interest of Axia Power in SLTEC on account.

- **Capital stock -** Increased due to additional subscription of shares by ACEIC with the acquisition of majority ownership in the Parent Company last June 2019.

- **Other equity reserve and non-controlling interests –** Mainly coming from the consolidation of SLTEC and the share swap agreements with ACEIC.

- **Unrealized fair value gains on equity instruments at FVOCI -** Decrease due to the disposal of the shares of stocks held by the Group.

- **Unrealized fair value losses on derivative instrument designated under hedge accounting -** Effective portion of the coal hedge entered into by the Parent Company.

- **Remeasurement gain on defined benefit plan -** Higher net actuarial gains recorded in 2019 as compared to 2018.

- **Retained earnings -** Went up due to net income incurred during the year and the impact of the initial application of PFRS 16.

Key Performance Indicators of the Company

The table below sets forth the comparative performance indicators of ACEN:

Key Performance Indicators				
	31-Dec-19	**31-Dec-18**	**Increase (Decrease)**	
In thousand Pesos	**As restated**	**Audited**	**Amount**	**%**
Liquidity Ratios				
Current assets	48,672,155	5,165,264		
Divided by: Current liabilities	5,222,835	2,963,271		
Current Ratio	9.32	1.74	7.58	435%
Cash & cash equivalents	39,630,296	1,022,366		
Plus: Short-term investments	100,000	35,326		
Plus: Receivables	7,417,212	2,627,291		
Cash & cash equivalents + Short-term investments + Receivables	47,147,508	3,684,983		
Divided by: Current liabilities	5,222,835	2,963,271		
Acid test ratio	9.03	1.24	7.78	626%

Solvency Ratios				
Total liabilities	32,079,698	10,553,247		
Divided by: Total equity	92,359,303	8,371,448		
Debt/Equity ratio	0.35	1.26	(0.91)	(72%)
Total assets	124,439,001	18,924,695		
Divided by: Total equity	92,359,303	8,371,448		
Asset-to-equity ratio	1.35	2.26	(0.91)	(40%)
Income (loss) before income tax	720,216	-421,553		
Plus: Interest and other finance charges	962,840	433,649		
Earnings before interest & tax (EBIT)	1,683,056	12,096		
Divided by: Interest expense	962,840	433,649		
Interest Coverage Ratio	1.75	0.03	1.72	6,167%
Short-term loans	3,556	400,000		
Plus: Long-term loans	23,198,629	6,336,933		
Less: Cash & cash equivalents	39,630,296	1,022,366		
Short-term loans + long-term loans - Cash & Cash Equivalents	-16,428,111	5,714,567		
Divided by: Total Equity	92,359,303	8,371,448		
Net bank Debt to Equity ratio	(0.18)	0.68	(0.86)	(126%)
Profitability Ratios				
Net income after tax attributable to equity holders of the Parent Company	704,764	-560,496		
Divided by: Average equity attributable to equity holders of Parent Company	30,656,670	8,693,724		
Return on equity	2.30%	(6.45%)	8.75%	(136%)
Net income after taxes	779,736	-593,156		
Divided by: Average total assets	71,681,848	19,841,614		
Return on assets	1.09%	(2.99%)	4.08%	(136%)
Revenues	16,126,709	15,123,392		
Divided by: Average total assets	71,681,848	19,841,614		
Asset Turnover	22.50%	76.22%	(53.72%)	(70%)

Current ratio and Acid test ratio

- Increased due to the higher cash provided by the issuance of capital stock and availment of long-term loans. On the contrary, current liabilities increased by 76% due to increase in purchases on account and taxes payable.

Debt to equity ratio and Asset to equity ratio

- Dropped due to 1,003% increase in equity resulting from issuance of new shares of stocks and increase in other equity reserves from share swap with ACEIC.

Interest coverage ratio

- Went up due to net income before interest.

Net debt to equity ratio

- Decreased with significant increase in capital stock and equity reserves with which cushioned the additional loans availed during the year.

Return on equity and assets

- Turned around from the net loss reported in 2018 with the significant increase in rested 2019 net income coming from share in earnings from additional assets acquired.

Asset turnover

- Went down as revenues increased by only 7% while the restated average total assets increased by 261%.

Material events and uncertainties

- There were no events that trigger 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 Company with unconsolidated entities or other persons created during the reporting period.

- Except as disclosed in Note 39 Events after the Reporting Period of the Audited Consolidated Financial Statements, there were no other material events that had occurred subsequent to the balance sheet date.

- Capital expenditures are planned to rehabilitate and improve the availability and capacity of generation assets. These will be funded by internal resources.

- 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 the Group and its subsidiaries depend, to a significant extent, on the performance of the Philippine economy.

- The current highly competitive environment and operation of priority-dispatch variable renewable energy have driven market prices of electricity downward, resulting in lower margins.

- However, limitations in the supply side and unscheduled outages of plants have driven WESM prices upwards. Movements in the WESM prices could have a significant favorable or unfavorable impact on the Company's financial results.

- There were no 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.

- 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 result of operations.

- There were no operations subject to seasonality and cyclicality except for the operation of Guimaras Wind farm. 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”)

BUSINESS

The Company

ACEN CORPORATION, is a corporation duly organized and existing under Philippine law with SEC Registration No. 39274, and listed with the PSE with ticker symbol “ACEN” (formerly “ACEPH” and “PHEN”). It was incorporated on 8 September 1969, and was originally known as “Trans-Asia Oil and Mineral Development Corporation,” reflecting its original purpose of engaging in petroleum and mineral exploration and production. In order to diversify its product and revenue portfolio, the Company invested in power generation and supply, which eventually became its main business and revenue source. On 11 April 1996, the Company’s name was changed to “Trans-Asia Oil and Energy Development Corporation.” On 22 August 2016, the Company aligned its name with its then parent company to become known as “PHINMA Energy Corporation,” and extended its corporate life for another 50 years. On 17 September 2019, the stockholders of the Company voted to rename the Company to “AC Energy Philippines, Inc.” to recognize its affiliation with its largest stockholder, ACEIC, which the SEC approved on 11 October 2019. On 19 April 2020, the stockholders voted to rename the Company to “AC Energy Corporation” to recognize the offshore expansion of the Company through the ACEIC International Transaction, which the SEC approved on 5 January 2021. On 15 December 2021, the stockholders voted to rename the Company to “ACEN CORPORATION,” which the SEC approved on 20 July 2022.

ACEN is engaged in the business of providing integrated power solutions, power generation and electricity supply, renewable energy, and resource exploration and development. As a power generator and electricity supplier, the Company manages a diversified portfolio of renewable and conventional power generation projects. ACEN expanded its portfolio from one primarily focused on the Philippines, to include power generation projects in Australia, Indonesia, Vietnam, and India. The Company is a pioneer in electricity supply and trading in the WESM. As a RES, the Company can participate in the Retail Competition and Open Access (“RCOA”) and serve the needs of contestable customers and electric cooperatives through its customized power solutions. As an energy resource developer, the Company is engaged in resource exploration and development, particularly in oil and gas through its subsidiary, ACE Enexor, Inc. (“ACE Enexor”), formerly PHINMA Petroleum and Geothermal, Inc., and on renewable energy focusing on wind and solar energy in the pursuit of clean and sustainable power projects.

As of 16 August 2022, ACEN had a pro forma total Net Attributable Capacity of 3,942 MW from operating projects and projects under construction. This includes the acquisition of UPC Australia, 49% of Solar NT, an affiliate of SUPER Energy, and a stake in the solar rooftop platform of NEFIN.

Objectives and Purposes

The Company has been organized and engaged primarily in renewable power generation and electricity supply, with secondary investments in petroleum and geothermal exploration.

Competitive Strengths

The Company believes that it has a number of competitive strengths that it can use to enhance and leverage its position in the energy industry.

Portfolio of projects across geographies, technologies, energy sources, and regulatory regimes provides stable cash flows, diversification and a strong platform for growth.

While the Company started as one of the early exploration companies in the country as the legacy Trans-Asia Oil and Mineral Development Corporation, the Company invested in power generation and supply which eventually became its main business and revenue source. Following its investment in power generation and supply, the Company grew a portfolio of both renewable and conventional power generation projects while maintaining some investments in the petroleum exploration, development and production.

ACEN owns the most geographically diversified power portfolio among its peers in the Philippine energy sector, with a pro forma Net Attributable Capacity of 3,942 MW as of 16 August 2022, 58% of which is located outside the country. This includes the acquisition of UPC Australia, 49% of Solar NT, an affiliate of Super Energy, and a stake in the NEFIN solar rooftop platform. Aside from the Philippines, the portfolio is spread across four other key markets in the Asia Pacific: Australia, Vietnam, India, and Indonesia, in addition to rooftop solar projects spread across Mainland China, Hong Kong, Malaysia, Taiwan, and Thailand.

Furthermore, ACEN has one of the highest percentages of renewables in its portfolio among energy companies in the Asia-Pacific, with close to 90% of its attributable capacity from RE technologies. In addition, all of the Company's plants outside the Philippines are 100% powered by renewable sources.

The table below presents the Net Attributable Capacity as of 16 August 2022, broken down by geography and technology.

	Net Attributable Capacity (in MW)		
By Geography	**Operating**	**Under Construction**	**Total**
Philippines	972	677	1,649
International Assets:			
Vietnam	999	48	1,047
Australia	0	521	521
India	168	336	504
Indonesia	186	3	189
Various[1]	12	19	31
Total International Assets	1,365	927	2,292
Total	**2,338**	**1,604**	**3,942**

Note:
1. Various is comprised of Mainland China, Hong Kong, Malaysia, Taiwan, and Thailand.

	Net Attributable Capacity (in MW)		
By Technology	**Operating**	**Under Construction**	**Total**
Renewable Assets:			
Solar	1,143	1,278	2,420
Wind	548	265	813
Geothermal	138	3	141
Battery[1]	0	40	40
Rooftop Solar	12	19	31
Total Renewable Assets	1,841	1,604	3,445
Thermal Assets:			
Diesel	251	0	251
Coal	246	0	246
Total Thermal Assets	497	0	497
Total	**2,338**	**1,604**	**3,942**

Note:
1. Battery refers to Alaminos BESS, which is connected to Alaminos Solar farm.

Along with exploration and power generation, the Company is one of the pioneers in the wholesale and retail electricity market in 2006. As of 31 July 2022, the Company holds around 171 MW of retail/contestable and 310 MW of wholesale customer contracts in the Philippines. In addition, the Company has FIT and long-term contracts for its operating assets in Indonesia, Vietnam, and India.

The table below presents the Company's revenues broken down by geography:

Revenues	**2019**		**2020**		**2021**	
In thousand Pesos	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	% of Total
Philippines	16,105,463	100%	20,438,911	100%	25,959,821	100%
International	12,302	0%	48,846	0%	58,410	0%
Parent and Others	8,944	0%	480	0%	63,210	0%
Total Revenues	**16,126,709**	**100%**	**20,488,237**	**100%**	**26,081,441**	**100%**

The table below presents the Company's net income broken down by geography:

Net Income	**2019**		**2020**		**2021**	
In thousand Pesos	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Philippines	778,857	100%	3,873,742	61%	3,092,060	40%
International	646,862	83%	3,225,060	50%	4,862,640	63%
Parent and Others	(645,983)	-83%	(696,651)	-11%	(288,666)	-4%
Total Net Income	**779,736**	**100%**	**6,402,151**	**100%**	**7,666,034**	**100%**

The Company believes that with the portfolio approach to its investments, the Company has a blend of seasoned and new operating projects that provide stable cash flows underpinned by attractive, long-term contractual arrangements and a diverse business model (a combination of bilateral contracts, spot sales and FIT contracts), fuel types, and technologies, geographies, and regulatory regimes that the Company is able to leverage for continued renewable capacity expansion and growth, in the Philippines and internationally.

The Company's core focus in renewable energy is aligned with the Philippines' adoption of renewable energy sources to address the country's long-term energy needs.

The narrative of the Philippine power sector is underpinned by the country's robust economic fundamentals and attractive demographic qualities. The Philippines' GDP has been growing at a 7% compound annual growth rate ("CAGR") from 2009 to 2020. However, in 2020, as the economy felt the impact of the COVID-19 pandemic, the country's GDP shrank by 9.6%. The World Bank's latest Philippines Economic Update report, released in June 2022, shows a positive growth outlook, with the Philippines posting a 5.7% growth in 2021. Further, it is projected that the Philippines will have continuing economic growth in the medium term at 5.7% in 2022 and 5.6%, on average, in 2023 and 2024. Fitch Solutions, an affiliate of the Fitch Group forecasts power consumption to grow at an annual average of 4.6% from 2020 to 2029, despite the effects of the COVID-19 pandemic. In order to meet increasing demand, growth in installed capacity is essential and has compelled the Philippine government to encourage the expansion in renewable energy capacity. The National Renewable Energy Program has set a target of reaching 15,304 MW of installed renewable capacity by 2030 (vs. approximately 3,500 MW in 2017). Other key regulatory developments also include the moratorium on endorsements for greenfield coal power plants as declared by the DOE in October 2020.

In addition, renewable initiatives are currently in place or being drafted to support this renewable target. This includes the 20-year FIT for solar, wind, biomass and hydro energy which were introduced in 2013 and the RPS, the regulations for which were issued by the DOE in 2017 and 2018. The RPS mandate electric power industry participants to source or produce a specified portion of their electricity requirements from eligible renewable energy ("RE") resources in order to encourage the development of indigenous and environmentally-friendly energy sources.

Under the RPS Rules, the mandated participants include:

- Distribution Utilities ("DUs") for captive customers;
- RES for contestable customers;
- ERC authorized Generating Companies ("Generating Companies"), to the extent of the demand of their actual supply to their directly-connected customers; and
- Other entities, as may be recommended by the NREB and approved by the DOE.

The RPS Rules established the minimum annual RPS requirement. This pertains to the RE share of electricity coming from RE resources in the energy mix based on an aspirational target of 35% in the generation mix expressed in MWh by 2030, subject to regular review and assessment by the DOE.

The RPS Rules also established the minimum annual incremental RE percentage. This is initially set at 1% to be applied to the net electricity sales of the mandated participant for the previous year, and thereafter adjusted by the DOE as may be necessary.

For the purpose of compliance with the RPS Rules for On-Grid Areas, the eligible RE facilities utilizing the following technologies and resources shall be:

- Biomass;
- Waste-to-energy technology;
- Wind energy;
- Solar energy;
- Run-of-river hydroelectric power systems;
- Impounding hydroelectric power systems;
- Ocean energy;
- Hybrid systems as defined in the RE Act with respect to the RE component;
- Geothermal energy; and
- Other RE technologies that may be later identified by the DOE;

provided that, for the RE facilities utilizing these technologies to be eligible under RPS compliance and Renewable Energy Certificates ("RECs") attribution, they shall have been in commercial operations after the effectivity of the RE Act in 2008.

The RPS Rules enabled the creation of an RE Market where mandated participants comply with the minimum annual RPS requirement through the allocation, generation, purchase, or acquisition, generation from net metering arrangements, of RECs. One certificate represents one MWh of generation produced from a registered eligible RE facility.

With an additional 225 MW of Net Attributable Capacity in thermal and renewables gained from the ACEIC Philippine Transaction and a target of growing this to 5,000 MW by 2025, the Company is well-positioned to address the country's need for clean power sources, and benefit from the RPS mandated by the DOE.

The Company's ownership of RE facilities is not perpetual and is subject to permits, licenses, useful life of assets, corporate life of the SPVs holding the assets, and other factors. At the end of an RE asset's useful life, the Company has the option to repower the plant and reinvest new capital. The current FIT contracts of the Group's RE projects in the Philippines have an approximately 20-year tenor.

Beyond the Philippines, there has also been an accelerated transition to renewable energy and complementary technologies, such as energy storage. The Company is well-positioned to serve the region's renewable energy requirements with its pipeline of projects not just in the Philippines but also across the Asia Pacific region.

Strong pipeline of projects in partnership with recognized and accomplished power industry developers, operators, and investors provides a visible path to growth.

ACEN is scaling up its renewable energy platforms and existing partnerships with a strong ~18,000-MW pipeline of projects in the Philippines and across the region. The Company expects to achieve financial close on 1,000 MW worth of projects within 12 months from the date of this Prospectus. As of the date of this Prospectus, ACEN has the following pipeline:

Renewable Energy Pipeline

	Expected Gross Capacity (in MW)
Australia	~8,100
Philippines	~6,500
Vietnam	~1,600
India and Other Asia-Pacific Countries	~1,800
Total	**~18,000**

This includes ACEN's pipeline projects in the Philippines, as well as its offshore projects through ACEN International, all in various stages of development, including those in exploratory stages that have yet to receive Board approval. The 18,000 GW represents the total gross capacity of these projects. ACEN's attributable capacity will be determined once the economic interests in these projects are finalized. The pipeline includes projects that the Company is pursuing together with its partners in the Philippines and offshore, in line with its track record of pursuing regional expansion through strategic partnerships.

In addition, the Company utilizes organic project development capabilities to develop greenfield projects through the ACE Endevor platform. ACE Endevor was incorporated and registered with the SEC on 10 November 2014 to engage in all aspects of exploration, assessment, development and utilization of renewable and other energy resources and storage of electricity. ACEIC acquired 100% of the ownership interests in ACE Endevor in March 2017 with the intent to make ACE Endevor its Philippine project development, management and operations platform. ACE Endevor has since been infused into ACEN as part of the ACEIC Philippine Transaction. Greenfield developments in the Philippines are currently pursued under the ACE Endevor platform.

The Company continuously works to develop new energy projects, in various renewable energy technologies, across different geographies, toward its goal of reaching 5,000MW of renewable energy capacity by 2025.

The Company's target pipeline reflects its current strategy and may change as proposed projects are reviewed or contracts are entered into, and subject to various factors, including market conditions, the general state of the economy and investment environment where the projects will be located and the ability to obtain financing, among others. See ***"Risk Factors—Risks Relating to the Company and its Businesses— The Company may not successfully implement its growth and other strategic objectives and the impact of acquisitions and investments could be less favorable than***

anticipated; —Risks and delays relating to the development of greenfield power projects could have a material adverse effect on the Company's operations and financial performance."

In addition, the Company believes that its ability to work with various partners is a key strength of in its growth platform. The Company also believes that these partners are some of the most established developers and operators of conventional and renewable assets. In addition to pursuing attractive investment opportunities together with the sector's most established names, the Company believes that its commitment to its objectives, visible track record of success in achieving growth and ability to forge partnerships in various market segments have made it a partner of choice.

The Company's various partnerships provide it with the ability to source high quality projects efficiently and with local market expertise. Collectively, the Company's current partnerships provide visibility to over 1,100 MW of expected gross capacity that are targeting financial close between the second half of 2021 to 2022 across various technologies in the Philippines and abroad, helping drive the Company towards its goal of achieving 5,000 MW of Net Attributable Capacity in renewables by 2025.

Key among the Company's partners in the Philippines are the following:

- UPC Renewables, a U.S.-based renewable energy developer with over 20 years of global experience in the construction and operations of wind and solar energy projects. UPC Renewables has developed over 3,500 MW of wind and solar projects, has a presence across 12 countries and has built 70 projects with approximately U.S.$5.0 billion of project debt and equity deployed. ACEIC began its partnership with UPC Renewables in 81 MW wind farm in Barangay Caparispisan, Pagudpud, Ilocos Norte, now owned and operated by NLREC.

- Mitsubishi Corporation ("Mitsubishi"), is a global conglomerate operating in the energy, commodities, infrastructure, automotive, and consumer goods industries. Mitsubishi was part of the 81 MW wind farm of NLREC partnership through its subsidiary, Diamond Generating Asia Limited. Ayala Corporation and Mitsubishi Corporation have been partners since 1974.

- Marubeni Corporation ("Marubeni") is one of Japan's largest trading houses and among the most active Japanese groups in the Philippines. Marubeni initially acquired an interest in SLTEC through its subsidiary Axia Power, which has been purchased by the Company. Axia Power has signed a shareholders' agreement for the development, construction and operation of the 150 MW Ingrid Quick Response Thermal Plant in Pililia, Rizal.

- Citicore Renewable Energy Corporation ("CREC") is a wholly-owned subsidiary of Citicore Power Inc., in turn a wholly-owned subsidiary of Citicore Holdings Investment Inc. Among its affiliate companies are Megawide Construction Corporation, primarily engaged in construction, and MySpace Properties, Inc., a property holding company. CREC has partnered with the Company for the development, construction and operation of the 114 MWdc in Arayat -Mexico Solar Farm in Pampanga.

- CleanTech Global Renewables ("CleanTech") is an independent power producer and renewable electricity developer in the Philippines in the business of developing, acquiring, constructing, owning, and operating clean and renewable energy projects. ACEN, ACE Endevor, Inc. ("Endevor") and CleanTech, through CleanTech Renewable Energy 4 Corporation, have formed a joint venture company, Natures Renewable Energy Development Corporation ("NAREDCO") to develop, own and operate a 133-MW solar farm and transmission line project located in Lal-lo, Cagayan. The companies signed a shareholders' agreement for the strategic partnership, with ACEN and Endevor to have a combined 60% ownership stake in NAREDCO, and CleanTech owning the remaining 40%. NAREDCO also intends to proceed with the construction the solar farm and transmission line, which has a potential expansion of up to 200 MW. The solar farm will be constructed on a 115-hectare flat land known for its high solar irradiance in Barangays Magapit and Sta. Maria, which will connect to the 69kV NGCP Lal-lo (Magapit) substation via a 3-km transmission line. Once completed, the 133-MW solar farm will produce 188 GWh of renewable energy annually, enough to power 75,000 households while avoiding approximately 112,405 MT of CO_2 emissions annually. About 1,000 job opportunities and community partnerships could be created during the solar farm's construction stage. It is expected to be operational by early 2023.

Key among the Company's international partners are the following:

- UPC Renewables, a U.S.-based renewable energy developer with over 20 years of global experience in the construction and operations of wind and solar energy projects. Aside from ACEN's partnership with UPC Renewables in the Philippines, UPC Renewables is also a partner for projects in the 75 MW Sidrap Wind Project in Indonesia and the 60 MW Lac Hoa and Hoa Dong Wind in Vietnam.

    - Prior to the 100% acquisition of ACEN Australia, formerly known as UPC-AC Renewables Australia, ACEN, through AC Renewables International, also entered into a joint venture with UPC Renewables for its main platform for utility scale projects in Australia through UPC-AC Renewables Australia. UPC-AC Energy is currently proceeding with the construction of a 521 MWdc New England Solar Phase 1 and also owns a pipeline of projects of around 8,000 MW in various stages of development, including the 415.6 MWdc New England Solar Phase 2 and up to 1,000 MW in wind farms in Robbins Island and Jim's Plain in Australia. UPC-AC Energy Renewables Australia also signed a share purchase agreement for the acquisition of a 51% interest in the 2x125 MW Baroota Pumped Hydro and the 300 MW Bridle Solar in Australia.

    - In October 2021, ACEN announced the acquisition, through its subsidiary AC Renewables International Pte Ltd, of the ownership interest of its joint venture partner UPC Renewables Asia Pacific Holdings Pte Limited ("UPCAPH") and Mr. Anton Rohner in UPC-AC Renewables Australia, their joint venture holding company for Australia energy and power projects and investments, for up to U.S.$243.3 million (subject to adjustments), subject to agreed conditions precedent and required partner, financing, and regulatory approvals, including as applicable, from the Foreign Investment Review Board of Australia, and subject further to execution of definitive documentation.

    - UPC-AC Energy Solar is another joint venture company with UPC Renewables, through AC Renewables International. UPC-AC Energy Solar is a development platform for a pipeline of over 1GW in power projects, with an initial focus on India, South Korea, Taiwan and other countries in the Asia Pacific. Following the completion of the joint venture's first two solar projects in India, it is currently working on developing the 300 MWdc Masaya Solar plant in Madhya Pradesh.

- BIM Group, one of Vietnam's leading business groups with interests in real estate, food, and commercial services. The BIM Group is ACEN's partner for the 405 MWdc Ninh Thuan Solar and the 88 MW Ninh Thuan Wind in Vietnam.

- AMI Group, a leading business group in Vietnam active in solar and wind projects. The AMI Group is ACEN's partner for the 80 MWdc Dak Lak and Khanh Hoa Solar and the 252 MW Quang Binh Wind in Vietnam.

- The Blue Circle, an international platform based in Singapore engaged in the development, construction, and operation of its pipeline of around 1,500 MW of wind projects across Southeast Asia, including around 700 MW in Vietnam. The Blue Circle is ACEN's partner for the 80 MW Phase 1 and 2 of the Mui Ne Wind in Vietnam.

- Star Energy and The Electricity Generating Company ("EGCO"), are both leading power producers in Thailand. Star Energy and EGCO are ACEN's partners for its 648 MW Salak & Darajat Geothermal Plants in Indonesia.

- NEFIN Holding Limited ("NEFIN") is a leading solar photovoltaic developer and investor in carbon neutrality solutions. On 4 August 2021, ACEN obtained Board Approval to enter into a joint venture through its wholly-owned subsidiary ACRI, with NEFIN. Under the joint venture are solar rooftop projects totalling 55.5 MWdc across Mainland China, Hong Kong, Malaysia, Thailand, and Taiwan.

- Super Energy Corporation Public Company Limited ("SUPER") is a premier Thai renewable energy developer and investor with significant solar, wind, and waste-to-energy projects in Thailand and Vietnam. SUPER is ACEN's strategic partner through Solar NT's 837-MW Vietnam platform, which can expand its existing renewable footprint and explore other Southeast Asian markets.

The Company has also engaged with the Yoma Group for the potential joint exploration and development of around 200 MW in renewable energy projects within Myanmar, including participation in large utility-scale renewable projects for the development of micro power plants and mini-grids. Due to the current situation in the country, however, the Group has taken a more conservative approach to possible expansions in Myanmar. The Group takes a long-term view on its investment in Myanmar and continues to monitor the situation closely.

The following is ACEN's partner with projects under development in the Philippines:

- Solar Philippines Power Project Holdings, Inc. ("SP") is one of the largest independent power developers in the Philippines. The Company has signed a deed of absolute sale for the purchase of shares owned by SP in SPCLC and has subscribed to shares of the SPCLC to implement the joint venture between ACEN and SP for the development of solar power projects in the Philippines.

The following are ACEN's partners with international projects under development:

- ib vogt GmbH ("ib vogt") is a renewable energy solutions provider that has specialized in solar project development since 2002, and is one of the pioneers in tracking solar technologies. Headquartered in Berlin, Germany, ib vogt has established 27 offices across Europe, North America, Asia -Pacific and Africa as part of its presence in over 40 countries. ACEN signed a joint venture agreement with ib vogt for large-scale Asia-Pacific solar projects, focusing on late-stage, shovel-ready projects in Indonesia, Vietnam, Malaysia, Laos, and Bangladesh. The venture's capital expenditure is expected to reach up to US$ 200 Mn in equity, in addition to debt 1,000 MW minimum in RE capacity, with potential for further expansion. Majority of the joint venture's projects will be from ib vogt's >5,000 MW Asia development pipeline, with the first projects expected to receive NTP within 2022. The partnership can also acquire late-stage projects from local and regional developers. This initiative also serves to complement ib vogt's global strategy of developing a diversified portfolio of high quality independent power producer ("IPP") assets.

- Pivot Power Management LLC ("Pivot Power") is a U.S.-based provider of renewable energy development and financing solutions with strong track record of successful outcomes for platform partners in wind energy. In April 2022, ACEN announced the board approval of the company's plans to enter the United States renewable energy market through a newly formed strategic partnership with UPC Solar & Wind Investments LLC and Pivot Power to pursue opportunities to acquire operating wind projects in the US and explore strategies for extending their useful life through preventative maintenance and repowering. The partnership will target the acquisition of operating wind projects across various geographies in the US. It will seek to upgrade and replace key components on target projects with the goal of extending project life and optimizing power generation. The transaction is subject to usual and customary conditions precedent to closing.

- PT Puri Usaha Kencana ("Puri Usaha") is an Indonesian conglomerate instrumental in the formation of a consortium for an ambitious cross-border initiative to import RE from Indonesia for the Singaporean market. ACEN and the Puri Usaha Group have agreed to work together in a platform for the joint development of groundbreaking renewable energy projects in Indonesia focusing on large-scale solar power plants, battery energy storage system, and green hydrogen projects, subject to applicable regulatory approvals and execution of definitive documentation. The proposed joint venture entity is Suryagen Capital Pte. Ltd. ("Suryagen"). The Suryagen platform covers the Batam, Bintan, and Karimun (BBK) islands as well as East Nusa Tenggara province, where the majority of the projects that the Puri Usaha Group have been developing are located, with the aim to begin the construction of its first project by 2023.

The Company believes that its various partnerships provide it with the ability to source high quality projects efficiently and with local market expertise, help drive the Company towards becoming the largest listed renewables platform in Southeast Asia and achieving its goal of 5,000 MW of Net Attributable Capacity in renewables by 2025.

The Company is well-positioned to capture future demand growth in various forms of power generation in the Philippines.

Demand for electricity in the Philippines is expected to continue its growth. Based on the Power Development Plan 2020-2040 published by the DOE, to meet the projected electricity demand requirement by 2040, the power system capacity addition that the Philippines will require is 92,284 MW, with new renewable energy projects accounting for 73,183 MW. The breakdown of new renewable energy projects are as follows: 44,863 MW solar, 16,315 MW hydro, 11,255 MW wind, 480 MW geothermal, and 270 MW biomass. For 2021-2027, the DOE estimates that there are only approximately 7,628 MW of committed power generation projects and an additional 2,110 MW battery energy storage systems are expected to be operational. For 2021 to 2032, an additional 35,086 MW total indicative power generation projects are expected to be operational. There is a significant unserved demand that the Company can tap with its diversified portfolio of projects in operation and in the pipeline.

The Company's ability to produce and source electricity from various sources means that it has the flexibility to allocate its energy production for both base and peak demands.

The Company's base load power is used to meet customers' stable demand, while its peaking plants can be quickly operated to supplement requirements during peak periods. In addition, the generation profile of the Company's portfolio of solar plants is well-suited to match the Luzon load curve.

The expansion of the Company's power generation portfolio via its upcoming projects will continue to increase its flexibility in meeting the varying power requirements of its customers at the lowest cost possible. This diversity of power sources also allows the Company to significantly mitigate the risks attendant to meeting its customers' peak and base power needs.

The Company's assets and operations are strategically located in a rapidly growing region that is increasingly embracing renewable energy to address its long-term energy needs.

Through the ACEIC International Transaction, the Company gained access to highly attractive markets in the Asia Pacific region in which to pursue growth, particularly in the renewable energy space. The Company's current projects and development platforms are in Indonesia, Vietnam, Australia, and India.

Similar to the Philippines, Indonesia's nominal GDP growth has been driving activity in the country before the pandemic, with GDP growing at 7.4% CAGR from 2008 to 2019 (U.S.$1,119 billion in 2019), according to the World Bank. In 2020, Indonesia's GDP fell by only 2.1% reflecting less stringent containment measures and lower dependence on highly impacted sectors like tourism. In 2021, however, Indonesia's GDP posted a growth rate of 3.7%. The World Bank expects the Indonesian economy to continue to rebound by 5.1% in 2022 and 5.3% in 2023, assuming pent-up demand, improved consumer confidence, and improved terms of trade. From 2008 to 2019, power generation grew by 6.4% CAGR to 295,448 GWh based on information from the International Energy Agency ("IEA"), underpinned by strong economic growth and the government's electrification efforts. Renewable power is expected to play a significant role in further supply expansion as the government targets new and renewable energy sources to account for at least 48% of total installed capacity by 2030 based on the 2021-2030 Rencana Umum Penyediaan Tenaga Listrik or General Plan for Electric Supply issued by the Ministry of Energy and Mineral Resources of Indonesia. To support this growth, several renewable initiatives have been introduced or are under review, such as favorable tariff for solar and wind, income tax and importation incentives.

Vietnam offers one of the most attractive renewable energy markets in the region due to its large population and rapid nominal GDP growth of 9% CAGR from 2008 to 2019 (U.S.$262 billion in 2019), according to the World Bank. As one of the countries that best managed the pandemic, Vietnam posted a GDP growth of 2.9% in 2020 showing remarkable resilience. In 2021, however, Vietnam posted a lower growth rate due to the April 2021 COVID-19 outbreak in the country. The World Bank still sees Vietnam's GDP growing by 5.5% in 2022 and 6.5% in 2023 on the back of successful control of COVID-19 infections through continued national vaccination, strong performance by export-oriented manufacturing, robust recovery in domestic demand and smoothing supply-side constraints. From 2015 to 2019, total system sales grew by 9.9% CAGR driven by strong economic growth and the country's rapidly expanding manufacturing sector, based on information from the Ministry of Industry and Trade of Vietnam. According to Revised National Development Master Plan for 2021-2030 (PDP 8), the Vietnam government is targeting to more than double its installed capacity from 54 GW at the start of 2020 to 138 GW in 2030 and 234 GW in 2040 (base-load scenario). Further, the government is targeting to increase the share of electricity produced from solar and wind energy projects as well as gas-fired power plants. The three sources combined is planned to make up 47% of the system in 2030, and 57% in 2040. PDP 8 is also seen cancelling or delaying nearly half of the remaining pipeline of coal-fired capacity in bid to focus towards focusing on more sustainable energy sources. As of August 2021, the new power development plan for 2021-2030 with a vision for 2045 is still under development and has yet to be finalized.

Australia continues to be one of the world's most stable economies due to its consistent output and activity. In 2019, the World Bank reports the country's GDP to reach U.S.$1.4 trillion, representing a CAGR of 3% from 2008 to 2019. GDP performance continued to be driven by a low unemployment rate, and constant infrastructure investments. While in 2020 Australia's GDP fell by 0.3% as reported by World Bank, after suffering its first recession in nearly 30 years, the rebound in the second half of the year also set records. During the same period from 2008 to 2019, Australia's population increased by a CAGR of 2% to reach 25.3 million people. In line with the economic statistics, Australia's power generation capacity has increased by a CAGR of 1.3% from 2008-09 to 2019-20 to reach 49,832 MW in financial year 2019-20 (according to AER, financial year ends 30 June), and will reach 51,633 MW in fiscal year 2020-21. Being a mature and developed market, Australia offers stability with growth driven by the national directive to shift towards renewable energy sources and the increasing cost competitiveness of renewable technology. Australia has an established renewable market underpinned by the Renewable Energy Act 2000. With the support of positive regulatory framework and the country's strong renewable projects pipeline, Australia's non-hydroelectric renewable market capacity is expected to grow 7.2% annually during 2018 to 2027 especially with the decommissioning of coal-fired power plants that begun in 2012.

From 2012 to 2017, there were twelve coal-fired power plant closures across Queensland, New South Wales, Victoria, and South Australia with a total capacity of 5,589MW. Further, according to the Australian Energy Market Operator's ("AEMO") Integrated System Plan ("ISP") for 2020, it is expected that 14 GW of coal-fired generation will reach the end of its technical life and retire by 2040. In addition, the Government of Australia has set a Renewable Energy Target ("RET") that aims to achieve a minimum of 20% of energy generated from renewable sources by 2020. The RET is made up of two schemes: (1) The Large-scale Renewable Energy Target and (2) The Small-scale Renewable Energy Scheme. The first scheme incentivizes investments into, and the expansion of renewable energy power stations as high-energy users are required to source part of their electricity demand from renewable sources while the second scheme creates financial incentives for individuals and small businesses to install eligible small-scale renewable energy sources. The Large-scale Renewable Energy Target was set at 33TWh renewable electricity generation by 2020. The annual target will remain at 33,000TWh until the scheme ends in 2030. The Clean Energy Finance Corporation ("CEFC") was established by the Australian Government under the Clean Energy Finance Corporation Act 2012, CEFC co-finances and invests, directly and indirectly in renewable energy and energy efficiency projects. After two years of large scale investment in renewable energy of aggregate 15,700 MW of new capacity, predominantly in wind and solar projects, the Clean Energy Council reported in September 2019 that it has achieved its 20% renewable energy composition goal and the actual target achieved in 2020 was 27.7% (according to Clean Energy Council).

India continues to remain a growing renewable energy market as shown by its highly anticipated and competitive auctions. As one of the largest economies in the world, India's continues to grow annually as its GDP registered 8.3% CAGR from 2008 to 2019, declined 8.6% in 2020 and ended 2020 at U.S.$2,623 billion. Power consumption has kept pace with its economic growth, registering a 7% CAGR from FY2008-09 to FY2018-19, and a decline of 6% in 2020 due to the COVID-19 pandemic. The demand for power is mostly supplied by thermal sources, as coal continues to account at least 62% of its installed generation capacity. In 2014, the government of India set a target for achieving 175 GW of renewable energy in India, with major focus on solar energy (100 GW by 2022) and wind energy (60 GW by 2022).

In addition to the markets set out above, the Company continues to evaluate and assess opportunities in other markets in Asia Pacific that meet the Company's strategic framework and financial criteria. The Company continues to explore additional opportunities in other attractive locations including South Korea and Taiwan.

The Company has an optimal mix of supply and customer contracts.

With ACEN's diversified mix of supply and customer contracts across varied international markets, the Company is able to seize opportunities from different kinds of offtakers. In the Philippines, ACEN is able to manage its exposure to the WESM through a balance with contracted RES customers and a long-term PPA with MERALCO. Upon the opening of its solar farm, ACEN Australia is expected to do the same, balancing spot market trading opportunities with prospective contracts. On the other hand, single-offtaker markets such as Vietnam, Indonesia, and Australia provide the Company with stable, reliable sources of income, through long-term offtake agreements with the likes of EVN in Vietnam, PLN in Indonesia, and state electricity companies in India. In Vietnam, ACEN enjoys FIT subsidies for most of its portfolio there.

The Company has around 171 MW of retail/contestable customer contracts and 310 MW of wholesale customer contracts in the Philippines as of 31 July 2022. The recent Supreme Court ruling, upholding the requirement of Power Supply Agreements submitted by MERALCO and other distribution utilities with the ERC after 30 June 2015 to undergo a competitive selection process, provided an opportunity for the Company to enter into wholesale supply contracts with the distribution utility. The Company won the bid to supply MERALCO with a 200 MW baseload demand from 26 December 2019 to 26 December 2029. Subsequently, the Company won the bid to supply 110 MW in mid-merit power to MERALCO from 26 December 2019 to 26 December 2024. The Company received a copy of the provisional ERC approvals for the contracts on 31 January 2020 and the final approvals on 13 May 2020 for the baseload and on 1 June 2020 for the mid-merit. The Company's larger supply portfolio will help supply this demand, coupled with the new projects in the pipeline.

In addition to this, 250 MW of solar and wind projects in the Company's renewable energy portfolio have FIT under 20-year contracts with the Philippine government as of the date of this Prospectus. In Indonesia, all of the Company's wind and geothermal operating assets with a total of 723MW in gross capacity are fully contracted with PLN under long-term contracts. In Vietnam, the Company's operating solar and wind assets totaling 905 MW have FIT.

For the three months ended 31 March 2022, 62% of the Company's revenues are derived from a combination of long-term bilateral contracts, and short-term retail electricity contracts, while the balance refers to revenues from FIT, ASPA, and sales to the spot market.

Strengthened balance sheet and good visibility on future cash flows.

The Company has a strong and stable financial position that enables it to pursue its strategy of expanding its portfolio through acquisitions and organic projects. In March 2021, GIC Private Limited, through its affiliate Arran Investment Pte Ltd, completed the first tranche of its target 17.5% stake purchase in the Company. This ₱11.9 billion transaction strengthened the Company's capital position, allowing it to fund more of its developmental and operational projects. Later that year, in December, GIC completed the second tranche ("Top-Up") of its acquisition of ACEN shares, this time, through a secondary sale of 2.69 billion shares from ACEIC.

Including the Company's ₱5.4 billion (US$111.2 million) stock rights offering (SRO), ₱10.3 billion (US$212.2 million) follow-on offering (FOO), and ₱11.9 billion (US$244.2 million) primary share investment by GIC affiliate Arran Investment Pte. Ltd. (Arran), ACEN raised a total of close to US$1.0 billion in fresh capital in 2021 alone, which it can use to fund its expansion of attributable renewable energy capacity.

With the transfer of the international assets from ACEIC, the Company's balance sheet strengthened further, thus providing the Company more flexibility in the financing of its projects.

In assessing any proposed investment or project, the Company sets certain criteria that needs to be met among which are the fundamental soundness of the proposed investment or project and its business case, the sound reputation and capability of the partners, and the long-term sustainability of the investment or project. When debt is required to fund new investments, the company ensures that cash inflows are adequate to cover loan repayment requirements as well as meet relevant loan covenants.

The Company's good credit standing and strong relationship with its various banking partners provides the Company with the capability to mobilize and deploy financial resources as needed. The Company also has good access to the capital markets as evidenced by the recent follow-on-offering that the Company completed in May 2021 and the company's maiden Green bond offering on the SGX in September 2021.

ACEN has been able to establish a proven track record of delivering growth, rapid execution, performance, and realizing value.

ACEN brings with it the proven track record of delivering growth, efficient execution, fulfilling commitments, and realizing value from its asset investments.

The following table sets forth ACEN's corporate milestones as of the date of this Prospectus:

Year	Milestones
2019	• On 8 February 2019, PHN, PHI, and ACEIC, signed an Investment Agreement under the terms of which PHN and PHI will sell their aggregate of 2,517,064,700 common shares in the Company (then PHINMA Energy Corporation), constituting 51.476% of the total issued and outstanding shares of the Company, to ACEIC. ACEIC also agreed to subscribe to 2,632,000,000 new common shares of the Company, constituting 34.9% of the total issued and outstanding shares of the Company after the said issuance. After securing corporate and regulatory approvals, including the conduct of a mandatory tender offer in accordance with Section 19 of the SRC Rules, the transactions closed on 19 June 2019. • ACEN enters into two power supply agreements ("PSAs") with MERALCO for (1) a baseload supply of 200MW from 26 December 2019 until 25 December 2029, and (2) a mid-merit supply of 110MW from 26 December 2019 until 25 December 2024, after being declared a winning bidder in separate competitive selection process bidding by MERALCO. • ACEIC assigns its right to purchase the 20% ownership stake of Axia Power Holdings Philippines Corporation ("Axia Power"), a subsidiary of Marubeni Corporation, in SLTEC in favor of ACEN. • ACEN, enters into a share purchase agreement with Macquarie Infrastructure Holdings (Philippines) Pte. Limited, Langoer Investments Holding B.V., and the Government Service Insurance System (collectively, the Philippine Investment Alliance for Infrastructure or "PINAI") for the acquisition of PINAI's 31% effective preferred equity ownership and 15% effective common equity ownership in North Luzon Renewables Energy Corp. ("NLREC").
2020	• ACEN completes its acquisition of PINAI's ownership in NLREC. • ACEN completes its acquisition of PINAI's entire ownership in San Carlos Solar Energy, Inc. ("SACASOL") and Negros Island Solar Power, Inc. ("ISLASOL"), respectively • ACEN and its subsidiary, ACE Endevor, Inc. ("ACE Endevor") enter into a shareholders' agreement with Axia Power for the development, construction, and operation of Ingrid Power Holdings, Inc.'s ("Ingrid Power") 150 MW diesel power plant project in Pililla, Rizal, which is expected to be operational in the first quarter of 2021. • The Board of Directors of ACEN approves the consolidation of ACEIC's international business and assets into ACEN *via* a tax-free exchange, whereby ACEIC will transfer 100% of its shares of stock in AC Energy International (ACEIC's 100%-owned subsidiary, now holding ACEN's international business and investments), consisting of 1,650,166,347 common shares and 15,035,347,600 redeemable shares, to ACEN in exchange for the issuance to ACEIC of additional common shares (the "ACEIC International Transaction"). The additional common shares shall be issued out of the increase of ACEN's authorized capital stock ("ACS") to ₱48,400,000,000.00 consisting of 48,400,000,000 with a par value of ₱1.00 per share. • ACEN, ACEIC, and Arran Investment Pte Ltd ("Arran"), an affiliate of GIC Private Limited, sign an investment agreement for Arran's acquisition of an effective 17.5% ownership stake in ACEN (the "Arran Investment").

Year	Milestones
2021	• ACEN enters into (1) a Deed of Absolute Sale of Shares with Solar Philippines Power Project Holdings, Inc. ("SP") for the Company's acquisition of SP's 244,000 common shares in Solar Philippines Central Luzon Corporation ("SPCLC"), and (2) a Subscription Agreement with SPCLC for ACEN's subscription to 375,000 common shares to be issued out of the unissued ACS of SPCLC. The acquisition and subscription will allow ACEN to have a significant ownership in SPCLC and is meant to implement the joint venture between ACEN and SP for the development and operation of solar power projects in the Philippines. • ACEN completes a rights offer of 2,267,580,434 common shares (the "SRO"), raising around ₱5.4 billion to partially fund at least six renewable energy projects. • Arran Investment Pte. Ltd. ("Arran"), an affiliate of GIC Private Limited, agreed to acquire a 17.5% interest in ACEN, subject to satisfaction of certain conditions. On 18 March 2021, pursuant to the Investment Agreement that ACEN signed with Arran, 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 10 November 2020, and which offer was approved by the BOD of ACEN during its meeting on 11 November 2020. • ACEN signs a shareholders' agreement with Citicore Solar Energy Corporation ("CSCE") and Greencore Power Solutions 3, Inc. ("Greencore 3") for the development, construction, and operation of a PV solar power plant in Arayat and Mexico, Pampanga with an installed nominal capacity of 72 MWdc for Phase 1. • In April 2021, ACEN signs a Deed of Assignment with ACEIC for the subscription by ACEIC to, and the issuance to ACEIC of, 16,685,800,533 shares in exchange for ACEIC's 1,701,284,345 common shares and 15,030,279,000 redeemable preferred shares in AC Energy International, Inc., which holds ACEIC's international renewable assets. This is in line with the intention to designate ACEN as the energy platform of the Ayala Group, holding all of the group's energy assets worldwide. • The SEC approves ACEN's increase in authorized capital stock from 24.4 billion shares to 48.4 billion shares in June 2021, thus enabling the implementation of the assets-for-share swap between ACEN and ACEIC for the latter's international assets. • In May 2021, ACEN completes its follow-on offering ("FOO") with an offer of 2.01 billion common shares priced at ₱6.50 per share, consisting of 1.58 billion shares sold pursuant to the primary offer, 330.24 million shares sold by ACEIC and Bulacan Power Generation Corporation ("BPGC") pursuant to a secondary offer, and an over-subscription of 100 million secondary shares sold by ACEIC. • In September 2021, ACEN, through its wholly-owned subsidiary, ACEN Finance Limited, successfully issues its U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) green bonds (the FFL Green Bonds Non-call 2022) at an aggregate principal amount of US$400.0 million, with a fixed coupon of 4.0% for life, with no step-up and no reset, priced at par. The FFL Green Bonds Non-call 2022 are issued under its US$1.5-billion medium-term note program, are guaranteed by ACEN, and are listed on Singapore Exchange Securities Trading (SGX-ST).

Year	Milestones
	Pricing for the bonds was at 4.0%, which was 45 basis points tighter than the initial price guidance. The final order book volume exceeded US$2.0 billion (more than 5 times oversubscribed), attracting a wide range of high-quality investors.
	• At the Special Stockholders' Meeting ("SSM") held on 15 December 2021, stockholders approved the issuance of ACEN primary shares to the owners, affiliates, and/or partners of UPC Renewables Asia Pacific Holdings Pte Ltd ("UPCAPH"), UPC Philippines Wind Investment Co. BV ("UPC Philippines") and the minority investors in NorthWind Power Development Corporation ("NW Founders"). In separate transactions, ACEN (directly or indirectly through its subsidiaries) entered into agreements to acquire the ownership interests of UPCAPH, UPC Philippines and the NW Founders in various operating and development companies (in Australia for UPCAPH, and in the Philippines for UPC Philippines and the NW Founders). These transactions have already been completed (first stage for the transaction with UPCAPH) and increased ACEN's attributable capacity by ~154 MW and pipeline by ~4,200 MW in net dependable capacity.
2022	• In February 2022, ACEN, through its wholly-owned subsidiary, AC Energy Vietnam Investments Pte. Ltd. ("ACEV") and Super Energy Corporation Public Company Limited ("SUPER"), through its subsidiary, Super Energy Group (Hong Kong) Co., Limited ("Super HK"), signed an agreement to form a strategic partnership to develop, own and operate renewable energy projects across ASEAN. ACEV signed a share purchase agreement (with conditions precedent) to acquire a 49% interest of Solar NT, owned by Super HK. SUPER is a premier Thai renewable energy developer and investor. The transaction will be via the acquisition of secondary shares, for a total consideration of U.S.$165 million. Post-restructuring, Solar NT will own and operate nine solar power plants across Vietnam with a total capacity of approximately 837 megawatts. The transaction is the beginning of a strategic partnership between ACEN and SUPER which will continue to expand their renewable footprints in Vietnam as well as exploring other Southeast Asian markets.
	• In March 2022, ACEN, its subsidiary ACE Endevor, Inc. ("Endevor") and CleanTech Renewable Energy 4 Corporation ("CleanTech") have formed a joint venture company, Natures Renewable Energy Development Corporation ("NAREDCO") to develop, own and operate a 133-MWdc solar farm and transmission line project located in Lal-lo, Cagayan. The companies signed a shareholders' agreement for the strategic partnership, with ACEN and Endevor to have a combined 60% ownership stake in NAREDCO, and CleanTech owning the remaining 40%. NAREDCO will proceed with the construction the solar farm and transmission line, which has a potential expansion of up to 200 MWdc. The solar farm will be constructed on a 115-hectare flat land known for its high solar irradiance in Barangays Magapit and Sta. Maria, which will connect to the 69kV NGCP Lal-lo (Magapit) substation via a 3-km transmission line.
	• In April 2022, ib vogt and ACEN agreed to set up a platform to fund the construction and operation of large-scale solar power plants throughout Asia, subject to applicable regulatory approvals. The joint venture partners will focus on late-stage, shovel-ready projects in Indonesia, Vietnam, Malaysia, Laos, Bangladesh, and other countries in the region. The majority of projects will stem from ib vogt's Asia development pipeline of more than 5,000 MW with initial projects planned to go into construction during 2022. The platform will also be open to acquire late-stage projects from local and regional developers. The venture targets a minimum operational capacity of 1,000 MW over the coming years with the potential for further extension. Under the terms of the deal, ACEN

Year	Milestones

expects to invest up to US$ 200 million equity investment in addition to debt funding to accelerate the deployment of renewable energy in Asia.

- In April 2022, ACEN successfully signed an Amended and Restated Omnibus Loan and Security Agreement for its wholly-owned subsidiary, SLTEC, with BPI and RCBC as lenders. The loan facility of up to ₱13.7 billion is intended to (a) refinance SLTEC's outstanding ₱9.8 billion loan facility (b) fund the partial redemption of capital in SLTEC held by ACEN, subject to regulatory approvals; and (c) finance other transaction-related expenses. ACEN, in turn, shall use the proceeds of the equity redemption to reinvest in renewable energy projects. Together with the Ayala Group, ACEN announced its commitment to net-zero greenhouse gas emissions by 2050 in November last year. This goal is supported by key milestones that will bring ACEN generation output to 100% renewable energy by 2025. Through this mechanism, ACEN's coal-fired power plant with a capacity of 244 MW in Calaca, Batangas shall be decommissioned by 2040, 15 years ahead of the end of its technical life. This transaction shall serve as a pioneer energy transition financing in the country. The concept adopts the principles of the "Energy Transition Mechanism" (ETM) being piloted by the Asian Development Bank (ADB) in South and Southeast Asia. ETM aims to use public, private, and philanthropic financing to provide low-cost capital to coal-fired power plants to accelerate their retirement and help jumpstart reliable and affordable clean energy. ADB announced an ETM partnership involving the Philippines and Indonesia at COP26 in Glasgow last year. ETM is also consistent with the Philippine Department of Finance's goal to retire coal-fired power plants and transition to clean energy.

- In April 2022, ACEN announced the board approval of the Company's plans to enter the United States renewable energy market through a newly-formed strategic partnership with UPC Solar & Wind Investments LLC and Pivot Power Management to pursue opportunities to acquire operating wind projects in the United States of America and explore strategies for extending their useful life through preventative maintenance and repowering. The partnership will target the acquisition of operating wind projects across various geographies in the U.S. and will seek to upgrade and replace key components on target projects with the goal of extending project life and optimizing power generation. The transaction is subject to conditions precedent to closing.

- In May 2022, ACEN and the Puri Usaha Group have agreed to work together in a platform for the joint development of groundbreaking renewable energy projects in Indonesia focusing on large-scale solar power plants, battery energy storage system and green hydrogen projects, subject to applicable regulatory approvals and execution of definitive documentation. The proposed joint venture entity is Suryagen Capital Pte. Ltd. ("Suryagen"). The Suryagen platform covers the Batam, Bintan, and Karimun islands, as well as East Nusa Tenggara province where the majority of the projects that the Puri Usaha Group have been developing are located, with the aim to begin the construction of its first project by 2023. The Puri Usaha Group was instrumental in the formation of a consortium to participate in the recently announced ambitious cross border initiative to import renewable energy from Indonesia for the Singaporean market, which is currently being run by the Energy Market Authority of Singapore. The historic project which aims to build renewable power in Indonesia and export the power to Singapore via a subsea cable will be the first project the Suryagen platform intends to develop.

- In July 2022, ACEN announced the approval of the sale of the Company's common shares in SLTEC to EPHI, consistent with the Company's announced efforts on the early retirement of the SLTEC coal power plant in Calaca,

Year	Milestones
	Batangas by 2040 (15 years ahead of its technical life) under an Energy Transition Mechanism. • In August 2022, ACEN announced the approval of the corporate vision and strategy targeting 20 GW of attributable renewables capacity by 2030.

ACEIC registered an audited net income attributable to parent of ₱9.338 billion for the year ended 31 December 2021 and an unaudited net income attributable to parent of ₱1.076 billion for the quarter ended 31 March 2022. ACEIC's Net Attributable Capacity, including projects under construction, was 2,383 MW for the same period. Since its incorporation in 2005, ACEIC has demonstrated its ability to identify and deliver attractive projects, attract world-class partners that complement its capabilities and create growth, particularly in the renewable energy space.

In November 2020, ACEN was internationally recognized and added into the MSCI Philippines Small Cap Index. The MSCI (Morgan Stanley Capital International) Index is based on the MSCI Global Investable Indexes (GIMI) Methodology—a comprehensive and consistent approach to index construction that allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations.

In August 2021, ACEN was officially announced as a component of the Philippine Stock Exchange Index 30, joining other core Ayala Group businesses. The PSEi is considered the country's premier indicator of business activity, representing major blue-chip companies across various key industries.

In November 2021, ACEN made its debut on the MSCI Philippines main index, one of the MSCI Global Standard Indices. With its entry, the Company joined the ranks of major conglomerates and other energy industry players, as well as other core Ayala Group businesses.

Further to its achievements, to date, ACEIC and ACEN have also achieved several awards among which are:

- "Best Issuer for Sustainable Finance – ACEN" by *The Asset* Country Awards 2021
- "Best Green Bond - ACEN - US$400 Million Fixed-for-Life Green Notes" by *The Asset* Country Awards 2021
- "Best M&A Deal - ₱20 Billion Acquisition of 17.5% Stake in ACEN" by *The Asset* Country Awards 2021
- "Best Issuer for Sustainable Finance" by *The Asset* Triple A Sustainable Capital Markets Country Awards 2020
- "Best Green Bond" by *The Asset* Triple A Sustainable Capital Markets Country Awards 2020
- "Best Green Bond - US$400 Million Fixed-for-Life Perpetual Green Bonds" by *The Asset* Triple A Country Awards 2020
- "Green Project of the Year - US$410 Million Maiden Green Bonds" by *The Asset* Triple A Infrastructure Awards 2020
- "Best Corporate Bond Asia Pacific - $400M fixed for life green perpetual bonds" by *The Banker* – Deals of the Year 2020
- "Best Issuer for Sustainable Finance (Corporate)" by The Asset Triple A Country Awards 2019

- "Best M&A Deal - AC Energy divestment of 60% economic stake in AA Thermal to Aboitiz Power Corporation" by *The Asset* Triple A Country Awards 2019

- "Best New Green Bond Issuer – Philippines" by International Finance Awards 2019

- "Best Green Bond (Corporate) – US$410M Multi Tenor CBI Certified Bond" by *The Asset* Triple A Country Awards 2019

- "Best CEO" (2019) by *The Asset* ESG Corporate Awards

- "Best Corporate Governance in Asia and Australasia" (2019) by *The Ethical Boardroom*

- Silver in "Asia's Best Sustainable Development Goal Reporting" (2019) by the Asia Sustainability Reporting Awards

- Named one of the "World's Best Employers 2019" by *Forbes*

- "Renewable Energy Deal of the Year - BIM/AC Renewables Ninh Thuan solar project" by *The Asset* Triple A Infrastructure Awards 2019

- "Top Performing Companies" (2018) by Institute of Corporate Directors

- "Top 50 ASEAN PLCs" (2018) by ASEAN Corporate Governance

- Ranked 3rd "Best CEO" (2018) awarded by the *Institutional Investor*

- "Asia's Best Integrated Report" (2018) by Asia Sustainability Reporting Awards

- Ranked 1st (2016) and 2nd (2017) "Best Managed Companies" by Finance Asia

- Ranked 3rd, "Best CEO" (2017) by Finance Asia

- "Fastest Growing Energy Platform – Philippines" (2017) by *International Finance Magazine*

- "Smart Project Award" by *Project Finance International Asia* - Best Practice Citations 2017

The Company is supported by its ultimate shareholder, the Ayala Group, fully committed to delivering the Company's vision.

Ayala, through ACEIC as a shareholder, is fully committed to seeing the Company's vision of reaching 5,000MW of renewable capacity by 2025.

Founded in 1834, Ayala is among Southeast Asia's most respected business groups, and is one of the largest and most diversified conglomerates in the Philippines in terms of revenues and assets and is listed on the PSE. Led by the Zobel de Ayala Family, Ayala has a market capitalization of ₱494.641 billion with total assets of ₱1.383 billion as of 31 March 2022. Under the Ayala Group is a portfolio of market leading businesses in the country with their respective market capitalization as of 31 March 2022 as follows:

- Ayala Land, Inc. (PSE: ALI) (market capitalization of ₱518.586 billion): Largest property developer in the Philippines with more than 12 thousand hectares of land bank and a solid track record in developing large-scale, integrated, mixed-use, and sustainable estates;

- Bank of the Philippine Islands (PSE: BPI) (market capitalization of ₱449.508 billion): Founded in 1851, it is the oldest bank in Southeast Asia and the third-largest non-government bank in the country by assets; and

- Globe Telecom, Inc. (PSE: GLO) (market capitalization of ₱339.393 billion): Largest telecommunications provider in the country by subscriber base.

In addition, the Ayala Group has set for itself nation-building as a core commitment and has a portfolio of rapidly growing verticals devoted to each of infrastructure, healthcare, education, industrials and strategic ventures.

Ayala's most recent recognitions, particularly in the area of sustainability and governance, are a testament to the alignment between the Ayala Group and ACEIC with regard to leadership, sustainability and advocacy for the environment:

- Constituent of the FTSE4Good Index Series (2021) by FTSE Russell

- "Triple Arrow" recognition by the ASEAN Corporate Governance Scorecard (ACGS) Awards held by the Philippine Securities and Exchange Commission and the Institute of Corporate Directors

- "Award of Merit," Response & Recovery Management and Communication Category, Gold Quill Awards (2021) by the International Association of Business Communicators (IABC)

- "Asia's Best Integrated Report - Silver" (2020) by Asia Sustainability Reporting Awards (ASRA)

- Ranked 1st (2016, 2020) and 2nd (2017) "Best Managed Companies" by Finance Asia

- Ranked 1st (2020) "Best in Corporate Governance" by Finance Asia

- "Best in Corporate Governance in Asia and Australia" (2020) recognition by the Ethical Boardroom

- Ranked 3rd, "Best CEO" (2017) by Finance Asia

- Ranked 1st (2016) and 2nd (2017) "Most Committed to Corporate Governance" by Finance Asia

- "United Nations SDG Pioneer" (2017) recognition for Chairman and CEO Jaime Augusto Zobel de Ayala

- Ranked 18th, "Global 2000: World's Best Employers" (2017) by Forbes Magazine

- "Best at Corporate Social Responsibility" (2016) by Finance Asia

- Among Top 3 CSR Advocates in Asia, by Asia Corporate Excellence and Sustainability Awards (2016)

Since ACEIC's founding, it has enjoyed the full support of Ayala and has had access to the Ayala Group's experience in governance, network, management and financial resources. Among ACEIC's board members are the Ayala's Chairman, President and CEO with several of ACEIC's key management having been officers at Ayala. From 2011, Ayala has invested in ACEIC approximately U.S.$ 1 billion to support its expansion. Going forward, Ayala remains committed to furthering its support for ACEIC and the Company, and the Company's objectives to become a recognized leader in the renewable energy space in the country.

Led by a reputable and experienced board and management team with strong shareholder support.

The Company has a strong management team with the right combination of management experience, project management expertise, international exposure, and entrepreneurship.

The Company is led by John Eric T. Francia, President and CEO who joined ACEIC in 2011 from Ayala with a four-person team. Previously a management consultant at the Monitor Group based in Cambridge, Massachusetts in the U.S., he joined the Ayala Group in 2009 as Ayala's Head of Corporate Strategy before eventually leading the infrastructure and power businesses concurrently. Mr. Francia's vision has driven the very rapid growth that ACEIC has achieved in the last ten years. He leads over 700 employees and applies his international experience derived from management consulting, strategy and building infrastructure and utilities businesses in emerging markets. Supporting Mr. Francia is a highly experienced management team: Maria Corazon G. Dizon, Chief Finance Officer, a seasoned finance and business development professional from the Ayala Group, Jose Maria P. Zabaleta, Chief Development Officer, founder and CEO of VRC, who has developed hundreds of MWs of renewables, and Patrice R. Clausse, Chief Operating Officer/Head of the International Group, a founding member of the Company's management since 2011. The management team is supported by a highly-engaged employee force developed and accumulated by the Company since its founding.

As of the date of this Prospectus, the Company has 11 directors in its Board, including four independent directors, which provides oversight over the Company and its operations. All of the members of the Board are highly qualified and have extensive corporate experience in their credentials. See "***Management—Board of Directors and Senior Management***" on page 320 of this Prospectus.

In addition to this, the Company recently established an important relationship with Arran Investment Pte Ltd, an affiliate of GIC Private Limited with GIC aiming to acquire 17.5% of the Company after a series of transactions. The Company believes that the support, international network and expertise brought by GIC will further enable the Company to strengthen its position in the renewable energy space.

Highly motivated organization delivering rapid execution and performance.

The pooling of the Company's resources with ACEIC's team in 2019 has resulted in a dynamic team of professionals that can move quickly to take advantage of market trends and opportunities. This has allowed the Company to be actively involved in project inception, development, execution and operations.

The Company strengthens its capabilities by developing home-grown resources through training and project assignments, attracting high potential talents in the market, actively participating in employee engagement activities, linking rewards to performance and practicing sound compensation policies which are at par with the market. The integration with ACEIC's development team has enabled the strengthening of organic project development capability in the organization.

As of 31 May 2022, ACEN had 873 employees in total, 72% of whom are locals, and 32% of the total are female. The Company is home to a diverse leadership team, with 45% of seats on the Board of Directors and 35% of leadership positions held by women. Four out of 11 (36%) Board seats are held by independent directors, all of whom are female. At the latest Employee Engagement Survey held by the Company's human resources division, ACEN recorded a noteworthy 93% organizational health engagement score, a key metric that measures the motivation of employees.

The Company's strategic vision is driven by a strong commitment to sustainability and the Ayala Group's Net Zero target by 2050.

On 18 October 2022, the Company disclosed that its Board of Directors approved the following:

1. "The Company's commitment to achieve Net Zero by 2050. Net Zero is a global movement to achieve zero net greenhouse gas emissions to limit global warming to 1.5 degrees C by 2050;

2. "Transitioning the Company's generation portfolio to 100% renewable energy by 2025;

3. "The authority of Management to work towards the early retirement of South Luzon Thermal Energy Corporation ("SLTEC") by 2040 (15 years ahead of its technical life) through the use of Energy Transition Mechanism ("ETM"). The ETM is an innovative funding mechanism that leverages low cost and long-term funding geared towards early coal retirement and reinvestment of proceeds to enable renewable energy;" and

4. "The Company's commitment to spin-off all its thermal assets by 2025," among others.

Together with the Ayala Group, ACEN has committed to achieve Net Zero greenhouse gas emissions by 2050, as announced by the Company's Chairman, Fernando Zobel de Ayala during the Ayala Group's Integrated Corporate Governance, Risk Management, and Sustainability Summit held on 21 October 2021.

> "As Ayala's concrete contribution to the well-being of future generations of Filipinos, we are announcing our commitment to achieve net zero greenhouse gas emissions by 2050. We are aligning ourselves with the global movement for climate action as our way to help secure our country's future from the threats brought by climate change. We believe that we have the capabilities and collective will to make this happen," said ACEN Chairman Fernando Zobel de Ayala."

ACEN and the Ayala group partnered with South Pole, a leading project developer and global climate solutions provider that works with private organizations and governments worldwide. This partnership enables the group to have an accurate view of emissions across its core business units and a tangible roadmap for reducing them in line with its net zero by 2050 ambition. In the next twelve (12) months, ACEN and South Pole will:

- Develop a detailed greenhouse gas footprint that includes all relevant Scope 3 emissions from the value chain, which is considered net zero best practice

- Assess potential emission reduction activities and strategies to help ACEN prioritize and budget for these interventions across its core business units, ensuring practical steps are taken to reduce emissions as quickly as possible

- Establish interim targets aligned with a science-based 1.5°C pathway across the core business units to ensure ACEN has robust and measurable milestones along its journey to net zero by 2050

ACEN has been working with many different initiatives such as the Council for Inclusive Capitalism Just Energy Transition in collaboration with the Boston Consulting Group, global energy and energy-intensive companies such as Anglo American, BP, Eni, Reliance, Repsol, and SSE, as well as academic, investor, civil, and social representatives CalPERS, Grantham Research Institute, Inclusive Capital Partners, International Trade Union Confederation, State Street, and the UN Special Envoy for

Climate Action and Finance. ACEN is also a signatory to the Taskforce on Climate-related Financial Disclosures ("TCFD") and is currently implementing TCFD's 11 recommended disclosures.

To enhance its strong commitment to corporate governance, ACEN management set up a Board-level Sustainability Committee. The company has successfully rolled out its Environmental and Sustainability Policy since 2020, integrating sustainability in the decision-making on strategy, capital allocation, business development, product development, and operations.

Prior to this, the Group had already aligned itself with the best-in-class sustainability frameworks, including the United Nations Framework Convention on Climate Change and the Paris Agreement on reducing global carbon emissions to limit global temperature increase to well below two degrees Celsius. Consistent with the Ayala Group's commitment to the UN Sustainable Development Goals, the Company is additionally focused on protecting the wider environment and creating value for the communities it serves. As such, the Group launched its maiden Green Bond in early 2019, and along with it, the development of its E&S Policy and management system.

This E&S Policy statement serves to guide the Group's priority environmental and social goals through 2030:

1. Achieving a Low Carbon Portfolio by 2030;

    - ACEN will take measures to prevent, minimize, and control its direct greenhouse gas (GHG) emissions and will transition to a low carbon portfolio by 2030. This will be made possible by scaling up renewable energy investments, leveraging new technologies such as energy storage, and limiting thermal energy production.

    - By 2025: Renewables will reach 5,000 MW of capacity and account for at least 50% of energy output

    - Thermal capacity will be capped or limited to no more than 50% of output, estimated to be the equivalent of no more than 2,000 MW of thermal installed capacity

    - By 2030: Portfolio will be predominantly renewables and coal assets are expected to be divested

    - Divestment from existing coal generation assets shall be implemented, with the aim of achieving full divestment from coal generation assets by 2030, subject to review and finalization by 2025

    - New investments may be made in gas-fired generation, as the Company deems it as a transition fuel and low carbon alternative to complement renewables

2. Aspiring for excellence in environmental management; and

    - ACEN is committed to protecting and conserving biodiversity, maintaining ecosystem services, and adequately managing living natural resources throughout the lifecycle of its power plants.

3. Fulfilling its commitment to the community.

    - ACEN is committed to protecting communities, including indigenous populations and vulnerable populations, that are affected by its operations.

ACEIC, through AC Energy Finance International Limited ("ACEFIL"), has issued a total of U.S.$1.17 billion under certified Green Bond frameworks compliant with international standards from 2019 to 2020. As of the date of this Offering Circular, U.S.$983 million of these bonds are outstanding.

In January 2019, ACEIC successfully completed its maiden issuance with two (2) series of senior Climate Bond Initiative certified green bonds as follows: (i) U.S.$300 million senior green bonds with a 5-year tenor and a coupon of 4.75% p.a. due 2024, with International Finance Corporation as one of the investors, (the "2024 Green Bonds") and (ii) U.S.$110 million senior green bonds with a coupon of 5.25% due 2029, with the Asian Development Bank as one of the investors (the "2029 Green Bonds"). In December 2019, ACEIC also successfully issued an ASEAN Green Bond certified U.S.$400 million perpetual Green Bonds with a coupon of 5.65% fixed-for-life and an option to call in 2022 ("FFL Green Bonds Non-call 2022"). This was the first U.S.$ denominated fixed-for-life Green Bonds certified under the ASEAN Green Bonds Standards globally.

In July 2020, ACEIC issued U.S.$60 million of the 2024 Green Bonds under a tap of its existing medium term note programme. In November 2020, ACEIC partially refinanced the FFL Green Bonds Non-call 2022 with the issuance of ASEAN Green Bond-certified U.S.$300 million perpetual Green Bonds, with a coupon of 5.10% fixed for life and an option to call in 2025.

Business Strategies

The Company's goal is to reach 5,000 MW of Net Attributable Capacity in renewables by 2025 and plans to implement the following strategies:

Geographic Expansion: Continue to grow in the Philippines and expand global footprint

The Company considers the Philippines its core market and expects to keep the country as a major contributor for its 5,000 MW target by 2025. ACEN also seeks to capitalize on its presence in the Southeast Asian market to further reach its target by expanding into new countries.

A key imperative for ACEN is to identify and focus on high growth, scalable markets within the Asia Pacific region and beyond. With the completion of the ACEIC International Transaction, ACEN's key markets outside the Philippines are Australia, Vietnam, India, and Indonesia. With the Company's investment in rooftop solar, this also now includes mainland China, Hong Kong SAR, Malaysia, Taiwan, and Thailand. In addition, in line with the thrust toward geographic expansion, ACEN signed partnerships with key players for joint venture projects in the United States. In view of the continuously improving renewable energy tailwinds available in other economies, the Company will continue to opportunistically seek out new attractive markets with viable long-term renewable energy potential.

The Company is achieving this through continuing the realization of pipeline projects, now totalling 18,000 MW across several key markets. More details can be found on the section "***Competitive Strengths—Strong pipeline of projects in partnership with recognized and accomplished power industry developers, operators and investors provides a visible path to growth—Renewable Energy Pipeline***" on page 161 of this Prospectus***.***

New Technologies: Focus on scaling up renewable energy portfolio, utilizing new technologies

In October 2021, as part of the Ayala Group's commitment to Net Zero greenhouse gas emissions by 2050 or earlier, ACEN announced its intention to transition its generation portfolio to 100% renewables by 2025 through the spin-off or divestment of all thermal capacity by that year. In this regard, the Company is focusing on expanding its renewable energy assets. In line with the company's E&S policy, no further investments will be made in coal. While most industry players rely on large thermal projects to achieve scale, the Company aims to do this through sizable renewable energy projects in scalable areas and markets.

To achieve its capacity target, the Company focuses on large-scale renewable energy projects in the Philippines and abroad to take advantage of the country's sound macroeconomic fundamentals and robust power sector growth. Focusing on large projects allows output from ACEN's plants to travel on high-voltage lines with greater bandwidth, thereby avoiding significant curtailment especially during peak seasons. With this in mind, the Company intends to continue its expansion in identified high growth markets such as Australia, Vietnam, India, and Indonesia.

ACEN plans to prioritize large scale projects to maximize economies of scale and market presence to create more leverage in negotiating off-take agreements with prospective wholesale and retail clients. Large scale renewable energy developments maximize operating and management expenses and capital expenditures for shared facilities such as substations and transmission lines, among others. These projects are also more likely to be approved by grid operators to access high voltage transmission lines thus minimizing risk of grid curtailment. Moreover, large scale renewable energy developments allow ACEN to negotiate and sign with larger wholesale clients and retail clients mitigating potential market risk of power projects.

Strategic Partnerships: Leverage strategic partnerships to complement internal capabilities

The Company continues to improve on its in-house expertise by developing home-grown resources through training and project assignments, and attracting high potential talents in the local and international markets. Together with this in-house expertise, ACEN continues to pursue strategic partnerships with developers who are familiar with the Philippines, have technical expertise, and have complementary skills and strengths with ACEN.

With the completion of the ACEIC International Transaction, ACEN have gained access to international partnerships allowing the Company to further expand enter markets and projects that would not have been available to the Company had it pursued project development on its own. These strategic partnerships with developers and with strong local players also provide a deeper understanding of nuances of each international market's local practices, laws, and regulations and accelerates process of project development.

Invest in strategic energy assets for sustainable growth.

Beyond growing the size of the portfolio, the Company recognizes that balancing the portfolio and investing in strategic assets is key to strengthening and growing the business. A balanced portfolio that is matched to market demands and customer requirements and well positioned to maximize future growth are critical.

From the original 396 MW Net Attributable Capacity held by the Company as of June 2019, the completion of the ACEIC Philippine Transaction, the ACEIC International Transaction, and subsequent power generation projects and partnerships has enabled the Company to increase its Net Attributable Capacity to 3,942 MW in operation and under construction as of 16 August 2022. The operating assets transferred under the ACEIC Philippine Transaction are fully contracted or have FIT in the case of renewables and are targeted to provide steady cash flows to the Company. The Philippine projects under construction and development which were part of the transfer also provide huge potential for growth for the Company.

Part of this strategy is the consolidation of ownership interests in SLTEC under ACEN with the stake of ACEIC included in the ACEIC Philippine Transaction and the acquisition by the Company of the 20% stake equivalent to 49 MW Net Attributable Capacity previously held by Marubeni Corporation's subsidiary, Axia Power, in 2019. SLTEC is a key supplier to the Company's electricity supply business, and the consolidation of SLTEC will allow the Company to better manage its supply portfolio vis-à-vis key customer contracts. With this, the Company has a full suite of thermal and renewable plants that are well-positioned to serve baseload and mid-merit demand, and diesel engines for peaking requirements and ancillary services.

In 2019, the Board approved 270 MW of greenfield solar and peaking projects in Luzon, and signed agreements to purchase additional equity interests in NLREC, SacaSol and IslaSol to increase Net Attributable Capacity by 147 MW.

Further in 2020, the Board also approved the infusion of ACEIC's international portfolio comprised of operating and projects under construction in Indonesia, Vietnam, Australia, and India through the ACEIC International Transaction. It also provides access to an international pipeline of assets in the Asia Pacific Region.

From its current portfolio of Philippine and international projects, the Company established a goal of reaching 5,000 MW of Net Attributable Capacity in renewables by 2025 in line with the Group's commitment to sustainable investment and vision to be a leader in renewable energy and become the largest listed renewables platform in Southeast Asia. This target may be pursued through organic growth under its energy development platforms ACE Endevor and AC Renewables International, through partnerships and through acquisitions.

Strengthen team and enhance organizational capabilities.

To deliver on the Company's 5,000 MW vision by 2025, it has built an over 700-person strong team with significant experience in development and operations. Strengthening and developing this team will be critical to the achievement of the Company's targets.

The development organization under ACE Endevor, the Company's energy development platform, is tasked with developing new greenfield projects as well as looking at expansion opportunities in existing plants. For the operations teams on the other hand, the key priority is the improvement of plant availability and efficiency, to make sure that the Company's existing plants are optimized to meet customer demand. The Company's management has experience starting from a project's inception and development to its ultimate execution and operations. The Company's continued active role in the management and operations ensures tracking of the project's performance and results.

Further strengthen the balance sheet.

ACEN aspires to continuously strengthen its balance sheet to put it in a better position to capture growth opportunities and compete effectively in the highly competitive Philippine power industry.

The Company has recently increased its authorized capital stock and strengthened its capital base through the ACEIC Philippine Transaction with a total transfer value of ₱14.7 billion, the Rights Offer which provided ₱5.4 billion (U.S.$111.2 million) in gross proceeds, the Follow-On Offering which provided ₱10.3 billion (U.S.$212.2 million) in gross proceeds from primary shares, the private placement to GIC affiliate Arran Investment valued at ₱11.9 billion, and the ACEIC International Transaction valued at ₱85.9 billion. These series of equity infusions have increased its capital base giving it a bigger debt capacity and expanding its sources of funding to support its goal of 5,000 MW Net Attributable Capacity in renewables by 2025. The Company also adheres to prudent standards with regards to financing and risk management.

ACEIC's good credit history and strong relationship with its bank partners and its parent also benefits the Company with the financing support to mobilize and deploy financial resources as needed in its development and acquisition activities. ACEIC is also recognized as a reputable issuer of green bonds, through AC Energy Finance International Limited ("ACEFIL"), which has issued a total of U.S.$1.17

billion under certified Green Bond frameworks compliant with international standards from 2019 to 2020. As of the date of this Offering Circular, U.S.$983 million of these bonds are outstanding.

In January 2019, ACEIC successfully completed its maiden issuance with two series of senior Climate Bond Initiative certified Green Bonds as follows: (i) U.S.$300 million senior Green Bonds with a 5-year tenor and a coupon of 4.75% p.a. due 2024, with International Finance Corporation as one of the investors, (the "2024 Green Bonds") and (ii) U.S.$110 million senior Green Bonds with a coupon of 5.25% due 2029, with the Asian Development Bank as one of the investors (the "2029 Green Bonds"). In December 2019, ACEIC also successfully issued an ASEAN Green Bond certified U.S.$400 million perpetual Green Bonds with a coupon of 5.65% fixed-for-life and an option to call in 2022 ("FFL Green Bonds Non-call 2022"). This was the first U.S.$ denominated fixed-for-life Green Bonds certified under the ASEAN Green Bonds Standards globally.

In July 2020, ACEIC issued U.S.$60 million of the 2024 Green Bonds under a tap of its existing medium term note programme. In November 2020, ACEIC partially refinanced the FFL Green Bonds Non-call 2022 with the issuance of an ASEAN Green Bond certified U.S.$300 million perpetual Green Bonds with a coupon of 5.10% fixed-for-life and an option to call in 2025.

Description of Properties

ACEN owns the following fixed assets as of 31 March 2022:

In thousands

Properties	Location	Amount (in ₱'000s)
Land and land improvements	Bacnotan, La Union/ Norzagaray, Bulacan/ San Lorenzo, Guimaras/ Manapla/ Calaca, Batangas/ Bangui, Ilocos Norte/ Palauig, Zambales/ Negros Occidental/ Botolan, Zambales	**₱1,610,519**
Buildings and improvements	Makati City/ Guimaras/ Norzagaray, Bulacan/ Subic/ Calaca, Batangas/ San Carlos, Negros Occidental	**8,251,260**
Machinery and equipment	Guimaras/ Norzagaray, Bulacan/ Bacnotan, La Union/ Calaca, Batangas/ San Carlos, Negros Occidental/ Ilocos Norte/ Lanao Del Norte/ Olongapo City/ Iloilo/ Bais City, Negros Oriental/ Alaminos, Pangasinan/ Alaminos, Laguna/ Palauig, Zambales/ Mariveles, Bataan	**31,646,453**
Transportation equipment	Makati City/ Guimaras/ Norzagaray, Bulacan/ Subic/ Bacnotan, La Union/ Pililia, Rizal/ San Carlos, Negros Occidental	**121,530**
Tools and other miscellaneous assets	Makati City/ Guimaras/ Bacnotan, La Union/ Calaca, Batangas/ San Carlos, Negros Occidental	**921,025**

Office furniture, equipment and others	Makati City/ Guimaras/ Bacnotan, La Union/ Norzagaray, Bulacan/ Calaca, Batangas/ San Carlos, Negros Occidental	**216,955**
Construction in progress	Calaca, Batangas/ Alaminos, Laguna/ Pililia, Rizal/ Palauig, Zambales	**6,499,922**
Total		**49,267,664**
Less: Accumulated depreciation, amortization and impairment		**11,268,986**
Net		**₱37,998,678**

In the twelve (12) months following 31 December 2021, the Company intends to acquire or complete the acquisition of certain land for its various projects under development, for an estimated amount of ₱1.76 billion. The acquisition will be made by entering into sale agreements with the relevant land owners, to be funded by equity.

In 2021, the Group invested significant capital expenditures related to the following projects:

- ₱1,186.19 million for its 160 MW Balaoi and Caunayan wind power project in Pagudpud, Ilocos Norte through its subsidiary, BWPC;

- ₱963.49 million for its 40-MW battery energy storage system (BESS) project in Alaminos, Laguna through its subsidiary, Giga Ace 4, Inc. ("Giga Ace 4");

- ₱572.02 million for its 120 MW solar farm project in Alaminos, Laguna through its subsidiary, SolarAce1;

- ₱408.61 million for its 60 MW solar power project in Palauig, Zambales through its subsidiary, Gigasol3;

- ₱158.10 million for its 4.375 MWdc Renewable Energy Laboratory Facility with Energy Storage System Project in Mariveles Bataan through its subsidiary, BSEI;

- ₱109.91 million for its purchase of parcels of land located at Barrio Poonbato, Botolan, Zambales through its subsidiary, Buendia Christiana Holdings Corp. ("BCHC"); and,

- ₱68.84 million for its purchase of generator rotor for its Unit 2 122 MW thermal plant in Calaca, Batangas through its subsidiary, SLTEC.

Land and land improvements include lots in Norzagaray, Bulacan, and Bacnotan, La Union where the power plants are located. For GWC, most parcels of land acquired in 2019 approximate to 605,800 sqm. but some lots were entered as finance lease. Also included in land and land improvements are the 33.7 has land in Barangay Puting Bato and Sinisian, Calaca, Batangas owned by SLTEC, the 63.8 has. land in Barangay Sta. Teresa, Municipality of Manapla, Negros Occidental owned by MSPDC, the 25.3 has. located in Barangay Baruyen, Bangui and Laoag City owned by NPDC, and the 64.217 has of land in Barangay Salaza, Palauig, Zambales as part of the ACEIC Philippine Transaction.

GWC, with a carrying value of ₱3.65 billion and included under the "Machinery and equipment" account, is mortgaged as security for its long-term loan amounting to ₱1.21 billion as at 31 March 2022.

SLTEC property, plant, and equipment with a carrying value of ₱14.1 billion was mortgaged to the lenders of its omnibus loan and security agreement dated 29 April 2019 amounting to ₱9.8 billion as at 31 March 2022.

In 2020, ACEN purchased 100% of PINAI fund's ownership interest through step acquisition in Negros Island Solar Power, Inc. and San Carlos Solar Energy, Inc. SacaSol and IslaSol own and operate the 45MW and 80MW solar farms in San Carlos, Negros Occidental, respectively. The Group further acquired ownership to an approximate area of 673,422 sqm in San Carlos, Negros Occidental from the step acquisition but some of these lots are subject of lease agreements.

In 2021, investment properties amounting to ₱438.38 million were reclassified to property, plant and equipment as the properties were being used by the ACEN's subsidiaries, Santa Cruz Solar Energy Inc. ("Santa Cruz Solar"), Giga Ace 9, Inc., and SolarAce2 Energy Corp. in the ongoing construction of power plant facilities. As at 31 December 2021, the remaining balance in investment properties pertains to BCHC's land amounting to ₱13.09 million.

In 2021 and 2020, BCHC purchased a 1.92-hectare land located in Botolan, Zambales and a 1.79-hectare land located in Binugao, Toril, Davao City. These are classified as investment properties as these will be held for the potential use of Joint Venture-Special Purpose Vehicle projects in building and operating power plants.

Buildings and improvements are located in the respective power plants and its office.

The Company's subsidiary, OSPGC, has a lease agreement with SBMA for a parcel of land and electric generating plant and facilities. OSPGC has determined that the risks and rewards related to the foregoing properties are retained with the lessor (*e.g.*, no bargain purchase option and transfer of ownership at the end of the lease term).

The Company has contractual commitments and obligations for the rehabilitation of the power plant owned and operated by OSPGC amounting to ₱550.00 million as at 31 December 2019, which was subsequently completed in March 2020.

The Company's subsidiary, GWC, has entered into various lease agreements with individual land owners where the present value of the minimum lease payments does not amount to at least substantially all of the fair value of the leased assets, which indicates that the risks and rewards relates to the asset are retained with the land owners. These leases are classified as operating leases and have terms of 20 to 25 years. entered into various easements and right of way agreements with various land owners to support the erection of transmission lines to be used to connect its 54MW power plant in Guimaras. These agreements convey to GWC the right to use the item control over the utility of the asset. Also, GWC has entered into various lease agreements with individual land owners where the present value of the minimum lease payments does not amount to at least substantially all of the fair value of the leased asset, among others. Such lease terms indicate that the various land owners do not transfer to the Company substantially all the risks and rewards incidental to the ownership of the parcels of land. GWC, with a carrying value of ₱3.65 billion and included under the "Machinery and equipment" account, is mortgaged as security for its long-term loan amounting to ₱1.21 billion as at 31 March 2022.

SacaSol has two lease agreements with San Julio Realty, Inc. (SJRI) for the lease of 67.42 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as site for the construction and operations of the Phases 1A, 1B, 1C, and 1D solar power plant projects. Upon execution of the agreement, SacaSol shall hold the land area delineated for Phases 1A, 1C, and 1D for a period of 25 years. The area delineated for Phase 1B shall be held for the remaining term of the agreement upon the receipt of notice by the company. SacaSol had both leases modified with SJRI. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period, respectively. The lease modifications did not result in a separate lease.

As part of IslaSol's acquisition of certain solar power plant projects from SacaSol, the lease agreement between SacaSol and Roberto J. Cuenca, Sr., the lessor, was assigned to IslaSol on 14 September 2015. The lease of 24.4258 hectares of land located at La Carlota City, Negros Occidental was executed on 5 June 2014 as site for the construction and operations of Phases 2A and 2B solar power plant projects of IslaSol. Upon execution of the agreement, IslaSol shall hold the land area delineated for a period of 25 years.

IslaSol has existing lease agreement with MSPDC, the lessor, for the lease of approximately 638,193 sqm. of land located in Barangay Sta. Teresa, Municipality of Manapla, Negros Occidental. The term of the lease shall be for a period of 25 years upon written notice served upon the lessor by IslaSol not earlier than one year but not later than three months before the expiration of the original period of lease. Lease extension shall be in writing executed by both parties three months before the expiration of the original period of lease. IslaSol has the sole option to extend the term of the lease.

MSEI has existing lease agreement with Montenegro Brothers Agricultural Corporation for 21.45 hectares of land located in Barrio Alanginlanan, Bais, Negros Oriental as site for the construction and operation of its solar power facility. The term of the lease shall be for a period of 25 years, with a monthly rental payment of ₱7.00 per square meter, exclusive of VAT, and subject to annual adjustment based on actual inflation rate covering subject period as published by the National Economic Development Authority or an equivalent agency. The period of lease may be extended, under the same terms and conditions, at the sole discretion of MSEI for up to another 25 years.

SolarAce1 has an existing lease agreement with Ayala Land, Inc., Crimson Field Enterprises Inc., and Red Creek Properties Inc., for 106.59 hectares of land located in Barangay San Andres, Alaminos, Laguna as site for the construction and operation of its solar power facility. The term of the lease shall be for a period of 21 years, with a monthly rental payment of ₱15.45 per square meter, exclusive of VAT. The rental fee shall be subject to annual adjustment of whichever is higher between 3% per annum and the rate of increase of real property tax where the property is located. The period of lease may be extended, under the same terms and conditions, at the sole discretion of Solarace1 for up to another 21 years.

By virtue of a Land Lease Agreement between AP Renewables, Inc. (APRI) and Power Sector Assets and Liabilities Management Corporation (PSALM) dated 20 August 2020, APRI obtained leasehold rights over an area located at Barangay Bitin, Bay, Laguna. PSALM issued on 28 October 2020, upon a consideration of ₱5.18 million, its consent for APRI to enter into a sublease agreement with SolarAce1 for 15,468.72 square meters. The term of the lease is 15 years from the date of receipt of the written consent of PSALM or until the expiration or termination of the Land Lease Agreement, whichever is earlier. The rental fee of ₱9.05 million is payable in five equal installments payable on or before the effective date, or the same date of receipt of the written consent of PSALM, and each of the following anniversary dates.

The Group also entered into finance leases of land in Barangay Suclaran and Cabano in San Lorenzo, Guimaras and Barangay Zaldivar and Sawang in Buenavista, Guimaras to facilitate the construction of the power plant. The carrying amount of land held under finance leases, included under "Land and land improvements" amounting to ₱116.81 million were reclassified to right-of-use assets as at 1 January 2019 upon adoption of PFRS 16.

On 20 November 2019, ACEIC, Ayala Land, Inc., and Ayalaland Offices, Inc. entered an agreement on assignment of contract of lease. ACEIC assigned a portion of its office unit and parking slots effective 1 September 2019 to the Company. The lease is until 31 May 2022.

ACE Shared Services also has an existing lease agreement with Fort Bonifacio Development Corporation for its office space and parking slots. The lease is from 1 August 2020 to 31 March 2023.

A summary of the foregoing lease agreements is attached hereto as Annex A.

As a power generator and electricity supplier in the Philippines, ACEN's portfolio of renewable and conventional power generation projects includes the following, as at 31 March 2021 as part of its "Machinery and equipment":

- 54 MW wind farm project in Guimaras owned by GWC;
- 80 MWdc solar power plant in San Carlos, Negros Occidental owned by IslaSol;
- 45 MWdc solar power plant in San Carlos, Negros Occidental owned by SacaSol;
- 52 MW wind farm project in Bangui, Ilocos Norte owned by NPDC;
- 81 MW wind farm project in Caparispisan, Ilocos Norte owned by NLREC;
- 18 MWdc solar power plant in Negros Occidental owned by MonteSol;
- 32 MW geothermal plant in Maibarara, Sto. Tomas, Batangas, owned by MGI;
- 246 MW thermal power plant located in Calaca, Batangas owned by SLTEC;
- 108 MW diesel power plant in Olongapo City, Pampanga owned by OSPGC;
- 48 MW diesel power plant in Bulacan owned by BPGC;
- 21 MW diesel power plant in La Union owned by CIPP;
- 150 MW diesel power plant in Pililla, Rizal owned by Ingrid Power Holdings, Inc. ("IPHI");
- 120 MW solar power plant in Alaminos, Laguna, owned by SolarAce1;
- 63 MW solar power plant in Palauig, Zambales, owned by Gigasol3;
- 40 MW battery energy storage system in Alaminos Laguna, owned by Giga Ace 4; and
- 4 MW solar power plant in Mariveles, Bataan, owned by BSEI.

This also includes cost of construction, plant and equipment and other direct costs.

Transportation equipment, mining equipment, office furniture and equipment are used by officers and personnel based in Makati, Guimaras, Bacnotan, La Union, Norzagaray, Bulacan, Subic, Barrio Obrero, Iloilo, Lapu-Lapu City, Calaca, Batangas, Pililia, Rizal, Palauig, Zambales, and San Carlos, Negros Occidental.

"Building and improvements" primarily includes plant buildings and structures of SLTEC, NPDC, IslaSol, SacaSol, and GWC.

"Construction in Progress" primarily includes the 120 MW solar farm project in Alaminos, Laguna owned by Solarace1, 60 MW solar farm project in Palauig, Zambales owned by Gigasol3, and the 150 MW peaking plant in Pililia, Rizal owned by IPHI.

For the next 12 months, the Company will acquire machinery and equipment, furniture and fixtures, office equipment and transportation equipment which will utilize the Company's funds or bank loans. Total cost of the expenditures is not yet available.

Executive Summary

ACEN posted ₱7.40 billion and ₱26.08 billion in revenues from electricity sales, rental income, dividend, income, and other income for the three months ended 31 March 2022 and the twelve months ended 31 December 2021, respectively, a 29% and 28% increase from ₱5.73 billion and ₱20.50 billion in the same periods of the previous years. On the other hand, costs of sale of electricity increased by 77%

from ₱4.43 billion for the three months ended 31 March 2021 to ₱7.87 billion for the three months ended 31 March 2022, and by 60% from ₱13.42 billion for the twelve months ended 31 December 2020 to ₱21.47 billion for the twelve months ended 31 December 2021. The Group registered negative gross profit margin for the period ended 31 March 2022 of ₱509.76 million compared to ₱1,255.33 million gross profit contribution from same period last year with lower supply amidst increasing WESM prices as well as the ₱605 million buy-out fees. General and administrative expenses were lower in the first quarter of 2022 than in the same period last year with higher development management and borrowing costs that were capitalized in the first quarter of 2022.

In March 2018, ACEN affiliate MGI began commercial operations of the 12MW Line 2 expansion of its geothermal power plant located in Sto. Tomas Batangas. In 2019, the Maibarara geothermal plant produced a net output of 226 GWH of renewable energy, a substantial increase over 162 GWh in the previous year, and ended the year with total expanded capacity of 32 MW from both Lines 1 and 2.

In July 2018, ACE Enexor and its partners notified the DOE of their withdrawal from SC 51 over offshore and onshore blocks in Eastern Visayas, deeming it impossible to complete exploration efforts within the remaining term of the contract. Moreover, the Company thought it prudent to also withdraw from SC 69 which covers an offshore area in Central Visayas due to vigorous opposition of local stakeholders to exploration activities. The Company accordingly recognized a loss on the write off in 2018 of its share in accumulated exploration costs for both service contracts. However, the Company, through its subsidiary Palawan55, commenced advanced geophysical studies under SC 55 as it remains optimistic of petroleum prospectivity of the area where subcommercial gas was discovered in 2015.

In February 2019, PHN disclosed the signing of an agreement on the sale of approximately 51.48% of outstanding shares in the Company held collectively by PHN and PHI to ACEIC. ACEIC was ACEN's partner in the SLTEC coal plant venture. ACEIC, which is fully committed to the energy sector, is in the best position to grow the Company and views ACEN as a strategic fit into its own business.

On 24 June 2019, aside from ACEIC acquiring the 51.48% combined stake of PHI and PHN in ACEN, ACEIC also acquired an additional 156,476 ACEN Shares under the mandatory tender offer which ended on 19 June 2019 and subscribed to 2.632 billion ACEN Shares. Upon closing of the transactions with PHI and PHN on 19 June 2019, ACEIC owned 66.34% of the outstanding voting Shares of the Company. As the parent company of ACEN, ACEIC has general management authority with corresponding responsibility over all operations and personnel of ACEN. The management of the Company includes planning, directing, and supervising all the operations, sales, marketing, distribution, finance and other business activities of the Company as provided in the management contract effective until 1 September 2023.

At the ASM held on 17 September 2019, as the Company marked its 50th year in the business and following the acquisition of ACEIC's ownership in the Company, the Company's management was formally transferred from the PHINMA group to the Ayala Group, in particular to ACEIC.

On 12 November 2019, the Company and ACEIC executed an Amended and Restated Deed of Assignment effective as at 9 October 2019 for the issuance of 6,185,182,288 Shares of ACEN in exchange for various onshore operating and development companies owned by ACEIC. The ACEIC Philippine Transaction was approved by the Board of Directors of the Company on 9 October 2019 and was subject to the approval of (a) the PSE as to the listing of the shares issued by the Company in exchange for the assets of ACEIC, and (b) the BIR as to the qualification of the transaction as a tax-free exchange. The Amended and Restated Deed of Assignment was further amended and restated on 14 May 2020 and the subscription by ACEIC and increase in authorized capital stock of the Company were approved by the SEC on 22 June 2020. On 18 December 2020, the PSE issued a Notice of Approval approving the listing of the said Common Shares, together with the listing of up to 2,267,580,434 Common Shares pursuant to the Offer, subject to the fulfillment of the conditions in the Notice of Approval.

Coming from ₱593.2 million net loss in 2018 the Company was able to post a consolidated net income amounting to ₱779.74 million in 2019. The improvement in the finances of the Company in 2019 can be attributed principally to improved offtake contracts and increased operating capacity from the ACEIC Philippine Transaction. The Company will continue to invest in strategic energy assets to achieve a balanced portfolio that is matched to market demands and customer requirements and well positioned to maximize future growth. See "***Competitive Strengths – Invest in strategic energy assets for sustainable growth***" on page 177 of this Prospectus.

On 29 January 2021, ACEN successfully concluded the Rights Offer with the listing of 2.2 billion Common Shares at the Philippine Stock Exchange, raising around ₱5.4 billion to partially fund at least six renewable energy projects. The Company issued the Common Shares at an offer price of ₱2.37 per Share at a ratio of 1 Rights Share for every 1.11 Common Share held as of 13 January 2021 to eligible minority stockholders.

On 26 April 2021, the Company and ACEIC executed the Deed of Assignment effective as at 26 April 2021 for the issuance of 16,685,800,533 Common Shares of ACEN in exchange for rights and interest of ACEIC in AC Energy International, which holds various international operating and development companies. The ACEIC International Transaction was approved by the Board of Directors of the Company on 18 March 2021 and by the stockholders representing at least two-thirds of the outstanding capital stock of the Company on 19 April 2021.

On 26 April 2021, ACEIC transferred 100% of its shares of stock in AC Energy International (ACEIC's 100%-owned subsidiary holding ACEIC's international business and investments) to the Company in exchange for the issuance to ACEIC of additional Common Shares (the "ACEIC International Transaction"). The Company also submitted to the SEC its initial filing for the Second Increase in ACS together with the request for confirmation of valuation of the exchange.

With the completion of the ACEIC International Transaction, ACEN expanded its portfolio to include power generation projects in Australia, Indonesia, Vietnam, and India. With the completion of the Company's investment and acquisition activities and the ACEIC International Transaction, the Company has a portfolio of Philippine and international assets with a Net Attributable Capacity of 3,942 MW from its operating projects and projects under construction as of 16 August 2022.

The Company secured the BIR Certificate Authorizing Registration dated 29 July 2021 on 30 July 2021, for the ACEIC International Transaction and issued 16,685,800,533 common shares to ACEIC on 11 June 2021. In turn, the shares of stock in AC Energy International from ACEIC has been registered in the name of ACEN on 29 July 2021. As conditions subsequent, on 16 August 2021, the Company submitted its request for confirmation to the Philippine SEC that all the conditions in its letter approval dated 7 June 2021 have been complied and on 16 July 2021, the Company submitted its request for approval to the PSE for the additional listing of the 16,685,800,533 common shares. In May 2021, ACEN completed its follow-on offering (FOO) with an offer of 2.01 billion common shares priced at ₱6.50 per share, consisting of 1.58 billion shares sold pursuant to the primary offer, 330.24 million shares sold by ACEIC and Bulacan Power pursuant to a secondary offer, and an over-subscription of 100 million secondary shares sold by ACEIC.

In June 2021, ACEN and ACE Endevor signed a Deed of Absolute sale for transfer of its equity stake in three biopower assets through NIBHI to ThomasLloyd CTI Asia Holdings Pte. Ltd., which already indirectly owns over 90% of the economics of these biomass-fired power plants. The divestment of its minority interest in the biomass assets allows ACEN to focus on the expansion of its core solar and wind businesses.

In September 2021, ACEN, through its wholly-owned subsidiary, ACEN Finance Limited successfully issued its U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds at an aggregate principal amount of US$400.0 million, with a fixed coupon of 4.0% for life, with no step-up and no reset, priced at par. The bonds are issued under its US$1.5-billion medium-term note program, are guaranteed by ACEN, and are listed on Singapore Exchange Securities Trading (SGX-ST).

Including the Parent Company's ₱5.4 billion (US$111.2 million) stock rights offering (SRO), ₱10.3 billion (US$212.2 million) follow-on offering (FOO), and ₱11.9 billion (US$244.2 million) primary share investment by GIC affiliate Arran Investment Pte. Ltd. (Arran), ACEN has raised a total of close to US$1.0 billion in fresh capital in 2021, which it can use to fund its goal of 5,000 megawatts (MW) in attributable renewable energy (RE) capacity by 2025.

Portfolio of Assets

ACEN holds investments in and operates its portfolio of power projects through its subsidiaries, associates and joint ventures. The following tables set forth selected data on the Company's power generation portfolio in operation and under construction as of 16 August 2022.

Plant/ Project Name	Location	Project Type	Net Dependable Capacity (MW)	Effective Economic Interest (%)(1)	Net Attributable Capacity (%)(2)	COD
OPERATING ASSETS						
Renewable Energy						
Philippines						
GWC	Guimaras, Philippines	Wind	54	100%	54	2014
NLREC(5)	Ilocos Norte, Philippines	Wind	81	78%	63	2014
IslaSol	Negros Occidental, Philippines	Solar	80	60%	48	2016
SacaSol	Negros Occidental, Philippines	Solar	45	100%	45	Phase AB: 2014; Phase CD: 2015
NPDC	Ilocos Norte, Philippines	Wind	52	100%	52	Phase 1: 2005 Phase 2: 2008 Phase 3: 2014
MonteSol	Negros Occidental, Philippines	Solar	18	100%	18	2016
Maibarara Geothermal Plant	Batangas, Philippines	Geothermal	32	25%	8	Unit 1 (20MW): 2014 Unit 2 (12MW): 2018
Alaminos Solar	Alaminos, Laguna	Solar	120	100%	120	2021
Palauig Solar	Palauig, Zambales	Solar	63	100%	63	2021
Bataan RE Lab	Mariveles, Bataan	Solar	4	100%	4	2022
Vietnam						
Ninh Thuan Solar	Ninh Thuan, Vietnam	Solar	405	50%	203	2019
Dak Lak and Khanh Hoa Solar Plants	Dak Lak, Vietnam and Khanh Hoa, Vietnam	Solar	80	80%	64	2019
Mui Ne Wind Farm	Binh Thuan Province	Wind	80	80%	64	Phase 1 (40MW): 2020 Phase 2 (40MW): 2021
Quang Binh Wind	Quang Binh Province	Wind	252	80%	202	2021
Ninh Thuan Wind Farm	Ninh Thuan, Vietnam	Wind	88	65%	57	2021

Plant/ Project Name	Location	Project Type	Net Dependable Capacity (MW)	Effective Economic Interest (%)[1]	Net Attributable Capacity (%)[2]	COD
Phan Lam[6]	Bac Binh, Binh Thuan, Vietnam	Solar	37	49%	18	2019
Binh An[6]	Bac Binh, Binh Thuan, Vietnam	Solar	50	49%	25	2019
Sinenergy NT[6]	Ninh Phuoc, Ninh Thuan, Vietnam	Solar	50	49%	25	2019
Van Giao 1[6]	Tinh Bien, An Giang, Vietnam	Solar	50	49%	25	2019
Van Giao 2[6]	Tinh Bien, An Giang, Vietnam	Solar	50	49%	25	2019
Thinh Long[6]	Tay Hoa, Phu Yen, Vietnam	Solar	50	49%	25	2019
Loc Ninh 1[6]	Loc Ninh, Binh Phuoc, Vietnam	Solar	200	49%	98	2020
Loc Ninh 2[6]	Loc Ninh, Binh Phuoc, Vietnam	Solar	200	49%	98	2020
Loc Ninh 3[6]	Loc Ninh, Binh Phuoc, Vietnam	Solar	150	49%	74	2020
Indonesia						
Salak-Darajat Geothermal Projects[4]	West Java, Indonesia	Geothermal	663	20%	133	2017
Sidrap Wind Project	South Sulawesi, Indonesia	Wind	75	75%	56	2018
India						
Sitara Solar	Rajasthan, India	Solar	140	80%	112	2021
Paryapt Solar	Gujarat, India	Solar	70	80%	56	2021
Various Countries						
NEFIN	Various Countries[7]	Rooftop Solar	32	38%	12	Various
Thermal Energy						
SLTEC	Batangas, Philippines	Coal	246	100%	246	Unit 1: 2015 Unit 2: 2016
OSPGC	Olongapo City, Philippines	Diesel	108	100%	108	1994 (NPC-SPC)
BPGC	Bulacan, Philippines	Diesel	48	100%	48	1998
CIPP	La Union, Philippines	Diesel	20	100%	20	2013
Ingrid Quick Response Thermal Plant	Pililia, Rizal	Diesel	150	50%	75	2021[3]
UNDER CONSTRUCTION Renewable Energy						
Philippines						
Alaminos Battery Energy Storage System	Alaminos, Laguna	Battery	40	100%	40	2022
Arayat-Mexico Solar Farm	Pampanga	Solar	114	50%	57	2023 target
Pagudpud Wind[5]	Ilocos Norte	Wind	160	100%	160	2023 target
San Marcelino Solar	Zambales	Solar	283	100%	283	2023 target
Cagayan CleanTech Solar	Lal-lo, Cagayan	Solar	133	60%	80	2023 target

Plant/ Project Name	Location	Project Type	Net Dependable Capacity (MW)	Effective Economic Interest (%)(1)	Net Attributable Capacity (%)(2)	COD
Caparispisan Wind	Pagudpud, Ilocos Norte	Wind	70	81%	57	2024 target
Vietnam						
Lac Hoa Wind & Hoa Dong Wind Farm	Lac Hoa & Hoa Dong, Soc Trang Province	Wind	60	80%	48	2022 target
Australia						
New England Solar Farm Phase 1(5)	New South Wales, Australia	Solar	521	100%	521	2023 target
India						
Masaya Solar	Madhya Pradesh, India	Solar	420	80%	336	2023 target
Various Countries						
NEFIN	Various Countries(7)	Rooftop Solar	23	80%	19	Various

Notes:
(1) "Effective economic interest" refers to the Company's economic interest directly and/or indirectly held in the project.
(2) "Net Attributable Capacity" refers to the product of the Company's effective economic interest in the relevant power project multiplied by net capacity of the relevant power project.
(3) Provides ancillary services to National Grid Corporation of the Philippines ("NGCP").
(4) Includes Binary plant expansion, construction of which commenced in 2021.
(5) Pro forma stakes after the announced acquisitions of the ownership interests of the owners, affiliates, and/or partners of UPCAPH and UPC Philippines Renewable Energy Portfolio
(6) Pro forma stakes after the announced acquisition of a 49% ownership interest in Solar NT, and affiliate of Super Energy
(7) Various countries is comprised of Mainland China, Hong Kong, Malaysia, Thailand and Taiwan

As of 16 August 2022, the Company's portfolio of projects under its renewable energy ("RE") platform had a total net attributable capacity of approximately 3,445 MW renewable energy in operation and under construction, on a pro forma basis, including the acquisition of UPC Australia and 49% of Solar NT, an affiliate of Super Energy. ACEN's RE platform is divided into 2,491 MW of solar energy, rooftop solar, and battery energy storage, 813 MW of wind power, and 141 MW of geothermal resources.

The table below presents the Net Attributable Capacity as of 16 August 2022, broken down by geography and technology.

	Net Attributable Capacity (MW)		
By Geography	**Operating**	**Under Construction**	**Total**
Philippines	972	677	1,649
International Assets:			
Vietnam	999	48	1,047
Australia	0	521	521
India	168	336	504
Indonesia	186	3	189
Various[1]	12	19	31
Total International Assets	1,365	927	2,292
Total	**2,338**	**1,604**	**3,942**

Note:
1. Various is comprised of Mainland China, Hong Kong, Malaysia, Thailand, and Taiwan

	Net Attributable Capacity (MW)		
By Technology	**Operating**	**Under Construction**	**Total**
Renewable Assets:			
Solar	1,143	1,278	2,420
Wind	548	265	813
Geothermal	138	3	141
Battery	0	40	40
Rooftop Solar	12	19	31
Total Renewable Assets	1,841	1,604	3,445
Thermal Assets:			
Diesel	251	0	251
Coal	246	0	246
Total Thermal Assets	497	0	497
Total	**2,338**	**1,604**	**3,942**

Renewable Energy Projects in Operation in the Philippines

Guimaras Wind

Background. Guimaras Wind Corporation (“GWC”) was incorporated and registered with the SEC on 2 September 1994 to engage in developing and utilizing renewable energy and pursuing clean and energy-efficient projects. GWC was awarded by the DOE Wind Energy Service Contract (“WESC”) No. 2009-10-009, pursuant to which it developed the 54 MW San Lorenzo Wind Farm in Guimaras, Iloilo.

On 20 May 2013, the DOE confirmed the Declaration of Commerciality of the Guimaras Wind 54MW San Lorenzo Wind Project (“SLWP”) in San Lorenzo, Guimaras under WESC No. 2009-10-009. The DOE confirmation affirms the conversion of said WESC from Pre-Development to Commercial Stage. On 7 October 2014, Guimaras Wind started delivering power to the grid from the commissioning operations of the first three units of wind turbine generators. On 16 February 2015, Guimaras Wind received from the DOE the confirmation of Commercial Operation starting 27 December 2014 for its 54 MW SLWP.

Power Offtaker / Energy Sales. Pursuant to Section 7 of Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (the “RE Law”) and Section 5 of the RE Law Implementing Rules and Regulations (“IRR”), the ERC adopted and promulgated the FIT Rules. Eligible plants are entitled to the appropriate FIT administered and paid by the National Transmission Corporation (“TransCo”). On 10 June 2015, the wind farm was issued a Certificate of Endorsement for FIT Eligibility by the DOE. On 1 December 2015, GWC received its Certificate of Compliance (“COC”)-FIT from the ERC which entitles the company to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning 27 December 2014, for a guaranteed period of 20 years until 26 December 2034. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project’s FIT Rate in 2020 was ₱8.59/kWh and remains unchanged in 2021.

Operations. Guimaras Wind started delivering power to the grid on 7 October 2014 during the commissioning operations of the first three units of wind turbine generators. The 54MW wind energy plant started Commercial Operations on 27 December 2014.

Maibarara Geothermal

Background. On 19 May 2010, the Company, PetroGreen Energy Corporation ("PetroGreen"), and PNOC Renewables Corporation ("PNOC RC") signed a joint venture agreement, a wholly-owned subsidiary of publicly-listed PetroEnergy, to form Maibarara Geothermal Inc. ("MGI"). MGI, with the following shareholding interests: PetroGreen - 65%; the Company - 25%; and PNOC RC - 10%, would develop and operate the Maibarara Geothermal Power Project ("Maibarara Thermal Project") pursuant to the geothermal renewable energy service contract awarded by the DOE to PetroEnergy, PetroGreen's parent company, and subsequently assigned by PetroEnergy to MGI. On 27 August 2019, the Company and MGI executed an Amendment to the Unit 1 Electricity Supply Agreement ("ESA") and Unit 2 ESA where the electricity fee rate structure was amended and the electricity supply period was amended until 25 June 2039.

Operations. Unit 1 and Unit 2 of the Maibarara Thermal Project commenced commercial operation on 8 February 2014 and on 9 March 2018, respectively.

MonteSol

Background. In 2015, ACEIC entered into a subscription and shareholders' agreement with Visayas Renewables Corp. ("VRC") for the development, construction, and operation of the 18 MWdc solar power farm located in Bais City, Negros Oriental ("MonteSol Project"). This project is owned and operated by Monte Solar Energy Inc. ("MonteSol"). The first phase of the project was for an 18 MWdc solar power plant with a total project cost of ₱1.3 billion, which was completed in February 2016 and is currently dispatching its full capacity to partially meet the energy requirements of Dumaguete City and Cebu City. The Company believes that there is further potential for the expansion of the initial 18 MWdc solar power plant to up to 40 MWdc.

Power Offtaker / Energy Sales. On 26 May 2015 and 15 October 2015, the MonteSol Project secured the certificates of registration with the DOE and Board of Investments ("BOI"), respectively, as a renewable energy developer of solar energy resources. On 3 June 2016, the DOE certified the MonteSol Project as an eligible project under the feed-in tariff ("FIT") system. On 14 July 2016, the ERC issued a provisional authority to operate in favour of MonteSol and on 8 December 2016 qualified this to a provisional authority to operate as a renewable energy generation company, thereby entitling it to a FIT Rate of ₱8.69/kWh for a period of 20 years from 13 March 2016. On 6 February 2017, the company received final authority by way of its COC-FIT from the ERC and recognized revenues from energy sales using the FIT Rate.

Pursuant to Section 7 of the RE Law and Section 5 of the RE Law IRR, the ERC adopted and promulgated FIT rules. Eligible plants are entitled to the appropriate FIT Rate for its energy sales, which is administered and paid by the TransCo. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rate in 2020 was ₱10.12/kWh and remains unchanged in 2021.

Operations. The MonteSol Project started commercial operations in February 2016 initially at WESM prices until the receipt of the COC allowing the company to retroactively recognize revenue from generation starting from March 2016 at FIT Rate.

Northwind Power

Background. The wind farm currently has total of 26 wind turbines and is the first commercial wind farm ever established in Southeast Asia. Commercial operations started in June 2005 with 15 wind turbines (Phase 1) followed by an additional five turbines in August 2008 (Phase 2) and another six turbines in September 2014 (Phase 3), increasing the project's generation capacity to 51.9 MW.

Power Offtaker / Energy Sales. NPDC delivers all its generation to the national grid via its own 57 kilometre 69kV transmission line from its plant site in Bangui, Ilocos Norte to the substation of the NGCP in Laoag City, Ilocos Norte.

The tariff on the generation of Phases 1 and 2 is a FIT Rate of ₱5.76/kWh specific to the company, approved by the ERC in its decision dated 30 June 2014. The FIT Rate is valid for 20 years less the actual years of operation as provided for under the FIT Rules.

The tariff on the Phase 3 turbines is the national FIT Rate of ₱8.53/kWh and is valid for a period of 20 years. Annual adjustment to the FIT Rate is provided for under the FIT Rules. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rates in 2020 were ₱6.92/kWh and ₱9.90/kWh for Phases 1 and 2, respectively, and remain unchanged in 2021.

Operations. Phases 1 and 2 use Vestas turbines and have a total 33 MW of capacity and while Phase 3 uses Siemens turbines and have a total 18.9 MW of capacity.

North Luzon Renewables

Background. The wind farm owned and operated by NLREC started commercial operations on 11 November 2014. The wind farm is comprised of 27 wind turbines with individual capacity of 3MW each. The power generated by the wind farm is supplied to the NGCP via its 62-kilometer, 115 kV transmission line from the project site to the NGCP substation in Laoag City, Ilocos Norte.

Power Offtaker / Energy Sales. On 11 December 2014, the DOE through the issuance of a certificate of endorsement certified the project as an eligible project under the feed-in-tariff ("FIT") system. In April 2015, NLR received the FIT COC from the ERC entitling the wind farm to a FIT Rate of ₱8.53/kWh for a period of 20 years. The FIT Rate covers the period from 11 November 2014 to 10 November 2034. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rate in 2020 is now ₱9.90/kWh.

IslaSol

Background. IslaSol owns a 32 MWdc solar farm in La Carlota City, Negros Occidental ("IslaSol II") and a 48 MWdc solar farm in Manapla, Negros Occidental ("IslaSol III"). IslaSol II and IslaSol III began their commercial operations on 29 March 2016 and 8 March 2016, respectively, and are currently dispatching their full capacity to the grid. IslaSol II uses a mix of JA Solar and Astronergy 260W solar panels, while IslaSol III uses JA Solar panels ranging from 265W to 275W.

Power Offtaker / Energy Sales. IslaSol II is connected to the Bacolod-San Enrique 69 kV line, while IslaSol III is directly connected to NGCP's Cadiz substation. On 13 January 2017, the ERC granted IslaSol II provisional authority to operate and issued its COC on 5 June 2017. For IslaSol III, the ERC granted a provisional authority to operate on 29 July 2016, which was extended on 23 January 2017. IslaSol III's COC was eventually issued on 10 July 2017. The power plant supplies the ACEN wholesale and retail electricity supply ("RES") business.

SacaSol

Background. Located in San Carlos City, Negros Occidental, SacaSol AB (a 22 MWdc solar farm) and SacaSol CD (a 23 MWdc solar farm) began operating commercially on 15 May 2014 and 6 September 2015, respectively, with both solar farms currently dispatching full capacity to the grid. The SacaSol solar farms use a combination of Astronergy 270W PV solar modules and JA Solar 245W PV Modules.

Power Offtaker / Energy Sales. SacaSol AB and SacaSol CD are connected to the San Carlos-Cadiz 69 kV line. SacaSol AB has been awarded a guaranteed FIT Rate of ₱9.68/per kWh, subject to adjustment as may be approved by the ERC, for 20 years. For SacaSol CD, the awarded guaranteed FIT Rate is ₱8.69/per kWh, also subject to adjustment as may be approved by the ERC, for 20 years. On 6 July 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rates in 2020 were ₱11.28/kWh and ₱10.12/kWh for SacaSol AB and SacaSol CD, respectively, and remain unchanged in 2021.

Palauig Solar

Palauig Solar is a standalone solar farm that is capable of supplying daytime power to the Luzon grid throughout the year. It has a designed capacity of 63 MWdc that can power approximately 30,000 houses in the region and can reduce annual carbon emission by at least 50,000MT of CO_2 of greenhouse gases.

Background. In July 2020, the Company commenced construction of its 63 MWdc solar farm located in the Municipality of Palauig, Zambales, through its wholly-owned subsidiary Gigasol3, Inc. ("Gigasol3"). In April 2021, the Company energized its Palauig Solar project and successfully ended commissioning stage in May 2021. In July 2021 the Independent Electricity Market Operator of the Philippines ("IEMOP") approved Gigasol Palauig Solar project commercial operations date.

Power Offtaker / Energy Sales. Palauig Solar is connected to the 69kV NGCP Botolan Substation via tap in connection to the 69jV NGCP Botolan-Candelaria Transmission Line. On June 2021, the ERC granted Palauig Solar provisional authority to operate. The power plant supplies the ACEN wholesale and RES business.

Alaminos Solar

Alaminos Solar is a greenfield solar farm that is capable of supplying daytime power to the local grid throughout the year. It is the second largest solar power plant in the Philippines and can generate enough power to supply clean energy to approximately 80,000 homes while avoiding 111,034.37 MT CO_2 of greenhouse gases. The Alaminos solar farm is notable for its pioneering Sustainability Hub where ACEN has started to integrate the circular approach.

Background. In January 2020, the Company commenced construction of its 120 MWdc solar power farm located in the Municipality of Alaminos, Laguna, through its wholly-owned subsidiary SolarAce1 Energy Corp. ("SolarAce1"). On June 2021, the Company energized GigaSol Alaminos and achieved full commercial operations on July 2021.

Power Offtaker / Energy Sales. Alaminos Solar is connected to NGCP's 69kV Bay Substation through a 2.5km 69kV Transmission Line. Although the ERC granted Alaminos Solar provisional authority to operate, the plant is still awaiting COC. The power plant supplies the ACEN wholesale and RES business.

Bataan Solar (Bataan RE Laboratory)

Bataan Solar Energy Inc. ("BSEI") was incorporated and registered with the SEC on 27 July 2016 with the primary purpose to carry on the business of operating, managing, maintaining, and rehabilitating solar energy systems, including bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities. It is a wholly-owned subsidiary of Gigasol2, Inc.

It is the holder of Solar Energy Service Contract No. 2017-06-410, pursuant to which it has the exclusive right to explore, develop, and utilize solar energy resources within a certain area in the Municipality of Mariveles in the Province of Bataan. The Company began the construction of the Bataan Solar lab in 2020 and completed construction in 2022. The renewable energy laboratory is being used to study state-of-the-art PV modules and other emerging technologies that may be incorporated by the Company in its upcoming projects.

Renewable Energy Projects in Operation in Vietnam

Khanh Hoa Solar Plant and Dak Lak Solar Plant

<u>Background</u>. The Khanh Hoa Solar Plant has a capacity of 50MWp and is located in the Khanh Hoa province. The Dak Lak Solar Plant has a capacity of 30MWp and is located in the Dak Lak province. The projects reached commercial operations in the second quarter of 2019.

<u>Power Offtaker / Energy Sales</u>. The Khanh Hoa Solar Plant delivers its power through a 5.5km 110kV transmission line to a Vietnam Electricity ("EVN") substation. EVN is a state-owned corporation which ensures electricity supply for Vietnam the Dak Lak Solar Plant delivers its power through a 110kV transmission line adjacent to an EVN substation.

The projects have a 20-year PPA with EVN with a FIT rate of U.S.$0.0935/kWh.

Ninh Thuan Solar Plants

<u>Background</u>. In October 2017, the Company, through its subsidiary, entered into a partnership with the BIM Group for the development of an up to 330MWp of solar plants—the Ninh Thuan Solar Plants. Total capacity was divided among three sites—30MWp in site 1, 50MWp in site 2, and up to 250MWp in site 3. The project is the first project under the partnership with the BIM Group and is one of the largest solar farms in Vietnam. The Ninh Thuan Solar Plants commenced operations in the second quarter of 2019. In the second quarter of 2020, the Company commenced construction of a 75MWp expansion within the site area of the existing 330MWp Ninh Thuan Solar Plants, which reached commercial operations in the fourth quarter of 2020. The expansion was completed in 2021.

<u>Power Offtaker / Energy Sales</u>. All three sites have a 20-year PPA with EVN with a FIT rate of U.S.$0.0935/kWh. The solar expansion has been awarded the second phase ground mounted solar projects FIT rate of U.S.$0.0709/kWh 20-year PPA with EVN. The contracts are paid in Vietnamese Dong but amount received is indexed against the U.S. Dollar on a monthly basis, preserving the U.S. Dollar FIT rate under the PPA.

Mui Ne Wind Farm (Phase 1)

<u>Background</u>. Construction of the first phase of the Mui Ne Wind Farm (40MW) located in the Binh Thuan Province commenced in 2019. The project uses 10 4.2MW V150 wind turbines from Vestas.

<u>Power Offtaker / Energy Sales</u>. The project delivers its power through a combination of 6.5km transmission lines to the 110kV Mui Ne substation. The project is qualified for a 20-year PPA with EVN and FIT rate of U.S.$0.085/kWh.

Mui Ne Wind Farm (Phase 2)

<u>Background.</u> In the second quarter of 2021, the Company awarded General Electric the turbine supply of the 40MW second phase of the Mui Ne Wind Farm located in Binh Thuan Province under its partnership with The Blue Circle. It began commercial operations in 2021.

Power Offtaker / Energy Sales. The project was completed in 2021 and qualified for the wind FIT rate of U.S.$0.085/kWh PPA with EVN.

Ninh Thuan Wind Farm

Background. The Company commenced construction of an 88 MW wind farm located in Ninh Thuan Province, Vietnam under its partnership with the BIM Group (the "Ninh Thuan Wind Farm") in 2020. It is expected to produce 327 GWh per year once fully operational, enough to power around 50,000 homes per year with renewable energy that can help avoid 298,551 tons of CO_2 annually.

Power Offtaker / Energy Sales. The project was completed in 2021 to qualify for the wind FIT rate of U.S.$0.085/kWh PPA with EVN.

Quang Binh Wind Farm

Background. As part of the joint venture with AMI Renewables signed in December 2017, the joint venture, through its subsidiary, B&T WindFarm Joint Stock Company, owns the Quang Binh Wind Farm in Quang Binh Province. In July 2020, construction commenced on one of the largest onshore wind farms in Vietnam with an aggregate capacity of 210 MW. The Quang Binh Wind Farm has two phases consisting of 109.2 MW and 100.8 MW, with firm orders already having been issued to the wind turbine supplier for both phases. In the first quarter of 2021, the joint venture issued a notice to proceed for a 42 MW expansion of the Quang Binh Wind project. The project's capacity is expanded to 252 MW. Quang Binh Wind was completed in 2021.

Power Offtaker / Energy Sales. The Quang Binh Wind Farm qualified for the wind FIT rate of U.S.$0.085/kWh PPA with EVN.

Solar NT Platform

Background. On 31 January 2022, ACEN announced that, through its wholly-owned subsidiary, AC Energy Vietnam Investments Pte. Ltd. ("ACEV"), the Company and Super Energy Corporation Public Company Limited ("SUPER"), through its subsidiary, Super Energy Group (Hong Kong) Co., Limited ("Super HK"), signed an agreement to form a strategic partnership to develop, own and operate renewable energy projects across ASEAN. ACEV signed a share purchase agreement (with conditions precedent) to acquire a 49% interest of Solar NT, owned by Super HK. SUPER is a premier Thai renewable energy developer and investor. The transaction will be via secondary shares acquisition for a total consideration of US$ 165 million. Post-restructuring, Solar NT will own and operate nine solar power plants across Vietnam with a total gross capacity of approximately 837 MW.

The Solar NT platform includes the following plants, all of which are located in Vietnam:

- 36.8 MW Phan Lam solar farm power project in Bac Binh, Binh Thuan province
- 50 MW Binh An solar farm power project in Bac Binh, Binh Thuan province
- 50 MW Sinenergy NT solar farm power project in Ninh Phuoc, Ninh Thuan province
- 50 MW Van Giao 1 solar farm power project in Tinh Bien, An Giang province
- 50 MW Van Giao 2 solar farm power project in Tinh Bien, An Giang province
- 50 MW Thinh Long solar farm power project in Tay Hoa, Phu Yen province
- 200 MW Loc Ninh 1 solar farm power project in Loc Ninh, Binh Phuoc province

- 200 MW Loc Ninh 2 solar farm power project in Loc Ninh, Binh Phuoc province
- 150 MW Loc Ninh 3 solar farm power project in Loc Ninh, Binh Phuoc province

Power Offtaker / Energy Sales. All nine solar farms under the Solar NT platform receive feed-in tariff ("FIT") subsidies from the government of Vietnam. Under the FIT contract, the projects enjoy a rate of U.S. $0.0935 per kWh, under a 20-year PPA. The sole offtaker, as with all of ACEN's commercial projects in Vietnam, is Vietnam Electricity Corporation ("EVN").

Renewable Energy Projects in Operation in Indonesia

Sidrap Wind Project

Background. In January 2017, the Company, through its subsidiary, invested in the development of a 75MW wind farm in Sidrap, South Sulawesi, Indonesia. The project uses 30 x 2.5MW Gamesa turbines for total effective capacity of 75MW. Sidrap commenced commercial operations in April 2018. The project is the first utility-scale wind farm project in Indonesia and is also the first greenfield offshore investment of the Company, through its subsidiary, and was undertaken with UPC Renewables.

Power Offtaker / Energy Sales. The Sidrap Wind Project delivers its power through a 7.5km, 150kV transmission line to a Perusahaan Listrik Negrara ("PLN") substation. PLN is the sole electricity business authority in Indonesia. The ownership and maintenance of the transmission asset is with PLN but the project is compensated through a tariff supplement.

The Sidrap Wind Project has a 30-year PPA with the PLN.

Salak-Darajat Geothermal Projects

Background. The assets include the Salak and Darajat geothermal fields in West Java, Indonesia with a combined capacity of 648 MW of steam and power. The project has a combination of long term steam and power supply agreements with PLN.

A new addition to the geothermal plant complex, the 15-MW Salak Binary facility, which gained notice to proceed and began construction in September 2021, is expected to increase the complex's operating dependable capacity to 663 MW.

Power Offtaker / Energy Sales. The project has multiple agreements with PLN to purchase steam and energy with various tariff ranging from U.S.$0.06-0.07 per kWh with various tenors until 2047.

Renewable Energy Projects in Operation in India

Sitara Solar

Background. In July 2020, the Company, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for the 140 MWdc Sitara Solar farm in Rajasthan, a desert state with the highest irradiation in India. The project utilizes Risen Energy monocrystalline panels and is expected to start power generation in the first half of 2021. In May 2021, despite the worsening pandemic situation in India, the 140 MWdc Sitara Solar project in Rajasthan started commercial operations.

Power Offtaker / Energy Sales. The project will supply energy to the Solar Energy Corporation of India. UPC-AC Energy Solar won the power supply agreement for Sitara Solar via a competitive bid at INR 2.48 per kWh, fixed over a 25-year period.

Paryapt Solar

Background. In October 2020, the Company, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for a 70 MWdc solar plant in Gujarat, one of the first states to develop solar generation capacity in India and with its own target to set up 8,000MW of solar power by 2022. The Paryapt Solar Farm uses Jinko monocrystalline solar panels. The project is expected to supply energy to Gujarat Urja Vikas Nigam Ltd. UPC-AC Energy Solar won the power supply agreement for the project via a competitive bid at INR 2.55 per kWh, fixed over a 25-year period.

Power Offtaker / Energy Sales. In April 2021, UPC-AC Energy Solar achieved a significant milestone with the start of commercial operations of its 70 MWdc Paryapt Solar project located in the State of Gujarat, India.

Renewable Energy Projects in Operation and Under Construction in Various Countries

NEFIN

Background. In August 2021, ACEN, through its wholly-owned subsidiary, AC Renewables International (ACRI), announced that it had obtained board approval subject to definitive documentation to enter into a joint venture with NEFIN Holding Limited (NEFIN), a leading solar photovoltaic developer and investor in carbon neutrality solutions to develop, construct, and operate rooftop solar projects across Asia. Through this joint venture, ACEN has interests in 32 MW of operating rooftop assets and 23 MW of assets under construction across Mainland China, Hong Kong, Malaysia, Taiwan, and Thailand. The establishment of the JV was finalized in the first quarter of 2022.

Power Offtaker / Energy Sales. As of 31 March 2022, all of the operating rooftop solar projects have power supply agreements directly with credit worthy commercial and industrial counterparties.

Renewable Energy Projects Under Construction in the Philippines

Alaminos Battery Energy Storage System Project

Background. In October 2020, the Company commenced construction of the 2x20 MW Alaminos Battery Energy Storage System Project, ACEN's first foray into battery storage and the first solar-storage hybrid project in the Philippines. It is located in the Municipality of Alaminos, Laguna, within the ACEN Sustainability Hub and will be connected to the 120-MWdc Alaminos Solar farm. The total capacity of the BESS will be 40 MW, while it will be able to store 60 MWh of output from the said solar facility.

Bataan Solar (Bataan RE Laboratory)

Bataan Solar Energy Inc. ("BSEI") was incorporated and registered with the SEC on 27 July 2016 with the primary purpose to carry on the business of operating, managing, maintaining, and rehabilitating solar energy systems, including bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities. It is a wholly-owned subsidiary of Gigasol2, Inc.

It is the holder of Solar Energy Service Contract No. 2017-06-410, pursuant to which it has the exclusive right to explore, develop, and utilize solar energy resources within a certain area in the Municipality of Mariveles in the Province of Bataan. The Company began the construction of the Bataan Solar lab in September 2020. The renewable energy laboratory shall be used to study state-of-the-art PV modules and other emerging technologies that may be incorporated by the Company in its upcoming projects.

Arayat-Mexico Solar Farm

On 26 April 2021, ACEN issued a notice to proceed for Phase 1 of its 114-MWdc Arayat Solar project located in Arayat and Mexico, Pampanga. The project is under Greencore, a joint venture between ACEN and CSCE, and the first 72 MWdc is targeted to be completed by 2022. CSCE (through its affiliates) is expected to provide the engineering, procurement and construction services for the Arayat-Mexico Solar project as well as project development and plant operations and maintenance.

To further enhance the solar project's generation capacity, the joint venture is mulling another 42-MWdc expansion to the Arayat-Mexico Solar Farm, funded by proceeds from these Green Bonds. When completed, the entire project will have a total gross capacity of 114 MWdc.

Pagudpud Wind

Pagudpud Wind Power Corp. ("PWPC") was incorporated and registered with the SEC on 9 December 2009 as a holding company for renewable energy and other corporations. PWPC is the parent company of Bayog Wind Power Corp. ("BWPC"), which is the project company for the Pagudpud Wind windmill farm in Ilocos Norte.

On 18 May 2021, the Company commenced construction of the 160 MW Pagudpud Wind farm, which straddles the Balaoi and Caunayan barangays in Ilocos Norte province, is set to be the largest wind farm in the Philippines to date. The ₱11.4 billion facility will be the Company's third wind development in Ilocos Norte. The Company is developing this wind project in partnership with UPC Renewables. The project will be ACEN's third wind development in Ilocos Norte, along with the NorthWind wind farm in Bangui and the North Luzon Renewables wind farm, also in Pagudpud. The project is targeted to commence commercial operations in 2023.

The wind farm will utilize turbines from Siemens Gamesa who will supply, install, and commission a total of 32 SG 132 and 145 wind turbines, with a total capacity of 5 MW each, set to optimize the renewable energy production in the wind farm.

San Marcelino Solar I

San Marcelino Solar I, a 283-MWdc solar farm located in San Marcelino, Zambales, is one of the largest solar projects in the country as of 31 December 2021, capable of producing over 421 GWh of renewable energy per year and eliminating 287,796 tonnes of CO_2 emissions annually. The project is expected to be completed by the first half of 2023.

The solar farm sits on approximately 300 hectares of unutilized land covered by lahar, effectively converting the area to a sustainable energy source, and has an expansion potential of up to 700 MW. The project is expected to bring significant value to the local community, with up to 500 direct jobs during construction.

On 26 April 2022, the Company's Board of Directors approved the investment in the development, mobilization, design, and construction of Phase 2 of the San Marcelino solar farm.

Cagayan Solar

Cagayan Solar is the project of Natures Renewable Energy Development Corporation ("NAREDCO"), a joint venture between ACEN, ACE Endevor, and CleanTech Renewable Energy 4 Corporation ("CleanTech"). ACEN and ACE Endevor have a combined 60% ownership stake in NAREDCO, with CleanTech owning the remaining 40%. NAREDCO was incorporated to manage the development and construction of a 133-MWdc (100-MWac) solar farm and transmission line project in Lal-lo, Cagayan. With notice to proceed issued for the project, construction of the solar facility began in June 2022.

Caparispisan Wind

Caparispisan Wind is the project of Amihan Renewable Energy Corp., a wholly-owned subsidiary of NLREC, which is a joint venture between ACEN and Diamond Generating Asia Limited. The estimated project cost is ₱6 billion, with a target completion by 2024.

On 29 July 2022, Amihan Renewable Energy Corp., signed an agreement with Siemens Gamesa Renewable Energy Technology (SGRE) for the supply and installation of 14 units of wind turbines for the construction of the wind project. Once completed, the wind project can produce over 220 GWh of renewable energy per year, and eliminate over 130,000 tonnes of CO2 emissions annually. The 70 MW wind project will help deliver the Company's supply commitments secured under the first round of the DOE's Green Energy Auction Program held in June 2022, with the wind project providing the lowest winning bid for wind renewable energy supply at a flat rate of ₱3.8583/kilowatt-hour for 20 years.

Renewable Energy Projects Under Construction in Vietnam

Lac Hoa Wind & Hoa Dong Wind Farm

The Company and UPC are under a joint venture in the construction of two wind projects, the Lac Hoa and Hoa Dong Wind Farms, in the Soc Trang province of southern Vietnam, with an aggregate capacity of 60 MW. The projects will utilize wind turbines from Vestas delivered in different power ratings with site-specific towers for both projects. To maximize energy yields on both sites, the turbines will feature a record hub height of 162m. The project commenced construction in June 2020 and is targeted for completion in 2021 to qualify for the wind FIT rate of U.S.$0.085/kWh under a PPA with EVN.

Project construction was impacted by the recent Vietnam COVID-19 lockdowns, wherein stricter restrictions of travel and movement of both people and equipment were imposed. To date, the project is still under construction.

Renewable Energy Projects under Construction in Australia

New England Solar Farm

In 2021, UPC-AC Renewables Australia, issued notice to proceed on the Group's first project in Australia: the first phase of the New England Solar Farm ("NESF") located in Uralla in New South Wales. NESF Phase 1 is expected to have a capacity of 521 MWdc upon completion. With the second phase, the solar farm will ultimately reach a total net dependable capacity of 720 MWdc. Later, in May 2022, the Company's Australian arm, ACEN Australia, announced the successful commencement of its 50-MW per one-hour (400-MWh) battery storage project that will be connected to and source power from the NESF. The future BESS facility is supported by a AU$12.5-million New South Wales State Government grant.

NESF Phase 1, as well as the adjacent battery energy storage system, achieved financial close in February 2021. The NESF solar and battery complex is expected to be completed in 2023.

Renewable Energy Projects under Construction in India

Masaya Solar

On 30 January 2022, ACEN announced that it and UPC Solar Asia Pacific, commenced construction of their 300 MWac (420 MWdc) Masaya Solar farm. Through their joint venture company, UPC-AC Energy Solar, they have built a total of 630 MWdc across India.

The Masaya Solar project is located in the Khandwa District, State of Madhya Pradesh, and is set to produce 691 GWh of renewable energy per year while avoiding approximately 635,720 MT of CO_2 emissions annually. The project is also expected to create approximately 500 jobs during its construction stage. Once completed, the Masaya Solar farm will be UPC-AC Energy Solar's third and largest solar project in India to date.

UPC-AC Energy Solar is in the process of securing a 20-year loan from the State Bank of India to fund the project with an estimated project cost of U.S.$220 million under a 75:25 debt-to-equity financing scheme, with the JV supplying electricity at INR 2.71 per kWh fixed over a 25-year period under a power supply agreement with the Solar Energy Corporation of India.

Conventional Energy Portfolio

As of 16 August 2022, the Company's thermal energy portfolio had a total Net Attributable Capacity of 497 MW (equivalent to 13% of the Company's total portfolio as of 16 August 2022), all of which are operational.

Thermal Plants in Operation

CIPP

Background. CIPP was incorporated and registered with the SEC on 2 June 1998 primarily to construct, erect, assemble, commission, operate, maintain and rehabilitate gas turbine and other power generating plants for the conversion of coal and other fuel into electricity, and transmit and distribute thereof to Carmelray Industrial Park II in Calamba, Laguna. The 21 MW diesel bunker C-fired power plant used to supply power to locators in the industrial park but in April 2009, CIPP sold its distribution assets resulting in the cessation of the company's operations and the separation of substantially all of its employees effective 31 January 2010. On 22 February 2010, the ACEN Board approved the acquisition of CIPP, and on December 2010, the transfer of the plant from Carmelray Industrial Park II to Brgy. Quirino, Bacnotan, La Union. The transfer was completed in December 2012 and resumed operations in January 2013.

Power Offtaker / Energy Sales. On 26 June 2013, CIPP entered into a PAMA with ACEN valid for 10 years for ACEN to administer and manage the entire capacity and net output of OSPGC in consideration of energy fees to be paid by ACEN to CIPP. Fixed capacity fees paid to CIPP are recorded as revenue from sale of electricity on the basis of the applicable terms of the PAMA. CIPP has an existing approved non- firm ASPA with NGCP and revenues from sale of electricity through said ancillary services is recognized monthly based on the capacity scheduled and/or dispatched.

Operations Review. In January 2013, CIPP resumed commercial operations in La Union. Under the terms of the PAMA, ACEN will administer and manage the entire generation output of CIPP Power Plant by selling or trading the entire capacity.

One Subic

Background. OSPGC was incorporated and registered with the SEC on 4 August 2010 to engage in the business of owning, constructing, operating, developing and maintaining all types of power generation plants. On 18 November 2010, ACEN and OSPGC entered into a PAMA wherein ACEN administers and manages the entire generation output of the 116 MW diesel power plant in Subic, Olongapo City ("One Subic Power Plant"). The PAMA became effective on 17 February 2011 and shall be valid throughout the term of the lease agreement with SBMA. On 12 May 2014, the Company purchased from Udenna Energy Corporation the entire outstanding shares of stock of OSPGC. On 19 June 2017, the SEC approved the amendment of OSPGC's Articles of Incorporation for the change in the primary purpose to include exploration, discovery, development, processing, and disposal of any and all kind of petroleum products.

Power Offtaker / Energy Sales. OSPGC has an existing PAMA with ACEN under which ACEN is given the right to administer and manage the net output of OSPGC's Power Plant in consideration of energy fees to be paid by ACEN to OSPGC. Capacity and energy recovery fees paid to OSPGC are recorded as revenue from sale of electricity based on the PAMA. One Subic Power Plant has an existing approved non-firm ASPA with NGCP. The One Subic Diesel Power Plant provides dispatchable reserve services to NGCP, as they are fast start generators that are readily available for dispatch when called by NGCP to replenish the contingency reserve services whenever a generating unit trips or a single transmission interconnection loss occurs.

Operations Review. OSPGC started commercial operations in 17 February 2011. Under the terms of the PAMA, ACEN will administer and manage the entire generation output of One Subic Power Plant by selling or trading the entire capacity.

Lease Agreement with SBMA. OSPGC entered into a Facilities Lease Agreement with SBMA for a parcel of land, power generating plant and facilities, with a right of first offer to purchase the plant, subject to the terms and conditions in the Facilities Lease Agreement, exercisable prior to the end of the lease. The lease was originally entered on 20 July 2010 and valid for five years. The agreement was later on amended on 18 June 2013 to extend the term of the lease to 19 July 2020 with an option to renew for another five years. On 3 April 2018, the agreement was further amended to extend the term of the lease until 19 July 2030.

Bulacan Power

Background. BPGC (formerly PHINMA Power Generation Corporation) was incorporated and registered with the SEC on 18 March 1996 and is primarily engaged in power generation. In October 2006, Philippine Electricity Market Corporation ("PEMC") approved BPGC's application for registration as trading participant for both generation and customer categories in the WESM. Both ACEN and BPGC obtained membership in the WESM allowing both to participate in electricity trading managed by PEMC, including selling of excess generation to the WESM. On 26 December 2013, BPGC entered into a PAMA with ACEN valid for 10 years for the administration and management by ACEN of the entire capacity and net output of BPGC starting 2014 in consideration of energy fees to be paid by ACEN to BPGC.

Offtaker / Energy Sales. On 10 December 2012, the NGCP and BPGC executed an ASPA for the latter to provide dispatchable reserves ensuring reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five years upon the effectivity of the provisional approval or final approval issued by the ERC. By the ERC Order dated 25 February 2013, the ERC provisionally approved the application filed by NGCP and BPGC allowing BPGC to provide ancillary services to NGCP in January 2015.

Under the PAMA with ACEN dated 26 December 2013, ACEN has the sole and exclusive right to dispatch all of the capacity and the output of the BPGC's Power Plant, where any fees paid in connection with the capacity of BPGC's Power Plant, including ancillary services to NGCP, belong to ACEN as the sole administrator and manager. However, effective 26 March 2018, the amended PAMA allows BPGC to retain the ancillary fees and no longer paid to ACEN.

Operations Review. Under the terms of the PAMA, ACEN will administer and manage the entire generation output of BPGC by selling or trading the entire capacity of its diesel power plant.

SLTEC

Background. On 29 June 2011, the Company entered into a joint venture with ACEIC to form SLTEC, which would undertake the construction of a 244 MW clean coal power plant in Calaca, Batangas. Each of the Company and ACEIC had 50% ownership of SLTEC until the entry of Axia Power, a subsidiary of Marubeni Corporation, through the purchase of the Company's 5% interest and ACEIC's 15% interest in SLTEC in December 2016. On 4 November 2019, ACEIC assigned its right to purchase the 20% ownership stake of Axia Power in SLTEC in favor of the Company. The Company and SLTEC entered into an Operations and Maintenance Agreement on 11 April 2022 which is effectively in place up to 25 December 2040. On 25 July 2022, the Company's Board approved the sale of the Company's common shares in SLTEC to EPHI.

Offtaker / Energy Sales. ACEN purchases all the power generated by the power plant in accordance with an Administration and Management Agreement signed on 11 April 2022 and valid until 25 December 2040 between the Company and SLTEC for the Company's administration, control, and management of the entire capacity of the power plant. ACEN entered into a PSA with MERALCO on a fixed price peso contract until 2029 using SLTEC as one of its sources of supply. The PSA has been approved by the ERC on 13 May 2020 for the baseload and on 1 June 2020 for the mid-merit.

Operations Review. The project officially commenced in December 2011, with the first unit of the plant starting its commercial operations in April 2015, and the second unit in February 2016.

Ingrid Quick Response Thermal Plant

Background. In December 2019, the Company commenced construction of the 150-MW Ingrid Quick Response Thermal Plant, a diesel power plant in Brgy. Malaya, Pililla, Rizal. Later, in October 2021, begins its operations to help remediate the spate of power supply disruptions at the time and augment the grid's energy supply by starting to supply essential peaking and reserve power. The ₱1.9-billion diesel-fired power plant is in partnership with Axia Power Holdings Philippines Corporation, a subsidiary of Japan-based Marubeni Corporation.

To ensure high availability for the plant, U.K.-based bespoke electricity, heating, and cooling solutions company, Aggreko, installed 162 units of diesel generators, providing enough spare capacity. Aggreko will also provide operations and maintenance services to the Ingrid plant.

Offtaker / Energy Sales. Currently, Ingrid is a supplier to ACEN RES and a participant in the WESM. The Ingrid Quick Response Thermal Plant is targeted to be an ancillary service provider to the NGCP, through ACEN's subsidiary, Ingrid Power Holdings, Inc. ("Ingrid"), which was incorporated and registered with the SEC on 7 June 2018, with the primary purpose to own, operate, maintain, and rehabilitate energy systems and projects.

Other Businesses

Retail Electricity Supply Business

The Company began its active participation in the WESM when it obtained membership as a Wholesale Aggregator on 20 September 2007. The WESM serves as a platform where electricity generated by power producers are centrally coordinated and traded like any other commodity in a market of goods. On 19 November 2012, the Company secured its RES license from the ERC under RES License No. SL-2012- 11-009 to supply electricity to the Contes1 Market. On 20 November 2019, the ERC issued to the Company RES License No. 11-2019-0057RS valid until 19 November 2022. As of the year ended 31 December 2021 and the three months ended 31 March 2022, the revenue sales from power supply contracts reached ₱17.1 billion and ₱4.5 billion, respectively, and contributed the bulk of total energy sold for each period.

As of 31 July 2022, the Company holds around 171 MW of retail/contestable customer contracts and 310 MW of wholesale customer contracts.

Bulk Water Supply Business

ACE Endevor owns 100% ownership interests in bulk water supply companies SCC Bulk Water, HDP Bulk Water, LCC Bulk Water, and MCV Bulk Water. The companies entered into water supply contracts for the provision of water to the biopower generation plants in Negros Occidental.

Land Lease and Development

The Company, through its subsidiaries, owns 100% ownership interests in Solienda and SJLD and approximately 66% of MSPDC. These companies enter into various contracts with the Company's projects to assist in the management and maintenance, among others, of select renewable projects.

Solienda

Solienda was incorporated and registered with the SEC on 29 November 2016 to deal and engage in land lease and real estate business. On 5 December 2016, San Julio Realty, Inc. assigned to Solienda the absolute and irrevocable title, rights and interest in the contract of lease, and the subsequent amendment agreements, with San Carlos Sun Power, Inc., SacaSol and SCBP.

San Julio Land

SJLD was incorporated on 20 June 2014 with a primary purpose to deal and engage in land and real estate business, to hold, own, develop, manage, administer, purchase, lease, encumber, construct, alter in whole or in part, or otherwise deal in and dispose of, for itself or for others, for profit, all kinds of real estate projects, including, but not limited to, residential, commercial, industrial, as well as utilities, with or for persons and entities an under such terms and conditions as may be permitted by law; to enter into joint ventures and other similar arrangements in the furtherance of such land and real estate business. SJLD has ownership interest in MSPDC.

Manapla Sun Power

MSPDC was incorporated and registered with the SEC on 16 December 2014 with a primary purpose to engage in the business or renewable energy such as, but not limited to biomass, mini-hydro or solar power and ancillary business, and to own, lease, operate, manage or develop public or private lands. In March 2017, ACEIC, acquired 66.2% of MSPDC. MSDPC is the landowner of and the lessor for IslaSol's solar farm in Manapla, Negros Occidental.

Petroleum Exploration

ACEN, through its subsidiary, ACE Enexor, is an investor in various consortia engaged in petroleum exploration, development and production.

Petroleum exploration involves the search for commercially exploitable subsurface deposits of oil and gas through geological, geophysical and drilling techniques. A petroleum discovery is made when significant amounts of oil and/or gas are encountered in a well and are flowed to the surface. Following a discovery, additional wells (appraisal or delineation wells) are drilled to determine whether the petroleum accumulation could be economically extracted or not. If the results are positive, the oil or gas field is developed by drilling production wells, and installing the necessary production facilities such as wellheads, platforms, separators, storage tanks, pipelines and others.

The Company applies for or acquires interest in selected petroleum service contracts covering areas usually in the exploration phase. Due to the high risk and capital-intensive nature of the business, the Company normally participates in several consortia and takes significant but minority interest. Subject to results of technical and risk-economic studies prior to exploratory drilling, the Company may farm out or dilute its interest in exchange for financial consideration and/or non-payment of its pro-rata share of exploration drilling costs. If a petroleum discovery is made, the Company will fund its share of appraisal drilling and economic studies. Upon delineation of a commercial discovery, financing for up to 70% of field development costs is available in the international market.

As projects are in the exploratory stage, the Company derives no revenues from petroleum production. At this time, the Company believes it has sufficient petroleum projects on hand given its resources and risk tolerance.

Product and Distribution

The principal products of petroleum production are crude oil and natural gas. Crude oil is usually sold at market price in its natural state at the wellhead after removal of water and sediments, if any. Depending on the location of the oil field, the oil produced may be transported via offshore tankers and/or pipeline to the refinery. Natural gas may be flared, reinjected to the reservoir for pressure maintenance, or sold, depending on the volume of reserves and other considerations. Natural gas is commonly transported by pipeline. However, if the deposit is very large and the market is overseas, the gas may be liquefied into liquefied natural gas (LNG) and transported using specialized tankers.

Petroleum Service Contracts and Agreements

Under a service contract, a private enterprise that seeks to develop domestic oil and gas resources is deemed as a contractor that must provide all required services, technology and financing, and assume all exploration risks. In the event of commercial production, the service contractor is paid a stipulated service fee, in addition to reimbursement of validated investments.

Oil and gas exploration and production is a high-risk business. The worldwide commercial success rate is three percent, *i.e.,* only one out of 30 exploratory wells results in a commercial discovery. It is also capital-intensive. Pre-drill geological and geophysical studies may run up to a few millions of dollars. The cost of a single offshore exploratory well could exceed U.S.$30 million, whereas field development costs could reach hundreds of millions of dollars. To manage exploration risks, oil exploration firms usually form consortia or joint ventures.

The Company is at present a co-contractor in two service contracts with the Philippine government. A service contract grants the contractor the exclusive right to explore, develop and produce petroleum resources within the contract area. In the event of commercial production, the Government and the contractor share in the profit. Service contracts grant the contractor an exploration period of seven years, with an option to extend for a limited number of years. If the reserves found are deemed commercial, the service contract allows a production period of 25 years, to extendible for a maximum of 15 years.

The Company's oil and gas operations are in the exploratory stage.

A summary of the existing projects and the Service Contracts where ACE Enexor has participating interests in as of 31 March 2022 are as follows:

Contract	Location	Interest	Issue Date	Commercial Terms	Partners	Work Program
SC 6 Block A	Northwest Palawan	7.78%	1 Septembe r 1973	A	Philodrill Corp., PetroEnergy Resources, Philex Petroleum, Forum Energy Philippines, AngloPhilippine Holding, Alcorn Petroleum and Minerals Operator: Philodrill Corp	The SC6 Consortium has filed for the relinquishment of SC 6 Block A on 31 March 2021, which is still pending approval of the DOE.
SC55 (through subsidiar y Palawan 55)	Offshore West Palawan	75% (upon approval by the DOE of the Deed of Assignment and transfer of participating interest from Century Red to Palawan55 as of 13 February 2020)	5 August 2005	A, B	Pryce Gases, Inc. Operator: Palawan55	The DOE confirmed the entry of SC 55 into the Appraisal Period effective 26 April 2020. The Consortium completed Quantitative Interpretation Studies and Resource Assessment. Committed work program under the Appraisal Period includes Geological and Geophysical studies and drilling of a well within the next two years. On 11 May 2021, the DOE approved the request of the Company to place SC 55 under Force Majeure for a period of one year. The timeline of the SC 55 Appraisal Period will be adjusted accordingly, and the end of the period will be

Contract	Location	Interest	Issue Date	Commercial Terms	Partners	Work Program
						adjusted by the same amount of time that SC 55 was on Force Majeure.

Notes: For Commercial Terms, it pertains to the following:
A = Contractor provides all required services and technology funding. Contractor is entitled to a service fee out of production equivalent to 40% of net proceeds. Net proceeds would refer to the balance of gross income after deducting Filipino participation incentive allowance and operating expenses.
B = The 75.00% interest in SC 55 is owned by Palawan55, a 69.35% owned subsidiary of ACE Enexor.

SC 6: Cadlao, Block A and B (Northwest Palawan)

SC 6 covers three blocks located in Offshore Northwest Palawan, namely: Block A with 108,000 hectares, and Block B with 53,300 hectares and the Cadlao production area.

On 22 January 2021, the Executive Committee of the Company approved its withdrawal from the SC 6 Consortium.

On 26 January 2021, the Company notified its partners of its withdrawal from the consortium effective 1 January 2021. The withdrawal was on account of SC6's expiration in 2024 and the remaining prospects appear to have limited resource potential.

On 31 March 2021, the SC6 Consortium filed for the relinquishment of SC 6 Block A, which is pending DOE's approval as of date. SC6A has been fully impaired in the amount of ₱23.96 million. Exploration costs incurred for the exploration activities were initially capitalized as deferred exploration costs. Given full impairment, the approval by the DOE of the relinquishment no longer has any financial nor operational impact to the Company.

SC 55 (West Palawan)

SC 55 was awarded by the DOE on 5 August 2005. The exploration period is valid for seven years, extendible for three years, and the production period is valid for 25 years. The original members of the consortium and their corresponding interests were Otto Energy (Operator) with 85% and ACEN with 15%.

ACEN has a Participation Agreement with the predecessor's interest of Otto Energy which provides that the latter will shoulder ACEN's share of costs up to the drilling of the first exploratory well. In addition, ACEN has the option to acquire 5% interest from Otto Energy after the drilling of the first well under the SC.

SC 55 covers 988,000 hectares in offshore West Palawan. It is a deep-water block in the middle of a proven regional oil and gas fairway that extends from the productive Borneo offshore region in the southwest, to the offshore Philippine production assets northwest of Palawan. At that time, the block was deemed to have one giant prospect (with at least 500 million barrels mean resource potential) and a number of leads. The consortium committed to undertake a work program consisting of a new 400 km 2D seismic survey, processing and interpretation of 200 km of vintage 2D seismic data and 358 km of gravity and magnetic data, within the first 18 months of the contract term. The partners have successive options to drill up to four wells during the balance of the seven-year exploration period.

The DOE approved the consortium's entry into the second Sub Phase of the exploration period, which entails a commitment to drill one ultra-deep water well. Processing and interpretation of 954 km of 2D seismic date acquired in June 2007 were already completed, but due to no availability of a suitable rig, the DOE approved the consortium's request to swap work commitments for the second and third Sub Phases of the exploration period to allow the drilling of the first commitment well by 4 August 2010 instead of 4 August 2009.

The consortium requested and the DOE agreed to the substitution of a 2D 3D seismic program for one ultra-deep water well commitment under the third Sub Phase of the exploration period (from 5 August 2009 to 5 August 2010), and deferment of the mandatory partial relinquishment of the contract area until completion of the proposed substitute 2D 3D seismic program. The consortium further requested and the DOE approved a one-year extension of the third Sub Phase to 5 August 2011 following execution by Otto Energy of a Farm-In Option Agreement with BHP Billiton Petroleum (Philippines) Corporation of Canada (BHP Billiton) which provided for BHP Billiton's funding of a new 3D seismic survey over the area.

On 3 June 2010, ACEN signed an Option Agreement with Frontier Gasfields Pty. Ltd. of Australia which granted the latter the option to acquire the 5% interest from Otto Energy after the drilling of the first well in the area.

On 3 February 2011, ACEN signed an Agreement with Otto Energy assigning ACEN's 8.18% participating interest to the latter in exchange for a carry in the costs of a second well in the block, should Otto Energy elect to participate in said well. Estimated budget for drilling the second well is US$ 65 Million or ₱2.86 Billion at an exchange rate of US$1 = ₱44.

In December 2011, BHP Billiton acquired 60% participating interest in SC 55 from Otto Energy and committed to drill one deep water well at its sole cost within the fourth Sub Phase.

The consortium elected to enter the 4th Sub Phase which entails a commitment to drill one deep water well by 5 August 2012.

The revised work schedule is shown below:

Sub Phase	Date	Work program
4	August 2011 – August 2013	One deepwater well
5	August 2013 – August 2014	One deepwater well

The DOE granted a one- year extension of the fourth Sub Phase until 5 August 2013 to enable BHP Billiton to procure a suitable drilling rig that could drill an identified deepwater prospect. On 3 May 2013, BHP Billiton filed a Force Majeure notice with the DOE due to significant delays in obtaining a clearance from the Palawan Council for Sustainable Development for the drilling of the Cinco1 well.

On 4 June 2013, the Sangguniang Panlalawigan of Palawan voted to favorably endorse the proposed Cinco1 drilling to the Palawan Council for Sustainable Development ("PCSD"). The PCSD approved the issuance of the Strategic Environmental Plan ("SEP") clearance for the drilling of Cinco1 well but BHP Billiton sought amendment and clarification on certain conditions set by PCSD. As at 30 October 2013, BHP Billiton received the amended SEP clearance and requested the DOE a 14-month extension of the current Sub Phase considering the length of the Force Majeure period.

In the first week of November 2013, BHP Billiton verbally informed the partners that it has decided not to participate in the drilling of the Cinco1 well. In March 2014, the DOE approved the transfer of BHP Billiton's interest to Otto Energy Philippines, Inc. Otto Energy submitted a revised work program focusing on the drilling of the Hawkeye prospect. The DOE approved the new work program in April 2014 and revised the schedule of the remaining Sub Phases as follows:

Sub Phase	Work Program and Budget	Revised Work Schedule
4	Drill 1 deepwater well @ US$3 MM	06 August 2011 – 23 December 2014
5	Drill 1 deepwater well @ US$3 MM	23 December 2014 – 23 December 2016

In January 2014, BHP Billiton and Otto Energy signed definitive agreements for the reassignment of the former's participating interest to the latter. The DOE approved the transfer of the 60% participating interest of BHP Billiton to Otto Energy Philippines, Inc. and the transfer of Operatorship to Otto Energy. The approval formalized the exit of BHP Billiton in SC 55.

On 15 October 2014, Otto Energy requested the DOE a one-year extension of Sub-Phase 4 to 23 December 2015. The requested extension was approved by the DOE on 07 November 2014.

On 31 July 2015, Otto Energy commenced drilling of the Hawkeye-1exploratory well and on 17 August 2015 completed the drilling to a total depth of 2,920 meters. The well discovered gas which is deemed to be non-commercial. Otto Energy informed its partners of its decision to withdraw from the service contract.

On 22 December 2015, the consortium requested the DOE for a two-year contract moratorium and proposed technical studies that would assess the impact of the results of Hawkeye-1 on the remaining prospects of the area. On 14 June 2016, the DOE extended the term of SC 55 until 23 December 2017.

On 21 November 2016, Otto Energy and Otto Energy Philippines notified the DOE of their withdrawal from SC 55. As at 03 March 2017, the transfer of interest from Otto Energy to the continuing parties was under processing by the DOE.

On 22 November 2017, Palawan55 notified the DOE of its willingness to assume its pro-rated, post-adjustment share (37.50%) of Otto Energy's outstanding training fund obligation in conjunction with the DOE's approval of the assignment of interests and favorable consideration for a reasonable extension of the moratorium period that would allow execution of the committed technical studies.

ACEX's stake in SC 55 is held through Palawan55, an upstream oil and gas company. As of 31 December 2021, ACEX owned 69.35% of Palawan55, while the remaining 30.65% was owned by ACEN.

On 26 March 2018, the DOE approved the transfer of participating interests from Otto Energy to the continuing partners, Palawan55, Century Red Pte. Ltd. and Pryce Gases, Inc. As a result of the transfer, the Company's 6.82% participating interest in SC 55 has been adjusted to 37.50%. The timeline of the Moratorium Period, with a commitment to conduct Quantitative Inversion Study, was also revised to reflect the transfer of interest. Further, the DOE formally confirmed Palawan55 as Operator of the block.

On 23 August 2018, Palawan55 awarded the 3D Marine PreSTM and PreSDM Reprocessing and Quantitative Inversion Services Contract to Down Under Geosolutions (Asia) Sdn Bhd. The project commenced on 10 September 2018. Seismic reprocessing of 1,000 sq. km. of 3D seismic data was completed.

Quantitative Interpretation Study aimed at identifying the gas-bearing zones in the service contract is ongoing.

On 24 July 2019, the SC 55 Consortium notified the DOE of its decision to enter Sub-phase 5 (SP5) effective 26 August 2019, without prejudice to the Consortium's option to enter the Appraisal Period no later than the said date. SP5 carries a commitment of drilling one ultra-deepwater well.

On 9 August 2019, the SC 55 Consortium notified the DOE of its entry into the Appraisal Period of SC 55 effective 26 August 2019. The SC 55 consortium committed to drill one deep-water well within the first two years of the Appraisal Period and, following reinterpretation of certain seismic data outside of the current study area, may undertake a new 3D seismic program to mature other prospects within SC 55 to drillable status. The SC 55 consortium submitted an indicative Appraisal Work Program to the DOE to support this commitment.

On 13 February 2020, after careful review and evaluation, DOE found Palawan55 to be technically, financially and legally qualified and approved the transfer of Century Red, Pte. Ltd's entire 37.5% participating interests in SC 55 to Palawan55.

As a result thereof, the partners in SC 55 and their respective participating interests are as follows:

Palawan 55	75.00%	Operator
Pryce Gases, Inc.	25.00%	

On 15 April 2020, Palawan55 received a letter from the DOE confirming the entry of SC 55 into the Appraisal Period effective 26 April 2020. In the said letter, the DOE stated that after the review and evaluation of the Hawkeye discovery report, "we hereby confirm that the 'Hawkeye-1 well' did encounter a significant volume of movable natural gas and is deemed to be a Non-Associated Gas Discovery under Section 13.02 of SC 55."

On 2 July 2020, SC 55 Consortium submitted to the DOE its 5-year Work Program and Budget for the Appraisal Period. Said program is divided into firm (CY 1 & 2) and contingent (CY 3-5). The firm commitment consists of Geological and Geophysical studies and drilling of a well within the next two years.

On 28 August 2020, Palawan55 received a letter from the DOE approving SC 55's Appraisal Period Work Program and Budget with the firm amount of US$1,702,020.00. Further, the DOE stated that it expects the submission of the proposed budget for the drilling of one well after the drilling proposal has been approved by the DOE.

On 23 September 2020, the Consortium requested for the declaration of a one-year Force Majeure in view of the far-reaching adverse effects of the COVID-19 pandemic and the induced low oil price, on the global upstream petroleum industry.

On 14 May 2021, Palawan55 received a letter from the DOE dated 11 May 2021, approving its request to place SC 55 under Force Majeure for a period of one year. The letter also states that the timeline of the SC 55 Appraisal Period will be adjusted accordingly, and the end of the period will be adjusted by the same amount of time that SC 55 was on Force Majeure.

Palawan55 interpreted reprocessed seismic data to mature two prospects to drillable status. Resource Assessment of these prospects has been completed. Well Planning and Drilling preparations are ongoing.

As at 31 December 2021, Palawan 55 holds 75.00% participating interests in SC 55, and has no pending violation with the DOE.

On 18 March 2022, Palawan55 received a letter from the DOE dated 4 March 2022, approving Palawan55's updated Cinco-1 Drilling Proposal, oil spill contingency plan, and health, safety and environment plan. Further, Palawan55 was instructed to submit to the DOE a digital copy of the geological model of the Cinco Prospect and a drilling montage prior to the commencement of the drilling activity. The drilling of the appraisal well is estimated to be in April 2023, before the expiration of the DOE-declared 1-year Force Majeure period on SC 55.

Sources and Availability of Raw Materials

For its power business, 87% of the Company's attributable capacity is fueled by renewable energy sources, while 13% are sourced from thermal energy, which is fueled by coal and bunker fuel as of 16 August 2022.

For thermal energy power plants, composed of SLTEC and other diesel power plants, the Company has different contracts for its annual fuel requirements. For its bunker fuel requirements, its mainly sourced from Shell, Phoenix, and Petron. For its coal requirements, its main supplier is Semirara Mining Corporation. As there are several suppliers of coal and bunker fuel, the Company believes it is not dependent on a single supplier for such raw materials.

Distribution of Product

For the power business, electricity sales have been sold at the ERC approved rates for electric cooperatives and distribution utilities ("DUs") and at negotiated, market-determined prices for bilateral contracts. The WESM is another default market where electricity purchases are settled based on market or spot rates. Delivery of the product is coursed through transmission lines currently owned by NGCP and to a certain extent, the electric cooperatives and DUs in exchange for payment of distribution wheeling charges. However, any "delivery" to a customer is in reality electricity generated and delivered to the grid by the Company which is indistinguishable from the electricity generated by other generators. Under the EPIRA, generation companies are allowed to sell electricity to distribution utilities or to retail electricity suppliers through either bilateral contracts or the WESM. See discussion under "***Regulatory Framework***" on page 254 of this Prospectus.

Existing off-take agreements assure a certain level of demand from the Company's customers. In 2019, the Company was declared one of the best bids for MERALCO's 1,200MW baseload demand and 500MW mid-merit supply. The Company was awarded supply agreements for 200MW baseload and 110MW mid-merit MERALCO's demand for ten (10) and five (5) years, respectively. ACEN also has other large customers aside from MERALCO, and is thus not dependent on any single customer for the viability of the power business.

As of 31 July 2022, the Company holds around 171 MW of retail/contestable customer contracts and 310 MW of wholesale customer contracts. In addition, the recent Supreme Court ruling, upholding the requirement of Power Supply Agreements submitted by MERALCO and other DUs with the ERC after 30 June 2015 to undergo a competitive selection process, provided an opportunity for the Company to enter into wholesale supply contracts with the distribution utility. The Company won the bid to supply MERALCO with a 200MW baseload demand from 26 December 2019 to 26 December 2029. Subsequently, the Company won the bid to supply 110MW mid-merit supply to MERALCO from 26 December 2019 to 26 December 2024. The Company received a copy of the provisional ERC approvals for the contracts on 31 January 2020 and the final approvals on 13 May 2020 for the baseload and on 1 June 2020 for the mid-merit. The Company's larger supply portfolio will help supply this demand, coupled with the new projects in the pipeline.

Internationally, the Company's operating portfolio provides power to three markets as of 31 December 2021: Indonesia, India, and Vietnam. In Indonesia, the Company provides power to PLN, under a PPA. As for India, the Company provides power through PPAs to various DUs, which are linked to respective state governments. As of 31 December 2021, these are the Solar Energy Corporation of India ("SECI") and Gujarat Urja Vikas Nigam Ltd. ("GUVNL"). In Vietnam, ACEN's platform provides power under FIT contracts to state-owned power company EVN, which has total control of the national power transmission and distribution market.

Revenues from foreign sources are not consolidated into the Company's total revenues because the international assets are not accounted for as subsidiaries; thus, the percentage of sales or revenues and net income contributed by foreign sales for each of the last three (3) financial years is not material.

Competition

The Company believes that it will face competition in both the development of new power generation facilities, the acquisition of existing power plants, competition for financing for these activities, as well as in the electricity supply business. The performance of the Philippine economy and the potential for a shortfall in the Philippines' energy supply have attracted many potential competitors, including multinational development groups and equipment suppliers, to explore opportunities in the development of various electric power generation projects within the Philippines. Accordingly, competition for and from new power projects, and in retail electricity supply may increase in line with the long-term economic growth in the Philippines. Key competitors for market share in the Philippines include the following power companies and their affiliated retail electricity suppliers:

- Aboitiz Power Corporation ("Aboitiz Power"), with PSE ticker symbol "AP," is a leading player in the Philippine power industry with interests in privately-owned power generation companies, RES services, and distribution utilities. On its corporate website, AP indicates that it is the second largest power generation company and the second largest power distribution and retail company in the Philippines.[9] In addition, AP mentions its veteran management experience and expertise in the power industry since 1918, and its strong financial position on stable cash generation, low leverage interests, and attractive dividend policies as its strengths.[10] Aboitiz Power's portfolio of power generating plants consist of a mix of renewable and thermal power plants. The Company estimates that AP has an attributable net sellable capacity of 3,495 MW as of 31 December 2021. Aboitiz Power is a subsidiary of Aboitiz Equity Ventures, Inc. According to Bloomberg, AP's market capitalization is at ₱228.12 billion as of 7 September 2022. AP's net income reached ₱2.886 billion for the quarter ended 31 March 2022, according to its SEC 17-Q filing. Listed on the PSE, Aboitiz Power is a subsidiary of Aboitiz Equity Ventures, Inc.
- First Gen Corporation ("First Gen") is engaged in the business of power generation through its gas and renewable energy plants. On its corporate website, First Gen indicates that it is the largest producer of natural gas-fired power in the Philippines.[11] The Company estimates that First Gen has an attributable net sellable capacity of 2,684 MW as of 31 December 2021. According to Bloomberg, First Gen's market capitalization is at ₱62.94 billion as of 7 September 2022. First Gen's net income reached US$ 62.749 million for the quarter ended 31 March 2022, according to its SEC 17-Q filing. Listed on the PSE, First Gen is a subsidiary of First Philippine Holdings, which is part of the Lopez Holdings group of companies.
- Energy Development Corporation ("EDC") is a renewable energy company and a subsidiary of First Gen. EDC, on its corporate website, indicates that it has over 40 years of pioneering sustainable practices, with an installed capacity that accounts for almost 20% of the country's total installed RE capacity.[12] With geothermal as its primary source of power, EDC provides 61.30% of the country's total installed geothermal capacity. EDC has an installed capacity of 1,477 MW that accounts for almost 20% of the Philippines' total installed RE capacity as of 31 December 2020. EDC's total installed capacity includes 1,186 MW in geothermal, which represents a sizeable portion of the country's total installed geothermal capacity for the same period. EDC's net income reached ₱2.342 billion for the quarter ended 31 March 2022,

[9] https://aboitizpower.com/investors/investment-highlights
[10] https://aboitizpower.com/investors/investment-highlights
[11] https://www.firstgen.com.ph/our-company/corporate-profile
[12] https://www.energy.com.ph/who-we-are/

according to its SEC 17-Q filing. EDC is an unlisted affiliate of First Gen through Red Vulcan Holdings Corporation, a subsidiary of Prime Terracotta Holdings Corporation.

- SMC Global Power Holdings ("SMC Global Power") is one of the largest power companies in the Philippines with a diversified portfolio utilizing a mix of coal, natural gas, and hydroelectric power plants. It controlled a combined capacity of 4,714 MW as of 31 December 2021, which it believes represented approximately 20% of the national grid, 27% of the Luzon grid, and 8% of the Mindanao grid as of the same period. These power assets are under Independent Power Producer Administrators ("IPPA") Agreements with PSALM, or are owned or under joint venture agreements classified as Independent Power Producers. SMC Global Power believes that its mix of renewable and high-efficiency low-emission power plants enables it to power the national grid with a reliable power supply.[13] SMC Global Power's net income reached ₱8.162 billion for the quarter ended 31 March 2022, according to its SEC 17-Q filing. SMC Global Power is a fully-owned subsidiary of San Miguel Corporation.
- MERALCO PowerGen Corporation ("MGen") was incorporated to engage in the power generation business. It is a wholly-owned subsidiary of MERALCO, the Philippines' largest electricity distribution utility. According to its corporate website, although MGen was only established in 2010, the industry is hardly new ground to MERALCO, which was the country's oldest and largest power generator until it relinquished and transferred its power plants in favor of the NPC in the 1970's.[14] MGen aims to build a diversified power generation portfolio with 3,000 MW total combined capacity, including 1,000 MW in renewable energy. MGen's net income reached ₱313 million for the quarter ended 31 March 2022, according to parent company MERALCO's SEC 17-Q filing.

In Vietnam, EVN controls the generation, transmission, and distribution of energy but it also encourages independent power producers ("IPP") to supplement its own generation capacity. In the renewable energy space, local and international developers are actively competing to secure allocation for the FIT. The government's support and initiatives on renewable energy to grow its supply portfolio mix will continue to bring in more market players. See "Risk Factors—Risks Relating to the Company and its Businesses—Risks and delays relating to the development of greenfield power projects could have a material adverse effect on the Company's operations and financial performance".

Australia has a fully open energy market that is dominated by a few big generator-retailers ("gentailers"). Several international and smaller domestic players are also very active in the market.

In Indonesia, similar to Vietnam, the generation, transmission, and distribution is controlled by PLN, but the Indonesian government also encourages IPP. Indonesia is a highly competitive market with major domestic and international developers. Given the continuing growth of the Indonesian economy, the Company sees competition to continue to intensify moving forward.

In India, coal continues to fuel India's economy, accounting for more than 50% of the country's installed generation capacity. However, India has added to the current target of 175 GW of renewable energy capacity by 2022 with a 450GW of renewable energy capacity target by 2030. This higher RE target and the decreasing cost of RE power prices discovered through competitive tenders will likely result in the displacement of coal-based power production in India.

For the petroleum exploration business, the Company believes that competition for market of petroleum does not have a materially adverse effect on its current operations.

[13] https://smcglobalpower.com.ph/our-business-power-generation?p=4
[14] https://www.meralcopowergen.com.ph/about/

Material Permits and Licenses

The material permits and licenses of the Company together with the pertinent details are provided in Annex B. While the Company does not expect that any permits which are in the process of renewal or application will be withheld or delayed, there can be no assurance that third parties and the government will act on these promptly.

Intellectual Property Rights

The Company does not hold any patents, trademarks, copyrights, licenses, franchises, concessions, or royalty agreements held that is material to its operations.

Employees

As of 31 May 2022, the Company had eight hundred seventy-three (873) employees. Out of which, three hundred eighty-four (384) are hired under the head office based in Manila, eight (8) are deployed offshore and four hundred sixty-four (464) are from various plant subsidiaries across the Philippines. From the eight (8) offshore, one (1) is based in India, one (1) is based in Indonesia, and six (6) are based in Vietnam. Seven hundred forty-nine (749) are regular, nineteen (19) are consultants, seventeen (17) are contractual, and 88 are probationary.

The Company has no Collective Bargaining Agreement with its employees. No employees went on strike within the past three (3) years nor are they planning to go on strike.

The relationship between management and employees has always been of coordination and collaboration. The Company believes that professionalism, open communication, and upright engagement between management and employees are the effective ways to resolve workplace concerns.

Aside from compensation, the Company's employees are given medical, hospitalization, vacation, and sick leaves, as well as personal accident insurance benefits. There are also medical benefits from the Company that extends to employee's dependents. Also, the Company has a retirement fund based on statutory benefits. It is a funded, non-contributory, defined benefit pension plan covering all full-time employees of ACEN. The benefits are based on tenure and remuneration at the time of retirement.

Legal Proceedings

The Company believes that none of the legal proceedings to which the Group, or any member of the Group, is a party would materially affect its business. Neither the Company nor any member of the Group is currently involved in any arbitration proceedings that may have, or have had, a material adverse effect on its financial condition and no such proceeding is pending or threatened. This notwithstanding, the Company discloses the Power Barge 102 Oil Leakage discussed below.

To the best knowledge and/or information of the Company, the current Directors and the Executive Officers are not, except as otherwise disclosed in this Prospectus, presently or during the last five years, involved or have been involved in any material legal proceeding adversely affecting or involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere. This notwithstanding, the Company discloses that Ms. Ma. Aurora D. Geotina-Garcia, an Independent Director of the Company, has administrative and criminal complaints filed against her in relation to her previous capacity as a member of the Board of Directors of the Bases Conversion Development Authority. These cases have been dismissed in favor of Ms. Geotina-Garcia and under various levels of appeal. The Company believes that these cases will not and do not in any way affect her ability and bias her judgment and independence to act as an independent director of the Company, and the issues raised, as well as parties to, these cases are not related in any way to the Company or to any of its businesses.

Power Barge 102 Oil Leakage

On 3 July 2020, the Company's Power Barge 102 located in Barrio Obrero, Iloilo City, discharged fuel oil. Initial findings reveal that the discharge is attributable to ignition of fuel oil in storage which ruptured the barge's fuel tank. The leakage was contained with the aid of the Philippine Coast Guard, Petron Corporation, and Global Business Power Corp. and skimming of the remaining floating residue was done with the aid of Shell Philippines. The Company engaged Harbor Star Shipping Services, Inc. to finish the clean-up of both the waters and the coastline. Households within the neighbouring area were temporarily relocated in coordination with local government officials while their surroundings underwent clean-up.

On 4 July 2020, PB 102 received a Marine Pollution Inspection Apprehension Report ("IAR") from the Philippine Coast Guard ("PCG") for violation of paragraph 5(a)(1) of the PCG Memorandum Circular No. 01-2005 or the Revised Rules on Prevention, Containment, Abatement and Control of Oil Marine Pollution (M.C. 1-2005). PB 102 submitted its reply to the IAR on 24 July 2020.

On 15 September 2020, PB 102 received a copy of the PCG's resolution finding ACEIC liable for violation of M.C. No. 1-2005 and imposing an administrative fine of ₱10,000.00. On 30 September 2020, ACEIC and the Company filed an Ad Cautelam Notice of Appeal and a Notice of Appeal, respectively, before the PCG Office of the Commandant. There is no action by the PCG Office of the Commandant to date.

On 6 July 2020, the Department of Environment and Natural Resources-Environmental Management Bureau, Region VI ("DENR-EMB") issued Notice of Violation No. 20-NOVW-0630-164 ("NOV") against the Company for violation of Section 27(a) of the Philippine Clean Water Act. The Company submitted its answer to the NOV on 16 July 2020.

On 28 July 2020, the Company received a Resolution dated 27 July 2020 issued by the DENR-EMB Region VI (the "Resolution"), in relation to the NOV, resolving to submit the case to the Pollution Adjudication Board ("PAB") for determination of the imposable fines under Section 27(a) of R.A. No. 9275 (Clean Water Act of 2004) and Section 4 of P.D. No. 979 (Marine Pollution Decree of 1976). On 12 August 2020, the Company filed its Motion for Reconsideration ("MR") on the Resolution which remains unresolved to date. On 23 November 2021, the Company received a Notice from PAB for a technical conference scheduled on even date. The Company requested for the resetting of the technical conference to 2 December 2021 which PAB approved. Ahead of the technical conference, the Company, through its external counsel, submitted a letter to PAB manifesting its position that the conduct of technical conference is premature considering the pendency of its MR. During the technical conference, the Company reiterated such position and requested for the resolution of the MR prior to the discussion on the imposition of fines. PAB explained that theirs is an original and exclusive jurisdiction over pollution cases and any defenses or arguments the Company may have on the case should be stated in the Company's position paper. The Company then manifested that its participation in the technical conference and its submission of the position paper are on an *ad cautelam* basis. The Company filed its Position Paper on 31 January 2022. There is no action from PAB to date.

On 28 July 2020, Mr. Robert Gambito received a subpoena and a copy of the complaint-affidavit filed by the PCG with the Office of the City Prosecutor of Iloilo City ("OCP") against ACEIC, Mr. John Eric T. Francia (in his capacity as President), and Mr. Gambito (in his capacity as Plant Manager), for violation of Section 107 of Republic Act No. 8550 as amended by Republic Act No. 10654, or The Philippine Fisheries Code of 1998. Mr. Gambito and Mr. Francia filed their respective pleadings before the OCP on 19 August 2020 and 24 October 2020, respectively. The Reply-Affidavit of the PCG dated 27 November 2020 was answered by Mr. Francia on 4 February 2021. On 12 August 2021, Mr. Gambito received a copy of the 30 June 2021 OCP Resolution dismissing the complaint against him, Mr. Francia and ACEIC for lack of sufficient factual and legal basis. On 20 April 2022, the OCP issued a certification that as of 30 August 2021, the Prosecution Office has not received any Motion for Reconsideration from PCG nor was it notified that a Petition for Review was filed by PCG, such that the OCP Resolution dated 30 June 2021 dismissing the complaint has already become final on 30 August 2021. Hence, this case is considered closed.

On 24 August 2020, the Bureau of Fire Protection ("BFP") filed a criminal case with the OCP against three personnel of Power Barge 102, namely, Messrs. Rey Villareal, Jethon Villarias, and Adrianne Bodiola, for violation of Article 365 of the Revised Penal Code or Reckless Imprudence Resulting to Damage to Property. On 23 February 2021, Messrs. Villarias, Bodiola and Villareal, through their counsel, received a copy of the OCP's Resolution dated 1 February 2021: 1) dismissing the complaint against Messrs. Villarias and Villareal; and 2) recommending the filing in court of an Information for Reckless Imprudence Resulting in Damage to Property under Article 365 of the Revised Penal Code as amended by Section 97 of R.A. No. 10951 against Mr. Bodiola. Mr. Bodiola filed a Partial Motion for Reconsideration of the OCP's Resolution on 5 March 2021. On 3 June 2021, Mr. Bodiola's counsel received a copy of the OCP's Resolution dated 8 April 2021, denying Mr. Bodiola's MR. On 18 June 2021, Mr. Bodiola, through counsel filed a Petition for Review with the Office of the Regional State Prosecutor, Region VI ("ORSP"). On 30 July 2021, Mr. Bodiola, received a copy of the OCP's Amended Resolution dated 20 May 2021 (amending the Resolution dated 8 April 2021 with respect to the Motion for Reconsideration). In the Amended Resolution, the OCP still denied Mr. Bodiola's Motion for Reconsideration but it considered the affidavits of the alleged residents affected by the oil spill (attached as annexes to the BFP's Reply-Affidavit) and found that the damage amounted to ₱80,000.00. In view of this Amended OCP Resolution, Mr. Bodiola, through counsel, filed an Amended Petition for Review with the OSRP on 16 August 2021. On 23 August 2021, Mr. Bodiola received ORSP's Resolution dated 30 July 2021 which dismissed his Petition for Review and affirmed the OCP Resolutions. Mr. Bodiola filed an MR of the ORSP Resolution on 2 September 2021. On 2 November 2021, Mr. Bodiola received the ORSP's Resolution dated 30 September 2021 denying his MR.

On 11 November 2021, Mr. Bodiola secured a copy of the Information against him which had been filed with the court on 29 July 2021. On 15 November 2021, Mr. Bodiola found out that there was a standing warrant of arrest against him. Mr. Bodiola applied for bail which the court granted, and thereafter, he was issued an Order of Release. On 21 February 2022, Mr. Bodiola was arraigned where he entered a plea of "Not Guilty." The court referred the case to mediation but during the mediation held on 17 March 2022, BFP manifested that it wants to continue with the case and requested for termination of the mediation proceedings. On 1 April 2022, pre-trial proceedings have commenced, and to date, are still on-going.

The Company believes that none of the foregoing legal proceedings would materially affect its business.

Material Contracts of the Company

As of 31 March 2022, the Company is a party to the following material contracts as disclosed in PSE EDGE:

Management Contract of the Company

The Company renewed its management contract with PHI as managing company on 20 November 2018. Under the management contract, the managing company had general management authority with corresponding responsibility over all operations and personnel of the Company. The renewal had a term of five years commencing on 1 September 2018. On 24 June 2019, PHI assigned all its rights, interest, and obligations under the management contract to ACEIC.

Share Purchase Agreement for PHINMA Solar

On 11 December 2018, the Company executed a Share Purchase Agreement with Union Galvasteel Corporation where the Company agreed to sell 50% of the Company's total shares in PHINMA Solar Energy Company ("PSEC") to Union Galvasteel Corporation.

On 3 July 2019, the Company sold all its shares in PSEC to PHN.

Deed of Absolute Sale with PHN

On 19 June 2019, the Company signed a Deed of Absolute Sale with PHN to purchase PHN's 32,481,317 Shares, representing 12.993% of the total outstanding capital stock, in ACE Enexor. The sale became effective on 24 June 2019 when the PSE authorized the special block sale, which was executed by the crossing of the Shares through the PSE.

Deed of Absolute Sale with PHI

On 19 June 2019, the Company signed a Deed of Absolute Sale with PHI to purchase PHI's 30,481,111 common shares, representing 12.192% of the total outstanding capital stock, in ACE Enexor. The sale became effective on 24 June 2019 when the PSE authorized the special block sale, which was executed by the crossing of the Shares through the PSE.

Subscription Agreement with ACEIC

On 24 June 2019, the Company issued 2,632,000,000 new Shares at the issue price equivalent to its par value of ₱1.00 per Share. With the Company's issuance of the Shares, ACEIC, which also bought PHN's and PHI's interests in the Company, became the majority stockholder of the Company.

Incorporation of New Companies

The subsidiaries of the Company incorporated the following companies in furtherance of its development activities:

New Company and Date of Incorporation	Capitalization	Principal Shareholder and Subscription	Primary Purpose
GigaWind1 Inc. 14 October 2019	1,600,000 Common at ₱1.00/share 14,400,000 Preferred at ₱1.00/share	Gigasol 2, Inc. – 99% 399,980 Common 3,600,000 Preferred	To carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangements and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or

New Company and Date of Incorporation	Capitalization	Principal Shareholder and Subscription	Primary Purpose
			distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth herein.
GigaWind2 Inc. 14 October 2019	1,600,000 Common at ₱1.00/share 14,400,000 Preferred at ₱1.00/share	Gigasol 2, Inc. – 99% 399,980 Common3,600,000 Preferred	Same as the purpose stated immediately above.
SolarAce3 Energy Corp. 14 October 2019	1,600,000 Common at ₱1.00/share 14,400,000 Preferred at ₱1.00/share	Gigasol 2, Inc. – 99% 399,980 Common 3,600,000 Preferred	Same as the purpose stated immediately above.
SolarAce4 Energy Corp. 14 October 2019	1,600,000 Common at ₱1.00/share 14,400,000 Preferred at ₱1.00/share	Gigasol 2, Inc. – 99% 399,980 Common 3,600,000 Preferred	Same as the purpose stated immediately above.
Ingrid2 Power Corp. 14 October 2019	1,600,000 Common at ₱1.00/share 14,400,000 Preferred at ₱1.00/share	AC Energy Development, Inc. (now ACE Endevor) – 99% 399,980 Common 3,600,000 Preferred	To own, operate, manage, maintain, and rehabilitate energy system and projects, to provide services, including advisory and consultancy services, in relation to energy projects, and in such other activities related thereto; and to acquire and/or lease land, and franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purpose set forth herein.
Ingrid3 Power Corp. 14 October 2019	1,600,000 Common at ₱1.00/share 14,400,000 Preferred at ₱1.00/share	AC Energy Development, Inc. (now ACE Endevor) – 99% 399,980 Common 3,600,000 Preferred	Same as the purpose stated immediately above.
Giga Ace 1, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 Common *30,000 Common shares pending transfer to ACEN	To carry on the general business of generating, marketing, selling and supplying energy derived from coal, natural gas, fuel, diesel, gas turbine, steam power plant, fossil fuel, renewable energy sources (including but not limited to hydro, wind, solar, biomass, geothermal, or ocean/tidal), and other viable sources of power; to develop, construct, install, build, commission, operate,

New Company and Date of Incorporation	Capitalization	Principal Shareholder and Subscription	Primary Purpose
			own, maintain, rehabilitate, operate, manage, lease and transfer power generating plants and related facilities, for both renewable and non-renewable energy sources, and other generating plants of any type and technology and related facilities; to engage in the business of a retail electricity supplier and energy consolidator or aggregator including sourcing, selling, brokering, marketing and aggregating of electricity to the end-user; and to provide related services such as those necessary or appropriate in connection with the foregoing, to such an extent and in such manner as may be permitted by applicable law and provided that it shall not operate as a public utility. Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts.
Giga Ace 2, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 3, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 4, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 5, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 6, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.

New Company and Date of Incorporation	Capitalization	Principal Shareholder and Subscription	Primary Purpose
Giga Ace 7, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 8, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 9, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995 Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 10, Inc. 14 November 2019	100,000 Common at ₱1.00/share	ACEN – 74.99% 74,995Common *30,000 Common shares pending transfer to ACEN	Same as the purpose stated immediately above.
Giga Ace 11, Inc. 26 October 2021	1,600,000 Common and 14,400,000 Preferred	ACEN – 100% 399,980 Common, 3,600,000 Preferred	Same as the purpose stated immediately above.
Giga Ace 12, Inc. 26 October 2021	1,600,000 Common and 14,400,000 Preferred	ACEN – 100% 399,980 Common, 3,600,000 Preferred	Same as the purpose stated immediately above.
Giga Ace 14, Inc. 26 October 2021	1,600,000 Common and 14,400,000 Preferred	ACEN – 100% 399,980 Common, 3,600,000 Preferred	Same as the purpose stated immediately above.
Giga Ace 15, Inc. 26 October 2021	1,600,000 Common and 14,400,000 Preferred	ACEN – 100% 399,980 Common, 3,600,000 Preferred	Same as the purpose stated immediately above.

Deed of Assignment with ACEIC

On 4 November 2019, ACEIC and the Company signed a Deed of Assignment whereby ACEIC transferred its right to purchase the 20% ownership stake of Axia Power in SLTEC in favor of the Company.

On 29 September 2021, the Company completed the acquisition of Axia Power’s 20% ownership in SLTEC.

Share Purchase Agreements with PINAI

On 4 November 2019, the Company signed a share purchase agreement with PINAI (amended and restated on 14 November 2019) for the acquisition of shares in PWHC, which directly and indirectly owns ~67% of NLREC. The share purchase agreement with PINAI is for the acquisition of its 31% effective preferred equity ownership and 15% effective common equity ownership in NLR. On 28 January 2020, the PCC approved the NLR transaction. On 27 February 2020, the acquisition was completed and the final purchase price in the amount of ₱2.573 billion was paid by Giga Ace 1, Inc., the Company’s wholly-owned subsidiary and the entity designated by the Company to purchase and hold the PWHC shares.

On 2 December 2019, the Company signed a share purchase agreement with PINAI for the acquisition of PINAI’s ownership interest in IslaSol and SacaSol. On 13 February 2020, the PCC approved the SacaSol transaction. On 23 March 2020, closing for the SacaSol transaction occurred and the purchase price in the amount of ₱2.981 billion was paid by Giga Ace 2, Inc., the Company’s wholly-owned subsidiary and the entity designated by the Company to purchase the PINAI’s shares in SacaSol.

On 26 February 2020, the PCC approved the IslaSol transaction. On 23 March 2020, closing for the IslaSol transaction occurred and the purchase price in the amount of ₱1.629 billion was paid by Giga Ace 3, Inc., the Company's wholly-owned subsidiary and the entity designated by the Company to purchase the PINAI's shares in IslaSol.

Subscription Agreement with Ingrid

On 18 December 2019, the Company signed a subscription agreement with Ingrid for the subscription by the Company to 50,000 Class A common shares and 5,651,000 Class A Redeemable Preferred Shares in Ingrid, at the subscription price of ₱4,900,000.00 for the common shares and ₱565,100,000 for the Redeemable Preferred Shares. The Company has fully paid-in the common shares and paid 25% of the subscription of the Redeemable Preferred Shares. Ingrid is developing a 300MW diesel power plant in Pililia, Rizal. Construction of the first 150MW commenced in the first quarter of 2020. The issuance of the shares is subject to the necessary regulatory approvals for increase of Ingrid's authorized capital stock and creation of new shares.

Subscription Agreement with SolarAce1

On 9 January 2020, the Company signed a subscription agreement with SolarAce1 for the subscription by the Company to 6,000,000 Class A common shares and 180,000,000 Class A Redeemable Preferred Shares of SolarAce1, with a total subscription price of ₱1,860,000,000.00. The Company has fully paid-in the common shares and paid 35% of the subscription of the Redeemable Preferred Shares. SolarAce1 is developing a 120MWdc solar power farm project to be located in the Municipality of Alaminos, Laguna.

Subscription Agreement with GigaAce1

On 26 February 2020, the Company signed a subscription agreement with Giga Ace 1, Inc. ("GigaAce1") for the subscription by the Company to 75,000 common shares to be issued out of the unissued authorized capital stock of GigaAce1, and 43,069,625 common shares and 53,562,609 Class A Redeemable Preferred Shares of GigaAce1 to be issued out of the increase in authorized capital stock of GigaAce1, with a total subscription price of ₱2,573,375,620. The Company has fully paid-in both for the common shares and Class A Redeemable Preferred Shares. The subscription was used by GigaAce1 to fund the acquisition of the ownership interest of PINAI in PWHC.

On 3 March 2020, the Company signed a subscription agreement with GigaAce1 for the subscription by the Company to an additional 1,170,000 common shares and 32,500 Class A Redeemable Preferred Shares of GigaAce1, with a total subscription price of ₱12,000,000.00. The Company has fully paid-in both for the common shares and Class A Redeemable Preferred Shares. The subscription will be used by GigaAce1 to fund administrative and operating costs.

Subscription Agreement with GigaAce2

On 20 March 2020, the Company signed a subscription agreement with Giga Ace 2, Inc. ("GigaAce2") for the subscription by the Company to 3,041,096,860 common shares to be issued out of the increase in authorized capital stock of GigaAce2, with a total subscription price of ₱3,041,096,860.26. The Company has fully paid for the common shares. The subscription was used by Giga Ace 2 to fund the acquisition of the ownership interest of PINAI in SacaSol.

Subscription Agreement with GigaAce3

On 20 March 2020, the Company signed a subscription agreement with Giga Ace 3, Inc. ("GigaAce3") for the subscription by the Company to 1,662,654,537 common shares to be issued out of the increase in authorized capital stock of GigaAce3, with a total subscription price of ₱1,662,654,537.06. The

Company has fully paid for the common shares. The subscription was used by GigaAce3 to fund the acquisition of the ownership interest of PINAI in IslaSol.

ACEIC Philippine Transaction Deed of Assignment

The Company and ACEIC executed on 14 May 2020 a Second Amended and Restated Deed of Assignment further amending the Deed of Assignment dated 9 October 2019 (the "Original Deed") and the Amended and Restated Deed of Assignment dated 12 November 2019 (the "Amended Deed"), with effect from the execution of the Original Deed on 9 October 2019, covering the issuance of 6,185,182,288 Shares in the Company in favor of ACEIC in exchange for ACEIC's shares of stock in its various Philippine subsidiaries and affiliates.

The Original Deed and the Amended Deed were further amended only (1) to update Schedule 1 thereof, to reflect the SEC's approval of the increase in the capital stock of ACE Endevor and ACE Renewables, (2) to include the stock certificate numbers of the shares of stocks to be transferred, and (3) to confirm the percentage ownership in MonteSol being transferred, without changing the number of shares.

Subscription of ThomasLloyd in IslaSol

On 22 May 2020, IslaSol signed with ThomasLloyd a subscription agreement for 33,691 Redeemable Preferred Shares E in IslaSol at a subscription price of ₱2,780,224,857.21, to be issued out of the increase in IslaSol's authorized capital stock.

Following the issuance of the said shares to ThomasLloyd and a programmed partial redemption of GigaAce3's IslaSol shares, ThomasLloyd's and the Company's (through GigaAce3 and VRC) ownership interests in IslaSol will be at 34% and 66%, respectively.

Ingrid Shareholders' Agreement and Subscriptions

On 23 July 2020, the Company and ACE Endevor, the Company's wholly-owned subsidiary, signed a shareholders' agreement with Axia Power, a subsidiary of Marubeni Corporation, for the development, construction and operation of the 150MW diesel power plant project in Pililia, Rizal (the "Ingrid Project"), which is expected to be operational in the first quarter of 2021. Under the shareholders' agreement, Axia Power will acquire 50% of the shares and 50% of the economic rights in the Company's subsidiary Ingrid, the special purpose vehicle of the Ingrid Project, while the Company will hold 50% shares and 45% of the economic rights, with ACE Endevor having a 5% share of the economic rights in the Ingrid Project. The plant will supply peaking and reserve power to the Luzon grid. On 1 December 2020, the Company received a copy of PCC Decision No. 20-M-017/2020 dated 24 November 2020 finding that the transaction "will not likely result in substantial lessening of competition" and resolving "to take no further action with respect to the proposed Transaction among Axia Power, ACE PH, ACE Endevor and Ingrid Power."

On 18 March 2021, Ingrid and Axia executed a Subscription Agreement for the subscription by Axia to 5 Common B Shares, 580,000 Redeemable Preferred F Shares, and 5,219,995 Redeemable Preferred G Shares of Ingrid. The issuance of the shares to Axia is subject to the necessary regulatory approvals from the SEC on the increase in authorized capital stock of Ingrid, which the SEC issued on 4 August 2021.

On 12 October 2021, Ingrid and Axia executed a Subscription Agreement for the subscription by Axia to an additional 112,000 Redeemable Preferred F Shares with a par value of ₱100.00 per share and 1,034,000 Redeemable Preferred G Shares with a par value of ₱100.00 per share to be issued out of the unissued authorized capital stock of the Company, to maintain the 50% interest in the shares and in the economic rights.

Subscription Agreements Pursuant to 11 June 2020 Board Approval

On 24 July 2020, the Company signed the following subscription agreements with the special purpose vehicles for development projects used by the Group:

- Subscription to 75,000 common shares of Giga Ace 4, Inc. to be issued out of the unissued authorized capital stock. The Company fully paid the ₱75,000.00 subscription in cash to be used to fund administrative and operating costs.

- Subscription to 75,000 common shares of Giga Ace 5, Inc. to be issued out of the unissued authorized capital stock. The Company fully paid the ₱75,000.00 subscription in cash to be used to fund administrative and operating costs.

- Subscription to 75,000 common shares of Giga Ace 6, Inc. to be issued out of the unissued authorized capital stock. The Company fully paid the ₱75,000.00 subscription in cash to be used to fund administrative and operating costs.

- Subscription to 75,000 common shares of Giga Ace 7, Inc. to be issued out of the unissued authorized capital stock. The Company fully paid the ₱75,000.00 subscription in cash to be used to fund administrative and operating costs.

- Subscription to 75,000 common shares of Giga Ace 8, Inc. to be issued out of the unissued authorized capital stock. The Company fully paid the ₱75,000.00 subscription in cash to be used to fund administrative and operating costs.

- Subscription to 75,000 common shares of Giga Ace 9, Inc. to be issued out of the unissued authorized capital stock. The Company fully paid the ₱75,000.00 subscription in cash to be used to fund administrative and operating costs.

- Subscription to 75,000 common shares of Giga Ace 10, Inc. to be issued out of the unissued authorized capital stock. The Company fully paid the ₱75,000.00 subscription in cash to be used to fund administrative and operating costs.

Subscription with Ingrid

On 15 October 2020, the Company assigned to Ingrid the total amount of ₱570 million (divided into ₱150,000,000.00 outstanding receivables from Ingrid, and ₱420,000,000.00 deposits for future subscription) in exchange for, and as payment for, a subscription to be issued out of the increase in the authorized capital stock of Ingrid. The proceeds are intended to be used for the construction of the 150MW diesel Ingrid power plant project in Pililia, Rizal, including for the substation and transmission line.

Subscription Agreement with ACE Endevor, Inc.

On 3 November 2020, the Company signed a subscription agreement with ACE Endevor for the subscription by the Company to 4,419,095 Redeemable Preferred Shares to be issued out of the unissued authorized capital stock of ACE Endevor. The subscription will be used by ACE Endevor to fund the requirements of its various development projects.

Subscription Agreement with ACE Shares Services, Inc.

On 4 November 2020, the Company signed a subscription agreement with ACE Shares Services, Inc. (“ACESS”) for the subscription by the Company to additional 99,000,000 common shares in ACESS at the subscription price of ₱99,000,000.00 to be issued out of the increase in authorized capital stock of ACESS. The infusion will be used by ACESS to fund its administrative and operating costs.

Subscription Agreement with Bataan Solar Energy, Inc.

On 17 November 2020, the Company signed a subscription agreement with Bataan Solar Energy, Inc. ("BSEI") for the subscription by the Company to additional 7,999,190 common shares and 71,992,425 Class A Redeemable Preferred Shares in BSEI, at the subscription price of ₱39,995,950.00 for the common shares and ₱359,962,125.00 for the Redeemable Preferred Shares to be paid in tranches with ₱99,989,520.00 payable on date of subscription and the balance payable upon BSEI's capital call. The infusion will be used by BSEI to further the opportunities presented by emerging clean energy technologies, including battery storage, and for various development activities such as securing land, permitting, undertaking project studies, project planning, and procuring and installing equipment for new technologies, including battery storage, in Mariveles, Bataan. The issuance of the shares is subject to the necessary regulatory approvals for increase of BSEI's authorized capital stock and creation of new shares.

Arran Investment Pte Ltd Investment

On 30 December 2020, ACEN, Arran and ACEIC signed an investment agreement and intend, upon the completion of the subscription by Arran to primary shares, to sign a shareholders' agreement that will document the rights and obligations of Arran as an investor in ACEN, pursuant to the 11 November 2020 resolution of the Board of Directors approving the proposal of Arran, an affiliate of GIC Private Limited ("GIC"), to acquire an effective 17.5% ownership stake in ACEN (the "Arran Investment"). The 17.5% ownership stake is on a fully diluted basis assuming that the Offer and the ACEIC International Transaction have been completed.

The Arran Investment will be implemented through a combination of subscription to four billion primary Shares (via a private placement) and purchase of secondary Shares from ACEIC at a price of ₱2.97 per Share on a post-Rights Offer basis, subject to agreed price adjustments. The price for the Arran Investment represents a 25% premium to the Board-approved offer price for the Rights Offer and is at par with the theoretical ex-rights price using the 30-day Volume Weighted Average Price of ₱3.51 per Share as of 10 November 2020.

On 18 March 2021, ACEN and Arran signed a subscription agreement for the allotment and issuance by ACEN of 4 billion Common Shares via private placement, constituting 20.04% of the total outstanding Common Shares, at the subscription price of ₱2.97 per Share ("Arran Primary Issuance"). ACEN intended to utilize the proceeds as follows: (1) funding of the development and construction of the Group's renewable energy projects, including the PV Solar Power Plant in Arayat, Pampanga and the Balaoi-Caunayan wind farm project in Ilocos Norte, as well as possible expansions of existing plants and acquisition of other operating plants, of approximately ₱10 billion, estimated to be used in the 1st half of 2021 at the earliest; (2) repayment of debt drawn earlier to fund development funding requirements; and (3) 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. Since the Common 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. Shareholder approval for the listing of the Common Shares with the PSE was secured in ACEN's ASM held on 19 April 2021.

On 10 December 2021, Arran purchased 2,689,521,681 Common Shares from ACEIC to complete the Arran Investment, following the completion of the ACEIC International Transaction.

GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves. As a disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including equities, fixed income, private equity, real estate and infrastructure. Headquartered in Singapore, GIC has investments in over 40 countries and employs over 1,700 people across 10 offices in key financial cities worldwide.

Subscription Agreement with Buendia Christiana Holdings Corp.

On 22 December 2020, the Company signed a subscription agreement with BCHC for the subscription by the Company to 3,500,000 Redeemable Preferred B Shares at a subscription price ₱350,000,000.00 to be issued out of the increase in authorized capital stock of BCHC. The subscription will be used by BCHC to fund acquisition of potential project sites.

Deed of Absolute Sale of Shares with Solar Philippines Power Project Holdings, Inc.

On 22 January 2021, the Company signed a Deed of Absolute Sale of Shares with Solar Philippines Power Project Holdings, Inc. ("SP") for the acquisition by the Company of SP's two hundred forty-four thousand (244,000) common shares in Solar Philippines Central Luzon Corporation ("SPCLC") with a par value of ₱1.00 per share or a total par value of Two Hundred Forty-Four Thousand Pesos (₱ 244,000.00). SPCLC is a special purpose vehicle for the development and operation of solar power projects. The acquisition will allow the Company to have a significant ownership interest in SPCLC and is meant to implement the joint venture between the Company and SP for the development of solar power projects in the Philippines.

Subscription Agreement with Solar Philippines Central Luzon Corporation

On 22 January 2021, the Company signed a subscription agreement with SPCLC for the subscription by the Company to 375,000) common shares with a par value of ₱1.00 per common share or a total par value for a total subscription price of ₱350,000,000.00 to be issued out of the increase in authorized capital stock of SPCLC. The acquisition will allow the Company to have a significant ownership interest in SPCLC and is meant to implement the joint venture between the Company and SP for the development of solar power projects in the Philippines.

Greencore Shareholders' Agreement, Subscription and Loan

On 4 February 2021, the Company and ACE Endevor signed a Shareholders' Agreement (the "Agreement") with Citicore Solar Energy Corporation ("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 (72 MWdc) for Phase 1 (the "Project"). The Project is scheduled to start operations in November 2021. This joint venture supports the Company's strategic objective to be the growth platform of the AC Energy Group in the country. The Company will have the opportunity to develop a greenfield stand-alone solar farm, which will provide daytime power to the Luzon grid, in partnership with CSEC.

Under the Agreement, CSEC will have 50% of the shares in Greencore, the special purpose vehicle of the Project, while ACEN and ACE Endevor will hold 45% and 5% interest, respectively. Upon approval by the SEC of the increase of Greencore's authorized capital stock, Greencore will have a total subscribed capital of approximately ₱832,100,000.00.

On the same date, the Company signed a subscription agreement with Greencore for the subscription by the Company to 2,250,000 common shares with a par value of ₱1.00 per common share or a total par value of ₱2,250,000.00, to be issued out of the unissued authorized capital stock of Greencore.

Also on the same date, the Company and ACE Endevor signed an Omnibus Agreement ("Agreement") with Greencore and CSEC (amended and restated on 9 February 2022) for the financing of the 50MWac (72MWdc) Phase 1 solar power plant project located in Arayat and Mexico, Pampanga, and associated facilities (the “Plant”). Under the Agreement, the Company, as lender, 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 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 the Company, (2) a mortgage and pledge over the shareholding of the shareholders of Greencore, and (3) the cashflows of the Project.

Subscription Agreement with Giga Ace 4, Inc.

On 5 March 2021, the Company signed a subscription agreement with Giga Ace 4 for the subscription by the Company to f(a) 43,975,374 Common A Shares at the subscription price of ₱219,876,870.00; and (b) 395,958,366 Redeemable Preferred A Shares at the subscription price of ₱1,979,791,830.00, or a total subscription price of ₱2,199,668,700.00, to be issued out of the increase in authorized capital stock 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.

Subscription Agreement with ACE Endevor, Inc.

On 12 March 2021, the Company signed a subscription agreement with ACE Endevor for the subscription by the Company to 3,500,000 Redeemable Preferred Shares at the subscription price of ₱100.00 per share, or a total subscription price of ₱350,000,000.00 to be issued out of the increase in authorized capital stock of ACE Endevor. The subscription will be used by ACE Endevor to fund its projects’ pre-development and equity funding requirements.

Subscription with Pagudpud Wind Power Corp.

On 19 May 2021, the Company signed a subscription agreement with PWPC for the subscription by the Company to 3,033,255 common shares and 27,299,298 Class A Redeemable Preferred Shares of PWPC. The subscription will be used by PWPC to subscribe to shares in BWPC, which will be used by BWPC to fund initial works to start the construction of the Balaoi and Caunayan Wind Power Project in Barangays Balaoi and Caunayan, Pagudpud, Ilocos Norte.

Subscription with Buendia Christiana Holdings Corp.

On 15 June 2021, the Company signed a subscription agreement with BCHC for the subscription by the Company to: (a) 75,000,000 Redeemable Preferred A Shares with a par value of ₱ 0.10 per share, and (b) 4,075,000 Redeemable Preferred B Shares with a par value of ₱100.00 per share, for a total par value of ₱415,000,000.00, to be issued out of the increase in authorized capital stock of BCHC. The subscription will be used by BCHC to fund acquisition of potential project sites.

Loan to Provincia Investments Corporation

On 25 June 2021, the Company signed an Omnibus Loan and Security Agreement (“Agreement”) with Provincia Investments Corporation (the "Borrower") and Solar Philippines Power Project Holdings, Inc., (the “Sponsor”) for the financing of the various acquisition of project sites for solar power projects. Under the Agreement, the Company, as lender, will be extending a term loan facility to the Borrower in the amount of up to ₱1 billion. The loan will be secured by (1) a real estate mortgage over the Borrower’s and third-party mortgagors’ title to, or rights and interests over, real assets in favor of the Company, and (2) a mortgage and pledge over the shareholding of the Sponsor in one of its fully-owned subsidiaries.

Sale of Power Barges 102 and 103

On 15 September 2021, the Company signed the Asset Purchase Agreement for the sale of Power Barges (PB) 102 and 103 with SPC Island Power Corporation ("SIPC"). The sale of PB 102 and 103 were completed on 22 February 2022 and 19 April 2022, respectively, upon execution of the Deeds of Absolute Sale and Assignment with the parent company of SIPC, SPC Power Corporation.

Subscription by NW Founders

On 12 November 2021, the Company and the minority shareholders of NPDC ("NW Founders") signed a Share Purchase Agreement for the acquisition by the Company of the 32.2% ownership interest of the NW Founders for up to ₱1.093 billion.

On 15 November 2021, the Company signed Subscription Agreements with the following NW Founders for the following number of shares in the Company at a price of ₱11.32 per share:

1. Niels Jacobsen – 16,767,108
2. Ferdinand A. Dumlao – 41,375,371
3. Jose Ildebrando B. Ambrosio – 1,956,209
4. Laura Baui – 1,956,132
5. Kresten B. Jacobsen – 13,972,590
6. Kia Jacobsen – 13,972,590

The subscribed shares were issued to the NW Founders on 29 November 2021 and have been duly recorded in the books of the Company.

On 26 May 2022, the PSE issued a Notice of Approval approving the listing of the shares issued to the NW Founders, subject to post-approval requirements and conditions. As of 29 June 2022, the Company has complied with all applicable requirements for the listing of these shares on 1 July 2022.

Subscription with NAREDCO

On 17 December 2021, the Company and its wholly-owned subsidiary ACE Endevor signed subscription agreements with Natures Renewable Energy Devt. (NAREDCO) Corporation ("NAREDCO") for the subscription by the Company and ACE Endevor to an aggregate of 82,500 common shares in NAREDCO with a par value of ₱100.00 per share for a total par value of ₱8,250,000.00. The subscription will be used by NAREDCO to fund the development of the proposed 200MWdc Lal-lo Solar Power Project in Lal-lo, Cagayan. The planned capacity of Phase 1 is 100MWdc. NAREDCO is a special purpose vehicle for the development of the proposed Lal-lo Solar Power Project, the Company's joint venture project with CleanTech Renewable Energy 4 Corp.

Subscription with Ingrid3

On 17 December 2021, the Company signed a subscription agreement with Ingrid3 Power Corp. ("Ingrid3") for the subscription by the Company to 3.6 million Redeemable Preferred Shares with a par value of ₱1.00 per share, to be issued from the unissued authorized capital stock of Ingrid3. The subscription will be used by Ingrid3 to fund its development projects.

Sale of Power Barge 101

On 21 December 2021, the Company signed the Asset Purchase Agreement for the sale of Power Barge (PB) 101 with MORE Power Barge, Inc. The sale was completed on 21 January 2022 upon execution of the Deed of Absolute Sale and Assignment.

Subscription with Santa Cruz Solar Energy, Inc.

On 28 December 2021, the Company signed a subscription agreement with its subsidiary Santa Cruz Solar Energy Inc. (“SCSEI”) for the subscription by ACEN to 69,996,316 Common A Shares and 629,966,843 Redeemable Preferred A Shares of SCSEI. The subscription will be used by SCSEI to fund the construction of the 283 MW San Marcelino Solar I Power Project.

Subscription with Bayog Wind Power Corp.

On 28 December 2021, the Company signed a subscription agreement with its subsidiary Bayog Wind Power Corp. (“BWPC”), for the subscription by ACEN to 36,218,032 Redeemable Preferred D Shares, 29,759,408 Redeemable Preferred E Shares, and 4,022,560 Redeemable Preferred G Shares of BWPC. The subscription will be used by BWPC to fund continuing works for the construction of the 160MW Pagudpud Wind Project in Barangays Balaoi and Caunayan, Pagudpud, Ilocos Norte.

Deed of Assignment with ACE Enexor

On 29 December 2021, the Company and ACEX entered into a Deed of Assignment, whereby ACEX will issue 339,076,058 shares of stock in ACEX (the “Shares”) to ACEN at an issue price of ₱10.00 per share in exchange for the following properties of ACEN: (a) 3,064,900 common shares in Palawan55 Exploration & Production Corporation (“Palawan55”) with a par value of ₱100.00 per share, comprising 30.65% of the issued and outstanding shares in Palawan55; (b) 6,000,000 common shares in Bulacan Power Generation Corporation (“BPGC”) representing 100% of the issued and outstanding shares in BPGC; (c) 6,351,000 common shares in CIP II Power Corporation (“CIPP”) with a par value of ₱50.00 per share representing 100% of the issued and outstanding shares in CIPP; (d) 3,600,000 redeemable preferred shares in Ingrid3 Power Corp., (“Ingrid3”), a special purpose vehicle for the development of a new power project, with a par value of ₱1.00 per share, representing 100% of the issued and outstanding redeemable preferred shares in Ingrid 3; and (e) 33,493,366 common shares in One Subic Power Generation Corporation (“OSPGC”) with a par value of ₱1.00 per share representing 17.13% of the issued and outstanding shares in OSPGC. On 31 January 2022, the parties executed the Amendment to the Deed of Assignment to correct the reference to the resulting ownership percentage of ACEN in ACEX from 89.96% to 89.78% of the outstanding capital stock of ACEX.

On 3 June 2022, the Company ACEN and ACEX signed a Deed of Cancellation to cancel the Deed of Assignment dated 29 December 2021 and the Amendment to the Deed of Assignment dated 31 January 2022, covering the property-for-shares swap between ACEN and ACEX.

Subscription with Buendia Christiana Holdings Corp.

On 14 February 2022, the Company signed a subscription agreement with BCHC for the subscription by the Company to 3,015,000 common shares and 16,985,000 redeemable preferred shares. The additional capital will be used by BCHC to purchase real property required for various potential power projects.

Acquisition of UPC Philippines Wind Investment Co. BV

On 18 March 2022, the Company, ACE Endevor, UPC Philippines Wind Investment Co. BV (“UPC Philippines”), UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines’ and Ms. Sutton’s shares and/or subscription rights to the Company and ACE Endevor in the following companies: NLREC, BWPC, and development and pipeline special purpose vehicles Buduan Wind Energy Co, Inc., Caraballo Mountains UPC Asia Corporation, Pangasinan UPC Asia Corporation, Sapat Highlands Wind Corporation, Mindanao Wind Power Corp., Itbayat Island UPC Asia Corporation, Laguna Central Renewables, Inc., Laguna West Renewables, Inc., Suyo UPC Asia Corporation, and Solar Ace4 Energy Corp. On 22 March 2022, the Company and

ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

Subscription by UPC Australia Group

On 21 March 2022, the Company signed Subscription Agreements with the following entities for the following number of shares in the Company at a price of ₱7.871 per share:

1. UPC Renewables Asia Pacific Holdings Pte Limited – 869,119,204

2. Anton Johannes Rohner - 61,630,796 (collectively, the “UPC Australia Group”)

The subscribed shares were issued to the above shareholders on 18 April 2022, and have been duly recorded in the books of the Company, as confirmed by the Company's Stock Transfer Agent.

On 26 May 2022, the PSE issued a Notice of Approval approving the listing of the shares issued to the UPC Australia Group, subject to post-approval requirements and conditions. As of 29 June 2022, the Company has complied with all applicable requirements for the listing of these shares on 1 July 2022.

Subscription by UPC Philippines Group

On 22 March 2022, the Company signed Subscription Agreements with the following for shares in the Company at a price of ₱8.2889 per share:

1. UPC Philippines Wind Partners Ltd. – 19,059,423

2. Wind City Inc. – 142,668,634

3. Estanyol Holdings Ltd. – 153,493,200

4. Tenggay Holdings Ltd. – 70,525,763

5. Alan Kerr – 4,248,813 (collectively, the “UPC Philippines Group”)

The subscribed shares were issued to the above shareholders on 18 April 2022, and have been duly recorded in the books of the Company, as confirmed by the Company's Stock Transfer Agent.

On 26 May 2022, the PSE issued a Notice of Approval approving the listing of the shares issued to the UPC Philippines Group, subject to post-approval requirements and conditions. As of 29 June 2022, the Company has complied with all applicable requirements for the listing of these shares on 1 July 2022.

NAREDCO Shareholders’ Agreement

On 24 March 2022, the Company, ACE Endevor, CleanTech Renewable Energy 4 Corp. (“CREC4”), and NAREDCO signed a Shareholders’ Agreement to cover the ownership and management of NAREDCO, as well as the development and operation of the proposed 200MWdc Lal-lo Solar Power Project in Lal-lo, Cagayan.

Subscription with ACEN Renewables International

On 24 March 2022, the Company signed a subscription agreement with its subsidiary ACEN Renewables International Pte Ltd (formerly AC Renewables International Pte Ltd; “ACEN International”) for the subscription by the Company to 1,402,029 Class E redeemable preferred shares with a par value of USD100.00 per share for a total par value of USD140,202,900.00. ACEN International is a Singapore private company limited by shares that has interests in various renewable energy and development companies and projects in Indonesia, Vietnam, India, Australia, and other countries. ACEN, through wholly owned subsidiary AC Energy International, Inc., is the controlling shareholder of ACEN International.

Material Contracts Relating to the Projects for the Use of Proceeds

Arayat-Mexico Solar Expansion Project (Greencore 3)

Date	Title	Counterparty	Amount	Nature/Brief Description
5 May 2022	Solar Energy Operating Contract	DOE	N/A	Exclusive right to develop and utilize the solar energy resources within the Contract Area for the Arayat Expansion for a term of 25 years.
4 February 2021	Shareholders' Agreement	ACEN, Citicore Solar Energy Corporation, ACE Endevor	N/A	Shareholders' Agreement entered into by Greencore 3 and its shareholders for the purpose of (a) defining and regulating their rights and duties, (b) determining the terms and conditions for the issuance of shares of stock in Greencore 3 and (c) stipulating the internal organization and capital structure of Greencore 3.
4 February 2021	Subscription Agreement	ACEN	₱2,249,998.00 (excluding nominee shares)	ACEN subscribing to 2,249,998 shares in Greencore 3 for 45% equity in Greencore 3.
4 February 2021	Subscription Agreement	ACE Endevor	₱250,000.00	ACE Endevor subscribing to 250,000 shares in Greencore 3 for 5% equity in Greencore 3.
8 March 2021 25 August 2021	Loan and Security Agreement Amended and Restated	ACE Endevor	Loan Amount: ₱100,000,000.00 Increased Total Loan Amount: ₱236,500,000	ACE Endevor to provide a loan to Greencore 3 for the acquisition of lands for Arayat-Mexico Solar Farm Expansion Project ("Arayat Expansion"). Loan is secured by an equitable lien on the lands.
25 May 2022 21 June 2022	Omnibus Agreement Amendment	ACE Endevor	Loan Amount: ₱2.3 billion	Omnibus Loan and Security Agreement for the project financing of the Arayat Expansion. Secured by shares of Citicore Solar Energy Corporation in Greencore 3, among others.
5 January 2022	Development Agreement	MCC-Citicore Construction, Inc.	Development Fee: USD$436,800.00 (10,000.00 per MWp)	Contract for developmental activities for the Arayat Expansion, including conduct and completion of technical studies, government permits, regulatory compliance, environment and land permits, grid connection permits, and project agreements.

Date	Title	Counterparty	Amount	Nature/Brief Description
3 May 2022	Operations & Maintenance Term Sheet for Arayat Phase 2	Citicore Property Managers, Inc.	₱5,500,000.00	Term Sheet for the Operations & Management Agreement for Arayat Expansion.
8 April 2022 (Effectivity: 1 March 2022)	Project Management Consultancy Agreement (Onshore)	Arbutus Consultants Pvt. Ltd.	USD76,350	Engagement of the Owner's Engineer for the Arayat Expansion for Onshore Services.
8 April 2022 (Effectivity: 1 March 2022)	Project Management Consultancy Agreement (Offshore)	Arbutus Consultants Pvt. Ltd.	USD229,050.00	Engagement of the Owner's Engineer for the Arayat Expansion for Offshore Services.
13 April 2022	Module Supply Agreement	Seraphim Solar System (HK) Limited and Jiangsu Seraphim Solar System Co., Ltd.	USD11,673,218.10	Supply Agreement for the PV Modules for the Arayat Expansion.
17 May 2022	Onshore Contract	MCC-Citicore Construction, Inc.	₱424,889,458.17	EPC Contract for the Arayat Expansion.
17 May 2022	Offshore Supply Contract	Globalcore Equipment and Trading Limited	USD5,624,832.65	Offshore EPC Contract for the Arayat Expansion.
17 May 2022	Coordination Agreement	MCC-Citicore Construction, Inc., Globalcore Equipment and Trading Limited		MCC-CCI and Globalcore to be jointly liable to Greencore 3 for the completion of the EPC Contracts for the Arayat Expansion.
27 May 2022	Contract for Logistics Services	DALCA Corporation	₱4,644,862.69	Agreement for inland forwarder, broker and transporter of the PV Modules imported by Greencore 3 for the Arayat Expansion.
	Various Insurances			Insurances to cover Arayat Expansion's construction, equipment, and shipments.
	Various Land Agreements			Purchase of land and/or agreements for land rights and rights of way for the site and transmission line of Arayat Expansion.

Cagayan Solar Project (NAREDCO)

Date	Title	Counterparty	Amount	Nature/Brief Description
24 June 16	Solar Energy Service Contract	DOE	N/A	Exclusive right to explore, develop and utilize the solar energy resources within the contract area covering 567 hectares of land in the Municipalities of Lal-lo and Gattaran, Cagayan.

Date	Title	Counterparty	Amount	Nature/Brief Description
17 December 2021 24 March 2022	Investment Agreement Supplement	ACEN, ACE Endevor, Cleantech Global Renewables, Inc., Cleantech Renewables Energy 4 Corp. ("CREC4")	N/A	Parties will jointly develop, construct, install, commission, and operate the 100MW Lal-lo Solar Project, expandable to 200MW; ACEN to own 55%, ACE Endevor, 5% and CREC4 to own 40% of NAREDCO.
17 December 21	Subscription Agreement	ACEN	₱4,499,700.00	Subscription to 44,997 common shares of NAREDCO with a par value of ₱100 per share.
17 December 2021	Subscription Agreement	ACEN	₱3,062,500.00	Subscription to 30,625 common shares of NAREDCO with a par value of ₱100 per share.
17 December 2021	Subscription Agreement	ACE Endevor	₱687,500.00	Subscription to 6,875 common shares of NAREDCO with a par value of ₱100 per share.
24 March 2022	Shareholders' Agreement	ACE Endevor CREC4	N/A	Shareholders' Agreement entered into by NAREDCO and its shareholders for the purpose of (a) defining and regulating their rights and duties, (b) determining the terms and conditions for the issuance of shares of stock in NAREDCO and (c) stipulating the internal organization and capital structure of NAREDCO.
16 August 22	Subscription Agreement	ACEN	₱1,292,750,250.00	Subscription to 275,000 RPS A with a par value of ₱2,820.51 per share and to 200,000 RPS C with a par value of P₱2,585.55 per share.
16 August 22	Subscription Agreement	ACE Endevor	₱25,000.00	Subscription to 25,000 RPS B with a par value of ₱1.00 per share.
20 May 22	Amended and Restated Loan and Security Agreement	ACE Endevor CREC4	₱301,604,762.65	Loan to fund the acquisition, conversion and reclassification of the parcels of land identified as production area for the Lal-lo Solar Project as well as costs and fees covering pre-development and development activities of the Cagayan Solar Project.

Date	Title	Counterparty	Amount	Nature/Brief Description
14 July 22	Loan and Security Agreement	ACEN CREC4	₱1,139,000,000.00	Loan to fund the EPC and outstanding payables of NAREDCO under the Amended and Restated Loan and Security Agreement with ACE Endevor.
4 March 22	Offshore Consultancy Agreement (Owner's Engineer)	DNV Singapore Pte. Ltd.	USD350,000.00	Contractor will provide off-site consulting services as Owner's Engineer for the Cagayan Solar Project.
4 March 22	Onshore Consultancy Agreement (Owner's Engineer)	Sidcore Consulting, Inc.	₱5,232,470.57	Contractor will provide on-site consulting services as Owner's Engineer for the Cagayan Solar Project.
4 March 22	Coordination Agreement (Owner's Engineer)	DNV Singapore Pte. Ltd. and Sidcore Consulting, Inc.	N/A	Contractors will coordinate the exercise of their respective, rights and the performance of their respective obligations under the Offshore Agreement and the Onshore Agreement with respect to the Offshore Services and Onshore Services as Owner's Engineer for the Cagayan Solar Project.
8 April 22	(EPC) Offshore Supply Contract	Power Construction Corporation of China, Ltd.	USD8,599,920.83	Contractor will provide the design, engineering, procurement, manufacturing and supply of imported power plant materials, and equipment for the Cagayan Solar Project.
8 April 22	(EPC) Onshore Contract	Powerchina Philippines Corporation	USD11,450,935.06	Contractor will provide the design, engineering, procurement, manufacturing, supply, construction, installation, inspection, testing and commissioning of the Cagayan Solar Project.
8 April 22	(EPC) Coordination Agreement	Power Construction Corporation of China, Ltd. and Powerchina Philippines Corporation	N/A	Coordination of the respective scope of work, rights, liabilities and obligations under the Offshore Supply Contract and the Onshore Contract to ensure the seamless integration of their respective works to deliver the Cagayan Solar Project.
	Various Insurances			Insurances to cover Cagayan Solar Project’s construction, equipment, and shipments.

Date	Title	Counterparty	Amount	Nature/Brief Description
	Various Land Agreements			Purchase of land and/or agreements for land rights and rights of way for the site and transmission line of Cagayan Solar Project.

San Marcelino Solar Project Phase 1 (Santa Cruz)

Date	Title	Counterparty	Amount	Nature/Brief Description
13 February 2020	Solar Energy Service Contract	DOE	N/A	Contract allowing exclusive right to explore, develop, and utilize the solar energy resources in the project area.
17 December 2021	Development Management Agreement	ACEN	₱660,000,000.00	Provision of development management, technical and administrative services in relation to the San Marcelino Solar Project until commercial operations is achieved.
11 June 2021	Civil Works Contract (Access and Infrastructure)	Terp Asia Construction Corporation	₱423,053,571.43	Construction and development of the access roads and other infrastructure going to the project site of the San Marcelino Solar Project.
15 June 2021	Turnkey Contract for the Engineering, Supply and Construction of Transmission Facilities (230kV TL)	Meralco Industrial Engineering Services Corporation	Onshore ₱242,736,655.19 Offshore USD4,089,765.11	Turnkey EPC Contract for the 230 kV Transmission Line for the San Marcelino Solar Project.
16 June 2021	Consultancy Agreement OE (Access and Infrastructure)	Filipinas Dravo Corporation	₱22,214,000	Owner's Engineer services to the access and infrastructure project for the San Marcelino Solar Project.
2 July 2021	Onshore Technical Services Agreement (230kV TL)	BVI (Philippines) Corporation	USD335,306.00	Onshore technical consultant to act as Owner's Engineer and Project Management provider for the 230 kV TL EPC for the San Marcelino Solar Project.
2 July 2022	Offshore Technical Services Agreement RFS No. 1 (230kV TL)	Black and Veatch Corporation	USD83,314.00	Offshore technical consultant to act as Owner's Engineer and Project Management provider for the 230 kV TL EPC for the San Marcelino Solar Project.
15 July 2022	Offshore Technical Services Agreement RFS No. 2	Black and Veatch Corporation	USD673,200	Offshore technical consultant to act as Owner's Engineer and Project

	(230kV GIS)			Management provider for the 230 kV GIS for the San Marcelino Solar Project.
20 August 2021	Owner's Engineer Onshore Consultancy Agreement (Solar Plant - Phase 1)	SIDCORE Consulting, Inc.	₱38,198,529.41	Onshore Owner's Engineer for the San Marcelino Solar Power Project.
20 August 2021	Owner's Engineer Offshore Consultancy Agreement (Solar Plant - Phase 1)	DNV Singapore Pte. Ltd.	USD455,244.00	Offshore Owner's Engineer for the San Marcelino Solar Power Project.
20 August 2021	Owner's Engineer Coordination Agreement (Solar Plant - Phase 1)	SIDCORE Consulting, Inc. and DNV Singapore Pte. Ltd.		Coordination agreement between DNV and SIDCORE for the Owner's Engineer services for the San Marcelino Solar Project.
29 October 2021	Onshore EPC Contract (Solar Plant - Phase 1)	PowerChina Philippines Corporation	USD23,928,193.70	Onshore EPC Contract for the development, construction and installation of the San Marcelino Solar Project.
29 October 2021	Offshore Supply Contract (Solar Plant - Phase 1)	Power Construction Corporation of China, Ltd.	USD117,412,088.54	Offshore Supply Contract for the supply of the solar panels, inverters, mounting structures and other component parts of the San Marcelino Solar Project.
29 October 2021	EPC Contract Coordination Agreement (Solar Plant - Phase 1)	PowerChina Philippines Corporation and Power Construction Corporation of China, Ltd.		Coordination agreement between PowerChina Philippines and Power Construction Corporation in relation to the EPC Contract for the San Marcelino Solar Project.
15 November 2021	Operations and Maintenance Agreement (Solar Plant - Phase 1)	PowerChina Philippines Corporation	USD2,530,294.32	Operation and maintenance of the San Marcelino Solar Project once it is in operation.
6 December 2021	Onshore Technical Services Agreement (230kV TL and GIS)	BVI (Philippines) Corporation	Adjusted Amount: USD847,370.00	Amendatory Agreement to the July 2 Onshore Technical Services Agreement to include the GIS in the scope of the Owner's Engineer.
9 December 2021	Offshore Technical Services Agreement RFS No. 3 (230kV GIS)	Black and Veatch Corporation	USD475,000	Engagement of an offshore technical consultant to provide Procurement Management services for the 230 kV GIS for the San Marcelino Solar Project.

7 April 2022	Onshore Technical Services Agreement (500kV TL)	BVI (Philippines) Corporation	USD 112,000.00	Onshore technical consultant to act as Owner's Engineer and Project Management provider for the 500 kV TL EPC for the San Marcelino Solar Project.
7 April 2022	Offshore Technical Services Agreement RFS No. 4 (500kV TL)	Black and Veatch Corporation	USD132,000	Offshore technical consultant to act as Owner's Engineer and project management provider for the 500 kV TL EPC for the San Marcelino Solar Project.
	Various Insurances			Insurances to cover San Marcelino Solar Project's construction, equipment, and shipments.
	Various Land Agreements			Purchase of land and/or agreements for land rights and rights of way for the site and transmission line of San Marcelino Solar Project.

Waivers Obtained for Certain Loan Covenants of the Company

In view of additional loan drawdowns towards the end of 2019 in preparation for (a) the funding of new projects of the Company, particularly the 120MWdc solar power plant in Alaminos, Laguna and the installation of the 150MW initial phase of modular engines in the diesel plant in Pililia, Rizal, and (b) the acquisition of additional shares in NLREC, SacaSol and IslaSol, the Company expected that it will not meet certain financial ratios for 2019 in some of its outstanding loan facilities with Philippine banks having an aggregate outstanding principal amount of ₱3.6 billion. To avoid triggering any breach under the terms of the relevant loan facilities, the Company sought and was granted by the lenders a waiver of the financial covenants on debt service coverage ratio and the debt to equity ratio of the Company for the 31 December 2019 testing.

For the 31 December 2020 testing, the Company expected that it will again not meet certain financial ratios for 2020 in some of its outstanding loan facilities with Philippine banks having an aggregate outstanding principal amount of ₱1.68 billion. This was on account of additional loan drawdowns throughout 2020, necessitated by the delay in the planned capital infusion from the Rights Offer, to fund, in addition to the projects mentioned above for 2019, the 60MWdc solar power plant in Palauig, Zambales and the installment payment to acquire shares in SLTEC. To avoid triggering any breach under the terms of the relevant loan facilities, the Company sought and was granted by the lenders a waiver of the financial covenants on debt service coverage ratio, debt to equity ratio and current ratio of the Company for the 31 December 2020 testing.

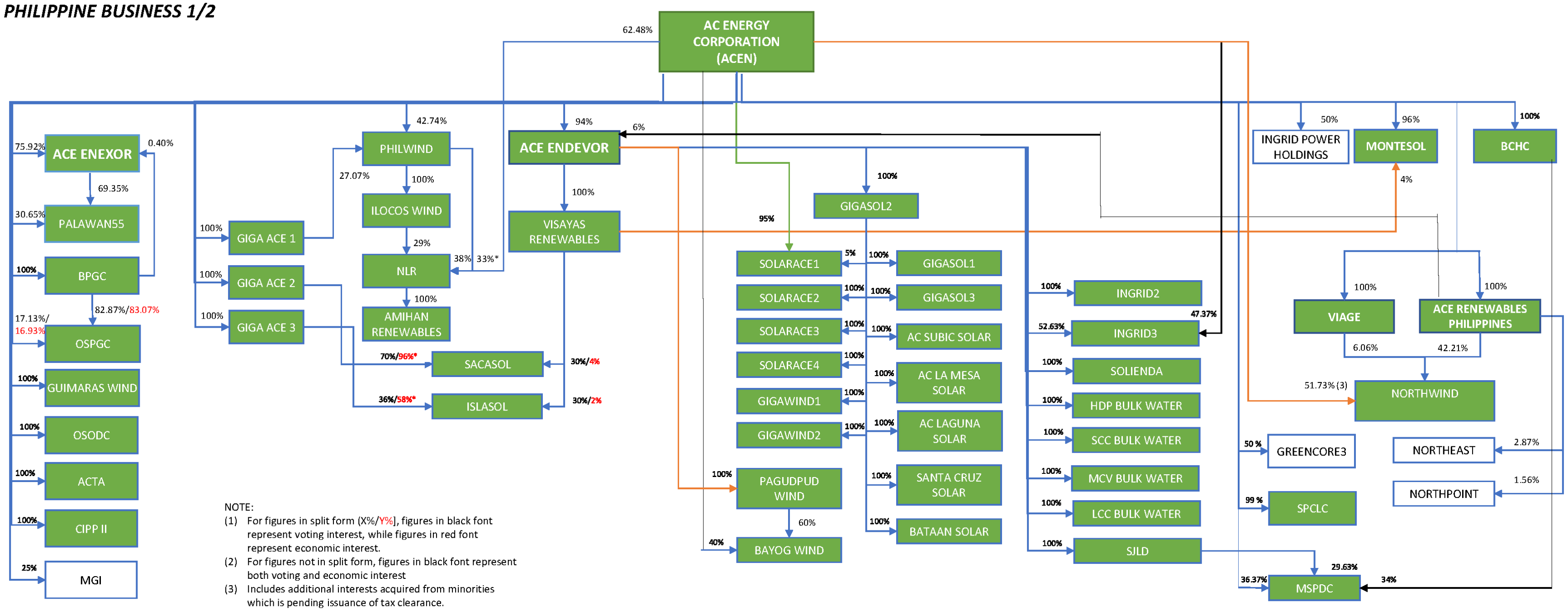
For the 31 December 2021 testing, the Company was in full compliance with all the terms and covenants of each of these facilities.

CORPORATE STRUCTURE

The following charts illustrate the Company's material shareholders and Subsidiaries as of 30 April 2022. For a detailed breakdown of the Subsidiaries, see discussion under "***Subsidiaries and Associates***" beginning on page 240 of this Prospectus.

Ownership Structure as at 30 April 2022

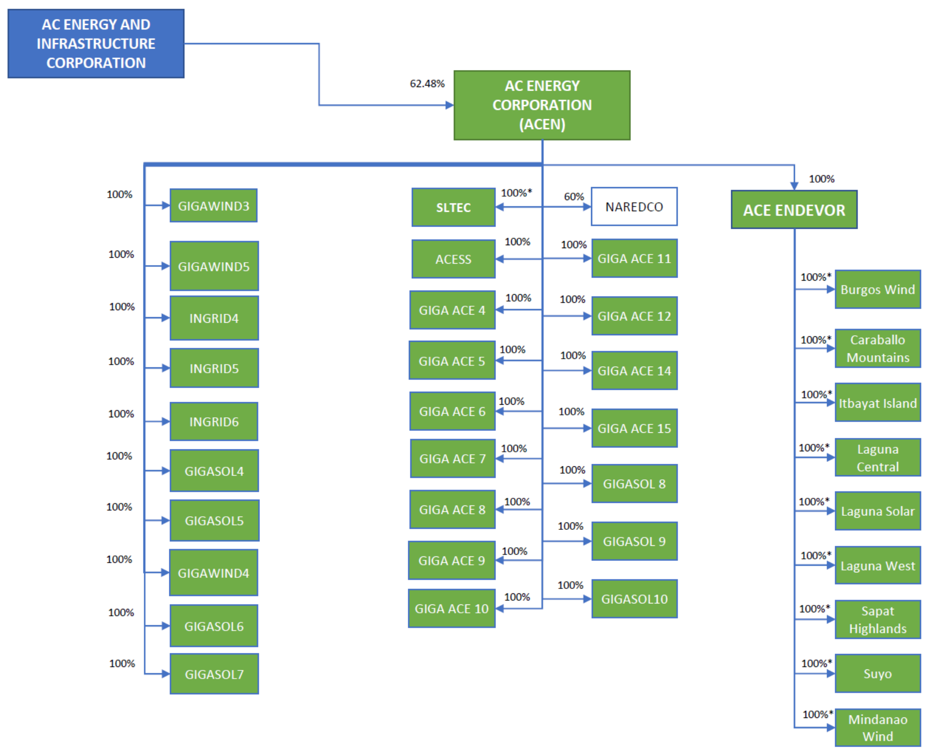
AC ENERGY CORPORATION
PHILIPPINE BUSINESS 1/2



NOTE:
(1) For figures in split form (X%/Y%), figures in black font represent voting interest, while figures in red font represent economic interest.
(2) For figures not in split form, figures in black font represent both voting and economic interest
(3) Includes additional interests acquired from minorities which is pending issuance of tax clearance.
*Tax clearance process ongoing

AC Energy controlled companies

AC ENERGY CORPORATION PHILIPPINE BUSINESS 2/2



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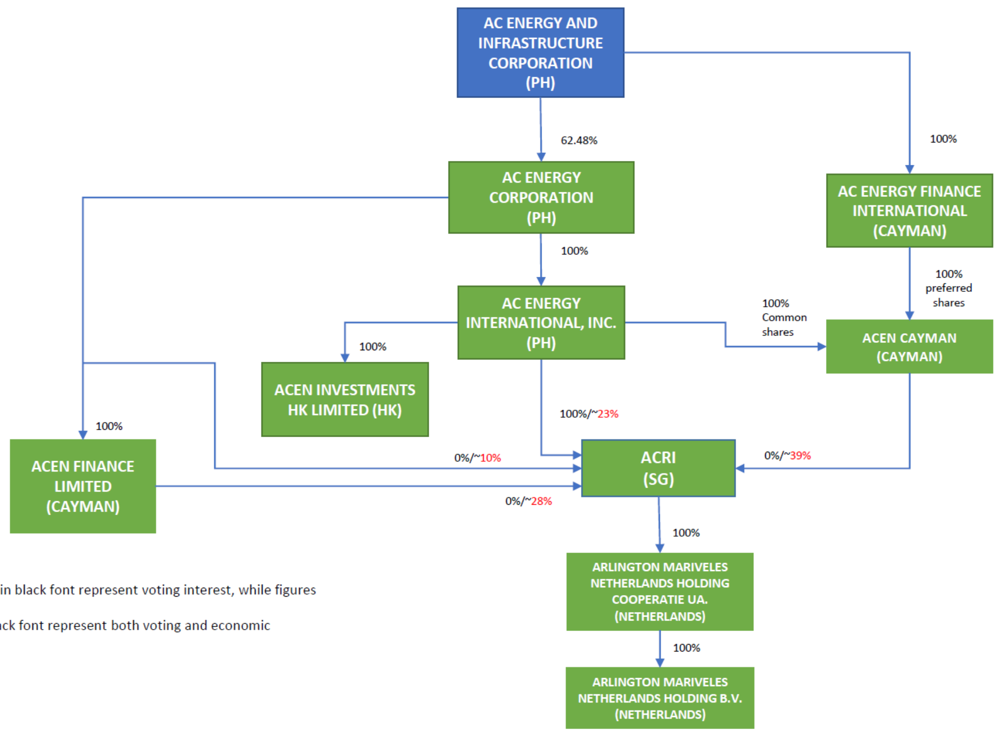
(3) Includes additional interests acquired from minorities which is pending issuance of tax clearance.
*Tax clearance process ongoing

AC Energy controlled companies

PHILIPPINE BUSINESS - Glossary

SHORT NAME	FULL NAME	SHORT NAME	FULL NAME	SHORT NAME	FULL NAME	SHORT NAME	FULL NAME
AC SUBIC SOLAR	AC Subic Solar, Inc.	GIGA ACE 10	Giga Ace 10, Inc.	INGRID2	Ingrid2 Power, Inc.	SACASOL	San Carlos Solar Energy Inc.
AC LA MESA SOLAR	AC La Mesa Solar, Inc.	GIGA ACE 11	Giga Ace 11, Inc.	INGRID3	Ingrid3 Power, Inc.	SAPAT HIGHLANDS	Sapat Highlands Wind Corporation
AC LAGUNA SOLAR	AC Laguna Solar, Inc.	GIGA ACE 12	Giga Ace 12, Inc.	INGRID4	Ingrid4 Power, Inc.	SCC BULK WATER	SCC Bulk Water Supply, Inc.
ACTA	ACTA Power Corporation	GIGA ACE 14	Giga Ace 14, Inc.	INGRID5	Ingrid5 Power, Inc.	SJLD	San Julio Land Development Corp.
ACE ENDEVOR	ACE Endevor, Inc. (formerly, AC Energy Development, Inc.)	GIGA ACE 15	Giga Ace 15, Inc.	INGRID6	Ingrid6 Power, Inc.	SLTEC	South Luzon Thermal Energy Corp.
ACE ENEXOR	ACE Enexor, Inc.	GIGASOL1	GigaSol1, Inc.	ISLASOL	Negros Island Solar Power Inc.	SolarAce1	SolarAce1 Energy Corp.
ACE RENEWABLES PHILIPPINES	ACE Renewables Philippines, Inc. (formerly, Moorland Philippines)	GIGASOL2	GigaSol2, Inc.	Itbayat Island	Itbayat Island UPC Asia Corporation	SolarAce2	SolarAce2 Energy Corp.
ACESS	ACE Shared Services, Inc.	GIGASOL3	GigaSol3, Inc.	Laguna Central	Laguna Central Renewables Inc.	SolarAce3	SolarAce3 Energy Corp.
AMIHAN RENEWABLES	Amihan Renewable Energy Corp.	GIGASOL4	Gigasol4, Inc.	Laguna Solar	Pangasinan UPC Asia Corporation	SolarAce4	SolarAce4 Energy Corp.
BATAAN SOLAR	Bataan Solar Energy Inc.	GIGASOL5	Gigasol5, Inc.	Lagunas West	Laguna West Renewables Inc.	SOLIENDA	Solienda, Incorporated
BAYOG WIND	Bayog Wind Power Corp.	GIGASOL6	Gigasol6, Inc.	LCC Bulk Water	LCC Bulk Water Supply, Inc.	SANTA CRUZ SOLAR	Santa Cruz Solar Energy Inc.
BCHC	Buendia Christiana Holdings Corp.	GIGASOL7	Gigasol7, Inc.	MGI	Maibarara Geothermal Inc.	SPCLC	Solar Philippines Central Luzon Corporation
BPGC	Bulacan Power Generating Corp. (formerly, PHINMA Power Generating Corp.)	GIGASOL8	Gigasol8, Inc.	MINDANAO WIND	UPC Mindanao Wind Power Corp.	SUYO	Suyo UPC Asia Corporation
BURGOS WIND	Buduan Wind Energy Co., Inc.	GIGASOL 9	Gigasol9, Inc.	MONTESOL	Monte Solar Energy, Inc.	VIAGE	Viage Corporation
CARABALLO MOUNTAINS	Caraballo Mountains UPC Asia Corporation	GIGASOL10	Gigasol10, Inc.	MSPDC	Manapla Sun Power Development Corp.	VISAYAS RENEWABLES	Visayas Renewables Corp.
CIPP II	CIP II Power Corporation	GIGAWIND1	GigaWind1, Inc.	NLR	North Luzon Renewable Energy Corp.		
GIGA ACE 1	Giga Ace 1, Inc.	GIGAWIND2	GigaWind2, Inc.	NORTHEAST	Northeast Wind Systems Corporation		
GIGA ACE 2	Giga Ace 2, Inc.	GIGAWIND3	GigaWind3, Inc.	NAREDCO	Natures Renewable Energy Development Corporation		
GIGA ACE 3	Giga Ace 3, Inc.	GIGAWIND4	GigaWind4, Inc.	NORTHPOINT	North Point Wind Power Development Corp.		
GIGA ACE 4	Giga Ace 4, Inc.	GIGAWIND5	GigaWind5, Inc.	NORTHWIND	Northwind Power Development Corp.		
GIGA ACE 5	Giga Ace 5, Inc.	GREENCORE3	Greencore Power Solutions 3, Inc.	OSODC	One Subic Oil Distribution Corp.		
GIGA ACE 6	Giga Ace 6, Inc.	GUIMARAS WIND	Guimaras Wind Corporation (formerly, PHINMA Renewables)	OSPGC	One Subic Power Generating Corp.		
GIGA ACE 7	Giga Ace 7, Inc.	HDP BULK WATER	HDP Bulk Water Supply, Inc.	PALAWAN55	Palawan55 Exploration and Production Corp.		
GIGA ACE 8	Giga Ace 8, Inc.	ILOCOS WIND	Ilocos Wind Energy Holding Co., Inc.	PAGUDPUD WIND	Pagudpud Wind Power Corp.		
GIGA ACE 9	Giga Ace 9, Inc.	INGRID POWER HOLDINGS	Ingrid Power Holdings Inc.	PHILWIND	Philippine Wind Holdings Corporation		

AC ENERGY CORPORATION
INTERNATIONAL BUSINESS



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(2) For figures not in split form, figures in black font represent both voting and economic interest

AC Energy controlled companies

GLOSSARY

ACRI – ACEN Renewables International Pte. Ltd.

Subsidiaries and Associates

The following table presents certain information regarding the Company's Subsidiaries and Associates as of 31 March 2022 and 31 December 2021:

		Percentage of Ownership (%)			
		31 March 2022		31 December 2021	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
AC Energy International, Inc.	International investment holding	**100.00**	**–**	100.00	–
AC Renewables International Pte. Ltd.	International investment holding	**–**	**100.00**	–	100.00
AC Energy Cayman	International investment holding	**–**	**100.00**	–	100.00
ACE Investments HK Limited	International investment holding	**–**	**100.00**	–	100.00
ACEN Finance Limited	Investment holding	**100.00**	**–**	100.00	–
Bulacan Power Generation Corporation	Power generation	**100.00**	**–**	100.00	–
CIP II Power Corporation	Power generation	**100.00**	**–**	100.00	–
Guimaras Wind Corporation	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	Power generation	**–**	**100.00**	–	100.00
ACE Enexor, Inc.	Oil, gas, and geothermal exploration	**75.92**	**0.40**	75.92	0.40
Palawan55 Exploration & Production Corporation	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.	Investment holding	**100.00**	**–**	100.00	–
ACE Shared Services, Inc.	Shared services	**100.00**	**–**	100.00	–
Giga Ace 1, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 2, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 3, Inc.	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	–
Giga Ace 11, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 12, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 14, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 15, Inc.	Power generation	**100.00**	**–**	100.00	–
Negros Island Solar Power, Inc.	Solar power generation	**–**	**60.00**	–	60.00
San Carlos Solar Energy, Inc.	Solar power generation	–	**100.00**	–	100.00
Monte Solar Energy, Inc.	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.	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
Ingrid4 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Ingrid5 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Ingrid6 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Solienda Inc.	Leasing and land development	**–**	**100.00**	–	100.00
Gigasol 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
Gigasol 4, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 5, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 6, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 7, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 8, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 9, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 10, Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind1 Inc.	Power generation	**–**	**100.00**	–	100.00
GigaWind2 Inc.	Power generation	**–**	**100.00**	–	100.00
GigaWind3 Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind4 Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind5 Inc.	Power generation	**100.00**	**–**	100.00	–

		Percentage of Ownership (%)			
		31 March 2022		31 December 2021	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
SolarAce1 Energy Corp.	Power generation	**95.00**	**5.00**	95.00	5.00
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
Pagudpud Wind Power Corp.	Investment holding	**–**	**100.00**	–	100.00
Bayog Wind Power Corp.	Power generation	**40.00**	**60.00**	–	60.00
Manapla Sun Power Development Corporation	Leasing and land development	**36.37**	**63.63**	36.37	63.63
ACE Renewables Philippines, Inc.	Investment holding	**100.00**	**–**	100.00	–
NorthWind Power Development Corporation	Wind power generation	**51.73**	**48.27**	51.73	48.27
Viage Corporation	Investment holding	**100.00**	**–**	100.00	–
ACTA Power Corporation	Coal power generation	**100.00**	**–**	100.00	–
Buduan Wind Energy Co, Inc.	Power generation	**–**	**100.00**	–	–
Caraballo Mountains UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Pangasinan UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Sapat Highlands Wind Corporation	Power generation	**–**	**100.00**	–	–
Mindanao Wind Power Corporation	Power generation	**–**	**100.00**	–	–
Itbayat Island UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Laguna Central Renewables, Inc.	Power generation	**–**	**100.00**	–	–
Laguna West Renewables, Inc.	Power generation	**–**	**100.00**	–	–
Suyo UPC Asia Corporation	Power generation	**–**	**100.00**	–	–

AC Energy International, Inc. (formerly Presage Corporation) ("ACE International") was incorporated on 3 April 2007 with the primary purpose to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose real and personal property of every kind and description in particular, shares of stocks, voting trust certificate, bond, debentures, notes, evidences of indebtedness, associations, domestic or foreign, including those of the Government of the Republic of the Philippines, or any of its instrumentalities, without being a stockbroker or dealer, and to issue in exchange therefore shares of the capital stock, bonds, notes, or other obligations of the Corporation and whole the owner thereof, to exercise all the rights, powers and privileges of ownership, including the right to vote any shares of stock or voting trust certificates so owned, and to vote any shares of stock or voting trust certificate so owned, and to do every act and thing that may generally be performed by entities known as "holding companies".

On 26 April 2021, ACEIC transferred 100% of its shares of stock in AC Energy International (ACEIC's 100%-owned subsidiary holding ACEIC's international business and investments) to ACEN in exchange for the issuance to ACEIC of additional Common Shares. Upon completion of the ACEIC International Transaction, ACEN acquired a portfolio of operating projects and projects under construction in Indonesia, Vietnam, and India.

ACEN Renewables International Pte. Ltd. (formerly AC Renewables International Pte. Ltd.) ("ACRI") was incorporated under Singapore laws on 23 May 2016 as ACEIC's then holding company for all its international (non-Philippine) projects. It has been transferred to the Company pursuant to the ACEIC International Transaction.

ACEN Energy Cayman (formerly AC Energy Cayman) ("ACEC") was incorporated under Cayman Islands laws on 9 December 2016 as a holding company. ACEC is one of the designated holding companies which owns ACRI.

ACEN Investments HK Limited (formerly ACE Investments HK Limited) ("ACE HK") was incorporated under Hong Kong laws on 4 October 2019 as a holding company. Currently, it does not hold any interest yet in any of our projects.

ACEN Finance Limited ("ACEN Finance") was incorporated in the Cayman Islands on 5 August 2021 as a holding company. ACEN Finance is wholly owned by ACEN and is a shareholder of ACRI.

Bulacan Power Generation Corporation ("BPGC"), formerly PHINMA Power Generation Corporation and Trans- Asia Power Generation Corporation. BPGC was incorporated and registered on 18 March 1996 to build, construct, erect, own, equip, install, operate, maintain, sell, lease power generation plants, facilities, machineries, equipment and to sell any electricity generated by such power plants. ACEN formed then BPGC in a joint venture with Holcim (Philippines), Inc. ("Holcim") until the Company purchased Holcim's 50% stake in BPGC on 1 January 2013. It is involved in the operation and maintenance of a 52 MW power generation plant, including the related facilities, machinery and equipment. BPGC owns OSPGC, which was incorporated and registered with the SEC on 4 August 2010 to engage in the business of owning, constructing, operating, developing and maintaining all types of power generation plants. OSPGC started its operation on 17 February 2011. On 12 May 2014, BPGC purchased from Udenna Energy Corporation the entire outstanding shares of stock of OSPGC, the lessee and operator of the 116MW Subic Diesel Generator Power Plant.

CIP II Power Corporation ("CIPP") CIPP was incorporated and registered with the SEC on 2 June 1998 to construct, erect, assemble, commission, operate, maintain and rehabilitate gas turbine and other power generating plants. It was then registered with the PEZA on 23 June 1998, as an ecozone utilities enterprise. On 28 December 2006, the Company purchased 100% of the shares of stock of CIPP from Ascendas Utilities PTE Limited, a Singaporean corporation. CIPP operated a 21MW Bunker C-fired power plant in Carmelray Industrial Park II (CIP II) Special Economic Zone in Calamba City, Laguna and was the sole provider of power in the industrial park. In December 2010, CIPP's Board of Directors approved the transfer of the power plant from Laguna to Bacnotan, La Union. The power plant was successfully transferred to La Union and started commercial operations on 17 January 2013.

Guimaras Wind Corporation ("GWC"), formerly PHINMA Renewable Energy Corporation and Trans-Asia Renewable Energy Corporation. GWC was incorporated and registered with the SEC on 2 September 1994 to engage in the development and utilization of renewable sources of energy. It presently operates and maintains the 54MW Wind Farm in San Lorenzo, Guimaras.

One Subic Oil Distribution Corporation ("OSODC"), formerly Trans-Asia Gold and Minerals Development Corporation. OSODC was incorporated and registered with the SEC on 2 July 2007 to engage in the business of mining and mineral exploration within the Philippines and other countries. Effective March 2009, OSODC suspended its exploration activities. On 20 September 2017, the SEC approved the change of name from "Trans-Asia Gold and Minerals Development Corporation" to "One Subic Oil Distribution Corp." and the amended primary purpose of OSODC, which is to engage in the fuel oil importation and distribution business. OSODC has not started commercial operations.

One Subic Power Generation Corporation ("OSPGC") was incorporated on 4 August 2010 with the primary purpose to engage in the business of owning, constructing, operating, developing and maintaining all types of power generation plants, including those utilizing hydro, thermal, fossil fuel, renewable energy and/or a combination of power sources; and to act as holding company or joint venture partner or investor in the business of owning and/or developing and operating all types of power generation plants. On 19 June 2017, the SEC approved the amended of its Articles of Incorporation to include as its primary purpose to deal in, explore, discover, develop, store, hold, use, treat, experiment with smelt, refine blend, package, prepare for market, purchase, import, buy, sell, export, handle, trade, exchange, transport, exploit, extract, process, and dispose of any and all kinds of petroleum and petroleum oil, and related petroleum products, including natural gas, natural gas liquids, fuel minerals and other minerals or whatever nature, whether similar or dissimilar thereto, their product derivatives and other minerals and chemical substances, in crude or refined condition. OSPGC operates a 120MW diesel power plant located in the Subic Bay Freeport Zone.

ACE Enexor, Inc., formerly PHINMA Petroleum and Geothermal, Inc., Trans-Asia (Karang Besar) Petroleum Corporation, and Trans-Asia Petroleum Corporation (TAPET). ACE Enexor was incorporated and registered with the SEC on 28 September 1994 to engage in the business of oil exploration and well development. It was listed with the PSE on 28 August 2014 using TAPET as its ticker symbol. ACE Enexor is engaged in oil exploration and well development. On 31 May 2017, it amended its Articles of Incorporation to change its name from Trans-Asia Petroleum Corporation to PHINMA Petroleum and Geothermal, Inc., using "PPG" as its stock ticker symbol, to reflect the company's expansion into geothermal exploration. On 11 November 2019, it further amended its Articles of Incorporation to change its name to ACE Enexor, Inc., using "ACEX" as its stock ticker symbol, to reflect the change in ownership at ACEN.

Palawan55 Exploration & Production Corporation ("Palawan55") Palawan55 was incorporated and registered with the SEC on 16 November 2012 to engage in the business of exploration, prospecting, discovery, development, extraction, production and exploitation of crude oil, natural gas, natural gas liquids and other forms of petroleum, the products and by-products thereof and to process, manufacture, refine prepare for market, buy, sell, and transport or otherwise deal in same in crude, raw or refined condition. It is a 69.35% owned subsidiary of ACE Enexor. Palawan55 owns a 75% interest in SC 55. The corporation has not started commercial operations.

South Luzon Thermal Energy Corporation ("SLTEC") SLTEC was incorporated and registered with the SEC on 29 July 2011 to engage in the business of owning, developing, constructing, operating, repairing and maintaining power generation plants, as well as generating, marketing and selling electricity, including the provision of services necessary or incidental thereto. It currently owns and manages a 2x135MW clean coal power plant in Calaca, Batangas. The first unit of the plant started its commercial operations in April 2015, and the second unit started in February 2016.

Buendia Christiana Holdings Corp. ("BCHC") BCHC was incorporated and registered with the SEC on 10 May 2019 as a holding company. On 12 December 2019, ACEN entered into a subscription agreement BCHC to subscribe to the increase in authorized capital stock of BCHC, thereby becoming a wholly-owned subsidiary of ACEN. BCHC is intended to be the landholding company of ACEN.

ACE Shared Services, Inc. ("ACES") ACES was incorporated and registered with the SEC on 5 December 2019 for the primary purpose to provide a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/bookkeeping services (without engaging in the practice of accountancy), including but not limited to data entry, scanning, records management and data analysis; information technology services including but not limited to application hosting, maintenance, deployment, and technical support; procurement services including but not limited to data entry, contract preparation, contract administration services including data entry, contract preparation, contract monitoring; sales administration services including but not limited to billing and collection; human resources management including but not limited to payroll and claims processing and reimbursement; manpower related services and other related functions.

Giga Ace 1, Inc. Giga Ace 1 was incorporated and registered with the SEC on 14 November 2019 as a holding company for renewable energy and other corporations. Giga Ace 1 is the entity designated by ACEN to hold the PWHC shares acquired from PINAI.

Giga Ace 2, Inc. Giga Ace 2 was incorporated and registered with the SEC on 14 November 2019 as a holding company for renewable energy and other corporations. Giga Ace 2 is the entity designated by ACEN to hold the SacaSol shares acquired from PINAI.

Giga Ace 3, Inc. Giga Ace 3 was incorporated and registered with the SEC on 14 November 2019 as a holding company for renewable energy and other corporations. Giga Ace 3 is the entity designated by ACEN to hold the IslaSol shares acquired from PINAI.

Giga Ace 4, Inc., **Giga Ace 5, Inc.**, **Giga Ace 6, Inc.**, **Giga Ace 7, Inc.**, **Giga Ace 8, Inc.**, **Giga Ace 9, Inc.**, and **Giga Ace 10, Inc.**, are all project holding companies incorporated on 14 November 2019 with the primary purpose to carry on the general business of generating, marketing, selling and supplying energy derived from coal, natural gas, fuel, diesel, gas turbine, steam power plant, fossil fuel, renewable energy sources (including but not limited to hydro, wind, solar, biomass, geothermal, or ocean/tidal), and other viable sources of power; to develop, construct, install, build, commission, operate, own, maintain, rehabilitate, operate, manage, lease and transfer power generating plants and related facilities, for both renewable and non-renewable energy sources, and other generating plants of any type and technology and related facilities; to engage in the business of a retail electricity supplier and energy consolidator or aggregator including sourcing, selling, brokering, marketing and aggregating of electricity to the end-user; and to provide related services such as those necessary or appropriate in connection with the foregoing, to such an extent and in such manner as may be permitted by applicable law and provided that it shall not operate as a public utility. GigaAce4, Inc. is the owner and operator of a 40MW battery energy storage system in Alaminos, Laguna.

Giga Ace 11, Inc. and Giga Ace 12, Inc. are project holding companies incorporated on 26 October 2021 with the primary purpose to carry on the general business of generating, marketing, selling and supplying energy derived from coal, natural gas, fuel, diesel, gas turbine, steam power, fossil fuel, renewable energy sources (including but not limited to hydro, wind, solar, biomass, geothermal, or ocean/tidal), and other viable sources of power including the importation of materials of the raw materials and equipment necessary to perform such purpose; to develop, construct, install, build, commission, operate, own, maintain, rehabilitate, operate, manage, lease and transfer power generating plants and related facilities, for both renewable and non-renewable energy sources, including energy storage systems and other generating plants of any type and technology and related facilities; to engage in the business of a retail electricity supplier and energy consolidator or aggregator including sourcing, selling, brokering, marketing and aggregating of electricity to the end-user; and to provide related services such as those necessary or appropriate in connection with the foregoing, to such an extent and in such manner as may be permitted by applicable law and provided that it shall not operate as a public utility.

Giga Ace 14, Inc. and Giga Ace 15, Inc. are project holding companies incorporated on 28 October 2021 with the primary purpose to carry on the general business of generating, marketing, selling and supplying energy derived from coal, natural gas, fuel, diesel, gas turbine, steam power, fossil fuel, renewable energy sources (including but not limited to hydro, wind, solar, biomass, geothermal, or ocean/tidal), and other viable sources of power including the importation of materials of the raw materials and equipment necessary to perform such purpose; to develop, construct, install, build, commission, operate, own, maintain, rehabilitate, operate, manage, lease and transfer power generating plants and related facilities, for both renewable and non-renewable energy sources, including energy storage systems and other generating plants of any type and technology and related facilities; to engage in the business of a retail electricity supplier and energy consolidator or aggregator including sourcing, selling, brokering, marketing and aggregating of electricity to the end-user; and to provide related services such as those necessary or appropriate in connection with the foregoing, to such an extent and in such manner as may be permitted by applicable law and provided that it shall not operate as a public utility.

Negros Island Solar Power, Inc. ("ISLASOL") ISLASOL was incorporated and registered with the SEC on 5 November 2014 with the primary purpose to carry on the business of exploring, developing and utilizing renewable energy resources, such as but not limited to biomass, biogas, hydropower, wind, solar energy, including operating, managing, maintaining and rehabilitating solar energy systems, to include bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies. ISLASOL owns a 32 MWdc solar farm in La Carlota City, Negros Occidental and a 48 MWdc solar farm in Manapla, Negros

Occidental, which began their commercial operations on 29 March 2016 and 8 March 2016, respectively, and are currently dispatching their full capacity to the grid.

San Carlos Solar Energy, Inc. (“SACASOL”) SACASOL was incorporated and registered with the SEC on 17 April 2013 with the primary purpose to carry on the business of exploring, developing and utilizing renewable energy resources, such as but not limited to biomass, biogas, hydropower, wind, solar energy, including operating, managing, maintaining and rehabilitating solar energy systems, to include bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies. SACASOL owns and operates the 22MWdc and the 23MWdc solar power plants in San Carlos City, Negros Occidental, which were each issued a Certificate of Compliance for Feed-in Tariff (“COC-FIT”) from the ERC. By virtue of the COC-FITs, they were awarded Feed-in Tariff (“FIT”) for 20 years.

Monte Solar Energy, Inc. (“MONTESOL”) MonteSol was incorporated and registered with the SEC on 25 July 2014 with the primary purpose to carry on the business of exploring, developing and utilizing renewable energy resources, such as but not limited to biomass, biogas, hydropower, wind, solar energy, including operating, managing, maintaining and rehabilitating solar energy systems, to include bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies. MonteSol owns and operates an 18 MWdc solar power plant at Bais, Negros Oriental, which obtained a COC-FIT from the ERC and entitled it to Feed-In Tariff for a period of 20 years.

ACE Endevor, Inc. (“ACE Endevor”) formerly AC Energy Development, Inc., San Carlos Clean Energy, Inc. ACE Endevor was incorporated and registered with the SEC on 10 November 2014 to engage in all aspects of exploration, assessment, development and utilization of renewable and other energy resources and storage of electricity. ACE Endevor is a wholly-owned subsidiary of ACEIC, through the latter’s acquisition of the former in March 2017. It is ACEIC’s renewable energy development, management and operations platform. ACE Endevor wholly owns LCC Bulk Water, MCV Bulk Water, and SJLD.

Visayas Renewables Corp. (“VRC”), formerly Bronzeoak Clean Energy Inc. VRC was incorporated and registered with the SEC on 24 June 2015 with a primary purpose to evaluate, examine, license, purchase, promote, develop, engage, and market in whole or in part in the manufacture and sale of electric current, biofuels and other utilities of any kind and character. It is currently a holding company co-owning shares in SacaSol, IslaSol and MonteSol.

San Julio Land Development Corporation (“SJLD”) was incorporated on 20 June 2014 with a primary purpose to deal and engage in land and real estate business, to hold, own, develop, manage, administer, purchase, lease, encumber, construct, alter in whole or in part, or otherwise deal in and dispose of, for itself or for others, for profit, all kinds of real estate projects, including, but not limited to, residential, commercial, industrial, as well as utilities, with or for persons and entities an under such terms and conditions as may be permitted by law; to enter into joint ventures and other similar arrangements in the furtherance of such land and real estate business. SJLD has ownership interest in MSPDC.

LLC Bulk Water Supply, Inc. and MCV Bulk Water Supply, Inc. were incorporated on 21 January 2014 with the primary purpose to engage in the business of collecting, purification, and distribution of water.

SCC Bulk Water Supply Inc. SCC Bulk Water was incorporated and registered with the SEC on 9 September 2015, with the primary purpose to engage in the collection, purification and distribution of water in Negros Occidental. On 18 December 2017, AC Energy International acquired 100% interest in

SCC Bulk Water. On 1 October 2019, AC Energy International transferred its ownership in SCC Bulk Water to ACE Endevor. It has obtained the contract for the supply and distribution of water to San Carlos Biopower, Inc.

HDP Bulk Water Supply Inc. HDP Bulk Water was incorporated and registered with the SEC on 20 October 2017 to engage in the business of extraction, generation, supply and distribution of water. HDP Bulk Water supplies water to San Carlos Bioenergy, Inc. under a Water Supply Contract executed on 31 October 2006, which was assigned to HDP Bulk Water on 11 December 2017.

Ingrid2 Power Corp and Ingrid3 Power Corp. were incorporated on 14 October 2019 with the primary purpose to own, operate, manage, maintain, and rehabilitate energy system and projects, to provide services, including advisory and consultancy services, in relation to energy projects, and in such other activities related thereto, and to acquire and/or lease land, and franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purpose set forth.

Ingrid4 Power Corp. was incorporated on 27 January 2021 with the primary purpose to own, operate, manage, maintain, and rehabilitate energy system and projects, to provide services, including advisory and consultancy services, in relation to energy projects, and in such other activities related thereto, and to acquire and/or lease land, and franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purpose set forth.

Ingrid5 Power Corp. was incorporated on 12 April 2021 with the primary purpose to own, operate, manage, maintain, and rehabilitate energy system and projects, to provide services, including advisory and consultancy services, in relation to energy projects, and in such other activities related thereto, and to acquire and/or lease land, and franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purpose set forth.

Ingrid6 Power Corp. was incorporated on 9 March 2021 with the primary purpose to own, operate, manage, maintain, and rehabilitate energy system and projects, to provide services, including advisory and consultancy services, in relation to energy projects, and in such other activities related thereto, and to acquire and/or lease land, and franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purpose set forth.

Solienda Inc. Solienda was incorporated and registered with the SEC on 29 November 2016 to deal and engage in land lease and real estate business. On 5 December 2016, San Julio Realty, Inc. assigned to Solienda the absolute and irrevocable title, rights and interest in the contract of lease, and the subsequent amendment agreements, with San Carlos Sun Power, Inc.

Gigasol 2, Inc. Gigasol2 was incorporated and registered with the SEC on 13 March 2017 to engage in the business of exploring, developing, and utilizing renewable energy projects in the Philippines. On 12 July 2018, AC Energy International transferred to Gigasol2 100% ownership of AC Laguna Solar Inc., AC La Mesa Solar Inc., AC Subic Solar Inc., Gigasol 1 Inc., Gigasol 3 Inc., SolarAce 1, and SolarAce 2 Inc. Gigasol2 also holds the project holding companies SolarAce 3, Inc., SolarAce 4, Inc., Gigawind 1, Inc., and Gigawind 2, Inc., and owns PWPC which incorporated and registered with the SEC on 9 December 2009 as a holding company for renewable energy and other corporations. PWPC is the parent company of BWPC, which is the project company for the proposed Balaoi-Caunayan wind farm in Ilocos Norte.

Gigasol1, Inc., Gigasol2, Inc. and Gigasol3, Inc. were incorporated on 13 March 2017 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth.

Gigasol3, Inc. developed the 63.005MWdc Gigasol3 Solar Power Plant in of Palauig, Zambales pursuant to SEOC No. 2020-02-560. The solar plant is currently commercially operating under a PAO issued by the ERC on 23 June 2021.

Gigasol4, Inc. was incorporated on 26 May 2021 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth.

Gigasol5, Inc. and Gigasol7, Inc. were incorporated on 12 April 2021 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth.

Gigasol6, Inc. was incorporated on 3 June 2021 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth.

Gigasol8, Inc., Gigasol9, Inc., and Gigasol10, Inc. were incorporated on 11 November 2021 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, geothermal, ocean/tidal and solar energy, including operating, managing, maintaining, and rehabilitating energy systems and energy storage systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth.

GigaWind1 Inc. and GigaWind2 Inc. were incorporated on 14 October 2019 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth. On 11

January 2021, the DOE issued Wind Energy Service Contract No. 2020-09-116 in favor of GigaWind1 Inc. On 25 August 2021, the DOE issued Wind Energy Service Contract No. 2021-07-116 in favor of GigaWind2 Inc.

GigaWind3 Inc. and GigaWind5 Inc. were incorporated on 12 April 2021 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth. On 31 August 2021, the DOE issued Wind Energy Service Contract No. 2021-08-168 in favor of GigaWind5 Inc.

GigaWind4 Inc. was incorporated on 7 June 2021 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth.

SolarAce1 Energy Corp. and SolarAce2 Energy Corp. were incorporated on 20 March 2017 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth. SolarAce1 Energy Corp. developed the 120.326MWdc Alaminos Solar Power Plant in Alaminos, Laguna by virtue of Solar Energy Operating Contract (“SEOC”) No. 2020-11-572 The solar plant is currently commercially operating under a Provisional Authority to Operate (“PAO”) issued by the ERC on 18 August 2021.

SolarAce3 Energy Corp. and SolarAce4 Energy Corp. was incorporated on 14 October 2019 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth. On 29 April 2022, the DOE issued Solar Energy Operating Contract No. 2022-04-617 in favor of SolarAce3 Energy Corp.

AC Subic Solar, Inc. and AC Laguna Solar, Inc. were incorporated on 20 September 2016 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining, and rehabilitating energy systems, to include bulk procurement, marketing, and setting up of arrangement and brokerage of the same energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, or for the purposes set forth. On 23 December 2019, the DOE issued respective Solar Energy Service Contracts to AC Subic Solar, Inc. and AC Laguna Solar, Inc.

AC La Mesa Solar, Inc. was incorporated and registered with the SEC on 20 September 2016 with the primary purpose to carry on the business of exploring, developing, and utilizing renewable energy resources, such as but not limited to, biomass, biogas, hydropower, wind, and solar energy, including operating, managing, maintaining and rehabilitating energy systems, to include bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities. It is a wholly-owned subsidiary of Gigasol2.

It is the holder of Solar Energy Service Contract No. 2017-05-396, pursuant to which it has the exclusive right to explore, develop, and utilize solar energy resources within a certain area in Quezon City.

Bataan Solar Energy, Inc. (“BSEI”) was incorporated and registered with the SEC on 27 July 2016 with the primary purpose to carry on the business of operating, managing, maintaining, and rehabilitating solar energy systems, including bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities. It is a wholly-owned subsidiary of Gigasol2.

BSEI is the holder of Solar Energy Service Contract No. 2017-06-410, pursuant to which it has the exclusive right to explore develop, and utilize solar energy resources within a certain area in the Municipality of Mariveles in the Province of Bataan.

Santa Cruz Solar Energy, Inc. (“SCSE”) was incorporated on 13 July 2016 with the primary purpose to carry on the business of exploration, development, and utilization of renewable energy projects; operating, managing, maintaining and rehabilitating renewable energy systems, including bulk procurement, marketing and setting up of arrangements and brokerage of the same renewable energy systems as necessary for the generation, transmission, distribution, sale, and delivery of electricity to domestic, commercial and industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities and such other rights and activities incidental thereto, of for the purpose set forth.

Pagudpud Wind Power Corp. (“PWPC”) was incorporated and registered with the SEC on 9 December 2009 as a holding company for renewable energy and other corporations. PWPC is a wholly-owned subsidiary of ACE Endevor, and is the parent company of BWPC, which is the project company for the proposed Balaoi-Caunayan wind farm in Ilocos Norte.

Bayog Wind Power Corp. (“BWPC”) was incorporated and registered with the SEC on 13 January 2010. BWPC holds Wind Energy Service Contracts (“WESC”) Nos. 2010-02-038 and 2014 06-073 issued by the DOE for the development, construction, ownership and operation of wind farms in the towns of Balaoi and Caunayan in the Province of Ilocos Norte, Philippine. Pursuant to these WESCs, BWPC intends to develop the proposed Balaoi-Caunayan wind farm. The implementation of the Balaoi-Caunayan wind farm project is governed by the Investment Framework Agreement and the Shareholders’ Agreement executed by and among BWPC, ACEIC, ACE International, UPC Philippines HoldCo II B.V., and PWPC in November 2018. In 2019, ACE International transferred all of its ownership in PWPC to ACE Endevor, and ACE Endevor executed a Deed of Accession to accede to the agreements executed in relation to the Balaoi-Caunayan wind farm project.

Manapla Sun Power Development Corporation ("MSPDC") MSPDC was incorporated and registered with the SEC on 16 December 2014 with a primary purpose to engage in the business or renewable energy such as, but not limited to biomass, mini-hydro or solar power and ancillary business, and to own, lease, operate, manage or develop public or private lands. In March 2017, ACEIC acquired 66.2% of MSPDC. MSDPC is the landowner of and the lessor for IslaSol's solar farm in Manapla, Negros Occidental.

ACE Renewables Philippines, Inc. ACE Renewables was incorporated and registered with the SEC on 6 April 2005 as a holding company with the primary purpose to purchase, subscribe for, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of property of every kind and description, shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities, contracts or obligations of an corporation or corporations, domestic or foreign. It is a wholly- owned subsidiary of ACEIC. ACE Renewables is a shareholder in NPDC, which developed the country's first commercial wind farm, and owns and operates the 52MW Bangui wind project in Bangui, Ilocos Norte.

NorthWind Power Development Corporation ("NPDC") NPDC was incorporated and registered on 15 June 2000 with a purpose to engage in the generation of electricity from renewable energy sources. NPDC developed the country's first commercial wind farm, owns and operates the 52 MW Northwind Power in Bangui, Ilocos Norte. Phase I of Northwind Power consists of 15 wind turbines and started commercial operation in June 2005. Phase II of Northwind Power was completed in August 2008 and added five more wind turbines bringing total capacity to 33 MW. Finally, Phase III of Northwind Power added six more new wind turbines with a total installed capacity of 19 MW and was completed in October 2014.

Viage Corporation Viage was incorporated and registered with the SEC on 22 August 2005 as holding company to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose real and personal property of every kind in particular, shares of stock, voting trust certificates, bonds, debentures, notes, evidences of indebtedness association, domestic or foreign, including those of the Government of the Philippines, or any of its instrumentalities, without being a stockbroker or dealer. Viage is a shareholder in NPDC, which developed the country's first commercial wind farm, and owns and operates the 52MW wind farm in Bangui, Ilocos Norte.

ACTA Power Corporation ACTA was incorporated and registered with the SEC on 9 February 2012 to engage in the business of owning, developing, constructing, operating, repairing, and maintain power generation facilities of any kind, as well as generating, marketing and selling electricity. Through a joint venture with Ayala Corporation in February 2012, ACTA is currently owned 50/50 by the Company and ACEIC. ACTA has not started commercial operations.

Buduan Wind Energy Co, Inc. was incorporated on 12 January 2010 with the primary purpose to develop, undertake, implement, operate and own wind energy projects/facilities. On 18 March 2022, the Company, ACE Endevor, UPC Philippines Wind Investment Co. BV ("UPC Philippines"), UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, Buduan Wind Energy Co, Inc. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

Caraballo Mountains UPC Asia Corporation was incorporated on 12 October 2012 with the primary purpose to provide a means and method for wind resource and carbon credit assessment, quantification and evaluation; to conduct scientific research, development, investigation, study, experiments, and test in the optimal utilization of wind resources as well as applications for Clean Development Mechanism and carbon credits; to construct, install, erect and maintain edifices, structures, machinery and equipment necessary for wind resource assessment and development; to employ technicians, experts and engineers in every branch of scientific skill and endeavor, and to initiate, direct, and supervise their efforts in research, surveys and investigations in the field of wind resource technology as well as Clean Development Mechanism and carbon credits; to acquire, purchase, own, lease, and sub-lease public or private land, and to apply for, obtain and secure franchises, permits and licenses as may be necessary or incidental to the conduct of the foregoing purposes. On 18 March 2022, the Company, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, Caraballo Mountains UPC Asia Corporation. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

Pangasinan UPC Asia Corporation was incorporated on 1 September 2006 with the primary purpose to provide a means and method for wind resource and carbon credit assessment, quantification and evaluation; to conduct scientific research, development, investigation, study, experiments, and test in the optimal utilization of wind resources as well as applications for Clean Development Mechanism and carbon credits; to construct, install, erect and maintain edifices, structures, machinery and equipment necessary for wind resource assessment and development; to employ technicians, experts and engineers in every branch of scientific skill and endeavor, and to initiate, direct, and supervise their efforts in research, surveys and investigations in the field of wind resource technology as well as Clean Development Mechanism and carbon credits; to acquire, purchase, own, lease, and sub-lease public or private land, and to apply for, obtain and secure franchises, permits and licenses as may be necessary or incidental to the conduct of the foregoing purposes. On 23 December 2019, the DOE issued Wind Energy Service Contract No. 2017-10-119 in favor of Pangasinan UPC Asia Corporation. On 18 March 2022, the Company, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, Pangasinan UPC Asia Corporation. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

Sapat Highlands Wind Corporation was incorporated on 8 April 2010 with the primary purpose to develop, undertake, implement, operate and own wind energy projects/facilities. On 18 March 2022, the Company, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, Sapat Highlands Wind Corporation. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

UPC Mindanao Wind Power Corp. was incorporated on 18 March 2021 with the primary purpose to engage in power generation under the Renewable Energy Law. On 18 March 2022, the Company, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, UPC Mindanao Wind Power Corp. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

Itbayat Island UPC Asia Corporation was incorporated on 14 June 2006 with the primary purpose to provide a means and method for wind resource and carbon credit assessment, quantification and evaluation; to conduct scientific research, development, investigation, study, experiments, and test in the optimal utilization of wind resources as well as applications for Clean Development Mechanism and carbon credits; to construct, install, erect and maintain edifices, structures, machinery and equipment necessary for wind resource assessment and development; to employ technicians, experts and engineers in every branch of scientific skill and endeavor, and to initiate, direct, and supervise their efforts in research, surveys and investigations in the field of wind resource technology as well as Clean Development Mechanism and carbon credits; to acquire, purchase, own, lease, and sub-lease public or private land, and to apply for, obtain and secure franchises, permits and licenses as may be necessary or incidental to the conduct of the foregoing purposes. On 29 July 2021, the DOE issued Wind Energy Service Contract No. 2021-07-166 in favor of Itbayat Island UPC Asia Corporation. On 18 March 2022, the Company, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, Itbayat Island UPC Asia Corporation. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

Laguna Central Renewables, Inc. and Laguna West Renewables, Inc. were incorporated on 17 November 2016 with the primary purpose to develop, construct, own, and operate renewable energy projects, transmission lines and towers in the Philippines for the purpose of generation and sale of electric power, and in connection therewith, to construct, install, erect, maintain, import or export edifices, structures, machinery and equipment necessary for the generation and sale of electric power; to employ (among others) technicians, experts and engineers in every branch of scientific skill and endeavor; to acquire, purchase, own, lease, and sub-lease real and other property; and to apply for, obtain and secure franchises, permits and licenses as may be necessary or incidental to the conduct of the foregoing purposes. On 20 December 2019, the DOE issued Solar Energy Service Contract No. 2017-08-443 and Solar Energy Service Contract No. 2019-11-542 to Laguna West Renewables, Inc. and Laguna Central Renewables, Inc., respectively. On 18 March 2022, the Company, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, Laguna Central Renewables, Inc. and Laguna West Renewables, Inc. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

Suyo UPC Asia Corporation was incorporated on 3 November 2006 with the primary purpose to provide a means and method for wind resource and carbon credit assessment, quantification and evaluation; to conduct scientific research, development, investigation, study, experiments, and test in the optimal utilization of wind resources as well as applications for Clean Development Mechanism and carbon credits; to construct, install, erect and maintain edifices, structures, machinery and equipment necessary for wind resource assessment and development; to employ technicians, experts and engineers in every branch of scientific skill and endeavor, and to initiate, direct, and supervise their efforts in research, surveys and investigations in the field of wind resource technology as well as Clean Development Mechanism and carbon credits; to acquire, purchase, own, lease, and sub-lease public or private land, and to apply for, obtain and secure franchises, permits and licenses as may be necessary or incidental to the conduct of the foregoing purposes. On 18 March 2022, the Company, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Stella Marie L. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights to the Company and ACE Endevor in, among others, Suyo UPC Asia Corporation. On 22 March 2022, the Company and ACE Endevor signed the relevant transfer documents with the sellers and thereby completed the acquisition.

DESCRIPTION OF DEBT

As of 31 March 2022, ACEN had the equivalent of ₱46.8 billion of outstanding debt, of which ₱33.8 billion are unsecured.

Of ACEN's outstanding debt, ₱22.9 billion is evidenced by a debt instrument that was acknowledged by both the creditor and ACEN before a notary public. Under Philippine law, in the event that a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a debt instrument that has been acknowledged by the creditor and the borrower before a notary public enjoys a preference over unsecured debt that has not been so notarized. ACEN has secured the waiver by the creditors of such preference in their respective debt instruments, subject to the condition that should any creditor of ACEN have a preference or priority as a result of notarization of the documents evidencing such indebtedness and ACEN has not procured a waiver of such preference from the other creditors, then the waiver shall be deemed automatically cancelled and the benefit of preference of priority created by the notarization is automatically reinstated without need of any further act or deed. (See discussion under *"**Risk Factors**"* on page 44 this Prospectus).

The following tables set forth the outstanding long and short-term debt of ACEN and its subsidiaries as of 31 March 2022.

Short-Term Debt

Borrower	**31 March 2022 (Unaudited)**
ACEN	₱3,237,020

Long-Term Debt

Borrower	**31 March 2022 (Unaudited)**
ACEN	₱9,921,355
SLTEC	9,812,500
NPDC	2,092,540
GWC	1,213,582
Pangasinan UPC Asia Corporation	49,308
Subtotal	**23,089,285**
Less unamortized debt issue costs	219,975
Total Long-Term Debt	**₱22,869,310**

Notes Payable

Issuer	**31 March 2022 (Unaudited)**
ACEN Finance	₱20,676,392

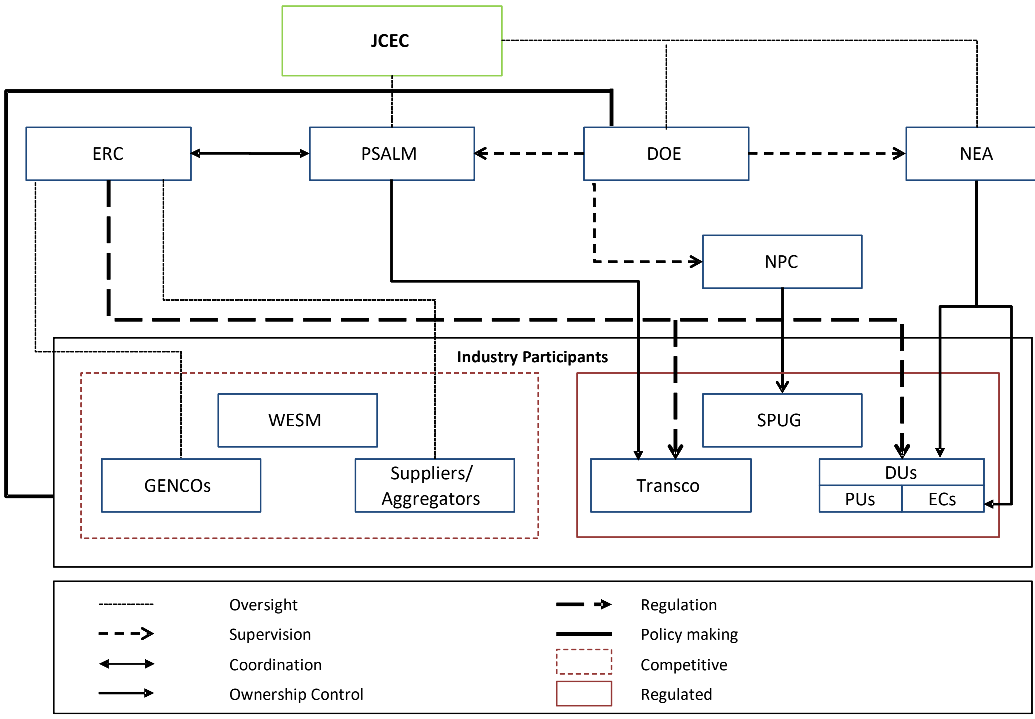
REGULATORY FRAMEWORK

The information in this section has been derived from various government and private publications or obtained from communications with various government agencies unless otherwise indicate and has not been prepared or independently verified by the Company, the Joint Lead Underwriters and Bookrunners, or any of their respective affiliates or advisors. The information may not be consistent with other information compiled within or outside the Philippines.

Regulation of the Philippine Power Industry

Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act ("EPIRA") established a framework for the organization and operation of the electric power industry in connection with its restructuring, with the industry divided into four sectors: generation, transmission, distribution and supply. The structural reforms resulted among others in the creation of two government-owned and controlled corporations ("GOCCs"), the Power Sector Assets and Liabilities Management Corporation ("PSALM") and the TransCo.

The following diagram shows the current structure of the electric power industry under the EPIRA:



Note:
DUs: distribution Utilities
ECs: Electric Cooperatives
GENCOs: Any entity authorized by the ERC to operate electricity generation facilities
JCEC: Joint Congressional Energy Commission
PUs: Production Utilities

Since the enactment of the EPIRA in 2001, the Philippine power industry has undergone and continues to undergo significant restructuring. Through the EPIRA, the Philippine government began to institute major reforms with the goal of fully privatizing all aspects of the power industry. The major aspects of the reforms include the (1) restructuring of the entire power industry to introduce competition in the generation sector, (2) change from government to private ownership, and (3) introduction of a stable regulatory framework for the electricity sector.

With a view to implementing the EPIRA's objectives, the DOE, in consultation with the relevant government agencies, electric power industry participants, non-government organizations and electricity consumers, promulgated the Implementing Rules and Regulations of the EPIRA (the "EPIRA IRR") on 27 February 2002.

The EPIRA IRR governs the relations among, and respective responsibilities of, the different electric power industry participants as well as the particular governmental authorities involved in implementing the structural reforms in the industry, namely the DOE, NPC, National Electrification Administration ("NEA"), ERC and PSALM.

Primary Regulatory Agencies

Energy Regulatory Commission

The ERC is the independent, quasi-judicial regulatory body created under the EPIRA that replaced the Energy Regulatory Board. The ERC plays a significant role in the restructured industry environment, consisting of, among others, promoting competition, encouraging market development, ensuring consumer choice and penalizing abuse of market power by industry participants.

The ERC is an independent quasi-judicial regulatory body mandated to carry out (but not limited to) the following:

- Promote competition and encourage market development;

- Determine the pricing in the energy market;

- Review and approve any plan for expansion or improvement of transmission facilities submitted by TransCo; and

- Perform other regulatory functions as appropriate and necessary to ensure successful restructuring and modernization of the electric power industry.

Department of Energy

In accordance with its mandate to supervise the restructuring of the electric power industry, the DOE exercises, among others, the following functions:

- preparation and annual updating of the Philippine Energy Plan and the Philippine Power Development Program, and thereafter integrate the latter into the former;

- ensuring the reliability, quality and security of the supply of electric power;

- exercise of supervision and control over all government activities pertaining to energy projects;

- encouragement of private investment in the power industry sector and promotion of the development of indigenous and renewable energy sources for power generation;

- facilitation of reforms in the structure and operation of distribution utilities for greater efficiency and lower costs;

- promotion of incentives to encourage industry participants, including new generating companies and end-users, to provide adequate and reliable electric supply;

- education of the public (in coordination with NPC, ERC, NEA and the Philippine Information Agency) on the restructuring of the industry and the privatization of NPC assets; and

- establishment of the WESM in cooperation with electric power industry participants, and formulating rules governing its operations.

The DOE supervises the operation of the Wholesale Electricity Spot Market of the Philippine Electricity Market Corporation. The Philippines fosters a liberal competitive environment for market players under each segment within the power structure.

Joint Congressional Energy Commission

The Joint Congressional Energy Commission ("JCEC") created pursuant to the EPIRA consists of 14 members with the Chairmen of the Committee on Energy of the Philippine Senate and House of Representatives and six additional members from each House to be designated by the Senate President and the Speaker of the House of Representatives, respectively. The JCEC has the authority to conduct hearings and receive testimony, reports, and technical advice; invite or summon any public official or private citizen to testify before it; and require any person to produce records or documents that JCEC may require. The JCEC will also now be assisted by a secretariat who may be seconded from the Senate and the House of Representatives and may retain consultants. The secretariat shall be headed by an executive director who has sufficient background and competence on the policies and issues relating to electricity industry reforms as provided in the EPIRA. On 12 April 2019, Republic Act No. 11285 or the Energy Efficiency and Conservation Act ("EEC") was signed into law. Under this law, the Joint Congressional Power Commission was renamed to the JCEC. On 7 July 2021, Republic Act No. 11571 or the JCEC Enhancement Act was signed into law making the JCEC as the permanent oversight body tasked of ensuring the full implementation of landmark energy laws.

Reorganization of the Electric Power Industry

Of the many changes initiated by the EPIRA, of primary importance is the reorganization of the electric power industry by segregating the industry into four sectors: (1) the generation sector; (2) the transmission sector; (3) the distribution sector; and (4) the supply sector. The goal is for the generation and supply sectors to be fully competitive and open, while the transmission and distribution sectors will remain regulated. Prior to the EPIRA, the industry was regulated as a whole, with no clear distinctions between and among the various sectors and/or services.

The Generation Sector

The generation sector converts fuel and other forms of energy into electricity. This sector, by utility, consists of the following: (i) NPC-owned and -operated generation facilities; (ii) NPC-owned plants, which consist of plants operated by IPPs, as well as IPP-owned and -operated plants; and (iii) IPP-owned and - operated plants that supply electricity to customers other than NPC. Successes in the privatization process of NPC continue to build up momentum for the power industry reforms.

Historically, the generation sector has been dominated by NPC. To introduce and foster competition in the sector, and, more importantly, to lessen the debt of NPC, the EPIRA mandates the total privatization of the generation assets and IPP agreements of NPC, which exclude the assets devoted to missionary electrification through the NPC Small Power Utilities Group ("SPUG"). NPC is directed to transfer ownership of all the assets for privatization to a separate entity, PSALM, which is specially tasked to manage the privatization. Beginning early 2004, PSALM has been conducting public biddings for the generation facilities owned by NPC.

The goal of the EPIRA is for the generation sector to be open and competitive, while the private sector is expected to take the lead in introducing additional generation capacity. Generation companies will compete either for contracts with various suppliers and private distribution utilities, or through spot sale transactions in the WESM. Competition will be based largely on pricing, subject to availability of transmission lines to wheel electricity to the grid and/or buyers. Recovery by distribution utilities ("DUs") of their purchased power cost is subject to review and regulation by the ERC to determine reasonableness of the cost that are passed on to consumers. With the implementation of RCOA, generation rates, except those intended for the "Captive Market" (*i.e.*, a market of electricity end-users who may not choose their supplier of electricity), ceased to be regulated to a certain extent.

Under the EPIRA, generation companies are allowed to sell electricity to distribution utilities or to retail electricity suppliers through either bilateral contracts or the WESM as described below. With the implementation of RCOA on 26 December 2013, as supplemented by DOE Department Circular No. 2015-06-0010, generation companies may likewise sell electricity to eligible end-users with an average monthly peak demand of 750KW and certified by the ERC to be such ("Contestable Market"). No generation company is allowed to own more than 30.0% of the installed generating capacity of the Luzon, Visayas or Mindanao grids and/or 25.0% of the national installed generating capacity. Also, no generation company associated with a distribution utility may supply more than 50.0% of the distribution utility's total demand under bilateral contracts, without prejudice to the bilateral contracts entered into prior to the enactment of the EPIRA.

The EPIRA provides that power generation is not a public utility operation and thus, not required to secure national franchises and there are no restrictions on the ability of non-Filipinos to own and operate generation facilities. However, in order to operate, generation companies must obtain a COC from the ERC, as well as health, safety and environmental clearances from appropriate government agencies under existing laws. Upon implementation of RCOA, the prices charged by a generation company for the supply of electricity shall not be subject to regulation by the ERC except as otherwise provided under the EPIRA.

In 2016, the ERC issued the implementing rules governing the issuance and renewal of licenses to RESs and the rules governing contestability of qualified end-users (collectively, the "ERC RES Rules"). However, in February 2017, the Philippine Supreme Court, acting on the petition filed by certain entities, issued a temporary restraining order enjoining the DOE and the ERC from implementing the rules and regulations implementing the RCOA, including the ERC RES Rules. In response thereto, the DOE issued DOE Circular No. 2017-12-0013 allowing the voluntary participation in the retail market of Contestable Customers with average peak demand of 750 kW. Further, on 3 December 2020, the ERC issued Resolution No. 12, Series of 2020 prescribing the timeline for the implementation of the RCOA. In the said Resolution, the threshold level of 500kW-749kW qualified Contestable Customers with existing electronic meters capable of recording and reading interval of time, with a built-in communication port for remote and manual data retrieval, shall be allowed to switch to Competitive Retail Electricity Market or the Contestable Market starting 26 February 2021.

In March 2021, the Philippine Supreme Court declared void DOE Circular No. DC2015-06-001 and the ERC RES Rules and directed the ERC to promulgate the supporting guidelines to DOE Circular Nos. DC2017-12-0013 and DC2017-12-0014.

Section 47(j) of the EPIRA prohibits NPC from incurring any new obligations to purchase power through bilateral contracts with generation companies or other suppliers. Also, NPC is only allowed to generate and sell electricity from generating assets and IPP contracts that have not been disposed of by PSALM.

The ERC may impose fines and penalties for violations by generation companies of the EPIRA and the EPIRA IRR policies as well as the ERC's rule and regulations on market power abuse, cross-ownership and anti-competitive behavior.

Requirement of Public Offering for Generation Companies

Under Section 43(t) of the EPIRA, the ERC was mandated to issue rules and guidelines under which, among others, generation companies which are not publicly listed shall offer and sell to the public a portion of not less than 15% of their common shares of stock.

ERC Resolution No. 9, Series of 2011, adopted the rules to implement Section 43(t) of the EPIRA. Under the resolution, generation companies, among others, which are not publicly listed are required to sell to the public a portion of not less than 15% of their common shares of stock. If the authorized capital stock of a generation company is fully subscribed, such company must increase its authorized capital stock by 15% or sell or cause the sale of 15% of its existing subscribed capital stock in order to comply with the public offering requirement under the EPIRA.

According to Resolution No. 9, which took effect on 29 June 2011, any offer of common shares of stock for sale to the public through any of the following modes may be deemed as a public offering for purposes of compliance with the public offering requirement under the EPIRA: (1) listing on the PSE; and (2) listing of the shares of stock in any accredited stock exchange or direct offer of the required portion of a company's capital stock to the public. For generation companies registered with the BOI under the Omnibus Investments Code, the public offering requirement may be complied with by a direct offer of the required portion of the registered enterprise's shares of stock to the public or through its employees through an employee stock option plan (or any plan analogous thereto), provided such offer is deemed feasible and desirable by the BOI.

However, the offer of common shares through an employee stock option plan is not considered a public offering since the offer is limited only to the employees of the generation companies or the DUs and not to the general public. The offer to employees may be considered public offering only when the generation company or distribution utility is a registered enterprise under the Omnibus Investment Code. Further, the public offering requirement does not apply to: (i) self-generation facilities, (ii) generation companies and distribution utilities already listed on the PSE, (iii) generation companies and distribution utilities whose holding companies are already listed on the PSE, (iv) generation companies and distribution utilities which are organized as partnerships, and (v) electric cooperatives which have no common shares of stock.

- On 4 June 2019, the ERC issued Resolution No. 4 amending Resolution No. 9, Series of 2011. The new resolution maintained the previous rule that companies already listed with the PSE are already deemed in compliance of the 15% public offering requirement. Under Resolution No. 4, Series of 2019, the following modes shall be deemed to be public offerings:
- Listing on the PSE;
- In accordance with the 2015 IRR of the SRC:
    - Publication in any printed material distributed in the Philippines;
    - Public presentations;
    - Advertisements or announcements on radio, television, electronic communications, information communication technology, or any other forms of communications; and
    - Distribution of flyers, brochures, or any offering material in a public or commercial place, or through prospective purchasers through the portal system, information communication technology and other means of information distribution.
- Listing of any shares of stock in any accredited stock exchange or direct offer to the public or the employees of an entity registered with the BOI, when deemed feasible and desirable by the latter.

ERC Resolution No. 4, Series of 2019 also provides that generation companies under a Build-Operate-Transfer Scheme must comply with the 15% public offering requirement. Further, it requires that the sale of securities to the public must comply with the SRC and its IRR.

The public offering by existing companies shall be made within five years from the effectivity of ERC Resolution No. 9, Series of 2011, or until 29 June 2016. The five-year period was extended up to 29 June 2017 pursuant to ERC Resolution No. 18, Series of 2016. For new companies, however, the five-year period is counted from the issuance by the ERC of their respective COCs. The period for compliance has further been extended pursuant to ERC Resolution No. 10, Series of 2017 for another year, or until the resolution of the petition filed by the Private Electric Power Operators Association regarding the clarification on whether the registration of common shares at the SEC may be considered as a mode of public offering is resolved, whichever comes earlier. On 21 June 2018, the ERC issued Resolution No. 14, Series of 2018 which further extended the period for compliance until 29 December 2018.

The Transmission Sector

Pursuant to the EPIRA, NPC has transferred its transmission and sub-transmission assets to TransCo, which was created pursuant to the EPIRA to assume, among other functions, the operation of the electrical transmission systems throughout the Philippines. The principal function of TransCo is to ensure and maintain the reliability, adequacy, security, stability and integrity of the nationwide electrical grid in accordance with the Philippine Grid Code ("Grid Code"). TransCo is also mandated to provide Open Access to all industry participants. The EPIRA granted TransCo a monopoly over the high-voltage network and subjected it to performance-based regulations.

The transmission of electricity through the transmission grid is subject to transmission wheeling charges. Since the transmission of electric power is a regulated common carrier business, the transmission wheeling charges of TransCo are subject to regulation and approval by the ERC.

The EPIRA also requires the privatization of TransCo through an outright sale of, or the grant of a concession over, the transmission assets while the subtransmission assets of TransCo are to be offered for sale to qualified distribution utilities. In December 2007, NGCP, comprising a consortium of Monte Oro Grid Resources, Calaca High Power Corporation and State Grid Corporation of China, won the concession contract to operate, maintain and expand the TransCo assets with a bid of U.S.$3.95 billion. NGCP was officially granted the authority to manage and operate the country's sole transmission system on 15 January 2009, pursuant to a legislative franchise granted by the Philippine Congress under Republic Act No. 9511. Ownership of all transmission assets, however, remained with TransCo.

The Grid Code is a subset of EPIRA. It establishes the basic rules, requirements, procedures and technical performance standards that govern the operation, maintenance and development of the Philippine grid, or the high-voltage backbone transmission system and its related facilities. The Grid Code identifies and provides for the responsibilities and obligations of three key independent functional groups, namely: (a) the grid owner, or TransCo; (b) the system operator, or NGCP as the current concessionaire of TransCo; and (c) the market operator, or PEMC. These functional groups, as well as all users of the grid, including generation companies and distribution utilities, must comply with the provisions of the Grid Code as promulgated and enforced by the ERC.

Similar to the Grid Code, the Rules, Terms and Conditions for the Provision of Open Access Transmission Service (OATS Rules) is based on the provisions of the EPIRA and its Implementing Rules and Regulations. The OATS Rules complements the Grid Code. It defines the services that NGCP, as the concessionaire of TransCo, must provide as the Transmission Network Provider, System Operator and Metering Services Provider in accordance with its responsibilities provided in the Grid Code and the WESM Rules. More so, the OATS Rules provide the charges, rates and methodology that NGCP may apply and bill to the Transmission Customers for receiving its services, namely: (i) the Power Delivery Charges, (ii) System Operation Charges; and (iii) Metering Services Provider Charges. The latest OATS Rules was promulgated on 18 May 2022.

In order to ensure the safe, reliable and efficient operation of the Philippine Grid, the Grid Code provides for, among others, the following regulations:

- the establishment of a grid management committee, which is tasked with the monitoring of the day-to-day operation of the grid;
- performance standards for the transmission of electricity through the grid, as well as the operation and maintenance thereof, which standards shall apply to TransCo, NGCP, distribution utilities and suppliers of electricity;
- technical and financial standards and criteria applicable to users of the grid, including generation companies and distribution utilities connected or seeking to connect thereto; and
- other matters relating to the planning, management, operation and maintenance of the grid.

The Distribution Sector

The distribution of electric power to end-users may be undertaken by private distribution utilities, cooperatives, local government units presently undertaking this function, and other duly authorized entities, subject to regulation by the ERC. The distribution business is a regulated public utility business requiring a franchise from Congress, although franchises relating to electric cooperatives remained under the jurisdiction of the NEA until the end of 2006. All distribution utilities are also required to obtain a Certificate of Public Convenience and Necessity ("CPCN") from the ERC to operate as public utilities.

All distribution utilities are also required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code ("Distribution Code"), the Distribution Services and Open Access Rules ("DSOAR") and the performance standards set out in the EPIRA IRR.

The distribution sector is and will continue to be regulated by the ERC, with distribution and wheeling charges, as well as connection fees from its consumers, subject to ERC approval. Likewise, the retail rate imposed by distribution utilities for the supply of electricity to its captive consumers is subject to ERC approval. In addition, as a result of the Philippine government's policy of promoting free competition and open access, distribution utilities are required to provide universal and non-discriminatory access to their systems within their respective franchise areas following commencement of RCOA.

The Distribution Code establishes the basic rules and procedures that govern the operation, maintenance, development, connection and use of the electric distribution systems in the Philippines.

The Distribution Code defines the technical aspects of the working relationship between the distributors and all the users of the distribution system, including distribution utilities, embedded generators and large customers. All such electric power industry participants in distribution system operations are required to comply with the provisions of the Distribution Code as promulgated and enforced by the ERC.

DUs are required to supply electricity in the least cost manner to its captive market. To ensure this, the DOE promulgated DOE Circular Nos. 2015-06-008 and 2018-02-0003, as amended by DOE Circular No. 2021-09-0030, to provide for the Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market ("CSP Rules").

Under the CSP Rules, all PSAs shall be procured through CSP, consistent with the latest and duly reviewed Distribution Development Plan, Power Supply Procurement Plant, and the CSP Rules. CSP refers to the process wherein a Power Supplier or, in the case of off-grid areas, a New Power Producer, is chosen to supply electric power requirements of a DU through transparent and competitive bidding or alternative mode of procurement undertaking by a DU or by aggregated DUs to secure supply of electricity based on the evaluation criteria adopted by DUs. The following are the exceptions to the CSP requirement:

- Any generation projects funded by grants or donations, and will become fully-owned, operated, and controlled by the DU within its franchise area, subject to ownership and market-share limitations as provided under relevant laws and issuance.

- Negotiated procurement or emergency power supply wherein the cooperation period of the corresponding Emergency Power Supply Agreement (EPSA) shall not exceed one (1) year, and such EPSA shall be filed immediately before the ERC upon the issuance and within the effectivity of the Certificate of Exemption from the conduct of CSP.

- Any generating plant to be embedded in the DU, utilizing indigenous resources in the franchise area of the DU, subject to ownership and market-share limitations as provided under relevant laws and issuances, unless it intends to sell generated power outside of the embedded area, in which case, it shall undergo CSP with respect to its excess power.

- The provision for power supply by the NPC in off-grid areas prior to and until the entry of New Power Providers and in emergency circumstances.

- The provision for power supply by the PSALM Corporation through bilateral contracts for the power produced from the undisposed generating assets and IPP contracts.

Alternative methods of procurement may be resorted to exclusively for New Technology, *i.e.*, a technology that is novel or a novel use or arrangement of existing technology that has not yet been commercially operating or applied in the country upon effectivity of the CSP Rules, as amended. At any given year, the capacity to be procured through unsolicited proposal shall not exceed 25% of the DU's peak demand for the year of the unsolicited proposal's required commercial operations minus any capacity previously procured through unsolicited proposals for commercial operations in the same year.

Direct negotiation may be made by the DUs after at least two (2) failed CSPs and there is no outstanding dispute on the conducted CSP. A CSP is considered failed when: (a) no proposal was received by the DU; (b) only one generation company submitted an offer; (c) and competitive offers of prospective generation companies failed to meet the requirements prescribed in the bid documents. In case of alternative methods of procurement, direct negotiation may be made by the DU to the original proponent after two (2) failed comparative biddings, or when (a) no comparative bid was received by the TPBAC/TPA or (b) comparative bids failed to meet the requirements prescribed in the bid documents.

In all cases, the DU and the generation company shall jointly submit the PSA to the ERC for the latter's approval.

The Supply Sector

The supply of electricity refers to the sale of electricity directly to end-users. The supply function used to be undertaken solely by franchised distribution utilities. However, with the implementation of RCOA, the supply function has become competitive. The business is not considered a public utility operation and suppliers are not required to obtain franchises. However, the supply of electricity to the "Contestable Market" (*i.e.*, a market of electricity end-users who have a choice on their supplier of electricity) is considered a business with a public interest dimension. As such, the EPIRA requires all suppliers of electricity to the Contestable Market to obtain a license from the ERC and they are subject to the rules and regulations of the ERC on the abuse of market power and other anti-competitive or discriminatory behavior.

With the implementation of the RCOA, a RES is allowed to enter into retail electricity supply agreements with Contestable Customers. This set-up encourages competition at the retail level. It has been planned that the threshold for retail competition will gradually increase over time, provided that retail electricity suppliers are sufficiently creditworthy to be suitable offtakers for generation companies.

To expand the base of end-users having the ability to choose their suppliers of electricity, the ERC promulgated ERC Resolution No. 04, Series of 2022 or the Rules for the Electric Retail Aggregation Program ("Retail Aggregation Rules"). Under the Retail Aggregation Rules, two or more end-users or all end-users within a contiguous area may join together and be treated as a single Contestable Customer, based on the current demand threshold demand prescribed under the rules, as may be reduced from time to time, wherein such Contestable Customer shall be part of the Contestable Market. No limit shall be imposed on the number of end-users whose demand shall be consolidated, provided, that the total aggregated demand of such single group has complied with the applicable level of contestability for individual contestable customers. Thus, the electricity requirements of end-users whose total monthly average peak demand is at least 500kW for the past three months and are located within a contiguous area may be aggregated. Such aggregation shall be effective beginning 26 December 2022.

For this purpose, contiguous areas are those within the same boundaries such as subdivisions, villages, Special Economic Zones, business districts and other similarly situated end-users in which supply of electricity can be measured through metering devices. Aggregation of end-users may thus be allowed within the geographical boundaries of any of the following: (1) subdivisions; (2) villages; (3) business districts; (4) Special Economic Zones; (5) condominium buildings; (6) commercial establishments such as malls; (7) mixed-use development complexes; and (8) such other geographical areas where similarly situated end-users are located in which supply of electricity can be measured through metering devices. The geographical areas other than the above shall be approved by the ERC upon request made.

End-users located within villages, subdivision or condominium buildings duly registered with the Department of Human and Urban Development or with the Philippine Guarantee Corporation; Special Economic Zones defined under Republic Act No. 7916; and business districts identified by the local government units where they are located, can join retail aggregation and be members of an aggregated group, provided the said end-users are located within the franchise area of the DU.

Should one of the customers in an aggregated group opt out or a default happens which results in the demand of the aggregated group falling below the required threshold level, the status of contestability shall not be affected unless it is discovered that the formation of the aggregated group and/or the corresponding changes in the membership are attended by fraud or deceit. The status of contestability shall remain only during the term of the original contract.

Under the Retail Aggregation Rules, a Retail Aggregator who is duly licensed by the ERC may engage in consolidating electric power demand of end-users for the purpose of purchasing and reselling electricity on a group basis. Persons or entities intending to act as Retail Aggregators are required to secure a RES License pursuant to the requirements and procedures provided under Resolution No. 01, Series of 2011 or the Revised Rules for the Issuance of RES Licenses. However, holders of a currently valid RES license may apply to act as a Retail Aggregator through the submission of a Letter of Intent to operate as a Retail Aggregator.

Competitive Market Devices

Wholesale Electricity Spot Market

The EPIRA mandates the establishment of the WESM, which is a pre-condition for the implementation of RCOA, within one year from its effectivity. The WESM provides a venue whereby generators may sell power, and at the same time suppliers and wholesale consumers can purchase electricity where no bilateral contract exists between the two. The establishment of the WESM facilitates a transparent and competitive electricity market for the country.

All generation companies, distribution utilities, suppliers, bulk consumers/end-users and other similar entities authorized by the ERC are eligible to become WESM members subject to compliance with membership requirements.

On 28 June 2002, the DOE, in cooperation with electric power industry participants, promulgated detailed rules for the WESM. These rules set the guidelines and standards for participation in the market, reflecting accepted economic principles and providing a level playing field for all electric power industry participants, and procedures for establishing the merit order dispatch for each time (hourly trading period). These rules also provide for a mechanism for setting electricity prices that are not covered by bilateral contracts between electricity buyers and sellers.

On 18 November 2003, upon the initiative of the DOE, the PEMC was incorporated as a non-stock, non-profit corporation with membership comprising an equitable representation of electricity industry participants and chaired by the DOE. The PEMC acts as the autonomous market group operator and the governing arm of the WESM. The PEMC was tasked to undertake the preparatory work for the establishment of the WESM, pursuant to Section 30 of the EPIRA and in accordance with the WESM Rules. Its primary purpose is to establish, maintain, operate and govern an efficient, competitive, transparent and reliable market for the wholesale purchase of electricity and ancillary services in the Philippines in accordance with relevant laws, rules and regulations.

The Philippine Electricity Market Corporation ("PEMC") and the Independent Electricity Market Operator of the Philippines Inc. ("IEMOP"), have executed the Operating Agreement to formalize the transfer of all functions, assets and liabilities associated with market operations from PEMC to the IEMOP effective on 26 September 2018. Republic Act No. 9136 requires PEMC to divest itself of this function in favor of a separate entity that is independent of the market participants. On 6 February 2018, the market participants and the DOE Secretary approved the transition plan calling for the formation of an independent market operator and the transfer of the market operation functions to it. IEMOP, a non-stock, non-profit corporation, led by a Board of Directors, all of whom are independents and do not have any interest or connection to the WESM participants, was incorporated and organized to implement the transition plan. Starting on 26 September 2018, the IEMOP runs the electricity market and manages the registration of market participants, receive generation offers, come out with market prices and dispatches schedules of the generation plants, and handle billing, settlement, and collections, among other things. Under the policy and regulatory oversight of the DOE and the ERC, PEMC remains the governing body for WESM to monitor compliance of the market participants with the market rules.

Through the DOE Department Circular 2021-06-0015, the DOE declared the commercial operation of the Enhanced WESM Spot Market effective 26 June 2021 which shortened the dispatch, settlement and trading interval at the WESM from the current one-hour interval to five-minute interval. Also, the ERC, through ERC Resolution 7, Series of 2021, adopted a shorter rolling average period of seventy-two (72) hours from the one hundred twenty (120) hours.

Retail Competition and Open Access

The EPIRA likewise provides for a system of RCOA on transmission and distribution wires, whereby TRANSCO/NGCP and distribution utilities may not refuse the use of their wires by qualified persons, subject to the payment of distribution and wheeling charges. Conditions for the commencement of the open access system are as follows:

- establishment of the WESM;
- approval of unbundled transmission and distribution wheeling charges;

- initial implementation of the cross-subsidy removal scheme;

- privatization of at least 70.0% of the total capacity of generating assets of NPC in Luzon and Visayas; and

- transfer of the management and control of at least 70.0% of the total energy output of power plants under contract with NPC to the IPPAs.

Prior to the implementation of the RCOA, the distribution utility exclusively procures energy on behalf of its customers, and delivers the energy through its distribution wires. With RCOA, competing RES will do the buying and selling of electricity, and have the distribution utility deliver the energy for them through the distribution utility's existing distribution wires. The Contestable Customers will have more choices in pricing and power supply contracting, thereby getting the best deal in terms of price and value for money.

On 6 June 2011, pursuant to Resolution No. 10, Series of 2011, the ERC declared 26 December 2011 as the "Open Access Date" to mark the commencement of the full operations of the competitive retail electricity market in Luzon and Visayas.

Initially, all electricity end- users with an average monthly peak demand of one MW for 12 months preceding 26 December 2011, as certified by the ERC to be contestable customers, shall have the right to choose their own electricity suppliers and are, thus, enjoined to exercise such right to their full benefit.

On 17 December 2012, the ERC promulgated the transitory rules for the implementation of RCOA.

With the purpose of ensuring quality, reliable and affordable electricity under a regime of free and fair competition, the DOE and the ERC issued the following circulars and resolutions to promote customer choice and foster competition in the electricity supply sector:

- **DOE Circular No. DC2015-06-0010** - *Providing Policies to Facilitate the Full Implementation of Retail Competition and Open Access (RCOA) in the Philippine Electric Power Industry;*

- **ERC Resolution No. 05, Series of 2016** - *A Resolution Adopting the 2016 Rules Governing the Issuance of Licenses to Retail Electricity Suppliers (RES) and Prescribing the Requirements and Conditions Therefor;*

- **ERC Resolution No. 10, Series of 2016** - *A Resolution Adopting the Revised Rules for Contestability;*

- **ERC Resolution No. 11, Series of 2016** - *A Resolution Imposing Restrictions on the Operations of Distribution Utilities and Retail Electricity Suppliers in the Competitive Retail Electricity Market;*

- **ERC Resolution No. 28, Series of 2016** - *Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016 entitled Revised Rules for Contestability*; and

The above resolutions/circulars required electricity end-users with an average monthly peak demand of at least 1MW to secure retail supply contracts with licensed retail electricity suppliers on or before 26 February 2017 ("Contested Issuances").

On 21 February 2017, the Supreme Court issued a temporary restraining order ("TRO") above Contested Issuances. In response thereto, the DOE issued DOE Circular No. 2017-12-0013 allowing the voluntary participation in the retail market of Contestable Customers with average peak demand of 750 kW. Further, on 3 December 2020, the ERC issued Resolution No. 12, Series of 2020 Prescribing the Timeline for the Implementation of the RCOA. In the said Resolution, the threshold level of 500kW-749kW qualified Contestable Customers with existing electronic meters capable of recording and reading interval of time, with a built-in communication port for remote and manual data retrieval, shall be allowed to switch to Competitive Retail Electricity Market or the Contestable Market starting 26 February 2021.

As such, notwithstanding the TRO issued by the Supreme Court, electricity end-users with average peak demands of at least 500 kW may choose their retail electricity supplier on a voluntary basis.

On 02 March 2021, the Supreme Court promulgated its decision in *PCCI v. DOE* (G.R. No. 228588) in relation to the validity of the above Contested Issuances. The Supreme Court held that migration to the competitive retail electricity market should not be mandatory and should remain as the customer's choice. Hence, the above Contested Issuances were declared void by the Supreme Court.

The voiding of these Contested Issuances necessarily includes the voiding of the following restrictions provided in the Contested Issuances: (1) a RES cannot transact more than 50% of the total energy transactions with its affiliate contestable customer; and (2) no RES shall be allowed to supply 30% of the total average monthly peak demand of all contestable customers in the competitive retail electricity market.

Unbundling of Rates and Removal of Cross Subsidies

The EPIRA mandates that transmission and distribution wheeling charges be unbundled from retail rates and that rates reflect the respective costs of providing each service. The EPIRA also states that cross-subsidies shall be phased out within a period not exceeding three years from the establishment by the ERC of a universal charge, which shall be collected from all electricity end-users. However, the ERC may extend the period for the removal of the cross-subsidies for a maximum of one year if it determines that there will be a material adverse effect upon the public interest or an immediate, irreparable and adverse financial effect on a distribution utility. The initial implementation of the cross-subsidy removal scheme was accomplished in 2001.

These arrangements are now in place, in satisfaction of the conditions for RCOA.

The EPIRA likewise provides for a socialized pricing mechanism such as the lifeline rate subsidy to be set by the ERC for marginalized or low-income captive electricity consumers who cannot afford to pay the full cost of electricity. These end-users are exempt from the cross-subsidy removal for a period of 10 years, unless extended by law. Its application was extended for another 10 years by Republic Act No. 10150, which was approved in June 2011.

The EPIRA likewise provides for a socialized pricing mechanism, one of which is the Missionary Electrification under Section 70 of the EPIRA which provides that NPC shall perform the electrification function in the off-grid areas. Thus, the Universal Charge on Missionary Electrification. The electricity end users in off-grid areas are only obligated to pay the Subsidised-Approved Generation Rate (SAGR) plus any ERC-approved Cost Adjustments notwithstanding the higher True Cost of Generation Rate (TCGR) of these areas. The difference between TCGR and SAGR, New Power Providers (NPPs) and Qualified Third Parties (QTPs) is claimed from the UCME Subsidy, recovery of which is approved by ERC to be collected from all electricity end-users. Section 3(b), Rule 13 EPIRA IRR provides that NPC-SPUG shall periodically assess the requirements and prospects of bringing its functions to commercial viability on an area-by-area basis at the earliest possible time. The latest DOE issuance on graduation of the UCME is the Department Circular No. DC2022-05-0016 which prepares the DUs and ECs in off-grid areas for the elimination of the subsidy through: (i) interconnection to the grid of the distribution system; (ii) promotion of energy efficiency program; and (iii) incorporation of least-cost generation supply, such us Renewable Energy sources.

Another subsidy provided in the EPIRA is found in Section 73, as amended by RA No. 11552, provides for the assistance to electricity consumers, especially those living below the poverty line, and to achieve a more equitable distribution of the lifeline subsidy, a socialized pricing mechanism called a lifeline rate for qualified marginalized end-users shall be set by the ERC which shall be exempted from the cross subsidy phase-out under this Act for a period of fifty (50) years. The threshold to qualify as a marginalized end-user and the level of consumption shall be determined by the ERC.

Another mandate in the EPIRA of the ERC is the establishment of a methodology for the setting of the transmission and the distribution wheeling rates, which must allow the recovery of just a reasonable costs and reasonable return on the rate base to enable the transmission operator or the distribution utility ("Regulated Entity") to operate viably. In compliance with the above-mentioned mandate, on 29 May 2003, the ERC adopted the "Guidelines on the Methodology for Setting Transmission Wheeling Rates for 2003 to around 2027" ("RTWR"). The latest version currently implemented is that approved on 22 September 2009. However, an amendment thereof is ongoing. On the other hand, for the distribution wheeling rates, the ERC on 10 December 2004 published the first edition of the Methodology for Setting Distribution Wheeling Rates ("RDWR"). The latest edition of the RDWR is the Revised RDWR approved in March 2021. These Rules set out: (i) the methodology to be used in setting the maximum wheeling rates that may be charged by the Regulated Entity to its customers; (ii) the guiding pricing principles that the ERC must follow to regulate the maximum wheeling rates; (iii) the rules on the annual rate verification and adjustment process; (iv) the regulatory processes and timelines to which both the Regulated Entity and the ERC must adhere in order for the methodology established by these Rules to be administered and applied in a timely manner; and (v) the performance indicators, performance targets and reporting arrangements with which the Regulated Entity must comply

Reduction of Taxes and Royalties on Indigenous Energy Resources

To equalize prices between imported and indigenous fuels, the EPIRA mandates the President of the Philippines to reduce the royalties, returns and taxes collected for the exploitation of all indigenous sources of energy, including but not limited to, natural gas and geothermal steam, so as to effect parity of tax treatment with the existing rates for imported coal, crude oil, bunker fuel and other imported fuels. Following the promulgation of the EPIRA IRR, President Arroyo enacted Executive Order No. 100 on 3 May 2002, to equalize the taxes among fuels used for power generation. This mechanism, however, is yet to be implemented.

Government Approval Process

As set forth in the EPIRA, power generation is not considered a public utility operation. Thus, an entity engaged or intending to engage in the generation of electricity is not required to secure a franchise. However, being a business vested with public interest, no person or entity engaged in generation of electricity prior to its commercial operation must secure a COC from the ERC. An applicant must demonstrate compliance with the technical qualifications, financial capability ownership and control, none of the disqualifications in order to operate facilities used in the generation of electricity. A COC is valid for a period of five years from the date of issuance and the process to secure COC is provided in the 2020 Revised COC Rules.

For the technical requirements, an applicant must submit among others: general plant description, plant overview, location map, compliance with the PGC, PDC and WESM requirements, management and lease contract in force, and approved dedicated point to point limited transmission facility.

For the financial requirement, an applicant is required to present: its audited financial statement covering the 2 most recent 12-month period, detailed project cost and source of funds; schedule of liabilities, etc. Also, a generation company must also comply with the minimum financial capability benchmark of 1.25x annual Debt Service Capability Ratio though the period covered by its COC as provided in the “Guidelines for the Financial Standards of Generation Companies. Once the application has been approved, the COC shall remain valid for a period of five years from the date of issuance.

The ERC also governs the approval process for PSAs between distribution utilities and power suppliers. Under the Rules Governing the Execution, Review and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market issued in ERC Case No. 2018-002RM provides that the DU shall undertake a transparent and competitive selection process (CSP) of its Power Supply Agreement (PSA) within 6 months from the publication of the invitation to bid. Direct Negotiation may only be made after 2 failed bidding while for Unsolicited Proposal, the DU must publish and invite third parties to match or exceed it. The CSP shall be spearheaded by an independent Bids and Awards Committee (BAC). The designation of BAC members is provided in the same rules. After a successful conduct of the CSP, the DU and the winning bidder shall enter into a PSA and jointly submit the same for the approval of the ERC.

In the course of developing a power plant, other permits, approvals and consents must also be obtained from relevant national, provincial and local government authorities, relating to, among others, site acquisition, construction and operation, including environmental licenses and permits.

Retail rates charged by RES to Contestable Customers will not require ERC approval. Only the retail rates charged by Distribution Utilities to their Captive Customers will be subject to the approval of the ERC.

The Energy Efficiency and Conservation Act

The EEC was enacted to establish a framework for introducing and institutionalizing policies on energy efficiency and conservation.

Under the EEC, energy efficiency projects shall be included in the annual investment priorities plan of the Board of Investments (“BOI”) and shall be entitled to incentives under Executive Order No. 226 or the “Omnibus Investments Code of 1987,” and other applicable laws for ten years from the effectivity of the EEC. After the lapse of ten years, the inclusion of energy sufficient projects in the annual investment priorities plan shall be reviewed and may be extended by the BOI. Energy efficient projects are exempt from the nationality requirements under Article 32(1) of the Omnibus Investments Code of 1987, unless the project involved exploration, development and utilization of natural resources which is reserved to Filipino citizens, or corporations or association at least 60% of whose capital is owned by Filipino citizens as per Section 2, Article XII of the 1987 Constitution. Further, establishments that will implement or are implementing energy efficient projects are entitled to provision of awards and recognitions, and technical assistance from government agencies in the development and promotion of energy efficient technologies.

The following acts are prohibited under the EEC:

- Failing to comply with energy labelling;

- Removing, defacing, or altering any energy label on the energy-consuming product before the product is sold to the first purchaser, or leased to the first lessee;

- Failing to provide accurate information or provision of false or misleading energy information as required to be submitted under the EECA;

- Selling, leasing, or importing energy-consuming products that do not comply with the minimum energy performance;

- Failing or willfully refusing to appoint or designate a Certified Energy Conservation Officer or Certified Energy Manager;

- Willfully refusing to submit to an on-site inspection by the DOE;

- Failing or willfully refusing to submit any of the reports required;

- Failing to comply with issued orders of the DOE in the discharge of its enforcement powers; and

- Violating any provisions of the IRR, codes, and guidelines issued in accordance with the EECA.

The DOE is empowered to impose fines and penalties for the violation of the provisions of the EEC, DOE Department Circular No. DC2019-11-0014 (the "EEC IRR"), and other related issuances. The fines and penalties shall range from ₱10,000.00 to ₱1,000,000.00, without prejudice to criminal penalties and penalties under existing regulations. The responsible officers and employees of establishments who commit any of the prohibited acts listed above shall, upon conviction, suffer the penalty of imprisonment of one year to five years, or a fine ranging from a minimum of ₱100,000.00 to ₱100,000,000.00 or twice the amount of costs avoided for noncompliance, whichever is higher, or both, upon the discretion of the court. Any person who aids or abets the commission of the prohibited acts or causes such commission by another, shall be liable as a principal. In case of associations, partnerships, or corporations, the penalty shall be imposed on the partner, president, chief operating officer, chief executive officer, director, or officer responsible for the violation.

The Renewable Energy Act of 2008

Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (the "RE Law") provides for the acceleration and development of renewable resources. It was signed into law on 16 December 2008 and became effective in January 2009.

Renewable energy developers of renewable energy facilities, including hybrid systems, in proportion to and to the extent of the renewable energy component, for both power and non-power applications as certified by the DOE are entitled to the following general incentives:

- Income tax holiday ("ITH") for the first seven years of its commercial operations. Additional investments in the project are entitled to additional income tax exemption on the income attributable to the investment. For this purpose, the discovery and development of new renewable energy resource is treated as a new investment and is therefore entitled to a fresh package of incentives. The entitlement period for additional investments shall not be more than three times the period of the initial availment of the income tax holiday.

- Duty-free importation of renewable energy machinery, equipment and materials which are directly and actually needed and used exclusively in the RE facilities for transformation into energy and delivery of energy to the point of use and covered by shipping documents in the name of the duly registered operator to whom the shipment will be directly delivered by customs authorities, within the first 10 years upon the issuance of a certification of an RE developer. DOE endorsement must be obtained before the importation and before any sale, transfer or disposition of the imported capital equipment, machinery or spare parts is made. There are additional conditions for sale, transfer, disposition made within the 10-year period from date of importation.

- Special realty tax rates on equipment and machinery.

- The net operating loss carry-over of the RE developer during the first three years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as a deduction for the next seven consecutive taxable years following the year of such loss.

- RE developers shall enjoy a 10% corporate income tax rate after the expiration of its ITH.

- Accelerated depreciation if the RE project fails to receive an ITH before full operation.

- Zero-percent value added tax rate for sale of fuel or power generated from renewable sources.

Further, all RE developers are entitled to zero-rated value added tax on its purchases of local supply of goods, properties and services needed for the development, construction and installation of its plant facilities.

- Cash incentive for RE developers for missionary electrification.

- Tax exemption of carbon credits.

- Tax credit on domestic capital equipment and services.

The RE Law likewise provides incentives for manufacturers, fabricators and suppliers of locally-produced RE equipment and components duly recognized and accredited by the DOE and upon registration with the BOI.

Further, the RE Law provides a policy on FIT. The FIT scheme mandates electric power industry participants to source RE-derived electricity at a guaranteed fixed price (the "FIT Rate"). This scheme was primarily viewed as a way to entice the private sector players to hasten investment into the renewable power generation sector due to the urgent need of the Philippines to deploy additional capacity.

RE projects are governed by an RE Contract, a service agreement between the Philippine Government and an RE developer over an appropriate period of time as determined by the DOE in which the RE developer will have the exclusive right to explore, develop or utilize a particular RE area.

On 7 February 2002, DOE issued Department Circular 2022-02-0002 prescribing policies to promote development of Biomass Waste-To-Energy (WTE) Facilities. This circular considered Biomass WTE Resources a renewable energy resource as defined in the RE Law.

On 22 June 2022, the BIR issued Revenue Regulations No. 7-2002 to implement the tax-incentive provisions of the RE Law and to provide policies and guidelines.

Feed-In Tariff

The ERC issued Resolution No. 16, Series of 2010 ("ERC Resolution No. 16-2010" or the "FIT Rules"), otherwise known as "Resolution Adopting the Feed-In Tariff Rules," which establishes the FIT system and regulates the method of establishing and approving the FITs and the FIT Allowance ("FIT-All").

The FIT Rules are specific for each emerging renewable energy technology and to be applied only to generation facilities which enter into commercial operation after effectivity of the FIT Rules or to such parts of such existing facilities which have been substantially modified or expanded as provided under the FIT Rules.

Under the FIT Rules, the FITs are specific for each eligible renewable energy plants ("Eligible RE Plants"), which are those power facilities with COCs issued to them that utilize emerging renewable energy resources or to such parts of such existing facilities that have been substantially modified or expanded, which enter into commercial operation after effectivity of the FIT Rules. These include facilities intended for their owners' use, which are connected to the transmission or distribution networks and are able to deliver to such networks their generation or parts thereof but FIT shall only be paid for such amount of electricity actually exported to the distribution or transmission network and not utilized for their own use.

The renewable energy plants which have started commercial operations after the effectivity of the RE Law and are not bound under any contract to supply the energy they generate to any distribution utility or consumer, may avail of the FITs from time to time they are certified by the ERC as eligible through an amendment of the COC issued to them and for a period of 20 years less the number of years they have been in operation. RE Plants, which have been in operation prior to the effectivity of the RE Law may be granted lower FITs specific to them upon application and hearing, and after a showing that:

- Such FITs are indispensable for their continued operations;
- There is no legal impediment for them to be allowed such FITs, such as the existence of a power supply agreement/power purchase agreement with any DU or End-User; and,
- They have fulfilled such other requirements of the ERC.

FITs shall be established for each generation plant using: (i) wind energy resources; (ii) solar energy resources; (iii) ocean energy resources; (iv) run-of-river hydroelectric power resources; (v) biomass energy resources; and (vi) renewable energy components of technologies listed above of hybrid systems under the RE Law.

The FIT System applicable to renewable energy plants in on-grid areas are: (i) Technology-specific FITs; (ii) Fixed FITs but subject to adjustment to allow pass-through of local inflation and foreign exchange rate variations. FITs for peak and off-peak hours may be established for renewable energy technologies that can follow the dynamics of demand such biomass energy systems and hydropower, as may be recommended by NREB.

Eligible RE Plants shall be entitled to the applicable FITs to them for a period of 20 years. After this period, should these plants continue to operate, their tariffs will be based on prevailing market prices or whatever prices they should agree with an off-taker.

Electricity consumers who are supplied with electricity through the distribution of transmission network shall share in the cost of the FITs in part through a uniform charge (in ₱/kWh) referred to as the FIT-All and applied to all billed kWh. NGCP ensures that the FIT-All fund is sufficient to pay all renewable energy producers regularly.

Green Energy Auction Program

Upon the full subscription of the existing FIT installation targets, the succeeding rounds for the installation targets for FIT-eligible resources shall be made through an auction system to be adopted by the DOE. On 03 November 2021, the DOE promulgated DOE Circular No. DC2021-11-0036 providing the Revised Guidelines for the Green Energy Auction Program in the Philippines ("GEAP Guidelines") which utilizes aspects of the FIT system.

The GEAP consists of the (1) Green Energy Tariff ("GET"), to provide price signals on the commercial value of electricity generated from RE facilities resulting from a competitive process, and to set the benchmark price for DUs under the opt-in mechanism; and (2) Green Energy Auction, to facilitate the determination of RE facilities that are eligible under the GEAP.

Under the GEAP Guidelines, the GET shall reflect the value of electricity, resulting from a competitive process that qualified bidders are capable of supplying the prescribed capacity volume and delivery periods. The winning bidder/s shall have the most competitive bid price offered based on the terms of reference for a particular auction round procedure. The GET shall be expressed in PhP/kWh-bases to reflect the value of actual energy generated by the winning bidder and to be consistent with the compliance requirements of the RPS On-Grid Rules and the relevant provisions of the FIT Rules. The price offered by the winning bidder shall be the GET and the ERC shall include the GET in its computation of the FIT-All for the GEA.

For the Green Energy Auction ("GEA"), each auction round consists of the publication of the notice of auction; issuance of GEAR price; issuance of the terms of reference and auction round procedures for each auction round; registration of qualified suppliers, which must be RPS eligible facilities, intending to participate; evaluation of qualified suppliers; issuance of user-specific IDs to qualified bidders; pre-bid conference; submission of bid bond and affidavit of undertaking to deliver the committed capacities on delivery date; the auction proper; issuance of certificate of award; submission of post-auction documents; issuance of Certificate of Endorsement-GET; and the post-auction procedures. The Green Energy Auction is administered by the DOE through the Green Energy Auction Committee.

On 17 June 2022, the DOE conducted the first GEA round through an electronic bidding program. On 24 June 2022, the DOE released the results of the first GEAP round, and announced that the first round generated 1,966.93 MW of renewable energy capacities that have been committed to deliver energy from 2023 to 2025 at a competitive price.

Renewable Portfolio Standards

The Renewable Portfolio Standards ("RPS") under DOE Circular No. DC2017-12-0015 is a market-based policy that requires electricity suppliers to source an agreed portion of their energy supply from eligible RE resources. Entities mandated to comply with the RPS On-Grid Rules include: (a) all DUs for their captive customers; (b) all suppliers of electricity for the contestable market; (c) generating companies only to the extent of their actual supply to their directly connected customers; and (d) other entities as may be recommended by NREB and approved by the DOE. The RPS On-Grid Rules likewise require that in complying with the RPS requirement, mandated participants undertake CSP in sourcing RE generation supply for its customers.

The RPS On-Grid Rules shall be implemented in the Luzon, Visayas, and Mindanao Grids. Under these Rules, the RE share of electricity coming from RE resources in the energy mix shall be based on the aspirational target of 35% in the generation mix expressed in MWh by 2030, subject to regular review and assessment by the DOE. The minimum annual requirement per mandated participant shall be computed in accordance with the formula provided in the RPS On-Grid Rules. The minimum annual increment required under the RPS On-Grid Rules shall be initially set at one percent (1%) to be applied to the net electricity sales of a mandated participant for the previous year, and thereafter adjusted by the DOE as may be necessary to ensure that the aspirational target of RE share will be achieved.

In complying with the RPS On-Grid Rules, Mandated Participants shall use RE Certificates ("RECs"). RECs are certificates issued by the RE Registrar to electric power industry participants showing energy sourced, produced, and sold or used. RECs may be traded in the RE Market in complying with the RPS. The REC shall represent all renewable and environmental attributes from one (1) MWh of electricity sourced from duly registered RE facilities. RECs may be obtained from any one, a combination or all of the following:

- Allocation from the RE Registrar pursuant to the relevant rules issued by the DOE. RE generation under the FIT System allocated by the RE Registrar;

- Generation from an Eligible RE Facility that has a PSA with the Mandated Participant;

- Purchase or acquisition of RECs from the RE Market;

- Any generation from Net Metering arrangements which have been properly measured; and

- Any generation from an RE Facility installed in the end-user's premises for own-use and synchronized to the DU's system, which have been properly measured.

For purposes of compliance with the RPS On-Grid Rules, the following technologies and resources shall be eligible RE facilities: biomass, waste to energy technology, wind energy, solar energy, run-of-river hydroelectric power systems, impounding hydroelectric power systems, ocean energy, hybrid systems as defined in the RE Act with respect to the RE component, geothermal energy, and other RE technologies that may be later identified by the DOE. For RE facilities utilizing these technologies to be eligible under the RPS compliance and attribution of RECs, they shall have been in commercial operations after the effectivity of the RE Act.

In addition to the technologies enumerated above, the following additional generation from RE Facilities after the effectivity of RE Act shall be considered for compliance as determined by DOE: (a) Existing and New Generation Facilities under the FIT System; (b) Incremental capacity resulting from expansion of an existing RE Generation Facility; (c) Incremental capacity resulting from the upgrading of an existing RE Generation Facility that includes retrofitting, refurbishing or re-powering; (d) New capacities resulting from a change in the technology (from a non-RE to RE Generation Facility); Provided, that co-firing of coal plants that is modified to use agricultural wastes as fuel shall not be allowed unless the DOE provides for a clear mechanism that measures with certainty the use of RE resources as fuel in such Generation Facility; (e) RE Generation Facilities installed in end-user's premises participating under the Net Metering Program; (f) RE Generation Facilities installed in the end-user's premises for own-use and synchronized to the DU's system; and (g) Mothballed RE Generation Facilities that are restored into operation.

Green Energy Option Program

The Green Energy Option Program ("GEOP") provides end-users the option to choose Renewable Energy ("RE") as their source of energy. With GEOP, consumers can choose RE as its supply of energy at competitive costs; contribute to the growth of the RE industry in the country; contribute to a cleaner and sustainable environment; and support national and global decarbonization goals.

Under this program, end-users with a monthly average peak demand of 100kW and above, for the past twelve (12) months, may participate in the GEOP. All end-users with average peak demand below 100kW may participate in the GEOP, after the DOE, in consultation with the National Renewable Energy Board and industry stakeholders, determines that the technical requirements and standards are already met.

In instances where the GEOP end-user's average peak demand drops below 75% of 100kW for the immediately preceding six (6) consecutive months and the same is not attributable to seasonal demand, such end-user shall be reverted to the captive market.

Entities who wish to supply electricity to end-users under the GEOP must secure (1) a RES license from the ERC subject to the provisions of ERC Resolution No. 1, Series of 2011, and (b) a GEOP Operating Permit from the DOE subject to the provisions of DOE Circular No. DC2020-04-0009. Existing retail electricity suppliers may be automatically issued an operating permit as RE supplier under the GEOP, subject to the submission of certain documents.

Energy Virtual One Stop Shop Law

Republic Act No. 11234 or the Energy Virtual One Stop Shop (EVOSS) Law which became effective on 30 March 2019 established an online process of completing the requirements of energy related projects to ensure the timely completion of power generation, transmission and distribution projects by eliminating duplication in documentary submissions and processes through an online platform for government agencies to coordinate and share information. It provides for the paperless and electronic application and processing system which proponents can access all information necessary in the application of new projects, submit all requirements and monitor the approval.

The EVOSS Law provided specific timeframe within which the government agencies involved to issue the required permits and licenses upon receipt of the complete documents. The failure of a particular agency to act upon the application or release the permits and licenses within the prescribed period shall deem the application approved and warrants corresponding penalty. It also created the EVOSS Steering Committee which had a limited life of two (2) years from the effectivity of the law or until 29 March 2021. To maintain the momentum and continuity of the initiatives of the law, Executive Order No. 143 was signed last 02 July 2021, which created the EVOSS Task Group, which has the same composition and has the same powers and functions as the EVOSS Steering Committee.

The Philippine Energy Research and Policy Institute Act

Republic Act No. 11572 created the Philippine Energy Research and Policy Institute tasked to enhance and promote the acquisition of knowledge in recent developments and scientific breakthroughs in the field of energy. It is an independent agency attached to the University of the Philippines.

The Institute will be headed by an executive director to be appointed by the UP President upon recommendation of the Executive Board. The Executive Board shall be composed of seven members comprised of the UP President as the ex-officio chairperson, and at least one representative from the fields of engineering, law, science, statistics, economics, social science, and public health, either from the academe or the private sector. Four members shall come from the academe, two members shall come from the private sector, while each representative shall come from different fields.

The Institute shall support the education and training for its officers and employees to include advanced degree studies, short-term programs, online courses, and participation in conferences. Research papers, data, and other resources shall be made available to the public through its website. However, proprietary or confidential data and other resources cannot be posted or disclosed unless prior consent of the source or owner of such data and resources has been obtained by the requesting party.

Petroleum

The Company's petroleum business is subject to the following laws, rules and regulations:

Section 2, Article XII of the 1987 Constitution

This constitutional provision reserves ownership to the State and declares non-alienable all lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources.

The State has full control of exploration, development, and utilization of natural resources but may enter into co-production, joint venture, or production-sharing agreements with Filipinos, or corporations or associations which are at least 60% owned by Filipinos, and only for a period of 25 years, renewable for another 25.

The President may enter into agreements with foreign-owned corporations involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils according to the general terms and conditions provided by law. The President shall notify the Congress of every contract entered into in accordance with this provision, within thirty days from its execution.

Presidential Decree (P.D.) No. 87, as amended, or The Oil Exploration and Development Act of 1972

P.D. 87, as amended, or "The Oil Exploration and Development Act of 1972" declares that the State should accelerate the discovery and production of indigenous petroleum through utilization of government and/or private resources, local and foreign, under arrangements calculated to yield maximum benefit to the Filipino people and revenues to the Philippine government, and to assure just returns to participating private enterprises, particularly those that will provide services, financing, and technology, and fully assume all exploration risks. The government may undertake petroleum exploration and production by itself or may indirectly undertake the same through Service Contracts. Under a service contract, service and technology are furnished by a contractor for which it would be entitled to a service fee of up to 40% of net production proceeds. Where the Government is unable to finance petroleum exploration or in order to induce the contractor to exert maximum efforts to discover and produce petroleum, the service contract would stipulate that, if the contractor furnishes service, technology and financing, the proceeds of the sale of the petroleum produced under the service contract would be the source of payment of the service fee and the operating expenses due the contractor. Operating expenses are deductible up to 70% of gross production proceeds. If, in any year, the operating expenses exceed 70% of gross proceeds from production, the unrecovered expenses may be recovered from the operations of succeeding years. Intangible exploration costs may be reimbursed in full, while tangible exploration costs (such as capital expenditures and other recoverable capital assets) are to be depreciated for a period of five or 10 years. Any interest or other consideration paid for any financing approved by the Government for petroleum development and production would be reimbursed to the extent of two-thirds of the amount, except interest on loans or indebtedness incurred to finance petroleum exploration.

Aside from reimbursement of its operating expenses, a contractor with at least 15% Filipino participation is allowed to recover a Filipino participation incentive allowance equivalent to a maximum of 7.5% of the gross proceeds from the crude oil produced in the contract area. Incentives to service contractors include (i) exemption from all taxes except income tax which is paid out of Government's share, (ii) exemption from all taxes and duties on importation of machinery, equipment, spare parts, and materials for petroleum operations, (iii) repatriation of investments and profits, and (iv) free market determination of crude oil prices. Finally, a subcontractor is subject to special income tax rate of 8% of gross Philippine income while foreign employees of the service contractor and the subcontractor are subject to a special tax rate of 15% on their Philippine income.

A service contract has a maximum exploration period of 10 years and a maximum development and production period of 40 years. Signature bonus, discovery bonus, production bonus, development allowance and training allowance are payable to the Government. Other pertinent laws and issuances include P.D. 1857, a law amending certain sections of P.D. 87, as amended, offering improved fiscal and contractual terms to service contractors with special reference to deep water oil exploration; *DOE Circular No. 2009-04-0004*, a circular that establishes the procedures for the Philippine Contracting Rounds; *DOE Circular No. 2003-05-006*, a circular that provides the guidelines to the financial and technical capabilities of a viable petroleum exploration and production company; *Executive Order (EO) No. 66* issued in 2002 which designated the DOE as the lead government agency in developing the natural gas industry; and *DOE Circular 2002-08-005*, a circular setting the interim rules and regulations governing the transmission, distribution and supply of natural gas; and DOE Department Circular No DC2017-12-007, adopting the Philippine Conventional Energy Contracting Program (PCECP) of Awarding Petroleum Services Contracts, providing for two modes of awarding of Petroleum Service Contracts: (1) via applicant's nomination and publication with a mechanism for a Swiss challenge by any interested party; (2) and DOE's offering of pre-determined areas through the Review and Evaluation Committee, awarded via competitive bidding.

Republic Act No. 8371 or The Indigenous Peoples' Rights Act of 1997

Republic Act No. 8371 or The Indigenous Peoples' Rights Act of 1997 ("IPRA") requires the free and prior informed consent ("FPIC") of indigenous peoples ("IP") who will be affected by resource exploration and extraction activities. Under the IPRA, IPs are granted certain preferential rights to their ancestral domains and all resources found therein. Ancestral domains are defined as areas generally belonging to IPs, subject to property rights within ancestral domains already existing or vested upon the effectivity of the IPRA, comprising lands, inland waters, coastal areas, and natural resources, held under a claim of ownership, occupied or possessed by IPs themselves or through their ancestors, communally or individually, since time immemorial, continuously to the present, except when interrupted by war, force majeure or displacement by force, deceit, stealth, or as a consequence of government projects or any voluntary dealings entered into by the Government and private persons, and which are necessary to ensure their economic, social and cultural welfare.

Under the IPRA, no concession, license, lease or agreement shall be issued by any government agency without the certification precondition ("CP") from the National Commission on Indigenous People ("NCIP"). The CP states that the FPIC has been obtained from the concerned IPs. For areas not occupied by IPs, a certificate of non-overlap is issued instead by the NCIP. For areas occupied by IPs, the applicant and representatives from the NCIP will conduct consultations and consensus building to obtain the consent of IPs. The FPIC is manifested through a memorandum of agreement with IPs, traditionally represented by their elders. The CP is then issued by the NCIP stating that the FPIC has been obtained from the IPs concerned.

Environmental Matters

Philippine Clean Water Act

In 2004, Republic Act No. 9275, or the "Philippine Clean Water Act of 2004," was enacted to streamline processes and procedures in the prevention, control, and abatement of pollution in the country's water resources and provide for a comprehensive water pollution management program focused on pollution prevention. The law primarily applies to the abatement and control of water pollution from land-based sources. The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked by the Implementing Rules of the Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law. The Philippine Clean Water Act also authorizes the DENR to formulate water quality criteria and standards for oil and gas exploration which encounter re-injection constraints.

The Clean Water Act requires owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of time.

Philippine Clean Air Act

Republic Act 8749 or "The Philippine Clean Air Act of 1999" is a comprehensive air quality management program which aims to achieve and maintain healthy air for all Filipinos. Under this, the DENR is mandated to formulate a national program on how to prevent, manage, control, and reverse air pollution using regulatory and market-based instruments, and setup a mechanism for the proper identification and indemnification of victims of any damage or injury resulting from the adverse environmental impact of any project, activity or undertaking. To implement this law, the Government is promoting energy security through policies on energy independence, sustainability, and efficiency. These involve:

- increasing oil and gas exploration;
- strengthening of the PNOC to spearhead the development of indigenous energy resources and building global partnerships and collaborative undertakings;
- pursuing the development of renewable energy such as geothermal, wind, solar, hydropower, and biomass, and the vigorous utilization of the cleaner development mechanism and the emerging carbon market;
- expanding the use of natural gas; and
- adopting energy efficiency promotion strategies.

The Philippine Clean Air Act of 1999 requires enterprises that operate or utilize air pollution sources to obtain an Authority to Construct or a Permit to Operate from the DENR with respect to the construction or use of air pollutants The issuance of said permits seek to ensure that regulations of the DENR with respect to air quality standards and the prevention of air pollution are achieved and complied with by such enterprises.

The Philippine Environmental Impact Statement System

Projects relating to resource exploration and extraction are required to comply with the Philippine Environmental Impact Statement System ("EIS System"). The EIS System was established by virtue of P.D. 1586 entitled "Establishing An Environmental Impact Statement System, Including Other Environmental Management Related Measures And For Other Purposes," issued in 1978. The EIS System requires all government agencies, government owned or controlled corporations and private companies to prepare an Environmental Impact Assessment ("EIA") for any project or activity that affects the quality of the environment. An EIA is a process that involves evaluating and predicting the likely impacts of a project (including cumulative impacts) on the environment and includes designing appropriate preventive, mitigating and enhancement measures to protect the environment and the community's welfare. An entity that complies with the EIS System is issued an Environmental Compliance Certificate ("ECC"), which is a document certifying that, based on the representations of the project proponent, the proposed project or undertaking will not cause significant negative environmental impacts and that the project proponent has complied with all the requirements of the EIS System.

To strengthen the implementation of the EIS System, the Office of the President of the Philippines issued Administrative Order ("A.O.") No. 42 in 2002, providing the streamlining of the ECC application processing and approval procedures. Pursuant to A.O. 42, the DENR promulgated DENR AO No. 2003-30, also known as the IRR for the Philippine EIS System, in 2003.

Under the IRR, only projects that pose potential significant impact to the environment would be required to secure ECCs. In determining the scope of the EIS System, two factors are considered, namely: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

Specifically, the criteria used to determine projects covered by the EIS System are as follows:

- Characteristics of the project or undertaking
    - size of the project;
    - cumulative nature of impacts compared to other projects;
    - use of natural resources;
    - generation of wastes and environment related nuisance; and
    - environment related hazards and risk of accidents.
- Location of the project
    - vulnerability of the project area to disturbances due to its ecological importance endangered or protected status;
    - conformity of the proposed project to existing land use, based on approved zoning or on national laws and regulations; and
    - relative abundance, quality and regenerative capacity of natural resources in the area, including the impact absorptive capacity of the environment.
- Nature of the potential impact
    - geographic extent of the impact and size of affected population;
    - magnitude and complexity of the impact; and
    - likelihood, duration, frequency, and reversibility of the impact.

The ECC of a project not implemented within five years from its date of issuance is deemed expired. The proponent must reapply for a new ECC if it intends to still pursue the project. The reckoning date of project implementation is the date of ground-breaking, as stated on the proponent's work plan submitted to the Environmental Management Bureau ("EMB").

Petroleum service contractors are mandated to comply with all environmental laws and rules and regulations in all phases of exploration and production operations. ECCs or certificates of no coverage, if applicable, are obtained from the EMB of the DENR, in coordination with the DOE.

The exploration, production and sale of oil are subject to extensive national and local laws and regulations. The Company and its Associates may incur substantial expenditures to comply with these laws and regulations, which may include permitting costs, adoption and implementation of antipollution equipment, methods and procedures, and payment of taxes and royalties.

Under these laws, the Company could be subject to claims for personal injury or property damages, including damages to natural resources, which may result from the Company's operations. Failure to comply with these laws may also result in the suspension or termination of the Company's operations and subject it to administrative, civil and criminal penalties. Moreover, these laws could be modified or reinterpreted in ways that substantially increase the Company's costs of compliance. Any such liabilities, penalties, suspensions, terminations or regulatory changes could have a material adverse effect on the Company's financial condition and results of operations.

Environmental Compliance

The Company's operations are subject to evolving and increasingly stringent safety, health and environmental laws and regulations. These laws and regulations address, among other things, air emissions, wastewater discharges, generation, handling, storage, transportation, treatment and disposal of oil products, workplace conditions and employee exposure to hazardous substances.

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an ECC prior to commencement. As a prerequisite for the issuance of an ECC, an environmentally critical project is required to submit an EIS while project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("IEE") to the DENR, through its regional offices or through the EMB.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by the EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and the ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund when an ECC is eventually issued. In any case, the establishment of an Environmental Monitoring Fund must not occur later than the initial construction phase of the project. The Environmental Monitoring Fund must be used to support the activities of a multi-partite monitoring team, which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

In order to address air pollution from mobile and stationary sources, equipment that emit or may emit air pollutants may only be operated upon obtaining a Permit to Operate from the DENR. An application for a Permit to Operate must be filed for each source emitting regulated air pollutants, but facilities having more than one source may group the sources under a single permit application.

Other Regulations on Water Pollution

Philippine maritime laws and regulations are enforced by two Philippine government agencies: the MARINA and the Philippine Coast Guard. Both are agencies under the Philippine Department of Transportation.

The MARINA is responsible for integrating the development, promotion, and regulation of the maritime industry in the Philippines. It exercises jurisdiction over the development, promotion, and regulation of all enterprises engaged in the business of designing, constructing, manufacturing, acquiring, operating, supplying, repairing, and/or maintaining vessels, or component parts thereof, of managing and/or operating shipping lines, shipyards, dry docks, marine railways, marine repair ships, shipping and freight forwarding agencies, and similar enterprises.

To address issues on marine pollution and oil spillage, the MARINA issued: (i) Circular No. 2007-01 which mandated the use of double-hull vessels including those below 500 tons' deadweight tonnage by the end of 2008 for transporting Black Products; and (ii) Circular No. 2010-01 for transporting White Products in certain circumstances by 2011.

The Philippine Coast Guard, in a 2005 Memorandum Circular, provided implementing guidelines based on the International Convention for the Prevention of Pollution from Ships, MARPOL 73/78. The guidelines provide that oil companies in major ports or terminals/depots are required to inform the Philippine Coast Guard through its nearest station of all transfer operations of oil cargoes in their respective areas. Furthermore, oil companies and tanker owners are required to conduct regular team trainings on managing oil spill operations including the handling and operations of MARPOL combating equipment. A dedicated oil spill response team is required to be organized to react to land and ship-originated oil spills.

Oil companies, oil explorers, natural gas explorers, power plants/barges and tanker owners are also required to develop shipboard oil pollution emergency plans to be approved by the Philippine Coast Guard.

Moreover, both the Clean Water Act and the Philippine Coast Guard Guidelines provide that the spiller or the person who causes the pollution has the primary responsibility of conducting clean-up operations at its own expense.

The Toxic Substances and Hazardous and Nuclear Waste Control Act

Republic Act No. 6969 or "The Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990," regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substance and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry into the Philippines or the keeping in storage of hazardous wastes which include by-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. The said law is implemented by the DENR.

Hazardous wastes are substances brought into the country without any safe commercial, industrial, agricultural or economic usage. On the other hand, toxic wastes are substances that are poisonous and have carcinogenic, mutagenic, or teratogenic effects on human or other life forms.

Ecological Solid Waste Management Act

Republic Act No. 9003 or "The Ecological Solid Waste Management Act of 2000" provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The same law mandates all, especially, the local government units, to adopt a systematic, comprehensive and ecological solid waste management program which shall ensure protection of public health and environment, utilize environmentally sound methods, set targets and guidelines for solid waste avoidance and reduction, and ensure proper segregation, collection, transport and storage of solid waste.

The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

Code on Sanitation of the Philippines

Presidential Decree No. 856 or the “Code on Sanitation of the Philippines” provides for sanitary and structural requirements for industrial establishments, among others, in connection with the promotion and preservation of the health of the people and raise the health standards of individuals and communities throughout the Philippines. It states that no person, firm, corporation, or entity shall operate any industrial establishment without first obtaining a sanitary permit. Industrial establishments shall be allowed to operate only in places or zones assigned for the kind of industry by existing zoning laws, ordinances, or policies. The local health authority shall determine the suitability of location where no zoning law, ordinance or policy exists.

Strategic Environmental Plan for Palawan Act

A significant number of the Company’s Petroleum Service Contracts is located in or in the surrounding areas of Palawan Province. While R.A. No. 7611 (Strategic Environmental Plan for Palawan Act) is a national law, it applies specifically to Palawan. R.A. No. 7611 has adopted Palawan’s Comprehensive Framework Plan as a guide for the local government and other government agencies concerned in provincial development.

The main strategy of the SEP is implemented out in the following manner:

- Forest conservation and protection through the imposition of a total commercial logging ban in all areas of maximum protection and in such other restricted use zones as the Palawan Council for Sustainable Development (PCSD) may provide
- Protection of watersheds
- Preservation of biological diversity
- Protection of tribal people and the preservation of their culture
- Maintenance of maximum sustainable yield
- Protection of rare and endangered species and their habitat
- Provision of areas for environmental and ecological research, education and training
- Provision of areas for tourism and recreation

The law implements the Environmentally Critical Areas Network (“ECAN”), a graded system of protection and development control. This graded system covers tribal lands, forests, mines, agricultural areas, settlement areas, small islands, mangrove, coral reefs, seagrass beds and the surrounding sea. It divides Palawan into a terrestrial zone, coastal/marine zone and tribal lands. The first two zones are classified further into: a core zone, an area of maximum protection which shall be free of human disruption, and a buffer zone which consists of a restricted use area, which serves as the protective barrier to the core zone; a controlled use area wherein limited extractive activities are allowed and the traditional use area where land use has already been stabilized. For marine zones, the multiple use zone is the development area and serves as the buffer zone to the core. Fishery, mariculture, recreation, rehabilitation of small islands and mangrove ecosystem, education and research are allowed in this area.

Central to the law is the creation of the Palawan Council for Sustainable Development, which serves as governance, implementation and policy director of the SEP. It is composed of the Members of the House of the Representatives representing the province of Palawan, the Deputy Director General of the National Economic and Development Authority, the Undersecretary of Environment and Natural Resources, the Undersecretary for Special Concerns of the Department of Agriculture, the Governor of Palawan, the Mayor of Puerto Princesa City, the President of the Mayor's League of Palawan, the President of the Provincial Chapter of the Liga ng mga Barangay, the Executive Director of the Palawan council for Sustainable Development Staff.

Laguna Lake Development Authority Act of 1966

Republic Act No. 4850 entitled: An Act Creating the Laguna Lake Development Authority Prescribing its Powers, Functions and Duties, Providing Funds Thereof, and for other Purposes, as amended by PD No. 813 and EO No. 927, provides the promotion and acceleration of the development and balanced growth of the Laguna Lake and its surrounding areas with due regard and adequate provisions for environmental management and control, preservation of the quality of human life and ecological systems, and the preservation of undue ecological disturbances, deterioration and pollution. Also, it created the Laguna Lake Development Authority tasked among others to make a comprehensive survey of the physical and natural resources and potentialities of the Laguna Lake region particularly its socio and economic conditions, hydrologic characteristics, power potential scenic and tourist spots. Further, the Authority has exclusive jurisdiction to issue permits for the use of the lake waters for any projects or activities in or affecting the said lake including navigation, construction, and its operation and to impose necessary safeguards for lake quality control and management and to collect necessary fees for said activities and projects.

Other Applicable Regulations

Foreign Investment Act

The FIA liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Twelfth Regular Foreign Investment Negative List (the "Negative List") signed on 27 June 2022. This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, telecommunications, mining and the operation of public utilities.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. Likewise, under the Philippine Constitution, only citizens of the Philippines or corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens may engage in activities relating to the exploration, development and utilization of natural resources, which covers the utilization of natural resources for the operation of renewable energy power plants.

Data Privacy Act

Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012 or DPA, was signed into law on 15 August 2012, to govern the processing of all types of personal information (*i.e.,* personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System or ICT, which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes.

It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the DPA and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The DPA seeks to protect the confidentiality of "personal information," which is defined as "any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual." The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on "personal information controllers" and "personal information processors." It also provides for penal and monetary sanctions for violations of its provisions.

The Philippine Competition Act

Republic Act No. 10667 or the Philippine Competition Act ("PCA") authorizes the Philippine Competition Commission or the PCC to review mergers and acquisitions to ensure compliance with the PCA. The PCA, its Implementing Rules and Regulations, as amended, and the Rules on Merger Procedure (collectively, the "Merger Rules") provide for mandatory notification to the PCC of any merger or acquisition within 30 days of signing any definitive agreement relating to the transaction, where the transaction value exceeds ₱2.2 billion; and where the size of the ultimate parent entity, including the entities directly or indirectly controlled by the ultimate parent entity of either party exceeds ₱5.6 billion. Parties may not consummate a notifiable transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void and will subject the parties to a fine ranging from 1% to 5% of the value of the transaction. Anti-competitive agreements, as defined under the law, are subject to penalties that include: (a) a fine of not less than ₱50 million but not more than ₱250 million; and (b) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100 million to ₱250 million may be imposed on entities that engage in anti- competitive agreements, abuse their dominant position and conclude prohibited mergers and acquisitions. Treble damages may be imposed where the violation involves the trade or movement of basic necessities and prime commodities.

Section 4(eee) of Republic Act No. 11494 or the Bayanihan 2 Act exempts from compulsory notification all mergers and acquisitions with transaction values below ₱50 billion if entered into within two years from the effectivity of Bayanihan 2 Act, or from 15 September 2020. A transaction is considered "entered into" upon signing by the parties of the definitive agreement.

Under the PCC Resolution No. 22-2020 adopting the rules implementing Section 4 (eee) of the Bayanihan 2 Act, mergers and acquisitions shall still be subject to compulsory notification when:

- both the transaction value and the size of the ultimate parent entity of either party is at least ₱50 billion; and

- the transaction is entered into prior to the effectivity of the Bayanihan 2 Act and exceeds the thresholds applicable.

Additionally, the Bayanihan Act 2 suspends PCC's power to motu proprio review mergers and acquisitions for one year from the effectivity of the law. However, transactions entered into prior to the effectivity of the Bayanihan 2 Act which have not yet been reviewed by the PCC; and transactions pending review by the PCC prior to the effectivity of the Bayanihan 2 Act shall not be covered by the exemption from the PCC's power to review transactions motu proprio. Further, mergers and acquisitions entered into during the effectivity of the Bayanihan 2 Act may still be reviewed by the PCC motu proprio after one year from the effectivity of the law.

Any voluntary notification shall constitute a waiver to the exemption from review.

Local Government Code

The Local Government Code ("LGC") establishes the system and powers of provincial, city, municipal, and *barangay* governments in the country. The LGC general welfare clause states that every local government unit ("LGU") shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Revised Corporation Code of the Philippines

Republic Act No. 11232, or the Revised Corporation Code, was signed into law on 20 February 2019 and became effective on 8 March 2019. Among the salient features of the Revised Corporation Code are:

- Corporations are granted perpetual existence, unless the Articles of Incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.

- The Code allows the creation of a "One Person Corporation" ("OPC"), which is a corporation composed of a single stockholder; provided that, only natural person, trust or an estate may form such. No minimum authorized capital stock is also required for an OPC, unless provided for under special laws.

- Material contracts between the Corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.

- The right of stockholders to vote in the election of directors or trustees, or in shareholders' meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws or by a majority of the board of directors. However, as to corporations vested with public interest, the right to vote through such modes, may be exercised notwithstanding the absence of a provision in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option; and

- In case of transfer of shares of listed companies, the Commission may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Commission.

The Revised Corporation Code refers to the PCA in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the PCA thresholds.

Labor

Labor Code of the Philippines

The Department of Labor and Employment or DOLE is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines ("Labor Code") and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

On 15 March 2017, Department Order No. 174 (2017) ("D.O. 174") was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. Labor-only contracting refers to arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job or work for a principal, and the contractor or subcontractor does not have substantial capital, or the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. D.O. No. 174-17 expressly requires the registration of contractors with the Regional Office of the DOLE where it principally operates, without which, a presumption that the contractor is engaged in labor-only contracting arises. D.O. 174 reiterated the policy that labor-only contracting is absolutely prohibited where: (a) (i) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (ii) the contractor's or subcontractor's employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (b) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. Subsequently, DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, IT Infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services, and back-office operations or support.

Occupational Safety and Health Standards Law

On 17 August 2018, Republic Act No. 11058 or the Occupational Safety and Health Standards Law was signed into law. It mandates employers, contractors or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency.

An employer, contractor or subcontractor who willfully fails or refuses to comply with the Occupational Safety and Health Standards shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 8282 to ensure coverage of employees following procedures set out by the law and the Social Security System ("SSS"). Under the said law, social security coverage is compulsory for all employees under 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the DOH tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is employer-employee relationship.

Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

Labor Code Provision on Retirement Pay

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: 15 days' salary based on the latest salary rate; in addition, one-twelfth (1/12) of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

DOLE Mandated Work-Related Programs

Under Republic Act No. 9165 or the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding this, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than Ten Thousand Pesos (₱10,000) nor more than Twenty Thousand Pesos (₱20,000), or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, the Philippines AIDS Prevention and Control Act and its IRR require all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

Overview of Regulatory Framework for Wind Farm Power Plant Projects in Indonesia
Regulation Background

The relevant laws and regulations for a wind farm power plant project (“WFPP”) in Indonesia include the following:

- Law No. 30 of 2009 on Electricity, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Electricity”);
- Law No. 32 of 2009 on Environmental Protection and Management, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Environment”);
- Law No. 25 of 2007 on Investment, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Investment”);
- Law No. 40 of 2007 on Limited Liability Company, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Company”);
- Law No. 41 of 1999 on the Forestry, as amended by Law No. 19 of 2004 and partly revoked by Law No. 18 of 2013 and, as recently amended by Law No. 11 of 2020 on Job Creation (“Law on Forestry”);
- Law No. 2 of 2017 on Construction Services, as recently amended by Law No. 11 of 2020 on Job Creation;
- Government Regulation No. 21 of 2021 on Implementation of Spatial Layout (“Government Regulation 21”);
- Government Regulation No. 22 of 2021 on Implementation of Environmental Protection and Management;

- Government Regulation No. 23 of 2021 on Forestry Implementation ("Government Regulation 23")
- Government Regulation No. 25 of 2021 on Implementation in Energy and Mineral Resources Field;
- Government Regulation No. 14 of 2012 on Power Supply Business Activities, as amended by Government Regulation No. 23 of 2014 ("Government Regulation 14");
- Presidential Regulation No. 10 of 2021 on Line of Business on Investment, as amended by Presidential Regulation No. 49 of 2021 ("Investment List");
- Minister of Energy and Mineral Resources ("MEMR") Regulation No. 13 of 2021 on Free Space and Minimum Clearance of Limitations for Electrical Transmission Networks and Compensation for Lands, Buildings and/or Plants Located Below the Free Spaces of Electrical Power Transmission Networks ("MEMR Regulation 13-2021");
- MEMR Regulation No. 39 of 2018 regarding Electronically Integrated Business Licensing Services in the Field of Electricity ("MEMR Regulation 39-2018");
- MEMR Regulation No. 50 of 2017 regarding the Utilization of Renewable Energy Sources for Electricity Supply, as amended lastly by MEMR Regulation No. 4 of 2020 ("MEMR Regulation 50-2017");
- MEMR Regulation No. 5 of 2021 regarding Standards for Business Activities and Products During the Implementation of Risk-Based Business Licensing within the Energy and Mineral Resources Sector ("MEMR Regulation 5-2021");
- MEMR Regulation No. 10 of 2022 regarding Procedures on the Application for Approval of Electricity Sales Prices and Electricity Network Lease Price and Procedures on the Application for Stipulation of Electricity Tariff;
- Minister of Agrarian and Spatial Planning/Head of National Land Agency (*Badan Pertanahan Nasional* or BPN) Regulation No. 13 of 2021 regarding Implementation of the Conformity of Spatial Utilisation Activities and Synchronisation of the Spatial Utilisation Program ("MOA Regulation 13-2021");
- Minister of Environment and Forestry ("MOEF") Regulation No. 4 of 2021 regarding List of Business and/or Activities Subject to Mandatory Environmental Impact Assessment, Environment Management Effort and Environment Monitoring Effort or Statement Letter on the Environmental Management Ability ("MOEF Regulation 4-2021");
- MOEF Regulation No. 7 of 2021 on the Forestry Planning, Changes to the Designation and Function of Forestry Area and Use of Forestry Area ("MOEF Regulation 7-2021"); and
- MOEF Regulation No. P.26/MENLHK/SETJEN/KUM.1/7/2018 regarding the Guidelines on the Preparation and Assessment as well as Evaluation of Environmental Documents in the Implementation of Electronically Integrated Business Licensing Services.

This section sets out the overall regulatory framework and the main business licenses applicable to WFPPs in Indonesia. This section is not intended to set out a comprehensive review of all of the different regulations, regulatory requirements or licenses/permits applicable to Indonesian WFPPs. Additional regulatory requirements (as well as the obligation to obtain additional technical and/or operational licenses) may apply based on the specific activities, operating procedures and utilized equipment of a project company. For example, specific construction activities, manpower arrangements, use or development of ancillary facilities (such as roads and ports) and hazardous waste arrangements are subject to separate regulatory requirements outside the scope of this section.

General Corporate Documents and Licenses

Based on the Law on Company, among the general corporate documents applicable for a newly established company involved in a WFPP is the Deed of Establishment and any amendments thereto, together with the relevant approval and notification receipts from the Minister of Law and Human Rights.

With regard to general business licenses, the relevant mandatory licenses include the company's tax related licenses.

Company Registration

Foreign investment companies (*Penanaman Modal Asing* or the "PMA company/ies") are generally allowed to engage in the business of electricity supply for the public interest and electricity power generation under the Law on Electricity but subject to business activities closed to foreign ownership under the Investment List.

A Business Registration Number (*Nomor Induk Berusaha* - "NIB") is an identity number for Indonesian business entities issued by the Online Single Submission ("OSS") system following the registration of such business entity in the OSS system. An NIB also serves as a company's Company Registration Certificate (*Tanda Daftar Perusahaan*), Importer Identification Number (*Angka Pengenal Importir*) and customs access right (*nomor induk kepabeanan*). Business entities with an NIB are also automatically registered with the national healthcare and employment social security schemes (*Badan Penyelenggara Jaminan Sosial*). The requirement to obtain an NIB through the OSS system also applies to business entities which were established prior to the establishment of the OSS system in 2018. The registration of an Indonesian PMA company is generally evidenced by its NIB.

Under the Law on Investment, a PMA company engaged in a WFPP must have an NIB with a classification of "electricity generation." The "electricity generation" business classification for WFPPs, in turn, is separated into two (2) different categories under the Investment List, as follows:

- electricity generation of less than 1MW (which is allocated to local cooperatives and local micro, small and medium-scale business only – where such business involves simple technology, having specific process/labor intensive/cultural heritage and/or having capital of no more than Rp 10 billion); and
- electricity generation of equal to or more than 1MW (which generally allows for foreign ownership up to 100%).

Operational Licenses

Under the Law on Electricity and its implementing regulations, a company engaged in the development of a WFPP must secure a Business License in the form of an Electricity Supply for Public Interest Business License (*Izin Usaha Penyedia Tenaga Listrik* or the "IUPTLU"), which is its main business license.

<u>IUPTLU</u>

As a requirement for the supply of electricity to PT PLN (Persero) ("PLN"), a project company is required to secure an IUPTLU, as its Business License, issued by MEMR (or by its delegated authority). The IUPTLU is granted for up to 30 (thirty) years and can be extended.

Pursuant to MEMR Regulation 39-2018, MEMR, in the framework of electronically integrated business licensing services, has delegated to the OSS system its authority to grant several licenses, including IUPTLUs. Therefore, an application to obtain an IUPTLU must be submitted through the OSS system and the IUPTLU will be issued by the OSS system for and on behalf of MEMR.

Based on MEMR Regulation 5-2021, the following specific documents/information must be submitted to the OSS system along with the application letter for the issuance of the IUPTLU:

- an electricity supply feasibility study – containing: (i) financial feasibility study; (ii) operational feasibility study; (iii) network interconnection study; (iv) installation location; (v) one-line diagram; (vi) a description of the type and capacity of the proposed business; (vii) construction schedule; and (viii) operation schedule arranged by the certified business entity; and
- an agreement for the sale and purchase of electricity between project company and the potential purchaser (in this case, PLN) in accordance with the electricity price approval from the MEMR (which must be applied for and obtained by PLN prior to PLN finalizing the power purchase agreement with the project company).

Operational Feasibility Certificate

After the commissioning test of a WFPP, MEMR Regulation 39-2018 requires the power plant to undergo inspection and testing for the purpose of obtaining an Operational Feasibility Certificate (*Sertifikat Laik Operasi*) issued through the OSS system, which will certify the fitness of the electricity installation and formally recognize that the power plant is ready to commence operations.

Environmental and Forestry Licenses

Environmental Approval

An environmental approval is required to be secured with respect to the construction of a WFPP. In case of a WFPP with capacity of equal to or more than 50MW, MOEF Regulation 4-2021 categorizes the construction thereof as an activity that requires an Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan Hidup* or the "AMDAL"). However:

- if the capacity of the WFPP is equal to or more than 1MW up to less than 50MW, then it would be required to have an Environmental Management Effort-Environmental Monitoring Effort (*Upaya Pengelolaan Lingkungan Hidup-Upaya Pemantauan Lingkungan Hidup*) document; or
- if the capacity of the WFPP is less than 1MW, then it would be required to have a Statement Letter on the Environmental Management Ability (*Surat Pernyataan Kesanggupan Pengelolaan Lingkungan Hidup*).

The AMDAL is a document which consists of an Environmental Impact Assessment Report (*Analisa Dampak Lingkungan Hidup* or the "ANDAL"), an ANDAL Terms of Reference Form (*Formulir Kerangka Acuan Analisa Dampak Lingkungan Hidup* or the "KA- ANDAL"), an Environmental Management Plan (*Rencana Pemantauan Lingkungan* or the "RPL") and an Environmental Monitoring Plan (*Rencana Pengelolaan Lingkungan* or the "RKL").

The approval process of the AMDAL includes the project company's preparation and submission of a KA- ANDAL to the AMDAL Valuation Committee for approval. The AMDAL documents must then be prepared and eventually submitted to the MOEF or Head of Regional Government (Governor or Regent/Mayor), as applicable. The Environmental Approval, in the form of Environmental Feasibility Approval, will state that the business activities are feasible for the environment, the obligations of the project company and the validity of the approval, among others.

Forestry Area Utilization Approval (*Persetujuan Penggunaan Kawasan Hutan* or "PPKH"), if applicable

Under the Law on Forestry and Government Regulation 23, the project company would need to apply for and obtain a PPKH in order to carry out an electricity business in an area which has been categorized as "production forest" or "protection forest" (together, the "Forest Zones"). The PPKH can be issued to a project company for the period equal to the validity period of the business License (*i.e.*, in this case, the IUPTLU). According to MOEF Regulation 7-2021, an application to obtain a PPKH must be submitted by the management of the relevant project company (which has obtained an NIB) to the MOEF through the OSS system.

Land Arrangements

<u>Conformity to Spatial Utilisation Activities (*Kesesuaian Kegiatan Pemanfaatan Ruang* or “KKPR”)</u>

Government Regulation 21 and MOA Regulation 13-2021 stipulate that all spatial utilization activities (including land acquisition activities) require a KKPR, which is issued through the OSS system. A KKPR functions as a permit to transfer title and to utilise land for business activities. A KKPR also serves as a regulatory confirmation for the existing landowners/occupiers to confirm that their current land utilization is in accordance with the applicable spatial layout plan. There are three forms of KKPRs, namely:

- KKPR confirmation – where the proposed location of the spatial utilisation is in line with the regency/municipal spatial layout detailed plan (*rencana detail tata ruang* – “RDTR”) which has been integrated with the OSS system;

- KKPR approval – where there is no regency/municipal RDTR or the available regency/municipal RDTR has not been integrated with the OSS system, which requires detailed assessment of the application documents for the KKPR by the Directorate General of Spatial Planning (“DGSP”), including, if necessary, a confirmatory site visit as a part of the assessment process; and

- KKPR recommendation – where the proposed location of the spatial utilisation is not covered under the regency/municipal spatial layout plan (*rencana tata ruang* – “RTR”), which requires registration of the KKPR recommendation by the relevant applicant and detailed assessment of the application documents for the KKPR by the DGSP, including, if necessary, a confirmatory site visit as a part of the assessment process.

Similar to the previous location permit (*izin lokasi*) regulatory regime, a KKPR is required for certain land certification processes. An initial KKPR will be issued for a period of 3 years but this may be extended if, at the time of the extension, at least 30% of the total land area under the KKPR has been acquired in line with the assessment made by the relevant local land office. Notably, once the land acquisition process is completed, the project company must obtain a separate updated KKPR to reflect the land acquired, which will be valid for as long as the validity period of the underlying land title certificates.

<u>*Land rights applicable to a WFPP*</u>

While there are different kinds of registered land titles in Indonesia, the most relevant for an IUPTLU holder is a ‘right to build’ (*hak guna bangunan* or the “HGB”). The HGB gives the holder the right to own and use land and to erect and/or possess buildings and installations on the land. HGB certificates are issued to evidence the ownership of this type of title. Usually, an HGB is for a period of up to 30 years and extendable for maximum periods of 20 years per extension.

Electricity Tariffs and Power Purchase Agreements with PLN

Pursuant to MEMR Regulation 50-2017, for Indonesian WFPPs, the relevant electricity sale pricing shall be determined as follows:

- up to 85% of the local grid average national PLN electricity supply cost (biaya pokok penyediaan pembangkitan -“BPP”), if the local grid BPP is higher than the national BPP; or

- based on mutual agreement between PLN and the independent power producer, if the local grid BPP is less than or equal to the national BPP.

The electricity price based on the above pricing mechanism must obtain an electricity price approval from MEMR which must be applied by PLN to the MEMR at the latest 5 business days as of the completion of the independent power producer procurement process. This process will be managed through the co-operation of PLN during the negotiation of the terms of the power purchase agreement.

Overview of Regulatory Framework for Renewable Solar/Wind Power Plant Projects in Vietnam

Relevant laws and regulations

General (applicable to all power projects)

- Investment Law No. 61/2020/QH14 dated 17 July 2020 passed by the National Assembly ("Investment Law")
- Decree No. 31/2021/ND-CP dated 26 March 2021as the implementing regulations of the Investment Law
- Electricity Law No. 28/2004/QH11 dated 3 December 2004 passed by the National Assembly (as amended by Law No. 24/2012/QH13 dated 20 November 2012, and Law No. 03/2022/QH15 dated 11 January 2022) ("Electricity Law")
- Decree No. 137/2013/ND-CP dated 21 October 2013 implementing the Electricity Law (as amended by Decree No. 08/2018/ND-CP)
- National Power Master Plan VII (amended) for the period 2011—2020 approved by the Prime Minister under Decision 428/QD-TTg dated 18 March 2016 ("Power Master Plan VII"). Power Master Plan VII aims to increase solar power capacity from the current almost zero to 850MW by 2020 and 12,000MW by 2030
- Land Law No. 45/2013/QH13 dated 29 November 2013 passed by the National Assembly (as amended by Law No. 35/2018/QH14) ("Land Law")
- Decree No. 43/2014/ND-CP dated 15 May 2014 implementing the Land Law (as amended by Decree No. 01/2017/ND-CP and Decree No. 148/2020/ND-CP)
- Construction Law No. 50/2014/QH13 dated 18 June 2014 passed by the National Assembly (as amended by Law No. 03/2016/QH14 dated 22 November 2016 passed by the National Assembly and by Law No. 35/2018/QH14) (as amended by Law on Amendment to Construction Law No. 62/2020/QH14 dated 17 June 2020 as from 1 January 2021) ("Construction Law")
- Decree No. 44/2015/ND-CP dated 6 May 2015 on detailed regulations on construction planning (as amended by Decree 72/2019/ND-CP)
- Consolidated Document No. 07/VBHN-BXD dated 22 November 2019 on detailed regulations on construction planning
- Decree No. 15/2021/ND-CP dated 3 March 2021 on management of construction investment projects
- Consolidated Document No. 02/VBHN-BXD dated 20 July 2018 on management of construction investment projects
- Circular No. 03/2016/TT-BXD dated 10 March 2016 issued by the Ministry of Construction ("MOC") ("Circular 3") (as amended by Circular 06/2021/TT-BXD dated 30 June 2021)

Grid-connected solar power projects

- Circular No. 18/2020/TT-BCT dated 17 July 2020 issued by the Ministry of Industry and Trade (“MOIT”) on project development and model power purchase agreements for solar power projects

Grid-connected wind power projects

- Decision No. 37/2011/QD-TTg dated 29 June 2011 issued by the Prime Minister on mechanism to support in development of wind power projects in Vietnam (as amended by Decision No. 39/2018/QD-TTg)
- Consolidated Document No. 05/VBHN-BCT dated 1 August 2019 issued by the MOIT on mechanism to support in development of wind power projects in Vietnam
- Circular No. 02/2019/TT-BCT dated 15 January 2019 issued by the MOIT on wind power project development and model power purchase agreements for wind power projects

Environment; Firefighting and Fire Prevention

- Law on Environmental Protection No. 72/2020/QH14 dated 17 November 2020 (“Law on Environmental Protection”)
- Decree No. 08/2022/ND-CP dated 10 January 2022 guiding several articles of the Law on Environmental Protection
- Law on Firefighting and Fire Prevention No. 27/2001/QH10 dated 29 June 2001 passed by the National Assembly (as amended by Law No. 40/2013/QH13 dated 22 November 2013)
- Decree No. 136/2020/NP-CP dated 24 November 2020 providing guidelines for the amended Law on Firefighting and Fire Prevention No. 40/2013/QH13 (“Decree 136”)

Enterprise Registration Certificate

The enterprise registration certificate is a license issued by the provincial Planning and Investment Department certifying the incorporation of a project company. The enterprise registration certificate generally contains the following information:

- name and enterprise number of the project company
- address of the project company’s head office
- information of the legal representative of the project company
- information of the owner/members of the project company (applicable to a limited liability company only)
- charter capital of the project company

Inclusion in power master plan

A proposed solar/wind power project must be included in the provincial (general) power development master plan or the national (general) power development master plan, or the provincial solar/wind power development master plan or the national solar/wind power development master plan. To have a project included in such master plans, the project proponent must first conduct a preliminary feasibility study for the project, which should include, among others, the description of the project: proposed location, construction scale and area, construction items, relevant contents of industry master plan and local construction master plan, need for the project and its advantages and disadvantages, total investment capital, source of funds, capacity of project proponent to mobilize funds, project implementation schedule, analysis of economic, financial and social efficiency, plan for land using, land clearance and compensation, environmental impact assessment, fire fight and fire prevention plan and other requirements in respect of national defense and public security (if any) and plan for supports in construction of technical infrastructure ("Pre-FS").

As a matter of procedure, the Pre-FS should then be submitted to and reviewed by the Energy General Department (for inclusion in the national solar/wind power development master plan) or submitted to relevant provincial Department of Planning and Investment and then forwarded to the Energy General Department for review (for inclusion in the provincial solar/wind power development master plan).

The Prime Minister has issued Decision 1264/QD-TTg on 1 October 2019 approving the mission of preparation of the national electricity development planning for the period 2021-2030 ("National Master Plan VIII") in order to replace the National Master Plan VII. In May 2022, the National Master Plan VIII has been submitted to the Prime Minister for approval and promulgation. Pending the issuance of the National Master Plan VIII, currently, a proposed solar/wind power project, regardless its capacity, needs to be approved by the Prime Minister.

In-principle approval for investment

Upon inclusion in the relevant power master plan, the project proponent, in accordance with the Investment Law, must apply for in-principle approval for investment with:

- the National Assembly – in the case of (i) a project which seriously affects or may seriously affect the environment; (ii) a project involving the conversion of land use purpose for wet rice dual harvest cultivation in an area of 500 hectares or more; (iii) a project involving the relocation and resettlement of 20,000 people or more in mountainous areas or 50,000 people or more in other areas; or (iv) a project requiring the application of a special mechanism or policy which should be decided by the National Assembly;
- the Prime Minister – in case of a project involving the relocation and resettlement of 10,000 people or more in mountainous areas or 20,000 people or more in other areas; or
- the People's Committee – in case of (i) a project to which the State allocates or leases land without auction, tendering or transfer; (ii) a project requiring the conversion of land use purpose; or (iii) a project of foreign investors and foreign-invested business entities executed on islands or in border or coastal communes, or in other areas affecting national defense and security.

The *in-principle approval for investment* is necessary for and will enable the project proponent to apply for an investment registration certificate

Investment Registration Certificate

Within five working days from the issuance date of the in-principle approval for investment, the provincial Department of Planning and Investment will issue an investment registration certificate ("IRC") to the project company in accordance with the Investment Law. The IRC is the official document recording the right of the project proponent to invest in and implement the solar/wind power project.

Under the Investment Law, generally, the term of an investment project is 50 years. The term of an investment project to be implemented in areas with especially difficult socio-economic conditions or an investment project with large investment capital but slow capital recovery may be longer but shall not exceed 70 years.

Land Clearance and Compensation Process; Land Lease

The project proponent may proceed with the land clearance and compensation process with respect to the project land upon receipt of the in-principle approval for investment.

Upon completion of the land clearance process, the project company may then proceed with the application for a land lease decision to be issued by the People's Committee and for the People's Committee to sign a land lease agreement.

1/500 Master Plan

The project proponent submits a proposed detailed (1/500) construction master plan of the solar/wind power plant for appraisal by the provincial People's Committee. The approved 1/500 construction master plan is a basis for the project company to prepare the dossier and to obtain a construction permit.

Construction permit

After a land lease decision, land lease agreement and 1/500 construction master plan are secured, the project company may then apply for a construction permit from the provincial Department of Construction in accordance with the Construction Law. Upon issuance of the construction permit, the project company must then commence construction work within 12 months thereafter. The 12-month construction deadline can be extended twice for a period of additional 12 months each in accordance with the Construction Law.

Land use right certificate

The land use right certificate ("LURC") is the prima facie evidence of title to land use rights. The LURC will be issued in favor of the project company by the provincial People's Committee or its authorized land division after the land lease agreement is executed and rent obligations to the government are fulfilled. It has the same term as the land lease agreement.

Feasibility Study and Technical design approval

In terms of construction and pursuant to the Construction Law (including Decree 59 and Circular 3), another part of the process is the submission of a feasibility study ("FS") for appraisal by: (i) the Department of Construction or the specialized construction management Department for a project with a capacity of up to 30MW; or (ii) the specialized construction management agency of the MOC or the specialized construction management Ministry for a project with a capacity of more than 30MW.

The FS should contain the basic design, among others. Upon approval of the basic design and the FS, the project company must then prepare a more detailed technical design, which will be evaluated and approved by: (i) the Department of Construction or the specialized construction management Department for a project with a capacity of up to 30MW; or (ii) the specialized construction management agency of the MOC or the specialized construction management Ministry for a project with a capacity of more than 30MW.

Electricity contracts and licenses

The following agreements/licenses must be secured by the project company for a solar/wind power project with various divisions of EVN:

- the Power Purchase Agreement;
- the Grid Connection Agreement;
- the SCADA/EMS Agreement;
- the Load Dispatch Information System Agreement; the Protective Relay System Agreement;
- the Metering Agreement; and
- the Electricity Operation License.

The agreements are typically negotiated with the EVN or its relevant divisions during the FS process.

Environment impact assessment

Preliminary Environmental Impact Assessment ("PEIA")

A solar/wind power project is subject to a PEIA requirement if it:

- uses land, water surface, or sea area with large scale (total area from 100 hectares) or medium scale but having environmentally sensitive factors; or
- requires conversion of use purpose of rice cultivation land which is subject to an approval of the Prime Minister in accordance with applicable regulations of the Land Law; or
- requires migration and relocation (from 10,000 people in a mountain area or from 20,000 people in other areas).

The PEIA must be implemented during the period of pre-FS on construction investment, proposal for investment policy and request for in-principle approval in respect of investment projects subject to in-principle decision or approval in accordance with the Investment Law, Construction Law and/or other applicable laws.

Environmental Impact Assessment Report ("EIAR")

A solar/wind power project is subject to an EIAR requirement if it:

- has implemented a PEIA; or
- uses land, water surface or sea area with medium scale (from 50 to under 100 hectares) or small scale but having environmentally sensitive factors; or
- requires conversion of use purpose of rice cultivation land which is subject to an approval of the provincial Peoples' Council in accordance with applicable regulations of the Land Law; or
- requires migration and relocation (from 1,000 to under 10,000 people in a mountain area or from 2,000 to under 20,000 people in other areas).

The solar/wind power project company must prepare an EIAR during the preparation of the FS. The EIAR will then be submitted to and evaluated and approved by either the Ministry of Natural Resources and Environment or the provincial People's Committee depending on the scale and sector of the project pursuant to the Law on Environmental Protection.

Fire Prevention and Firefighting design approval and implementation

Pursuant to Decree 136 and as part of the requirements for issuance of the construction permit, the project company must also submit its Fire Prevention and Firefighting ("FPFF") design to the Police Department of Fire Prevention and Firefighting ("Fire Department") for appraisal and approval.

As required by Decree 136, after completion of construction works, but before operations, the project company must also have the Fire Department certify that the construction works are built in accordance with the FPFF design approval.

Overview of Electricity Regulatory Framework for Wind Farm Project in Tasmania & Solar Farm and Battery Energy Storage System ("BESS") Projects in New South Wales, Australia

Electricity generation and connection approvals

A project company who wishes to supply electricity from a wind farm project in Tasmania or solar farm or BESS projects in New South Wales ("NSW") is required to register as a "Market Participant" with the Australian Energy Market Operator ("AEMO") under the National Electricity Law ("NEL"). In addition, such a company must liaise with the relevant transmission or distribution network supplier to connect to the electricity transmission or distribution network under a process set out in the National Electricity Rules ("NER"), which is overseen by AEMO.

In Tasmania, a company must also secure a license from the Tasmanian Economic Regulator ("TER").

Registration as a Participant with AEMO

Under the NEL, a person who will engage in the activity of owning, controlling or operating a generating system (including a wind farm, solar farm or BESS project) connected to the interconnected transmission or distribution system in the National Electricity Market ("NEM") is required to be a registered participant with AEMO, unless an exemption applies. The transmission and distribution systems in both Tasmania and NSW are part of the NEM.

To be a registered participant, such a person must register within a particular category with AEMO. In case of generation, such a person is required to register with AEMO in the "Generator" category before commencing operation of any generation facilities. In the case of a BESS, which typically both exports electricity into and imports electricity from the NEM, the person would also need to register with AEMO in the "Customer" category.

The process for registration and requirements for applicants are outlined in the NER. The applicant must, among other matters, satisfy AEMO that it is (and will continue to be) able to fulfil the financial obligations relating to Market Participants and has demonstrated an ability to comply with the NER.

License for generation of electricity in Tasmania

In addition, a person wishing to carry on operations in the electricity supply industry in Tasmania, including generating electricity from a wind farm project, is required to secure, a license in Tasmania as a generator under the Electricity Supply Industry Act 1995 (Tasmania). This license is in addition to registration as a Market Participant with AEMO.

The company should file a license application with the TER, specifying the information required by the TER in the applicable form. In addition, the application must, among other matters, identify the officers and major shareholders, if applicable, of the company, contain the details of the proposed generating plant and details relating to the project's connection to the relevant transmission system or distribution network, and any other relevant information requested by TER.

Connection to transmission or distribution network

The NER provides for the procedure for connection to a transmission network or a distribution network and access to the national grid. This procedure is overseen by AEMO.

To be able to connect, the company is required to submit an application to connect and enter into a connection agreement with a network service provider prior to being connected to the network.

On receipt of a connection inquiry, a network service provider must, in accordance with the system strength impact assessment guidelines, undertake a system strength impact assessment of each proposed new connection to a generating system. The network service provider must then proceed to prepare an offer to connect within a specific period, which should also contain the relevant terms and conditions for connection.

If the network service provider determines that an application will have an adverse system strength impact as part of its assessment, it can require as a condition of connection that the applicant participates in a system strength remediation scheme. This may include installation of plant or undertaking other works to augment the capacity of the transmission or distribution network.

Once it has received an offer to connect, the company then has the opportunity to negotiate and enter into a connection agreement with the relevant network service provider. The timing of the connection process is heavily dependent on the specific nature of the connection and features of the relevant parts of the transmission or distribution network. AEMO guidelines suggest that the entire process could take a number of years, but could also be much shorter (for example, 10 months) in the case of less complicated connections.

Overview of Electricity Regulatory Framework for Solar Projects in Gujarat, Rajasthan, and Madhya Pradesh, India

<u>Central Regulatory Framework</u>

The Electricity Act 2003, as amended from time to time[15] (the "Electricity Act"), primarily governs the regulatory framework of the solar power sector in India. The Electricity Act has created several independent regulatory agencies for the electricity sector, namely, the Central Electricity Regulatory Commission ("CERC"), the State Electricity Regulatory Commissions ("SERCs"), Appellate Tribunal for Electricity ("APTEL"), the Central Electricity Authority ("CEA"), regional and national load dispatch centres, regional power committees, central transmission utility ("CTU") and the state transmission utilities ("STUs"). The electricity sector is also regulated through several laws and regulations framed by the CERC, SERC and orders issued by the CERC, SERCs, the APTEL, along with other policies adopted by the Government of India ("GoI") and the relevant State Governments.

The CERC mainly regulates and determines tariff for generation and inter-state power supply or inter-state transmission and is also responsible for issuance of transmission licenses. CERC also adjudicates disputes involving generation companies, distribution licensees or inter-state transmission licensees. SERCs determine tariffs for generation, distribution and transmission of power within a state, regulate the power procurement process of distribution licensees, issue distribution and transmission licenses and regulate intra-state electricity transmission, along with adjudication of disputes involving generation companies, distribution licensees or intra-state transmission licensees.

The CEA acts as an advisory body to the GoI with regard to technical matters concerning generation, transmission and distribution, which also includes prescribing grid standards for operation and maintenance of transmission lines. APTEL, which has the appellate power under the Electricity Act, acts in a superintending role over regulators. The CTU is a government owned company which operates majority of the inter-state/inter-regional transmission networks in India. Likewise, STUs are government owned companies appointed at the state level and both, the CTU and the STUs provide connectivity to generators and ensure development of the transmission lines. Lastly, to ensure optimum scheduling and dispatch of electricity in terms of the relevant grid code, load dispatch centres are established under the Electricity Act at the national, regional and state levels.

The Electricity Act also mandated the GoI, in consultation with the State Governments and the CEA, to prepare a national electricity policy and a tariff policy. Accordingly, the GoI issued the national electricity policy in 2005 ("NEP") and a tariff policy in 2006 which was replaced by the tariff policy of 2016 ("Tariff Policy"). The NEP aims at laying guidelines for accelerated development of the power sector, providing electricity to all areas and protecting interests of consumers, keeping in view the availability of energy resources, the technology available to exploit these resources, economics of generation using different resources and energy security issues. The Tariff Policy provides for guidelines for the development of the power sector, to attract investments in the power sector and to ensure reasonable charges for the consumers. The Tariff Policy also provides, among others, guidance to the regulatory bodies in framing the tariff regulations and encourages competitive procurement of power.

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[15] The Electricity Act is proposed to be amended *vide* the Electricity (Amendment) Bill, 2021, which is currently pending before the Parliament of India.

Forecasting and Scheduling

In March 2015, the CERC published its proposed 'Framework for Forecasting, Scheduling and Imbalance Handling for Wind & Solar Generating Stations at Inter-State Level' according to which renewable energy forecasting was required to be done by both, the renewable energy generator and the concerned load dispatch centre. Further, under the deviation settlement mechanism ("DSM"), load serving entities are charged with penalties for deviations from requested day-ahead schedules and generators are charged for deviations from committed day-ahead schedules.

Tariff Determination

The Electricity Act provides for the procedures for two types of tariff determination. The first is when tariff is determined by the CERC or the relevant SERC through negotiated power purchase agreements ("**PPAs**") with the distribution licensees, which should be approved by the CERC or the relevant SERC, as the case may be. The second way to discover tariff is through a competitive bidding conducted in accordance with the competitive bidding guidelines issued by the GoI. The standard bidding guidelines were issued by the Ministry of Power under Section 63 of the Electricity Act in 2017 for tariff-based competitive bidding processes, for procurement of power from grid-connected solar PV projects and wind power projects.

Introduction of the Basic Customs Duty

The Ministry of New and Renewable Energy, GoI ("MNRE") issued an office memorandum dated 9 March 2021 ("MNRE OM"), whereby the acceptance by the Ministry of Finance, GoI of the MNRE's proposal to impose basic customs duty ("BCD") on solar cells and solar modules (without grandfathering of bid out projects) was notified. The MNRE OM states that with the objective of developing India's domestic solar manufacturing capacities and to reduce India's dependence on imports, a BCD of 40% will be leviable on imported solar modules and 25% on imported solar cells, with effect from 1 April 2022.

The MNRE OM also clarifies that imposition of the BCD will not be considered as a 'change in law' event for any bids, with bid submission dates falling subsequent to the date of the MNRE OM.

SC Order for Protection of the Great Indian Bustard

In *M.K. Ranjitsinh v. Union of India*,[16] the Supreme Court of India ("SC") issued an order dated 19 April 2021, which contained directions to the Government of Rajasthan ("GoR") and Government of Gujarat ("GoG") to ensure protection of the priority and potential habitats of the Great Indian Bustard ("GIB") (which is on the verge of extinction), as identified by the Wildlife Institute of India. The SC order noted the impact of overhead power transmission lines on the health and habitat of birds that die due to collision with power lines, particularly the GIB ("GIB Order"). Certain mitigation measures were issued as directions to the GoR and GoG by SC, which included the following:

- The GoR and GoG are required to take steps to install bird divertors on overhead power lines that currently exist in the priority and potential habitats of the GIB.
- Low voltage overhead power lines existing presently in the priority and potential habitats of GIB will be converted into underground power lines. All low voltage power lines to be laid in the priority and potential habitats of GIB, in all cases will be laid underground in the future.
- Laying of high voltage underground power lines would require expertise for feasibility assessment and therefore, a committee was constituted by the SC for such purpose ("GIB Committee"). The GIB Committee may obtain technical reports from experts in the field of electricity supply or assistance of the GoI to arrive at a decision, if required. If the GoR and

[16] I.A. No. 85618 of 2020 in Writ Petition (Civil) No. 838 of 2019

GoG face feasibility issues while laying underground power transmission lines, they should refer the matter to the GIB Committee with the relevant details.

- Where converting the overhead power lines into underground power lines is feasible, the GoR and GoG are required to complete such conversion within one year. Till such conversion is completed, the bird divertors should be hung from the existing power lines.

Pursuant to the GIB Order, while considering various petitions for grant of transmission licenses in Rajasthan, where certain elements of the proposed projects such as the transmission lines would fall within the potential habitats of the GIB, the CERC[17] held that since the petitioners had not undertaken the measures set out in the GIB Order, it cannot grant the transmission license by ignoring the GIB Order. The CERC granted the petitioners the liberty to approach it after complying with the directions of the SC under the GIB Order.

The MNRE, Ministry of Power, GoI ("MoP") and the Ministry of Environment Forest and Climate Change filed interim applications ("IAs") before the SC on 17 November 2021, contesting the GIB Order, praying to modify the GIB Order *inter alia*, on the grounds that it: (i) was passed without adequately assessing the impact and mode of implementation; (ii) would be against India's climate change goals. Apart from these primary grounds, the IA also stressed on the practical difficulties of complying with the GIB Order, considering that there were no manufacturers of insulated underground cables.

The MNRE also issued an office memorandum dated 3 February 2022 stating that, for all renewable energy projects where: (i) the intermediary procurer is an MNRE renewable energy implementing agency; (ii) the transmission infrastructure is wholly or partially located in priority or potential areas of the GIB; (iii) project land is procured; and (iv) the project is delayed due to non-completion of project transmission infrastructure on account of the GIB Order, the scheduled date of commissioning is extended to a date which is 30 days after the date of the SC's judgement in the IAs filed by MNRE, MoP and the Ministry of Environment Forest and Climate Change.

In continuation of the GIB proceedings, the SC sought status reports from the GoG, GoR and the GIB Committee regarding compliance with the GIB Order. In its order dated 21 April 2022, the SC directed that: (i) the installation of bird divertors should be completed in all priority areas before 20 July 2022; (ii) the GoG, GoR and all private power producers should ensure that within the priority areas, a comprehensive exercise is completed within a period of 3 weeks to assess the total length of transmission lines and the estimated number of bird divertors required for the purpose; (iii) the GIB Committee, in consultation with CEA must formulate the standards of quality required for the bird diverters within 1 month of the order; (iv) any company seeking exemption from the direction to install underground transmission lines, has to approach the GIB Committee; and (v) the injunction imposed on installation of fresh overhead transmission lines under the GIB Order will continue and only those overhead transmission lines will be allowed, which are approved by the GIB Committee.

Pursuant to the above order, the GIB Committee (in consultation with the CEA) has, on 31 May 2022, issued the technical standards for bird divertors.[18]

Must Run Rules for Renewable Projects

The MoP notified the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 on 22 October 2021 ("Must Run Rules"). Under the Must Run Rules, renewable plants are treated as must-run power plants,[19] which cannot be subjected to curtailment or regulation of generation

[17] Order dated 26 August 2021 in Petition No. 136/TL/2021
[18] Available at: https://cea.nic.in/wp-content/uploads/pse___td/2022/06/TS_for_Bird_Flight_Diverter_issued_by_SC_Committee_16062022.pdf
[19] As per Rule 3(1) of the Must Run Rules, the following plants are regarded as must-run plants: *a wind, solar,*

or supply of electricity on account of any commercial consideration. If power from a must-run power plant is curtailed for any reasons other than technical constraints or grid security reasons, the Must Run Rules require the procurer to compensate the renewable energy generator at the tariff agreed under the PPA.

Deviation Settlement Mechanism Regulations

The CERC notified the CERC (Deviation Settlement Mechanism and Related Matters) Regulations 2022 on 14 March 2022 ("DSM Regulations"), which replace the 2014 regulations[20], in order to provide a commercial mechanism to ensure that grid users adhere to their drawal/injection schedules and minimize deviation, such that the integrity, security and stability of the grid is maintained at all times. The DSM Regulations are applicable to all grid connected regional entities[21] and other entities engaged in inter-state purchase and sale of electricity. By way of the DSM Regulations, the CERC has sought to discourage over injection of power to the grid by generating stations since, the DSM Regulations specifically provide that in case of solar and wind power, no compensation will be paid in case of over-injection of power in the grid beyond 10% (as against the previous band of 30% permitted for deviation of +/- 15% under the 2014 regulations). In case of under-injection beyond 10%, deviation charges at 10% of the normal rate will be payable by solar and wind power generators.

Late Payment Surcharge

The MoP notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 on 3 June 2022, ("LPS Rules") which will be applicable to the outstanding dues of generating companies, inter-state transmission licensees and electricity trading licensees. Late payment surcharge ("LPS") refers to the charges required to be paid by Discoms to generating companies for delay in payment of monthly charges beyond the due date. As per the LPS Rules, LPS will be payable at the base rate for the first month of default and will be successively increased by 0.5% for each month of delay, subject to a total cap of 3%. The LPS Rules have also restructured the manner in which outstanding dues of the Discoms, including LPS (as of the date of notification of the LPS Rules) are to be paid. As per the LPS Rules, depending on the amount of outstanding dues, the Discoms may pay by way of equal monthly installations (up to a maximum of 48 monthly installations).

Green Energy Open Access

On 6 June 2022, the MoP notified the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 ("Green Energy Rules"). The Green Energy Rules are applicable to the generation, purchase and consumption of green energy,[22] and places a uniform purchase obligation on all obligated entities[23] in area of a Discom.

The objective of the Green Energy Rules is to promote renewable energy by providing simplified processes and incentives for open access[24] of green energy. Amongst the key provisions of the Green

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wind-solar hybrid or hydro power plant (in case of excess water leading to spillage) or a power plant from any other sources, as may be notified by the Appropriate Government, which has entered into an agreement to sell the electricity to any person.

[20] CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014.

[21] Regional entity is defined in Regulation 3(s) of the DSM Regulations as, *a person whose metering and energy accounting are done at the regional level by Regional Load Despatch Centre.*

[22] Green energy is defined under the Green Energy Rules as, *the electrical energy from renewable sources of energy including hydro and storage (if the storage uses renewable energy) or any other technology as may be notified by the Government of India from time to time and shall also include any mechanism that utilises green energy to replace fossil fuels including production of green hydrogen or green ammonia*.

[23] Obligated entity is defined in Rule 2(1)(e) of the Green Energy Rules as, *the entities mandated under clause (e) of sub-section (1) of section 86 of the Act to fulfill Renewable Purchase Obligation, which includes distribution licensee, captive user, and open access consumer*.

[24] Section 2(47) of the Electricity Act defines open access as, *the non-discriminatory provision for the use of*

Energy Rules, the contracted demand or sanctioned load limit for grant of open access has been reduced from 1 MW (as stipulated under the Electricity Act) to 100 kW for green energy (with no minimum limit being set out for captive consumers), allowing several smaller electricity consumers to purchase renewable power through open access. The Green Energy Rules also mandate setting up of a central nodal agency for operating a single-window green energy open access system through a centralised registry.

General Network Access

The CERC recently issued the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 ("GNA Regulations") to facilitate non-discriminatory open access to licensees, generating companies, consumers for use of the inter-state transmission system ("ISTS") through general network access ("GNA"), which will come into effect from a date to be separately notified by the CERC. Upon coming into effect, the GNA Regulations will replace the existing inter-state connectivity and open access framework[25]. As against the present ISTS open access system where generators are required to identify a consumer prior to grant of open access, GNA provides flexibility to the generators in giving them open access rights without having to specify the injection point and drawal point in their application for grant of connectivity (though at the time of applying for connectivity to the ISTS, the applicant is required to indicate the preferred point of connection with the ISTS along with the maximum quantum of power proposed to be interchanged with the ISTS). The GNA Regulations also contemplate grant of temporary GNA (T-GNA), which is similar to grant of short-term open access in the current regulatory framework.

Solar modules to be listed in the Approved List of Models and Manufacturers

The MNRE had issued an office memorandum in January 2019 titled the 'Approved Models and Manufacturers of Solar Photovoltaic Modules (Requirements for Compulsory Registration) Order, 2019', pursuant to which the MNRE announced its decision to prepare the 'Approved List of Modules and Manufacturers', a list of eligible modules and manufacturers of solar PV cells and modules which comply with Bureau of Indian Standards (BIS) standards (the "ALMM"). MNRE, by way of an amendment to the previous office memorandum, on 13 January 2022 further introduced a requirement that projects which apply for open access/net-metering from 1 April 2022 onwards, will have to use solar PV modules and cells which are included in the ALMM ("Revised OM").

Subsequently, the Distributed Solar Power Association (an industry body of developers) filed a petition before the Delhi High Court stating that the Revised OM could adversely impact the open access and net-metered projects and recommended that the implementation of the Revised OM for the commercial and industrial ("C&I") projects be deferred by 1 year. Responding to the petition, the Delhi High Court sought clarifications from the MNRE on the provisions made to protect the under-construction C&I projects, which would be adversely impacted by the requirements under the Revised OM.

Given the concerns around the implementation of the Revised OM, the date of implementation of the Revised OM was changed from 1 April 2022 to 1 October 2022.

Recommendation for Uniform GST on Renewable Energy Components

The Goods and Services Tax ("GST") Council on 17 September 2021 announced that the GST on '*specified renewable energy devices and parts*' will be increased from 5% to 12% with effect from 1

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transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission.

25 The CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in Inter-State Transmission and related matters) Regulations, 2009 (CERC Regulations 2009) and the detailed procedures issued under these regulations.

October 2021.[26] Taking into account the resultant increase in costs which will have to be borne by the solar power developers, the MoP in March 2022, proposed to write to the Department of Revenue, recommending a uniform GST slab of 5% on all renewable energy components across India. The MoP also requested the renewable energy industries and associations formulate a list of components and raw materials used in the development of renewable energy projects for which the GST reduction can be proposed to the Department of Revenue, to promote renewable energy projects.

Attempted Tariff Renegotiation in Andhra Pradesh and Punjab

Andhra Pradesh

In September 2018, the Discoms in Andhra Pradesh ("AP Discoms") filed a petition before the Andhra Pradesh Electricity Regulatory Commission ("APERC") for reduction in the preferential feed-in tariff applicable to wind power projects determined under Section 62 of the Electricity Act and later, also filed a similar petition impacting solar developers, requesting the APERC to revise the tariff payable by the AP Discoms for procurement of solar power (discovered under Section 63 of the Electricity Act through competitive bid process).

Subsequently, wind and solar developers approached the High Court of Andhra Pradesh ("APHC") challenging the proceedings before the APERC. A single bench of the APHC disposed of the petitions by an order dated 24 September 2019 ("HC Order") directing the APERC to decide the issues, while directing the Discoms to pay an interim tariff (lower than the tariff under the PPAs) during the pendency of the matter before the APERC.

The developers challenged the HC Order before the division bench of the APHC, which in its judgment dated 15 March 2022 ("APHC Judgment") held *inter alia* that: (i) tariffs once negotiated under concluded PPAs cannot be re-determined or renegotiated; (ii) the poor financial health of Discoms was not a ground for non-payment by them nor is it a ground to seek reduction in tariff, (iii) tariff that has been determined under Section 63 of the Electricity Act through the competitive bidding process cannot be re-determined; and (iv) since solar and wind projects plants operate on a 'must run' basis, any arbitrary curtailment of power from wind and solar projects by the state load despatch centre is illegal. The APHC also directed the Discoms to pay all pending dues to the developers within a period of six weeks from the date of the APHC Judgment.

Punjab

The Punjab Renewable Energy Security, Reform, Termination and Redetermination of Power Tariff Bill, 2021 (Bill No.40-PLA-2021) ("Bill") was notified by the Government of Punjab on 11 November 2021. The objective of this Bill is to refer matters to the Punjab State Electricity Regulatory Commission ("PSERC") so that tariff may be redetermined under long term contracts, including those with wind and solar power developers. The Bill provides that when such matter is referred to the PSERC, the clauses in the PPA pertaining to tariff will 'stand terminated' and the PSERC will conclusively redetermine the tariff. During the interim period, an interim tariff will be discovered, which will be applicable to the PPAs.

In this regard, the National Solar Energy Federation of India has submitted a letter to the central government to re-examine the Bill and withhold the President's consent until the implications of this Bill are fully examined.[27] Based on publicly available information, solar power developers are contemplating raising a legal challenge against the Bill on grounds of it being violative of the Constitution of India.[28] However, as of date, the Bill has not been formally challenged before any judicial authority.

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[26] The GST on solar modules was increased from 5% to 12% *vide* notification dated 30 September 2021 issued by the Ministry of Finance, GoI.

[27] https://mercomindia.com/reexamine-punjab-bill-nsefi/

[28] https://economictimes.indiatimes.com/industry/energy/power/power-firms-may-move-court-against-new-punjab-govt-bill/articleshow/87657434.cms?from=mdr

Regulatory Framework in Gujarat

The regulatory framework governing the solar energy sector in Gujarat comprises the Electricity Act and the rules thereunder, regulations framed by the Gujarat Electricity Regulatory Commission ("GERC") under the Electricity Act, orders passed by the GERC and policies formulated by the GoG.

Pursuant to enactment of the Electricity Act, the erstwhile Gujarat State Electricity Board was unbundled and reorganized into the following separate generation, distribution and transmission companies:

- Generating company: Gujarat State Electricity Corporation Limited;
- Transmission company: Gujarat Energy Transmission Corporation Limited ("GETCO"); and
- Distribution companies ("Discoms"): (a) Dakshin Gujarat Vij Company Limited; (b) Madhya Gujarat Vij Company Limited; (c) Uttar Gujarat Vij Company Limited; and (d) Paschim Gujarat Vij Company Limited.

Further, Torrent Power Limited is a private distribution licensee in Gujarat which operates in Surat, Ahmedabad, Gandhinagar and Dahej.

GETCO is the designated STU and is responsible for developing and providing access to the transmission system within the state of Gujarat, whereas the Discoms are responsible for the distribution and retail supply of electricity to consumers in their respective distribution areas. The GoG has also established the Gujarat Energy Development Agency ("GEDA") as the nodal agency to promote the development of renewable energy generation plants, including solar power plants.

The GoG has established a holding company, Gujarat Urja Vikas Nigam Limited ("GUVNL"), which is given the right to trade in electricity, *i.e.*, purchase power from various sources for onward sale to the four Discoms. GUVNL executes the PPAs with power producers and subsequently sells such power purchased to the Discoms.

Gujarat Solar Policy

The GoG issued the Gujarat Solar Power Policy, 2015 ("Gujarat Policy 2015"), under which, GEDA is the nodal agency responsible for *inter alia*, facilitation of implementation of solar power projects in Gujarat.

The Gujarat Policy 2015 is superseded by the Gujarat Solar Policy 2021 dated 29 December 2020 ("Gujarat Policy 2021"). The solar power systems installed and commissioned during the operative period of the Gujarat Policy 2021, *i.e.*, from the date of its notification, 29 December 2020 to 31 December 2025, are eligible for the benefits and incentives declared under the Gujarat Policy 2021, for a period of 25 years from their date of commissioning or for the lifespan of the solar power system, whichever is earlier, if registered with GEDA as per the Gujarat Policy 2021.

Deviation Settlement Mechanism

The GERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation Sources) Regulations, 2019 ("Gujarat F&S Regulations") apply to every wind and solar power generator having a combined installed capacity of 1 MW and connected to the state grid, whether independently or through pooling substations and generating power for self-consumption or for sale within or outside the state. The GERC notified the Gujarat F&S Regulations with an objective to facilitate large scale grid integration of wind and/or solar power generating stations and grid security through forecasting, scheduling and commercial mechanism for deviation settlement of the generators.

Interconnectivity

In order to connect its solar project to the state grid, a solar power developer will be typically required to enter into a connection agreement with the STU, which sets out the terms relating to a connection and/or use of the intra-state transmission system. Any applicant seeking to establish a new connection to and/or use an existing transmission system is required to submit an application to the STU/Discom for connection to the state grid in accordance with the procedure set out in the GERC (Gujarat Electricity Grid Code) Regulations, 2013.

Change in Law Relief under GUVNL Tenders

Earlier, the GUVNL PPAs did not consider introduction of the safeguard duty, custom duty and anti-dumping duty as a 'change in law', which resulted in discovery of a high tariff in the GUVNL tender in March 2018 (as bidders included the cost of these duties in their bids) and subsequently, in the scrapping of the tender. In view of the same, GUVNL included the impact of safeguard duty and anti-dumping duty within the ambit of change in law under the PPAs during its re-tendering process in 2018[29] and also included custom duty in subsequent tenders. Due to concerns raised around the introduction of a 12% GST on solar components (as discussed above), by prospective bidders during the pre-bid meetings, GUVNL further modified the draft PPA in tenders to cover GST along with applicable surcharge under the ambit of 'change in law'. The GERC in its order dated 30 May 2022 permitted these modifications to the 'change in law' provision of all future tenders to be issued by GUVNL.

Regulatory Framework in Rajasthan

The regulatory framework governing the solar energy sector in Rajasthan comprises the Electricity Act, regulations framed by the Rajasthan Electricity Regulatory Commission ("RERC") under the Electricity Act, orders passed by the RERC and policies formulated by the GoR.

Pursuant to enactment of the Electricity Act, the erstwhile Rajasthan State Electricity Board was reorganized and the following companies were formed:

- Generating company: Rajasthan Rajya Vidyut Utpadan Nigam Limited;
- Transmission company: Rajasthan Rajya Vidyut Prasaran Nigam Limited ("RRVPNL"); and
- Discoms: (a) Jaipur Vidyut Vitran Nigam Limited; (b) Jodhpur Vidyut Vitran Nigam Limited; and (c) Ajmer Vidyut Vitran Nigam Limited.

RRVPNL is the designated STU and is responsible for developing and providing access to the transmission system within the state of Rajasthan. The Discoms are responsible for the distribution and retail supply of electricity to consumers in their respective distribution areas. The GoR has also established the Rajasthan Renewable Energy Corporation Limited ("RRECL") as the nodal agency to promote the development of renewable energy generation plants, including solar power plants and facilitate energy conservation in Rajasthan.

Rajasthan Solar Policy

The GoR issued the Rajasthan Solar Energy Policy, 2019 ("Rajasthan Solar Policy"), which is applicable to all grid connected solar power projects in Rajasthan, including grid connected solar rooftop projects and off-grid solar projects. Under the Rajasthan Solar Policy, RRECL is designated as the nodal agency, responsible for inter alia, facilitation of the implementation of solar power projects. All the projects installed in the state are required to be registered with RRECL under the Rajasthan Solar Policy. The Rajasthan Solar Policy also provides for various incentives/benefits for solar power projects.

[29] RfS No. GUVNL / 500 MW / Solar (Phase-II R) dated 28 June 2018.

Deviation Settlement Mechanism

The RERC (Forecasting, Scheduling, Deviation Settlement and Related Matters for Solar and Wind Generation) Regulations, 2017 ("Rajasthan F&S Regulations") apply to, *inter alia*, every solar power generator supplying power to Discoms in Rajasthan having individual or combined capacity of 5 MW, whether connected to the state grid independently or through pooling substations and/or solar park, or connected to the state grid through a pooling substation and/or solar park with a total capacity of 5 MW. For shortfall in generation and excess generation as against the schedule provided to the state load despatch centre, deviation charges as set out in the Rajasthan F&S Regulations are required to be paid.

Interconnectivity

In order to connect to the state grid, a solar power developer will be typically required to enter into connection agreements with the STU, which sets out the terms relating to a connection and/or use of the intra-state transmission system. Also, as per the RERC (Rajasthan Electricity Grid Code) Regulations 2008, in order to establish a new connection for the use of RRVPNL's (*i.e.*, the STU's) transmission system, a generating company has to apply to RRVPNL in accordance with the procedure set out by RRVPNL.

APTEL Order on Injection of Excess Power

In its order dated 21 December 2021 the APTEL set aside an order of the RERC,[30] wherein the RERC had directed a solar park developer to not obstruct solar projects from injecting excess energy to the grid by holding that if the power injection is creating any grid disturbance, the state load despatch center or Discom could issue directions to the solar projects. The APTEL on the other hand, stated in its order that since the solar park developer and solar power generators have executed an implementation and support agreement, the solar park developer has the right to restrict the excess generation of power beyond the capacity agreed under the implementation and support agreement.

CERC Ruling on Change in Law and Land Tax

The CERC in separate orders passed in February 2022[31] held that unless the applicable land tax in Rajasthan is levied on the project land and paid by the respective solar power developers, no relief can be claimed under the 'change in law' provision of the PPA. Separate developers had filed petitions seeking that the imposition of land tax under the GoR Notification (*discussed in the 'Real Estate Regulations' below*) be treated as a 'change in law' event under the respective PPAs. The CERC while rejecting the petitions (on separate occasions), stated that since no land tax was demanded from the solar power developers and no liability was incurred by the developers on account of the land tax as of the date of the order, no relief can be granted in anticipation of future claims.

Regulatory Framework in Madhya Pradesh

The regulatory framework governing the solar energy sector in Madhya Pradesh ("MP") comprises the Electricity Act, regulations framed by the Madhya Pradesh Electricity Regulatory Commission ("MPERC") under the Electricity Act, orders passed by the MPERC, and policies formulated by the Government of Madhya Pradesh ("GoMP"). The MPERC is the electricity sector regulator in MP.

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30 *M/s Saurya Urja Company of Rajasthan Limited v. Rajasthan Electricity Regulatory Commission & Ors*, Appeal No. 69/2021.

31 *Adani Solar Energy Four Private Limited v Solar Energy Corporation of India*, order of the CERC in Petition No. 256/MP/2021 and *SB Energy 3 Private Limited & Anr. v Solar Energy Corporation of India* common order in Petition Nos. 274/MP/2021 and 275/MP/2021

Pursuant to enactment of the Electricity Act, the Madhya Pradesh State Electricity Board was reorganized by the GoMP in accordance with section 131 to section 134 of the Electricity Act and the following companies were formed:

- Generating company: Madhya Pradesh Power Generating Company Limited;

- Transmission company: Madhya Pradesh Power Transmission Company Limited ("MP Transco"); and

- Discoms: (i) Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (Discom - C); (ii) Madhya Pradesh Poorva Kshetra Vidyut Vitaran Company Limited (Discom - E); and (iii) Madhya Pradesh Pashchim Kshetra Vidyut Vitaran Company Limited (Discom W), Discom – C, Discom - E, Discom - W are collectively referred to as MP Discoms.

MP Transco is the designated STU and state local dispatch centre ("SLDC"). The GoMP has also established the New and Renewable Energy Department ("MPNRED") as the nodal agency for all matters relating to renewable energy, including development and deployment of renewable energy, energy efficiency and energy conservation measures. Madhya Pradesh Urja Vikas Nigam Limited is the nodal agency for implementing MNRE schemes, off-grid renewable energy projects, energy efficiency and conservation measures.

Madhya Pradesh Solar Policy

The MPNRED on 18 July 2012 notified the Policy for Implementation of Solar Power based Projects in Madhya Pradesh ("**MP Solar Policy"**), which will be valid till it is superseded or modified by another policy. Under the MP Solar Policy, MPNRED is designated as the nodal agency for registration and implementation of grid-connected solar power projects in MP. The MP Solar Policy states that only new plant and machinery will be eligible for installation under the MP Solar Policy. The MP Solar Policy also provides for various incentives/benefits for solar power projects.

Deviation Settlement Mechanism

The MPERC (Forecasting, Scheduling, Deviation Settlement Mechanism and Related Matters for Solar and Wind Generating Stations) Regulations, 2018, as amended from time to time ("MP F&S Regulations") apply to every wind power generator having a combined installed capacity of 10 MW and above and solar power generator having a combined installed capacity of 5 MW and above, connected to the state grid, whether independently or through pooling substations and generating power for sale within the state. The MPERC notified the MP F&S Regulations with an objective of facilitating and maintaining grid discipline and grid security through forecasting, scheduling and commercial mechanism for deviation settlement through drawal and injection of electricity by users of the grid. The MP F&S Regulations are also applicable to all wind power developers and SPDs selling power outside MP under open access and having a combined installed capacity of 1 MW and above. As per the MP F&S Regulations, a qualified coordinating agency is to be appointed to act as a single point of contact between the power generators, who are connected to a pooling station and the SLDC. It will be *inter alia* responsible for coordinating with the SLDC for the scheduling of power on a day ahead basis, undertake commercial settlement of deviation charges, among others.

The MPERC also notified the Madhya Pradesh Electricity Balancing and Settlement Code, 2015 ("B&S Code") to allow seamless accounting of energy and to facilitate easier intra-state power transfer between intra-state entities. The B&S Code attempts to match the demand-supply schedule for the state of MP on a day ahead basis to ensure minimum deviation. The B&S Code lays down the setting up of a state energy account, which will be prepared by the SLDC for billing and settlement of energy charges and also provides for setting up of a state reactive account and a state deviation settlement mechanism account.

Interconnectivity

Any applicant seeking to establish a new connection to and/or use an existing state transmission system is required to submit an application to the STU/MP Discoms for connection to the state grid in accordance with the procedure set out in the Madhya Pradesh Electricity Grid Code (Revision II), 2019 ("MP Grid Code"). Section 5.3 of the MP Grid Code sets out the procedure to be followed by the applicant while seeking connectivity and also specifies all the information that needs to be provided along with the application. As per the MP Grid Code, the STU is required to make a formal offer for grant of connectivity within 60 days of receipt of the application.

Further to the grant of connectivity to the intra-state grid by the STU, the SPD will be typically required to enter into a connection agreement with the STU, which sets out the terms relating to a connection and/or use of the intra-state transmission system. The connection agreement is executed after the grant of connectivity by the STU.

Applicable Permits and Consents[32]

The development of solar projects in Gujarat and Rajasthan requires permits and consents from relevant government authorities, either at the central or the state level, as set out below.

S.no.	**Consents and approvals**	**Particulars**
(A)	Applicable permits for solar projects	
•	Registration of the solar power project	Solar power projects are required to be registered with the state nodal agencies, GEDA in Gujarat for availing incentives and RRECL in Rajasthan, as applicable.
	Approvals for overhead transmission lines	Prior to construction by a project company of overhead transmission lines (with voltage exceeding 11kv and outside the premises in its control), the approval from the CEA is required as per Section 68 of the Electricity Act.
	Clearance from the Power and Telecommunication Coordination Committee ("**PTCC**")	A clearance from the PTCC is required to be obtained to ensure safety of the personnel and telecom equipment as per Section 160 of the Electricity Act and under Regulation 77 of the CEA (Measures relating to safety and electricity supply) Regulations, 2010 before energization of new power lines of 11 kv and above.
	Approval under Section 164 of the Electricity Act	Grant of authorization under Section 164 of the Electricity Act is required to be obtained from the CEA to exercise the powers of a telegraph authority under the Indian Telegraph Act, 1885, for setting up electrical lines for the purposes of transmission of electricity .
	No-objection certificate from the CGWA	If the project company needs to withdraw ground water for the solar project, then a no-objection certificate ("NOC") should be obtained from the Central Ground Water Authority. The requirements for the NOC would depend on

[32] Permits which are required to be obtained for carrying out the general business of a project company and which are not specific to the solar power projects, *i.e.*, tax related registrations, shops and establishment registration, employees' state insurance, employees provident fund, corporate approvals, *etc.*, have not been included in this section.

S.no.	Consents and approvals	Particulars
		whether the project falls within a notified area or a non-notified area.
	Connection Agreement	The project company is also required to submit an application to the STU/Discom to connect to the state grid. Thereafter, a connection agreement is required to be executed between the generating project company and the relevant transmission licensee prior to the physical interconnection of the solar power project with the state grid.
	Approval of the design and specification of	The Electricity Act, among others, requires the CEIG to certify that any equipment and plant for generation, transmission, distribution or use of energy meets the required safety regulations. This approval is necessary to be obtained prior to the energization of the solar power project.
	Approval for synchronization	Prior to synchronization of the solar power project, the project company is required to secure the approval of the transmission company /the state load despatch centre and GEDA/SECI, as the case maybe, as per the requirements of the PPA.
	Commissioning Certificate	The project company is also required to obtain a commissioning certificate from GEDA or RRECL, as applicable, before it can deliver power. Generally, the commissioning certificate will allow to ascertain the specific date on which the respective units have been commissioned.
	Authorization under Hazardous & Other Wastes (Management and Trans-boundary Movement) Rules, 2016 ("**Hazardous Waste Rules**").	The Ministry of Environment, Forest and Climate Change issued an office memorandum dated 7 July 2017, which provides that the disposal of PV cells attracts the provisions of the Hazardous Waste Rules. From a reading of the Hazardous Waste Rules, it seems that any entity, including a solar project engaging in disposal of the PV cells will be required to obtain an authorisation of the relevant state pollution control board prior to such disposal of PV cells.

(B) Additional Permits

Apart from the permits mentioned in (A) above, the following permits may also need to be obtained in respect of a solar power project, depending on other variable factors affecting the projects, such as the geographical location of the project, the number of workmen deployed or such other factually relevant circumstances affecting the project related activities.

IEC Code	In the event that any of the equipment, including spares, for the projects is imported into India or to export any equipment out of India, the project company must obtain an import export code from the Ministry of Commerce and

S.no.	Consents and approvals	Particulars
		Industry, GoI, in accordance with the provisions of Foreign Trade (Development and Regulations) Act, 1992.
	Crossing approvals	If any transmission line forming part of the projects crosses over a village road, national highway, state road (including state highways), river or nallah, then a crossing approval / NOC of the relevant sanctioning authority (such as, Gram Panchayat, National Highway Authority of India, Ministry of Railways or the relevant State Authority) is required to be obtained.
	Approval for storing explosives	If the solar power producer stores or brings fuel oil, explosives and inflammable liquids, gases and chemicals at the project site, it must obtain a license under the Explosives Act, 1884, Explosives Rules, 2008, the Petroleum Act, 1934 and the Petroleum Rules, 2002.
	Height clearance from the Airports Authority of India ("AAI")	A clearance is required from AAI if a power project is situated within 20 kilometres or less from an Aerodrome Reference Point ("ARP") of a Visual Flight Rules ("VFR") airport, and 56 kilometres or less from the ARP of an Instrument Flight Rules ("IFR") airport.
	NOC from Ministry of Defence if the project is located near an International border or an air force base	The Aircraft Act, 1934 and the Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operations) Rules, 2015 ("MoCA Rules") provide that an NOC for height clearance is required to be obtained for constructing or erecting any structure within a radius of 20 kilometres from the ARP of the civil and defence aerodromes as listed out in the MoCA Rules. Further, the MoCA Rules provide that no structure higher than the height specified in Schedule II of the MoCA Rules is required to be constructed or erected within a radius of 20 km from the ARP.
	Approvals under Factories Act, 1948 ("Factories Act")[33]	If the project company employs 10 or more workers during the operations of the solar project, then it would qualify as a factory under the Factories Act, requiring it to secure the relevant approvals from the Chief Inspector of Factories of the relevant state, including approval of the site and building plan, license to operate factory and certificate of stability.
	Registration under the Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")	A certificate of registration under the CLRA and the rules framed thereunder must be obtained from the Labour Department of the relevant state by the principal employer
	Registration under the Building and Other Construction Workers	

[33] The Code on Social Security, 2020; Industrial Relations Code, 2020; and Occupational Safety, Health and Working Conditions Code, 2020, have been passed by the Indian Parliament, consolidating and amalgamating various employment laws in India. These codes are yet to come into force and when they do, certain employment law requirements associated with engaging contract workers, inter-state migrant workers, building and other construction workers would vary in India. The notes here will therefore need to be revisited as and when the new codes come into force.

S.no.	Consents and approvals	Particulars
	(Regulation of Employment and Conditions of Service) Act, 1996 ("BOCW Act") and payment of cess under the Building and Other Construction Workers Welfare Cess Act, 1996 ("Cess Act")	of every establishment, if 20 or more workmen were employed on any day of the preceding 12 months at the factory (which is employing contract labour). The registration requirement with the Labour Department of the relevant state under the BOCW Act may apply to the project company if it employs or had employed 10 or more building workers on any day of the preceding 12 months. Further, the entity to whom the BOCW Act applies is also required to remit 'cess' to authorities at the rate of one percent of the 'cost of construction'.
	Registration under the Inter- State Migrant Workmen (Regulation of Employment and Condition of Service) Act, 1979 ("Migrant Workers Act")	Registration under the Migrant Workers Act and the rules framed thereunder is required to be obtained by project company from the Labour Department of the relevant state if 5 or more inter-state migrant workmen are employed by it in Gujarat, Rajasthan or Madhya Pradesh, as the case may be, on any day of the preceding 12 months by the solar power producer or its contractor,
	Permission from the gram panchayat *i.e.* the village council	Under Section 104 of the Gujarat Panchayats Act, 1993, no person can construct a building within the limits of the village without taking prior permission from the panchayat. While the Rajasthan Panchayati Raj Act, 1994 does not specifically provide for any approval required from the gram panchayat to construct a building on any land within the jurisdiction of the gram panchayat, there appears to be a requirement in practice to obtain permission from the relevant gram panchayat before undertaking any construction activities on land which falls within the jurisdiction of the gram panchayat. The Madhya Pradesh Panchayat Raj Avam Gram Swaraj Adhiniyam, 1993 provides that no building is allowed to be constructed in an area of a gram panchayat without the Gram Panchayat's prior approval. If the Gram Panchayat does not respond to the application for such construction within 45 days, the permission will be deemed to have been granted.

Real Estate Regulations

In India, the primary modes of transfer of immovable property are sale and lease and the central laws pertaining to which are provided for under the Transfer of Property Act, 1882 ("TPA"). The provisions of the TPA deal with lease of immovable property (including the rights and liabilities of lessor and lessee, form of lease, transfer of lease, determination of lease and so on), as well as sale of immovable property (including types of sale and rights and liabilities of buyer and seller).

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("LARR Act") has been enacted by the GoI; and is the general unified legislation dealing primarily with: (i) the acquisition of land for public purposes by the Government or for/on behalf of private companies or public sector undertakings (for a public purpose); (ii) for providing fair compensation; and (iii) to make adequate provisions for rehabilitation and resettlement of the persons affected. The provisions of the LARR Act relating to land acquisition, compensation, rehabilitation and resettlement, may also be made applicable on sale and purchase of land acquired through private negotiations.

Forest Lands

Diversion and use of government owned land notified as forest land is regulated in terms of primarily the Forest Conservation Act, 1980 ("Forest Conservation Act"). Under the Forest Conservation Act, prior approval of the GoI is required before a state government can 'de-reserve' / use / assign forest land to a private person or corporation, for non-forest purposes. In addition, GoI has also promulgated the Forest (Conservation) Rules, 2003, wherein detailed guidelines have been prescribed for submission of proposals for diversion of forest land for non-forest purposes under the Forest Conservation Act.

Laws applicable to acquisition of land in Gujarat

Tenancy Laws

In Gujarat, acquisition of privately-owned agricultural land is governed by various tenancy laws, (applicable in distinct areas of the state), read along with the provisions Gujarat Land Revenue Code, 1879 ("Gujarat Land Revenue Code"). The aforesaid tenancy laws are set out hereunder:

- Gujarat Tenancy and Agricultural Lands (Vidharba Region and Kutch Area) Act, 1958, applicable to the Vidarbha and Kutch Regions;

- Saurashtra Gharked Tenancy Settlement and Agricultural Land Ordinance, 1949, applicable to the Saurashtra Region; and

- Gujarat Tenancy and Agricultural Lands Act, 1948, applicable to the remaining regions of Gujarat.

Conversion of agricultural land for non-agricultural purposes

As per the Gujarat Land Revenue Code, if an occupant of agricultural land wishes to use his land for non-agricultural purposes, then the District Collector's prior approval must be obtained by such occupant. In the alternative, if the occupant of agricultural land wishes to use such land for a bona fide industrial purpose, it will be lawful for such occupant to use the land for such purpose, without the permission of the District Collector, subject to fulfilment of the conditions set out in the Gujarat Land Revenue Code.

Ceiling Restrictions

The Gujarat Agricultural Land Ceilings Act, 1960 ("Gujarat Ceiling Act") comprises *inter alia* restrictions (in terms of quantum) applicable to the acquisition of agricultural land. Under the Gujarat Ceiling Act, a person (including a private company) is not permitted to hold agricultural land in excess of the ceiling limits, either as an owner or as a tenant; and in this regard, the ceiling limits are set for each category of agricultural land (for example, dry crop land, seasonally irrigated land, land irrigated by private source etc.) with an upper limit of 21.85 hectares. The Gujarat Ceiling Act also sets out provisions for exemption from ceiling restriction.

Government Land

Section 60 of the Gujarat Land Revenue Code read with Rule 42 of the Gujarat Land Revenue Rules, 1972 provides that unoccupied government land required for non-agricultural purposes may be allotted by the District Collector by auction or in its discretion under private arrangement (on a leasehold basis) upon payment of a price fixed by the District Collector.

Gujarat Solar Policy

The Gujarat Policy 2015 provides that the developer is responsible for obtaining the land for setting up the solar project. Similar provisions are present under the Gujarat Policy 2021 as well.

Gujarat Wasteland Allotment Policy for Renewable Parks

The Gujarat Wasteland Allotment Policy for Renewable Parks[34] (in addition to providing the procedure to be followed for the allotment of government wastelands to renewable energy park developers), provides that government wastelands (if allotted) shall be provided on a leasehold basis, for a tenure of 40 years (comprising 5 years for the development of the project and 35 years for the operations thereof). The policy also allows sub-leasing of such lands by the developer of the project to the eventual power producers, amongst other conditions relating to the use, allotment and transfer thereof.

Laws applicable to acquisition of land in Rajasthan

Rajasthan Tenancy Act and Rajasthan Revenue Act

The Rajasthan Tenancy Act, 1955 ("Rajasthan Tenancy Act") was enacted with a view to regulate the tenancies of agricultural lands and to provide for certain measures of land reforms in relation to the same. Similarly, the Rajasthan Revenue Act, 1956 ("Rajasthan Revenue Act") aims to consolidate and amend various laws in relation to land and the revenue payable in relation to the same.

Ceiling Limits

The Rajasthan Imposition of Ceiling on Agricultural Holding Act, 1973 ("Rajasthan Ceiling Act") as amended *vide* the Rajasthan Imposition of Ceiling on Agricultural Holdings (Amendment) Act, 2020, ("Ceiling Amendment Act")[35], was enacted with a view to reduce the disparity in holding agricultural land and the concentration of such land with a few persons. In Rajasthan, the ceiling limit is prescribed basis the nature/class of agricultural land, *i.e.*, fertile, semi-fertile, hilly, desert etc., and no person (including a company, whether incorporated or not) can acquire, through any mode of conveyance, agricultural land in excess of the applicable ceiling limit, except with the approval of the GoR.

Conversion of Agricultural Lands

Although prior permission from the GoR is mandatory as per the Rajasthan Revenue Act for the non-agricultural use of agricultural lands, the Rajasthan Land Revenue (Conversion of agricultural land for non-agricultural purposes in rural areas) Rules, 2007 ("Rajasthan Conversion Rules") provide that for leasing agricultural land for solar power projects, conversion is not mandatory and an intimation to the relevant jurisdictional authority and the RRECL, 30 days before the commencement of non-agricultural use, will be sufficient.

Vide a recent amendment dated 18 May 2022 to the Gujarat Land Revenue Rules and the form therein (for grant of sanad certifying non-agricultural use), notified by the Revenue Department, Government

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[34] Comprised in the resolutions passed by the GoG dated 25 January 2019 and 29 July 2019, as amended on 14 September 2020.

[35] The Ceiling Amendment Act was enacted on 11 September 2020.

of Gujarat, the time-limit (of three years) imposed for utilizing the converted land for the purposes of the permitted non-agricultural use has been done away with. The Revenue Department has subsequently issued a circular dated 16 June 2022 clarifying the interpretation and applicability of the aforesaid amendment. The circular clarifies that the time-limits for utilisation of the converted lands, included as a part of the online orders issued under various other provisions of Gujarat Land Revenue Code shall also be done away with.

Rajasthan Solar Policy

The Rajasthan Solar Policy comprises of provisions relating to allotment/procurement of government land as well as private land for establishing solar power projects/solar park.

Land Tax

It is relevant to highlight that recently, the Finance Department (Tax Division), GoR *vide* notification dated 30 March 2020 ("GoR Notification") has notified the rates of land tax payable on a yearly basis on various categories of land, pursuant to the provisions of the Rajasthan Land Tax Act, 1985 and the Finance Act, 2020. The GoR Notification sets out that the rate for land tax payable for industrial lands is INR 2 per square meter for lands (in excess of 10,000 square meters). In view of this, the Finance Department (Tax Division) has issued notices to various solar power project developers operating in Rajasthan, demanding the land tax for certain periods, along with penalties and interest. From the information available in public domain, the issuance of notices and levy of land tax on renewable projects has been challenged by state and national renewable energy organisations.

<u>Laws applicable to acquisition of land in Madhya Pradesh</u>

The Land Revenue Code

The Madhya Pradesh Land Revenue Code, 1959 ("Land Revenue Code") was enacted with a view to consolidate and amend various legislations pertaining to regulation of land revenue, rights and liabilities of land holders and agricultural tenures, and other matters related to agricultural lands in MP. The Land Revenue Code lays down provisions for use of agricultural land, transfer of agricultural land and incidental matters.

The Land Revenue Code states that all lands in MP are inherently the property of the Government of Madhya Pradesh ("GoMP"); and a 'tenure-holder' is a person who holds land from the GoMP and is classified as a 'Bhumiswami.'[36] The right to transfer land (whether by way of sale, lease or any other form as permitted) under the Land Revenue Code is subject to the classification of tenure holders; and in this regard, the Land Revenue Code states that there shall only be 1 (one) class of tenure holders of land from the State, that is, a 'Bhumiswami.' Although the term 'Bhumiswami' has not been specifically

[36] Per Section 158, Bhumiswami is a person who at the time of coming into force of the Land Revenue Code, belongs to any of the following classes: (a) every person in respect of land held by him in the Mahakoshal region in bhumiswami or bhumidari rights; (b) every person in respect of land held by him in the Madhya Bharat region as a Pakka tenant or as a Muafidar, Inamdar or Concessional Holder,as defined under Tenanacy Act, 2007; (c) every person in respect of land held by him in the Bhopal region as an occupant as defined in the Bhopal State Land Revenue Act, 1932; (d) (i) every person in respect of land held by him in the Vidhya Pradesh region as a pachapan paintalis tenant, pattedar tenant, a grove holder or as a holder of tank as defined in the Vindhya Pradesh Land Revenue and Tenancy Act, 1953; (ii) every person in respect of land (other than land which is a grover or tank or which has been acquired or which is required for Government or public purposes) held by him in the Vindhya Pradesh region as a gair haqdar tenant and in respect of which he is entitled to a patta in accordance with the provisions of sub-section (4) of section 57 of the Rewa State Land Revenue and Tenancy Code, 1935; or (iii) every person in respect of the land held by him as a tenant in the Vindhya Pradesh region and in respect of which he is entitled to a patta in accordance with the provisions of sub-sections (2) and (3) of section 151 of the Vindhya Pradesh Land Revenue and Tenancy Act, 1953, but has omitted to obtain such patta before the coming into force of this Code; (e) every person in respect of land held by him in Sironj region as a khatedar tenant or as a grove holder as defined in the Rajasthan Tenancy Act, 1955.

defined and denotes an umbrella term for different kinds of land holders in the State, and can be construed as the first and only tenant of the State of MP having certain rights and obligations under the Land Revenue Code. Notably, nothing contained in the Land Revenue Code applies to a person who holds land from the Central Government.

Per the Land Revenue Code, a Bhumiswami shall have the right to transfer his interest in the land held by him or any part thereof. This right, however, is subject to other provisions of the Land Revenue Code.

Ceiling Restrictions

The Madhya Pradesh Ceiling on Agricultural Holdings Act, 1960 ("Madhya Pradesh Ceiling Act") was enacted with a view to impose maximum limit (or ceiling) on the holding of agricultural land in MP. The Madhya Pradesh Ceiling Act provides for ceiling limits on holding of agricultural land, acquisition and disposal of surplus land and related matters. As per the Madhya Pradesh Ceiling Act, no person shall be entitled to hold agricultural land in excess of the prescribed ceiling limit. In this regard, the ceiling limit applicable to a holder (who is not a member of a family)[37] as regards the different categories of agricultural land is as set out below ("Ceiling Limits"):

- For land capable of yielding two crops and receiving assured irrigation or assured private irrigation for the crops: 10 acres;
- For land capable of yielding one crop and receiving assured irrigation or assured private irrigation for the crop: 15 acres; and
- For dry land: 30 acres.

Under the Madhya Pradesh Ceiling Act, the Government of Madhya Pradesh ("GoMP") may exempt from Ceiling Limits - lands for a public purpose, by issuing a notification to this effect. In this regard, applications for seeking such exemption may be made by making a written request in the form as prescribed under the Madhya Pradesh Ceiling Act.

In addition, the Madhya Pradesh Ceiling Act provides that Ceiling Limit shall not be applicable to agricultural land held by the following persons/entities: (i) a local authority or a university, established by law, within the state; (ii) the Madhya Pradesh State Agro Industries Development Corporation Limited. or any other corporation controlled or managed by the State/Central Government, whether individually or jointly; (iii) land which is a property of a public trust or a wakf, registered on or before 1 January 1971, for a religious purpose; (iv) Bhoodan Yagna Board under the Madhya Pradesh Bhoodan Yagna Adhiniyam, 1968; (v) co-operative land development bank or any other co-operative bank registered or deemed to be registered under the Madhya Pradesh Co-operative Societies Act, 1960; (vi) a bank; (vii) a co-operative society not exceeding the total area ascertained by aggregating the ceiling area applicable to all the members, as per its register of members, and approved by a general or special order of the GoMP.

Conversion of agricultural land for non-agricultural purposes

A Bhumiswami shall have the right to divert its land only for such purposes that are permissible under applicable laws. In this regard, in accordance with the Land Revenue Code, the Bhumiswami of agricultural land shall need to advise the relevant Sub-Divisional Officer as regards the diversion of land along with the prescribed statutory fee; wherein such advisement shall be made in writing.

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[37] A person's family for the purpose of calculation of ceiling limit under Section 165(4) described hereinabove shall consist of the person himself, the minor children and the spouse of such person living jointly with him and if such person is a minor, then his parents living jointly with him.

Prior permission for land use and development

The M.P. Nagar Tatha Gram Nivesh Adhiniyam, 1973 ("TnCP Act") has been enacted to provision for planning and development and use of land in MP. Under the TnCP Act, certain authorities have been constituted which draw development plans for different areas of the State and all development works in such areas have to conform to the applicable development plan.

Under the provisions of the TnCP Act read with the TnCP Rules, subject to the plan under which any area falls (planning or non-planning areas), no person, shall change the use of land for any purpose other than for agriculture, or carry out any development in respect of any land contrary to the provisions of the plan,[38] without the prior approval of the concerned authority having jurisdiction.

Madhya Pradesh Solar Policy

The MP Solar Policy provides specific rules for land identification and use of government and/or private lands that may be utilized for developing solar power projects. The developer is responsible for procuring the private land for setting up a solar power project on its own, as per the applicable laws. For private land acquisitions, the MP Solar Policy provides for an exemption of 50% of the stamp duty payable on the instrument as per notification of 2008. Upon non-installation of project on such land (where stamp duty exemption is availed at time of acquisition), the exemption is liable to be withdrawn and GoMP may recover the amounts as per applicable rules in this regard.

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[38] Means draft regional plan, development plan and/or zoning plan under the TnCP Act.

MANAGEMENT

Board of Directors

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets quarterly, or as often as required, to review and monitor the Company's financial position and operations and decide on such other matters as may be required by law to be decided by the Board.

The directors of the Company are elected at the ASM to hold office for one year and until their respective successors have been elected and qualified. At the Company's ASM held on 25 April 2022, the stockholders considered and approved the following:

Name	Age	Citizenship	Designation
Fernando M. Zobel de Ayala	62	Filipino	Director
Jaime Augusto M. Zobel de Ayala	63	Filipino	Director
John Eric T. Francia	50	Filipino	Executive Director
Cezar P. Consing	62	Filipino	Director
Jose Rene Gregory D. Almendras	62	Filipino	Director
Nicole Goh Phaik Khim	37	Malaysian	Director
Dean L. Travers	53	Australian	Director
Sherisa P. Nuesa	67	Filipino	Lead Independent Director
Melinda L. Ocampo	65	Filipino	Independent Director
Consuelo D. Garcia	67	Filipino	Independent Director
Ma. Aurora D. Geotina-Garcia	69	Filipino	Independent Director

Fernando M. Zobel de Ayala has been a director of the Company since 23 July 2019. He is currently the President and Chief Executive Officer of Ayala Corporation. He has been a director of Ayala Corporation since May 1994. He holds the following positions in publicly listed companies ("PLCs"): Chairman of Ayala Land, Inc. ("ALI") and ACEN; Vice Chairman of Bank of the Philippine Islands; Co-Vice Chairman of Globe Telecom, Inc. ("Globe"); Director of Integrated Micro- Electronics, Inc. ("IMI"), and Manila Water Company, Inc. ("MWCI"); and Independent Director of Pilipinas Shell Petroleum Corporation. He is the Chairman of AC International Finance Ltd., Liontide Holdings, Inc., AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) ("ACEIC"), Ayala Healthcare Holdings, Inc., Alabang Commercial Corporation, Accendo Commercial Corp., BPI Foundation, and Hero Foundation, Inc.; Co- Chairman of Ayala Foundation, Inc.; Vice-Chairman of AC Industrial Technology Holdings, Inc., ALI Eton Property Development Corporation, Ceci Realty Inc., Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc., Berkshires Holdings, Inc., AKL Properties, Inc., AC Ventures Holdings Corp., and Bonifacio Art Foundation, Inc.; Director of AG Holdings Ltd., AC Infrastructure Holdings Corporation, Altaraza Development Corporation, Asiacom Philippines, Inc., BPI Asset Management and Trust Corp., and Manila Peninsula; Member of the Board of INSEAD Business School and Georgetown University; Member of the Board of Trustees of Asia Philanthropy Circle and of Asia Society; Member of the International Advisory Board of Tikehau Capital; Member of the Philippine-Singapore Business Council; Member of the International Council of The Metropolitan Museum; Co-Chair of Asia Pacific Acquisitions Committee of The Tate Museum; Member of the Chief Executives Organization and Habitat for Humanity International's Asia Pacific Development Council; and Member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation, and the National Museum. He graduated with B.A. Liberal Arts at Harvard College in 1982 and holds a CIM from INSEAD, France.

Jaime Augusto M. Zobel de Ayala has been a director of the Company since 23 July 2019. He has been the Chairman of the Board of Ayala Corporation since April 2006. He was its CEO from April 2006 to April 2021. He holds the following positions in PLCs: Chairman of Globe, IMI, and Bank of the Philippine Islands; and Vice Chairman of ALI and ACEN. He is also the Chairman of AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of AC Ventures Holding Corp., Alabang Commercial Corporation, ACEIC (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Light Rail Manila Holdings, Inc. and AG Holdings Ltd. Outside the Ayala group, he is a Director of Temasek Holdings (Private) Limited and a member of various business and socio- civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He is a member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council and Asia Center Advisory Committee, HBS Board of Dean's Advisors, and HBS Asia Advisory Committee. He sits on the Board of Singapore Management University (SMU) and is the Chairman of SMU International Advisory Council in the Philippines. He is a member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and World Wildlife Philippines National Advisory Council. He is Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He graduated with B.A. in Economics (*Cum Laude*) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

John Eric T. Francia was elected as director on 9 May 2019 to serve effective 15 May 2019. He is the President and Chief Executive Officer of ACEN and the President of ACEIC. Under his leadership, Ayala established its energy platform from a standing start in 2011, to become one of the largest renewable energy platforms in Southeast Asia, with over 2000 MW of attributable renewables capacity. He is also a Managing Director and member of the Management Committee of Ayala Corporation since 2009, and was appointed as Chairman of Ayala's Investment Committee in 2021. He is also a Director of various Ayala group companies including AC Infrastructure, AC Health, AC Ventures, and Chairman of ACE Enexor, Inc. ("ACEX") (PSE:ACEX). He earned a Master's Degree in Management Studies at the University of Cambridge in the United Kingdom, graduating with First Class Honors. He received his undergraduate degree in Humanities and Political Economy from the University of Asia & the Pacific, graduating *magna cum laude*.

Cezar P. Consing is a Senior Managing Director of Ayala Corporation and has been a member of the Ayala Group Management Committee since April 2013. He is a Director of the publicly-listed subsidiaries of Ayala Corporation: Bank of the Philippine Islands (BPI), Globe, and ACEN. He is also a Director of the Singapore-listed Yoma Strategic Holdings Ltd., and the Myanmar-listed First Myanmar Investment Public Company Limited. Mr. Consing was a Senior Managing Director of Ayala Corporation and President and CEO of BPI from 2013 to 2021. In the latter capacity, he served as the chairman of BPI's thrift bank, investment bank, UK-registered bank, microfinance bank, property and casualty insurance joint venture and leasing and rental joint venture and board director of its asset management company and its life insurance joint venture. He is currently a member of BPI's executive committee of the board and is a board director of its investment bank, microfinance bank and asset management company. He served as the Chairman and President of the Bankers Association of the Philippines and was the President of Bancnet, Inc. He was a Partner at the Rohatyn Group from 2004 to 2013 and headed its Hong Kong office and its private investing business in Asia and was a board director of its real estate and energy and infrastructure private equity investing subsidiaries. He worked for J. P. Morgan & Co. in Hong Kong and Singapore from 1985 to 2004 and headed the firm's investment banking business in Asia Pacific from 1997 to 2004 and served as President of J. P. Morgan Securities (Asia Pacific) Ltd. As a senior Managing Director. Mr. Consing was a member of the firm's Global Investment Banking Management Committee, its Asia Pacific Management Committee, and its Global Managing Director Selection Committee. He worked for BPI from 1981 to 1985, as a Management Trainee and eventually as Assistant Vice President. He has served as an independent board director of four PLCs in Asia: Jollibee Foods Corporation (2010 to 2021), CIMB Group Holdings (2006 to 2013), First Gen Corporation (2005 to 2013), and National Reinsurance Corporation (2014 to 2019), where he also served as Chairman (2018 to 2019). He currently serves on the board of FILGIFTS.com. He has also served on the boards of SQREEM Technologies, Endeavor Philippines and the Hongkong based Asian Youth Orchestra. He is a board director of the US-Philippines Society and the Philippine-American Educational Foundation, and a board trustee of the Manila Golf Club Foundation. He is a member of the National Mission Council of De La Salle Philippines and a board trustee of College of St. Benilde and La Salle Greenhills. Mr. Consing has been a member of the Trilateral Commission since 2014. Mr. Consing received an A.B. Economics degree (Accelerated Program), magna cum laude, from De La Salle University in 1979. He obtained an M.A. in Applied Economics from the University of Michigan in 1980.

Jose Rene Gregory D. Almendras has been a director of the Company since 1 July 2019. He concurrently serves as Senior Managing Director of Ayala Corporation (AC), Director of MWCI, President & Chief Executive Officer of AC Infrastructure Holdings Corporation (AC Infra), and Co-CEO of ACEIC. He is also a member of the Ayala Group Management Committee since August 2016. He is a member of the Executive Committee of MWCI and a member of the Board of Directors of the following companies within the Ayala Group: AF Payments Inc.; Light Rail Manila Holdings, Inc.; and MCX Tollway Inc. He is the Chairman and President of MCX Project Company, Inc. He served as President and Chief Executive Officer of MWCI from September 1, 2019 to June 4, 2021. He spent 13 years with the Citibank group where he started as a management trainee and landed his first CEO position as President of City Savings Bank of the Aboitiz Group at the age of 37. In 2011, he was recognized by the World Economic Forum as a Sustainability Champion for his efforts as President of MWCI. During his stint as MWCI President and Chief Operating Officer, the company received multiple awards and was recognized as one of the Best Managed Companies in Asia, Best in Corporate Governance, one of the Greenest Companies in the Philippines and hailed as the world's Most Efficient Water Company. Under the Administration of President Benigno S. Aquino III, he served as a member of the Cabinet, holding the positions of Secretary of the DOE, Office of the Cabinet Secretary and the Department of Foreign Affairs. In June 2016, he was acknowledged by the Administration for his remarkable performance in addressing the country's urgent issues and was awarded the highest Presidential Award given to a civilian - Order of Lakandula, Rank of Gold Cross Bayani. He graduated from Ateneo de Manila University with a degree in Bachelor of Science in Business Management in 1981.

Dean L. Travers has occupied senior executive roles in the energy sector for more than 25 years and is experienced in multi-disciplinary projects covering global markets, mergers and acquisitions, deal structuring and project development. He has been active in Europe, North America, Asia and Australia leading teams developing conventional and renewable energy projects for ENGIE, a global electricity utility and energy service company. Prior to leaving ENGIE in 2019, he occupied positions of Senior Vice President Business Development, Indonesia, and General Manager, ENGIE Renewables Australia, which was responsible for the development of 2GW of wind and solar projects. He is currently active in the clean energy and climate tech sectors in Australia and Indonesia as a founder, mentor and advisor. Mr. Travers has a PhD in Electrical Engineering, Bachelor of Engineering and a Bachelor of Science from University of New South Wales.

Nicole Goh Phaik Khim is Head, Asia ex-China at GIC Infrastructure. She has coverage responsibility for the Asia-Pacific region with prior experience investing in the US and Europe. GIC was established in 1981 as a private company, wholly-owned by the Government of Singapore, to manage the foreign reserves of Singapore. It is one of the world's largest global investors, with well over US$100 billion of assets in more than 40 countries worldwide. Ms. Goh has been a member of GIC's infrastructure practice since 2008. She has an MSc in Management Science & Engineering from Stanford University and a BSc in Mathematics with Statistics for Finance from Imperial College London.

Sherisa P. Nuesa has been an independent director of the Company since 17 September 2019. She was a former Managing Director of Ayala Corporation until her retirement in 2011. Currently, she is an Independent Director of the following PLCs: MWCI, IMI, and ALI. She is also an Independent Director of FERN Realty Corp, a Director of Far Eastern University, Inc., also a PLC, and a Senior Adviser to the Boards of Metro Retail Stores Group, Inc. and Vicsal Development Corporation. She is a member of the Boards of Trustees of the Judicial Reform Initiative, Nextgen Organization of Women Corporate Directors, and the Financial Executives Institute ("FINEX") Foundation. In the recent past, from 2012 to early 2021, she was the President and Director of the ALFM Mutual Funds Group and a Trustee of the Institute of Corporate Directors. In addition to her background as a Chief Finance Officer and currently as a Board Director, she also held previous senior positions in management operations and has been active in speaking and lecturing engagements. She was the Chief Finance Officer and Chief Administrative Officer of IMI from January 2009 to July 2010. She was then a Managing Director or Ayala Corporation and served in various capacities in Ayala Corporation, ALI, and MWCI. She received a Master of Business Administration degree from Ateneo Graduate School of Business in Manila. She also attended post-graduate courses in Harvard Business School and Stanford University. She graduated summa cum laude with a degree of Bachelor of Science in Commerce form the Far Eastern University. She is a Certified Public Accountant and was awarded as the ING-FINEX CFO of the Year for 2008.

Melinda L. Ocampo has been an independent director of the Company since 17 September 2019. She served as President of the Philippine Electricity Market Corporation ("PEMC"), a nonstock, non-profit private organization that governs the country's wholesale electricity spot market, from 27 March 2009 until 31 July 2017. Her experience includes developing energy policies and programs as Undersecretary of the DOE from May 2005 to December 2007. She was also involved in electric utility system regulation, planning and technical feasibility of electric power generation, transmission and distribution systems including granting of electric franchises to both electric cooperatives and private distribution utilities. She has extensive knowledge of energy regulation including petroleum and electricity pricing and competition rules and has provided consulting services to legislators on electricity pricing, particularly on the power purchased adjustments. She was also a consultant in the World Bank's project on Electric Cooperatives system loss reduction program and to the USAID under the Asia Foundation in its project to introduce the open access and competition in the coverage of Philippine Economic Zone (PEZA). She was a board member (February 1996 to June 1998) and Chairman (August 1998 to August 2001) of the Energy Regulatory Board (now Energy Regulatory Commission). She served as a division chief (October 1979 to November 1988) and a director (December 1988 to February 1996) of the National Electrification Administration. In 1977, she obtained her Bachelor of Science degree in Commerce, Major in Accounting, from the Republic Central Colleges, in Angeles City, Pampanga. She received her MBA from the University of the Philippines, Diliman, Quezon City. She is a certified public accountant.

Consuelo D. Garcia has been an independent director of the Company since 17 September 2019. She is currently an Independent Director of The Philippine Stock Exchange, Inc., Sun Life Investment and Trust Corporation, FT Capital Holdings Inc., and Far Eastern University, Incorporated. She is an Independent Director and Trustee of ING Foundation Philippines, Inc. and is a member of the board of the Financial Executives Institute of the Philippines ("FINEX") and the liaison director to the FINEX Capital Markets Development Committee and the ICT Committee. She is a Fellow of the Institute of Corporate Directors and is a director of a family-owned business - Murrayhill Realty and Development Corporation. She was formerly the Country Manager and Head of Clients of ING Bank N.V. Manila, Philippines from September 2008 to 15 November 2017. She joined ING in February 1991 as Head of

Financial Markets. She previously worked with SyCip Gorres Velayo & Co. ("SGV & Co.") and Bank of Boston, Philippine Branch. She received a Bachelor of Science degree in Business Administration, major in Accounting (*magna cum laude*) from University of the East and is a Certified Public Accountant

Ma. Aurora D. Geotina-Garcia has been an independent director of the Company since 17 September 2019. She is currently the President of Mageo Consulting Inc., a company providing business advisory and corporate finance consulting services. A Certified Public Accountant, she started her professional career at SGV & Co., Ernst & Young Philippines, where she led the Firm's Global Corporate Finance Division. She is also currently an Independent Director of ACEX and Cebu Landmasters Inc., both of which are PLCs, and Professional Services Inc. She is the first female Chairperson of the Bases Conversion and Development Authority (BCDA) (2015 -2016) , and was a Director in the following companies: Bases Conversion and Development Authority (2011-2016), BCDA Management Holdings, Inc. (2011-2016), Fort Bonifacio Development Corporation (2011-2016), Heritage Park Management Corporation (2015-2016), Bonifacio Global City Estates Association, Inc. (2012-2016), Bonifacio Estates Services Corporation (2012-2016), HBC, Inc. (2012-2016), and Queen City Development Bank (2009-2021). Ms. Garcia is a Fellow and Vice Chairperson of the Institute of Corporate Directors (ICD), and a Trustee and Vice Chairperson of the Shareholders Association of the Philippines. She is the Founding Chairperson and President of the Philippine Women's Economic Network, and is Chairperson of the NextGen Organization of Women Corporate Directors. She also Co-Chairs the Philippine Business Coalition for Women Empowerment and is CoConvenor of Male Champions of Change Philippines. Ms. Garcia is former Co-Chair of the ASEAN Women's Entrepreneurs' Network where she remains as one of the Philippine Focal Points. Boots serves several women business organizations as a long-time Trustee, namely: Women's Business Council Phils., Inc., Business & Professional Women's, Makati (BPW), and the Samahan ng Pilipina para sa Reporma at Kaunlaran (Spark! Philippines). She received her Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines in 1973 and completed her Master of Business Administration from the same university in 1978.

Key Officers

The officers are likewise elected annually by the Board of Directors and serve for one year and until their respective successors have been elected and qualified. At the Company's Organizational Meeting of the Board of Directors held on 25 April 2022, the directors considered and appointed the following:

Name	Age	Citizenship	Designation
John Eric T. Francia	50	Filipino	President & CEO
Maria Corazon G. Dizon	58	Filipino	Treasurer & CFO; Compliance Officer
John Philip S. Orbeta	61	Filipino	Chief Administrative Officer, Chief Human Resources Officer, and Chief Risk Officer
Solomon M. Hermosura	60	Filipino	Corporate Secretary
Dodjie D. Lagazo	42	Filipino	Assistant Corporate Secretary 1; Head of Legal and Regulatory
Alan T. Ascalon	47	Filipino	Assistant Corporate Secretary 2; VP-Legal; Data Privacy Officer
Jose Maria Eduardo P. Zabaleta	49	Filipino	Chief Development Officer
Roman Miguel G. de Jesus	47	Filipino	Head of Commercial Operations
Gabino Ramon G. Mejia	50	Filipino	Head of Plant Operations
Patrice R. Clausse	43	Luxembourgeoise	Head of International Group
Irene S. Maranan	48	Filipino	Head of Corporate Communications and Sustainability

Ronald F. Cuadro	53	Filipino	VP-Finance and Controller
Arnel A. Racelis	47	Filipino	OIC-Chief Audit Executive

During the meeting of the Board of Directors held on 12 May 2022, Juan Martin L. Syquia, 52, Filipino was appointed as the Company's Deputy Chief Finance Officer effective 16 May 2022.

Maria Corazon G. Dizon was appointed as Chief Finance Officer on 9 May 2019, effective 15 May 2019. She is concurrently the Treasurer and Compliance Officer of the Company, the Chief Finance Officer, Treasurer of ACEX, and the Chief Finance Officer and Treasurer of ACEIC. She previously held key positions with ALI, the publicly listed real estate vehicle of Ayala Corporation, as Head of ALI Capital Corp., Head of Business Development and Strategic Planning of the Commercial Business Group, Head of Asset Management Group of Shopping Centers, Head of Control and Analysis, Head of Investor Relations as well as Chief Financial Officer of Residential Buildings, Office Buildings and Shopping Centers groups. Ms. Dizon also worked in SGV & Co. for three years as a senior auditor. She is a Certified Public Accountant and graduated with a degree in Accountancy, *cum laude*, from the University of Santo Tomas. She completed academic units for an MBA at De La Salle University Graduate School of Business, and attended an Executive Management Program at the Wharton University of Pennsylvania.

John Philip S. Orbeta was a director of the Company from 1 July 2019 until 24 April 2022. He served as Managing Director and member of the Ayala Corporation Management Committee since May 2005 and the Ayala Group Management Committee since April 2009. He was Ayala Corporation's Chief Human Resources Officer (CHRO) and Group Head for Corporate Resources, covering Strategic Human Resources, Information & Communications Technology, Knowledge Management, and Corporate Support Services from January 2008 until September 2021. He is currently the Chief Administrative Officer (CAO), Chief Human Resource Officer (CHRO), and Chief Risk Officer (CRO) of ACEN. He is also a Director of ACE Shared Services, Inc. and Ayala Group Counselors Corporation. Mr. Orbeta is also the Chairman of Ayala Multipurpose Cooperative. He sits on the Board of Ayala Automotive Holdings and HCX Technology Partners. He also serves as Trustee of Ayala Young Leaders Alumni Association, Inc., World Archery Philippines, La Salle University Ozamis, and National Mission Council of De La Salle Philippines, Inc. He served as President and CEO of Automobile Central Enterprise, Inc. (ACEI), Iconic Dealership, Inc. (IDI), Honda Cars Makati, Inc. (HCMI), and Isuzu Automotive Dealership, Inc. (IADI) from Jan 2013 until December 2016. He was the Chairman and President of HCX Technology Partners, Inc. from September 2016 until November 2021 and President of Ayala Retirement Fund Holdings, Inc. (July 2021 – February 2022). He was Chairman of Ayala Group HR Council (October 2005 – September 2021), Ayala Aviation Corporation (August 2010 – October 2021), Ayala Group Corporate Security Council (January 2011 – October 2021), Ayala Business Clubs (January 2008 – November 2021), and Vice-Chairman of Ayala Group Club, Inc. (February 2015 – November 2021). He was a Director of Honda Cars Cebu, Inc. (August 2016 – August 2017), Isuzu Cebu, Inc. (August 2016 – August 2017), BPI Family Savings Bank, Inc. (May 2013 – June 2020), Ayala Foundation, Inc. (Mach 2013 – December 2021), Ayala Healthcare Holdings, Inc. (Y2016-February 2022), Healthway Medical, Inc. (Y2020 – February 2022), and the Generika Group of Companies (August 2018 – December 2021). Mr. Orbeta served as a Director and Chairman of the Audit Committee of the ALFM group of funds from April 2012 to December 2021 which included the ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Money Market Fund, Inc., Philippine Stock Index Fund, Corp. as well as the ALFM Global Multi-Asset Income Fund, Inc. (April 2018 – December 2021), ALFM Retail Corporate Fixed Income Fund, Inc. (June 2019 – December 2021), ALFM Fixed Income Feeder Fund, Inc. (August 2019 – December 2021). Mr. Orbeta was also a Trustee of De La Salle University Dasmarinas Cavite and the De La Salle Health Sciences Institute, from December 2013 to September 2019, and the Weather Philippines Foundation, Inc. (October 2015 – June 2020). He was also a Board of Governors of the Management Association of the Philippines from Jan 2019 until December 2020. Prior to joining Ayala Corporation, he was the Vice President and Global Practice Director of the Human Capital Consulting Group at

Watson Wyatt Worldwide (now Willis Towers Watson), overseeing the firm's practices in executive compensation, strategic rewards, data services, and organization effectiveness around the world. He was also a member of Watson Wyatt's Board of Directors. He graduated with a degree in A.B. Economics from the Ateneo de Manila University in 1982 and has taken advanced management programs at the Harvard Business School, IMD and INSEAD.

Solomon M. Hermosura is the Corporate Secretary of the Company. He has served as Managing Director of Ayala Corporation since 1999 and a member of its Management Committee since 2009 and the Ayala Group Management Committee since 2010. He is the Group Head of Corporate Governance, and the Chief Legal Officer, Chief Compliance Officer, Corporate Secretary, and Data Protection Officer of Ayala Corporation. He is the CEO of Ayala Group Legal. He also serves as the Corporate Secretary and Group General Counsel of ALI, and Corporate Secretary of Globe, IMI, Ayala Foundation, Inc., and AREIT, Inc. He also serves as a Corporate Secretary and a member of the Board of Directors of a number of companies in the Ayala group. Mr. Hermosura is currently a member of the faculty of the College of Law of San Beda University. He graduated valedictorian with Bachelor of Laws degree from San Beda College in 1986 and placed third in the 1986 Bar Examinations.

Dodjie D. Lagazo is the Head of the Legal and Regulatory Group and Assistant Corporate Secretary of the Company. He is also an Executive Director of ACEIC. He previously served as Director and member of AG Counselors Corporation's Management Committee from January 2014 to July 2017. He is also the Assistant Corporate Secretary of ACEIC and the Corporate Secretary of ACEX and other various ACEIC subsidiaries and affiliates. Mr. Lagazo received his undergraduate degree in Political Science from the University of the Philippines, Diliman, graduating *magna cum laude*. He then completed his Bachelor of Laws degree in the College of Law of the University of the Philippines, Diliman. He is a member in good standing of the Integrated Bar of the Philippines.

Alan T. Ascalon is Vice President for Legal and Regulatory, Assistant Corporate Secretary, and Data Protection Officer of the Company. He served as director of Guimaras Wind Corporation and is the Corporate Secretary of Guimaras Wind Corporation, One Subic Power Generation Corp., One Subic Oil Distribution Corp., Bulacan Power Generation Corporation, and CIP II Power Corporation. He is also Assistant Corporate Secretary of ACEX and Palawan55 Exploration and Production Corp. He was the Assistant Legal Counsel of PHINMA, Inc. from 2005 to 2008. Prior to joining the Company, he worked as Senior Associate at SGV & Co Tax Division from 2002 to 2005, junior associate at Ponce Enrile Cayetano and Manalastas Law Offices from 2001-2002, and as law clerk with the Supreme Court from 2000 to 2001. He graduated from the University of the Philippines with a Bachelor of Arts degree in Journalism in 1996 and a Bachelor of Laws degree in 2000. He completed the Management Development Program of the Asian Institute of Management.

Jose Maria Eduardo P. Zabaleta is the Company's Chief Development Officer and is concurrently the Chief Development Officer of ACEIC, and Chief Executive Officer of ACE Endevor, the development arm of ACEN. Prior to joining ACEN, he was co-founder and Chief Executive Officer of Bronzeoak Philippines, a pioneer and leader in clean technology energy development in the Philippines. Bronzeoak's energy businesses were integrated into ACEN in early 2017. He has a BS Management Honors degree from Ateneo de Manila University, and a Master's in Business Administration from the Fuqua School of Business, Duke University, USA.

Roman Miguel G. de Jesus is the Company's Head of Commercial Operations and of its Materials Management Group. Prior to assuming these roles, he led the development of ACEIC's solar portfolio in Vietnam, served as the President and CEO of North Luzon Renewable Energy Corp. ("NLR"), and headed the Retail Electricity Supply group of ACEIC. Prior to joining ACEIC, he practiced law in the law firms of Romulo Mabanta Buenaventura Sayoc & de los Angeles where he specialized in corporate banking and finance, and Puyat Jacinto & Santos where he specialized in energy law and special projects. He has Bachelor of Arts and Master of Arts degrees in Philosophy from the Ateneo de Manila University, where he was an instructor for 10 years. He also has a Bachelor of Laws degree from the

University of the Philippines where he graduated *cum laude* and was the Chair of the Philippine Law Journal.

Gabino Ramon G. Mejia is the Company's Head of Plant Operations and Executive Director. He also holds the following positions among the subsidiaries of ACEIC: President of Northwind Power Development Corporation, NLR, Monte Solar Energy, Inc., Negros Island Solar Power Inc., and San Carlos Solar Energy, Inc. He holds a master's degree in Business Administration (MBA) from the Asian Institute of Management and has completed his MBA Internship in York University, Schulich School of Business. He obtained his Bachelor of Arts in Philosophy and Letters degree from San Beda College where he graduated with Academic Distinction.

Irene S. Maranan is the Head of Corporate Communications and Sustainability of the Company. She leads the overall communications team in protecting and building the Company's reputation, oversees public relations and drives the corporate sustainability strategy. Prior to joining Ayala, she established and headed strategic marketing and corporate communications for energy, telecommunications, and real estate companies. Irene completed her Leadership Program from The World Business Council for Sustainable Development (WBCSD), in collaboration with INSEAD and Yale University. She holds a bachelor's degree in Mass Communications from St. Scholastica's College, Manila.

Patrice R. Clausse is the Head of the International Group of the Company. He joined Ayala Corporation in May 2010 as an advisor to the Strategy and Business Development team. He was a founding member of the ACEN management in 2011 where he led the business development and operations teams. Currently, he is heading ACENs International business, with focus on Southeast Asia and Australia. Mr. Clausse is a member of the Board of Directors/Management & Advisory Committee of ACEN International Projects. Prior to joining Ayala, he was a management consultant with McKinsey & Company in London as well as with Marakon Associates (part of Charles River Associates). Mr. Clausse received his Bachelor's and Master's degrees in Manufacturing Engineering from Cambridge University (UK). He also holds a Master of Business Administration degree from Harvard Business School where he graduated with high distinction as Baker Scholar.

Ronald F. Cuadro is the Company's VP-Finance & Controller. Prior to joining ACEIC, he worked at ALI with the following designations and assignments: Assistant Vice President, Finance Group (April 2013 to 2020), Director and General Manager of APRISA Business Process Solutions, Inc. (April 2013 to February 2019), Chief Finance Officer of the Strategic Land Management Group (April 2010 to March 2013), Chief Finance Officer of Ayala Land Office and Laguna Technopark, Inc. (April 2016 to April 2010), Finance Manager of Buyers' Financing Group (May 2002 to April 2006), Senior Financial Analyst, Control & Analysis Division (January 1997 to December 2003), and Senior Account, Ayala Hotels (October 1991 to December 1996). He obtained his Bachelor's degree in Accountancy from the Polytechnic University of the Philippines. He is a certified public accountant. He has a Master's Degree in Business Administration from the Ateneo Graduate School of Business.

Arnel A. Racelis is the Company's OIC-Chief Audit Executive, with around 24 years of experience, knowledge, and skills in the areas of internal auditing, finance, risk management, governance, compliance, and digital transformation and business management best practices. He is also the OIC-Chief Audit Executive of ACE Enexor, Inc., a listed company. He is a certified public accountant and a certified internal auditor and holds a certification on control self-assessment. Since joining the Company in 2020, Mr. Racelis has successfully implemented the digital transformation of the Internal Audit Department by fully automating the assurance, compliance, fraud detection and other related audit services using data analytics application. He also led the transformation of the Company's audit services from conventional reactive audit methodology to proactive approach fully automated methodology. He previously served as Audit Director for the Obeikan Investment Group, and as Internal Audit Manager for Wordtext Systems, Inc.

Juan Martin L. Syquia is the Company's Deputy Chief Finance Officer. Mr. Syquia is an experienced investment banker with a network of relationships and access to owners and senior executives of local corporates, banks, as well as government institutions; built over a 15-year banking career at Barclays Capital, Deutsche Bank, and Nomura. He has a solid background in Debt Capital Markets and structured financing, having joined Barclays Capital's project finance team in 1997; spearheaded DB Manila's DCM efforts; and originated and executed regional deals as a member of DB Hong Kong's DCM team.

Involvement in Certain Legal Proceedings of Directors and Executive Officers

As of 30 June 2022 , to the knowledge and/or information of the Company, none of the members of the Board of Directors or any of the Executive Officers are, presently, or during the last five years, subject to any (a) bankruptcy petition by or against any business of which such director was a general partner or executive officer either at the time of the bankruptcy or within five years prior to that time; (b) conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign; (c) order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; or (d) judgment by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading, market or self-regulatory organization, of a violation of securities or commodities law or regulation, which judgment has not been reversed, suspended or vacated legal proceeding; which would have any material effect on the Company, its operations, reputation, or financial condition.

Ms. Geotina-Garcia

As of 31 July 2022, Ms. Geotina-Garcia is/was involved in the following legal proceedings:

Offense charged / investigated	Case No.	Tribunal / agency involved	Status
Libel, as member of the Board of Directors of the Bases Conversion Development Authority ("BCDA")	Crim. Case No. 1500045- PSG	Branch 167, Pasig Regional Trial Court	The case involves statements, which the Bases Conversion and Development Authority ("BCDA") caused to be published in the 10 April 2012 issue of the Philippine Daily Inquirer. At the time of publication, the accused were members of BCDA's Board of Directors, including Ms. Geotina-Garcia. The private complainant, who is the Chief Executive Officer of CJH Development Corporation ("CJH DevCo"), contended that by these publications, the accused deliberately, maliciously, knowingly, and publicly imputed crimes, acts, and omissions against him, which supposedly tarnished, tainted, and

Offense charged / investigated	Case No.	Tribunal / agency involved	Status
			besmirched his good name, honor, and reputation. In an Order dated 18 September 2020, the trial court granted the accused's demurrer to evidence and dismissed the case for insufficiency of the prosecution's evidence. The dismissal is equivalent to an acquittal, which is immediately final and executory. The prosecution filed a Motion for Reconsideration dated 15 October 2020, which was denied by the court at the hearing held on 23 October 2020. The Private Complainant filed a Petition for Certiorari dated 9 December 2020 with the Court of Appeals, alleging grave abuse of discretion on the part of the trial court. In a Resolution dated 24 May 2021, the Court of Appeals required the accused-respondents to file a comment. The accused-respondents filed their Comment dated 19 July 2021. The Court of Appeals issued a Resolution dated 2 June 2022 directing the parties to file their respective memoranda. On 27 July 2022, the accused-respondents filed their Memorandum. The accused-respondents have yet to receive the Private Complainant's Memorandum.
Criminal complaints for acts as member of the Board of Directors of BCDA	G.R. No. 225565	This case was originally filed with the Office of the Ombudsman and is now pending before the Supreme Court.	The case was originally filed with the Office of the Ombudsman, which was dismissed on 15 January 2016.

Offense charged / investigated	Case No.	Tribunal / agency involved	Status
			The appeal before the Supreme Court was dismissed in a Decision dated 13 January 2021. The petitioner filed a Motion for Reconsideration dated February 9, 2022 and is pending resolution.
Administrative complaint for acts a member of the Board of Directors of BCDA	CA-G.R. No. SP No. 145849	This case was originally filed with the Office of the Ombudsman and was elevated to the Court of Appeals.	The complainant, CJH DevCo, filed a Petition for Review before the Court of Appeals, which was dismissed in a Decision dated 30 January 2018 and was affirmed in a Resolution dated 16 May 2018. Ms. Geotina-Garcia is not aware of any appeal or petition filed by CJH DevCo from the Court of Appeals' rulings.

Notwithstanding the proceedings, orders, judgments or decrees described above, the Company believes that Ms. Geotina-Garcia is not disqualified to act as a director. Ms. Geotina-Garcia has confirmed to the Company that: the libel case has been dismissed for insufficiency of the prosecution's evidence against her, which dismissal was equivalent to an acquittal. While the private complainant has filed a petition for certiorari with the Court of Appeals to question the dismissal of the libel case, the private complainant must show grave abuse of discretion on the part of the trial court, which is difficult to do. Following the Court of Appeals' Resolution dated 24 May 2021, Ms. Geotina-Garcia and her co-respondents filed their comment, which is now pending resolution. The administrative and criminal complaints filed against Ms. Geotina-Garcia as a member of the Board of Directors of BCDA have already been dismissed by the Office of the Ombudsman showing the lack of basis and merits to the charges. Notwithstanding the pendency of these cases, the Company believes that these cases will not and do not in any way affect Ms. Geotina-Garica's ability and bias her judgement and independence to act as an independent director of the Company. Further, the issues raised therein, as well as the parties to these cases, are not related in any way to the Company or any of its business.

Mr. Francia

On 28 July 2020, ACEN was provided a copy of the Complaint-Affidavit filed by the Philippine Coast Guard ("PCG") with the Office of the City Prosecutor ("OCP") against Mr. John Eric T. Francia, director, in his capacity as President of ACEIC for violation of Section 107 of Republic Act ("RA") No. 8550, as amended by RA No. 10654, or The Philippine Fisheries Code of 1998. On 24 September 2020, ACEIC received a subpoena addressed to Mr. Francia requiring him to appear before the OCP and to submit his counter-affidavit. On 24 October 2020, Mr. Francia submitted his counter-affidavit to the OCP by courier.

The alleged violation is connected with the accidental discharge of fuel oil by ACEN's Power Barge ("PB") 102 on 3 July 2020. PB 102 is operated and maintained by Bulacan Power Generation Corporation ("BPGC").

On 4 December 2020, Mr. Francia through counsel received a copy of the Reply Affidavit of PCG Commander Joe Luviz Mercurio contending, among others that, (1) ACEIC, as the parent company of ACEN, exercises general management authority over ACEN pursuant to a supposed "management contract" between the two corporations, and (2) BPGC does not have full control over the maintenance and operations of PB 102. On 4 February 2021, Mr. Francia, through his counsel, filed by courier his Rejoinder Affidavit with the OCP.

The OCP issued a resolution dated 30 June 2021, which found no probable cause to indict Mr. Francia, among others, and therefore recommended the dismissal of the Complaint Affidavit for lack of sufficient factual and legal basis. In a Letter dated 20 April 2022, the OCP confirmed that the Prosecution Office has not received any Motion for Reconsideration from the complainant nor was notified that a Petition for Review was filed by the complainant, such that the Resolution dated 30 June 2021 dismissing the Complaint has already become final on 30 August 2021.

Other than as described above, the Company has no knowledge of any other cases filed against the members of the Board of Directors and Executive Officers.

Family Relationships

Fernando Zobel de Ayala, Chairman of the Board, and Jaime Augusto Zobel de Ayala, a Director of the Company, are brothers. Jaime Z. Urquijo, a member of the Sustainability Committee, is the nephew of Fernando Zobel de Ayala and Jaime Augusto Zobel de Ayala.

There are no known family relationships between the current members of the Board and key officers other than the above.

Corporate Governance

Corporate Governance Manuals

The Board of Directors, officers and employees of the Company commit themselves to the principles and best practices embodied in its Manual on Good Corporate Governance[39] (the "Manual"). The Company believes that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore exert every effort to ensure adherence thereto within the organization.

The Company has in place a Compliance Department Procedures and Protocols Manual (the "Compliance Manual") that prescribes the standard procedures to be followed in the management of required corporate documents and disclosures in compliance with PSE, SEC, and other relevant rules and regulations, and corporate documents issued by the corporate secretary. The Compliance Manual applies to all directors, officers and employees of ACEN in charge of corporate disclosure responsibilities related to the following rules and regulations:

- SEC Code of Corporate Governance for Publicly-Listed Companies (SEC Memorandum Circular No. 19 Series of 2016) effective 1 January 2017
- 2015 Securities and Regulations Code of the Philippines (R.A. No. 8799 and its Implementing Rules and Regulations)
- PSE Listing and Disclosure Rules, Supplemental Rules and Guidance Notes
- Revised Corporation Code of the Philippines

[39] The Company's revised Corporate Governance Manual, as approved by the Board of Directors on 11 November 2021, is posted on the Company's website at - https://www.acenrenewables.com/disclosures/manual-on-corporate-governance/

- DOE Annual Certification on validity of service contracts
- Mines and Geosciences Bureau Annual Certification for listed mining companies

Compliance Officer

The Board designates a Compliance Officer who reports to the Chairman of the Board. As required of publicly-listed companies, the appointment of Compliance Officer is properly disclosed to the SEC. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

The Compliance Officer's duties include ensuring proper on boarding of new directors (*i.e.*, orientation on the company's business, charter, Articles of Incorporation and By-laws, among others), monitor, review, evaluate and ensure compliance by the Company, its officers and directors with the relevant laws, with the SEC Code of Corporate Governance ("Code"), rules and regulations and all governance issuances of regulatory agencies, appear before the Securities and Exchange Commission upon summon on matters in relation to compliance with the Code, ensure the integrity and accuracy of all documentary submissions to regulators, determine violation/s of the Code and recommend to the Board the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation, identify possible areas of compliance issues and work towards the resolution of the same, develop and establish, subject to approval of the Board, a monitoring and evaluation system to determine compliance with this Manual, which system shall provide for a procedure that fulfils the requirements of due process, ensure the attendance of board members and key officers to relevant trainings and perform such other duties and responsibilities as may be provided by the SEC.

Integrated Annual Corporate Governance Report (I-ACGR)

SEC MC No. 15, Series of 2017 was released in December 2017 which mandates all publicly-listed companies to submit an Integrated Annual Corporate Governance Report ("I-ACGR") on or before 30 May of the following year for every year that the company remains listed in the PSE, covering all relevant information for the preceding year.

The I-ACGR supersedes the ACGR last submitted for the year 2016 to the SEC and the Compliance Report on Corporate Governance last submitted for the year 2016 to the PSE. The Company submitted its I-ACGR for the year 2017 on 30 May 2018. For the fiscal year 2018, the Company submitted its I-ACGR on 30 May 2019. For the fiscal year 2019, the Company submitted its I-ACGR on 1 September 2020.[40] For the fiscal year 2020, the Company submitted its I-ACGR on 30 June 2021 with a separate signature page for the Chairman, Mr. Fernando Zobel de Ayala, who affixed his e-signature while overseas.[41] On 19 July 2021, the Company submitted its amended 2020 I-ACGR, containing the duly signed and notarized page of the Chairman. For fiscal year 2021, the Company submitted its I-ACGR on 30 May 2022.

As of 31 December 2021, the Company has substantially complied with the principles and best practices contained in the Corporate Governance Manual. There were no sanctions imposed on any director, officer or employee for non-compliance of the Manual. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

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[40] Deadline extended to 1 September 2020 pursuant to the SEC Notice dated 22 July 2020 – *Further Extension of the Deadline for the Submission of the Integrated Annual Corporate Governance Report (I-ACGR)*

[41] Deadline extended to 30 June 2021 pursuant to the SEC Notice dated 25 May 2021 – *Extended Deadline for Integrated Annual Corporate Governance Report (I-ACGR)*

Evaluation System and Compliance

As part of its system for monitoring and assessing compliance with the Manual and the Code, each committee is required to report regularly to the Board of Directors and the Manual is subject to quarterly review. The Compliance Officer is responsible for determining and measuring compliance with the Manual and the Code. To strictly observe and implement the provisions of the Company's Manual, the Company's Board of Directors may impose penalties, after notice and hearing, on the individual directors, officers, and employees, such as censure, suspension and removal from office depending on the gravity of the offense as well as the frequency of the violation. The commission of a grave violation of the Manual by any member of the Board of Directors is sufficient cause for his removal as a director.

Committees of the Board

The Board created and appointed Board members to each of the committees listed below. Each member of the respective committees named below holds office as of 25 April 2022 and will serve until his or her successor is elected and qualified.

Executive Committee

Fernando M. Zobel de Ayala – Chairman
Jaime Augusto M. Zobel de Ayala – Member
John Eric T. Francia – Member
Cezar P. Consing – Member
Sherisa P. Nuesa – Member (independent)

Audit Committee

Ma. Aurora D. Geotina-Garcia – Chairperson (independent)
Consuelo D. Garcia – Member (independent)
Nicole Goh Phaik Khim – Member

Corporate Governance and Nomination Committee

Consuelo D. Garcia – Chairperson (independent)
Melinda L. Ocampo – Member (independent)
Sherisa P. Nuesa – Member (independent)

Personnel and Compensation Committee

Consuelo D. Garcia – Chairperson (independent)
Cezar P. Consing – Member
Sherisa P. Nuesa – Member (independent)

Board Risk Management and Related Party Transaction Committee

Sherisa P. Nuesa – Chairperson (independent)
Nicole Goh Phaik Khim – Member
Melinda L. Ocampo – Member (independent)

Sustainability Committee

Cezar P. Consing – Chairman
Melinda L. Ocampo – Member (independent)
Jaime Z. Urquijo – Member

Executive Compensation of Directors and Executive Officers Summary

For the calendar years ended 2021, 2020, and 2019, the total salaries, allowances, and bonuses paid to the directors and executive officers of ACEN are as follows:

Name/Position	Year	Salaries	Bonus	Other Annual Compensation
CEO and Top 4 Most Highly Compensated Executive Officers (Total Compensation) 2021 John Eric T. Francia – Chief Executive Officer Roman Miguel G. De Jesus – Executive Director and Head, Commercial Operations Jose Maria Eduardo P. Zabaleta – Chief Development Officer Ronald F. Cuadro – Vice President, Finance & Controller Alan T. Ascalon – Vice President, Legal & Regulatory				
	2021	₱42,758,279	₱7,881,015	₱2,885,739
CEO and Top 4 Most Highly Compensated Executive Officers (Total Compensation) 2020 John Eric T. Francia – Chief Executive Officer Mariejo P. Bautista, SVP – Finance & Controller Danilo L. Panes, VP – Wind Operations Alan T. Ascalon, Assistant Corporate Secretary & VP – Legal Ma. Teresa P. Posadas, AVP – Human Resources				
	2020	₱15,703,929	₱2,920,702	₱2,487,596
CEO and Top 4 Most Highly Compensated Executive Officers (Total Compensation) end 2019 Francisco L. Viray, President and CEO (until 15 May 2019) Mariejo P. Bautista, SVP – Finance & Controller Danilo L. Panes, VP – Wind Operations Alan T. Ascalon, Assistant Corporate Secretary & VP – Legal Ma. Teresa P. Posadas, AVP – Human Resources				
	2019	₱21,478,153	₱4,630,134	₱1,945,000

In the special meeting of the Board of Directors on 9 October 2019, the Board of Directors approved the general administrative expenses ("GAE") recoveries of ACEIC, representing the personnel costs in relation to the management and operations of ACEN since May 2019. For the periods ended 31 December 2020 and 2021, the GAE recoveries for officers of ACEN amounted to ₱84,384,258.17 and ₱44,355,708, respectively.

Compensation of Directors

The Company's non-executive directors (including the Independent Directors) receive an Annual Retainer Fee of ₱1,000,000.00 (except with respect to the Chairperson of the Audit Committee whose annual retainer fee is ₱1,500,000.00, and the Chairman of the Board whose annual retainer fee is ₱2,000,000.00) and allowances, per diem of ₱200,000.00 per board meeting, ₱100,000.00 per committee meeting, and ₱100,000.00 per non-executive directors' meeting,

There are no other existing arrangements/agreements to which said directors are to be compensated during the last completed fiscal year and the ensuing year.

Security Ownership of Certain Record and Beneficial Owners

The following table shows the persons or groups known to ACEN to be directly the record or beneficial owners of more than 5% of the Company's voting securities as of 31 July 2022:

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Ownership
Common	PDTC[a] 28th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder		Filipino 5.64%[c] Foreign 7.91%[c]	5,371,092,102[c]	13.55%[c]
Common	AC Energy and Infrastructure Corporation[b] 35F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City Stockholder	Mermac, Inc. 3rd Floor, Makati Stock Exchange Building, Ayala Triangle, Ayala Avenue, Makati City	Filipino	24,771,721,773	62.48%
Common	Arran Investment Pte Ltd 168 Robinson Road, #37-01, Capital Tower, Singapore 068912 Stockholder	GIC Private Limited 168 Robinson Road, #37-01, Capital Tower, Singapore 068912 Stockholder	Singaporean	6,689,521,680	16.87%

Notes:

(a) The Philippine Depository and Trust Corporation ("PDTC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD") which acts as trustee-nominee for all shares lodged in the PCD system.

(b) AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) was incorporated on 13 December 2005 and is domiciled in the Philippines. ACEIC was organized primarily to purchase, exchange, hold, own, and use investments, capital stock or other securities, and exercise all the rights, powers, and privileges of ownership to the extent permitted by law, as well as to engage in the purchase, retail, supply, and delivery of electricity and in such other activities related thereto.

(c) Excludes ACEIC's and Arran's lodged shares.

On 29 April 2022, the Board of Directors of Ayala Corporation ("AC") approved the declaration of property dividends consisting of ACEN shares acquired from ACEIC to AC's common shareholders at a ratio of 3 ACEN shares per 1 AC common share, subject to: (a) completion of the acquisition of ACEN shares by AC, and (b) applicable regulatory approvals. Record date is on May 27, 2022, with payment date to be determined by AC's Management after applicable regulatory approvals have been obtained. As ACEN's public float will increase post-transaction, the property dividend declaration enables ACEN to meet the 20% minimum public ownership requirement for companies included in the Philippine Stock Exchange Index. Post-transaction, ACEIC's ownership level in ACEN will be at 57.79% from 62.48%. To date, regulatory approvals are still pending for the completion of the property dividend.

Security Ownership of Directors and Management as of 31 July 2022

None of the directors and officers individually owns 5% or more of the outstanding capital stock of ACEN. The table below shows the securities owned by the directors and officers of the Company as of 25 April 2022.

Title of Class of Outstanding Share	Name of beneficial owner	Citizenship	Amount of beneficial ownership	Nature of beneficial ownership	Percent of total outstanding shares
Common	Jose Rene Gregory D. Almendras	Filipino	950,450 1[b]	Indirect[a] Direct	0.00%
Common	John Eric T. Francia	Filipino	100,757,668 5,442,357	Indirect[a] Direct	0.27%
Common	Fernando M. Zobel de Ayala	Filipino	1[b] 532,505,448	Direct Indirect[a]	1.34%
Common	Jaime Augusto M. Zobel de Ayala	Filipino	1[b] 124,098	Direct Indirect[a]	0.00%
Common	Cezar P. Consing	Filipino	1[b]	Direct	0.00%
Common	Consuelo D. Garcia	Filipino	1,000 900	Direct Indirect[a]	0.00%
Common	Ma. Aurora D. Geotina- Garcia	Filipino	1[b]	Direct	0.00%
Common	Sherisa P. Nuesa	Filipino	2,158,107 90,000	Indirect[a] Direct	0.01%
Common	Melinda L. Ocampo	Filipino	24,000[b] 1	Indirect Direct	0.00%
Common	Nicole Goh Phaik Khim	Malaysian	1	Indirect[d]	0.00%
Common	Dean Travers	Australian	1	Indirect[d]	0.00%
Common	Maria Corazon G. Dizon	Filipino	41,140,070 1,381,374	Indirect[c] Direct	0.11%
Common	Jose Eduardo P. Zabaleta	Filipino	1,329,024	Indirect[c]	0.00%
Common	John Philip S. Orbeta	Filipino	12,108,619 1[b]	Indirect[c] Direct	0.03%
Common	Gabino Ramon G. Mejia	Filipino	5,413,794 580,159	Indirect[c] Direct	0.02%
Common	Roman Miguel G. de Jesus	Filipino	688,315 17,133,083	Direct Indirect[c]	0.04%
Common	Solomon M. Hermosura	Filipino	0	N/A	0.00%
Common	Dodjie D. Lagazo	Filipino	6,526,166 1,027,613	Direct Indirect[c]	0.02%
Common	Alan T. Ascalon	Filipino	560,173 944,075	Direct Indirect[c]	0.00%
Common	Patrice R. Clausse	Luxem bourgeoise	27,868,271 1,946,430	Indirect[c] Direct	0.08%
Common	Irene S. Maranan	Filipino	3,618,587 398,635	Indirect[c] Direct	0.01%
Common	Arnel A. Racelis	Filipino	22,300	Indirect[c]	0.00%
Common	Ronald F. Cuadro	Filipino	300,000	Indirect[c]	0.00%
Common	Juan Martin L. Syquia	Filipino	184,387	Indirect[c]	0.00%
	TOTAL		**765,225,112**		**1.93 %**

Notes:

(a) The indirect shares held by the following directors: Messrs. Jose Rene Gregory D. Almendras, John Eric T. Francia, Fernando M. Zobel de Ayala, Jaime Augusto M. Zobel de Ayala, and Mses. Consuelo D. Garcia, and Sherisa P. Nuesa are lodged with the PCD Nominee.

(b) The one nominal share of each of Messrs. Jose Rene Gregory D. Almendras, John Eric T. Francia, Fernando M. Zobel de Ayala, Jaime Augusto Zobel de Ayala, Cezar P. Consing, and Mses. Ma. Aurora D. Geotina-Garcia and Melinda L. Ocampo are qualifying shares held in trust for ACEIC.

(c) The indirect shares held by the following officers: Messrs. Roman Miguel G. de Jesus, Dodjie D. Lagazo, Gabino Ramon G. Mejia, Jose Maria Eduardo P. Zabaleta, Patrice R. Clausse, Alan T. Ascalon, Ronald F. Cuadro, Arnel A. Racelis, Juan Martin L. Syquia, and Mses. Maria Corazon G. Dizon and Irene S. Maranan are lodged with the PCD Nominee.

(d) The one nominal shares of each of Ms. Nicole Goh Phaik Khim and Mr. Dean L. Travers are qualifying shares held in trust for Arran Investment Pte Ltd

Voting Trust Holders of 5% or more

The Company is not aware of any person holding five percent (5%) or more of the Company's outstanding shares under a voting trust agreement or similar agreement.

Changes in Control

There are no arrangements that may result in a change in control of ACEN.

On 24 June 2019, ACEIC acquired the 51.48% combined stake of PHI and PHN in ACEN at a purchase price of ₱1.4577 per Share or a total purchase price of ₱3,669,125,213.19. In addition, ACEIC: (a) acquired an additional 156,476 Shares under the mandatory tender offer which ended on 19 June 2019 at the tender offer price of ₱1.4577 per Share, and (b) subscribed to 2.632 billion Shares at ₱1.00 per Share or a total subscription price of ₱2.632 billion. The consideration for the Shares was sourced out of ACEIC's equity.

On 22 June 2020, following the issuance of the First SEC Approval, ACEIC acquired beneficial ownership of 6,185,182,288 Common Shares pursuant to the ACEIC Philippine Transaction, with effective date as at 9 October 2019.

On 29 January 2021, the Company completed the Rights Offer of 2,267,580,434 Common Shares.

On 18 March 2021, the Company issued 4,000,000,000 Common Shares to Arran.

On 26 April 2021, following the issuance of the Second SEC Approval, ACEIC acquired beneficial ownership of 16,685,800,533 Common Shares pursuant to the ACEIC International Transaction, with effective date as at 26 April 2021.

On 14 May 2021, the Company completed the Follow-on Offering of 2,010,248,617 Common Shares.

On 15 November 2021, the Company issued a total of 90,000,000 Common Shares to the minority shareholders of NorthWind Power Development Corporation, broken down as follows:

1. Niels Jacobsen – 16,767,108
2. Ferdinand A. Dumlao – 41,375,371
3. Jose Ildebrando B. Ambrosio – 1,956,209
4. Laura Baui – 1,956,132
5. Kresten B. Jacobsen – 13,972,590
6. Kia Jacobsen – 13,972,590

On 21 March 2022, the Company issued a total of 930,750,000 Common Shares to the following subscribers:

1. UPC Renewables Asia Pacific Holdings Pte Limited – 869,119,204
2. Anton Johannes Rohner - 61,630,796

On 22 March 2022, the Company issued a total of 389,995,833 Common Shares to the following subscribers:

1. UPC Philippines Wind Partners Ltd. – 19,059,423
2. Wind City Inc. – 142,668,634
3. Estanyol Holdings Ltd. – 153,493,200
4. Tenggay Holdings Ltd. – 70,525,763
5. Alan Kerr - 4,248,813

On 21 April 2022, the Company issued a total of 8,188,097 Common Shares to 19 employees of the Company through the Company's Employee Stock Ownership Plan ("ESOWN").

As of 17 June 2022, ACEIC (62.48%), together with the Company's directors, officers and affiliates (1.93%), owns and controls 64.41% of all issued and outstanding Shares of the Company.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The Company and its Subsidiaries have executed pro forma employment contracts with its employees and key officers. These contracts basically specify the scope of services expected from these individuals and the compensation that they shall receive.

Under the Company's By-laws, the Officers of the Company shall hold office for one year and until their successors are chosen and qualified in their stead. Any officer elected or appointed by the majority of the Board of directors may be removed by the affirmative vote of the Board of Directors.

The Company does not have written contracts with any of its executive officers or other significant employees. There are no arrangements for compensation to be received by these named executive officers from the Company in the event of a change in control.

Compensatory Plan or Arrangement

The compensation received by officers who are not members of the Board consists of salaries, bonuses, and other benefits.

All permanent and regular employees of the Company and its Subsidiaries hired are covered by the ACEN retirement plan (the "Plan"). The Plan provides benefits upon normal retirement beginning at age 60, early retirement beginning at age 50 with completion of at least 10 years of service, voluntary separation beginning upon completion of at least 10 years of service, total and physical disability, death, and involuntary separation. The benefits are based on the employee's final monthly basic salary and length of service.

Warrants and Options Outstanding

On 18 March 2021, the Board approved the ESOWN and the allocation of 960,000,000 Common Shares from the unsubscribed portion of the ACS, which was also approved on 19 April 2021 by the stockholders of the Company in its ASM.

As of 30 April 2022, there are a total of 19 subscribers of shares granted under the ESOWN, involving a total of 8,168,099 Common Shares. The foregoing Common Shares were issued on 21 April 2022 and have not been lodged or traded. The following are the officers that subscribed to shares under the ESOWN:

Name	Position	Shares	Exercise Price	Payment terms
Jose Maria Eduardo P. Zabaleta	Chief Development Officer	1,329,024	₱6.96	Payable in 10 years and under the terms and conditions of the ESOWN
John Philip S. Orbeta	Chief Administrative Officer, Chief Human Resources Officer and Chief Risk Officer	3,646,458		
Alan T. Ascalon	Assistant Corporate Secretary 2 and VP - Legal and Data Privacy Officer	117,747		

On 19 August 2022, an additional 32,622,666 Common Shares were issued under the ESOWN in favor of 42 subscribers. The foregoing shares have not been lodged or traded. The following are the directors and officers that subscribed to the foregoing shares:

Name	Position	Shares	Exercise Price	Payment terms
John Eric T. Francia	Director, President & CEO	7,261,962	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Maria Corazon G. Dizon	Treasurer, CFO, Compliance Officer	2,611,835	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Jose Maria Eduardo P. Zabaleta	Chief Development Officer	3,846,153	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Alan T. Ascalon	Assistant Corporate Secretary 2 and VP - Legal and Data Privacy Officer	152,904	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Dodjie D. Lagazo	Assistant Corporate Secretary 1, Head of Legal and Regulatory	1,327,169	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Gabino Ramon G. Mejia	Head of Plant Operations	976,425	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Roman Miguel G. De Jesus	Head of Commercial Operations	1,328,896	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Irene S. Maranan	Head of Corporate Communications and Sustainability	477,835	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Patrice R. Clausse	Head of International Group	3,846,153	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN
Ronald F. Cuadro	VP – Finance and Controller	226,153	₱6.50	Payable in 10 years and under the terms and conditions of the ESOWN

Dividend Policy

The declaration of dividends in the future will depend upon the earnings, cash flow, financial condition of the Company, and other factors.

On 18 August 2020, the Board of Directors in its regular meeting approved, among others, the Company's dividend policy to declare and pay dividends on an annual basis using a payout ratio of 25% to 50% of the previous year's core net income, excluding significant non-recurring gains (including value realization proceeds) or losses, to be effective on 1 January 2021 ("Regular Dividends"). On 11 November 2020, the Board amended this dividend policy to include the Board's discretion, exercised reasonably, to approve the declaration and payment of special dividends over and above the Regular Dividends.

On 8 March 2022, the Board of Directors in its regular meeting approved, among others, the declaration of cash dividends of six centavos (₱0.06) per Share on the 38,315,838,177 issued and outstanding Shares of the Company to be paid on or before 19 April 2022 to stockholders of record as of 5 April 2022.

The following table summarizes the dividends previously declared and paid by ACEN for the past five years:

Date of Declaration	Record Date	Payment Date	Rate in ₱
8 March 2022	5 April 2021	19 April 2021	0.06/Share
18 March 2021	5 April 2021	19 April 2021	0.06/Share
18 August 2020	3 September 2020	17 September 2020	0.04/Share
28 February 2018	14 March 2018	5 April 2018	0.04/Share
3 March 2017	17 March 2017	31 March 2017	0.04/Share

As of the date of this Prospectus, the Company's subsidiaries do not have a defined dividend policy.

The following table summarizes the dividends previously declared and paid by the Company's subsidiaries for the years ended 31 December 2021, 2020, and 2019:

	For the years ended 31 December		
Entity	**2021**	**2020**	**2019**
	(₱ million)	(₱ million)	(₱ million)
GigaAce 1, Inc.	445.78	120.00	-
GigaAce 2, Inc.	219.00	412.00	-
BPGC	-	120.00	-
Montesol	50.00	142.80	70.00
Sacasol	280.00	450.00	21.99
NPDC	230.30	350.00	200.00
GWC	45.00	200.00	150.00
Viage Corporation	19.00	24.00	-
ACE Renewables	25.00	170.00	328.26
Solienda	73.00	44.00	140.00
VRC	27.00	25.00	63.00
MSPDC	62.00	60.00	61.00
SJLD	25.00	33.60	32.00
HDP Bulk Water	-	20.00	-

Note: Table includes dividends declared to each subsidiary's minority stockholders, if any.

RELATED PARTY TRANSACTIONS

The Company has instituted internal policies with respect to related party transactions and the Company ensures that it is compliant with the policies instituted on transactions involving related parties. Relevant related party transactions are also discussed at the Related Party Committee or Audit and Risk Committees of the companies who oversee such matters. Further, the Company will be complying with BIR Revenue Regulation No. 19-2020 on the disclosure of related party transactions.

The Company believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms.

Transactions with ACEIC

ACEIC International Transaction

On 26 April 2021, the Company and ACEIC executed the Deed of Assignment effective as at 26 April 2021, whereby ACEIC transferred and conveyed to the Company its rights and interest in AC Energy International as payment for its subscription to 16,685,800,533 Common Shares of the Company, valued at ₱5.15 per Share. Please refer to the section on "***Executive Summary –Description of Business***," on page 17 of this Prospectus, including the evaluation for fairness.

ACEIC Philippine Transaction

On 12 November 2019, ACEIC and the Company executed an Amended and Restated Deed of Assignment effective as at 9 October 2019, which was further amended and restated on 14 May 2020, whereby ACEIC transferred and conveyed to the Company its rights and interest in 10 corporations as payment for its subscription to 6,185,182,288 Common Shares of the Company, valued at ₱2.37 per Share. Please refer to the section on "***Executive Summary – Description of Business***" on page 17 of this Prospectus, including the evaluation for fairness.

Management Contracts

Effective 24 June 2019, ACEIC became the managing company of the Company and its subsidiaries BPGC, CIPP, and GWC pursuant to separate management contracts originally executed with PHI but were assigned to ACEIC on 24 June 2019.

Under the management contracts, ACEIC shall have general management authority with corresponding responsibility over all operations and personnel of the managed company including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance, and other business activities of the managed company in consideration of the payment by the managed company of a fixed monthly management fee plus an annual incentive based on a certain percentage of each company's net income to the managing company.

Each management contract has a term of five years. The management contract of the Company became effective on 1 September 2018, while the management contracts of BPGC, CIPP, and GWC became effective on 1 September 2016, 1 January 2018, and 1 September 2018, respectively.

Other transactions between ACEIC and Associates

ACEIC has outstanding receivables from and/or deposits for future subscriptions in several Associates.

Transactions with Associates

ACEN FINANCE

The Company served as the guarantor for the US$400.00 million senior undated fixed-for-life (nondeferrable) Notes with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par, issued by ACEN Finance (a wholly-owned subsidiary) on 8 September 2021, under its medium-term note (MTN) Programme. Proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework.

ACEX

ACEX and the Company entered into a Deed of Assignment dated 29 December 2021, as amended on 31 January 2022, whereby ACEX would have issued 339,076,058 shares of stock in ACEX (the "Shares") to ACEN at an issue price of ₱10.00 per share in exchange for the following properties of ACEN: (a) 3,064,900 common shares in Palawan55 Exploration & Production Corporation ("Palawan55") with a par value of ₱100.00 per share, comprising 30.65% of the issued and outstanding shares in Palawan55; (b) 6,000,000 common shares in Bulacan Power Generation Corporation ("BPGC") representing 100% of the issued and outstanding shares in BPGC; (c) 6,351,000 common shares in CIP II Power Corporation ("CIPP") with a par value of ₱50.00 per share representing 100% of the issued and outstanding shares in CIPP; (d) 3,600,000 redeemable preferred shares in Ingrid3 Power Corp., ("Ingrid3"), a special purpose vehicle for the development of a new power project, with a par value of ₱1.00 per share, representing 100% of the issued and outstanding redeemable preferred shares in Ingrid 3; and (e) 33,493,366 common shares in One Subic Power Generation Corporation ("OSPGC") with a par value of ₱1.00 per share representing 17.13% of the issued and outstanding shares in OSPGC. The Amendment to the Deed of Assignment corrected the reference to the resulting ownership percentage of ACEN in ACEX from 89.96% to 89.78% of the outstanding capital stock of ACEX.

On 3 June 2022, ACEN and ACEX signed a Deed of Cancellation to cancel the Deed of Assignment dated 29 December 2021 and the Amendment to the Deed of Assignment dated 31 January 2022, covering the property-for-shares swap between ACEN and ACEX.

SLTEC

On 11 April 2022, the Company acted as share security grantor, for the loan of its subsidiary, SLTEC, under the Amended and Restated Omnibus Loan and Security Agreement ("OLSA") for the refinancing of the 2x135 MW SLTEC Circulating Fluidized Bed thermal power plant under an energy transition financing with the Bank of Philippine Islands and Rizal Commercial Banking Corporation as lenders.

The Company and SLTEC also signed an Administration and Management Agreement for the Company's administration, control, and management of the entire capacity of the SLTEC power plant, and an Operations and Maintenance Agreement.

BPGC

On 27 December 2013, BPGC and ACEN entered into a PAMA which gave ACEN the right to administer, sell and dispatch all of the capacity of BPGC for a period of 10 years.

CIPP

The Company executed a PAMA with CIP II effective as of 26 June 2013. Under the PAMA, the Company shall have the right and obligation to administer and manage the entire capacity and net output of CIP II for a period of 10 years.

OSPGC

The Company has an existing PAMA with OSPGC under which ACEN is given the right to administer and manage the net output of OSPGC's 116 MW Subic Diesel Generator Power Plant (the "Subic Power Plant") in consideration of energy fees to be paid by the Company to OSPGC. The PAMA became effective on 17 February 2011 and shall be effective throughout the term of the lease of the One Subic Power Plant from SBMA.

MGI

ACEN purchases all of the power generated by the 32 MW geothermal power located in Maibarara, Santo Tomas, Batangas, owned and operated by MGI. Other transactions with MGI include reimbursements of expenses and advances for future subscriptions.

NLREC AND NPDC

NLREC and NPDC entered into a Master Service Agreement ("MSA") with ACEN or any of its affiliates effective 1 January 2020 for the rendition of services to the Company in connection with matters on finance, legal, administrative and human resources. The respective board of the companies approved the execution of the MSA on 24 October 2019 and 11 October 2019, respectively.

Other transactions between ACEN and Associates

ACEN has outstanding receivables from and/or deposits for future subscriptions in several Associates.

<u>Transactions between Associates</u>

ACE Endevor

ACE Endevor performs certain management, engineering, technical, financial and administrative services for MonteSol, SacaSol, and IslaSol and receives service fees stated in their respective Management Services Agreements therefor.

ACES

ACE Shared Services, Inc. ("ACES") provides a full range of business process outsourcing services to ACEN and Associates in exchange for service fees in their respective Management Services Agreements therefor.

Other Transactions

ACE Endevor and Gigasol2 have outstanding receivables from and/or deposits for future subscriptions in various Associates.

<u>Transactions with entities under Control of the Ultimate Parent</u>

Services

Several Associates have engaged AG Counselors Corporation, a wholly-owned company of Ayala, for the performance of legal services.

Power Supply

On 29 October 2021, the Power Supply Agreement between the Company and DirectPower Services, Inc., an affiliate of Ayala Land, Inc., was executed.

Lease Contracts

On 23 December 2020, the Company executed a Contract of Lease with Ayala Land, Inc. for the lease of its current headquarters up 17 January 2031.

ACE Shared Services, a wholly-owned subsidiary of the Company, has an existing lease agreement with Fort Bonifacio Development Corporation, a joint venture company of Ayala Land, Inc., for its office space and parking slots. The lease is from 1 August 2020 to 31 March 2023.

On 30 September 2019, SolarAce1 executed a Contract of Lease with lessors Ayala Land, Inc., Crimson Field Enterprises, Inc., and Red Creek Properties, Inc. for the lease of approximately 106.59 hectares of land in Alaminos, Laguna for a period of 21 years, renewable for another 20 years. The leased area was used for Solarace’s 120 MWdc solar power plant.

Issue Management, Underwriting, Selling Agent

The Company engages BPI Capital Corporation in various debt capital market transactions.

PRINCIPAL SHAREHOLDERS

Principal Shareholders

The following table shows the persons or groups known to the Company to be directly the record or beneficial owners of more than 5% of the Company's voting securities as of 31 July 2022:

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Ownership
Common	PDTC[a] 28th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder		Filipino 5.64%[c] Foreign 7.91%	5,371,092,102[c]	13.55%[c]
Common	AC Energy and Infrastructure Corporation[b] 35F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City Stockholder	Mermac, Inc. 3rd Floor, Makati Stock Exchange Building, Ayala Triangle, Ayala Avenue, Makati City	Filipino	24,771,721,773[d]	62.48%
Common	Arran Investment Pte Ltd 168 Robinson Road, #37-01, Capital Tower, Singapore 068912 Stockholder	GIC Private Limited 168 Robinson Road #37-01 Capital Tower Singapore 068912 Singapore	Singaporean	6,689,521,680	16.87%

Notes:

(a) The Philippine Depository and Trust Corporation ("PDTC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD") which acts as trustee-nominee for all shares lodged in the PCD system.

(b) AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) was incorporated on 13 December 2005 and is domiciled in the Philippines. ACEIC was organized primarily to purchase, exchange, hold, own, and use investments, capital stock or other securities, and exercise all the rights, powers, and privileges of ownership to the extent permitted by law, as well as to engage in the purchase, retail, supply, and delivery of electricity and in such other activities related thereto.

(c) Excludes AC Energy and Infrastructure Corporation's lodged shares.

(d) As of 31 July 2022, AC Energy and Infrastructure Corporation has 24,771,721,773 indirect shares lodged with BPI Securities Corp. representing 62.48% of the total shareholdings of the Company.

The Company has approximately 3,191 shareholders as of 31 July 2022. Based on the records, the following are the top 20 stockholders of the Company with their respective shareholdings and percentage to total shares outstanding as of said date:

No.	Stockholders	No. of Shareholdings	Percentage of Ownership	Amount Paid-up (in PhP) [e]
1	PCD Nominee Corporation (Filipino)	27,008,157,107[a]	68.12[a]	27,008,157,107.00
2	PCD Nominee Corporation (Non-Filipino)	9,824,178,448 [b]	24.78 [b]	9,824,178,448.00
3	Ayala Corporation	1,861,000,000 [c]	4.69 [c]	1,861,000,000.00
4	UPC Renewables Asia Pacific Holdings Pte Limited	564,927,483	1.42	564,927,483.00
5	Wind City Inc.	85,601,180	0.21	85,601,180.00
6	Estanyol Holdings Ltd.	61,397,280	0.15	61,397,280.00
7	Tenggay Holdings Ltd.	42,315,458	0.11	42,315,458.00
8	Anton Johannes Rohner	40,060,017	0.10	40,060,017.00
9	Ferdinand A. Dumlao	36,000,000	0.09	36,000,000
10	ESOWN Administrator 2021	8,188,097	0.02	8,188,097.00
11	Dodjie D. Lagazo	6,526,166	0.02	6,526,166.00
12	Niels Jacobsen	5,593,546	0.01	5,593,546.00
13	John Eric T. Francia	5,442,357	0.01	5,442,357.00
14	Kresten Borch Jacobsen	4,661,289	0.01	4,661,289.00
14	Kia Borch Jacobsen	4,661,289	0.01	4,661,289.00
15	Phil. Remnants Co. Inc. [d]	2,801,218	0.01	2,801,218.00
16	Peter Mar or Annabelle C. Mar	2,055,000	0.00	2,055,000.00
17	Patrice Rene Clausse	1,946,430	0.00	1,946,430.00
18	Teresita A. Dela Cruz	1,502,221	0.00	1,502,221.00
19	Guillermo D. Luchangco	1,500,000	0.00	1,500,000.00
20	Joseph D. Ong	1,397,663	0.00	1,397,663.00

Notes:
(a) Includes ACEIC's lodged shares.
(b) Includes Arran's lodged shares
(c) ACEIC retains beneficial ownership of the shares sold through its relationship with AC whereby it shares voting power over the shares.
(d) Now "American Wire & Cable Co, Inc." pursuant to the SEC Certificate of Filing of the Articles and Plan of Merger dated 3 December 1999. The change of name in the relevant stock certificate will be processed accordingly in coordination with the stockholder.
(e) Refers to total par value of shares issued

Foreign Shareholding

As of 31 July 2022, Filipino shareholders own 73.16% of the outstanding capital stock of the Company, while foreign shareholders own 26.83% of the outstanding capital stock of the Company.

Ownership of ACEIC

As of 31 July 2022, ACEIC beneficially owns an aggregate of 24,771,721,773 of the Company's Common Shares, representing 62.48% of the outstanding Common Shares of the Issuer.

Treasury Shares

As of 31 July 2022, the Company has cumulatively purchased a total of 14,500,000 of its own Common Shares pursuant to its share buy-back program. These Common Shares remain issued but are not outstanding and are held as treasury shares. These Common Shares remain listed on the PSE and can be re-sold by the Company at such price and on such terms (without being subject to pre-emptive rights) as the Company considers appropriate. Considering treasury shares, a total of 39,659,272,107 Common Shares are issued and outstanding as of 31 July 2022.

MARKET PRICE OF THE COMPANY'S STOCK AND RELATED STOCKHOLDER MATTERS

Market Information

The Company's Common Shares are listed and traded on the PSE under the symbol "ACEN." Below are the high and low sale prices for calendar years 2020 to the second quarter of 2022:

Period	High	Low
Calendar 2022		
Second quarter	8.86	6.23
First quarter	10.50	7.64
Calendar 2021		
Fourth quarter	12.92	10.30
Third quarter	12.10	7.80
Second quarter	8.50	6.75
First quarter	9.12	6.02
Calendar 2020		
Fourth quarter	2.19	1.33
Third quarter	2.16	1.76
Second quarter	2.91	1.93
First quarter	8.06	2.71

On 7 September 2022, the closing price of ACEN's common shares on the PSE was ₱7.03 per Common Share.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Securities. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Securities and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Securities under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Securities in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a holder of Securities may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.

PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A SECURITY, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

The following is a general description of certain Philippine tax aspects of the Green Bonds. It is based on the present provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963 and Republic Act No. 11534 (the "Philippine Tax Code"), the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Prospectus, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.

As used in this section, the term "resident foreign individual" refers to an individual whose residence is within the Philippines and who is not a citizen thereof. A "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines."

TAXATION OF INTEREST

Interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine citizens, resident foreign individuals, domestic corporations, and resident foreign corporations from the Green Bonds is subject to final withholding tax rate of 20%. Generally, interest on bonds or other deposit substitutes received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident foreign individuals not engaged in trade or business is taxed at the rate of 25%. Interest income derived by non-resident foreign corporations from the bonds or other deposit substitutes is subject to final withholding tax rate of 25%.

The foregoing rates may be subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident Bondholder. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 15% in cases where the interest arises in the Philippines and is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

On 31 March 2021, the BIR issued Revenue Memorandum Order No. 14-2021 ("RMO 14-2021"). RMO 14-2021 was issued to streamline the procedures and documents for the availment of the tax treaty benefits. Said issuance will apply to the income derived by the nonresident Bondholder on the interest payments from the Green Bonds. To avail of the tax treaty relief benefits, the following guidelines and procedures will be observed:

- The nonresident income recipient should submit to the withholding agent or income payor the submitted BIR Form No. 0901-I (Interest Income) or Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the nonresident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate.

- When an item of income was subjected to taxation in accordance with the provisions of the relevant tax treaty, the withholding agent/income payor shall file with ITAD a request for confirmation that the tax treatment of such income was proper. On the other hand, if the regular withholding rates have been imposed on the income, the nonresident income recipient shall file a tax treaty relief application ("TTRA") with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance.

- Depending on the type of income, the request for confirmation with complete documentary requirements shall be filed by the withholding agent, domestic or foreign, on or before the dates prescribed below:

Type of Income	**Date of Filing**
Capital Gains	At any time after the transaction but shall not be later than the last day of the fourth month following the close of the taxable year when the income is paid *or* when the transaction is consummated.
Other Types of Income	At any time after the close of the taxable year but not later than the last day of the fourth month following the close of such taxable year when the income is paid or becomes payable, or when the expense/asset is accrued or recorded in the books, whichever comes first.

- On the other hand, the filing of the TTRA may be filed by the nonresident income recipient at any time after the receipt of the income.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the nonresident income recipient is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the nonresident income recipient's entitlement to the treaty benefits. In this case, the non-resident income recipient may apply for a refund of the excess withholding tax.

The original or certified true copy of the following documents, as may be applicable, shall be submitted to the International Tax Affairs Division of the BIR when claiming the tax treaty relief:

- General Requirements
    - Letter-request

- Application Form duly signed by the non-resident Bondholder or its/his/her authorized representative

- Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the Bondholder is a resident

- Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income

- Withholding tax return with Alphalist of Payees

- Proof of payment of withholding tax

- Notarized Special Power of Attorney (SPA) issued by the nonresident income recipient or withholding agent to his/her/its authorized representative(s), which shall expressly state the authority to sign the Application Form and/or to file the TTRA or request for confirmation

- Additional general requirements for legal persons and arrangements, and individuals:

  - Authenticated copy of the nonresident legal person or arrangement's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language

  - Original copy of the Certificate of Non-Registration of the Bondholder or certified true copy of License to Do Business in the Philippines duly issued by the SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry for individuals

- Additional general requirements for fiscally transparent entities:

  - A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity

  - List of owners/beneficiaries of the foreign entity

  - Proof of ownership of the foreign entity

  - Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity

The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within 30 days from receipt.

If the income of the nonresident Bondholder has been subjected to regular withholding rates, the Bondholder may file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. Nonetheless, all claims for refund shall be filed within the two-year prescriptive period provided under Section 229 of the National Internal Revenue Code, as amended.

TAX EXEMPT STATUS

Bondholders who are exempt from, are not subject to final withholding tax, or are subject to a lower rate of final withholding tax on interest income may avail of such exemption or preferential withholding tax rate by submitting the necessary documents. Said Bondholder shall submit the following requirements, in form and substance prescribed by the Issuer, to the Registrar and Paying Agent or to the Joint Lead Underwriters and Bookrunners (together with their completed Application to Purchase) who shall then forward the same to the Registrar and Paying Agent:

- a current and valid original of BIR certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the corporate secretary of the Bondholder that: (a) the original is in the possession of the corporate secretary as the duly authorized custodian of the same; and (b) the corporate secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity;

- with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the BIR, as required under BIR Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder’s owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, special power of attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due, (i) three (3) originals of the submitted new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the valid and existing tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than first day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

- a duly notarized undertaking (substantially in the prescribed form by the Issuer) declaring and warranting that the same Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation or modification of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer, the Registrar and Paying Agent, and the Joint Lead Underwriters and Bookrunners free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and

- such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, including a copy of the submitted Application Form for Treaty Purposes, the valid and existing tax residency certificate issued by the relevant foreign tax authority, and evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder or the Bondholder's owners' or beneficiaries' legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder or the Bondholder's owners or beneficiaries claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

Transfers taking place in the Register of Bondholders after the Green Bonds are listed in PDEx may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions and guidelines of PDEx and PDTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under Registry and Paying Agency Agreement upon submission of Account Opening Documents to the Registrar.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as bonds, notes and other deposit substitutes, at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be proportionate to the ratio of the debt instrument’s term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines, or where the object of the contract is located or used in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of bonds or other deposit substitutes; trading of bonds or other deposit substitutes in a secondary market or through an exchange as long as such subsequent sale, disposition or trading is not made in the Philippines or there is no change in the maturity date or the material terms and conditions of the relevant bonds or other deposit substitutes.

TAXATION ON SALE OR OTHER DISPOSITION OF BONDS OR OTHER DEPOSIT SUBSTITUTES

Income Tax

Ordinary asset – The gain is included in the computation of taxable income, which is subject to the following graduated tax rates for Philippine citizens or resident foreign individuals, or non-resident alien engaged in trade or business in the Philippines effective 1 January 2018 until 31 December 2022:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	20% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱30,000 + 25% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱130,000 + 30% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱490,000 + 32% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,410,000 + 35% of the excess over ₱8,000,000

and effective 1 January 2023 and onwards:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	15% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱22,500 + 20% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱102,500 + 25% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱402,500 + 30% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,202,500 + 35% of the excess over ₱8,000,000

For non-resident alien not engaged in trade or business, the gain shall be subject to the 25% final withholding tax.

Capital asset – Gains shall be subject to the same rates of income tax as if the bonds or other deposit substitutes were held as ordinary assets, except that if the gain is realized by an individual who held the bonds or other deposit substitutes for a period of more than 12 months prior to the sale, only 50% of gain will be recognized and included in the computation of taxable income. If the bonds or other deposit substitutes were held by an individual for a period of 12 months or less, 100% of gain is included.

Gains derived by domestic or resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes are subject to regular corporate income tax at a rate of 20% for corporations with a net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million or 25% for all other corporations, or minimum corporate income tax ("MCIT") at a rate of (i) 1% of gross income effective 1 July 2020 until 30 June 2023 and (ii) 2% thereafter. Gross income derived by non-resident foreign corporations on the sale or other disposition of the bonds or other deposit substitutes is subject to a 25% income tax unless a preferential rate is allowed under a tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized by non-residents on the sale of the bonds or other deposit substitutes may be exempt from Philippine income tax under an applicable tax treaty subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Any gains realized from the sale, exchange or retirement of bonds, debentures or other certificate of indebtedness with a maturity of more than five years are not subject to income tax.

Estate and Donor's Tax

Beginning 1 January 2018, the transfer of bonds or other deposit substitutes upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien and regardless of residence, is subject to Philippine taxes at a fixed rate of 6% based on the value of the decedent's net estate.

Beginning 1 January 2018, individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer bonds by way of gift or donation are liable to pay Philippine donors' tax at the fixed rate of 6% based on the total gifts in excess of ₱250,000 exempt gifts made during the calendar year.

The estate tax and the donor's tax, in respect of bonds or other deposit substitutes, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allow a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

Value-Added Tax

Gross receipts derived by dealers in securities from the sale of bonds or other deposit substitutes in the Philippines, equivalent to the gross selling price less the acquisition cost of bonds or other deposit substitutes sold, shall be subject to value-added tax of 12%.

"Dealer in securities" means a merchant of stocks or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and re-sells them to customers with a view to the gains and profits that may be derived therefrom.

LEGAL MATTERS

All legal opinion/matters in relation to the Offer will be passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles ("Romulo"), counsel for the Joint Lead Underwriters and Bookrunners. Certain matters relating to the legality of the Offer and tax matters were passed upon by Gatmaytan Yap Patacsil Gutierrez & Protacio ("C&G") for the limited purpose of issuing an opinion required by the SEC.

None of the above-mentioned legal counsel own shares in the Company or have any rights, whether legally enforceable or not, to nominate persons or to subscribe for the Company's securities. None of the above-mentioned legal counsel have any or will receive any direct or indirect interest in the Company or any securities thereof (including options, warrants, or rights thereto) pursuant to or arising from the Offer.

INDEPENDENT AUDITORS

The consolidated financial statements of the Company as of and for the years ended 31 December 2021, 2020, 2019, and 2018 and the Company's interim financial statements for the quarterly period ended 31 March 2022 were audited by SGV & Co., a member firm of Ernst & Young Global Limited, independent auditors, in accordance with PSA, as stated in their report appearing herein.

In the past five years, no event has occurred where SGV & Co. and the Company had any disagreement regarding any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. SGV & Co. will not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The Company has complied with SRC Rule 68, paragraph 3(b)(ix) requiring the rotation of external auditors or engagement partners who have been engaged by the Company for a period of five consecutive years or more since 31 December 2002. The current engagement partner is Mr. Benjamin N. Villacorte who is one of the SEC-accredited audit partners of SGV & Co.

Audit and Audit-Related Fees

The Company paid SGV & Co. the following fees in the past two (2) years (in ₱ millions) for the audit and audit-related fees which include the audit of annual financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years:

Year	Audit	Audit-related Fees	Tax Fees	Other Fees
2021	2.0*	13.4**	-	0.1***
2020	1.3*	8.0**	-	0.4***

** pertains to audit fees.*

*** pertains to quarterly financial statement reviews, issuance of comfort letters, issuance of pro-forma financial statements, and other requirements for the Rights Offer concluded in January 2021, Follow-on Offering concluded in May 2021, and transfer pricing studies conducted for those calendar years.*

**** pertains to non-audit related expenses including annual stockholder meetings and knowledge transfer for those calendar years.*

This is inclusive of VAT and exclusive of out-of-pocket expenses incidental to the independent auditors' work.

In relation to the audit of the Company's annual financial statements, the Company's Revised Manual of Corporate Governance provides that the Audit Committee shall, among other activities, be primarily responsible for ensuring that adequate and effective financial reporting, internal control, internal and external audits, and compliance systems are established and maintained.

FINANCIAL INFORMATION

The following pages set forth the Company’s audited consolidated financial statements as at and for the years ended 31 December 2021, 2020, 2019, and 2018, and the Company’s interim financial statements for the quarterly period ended 31 March 2022.

AC ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2021 and 2020
And Years Ended December 31, 2021, 2020 and 2019

AC ENERGY CORPORATION AND SUBSIDIARIES
Financial Highlights

(in thousand pesos except ratios)

	2021 (Audited)	2020 (Restated)	2019 (Restated)
Current Assets	64,271,969	60,242,419	48,672,155
Total Assets	171,161,387	141,815,820	124,439,001
Current Liabilities	7,828,772	12,481,526	5,222,835
Total Liabilities	53,192,625	37,536,485	32,079,698
Total Equity	117,968,762	104,279,335	92,359,303
Paid-in Capital	136,382,358	22,399,512	7,605,543
Total Revenues	26,081,441	20,488,235	16,126,709
Net Income	7,666,035	6,402,151	779,736
Earnings Per Share	0.18	0.40	0.11
Current Ratio	8.21:1	4.83:1	9.32:1
Acid Test Ratio	7.64:1	4.59:1	9.03:1
Debt/Equity Ratio	0.45:1	0.36:1	0.35:1
Asset-to-Equity Ratio	1.45:1	1.36:1	1.35:1
Interest Rate Coverage Ratio	5.61:1	4.57:1	1.75:1
Net Bank Debt to Equity Ratio	0.12:1	(0.01):1	(0.18):1
Return on Equity	7.40%	8.03%	2.30%
Return on Assets	4.90%	4.81%	1.09%
Asset Turnover	16.67%	15.39%	22.50%

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	6	9	-	0	3	9	2	7	4	

COMPANY NAME

AC ENERGY CORPORATION (Formerly AC Energy Philippines, Inc.) AND SUBSIDIARIES

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

35TH FLOOR, AYALA TRIANGLE GARDENS TOWER 2, PASEO DE ROXAS CORNER MAKATI AVENUE, MAKATI CITY 1226

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	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)**
3,188	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

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

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

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

ACEN

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **AC Energy Corporation** (formerly AC Energy Philippines, Inc.) **and Subsidiaries**, (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

FERNANDO M. ZOBEL DE AYALA
Chairman of the Board

JOHN ERIC T. FRANCIA
President and Chief Executive Officer

MARIA CORAZON G. DIZON
Treasurer and Chief Financial Officer

Signed this 8th day of March 2022

SUBSCRIBED AND SWORN to before me this MAR 2 5 2022 at Makati City, affiants exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Issue	Place of Issue
Fernando M. Zobel De Ayala	P0349883B	22 Jan 2019	DFA Manila
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Maria Corazon G. Dizon	P6253635A	2 Mar 2018	DFA NCR East

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ATTY. MARK DEAN D.R. ITARALDE
NOTARY PUBLIC
ROLL NO. 71073
MAKATI CITY, PHILIPPINES

ATTY. MARK DEAN D.R. ITARALDE
Notary Public Makati City
Appt. No. M-163 extended until June 30, 2022
Roll of Attorneys No. 71073
IBP OR No.183298; January 3, 2022
PTR No. MKT-8853599; January 3, 2022; Makati City
MCLE Compliance No. VI-0028680; valid until April 14, 2022
7727 E. Jacinto cor. Medina St.
Barangay Pio Del Pilar, Makati City

35F Tower 2
Ayala Triangle Gardens
Paseo de Roxas cor. Makati Ave.
Makati City, Philippines 1226

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
AC Energy Corporation
35th Floor, Ayala Triangle Gardens Tower 2
Ayala Avenue, Makati City

Opinion

We have audited the consolidated financial statements of AC Energy Corporation (formerly AC Energy Philippines, Inc.) and its Subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020 and January 1, 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020 and January 1, 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Accounting for Common Control Transaction

In 2021, AC Energy Corporation ("ACEN") and AC Energy and Infrastructure Corp. ("ACEIC") executed a Deed of Assignment (the "Transaction") where ACEIC transferred and conveyed to ACEN all its rights and interests in the international renewable entities in consideration for the issuance by ACEN of 16.69 million common shares at ₱5.15 per common share or a total transfer value of ₱85,931.87 million in favor of ACEIC. The Transaction was a common control transaction and was accounted for using the pooling of interests method. In applying the pooling of interests method, the assets and liabilities of the acquired entities were recognized at their carrying values, an equity adjustment was recorded for the difference between the carrying values of the assets and liabilities acquired and consideration given, and the prior year comparative information were restated. We considered the accounting for the Transaction as a key audit matter due to the complexity and financial impact to the Group.

The Group's disclosures about the Transaction are included in Notes 1, 3 and 32 to the consolidated financial statements.

Audit Response

We reviewed the Deed of Assignment and regulatory approvals related to the Transaction. We tested management's application of the pooling of interests method, the balances of the onshore entities transferred to ACEN, restatement of prior year comparative information and the resulting equity adjustments. We also reviewed the presentation and disclosures related to the common control transaction in the consolidated financial statements.

Impairment Testing of Assets

As at December 31, 2021, the aggregate carrying amount of the Group's power barges, construction in progress related to the Bataan Project and goodwill amounted to ₱437.51 million. Management performed impairment assessment on these assets based on the following:

- The carrying amount of the power barges will be recovered principally through a sale transaction rather than through continuing use, and the Bataan Project lack economies of scale.
- Goodwill attributable to the acquisition of One Subic Power Generation Corporation in 2014 and to the acquisition of Negros Island Solar Power, Inc. in 2020 are required to be tested annually under PFRS.

Based on the impairment assessment, management provided allowance for impairment loss on its power barges, and construction in progress related to the Bataan Project amounting to ₱271.82 million. No impairment loss on goodwill was recognized. The impairment testing is a key audit matter because it requires significant management judgment and estimation with respect to the estimated future cash flows of the related cash-generating units, forecasted revenue growth rates and gross margin, prices in the energy spot market, fuel prices, weighted average cost of capital, market risk premium, pre-tax cost of debt, capital structure, fair value less cost to sell and discount rates used in calculating the present value of future cash flows.

The Group's disclosures are included in Notes 3, 8, 13, and 16 to the consolidated financial statements.

Audit Response

We evaluated the methodologies and the assumptions used by management. These assumptions include forecasted revenue growth rates and gross margin, prices in the energy spot market, fuel prices, weighted average cost of capital, market risk premium, pre-tax cost of debt, capital structure, fair value less cost to sell and discount rates. We compared the key assumptions used, such as forecasted revenue growth rates and gross margin, prices in the energy spot market and fuel prices against the historical performance of the cash generating units ("CGU") and other relevant external data, taking into consideration the impact of the coronavirus pandemic. We tested the parameters used in the determination of the discount rate against market data. We inspected asset purchase agreements to verify the fair value less to cost to sell of noncurrent assets held for sale. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amounts.

Provisions and Contingencies

The Group is involved in legal proceedings, tax and/or other regulatory assessments. This matter is significant to our audit because the estimation of the potential liability resulting from these assessments requires significant judgments by management. The inherent uncertainty over the outcome of these tax matters is brought about by the differences in the interpretation and application of laws and tax rulings.

The Group's disclosures about provisions and contingencies are included in Note 38 to the consolidated financial statements.

Audit Response

We involved our internal specialist in the evaluation of management's assessment on whether or not any provision for contingencies should be recognized, and the estimation of such amount. We discussed with management the status of these assessments and obtained the Group's correspondences with the relevant tax authorities and opinions of the external tax counsel. We evaluated the position of the Group by considering the relevant tax laws, rulings and jurisprudence.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

Benjamin N. Villacorte
Partner
CPA Certificate No. 111562
Tax Identification No. 242-917-987
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 1539-AR-1 (Group A)
March 26, 2019, valid until March 25, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-120-2022, January 20, 2022, valid until January 19, 2025
PTR No. 8854386, January 3, 2022, Makati City

March 8, 2022

AC ENERGY CORPORATION
(Formerly AC ENERGY PHILIPPINES, INC.)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31, 2021	December 31, 2020 (As restated, Notes 2 and 32)	January 1, 2020 (As restated, Notes 2 and 32)
ASSETS			
Current Assets			
Cash and cash equivalents (Notes 4 and 34)	**₱26,445,429**	₱28,077,171	₱39,630,296
Short-term investment (Note 4)	**68,310**	–	100,000
Accounts and notes receivable (Notes 5, 29 and 34)	**33,309,297**	16,611,719	7,417,212
Fuel and spare parts (Note 6)	**1,490,559**	1,391,340	938,459
Financial assets at fair value through other comprehensive income (FVOCI; Note 12)	–	12,620,756	–
Current portion of:			
Input value added tax (VAT)	**1,173,169**	438,738	190,816
Creditable withholding taxes	**837,472**	649,271	179,007
Other current assets (Notes 7 and 34)	**744,269**	453,424	212,819
	64,068,505	60,242,419	48,668,609
Noncurrent assets held for sale (Note 8)	**203,464**	–	3,546
Total Current Assets	**64,271,969**	60,242,419	48,672,155
Noncurrent Assets			
Investments in:			
Associates and joint ventures (Note 9)	**21,358,301**	18,795,088	17,072,173
Other financial assets at amortized cost (Note 10)	**26,085,959**	15,297,105	3,374,290
Financial assets at fair value through profit or loss (FVTPL; Note 11)	**406,739**	–	–
Financial assets at FVOCI (Note 12)	**354,868**	381,168	21,796,602
Property, plant and equipment (Note 13)	**36,038,563**	31,837,950	25,438,977
Right-of-use assets (Note 14)	**2,135,479**	2,343,404	951,750
Investment properties (Note 15)	**13,085**	341,549	13,085
Accounts and notes receivable – net of current portion (Notes 5, 29 and 34)	**13,191,314**	6,540,288	2,389,231
Goodwill and other intangible assets (Note 16)	**2,375,980**	2,537,094	441,077
Net of current portion:			
Input VAT	**524,733**	1,177,802	372,917
Creditable withholding taxes	**726,804**	601,840	861,208
Deferred income tax assets - net (Note 27)	**512,366**	416,353	653,923
Other noncurrent assets (Notes 17 and 34)	**3,165,227**	1,303,760	2,401,613
Total Noncurrent Assets	**106,889,418**	81,573,401	75,766,846
TOTAL ASSETS	**₱171,161,387**	₱141,815,820	₱124,439,001

(Forward)

	December 31, 2021	December 31, 2020 (As restated, Notes 2 and 32)	January 1, 2020 (As restated, Notes 2 and 32)
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities (Notes 18, 29 and 34)	**₱6,280,829**	₱6,490,190	₱4,064,597
Short-term loans (Notes 19 and 34)	–	4,635,000	3,556
Current portion of long-term loans (Notes 19, 34 and 35)	**824,488**	707,782	905,931
Current portion of lease liabilities (Notes 14, 34 and 35)	**536,950**	285,001	128,796
Income and withholding taxes payable	**169,920**	345,281	103,361
Due to stockholders (Note 29)	**16,585**	18,272	16,594
Total Current Liabilities	**7,828,772**	12,481,526	5,222,835
Noncurrent Liabilities			
Notes payable (Notes 19, 34 and 35)	**20,195,054**	–	–
Long-term loans – net of current portion (Notes 19, 34 and 35)	**20,117,733**	21,546,373	22,292,698
Lease liabilities – net of current portion (Notes 14, 34 and 35)	**2,159,302**	1,631,628	852,742
Pension and other employee benefits (Note 28)	**80,422**	50,929	71,034
Deferred income tax liabilities – net (Note 27)	**74,422**	130,981	350,487
Other noncurrent liabilities (Note 20)	**2,736,920**	1,695,048	3,289,902
Total Noncurrent Liabilities	**45,363,853**	25,054,959	26,856,863
Total Liabilities	**53,192,625**	37,536,485	32,079,698
Equity			
Capital stock (Notes 1 and 21)	**38,338,527**	13,706,957	7,521,775
Additional paid-in capital (Notes 1 and 21)	**98,043,831**	8,692,555	83,768
Other equity reserves (Note 21)	**(56,604,532)**	28,662,357	41,570,060
Unrealized fair value (loss) gain on equity instruments at FVOCI (Note 12)	**(90,089)**	143,625	(26,546)
Unrealized fair value gain on derivative instruments designated as hedges (Note 34)	**6,228**	57,409	(14,742)
Remeasurement loss on defined benefit plans (Note 28)	**(24,436)**	(6,999)	9,254
Accumulated share in other comprehensive gain (loss) of associates and joint ventures (Note 9)	**29,723**	(229,844)	(168,154)
Cumulative translation adjustments	**(359,910)**	(3,453,708)	96,227
Retained earnings (Note 21)	**8,707,301**	6,349,082	3,943,403
Treasury shares (Note 21)	**(28,657)**	(40,930)	(27,704)
Total equity attributable to equity holders of the Parent Company	**88,017,986**	53,880,504	52,987,341
Non-controlling interests (Note 21)	**29,950,776**	50,398,831	39,371,962
Total Equity	**117,968,762**	104,279,335	92,359,303
TOTAL LIABILITIES AND EQUITY	**₱171,161,387**	₱141,815,820	₱124,439,001

See accompanying Notes to Consolidated Financial Statements.

AC ENERGY CORPORATION
(Formerly AC ENERGY PHILIPPINES, INC.)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Figures)

	Years Ended December 31		
	2021	2020 (As Restated, Notes 2 and 32)	2019 (As Restated, Notes 2 and 32)
REVENUE			
Revenue from sale of electricity (Note 22)	**₱25,878,039**	₱20,283,303	₱16,096,549
Rental income	**61,466**	86,622	3,116
Dividend income (Note 12)	**11,725**	14,034	15,746
Other revenues	**130,211**	104,276	11,298
	26,081,441	20,488,235	16,126,709
COSTS AND EXPENSES			
Costs of sale of electricity (Note 23)	**21,469,733**	13,420,538	15,302,530
General and administrative expenses (Note 24)	**2,785,549**	3,017,665	827,980
	24,255,282	16,438,203	16,130,510
INTEREST AND OTHER FINANCE CHARGES (Note 25)	**(1,694,380)**	(1,988,086)	(962,840)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES (Note 9)	**1,952,753**	1,490,192	739,073
OTHER INCOME - NET (Note 26)	**5,723,640**	3,551,889	947,784
INCOME BEFORE INCOME TAX	**7,808,172**	7,104,027	720,216
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 27)			
Current	**297,689**	404,053	161,364
Deferred	**(155,552)**	297,823	(220,884)
	142,137	701,876	(59,520)
NET INCOME	**₱7,666,035**	₱6,402,151	₱779,736
Net Income Attributable To:			
Equity holders of the Parent Company	**₱5,250,972**	₱4,288,102	₱704,764
Non-controlling interests	**2,415,063**	2,114,049	74,972
	₱7,666,035	₱6,402,151	₱779,736
Basic/Diluted Earnings Per Share (Note 30)	**₱0.18**	₱0.40	₱0.11

See accompanying Notes to Consolidated Financial Statements.

AC ENERGY CORPORATION
(Formerly AC ENERGY PHILIPPINES, INC.)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, Except Per Share Figures)

	Years Ended December 31		
	2021	2020 (As Restated, Notes 2 and 32)	2019 (As Restated, Notes 2 and 32)
NET INCOME	**₱7,666,035**	₱6,402,151	₱779,736
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Cumulative translation adjustment	**3,155,451**	(3,552,333)	96,227
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax (Note 34)	**(47,029)**	72,151	(14,742)
	3,108,422	(3,480,182)	81,485
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)	**(44,909)**	92,821	42,669
Remeasurement (loss) gain on defined benefit plans, net of tax (Note 28)	**(17,437)**	35	(7,570)
	(62,346)	92,856	35,099
	3,046,076	(3,387,326)	116,584
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES (Note 9)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Unrealized fair value gain (loss) on derivative instruments designated as hedges - net of tax	**104,994**	(32,997)	–
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Remeasurement loss on defined benefit plans, net of tax	**(54,608)**	(28,693)	(165,961)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	**3,096,462**	(3,449,016)	(49,377)
TOTAL COMPREHENSIVE INCOME	**₱10,762,497**	₱2,953,135	₱730,359
Total Comprehensive Income Attributable To:			
Equity holders of the Parent Company	**₱8,281,629**	₱841,484	₱655,387
Non-controlling interests	**2,480,868**	2,111,651	74,972
	₱10,762,497	₱2,953,135	₱730,359

See accompanying Notes to Consolidated Financial Statements.

AC ENERGY CORPORATION
(Formerly AC ENERGY PHILIPPINES, INC.)
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 21)	Additional Paid-in Capital	Other Equity Reserves	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI (Note 12)	Unrealized Fair Value Gain on derivative instruments designated as hedges (Note 34)	Remeasurement Loss on Defined Benefit Plans	Accumulated Share in Other Comprehensive Income Loss of Associates and Joint Ventures	Cumulative Translation Adjustments	Retained Earnings (Note 21)	Treasury Shares (Note 21)	Total	Non-controlling Interests (Note 21)	Total Equity
Balances at January 1, 2021, as previously reported	**₱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**
Effects of common control business combinations	–	–	**36,203,580**	**151,794**	–	–	**(227,121)**	**(3,453,708)**	**1,181,397**	–	**33,855,942**	**49,068,324**	**82,924,266**
Balances at January 1, 2021, as restated	**13,706,957**	**8,692,555**	**28,662,357**	**143,625**	**57,409**	**(6,999)**	**(229,844)**	**(3,453,708)**	**6,349,082**	**(40,930)**	**53,880,504**	**50,398,831**	**104,279,335**
Net income (loss)	–	–	–	–	–	–	–	–	**5,250,972**	–	**5,250,972**	**2,415,063**	**7,666,035**
Other comprehensive income (loss)	–	–	–	**(44,909)**	**(51,181)**	**(17,437)**	**50,386**	**3,093,798**	–	–	**3,030,657**	**65,805**	**3,096,462**
Total comprehensive income (loss)	–	–	–	**(44,909)**	**(51,181)**	**(17,437)**	**50,386**	**3,093,798**	**5,250,972**	–	**8,281,629**	**2,480,868**	**10,762,497**
Dividends declared (Note 21)	–	–	–	–	–	–	–	–	**(1,195,787)**	–	**(1,195,787)**	**(2,231,038)**	**(3,426,825)**
Issuance of capital stock (Notes 4 and 21)	**24,623,381**	**89,851,457**	–	–	–	–	–	–	–	–	**114,474,838**	–	**114,474,838**
Grants through Employee Stock Ownership Plan (Note 21)	**8,189**	**52,360**	–	–	–	–	–	–	–	–	**60,549**	–	**60,549**
Stock issuance costs (Note 21)	–	**(680,287)**	–	–	–	–	–	–	–	–	**(680,287)**	–	**(680,287)**
Acquisition of treasury shares (Note 21)	–	–	–	–	–	–	–	–	–	**(55,184)**	**(55,184)**	–	**(55,184)**
Reissuance of treasury shares (Note 21)	–	**127,746**	–	–	–	–	–	–	–	**67,457**	**195,203**	–	**195,203**
Reversal of unrealized fair value gain upon redemption (Note 12)	–	–	–	**(25,906)**	–	–	–	–	–	–	**(25,906)**	–	**(25,906)**
Acquisition of non-controlling interest in a subsidiary (Note 21)	–	–	**(985,702)**	–	–	–	–	–	–	–	**(985,702)**	**(313,598)**	**(1,299,300)**
Capital redemption of non-controlling interest in a subsidiary (Note 21)	–	–	–	–	–	–	–	–	–	–	–	**(20,386,275)**	**(20,386,275)**
Capital infusion of non-controlling interest in a subsidiary (Note 21)	–	–	–	–	–	–	–	–	–	–	–	**1,988**	**1,988**
Effects of common control business combination	–	–	**(84,281,187)**	**(162,899)**	–	–	**209,181**	–	**(1,696,966)**	–	**(85,931,871)**	–	**(85,931,871)**
	24,631,570	**89,351,276**	**(85,266,889)**	**(188,805)**	–	–	**209,181**	–	**(2,892,753)**	**12,273**	**25,855,853**	**(22,928,923)**	**2,926,930**
Balances at December 31, 2021	**₱38,338,527**	**₱98,043,831**	**(₱56,604,532)**	**(₱90,089)**	**₱6,228**	**(₱24,436)**	**₱29,723**	**(₱359,910)**	**₱8,707,301**	**(₱28,657)**	**₱88,017,986**	**₱29,950,776**	**₱117,968,762**

	Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 21)	Additional Paid-in Capital	Other Equity Reserves	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI (Note 12)	Unrealized Fair Value Gain on derivative instruments designated as hedges (Note 34)	Remeasurement Loss on Defined Benefit Plans	Accumulated Share in Other Comprehensive Income Loss of Associates and Joint Ventures	Cumulative Translation Adjustments	Retained Earnings (Note 21)	Treasury Shares (Note 21)	Total	Non-controlling Interests (Note 21)	Total Equity
Balances at January 1, 2020, as previously reported	₱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
Effects of common control business combinations	–	–	36,203,580	70,038	–	–	(166,047)	96,227	647,108	–	36,850,906	39,123,378	75,974,284
Balances at January 1, 2020, as restated	7,521,775	83,768	41,570,060	(26,546)	(14,742)	9,254	(168,154)	96,227	3,943,403	(27,704)	52,987,341	39,371,962	92,359,303
Net income (loss)	–	–	–	–	–	–	–	–	4,288,102	–	4,288,102	2,114,049	6,402,151
Other comprehensive income (loss)	–	–	–	92,821	72,151	35	(61,690)	(3,549,935)	–	–	(3,446,618)	(2,398)	(3,449,016)
Total comprehensive income (loss)	–	–	–	92,821	72,151	35	(61,690)	(3,549,935)	4,288,102	–	841,484	2,111,651	2,953,135
Dividends declared (Note 21)	–	–	–	–	–	–	–	–	(546,751)	–	(546,751)	(1,961,062)	(2,507,813)
Issuance of capital stock	6,185,182	8,473,700	–	–	–	–	–	–	–	–	14,658,882	–	14,658,882
Stock issuance costs		(94,782)	–	–	–	–	–	–	–	–	(94,782)		(94,782)
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	(28,657)	(28,657)	–	(28,657)
Reissuance of treasury shares		71,402								15,431	86,833		86,833
Reversal of unrealized fair value gain upon redemption	–	–	–	(11,105)	–	–	–	–	–	–	(11,105)	–	(11,105)
Capital infusion of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	9,776,936	9,776,936
Non-controlling interest arising from a business combination	–	–	–	–	–	–	–	–	–	–	–	1,099,344	1,099,344
Effects of common control business combinations	–	158,467	(12,907,703)	88,455	–	(16,288)	–	–	(1,335,672)	–	(14,012,741)	–	(14,012,741)
	6,185,182	8,608,787	(12,907,703)	77,350	–	(16,288)	–	–	(1,882,423)	(13,226)	51,679	8,915,218	8,966,897
Balances at December 30, 2020	₱13,706,957	₱8,692,555	₱28,662,357	₱143,625	₱57,409	(₱6,999)	(₱229,844)	(₱3,453,708)	₱6,349,082	(₱40,930)	₱53,880,504	₱50,398,831	₱104,279,335
Balances at January 1, 2019	₱4,889,775	₱83,768	₱18,338	₱59,772	₱–	₱536	(₱2,193)	₱–	₱3,212,993	(₱27,706)	₱8,235,283	₱45,450	₱8,280,733
Net income (loss)	–	–	–	–	–	–	–		704,764	–	704,764	74,972	779,736
Other comprehensive income (loss)	–	–	–	42,669	(14,742)	(7,570)	(165,961)	96,227	–	–	(49,377)	–	(49,377)
Total comprehensive income (loss)	–	–	–	42,669	(14,742)	(7,570)	(165,961)	96,227	704,764	–	655,387	74,972	730,359
Sale of financial assets at FVOCI	–	–	–	(40,532)	–	–	–	–	40,532	–	–	–	–
Issuance of shares of stocks	2,632,000	–	–	–	–	–	–	–	–	–	2,632,000	–	2,632,000
Acquisition of non-controlling interests	–	–	(130,854)	–	–	–	–	–	–		(130,854)	(22,782)	(153,636)
Reissuance of treasury shares	–	–	–	–	–	–	–	–	–	2	2		2
Effects of common control business combinations	–	–	41,682,576	(88,455)	–	16,288	–	–	(14,886)	–	41,595,523	39,274,322	80,869,845
	2,632,000	–	41,551,722	(128,987)	–	16,288	–	–	25,646	2	44,096,671	39,251,540	83,348,211
Balances at December 30, 2019	₱7,521,775	₱83,768	₱41,570,060	(₱26,546)	(₱14,742)	₱9,254	(₱168,154)	₱96,227	₱3,943,403	(₱27,704)	₱52,987,341	₱39,371,962	₱92,359,303

See accompanying Notes to Consolidated Financial Statements.

AC ENERGY CORPORATION
(Formerly AC ENERGY PHILIPPINES, INC.)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020 (As Restated, Note 2 and 32)	2019 (As Restated, Note 2 and 32)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱7,808,172**	₱7,104,027	₱720,216
Adjustments for:			
Depreciation and amortization (Notes 23 and 24)	**2,005,865**	1,810,743	1,037,745
Interest and other finance charges (Note 25)	**1,694,380**	1,988,086	962,840
Foreign exchange losses (gains) - net	**49,230**	(45,759)	18,433
Pension and other employee benefits	**12,056**	(20,071)	35,440
Dividend income (Note 12)	**(11,725)**	(14,034)	(15,746)
Equity in net income of associates and joint ventures (Note 9)	**(1,952,753)**	(1,490,192)	(739,073)
Interest and other financial income (Note 26)	**(4,376,158)**	(2,060,084)	(696,686)
Provision for (reversal of):			
Impairment loss on:			
Property, plant and equipment - net (Notes 13, 24 and 26)	**211,405**	381,105	–
Advances to contractors (Notes 7 and 26)	**(22,447)**	49,884	–
Investments in associates and joint ventures (Notes 9, 24 and 26)	–	186,513	–
Inventory obsolescence	–	–	5,611
Probable losses on deferred exploration costs (Notes 16 and 24)	**23,379**	–	34,493
Expected credit losses (Notes 5, 24 and 26)	**873**	(32)	12,059
Loss (gain) on:			
Recovery of tax credit certificate on real property tax (Note 26)	**(69,154)**	–	–
Settlement of derivatives (Note 26)	**(41,802)**	3,414	6,850
Divestment of an associate (Notes 9 and 26)	**(37,635)**	–	–
Sale of inventories and by-product (Note 26)	**(24,733)**	(15,354)	(12,765)
Deconsolidation gain (Note 9 and 26)	**(21,808)**	–	–
Sale of property and equipment (Notes 13 and 26)	**(1,095)**	4,280	(294,725)
Sale of noncurrent assets held for sale (Note 26)	**–**	–	(14,289)
Sale of investments (Note 11 and 26)	**–**	(867,067)	(1,375)
Bargain purchase (Note 26 and 31)	**–**	(49,970)	–
Operating income before working capital changes	**5,246,050**	6,965,489	1,059,028
Decrease (increase) in:			
Accounts receivable	**(1,120,936)**	(3,292,512)	528,427
Fuel and spare parts	**(74,486)**	(426,969)	(188,505)
Other current assets	**(606,418)**	182,026	501,314
Increase (decrease) in accounts payable and other current liabilities	**324,303**	(353,687)	(1,151,233)
Cash generated from operations	**3,768,513**	3,074,347	749,031
Interest received	**124,485**	294,313	–
Income and withholding taxes paid	**(472,425)**	(244,917)	(272,024)
Net cash flows from operating activities	**3,420,573**	3,123,743	477,007
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Loans to related parties (Note 29)	**(27,374,988)**	(11,488,821)	–
Convertible loans (Note 10)	**(6,542,561)**	(5,983,388)	–
Property, plant and equipment (Note 13)	**(5,816,321)**	(6,259,461)	(496,471)
Subscription deposits (Note 10)	**(3,150,370)**	(2,087,275)	–
Investments in redeemable preferred shares (Note 10)	**(866,258)**	(2,899,776)	–
Investments in associates and joint venture, net (Note 9)	**(536,189)**	(2,853,713)	1,427,240
Financial assets at FVTPL (Note 11)	**(402,680)**	(5,474,708)	–
Investment properties (Note 15)	**(109,910)**	(44,605)	–
Short-term investments	**(68,310)**	–	(100,000)
Deferred exploration costs (Note 16)	**(19,766)**	(13,836)	(19,426)

(Forward)

	Years Ended December 31		
	2021	2020 (As Restated, Note 4)	2019 (As Restated, Note 4)
Investments in subsidiaries, net of cash acquired (Note 31)	**₱–**	(₱4,026,861)	₱–
Right-of-use assets	**–**	(378,492)	–
Financial assets at FVOCI	–	–	(20,926,157)
Investments in financial assets at amortized Cost	–	–	(1,564,343)
Proceeds from:			
Redemption of financial assets at FVOCI (Note 12)	**12,687,858**	7,275,900	–
Collection of loans to related parties (Note 29)	**7,488,683**	3,523,334	–
Redemption of convertible loan (Note 10)	**791,328**	–	–
Sale of property, plant and equipment	**19,445**	2,627	337,961
Sale of noncurrent assets held for sale (Note 8)	**4,963**	–	45,071
Sale of investments in financial assets at FVTPL (Note 11)	**–**	6,346,901	779,853
Termination of short-term investments	**–**	100,000	35,326
Insurance claim	**–**	35,282	222,789
Redemption of redeemable preferred shares	**–**	–	609,204
Sale of financial assets at FVOCI	**–**	–	255,772
Sale of investments in a joint venture	**–**	–	218,348
Dividends received from:			
Investments in associates and joint ventures (Note 9)	**1,693,682**	2,162,400	39,742
Financial assets at FVOCI (Note 12)	**11,725**	14,034	1,004
Interest received	**1,599,069**	1,508,615	1,203,589
Increase in other noncurrent assets, non-current portion of input VAT and CWT (Note 37)	**(2,478,046)**	(1,766,093)	(956,446)
Net cash flows used in investing activities	**(23,068,646)**	(22,307,936)	(18,886,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Issuance of capital stock (Note 21)	**27,584,715**	–	2,632,000
Issuance of notes payable (Note 19)	**20,383,600**	–	–
Availment of short-term debts (Notes 19 and 37)	**3,000,000**	14,184,275	–
Availment of long-term debts (Notes 19 and 37)	**848,276**	3,807,614	5,000,000
Reissuance of treasury shares	**195,202**	86,833	3
Capital infusion of non-controlling interest in subsidiaries (Note 21)	**1,988**	9,776,936	19,791,153
Payments of:			
Capital redemption of non-controlling interest in a subsidiary (Note 21)	**(20,386,275)**	–	–
Short-term loans (Notes 19 and 37)	**(7,635,000)**	(9,630,319)	(400,000)
Cash dividends (Note 21)	**(3,410,239)**	(2,507,813)	–
Long-term loans (Notes 19 and 37)	**(2,188,811)**	(4,602,920)	(5,860,862)
Interest on short-term and long-term loans (Note 37)	**(1,165,047)**	(1,682,101)	(958,249)
Stock issuance costs (Note 21)	**(680,287)**	(94,782)	–
Lease liabilities (Notes 14 and 37)	**(285,855)**	(68,670)	(49,522)
Acquisition of non-controlling interest (Notes 2 and 21)	**(280,500)**	–	(153,636)
Interest on lease liabilities (Notes 16 and 37)	**(164,416)**	(171,097)	(69,284)
Debt issue cost (Note 19)	**(133,396)**	(28,500)	(77,166)
Treasury shares (Note 21)	**(55,184)**	(28,657)	–
Increase (decrease) in due to stockholders	**(18,272)**	1,678	(5,405)
Increase (decrease) in other noncurrent liabilities	**1,016,196**	27,263	(5,142,048)
Net cash flows from financing activities	**16,626,695**	9,069,740	14,706,984
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,389,636**	(1,438,672)	(26,852)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,631,742)**	(11,553,125)	(3,729,805)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**28,077,171**	39,630,296	43,360,101
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱26,445,429**	₱28,077,171	₱39,630,296

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except When Otherwise Indicated)

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.

As at December 31, 2021, AC Energy and Infrastructure Corporation ("ACEIC") directly owns 64.65% 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 as at December 31, 2021 is 47.87% 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".

During the Annual Stockholders' Meeting held on April 20, 2020, the stockholders of the Parent Company approved, among others, the following corporate actions:

i) Amendment to the Articles of Incorporation to change the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation"; and
ii) Amendment to the By-laws to change the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation".

These material actions were initially approved by the BOD of ACEN on March 18, 2020.

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 Philippine Stock Exchange("PSE") stock symbol from "ACEPH" to "ACEN".

On December 15, 2021, during a Special Stockholders' Meeting, stockholders representing at least 2/3 of the ACEN's outstanding capital stock, approved the following:

i) Amendment to the Articles of Incorporation ("Articles") to change the corporate name from "AC Energy Corporation" to "ACEN Corporation";
ii) Amendment to the Articles to remove oil exploration, mining and related businesses from the Primary Purpose and Secondary Purposes and to specify retail electricity supply and provision of guarantees as part of the Primary Purpose;

iii) Amendment to the Articles to change the principal office of the Parent Company from “4th Floor, 6750 Office Tower, Ayala Avenue, Makati City 1226, Philippines,” to “35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226, Philippines”

These material actions were initially approved by the BOD of ACEN on November 11, 2021, as endorsed by the Corporate Governance and Nomination Committee.

The changes to the Primary Purpose and Secondary Purposes are intended to remove the activities that place the Parent Company’s business under the purview of the Philippine foreign investment negative list, and to explicitly specify the Parent Company's authority to provide guarantees in furtherance of its business.

Upon approval of the BOD, the principal office address of the Parent Company was changed from 4th Floor 6750 Office Tower, Ayala Avenue, Makati City to 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, awaiting the amendment of the Articles of Incorporation subject to the approval of the SEC.

Authorization for Issuance of Consolidated Financial Statements
The consolidated financial statements of the Group were approved and authorized for issuance by the Parent Company’s BOD on March 8, 2022.

2. Summary of Significant Accounting Policies

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

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiaries to bring its accounting policies in line with the Parent Company’s accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:
- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

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

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

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

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

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

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

		Percentage of Ownership (%)			
		2021		2020 (As restated)	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
AC Energy International, Inc. ("ACE International")	International investment holding	**100.00**	**–**	100.00	–
AC Renewables International Pte. Ltd.("ACRI")[a]	International investment holding	**–**	**100.00**	–	100.00
AC Energy Cayman ("ACEC")[b]	International investment holding	**–**	**100.00**	–	100.00
ACE Investments HK Limited ("ACE HK")[c]	International investment holding	**–**	**100.00**	–	100.00
ACEN Finance Limited ("ACEN Finance")[b]	Investment holding	**100.00**	**–**	–	–
Bulacan Power Generation Corporation ("Bulacan Power")	Power generation	**100.00**	**–**	100.00	–
CIP II Power Corporation ("CIPP")	Power generation	**100.00**	**–**	100.00	–
Guimaras Wind Corporation ("Guimaras Wind")	Wind power generation	**100.00**	**–**	100.00	–
One Subic Oil Distribution Corporation	Distribution of petroleum products	**100.00**	**–**	100.00	–
One Subic Power Generation Corporation ("One Subic Power")	Power generation	**–**	**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 ("SLTEC")	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. ("Giga Ace 3")	Power generation	**100.00**	**–**	100.00	–
Giga Ace 4, Inc. ("Giga Ace 4")	Power generation	**100.00**	**–**	100.00	–
Giga Ace 5, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 6, Inc.	Power generation	**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. ("Giga Ace 9")	Power generation	**100.00**	**–**	100.00	–
Giga Ace 10, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 11, Inc.[d]	Power generation	**100.00**	**–**	–	–
Giga Ace 12, Inc.[d]	Power generation	**100.00**	**–**	–	–
Giga Ace 14, Inc.[e]	Power generation	**100.00**	**–**	–	–

Subsidiaries	Principal Activities	Percentage of Ownership (%) 2021 Direct	2021 Indirect	2020 (As restated) Direct	2020 (As restated) Indirect
Giga Ace 15, Inc.[e]	Power generation	**100.00**	**–**	–	–
Negros Island Solar Power, Inc. (“ISLASOL”)	Solar power generation	**–**	**60.00**	–	60.00
San Carlos Solar Energy, Inc. (“SACASOL”)	Solar power generation	**–**	**100.00**	–	100.00
Monte Solar Energy, Inc. (“MONTESOL”)	Solar power generation	**96.00**	**4.00**	96.00	4.00
ACE Endevor, Inc. (“ACE Endevor”)	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. (“Ingrid3”)	Advisory/Consultancy	**–**	**100.00**	–	100.00
Ingrid4 Power Corp.	Advisory/Consultancy	**100.00**	**–**	–	–
Ingrid5 Power Corp.	Advisory/Consultancy	**100.00**	**–**	–	–
Ingrid6 Power Corp.	Advisory/Consultancy	**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. (“Gigasol 3”)	Power generation	**–**	**100.00**	–	100.00
Gigasol 4, Inc.	Power generation	**100.00**	**–**	–	–
Gigasol 5, Inc.	Power generation	**100.00**	**–**	–	–
Gigasol 6, Inc.	Power generation	**100.00**	**–**	–	–
Gigasol 7, Inc.	Power generation	**100.00**	**–**	–	–
Gigasol 8, Inc.[f]	Power generation	**100.00**	**–**	–	–
Gigasol 9, Inc.[f]	Power generation	**100.00**	**–**	–	–
Gigasol 10, Inc.[f]	Power generation	**100.00**	**–**	–	–
GigaWind1 Inc.	Power generation	**–**	**100.00**	–	100.00
GigaWind2 Inc.	Power generation	**–**	**100.00**	–	100.00
GigaWind3 Inc.	Power generation	**100.00**	**–**	–	–
GigaWind4 Inc.	Power generation	**100.00**	**–**	–	–
GigaWind5 Inc.	Power generation	**100.00**	**–**	–	–
SolarAce1 Energy Corp. (“SolarAce1”)	Power generation	**95.00**	**5.00**	95.00	5.00
SolarAce2 Energy Corp. (“SolarAce2”)	Power generation	**–**	**100.00**	–	100.00
SolarAce3 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
SolarAce4 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
AC Subic Solar, Inc.	Power generation	**–**	**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. (“BSEI”)	Power generation	**–**	**100.00**	–	100.00
Santa Cruz Solar Energy, Inc. (“SCSE”)	Power generation	**–**	**100.00**	–	100.00
Pagudpud Wind Power Corp. (“PWPC”)	Investment holding	**–**	**100.00**	–	100.00
Bayog Wind Power Corp. (“BWPC”)	Power generation	**–**	**60.00**	–	60.00
Manapla Sun Power Development Corporation (“MSPDC”)	Leasing and land development	**36.37**	**63.63**	36.37	29.63
ACE Renewables Philippines, Inc.	Investment holding	**100.00**	**–**	100.00	–
NorthWind Power Development Corporation (“NorthWind”)	Wind power generation	**51.73**	**48.27**	19.52	48.27
Viage Corporation	Investment holding	**100.00**	**–**	100.00	–
ACTA Power Corporation	Coal power generation	**100.00**	**–**	100.00	–

[a] *Incorporated in Singapore*
[b] *Incorporated in Cayman Islands*
[c] *Incorporated in Hong Kong*
[d] *Incorporated on October 26, 2021*
[e] *Incorporated on October 28, 2021*
[f] *Incorporated on November 11, 2021*

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

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

The following significant transactions affected the Parent Company's investments in its subsidiaries:

Acquisition of ACEIC's offshore subsidiaries through share swap
On April 27, 2021, ACEN signed a Deed of Assignment with ACEIC for the subscription by ACEIC to, and the issuance to ACEIC of, 16,685,800,533 shares 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. (share swap agreement), which holds ACEIC's international renewable assets.

On June 7, 2021, the SEC approved the ACEN's increase in ACS from ₱24.4 billion divided into 24.4 billion shares, to ₱48.4 billion divided into 48.4 billion shares, and the Amended Articles of Incorporation for the increase in ACS and the increase in number of shares exempt from the preemptive rights of the 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 SEC's approval for the increase in ACS is subject to the conditions set forth in the Guidelines Covering the Use of Properties that Require Ownership as Paid-Up of Corporations adopted by the SEC on November 15, 1994, and as amended on August 8, 2013, per SEC Memorandum Circular No. 14, series of 2013.

The acquisition was accounted for using the pooling-of-interests method with prior period restatement to account for the retroactive impact of the share swap transaction effective July 1, 2019, the date when ACEN and the Offshore Companies became under the common control of ACEIC. Detailed information on the share swap is disclosed in Note 32.

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 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.

Subscription by ACEN to shares in Pagudpud Wind Power Corp. ("PWPC")
On May 20, 2021, ACEN signed a subscription agreement with PWPC for the subscription by ACEN of 3,033,255 Common Shares and 27,299,298 Class A Redeemable Preferred Shares ("RPS A") of PWPC.

The subscription will be used by PWPC to subscribe to shares in BWPC, which will be used by BWPC to fund initial works to start the construction of the Balaoi and Caunayan Wind Power Project in Barangays Balaoi and Caunayan, Pagudpud, Ilocos Norte.

As at December 31, 2021, ₱3,033,255,300 was paid by ACEN.

Executive Committee's approval of conversion of advances to One Subic Power Generation Corporation ("One Subic Power") into equity
On June 9, 2021, ACEN's Executive Committee approved the conversion of ACEN's advances to One Subic Power amounting to ₱680 million into equity which is equivalent to 33,493,366 common shares subscription in One Subic Power.

Subscription by ACEN of shares in Buendia Christiana Holdings Corp.("BCHC")
On June 16, 2021, ACEN signed a subscription agreement with wholly-owned subsidiary BCHC for the subscription by ACEN of: (a) 75,000,000 Redeemable Preferred A Shares ("RPS A") with a par value of ₱0.10 per share, and (b) 4,075,000 Redeemable Preferred B Shares ("RPS B") with a par value of ₱100.00 per share, for a total par value of ₱415,000,000 (the "Subscription Price), to be issued out of the increase in ACS of BCHC, subject to the necessary regulatory approvals from the SEC.

The subscription will be used by BCHC to fund acquisition of potential project sites.

Acquisition of non-controlling interest in MSPDC
On October 28, 2021, BCHC acquired the 34.00% ownership interest of the minority stockholders of MSPDC at an aggregate amount ₱280.50 million. Effective October 31, 2021, MSPDC became a wholly-owned subsidiary of ACEN.

The excess of consideration over carrying amount of non-controlling interest, recognized under other equity reserves, amounted to ₱261.73 million (see Note 21).

Acquisition of non-controlling interest in NorthWind
On October 18, 2021, the BOD of ACEN approved the acquisition of the 32.2% ownership interest of the minority stockholders of NorthWind (the "NW Minorities") for up to ₱1.093 billion. Moreover, the BOD approved the issuance of up to 90 million of ACEN common shares to the owners, affiliate, and/or partners of the NW Minorities at up to ₱11.32 per share.

On November 12 and 15, 2021, the Share Purchase Agreement and Subscription Agreements, respectively, were signed by ACEN and the NW Minorities for 90.00 million shares in ACEN at a price of ₱11.32 per share:

Effective November 15, 2021, NorthWind became a wholly-owned subsidiary of ACEN. The subscribed shares were issued to the above shareholders on November 29, 2021.

The excess of consideration over carrying amount of non-controlling interest, recognized under other equity reserves, amounted to ₱723.97 million (see Note 21).

Acquisition of non-controlling interest in BWPC
On October 18, 2021, the BOD of ACEN approved the acquisition, directly or through its nominated affiliate, of the ownership interest of UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Stella Marie L. Sutton in BWPC, the owner of the 160MW Pagudpud Wind that is currently under construction in Brgy. Balaoi, Pagudpud, Ilocos Norte. This will be acquired together with NLR and other development special purpose vehicles for an aggregate consideration of up to ₱4.5 billion (subject to adjustments), subject to agreed conditions precedent including required partner, financing, and regulatory approvals, and subject further to execution of definitive documentation. The Sellers will in turn subscribe to up to 942 million common shares of ACEN with a subscription price of ₱11.32/share, subject to adjustments.

Moreover, on December 15, 2021, the stockholders of ACEN approved the issuance of up to 390 million common shares of ACEN to the owners, affiliates, and/or partners of UPC Philippines Wind Investment Co. BV.

Subscription by ACEN to shares in Ingrid3
On December 17, 2021, ACEN signed a subscription agreement with wholly-owned subsidiary Ingrid3 for the subscription by ACEN to 3.6 million redeemable preferred shares with a par value of ₱1.00 per share, to be issued from the unissued ACS of Ingrid3. The subscription will be used by Ingrid3 to fund its development projects.

Subscription by ACEN to shares in SCSE
On December 28, 2021, ACEN signed a subscription agreement with its subsidiary SCSE for the subscription by ACEN to 69,996,316 Common A Shares and 629,966,843 Redeemable Preferred A Shares ("RPS A") of SCSE, with total subscription price of ₱6,999,631,590.

The subscription will be used by SCSE to fund the construction of the 283 MW San Marcelino Solar Power project located in San Marcelino, Zambales.

Subscription by ACEN to shares in BWPC
On December 28, 2021, ACEN, signed a subscription agreement with its subsidiary, BWPC, for the subscription by ACEN to 36,218,032 Redeemable Preferred D Shares ("RPS D"), 29,759,408 Redeemable Preferred E Shares ("RPS E"), and 4,022,560 Redeemable Preferred G Shares ("RPS G") of BWPC, with total subscription price of ₱7,000,000,000.

The subscription will be used by BWPC to fund continuing works for the construction of the 160MW Pagudpud Wind Project in Barangays Balaoi and Caunayan, Pagudpud, Ilocos Norte.

The Pagudpud Wind Project will be wholly owned by ACEN following the BOD approval on October 18, 2021, for the acquisition by ACEN of the ownership interest of UPC Philippines and Stella Marie L. Sutton in BWPC. The acquisition is subject to agreed conditions precedent including required partner, financing, and regulatory approvals, and subject further to execution of definitive documentation.

Property for shares swap between ACEX and ACEN
On October 18, 2021, the BOD of ACEN approved the transitioning of ACEN's power generation portfolio to 100% renewable energy by 2025. For this purpose, the BOD of ACEN approved the infusion of certain thermal assets into ACEX in the form of a property-for-share swap.

On December 29, 2021, ACEX and ACEN signed the Deed of Assignment wherein ACEX will issue 339,076,058 shares of stock in ACEX to ACEN at an issue price of ₱10 per share in exchange for the following properties of ACEN: (a) 3,064,900 common shares in Palawan55 with a par value of ₱100 per share, comprising 30.65% of the issued and outstanding shares in Palawan55; (b) 6,000,000 common shares in Bulacan Power representing 100% of the issued and outstanding shares in Bulacan Power; (c) 6,351,000 common shares in CIPP with a par value of ₱50 per share representing 100% of the issued and outstanding shares in CIPP; (d) 3,600,000 redeemable preferred shares in Ingrid3, a special purpose vehicle for the development of a new power project, with a par value of ₱1 per share, representing 100% of the issued and outstanding redeemable preferred shares in Ingrid 3; and (e) 33,493,366 common shares in One Subic Power with a par value of ₱1 per share representing 17.13% of the issued and outstanding shares in One Subic Power.

As a result of the issuance of primary shares from ACEX, the BOD of ACEX approved the conduct of a Stock Rights Offer (SRO) of up to 105 million of ACEX's shares at ₱10.00 per share, subject to regulatory approvals. The BOD of ACEN approved the underwriting of this SRO in relation to the share swap. After the Share Swap, ACEN's total direct and indirect interest in ACEX is expected to go up from 76.32% to 89.78%, prior to the conduct of the ACEX SRO.

ACEX have made the required submissions and are awaiting SEC's review and approval as at March 8, 2022.

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

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

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

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

<u>UAC Energy Holdings Pty Ltd (UACH)</u>
UACH, a subsidiary of ACRI, is a company incorporated and domiciled in Australia, with principal address Suite 2, Level 2, 12-17 Castray Esplanade, Hobart TAS 7000.

<u>BWPC</u>
BWPC's principal and registered office address is 4F Delgado-Adiarte Building, Rizal Street corner Gen. Segundo Avenue, Laoag City, 2900, Ilocos Norte.

<u>NorthWind</u>
The registered office address of NorthWind is Sitio Suyo, Barangay Baruyen, Municipality of Bangui, Province of Ilocos Norte.

<u>MSPDC</u>
MSPDC's registered office address is at No. 56, Rodriguez Avenue, Brgy. 36, Bacolod City, Negros Occidental.

Information on subsidiaries that have material non-controlling economic interests are provided below:

2021	**BWPC**	**ISLASOL**	**UACH**	**ACEC**
Proportion of equity interests held by NCI	**40.00%**	**40.00%**	**25.00%**	**99.99%**
Voting rights held by NCI	**40.00%**	**34.00%**	**25.00%**	**–**
Accumulated balances of NCI	**(₱67,154)**	**₱1,117,524**	**₱105,172**	**₱28,789,252**
Net income (loss) allocated to NCI	**(10,122)**	**61,450**	**10,467**	**2,234,317**
Comprehensive income (loss) allocated to NCI	**(5,970)**	**61,450**	**10,523**	**2,295,915**
Dividends paid to NCI	**–**	**–**	**–**	**2,141,568**

2020 (As restated)	**MSPDC**	**NorthWind**	**BWPC**	**ISLASOL**	**UACH**	**ACEC**
Proportion of equity interests held by NCI	34.00%	32.21%	40.00%	40.00%	25.00%	99.99%
Voting rights held by NCI	34.00%	32.21%	40.00%	34.00%	25.00%	–
Accumulated balances of NCI	₱12,141	₱312,710	(₱61,372)	₱1,056,074	₱925,625	₱48,142,698
Net income (loss) allocated to NCI	18,750	160,511	(15,469)	(43,270)	124,006	1,874,343
Comprehensive income (loss) allocated to NCI	18,750	160,695	(15,469)	(43,270)	124,006	1,871,945
Dividends paid to NCI	20,400	112,721	–	–	–	1,827,941

Summarized financial information of these subsidiaries are as follows:

2021	BWPC	ISLASOL	UACH	ACEC
		(In Thousands)		
Statements of financial position				
Current assets	**₱391,476**	**₱1,460,466**	**₱9,234**	**₱210,322**
Noncurrent assets	**2,598,920**	**2,782,655**	–	**28,078,022**
Current liabilities	**79,746**	**358,046**	**8,978**	**–**
Noncurrent liability	**1,785**	**4,142,951**	–	**–**
Statements of comprehensive income (loss)				
Revenues	**262**	**584,169**	**62,078**	**2,296,944**
Cost and expenses	**30,871**	**460,113**	**1,627**	**975**
Other income (expenses)	**16,553**	**(1,549)**	**2,110**	**–**
Provision for (benefit from) income tax	**–**	**(1,068)**	**18,769**	**–**
Profit (loss) attributable to:				
Equity holders of the parent	**(3,934)**	**62,125**	**33,325**	**61,652**
Non-controlling interests	**(10,122)**	**61,450**	**10,467**	**2,234,317**
Total comprehensive income (loss) attributable to:				
Equity holders of the parent	**2,294**	**62,125**	**33,493**	**61,655**
Non-controlling interests	**(5,970)**	**61,450**	**10,523**	**2,295,915**
Statements of cash flows				
Operating activities	**5,797**	**3,220,217**	**227,563,498**	**(974,005)**
Investment activities	**(2,290,451)**	**(2,819,911)**	**(218,517,586)**	**2,522,677,052**
Financing activities	**2,646,334**	**863,711**	**–**	**(2,359,374,541)**
Net increase in cash and cash equivalents	**₱361,680**	**₱1,264,017**	**₱9,045,912**	**₱162,328,506**

2020 (As restated)	MSPDC	NorthWind	BWPC	ISLASOL	UACH	ACEC
			(In Thousands)			
Statements of financial position						
Current assets	₱10,467	₱769,381	₱9,768	₱830,148	₱6,182,605	₱43,798
Noncurrent assets	33,655	2,640,435	277,682	2,855,627	–	45,778,308
Current liabilities	17,964	351,480	8,692	232,475	13,983	–
Noncurrent liability	–	2,091,299	420,810	3,875,453	–	–
Statements of comprehensive income (loss)						
Revenues	₱79,393	₱1,154,383	₱27	₱224,726	₱868,958	₱1,872,815
Cost and expenses	1,431	626,495	41,850	332,219	213,856	829
Other income (expenses)	–	(639)	15,948	(624)	–	–
Provision for income tax	22,815	28,923	–	57	–	–
Profit (loss) attributable to:						
Equity holders of the parent	36,397	337,815	(10,406)	(64,904)	531,096	(2,357)
Non-controlling interests	18,750	160,511	(15,469)	(43,270)	124,006	1,874,343
Total comprehensive income (loss) attributable to:						
Equity holders of the parent	36,397	337,999	(10,406)	(64,904)	531,096	(2,357)
Non-controlling interests	18,750	160,695	(15,469)	(43,270)	124,006	1,871,945
Statements of cash flows						
Operating activities	₱15,903	₱783,280	(₱20,367)	₱82,640	₱–	(₱805)
Investment activities	–	(288,104)	(58,997)	(2,024)	8,450,360	(26,776,897)
Financing activities	(60,000)	(436,151)	73,316	153,044	(8,228,176)	7,147,274
Net increase (decrease) in cash and cash equivalents	(₱44,097)	₱59,025	(₱6,048)	₱233,660	₱222,184	(₱19,630,428)

2019 (As restated)	MSPDC	NorthWind	BWPC	ACEC
		(In Thousands)		
Statements of financial position				
Current assets	₱68,063	₱657,147	₱13,061	₱19,792,539
Noncurrent assets	33,410	2,559,607	213,024	19,333,464
Current liabilities	3,556	251,286	426	–
Noncurrent liability	57,090	2,142,992	340,416	–
Statements of comprehensive income (loss)				
Revenues	₱31,593	₱580,819	₱–	₱5
Cost and expenses	580	269,544	5,816	252
Other income (expenses)	–	(58,855)	(4,312)	–
Provision for (benefit from) income tax	5,687	11,482	–	–
Profit (loss) attributable to:				
Equity holders of the parent	16,771	163,332	(6,077)	–
Non-controlling interests	8,555	77,606	(4,051)	(247)
Total comprehensive income (loss) attributable to:				
Equity holders of the parent	16,771	163,332	(6,077)	–
Non-controlling interests	8,555	77,606	(4,051)	(247)
Statements of cash flows				
Operating activities	₱71,387	₱606,382	(₱17,103)	(₱225)
Investment activities	(900)	(24,116)	(34,937)	–
Financing activities	(60,069)	(642,205)	54,156	19,791,153
Net increase (decrease) in cash and cash equivalents	₱10,418	(₱59,939)	₱2,116	₱19,790,928

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2021. Unless otherwise indicated, adoption of the new standard did not have an impact on the consolidated financial statements of the Group.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

  The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:
  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
  - There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

  The Group adopted the amendment beginning April 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.

Future Changes in Accounting Policies
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments are not expected to have material impact to the Group.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the Group first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not applicable to the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have an impact on the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group. The amendments are not expected to have an impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The adoption of the standard is not applicable to the Group.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Significant Accounting Policies

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

Business Combinations and Goodwill

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

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

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

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

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

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

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

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

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- The consolidated statement of income, comprehensive income and cash flows reflect the result of the combining entities in full, irrespective of when the combination takes place.
- Comparative financial information are presented as if the entities had always been combined, or on date the common control existed on the combining entities, whichever comes earlier.
- The effects of any intercompany transactions are eliminated to the extent possible.

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

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current or noncurrent classification. An asset is current when it is:
- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve (12) months after the reporting period; or,
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:
- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve (12) months after the reporting period; or,
- there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash and Cash Equivalents
Cash and cash equivalents in the consolidated statement of financial position is composed of cash in banks and on hand and short-term deposits with a maturity of three (3) months or less, which are subject to an insignificant risk of changes in value.

Short-term Investments
Short-term investments represent investments that are readily convertible to known amounts of cash with original maturities of more than three (3) months to one (1) year.

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

- Investment properties (see Note 15)
- Quantitative disclosures of fair value measurement hierarchy (see Note 35)
- Financial instruments (including those carried at amortized cost, see Note 35)

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described in Note 35, based on the lowest level input that is significant to the fair value measurement as a whole.

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

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

Financial Instruments – Classification and Measurement

Classification of Financial Assets
Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:
- financial assets measured at amortized cost
- financial assets measured at FVTPL
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

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

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

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

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

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

As at December 31, 2021 and 2020, the Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, accounts receivable, development loans, debt replacements, other loan and interest receivable under Accounts and notes receivable, Other financial assets at amortized cost and deposits under Other Noncurrent Assets (see Notes 4, 5, 10, 17 and 34).

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

As at December 31, 2021 and 2020, the Group does not have debt instruments at FVOCI.

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

Dividends are recognized in profit or loss only when:

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

As at December 31, 2021 and 2020, the Group's investments in quoted and unquoted equity securities and golf club shares are classified as financial asset at FVOCI (see Notes 12 and 34).

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

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

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

The net changes in fair value of financial assets at FVTPL from the Group's investments in Unit Investment Trust Funds (UITF), included in "Interest and other financial income" account presented under "Other income - net" in the consolidated statements of income, amounted to nil in both 2021 and 2020, and ₱30.84 million in 2019 (see Note 26).

As at December 31,2021, the Group has Compulsorily Convertible Debentures accounted as FVTPL (Note 11). As at December 31, 2020, the Group has no financial assets accounted as FVPL.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group entered into fuel and coal swap contracts as a hedge of its exposure to price risk on its purchases (see Note 34).

Classification of Financial Liabilities

Financial liabilities are measured at amortized cost, except for the following:
- financial liabilities measured at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:
- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

As at December 31, 2021 and 2020, the Group has not designated any financial liability at FVTPL.

The Group's accounts payable and other current liabilities (excluding derivative liability and statutory payables), due to stockholders, short-term and long-term loans, deposit payables and other noncurrent liabilities are classified as financial liabilities measured at amortized cost under PFRS 9 (see Notes 18, 19, 20 and 34).

Derecognition of Financial Assets and Financial Liabilities

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

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

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

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

Modification of Contractual Cash Flows
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

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

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

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

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

There are no offsetting of financial assets and financial liabilities and any similar arrangements that warrants disclosure in the Group's consolidated financial statements as at December 31, 2021 and 2020.

Impairment of Financial Assets

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

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

ECLs are measured in a way that reflects the following:

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

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

Stage 1: 12-month ECL

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

Stage 2: Lifetime ECL – not credit-impaired

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

Stage 3: Lifetime ECL – credit-impaired

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

Loss Allowance

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

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

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

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:
- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

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

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

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

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

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

Non-current Assets Held for Sale
The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification under PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations* is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

Property, Plant and Equipment

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

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

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

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

Category	In Years
Land improvements	10
Buildings and improvements	6-25
Machinery and equipment:	
Wind towers and equipment	25
Power plant	20
Power barges	10
Others	10-15
Tools and other miscellaneous assets	5-10
Transportation equipment	3-5
Office furniture, equipment and others	3-10

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

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

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

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

Leases
The Group applied PFRS 16, *Leases* on January 1, 2019.

PFRS 16 supersedes PAS 17, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under PFRS 16 is substantially unchanged under PAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in PAS 17. Therefore, PFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted PFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying PAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

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

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments

of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

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

The Group has elected to use the two exemptions proposed by the standard on the following contracts:
a. Lease contracts for which the lease terms ends within 12 months from the date of initial application
b. Lease contracts for which the underlying asset is of low value

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

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

Deferred taxes
Upon adoption of PFRS 16, the Group has adopted the modified retrospective approach for accounting the transition adjustments and has elected to recognize the deferred income tax assets and liabilities pertaining to lease liabilities and right-of-use assets on a gross basis.

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate used by the Group is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

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

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

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

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

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

Joint Operations
A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities and share in the revenues and expenses relating to the arrangement. The Group's service contracts (SC) are assessed as joint operations.

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

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

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

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

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

Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

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

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

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

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

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

The consolidated financial statements include additional information about associates and joint ventures that are material to the Group (see Note 9). Management determined material associates and joint ventures as those associates and joint ventures where the Group's carrying amount of investments is greater than 5% of the total investments and advances in associates and joint ventures as at the end of the year.

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

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

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

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

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

The remaining useful life of identifiable FIT contract is 13 years.

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

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

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

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

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

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

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

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

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

The following assets have specific characteristics for impairment testing:

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

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

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

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

Deferred Exploration Costs
Deferred exploration costs are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount

of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.

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

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

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

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

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

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

Pensions and Other Post-employment Benefits
Defined Benefit Plan
ACEN Retirement Plan for Plants is a hybrid retirement plan which has funded defined benefit features and matching defined contribution features covering all regular and permanent employees. Benefits under the defined benefit features of the plan are based on the employee’s final plan salary

and years of service. The defined benefit provisions of the ACEN Retirement Plan for Plants is patterned from the Phinma Jumbo Retirement Plan, which is the former retirement plan of the Group.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sale of Electricity

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

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

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

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

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

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

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

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

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

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

Management fees earned in 2021, 2020 and 2019 amounted to ₱109.89 million, ₱93.95 million and ₱11.30 million, respectively.

Revenue from water distribution in 2021, 2020 and 2019 amounted to ₱20.32 million, ₱10.33 million and nil, respectively.

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

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

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

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

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

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

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

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

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

Deferred income tax assets are recognized for all deductible temporary differences, including carryforward benefits of unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) which can be deducted against future RCIT due to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from unused NOLCO can be utilized, except:
- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

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

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

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

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

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

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

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

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

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

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

Previously, the operating businesses are organized and managed separately according to its related services. Financial information on operating segments and the restatement following a change in composition of reportable segments are presented in Note 36 to the consolidated financial statements.

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

Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it is virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the consolidated financial statements.

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

3. **Significant Accounting Judgment, Estimates and Assumptions**

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

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

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

Asset Acquisitions and Business Combinations
Where asset is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Otherwise, corporate acquisitions are accounted for as business combinations. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

The Group's acquisitions of SACASOL and ISLASOL have been accounted for as business combinations while the acquisitions of BCHC, Ingrid and ACTA Power and various subscriptions to Giga Ace 1 up to 10 have been accounted for as purchases of assets (see Notes 31 and 32).

Combination of Entities under Common Control
A combination involving entities or businesses under common control is 'a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory'. This will include

transactions such as the transfer of subsidiaries or businesses between entities within a group, provided the transaction meets the definition of a business combination in PFRS 3.

The share swap transactions entered into by the Parent Company with ACEIC and the acquisition of 20% ownership stake of Axia Power Holdings Philippines, Corporation ("APHPC") in SLTEC were determined to be common control business combinations (see Note 32).

Accounting for Arrangements as a Single Transaction
In determining whether to account for the arrangements as a single transaction, an entity considers all the terms and conditions of the arrangements and their economic effects. One or more of the following indicate that the Parent Company should account for the multiple arrangements as a single transaction:
(a) They are entered into at the same time or in contemplation of each other.
(b) They form a single transaction designed to achieve an overall commercial effect.
(c) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement; or
(d) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements. An example is when a disposal of shares is priced below market and is compensated for by a subsequent disposal priced above market.

The indicators clarify that arrangements that are part of a package are accounted for as a single transaction.

The series of transactions entered into by ACEN together with TLCTI Asia for the investment and entry in ISLASOL, were assessed to be linked agreements and thus, were accounted for as a single transaction that resulted in recognition of NCI. Management's judgements in accounting for its ownership interest in ISLASOL are discussed in Note 31.

Assessment of Joint Control
The Group's investments in joint ventures (see Note 9) are structured in separate incorporated entities. Even though the Group holds various percentages of ownership interests on these arrangements, their respective joint arrangement require unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the term of the contractual agreements. 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 9).

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

Recognition of Deferred Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries, Associates and Joint Ventures
The Group did not recognize deferred tax liabilities on the temporary differences arising from undistributed earnings, cumulative translation adjustment, and OCI accounts of its foreign subsidiaries, associates and joint ventures since management believes that the timing of the reversal

of these taxable temporary differences can be controlled by the Group and the management does not expect reversal of these temporary differences in the foreseeable future.

Other Financial Assets at Amortized Cost
Other financial assets at amortized cost include redeemable preferred shares and convertible loans which the Group has assessed as debt instruments. These are held by the Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows which are reflective of basic lending arrangements (see Notes 5 and 10).

Change in Operating Segments
The Group changed the structure of its internal organization that caused the composition of its reportable segments to change. Previously, the operating businesses are organized and managed separately according to its related services. As at December 31, 2021, the Group's segment report is according to its geographic areas of operations, with each segment representing a strategic business unit that serves different markets, reported on the basis that is used internally by the management for evaluating segment performance and deciding how to allocate resources among operating segments. Financial information on operating segments and the restatement following a change in composition of reportable segments are presented in Note 36 of the consolidated financial statements. The reported operating segment information is in accordance with PFRS 8.

Change in Inventory Costing Method
Fuel and spare parts are valued at the lower of cost or net realizable value (NRV). NRV is the current replacement cost of fuel and spare parts. In 2021, the Group elected to change in accounting policy on the inventory costing from first-in, first-out (FIFO) method to moving average method, as the management evaluated that moving average method more accurately reflects the acquisition and usage of these inventories in the power generation operations of the Group. The change in accounting policy is to be applied retrospectively which will impact the fuel and spare parts and cost of sale of electricity accounts. As the restatements have no impact on the Group's total assets, total liabilities and equity as at the beginning of earliest period presented, the management believes that the presentation of consolidated statement of financial position as at the beginning of earliest period presented is not necessary.

Classification of Noncurrent Assets Held for Sale
The Group classified the power barge assets as noncurrent assets held for sale under PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, as result of the assessment that the assets' carrying amount will be recovered principally through a sale transaction rather than through continuing use (Note 8).

The following criteria are met as of the financial reporting date:
a. The power barges are available for immediate sale as evidenced signed purchase agreement on August 20, 2021. While the transaction is still subject to certain conditions precedent, the requirements under PFRS 5 are deemed to have been satisfied in so far as the assets to be sold are concerned.
b. The power barges are measured at the lower or the carrying amount and fair value less costs to sell.
c. Depreciation of the assets ceased upon its classification as held for sale
d. The sale is highly probable to be completed within 12 months from end of period date.

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
As at December 31, 2021, the Group has assessed whether it has any uncertain tax positions. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its tax assessment, in consultation with its tax counsel, that it is probable that its income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. Accordingly, the interpretation did not have an impact on the consolidated financial statements of the Group.

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.

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

The Group has evaluated the conditions and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. In doing this, the Group has reviewed the key assumptions in its previous annual impairment assessment to assess whether any changes to the assumptions within that impairment assessment would result in an impairment loss as at December 31, 2021. Except for the matters discussed in Note 16, based on the Group's review of key assumptions that include the impact if COVID-19, management has assessed that there were no significant changes in the assumptions used (see Notes 9, 13, 14, 15 and 16).

Fair Value Measurement of Financial Assets at FVTPL and FVOCI
In the estimation of fair value of investments recorded as financial assets at FVTPL and FVOCI, management need to determine the appropriate techniques and inputs for fair value measurements. Management uses the discounted cash flow technique in estimating the fair value of the financial assets at FVTPL and FVOCI. Based on the financial performance and financial position of the investee entity which is a related party investment company, management estimates the amount and timing of the future cash inflow arising from redemption of preferred shares (see Notes 11 and 12).

Measurement of Expected Credit Losses
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If in a subsequent period, asset quality improves and any previously assessed significant increase in credit risk also reverses since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL (see Notes 5 and 10).

Determination of Significant Increase in Credit Risk (SICR)
The Group compares the probabilities of default occurring over the expected life of financial assets as at the reporting date with the probability of default occurring over the expected life on the date of initial recognition to determine significant increase in credit risk. Since comparison is made between forward-looking information at reporting date against initial recognition, the deterioration in credit risk may be triggered by the following factors:
- substantial deterioration in credit quality as measured by the applicable internal or external ratings or credit score or the shift from investment grade category to non-investment grade category.
- adverse changes in business, financial and/or economic conditions of the borrower.
- early warning signs of worsening credit where the ability of the counterparty to honor his obligation is dependent upon the business or economic condition.
- the account has become past due beyond 30 days where an account is classified under special monitoring category: and
- expert judgment for the other quantitative and qualitative factors which may result to SICR as defined by the Group.

In response to COVID-19, the Group undertook a review of its portfolio of financial assets and the ECL for the year for financial assets carried at amortized cost. The review considered the macroeconomic outlook, client and customer/borrower credit quality, the type of collateral held, exposure at default and the effect of payment deferral options as at the reporting date.

As at December 31, 2021 and 2020, the Group assessed that for its financial assets such as cash and cash equivalents, there has been no SICR since origination and is assessed as low credit risk based on published information of comparable entities. For accounts receivable, the Group used provision matrix in estimating its ECL. A broad range of forward-looking information were considered as economic inputs, such as GDP growth, inflation rates, unemployment rates, interest rates and BSP statistical indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. While these model inputs including forward-looking information are revised, the ECL models, and definitions of default remain consistent with prior periods.

The Group complied with the Department of Energy (“DOE”) circulars on granting extensions on deferment of payments and obligation. The changes in economic activity brought about by the community quarantine measures and lowering of WESM prices have resulted in lower electricity demand and consumption. Consequently, this affected the revenue targets of the Distribution Companies, Generation Companies, and RES business units. However, projects under FIT were not affected by the movements in the WESM prices. Nevertheless, the Group has been in constant discussions, and has been working together with its customers and other key stakeholders to minimize the impact of the pandemic to the respective parties’ power supply agreements.

Impairment of Investment in an Associate
In 2020, the Group assessed that its investment in Negros Island Biomass Holdings, Inc (NIBHI) was impaired. The Group expects the return on its investment in NIBHI through dividends. Given however that the projects where NIBHI has investments have not started commercial operations, are still completing pertinent regulatory permitting requirements, and in the process are accumulating pre-operating costs and losses, the Group has provided allowance for the impairment loss amounting to ₱186.51 million (see Note 24).

The recoverable amount of the investment in NIBHI amounting to nil as at December 31, 2020 was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a twenty five-year period. The pre-tax discount rate applied to cash flow projections is 10.0%. It was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, the Group has recognized an impairment charge of ₱186.51 million in 2020 against the related goodwill recorded in the investment in an associate account. The provision for impairment of investment in an associate is recorded in “General and administrative expenses” in the consolidated statements of income (see Notes 9 and 24).

In 2021, the investment in redeemable preferred shares of NIBHI was fully redeemed and remaining common shares was sold to various stakeholders (see Note 9).

Impairment of Assets Related to Bataan Project
On September 20, 2020, Bataan Solar Energy, Inc. (“BSEI”) issued the Notice to Proceed (“NTP”) for the development of a 4.375 MWdc Renewable Energy Laboratory Facility with Energy Storage System Project (the “Bataan Project”) in Brgy. Batangas-II Mariveles, Bataan. The Bataan Project utilizes state-of-the art technologies in the solar and storage industry with various types of modules, mounting structures, inverters and energy storage system with the view of acquiring first-hand experience in operating such technologies. Power generated will be initially sold to WESM. Given however the lack of economies of scale for the Bataan Project, the management assessed that the expected revenue cannot cover return of the investment in the Bataan Project and thereby provided impairment for the Bataan Project’s various spending to date for its advances to contractors and construction in progress and tools and miscellaneous assets under property, plant and equipment amounting to ₱49.88 million, ₱96.62 million, and ₱14.89 million, respectively. In 2021, ₱27.44 million and ₱14.89 million were reversed for its advances to contractors and tools and miscellaneous assets, respectively, while additional ₱219.53 million was provided for the construction in progress (see Notes 7, 8 and 13).

The recoverable amount of the Bataan Project assets amounting to nil as at December 31, 2021 and 2020 were determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a seven-year period. The pre-tax discount rate applied to cash flow projections is 10.0%. It was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, the Group recognized net impairment charge of ₱177.20 million and ₱160.93 million in 2021 and 2020, respectively, against the related other current assets and property, plant and equipment. The provision for impairment of property, plant and equipment and advances to contracts are included in “General and administrative expenses” in the consolidated statements of income (see Notes 7, 8, 13 and 24).

Impairment of PB 102 and PB 103
In 2020, following the fuel oil discharge accident (Notes 9 and 38), the Parent Company recognized full provision for impairment of PB 102 and PB 103 amounting to ₱270.53 million as the assets are not operational as at December 31, 2020 and there are no existing ancillary service contracts to utilize the assets for income generation. The Group reassessed the depreciation policies of its property, plant and equipment and estimated that their useful lives will not be affected following this decision.

The recoverable amounts of PB 102 and PB 103 amounting to nil as at December 31, 2020 were determined based on the calculation of fair value less costs of disposal using estimated scrap value with reference to recent sales, adjustments to weight of the scrap and deduction for costs of disposal. As a result of this analysis, the Group has recognized an impairment charge of ₱270.53 million in 2020 against the related property, plant and equipment. The provision for impairment loss on property, plant and equipment is included in “General and administrative expenses” in the consolidated statements of income (see Notes 13 and 24).

Further details on investments in associates and joint ventures, plant, property, and equipment, right-of-use assets, investment properties and leasehold rights are provided in Notes 9,13, 14, 15 and 16, respectively.

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 27).

Estimation of Pension and Other Employee Benefits Liabilities
The cost of defined benefit pension plans and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates of the country. Further details about the assumptions used are provided in Note 28.

Contingencies and Tax Assessments
The Group is currently involved in various legal proceedings and assessments for local and national taxes (see Note 38). 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. Cash and Cash Equivalents

	2021	2020 (As restated)
Cash on hand and in banks	**₱22,990,899**	₱14,188,780
Short-term deposits	**3,454,530**	13,888,391
	₱26,445,429	₱28,077,171

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 in 2021, 2020 and 2019 at the range of 0.90% to 1.21%, 0.99% to 3.20%, and 3.00% to 5.59%, amounted to ₱129.55 million, ₱253.97 million and ₱228.15 million, respectively (see Note 26).

Short-term deposits include SLTEC's debt service accrual account (DSAA) amounting to ₱56.98 million and ₱212.24 million as at December 31, 2021 and 2020, respectively. This pertains to cash deposits earmarked to cover future debt service payments that bears interest from 0.13% to 0.50% for 2021 and 0.13% to 0.63% for 2020 and have a maturity period of two to six months. DSAA with maturities of more than three (3) months amounting to ₱66.82 million and nil as at December 31, 2021 and 2020, respectively, is presented separately as Short-term Investment in the statement of financial position. These funds are restricted solely for payment of the principal amortization and interest from loans.

The DSAA meets the definition of cash and cash equivalents and short-term investments since the Company has control over the said funds until the repayment dates (see Note 19).

5. Accounts and Notes Receivable

This account consists of:

	2021	2020 (As restated)
Accounts receivable	**₱8,880,659**	₱7,865,106
Notes receivable (Note 29)		
Development loan	**15,549,644**	6,496,611
Debt replacement loan	**17,253,756**	7,283,299
Other loan	**1,060,868**	403,037
Accrued interest receivable	**3,937,283**	1,284,680
	46,682,210	23,332,733
Allowance for impairment loss	**181,599**	180,726
	₱46,500,611	₱23,152,007

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

	2021	2020 (As restated)
Trade receivables		
Third party		
Independent Electricity Market Operator of the Philippines ("IEMOP")	**₱2,219,536**	₱1,076,014
RES Buyer	**2,002,655**	2,411,242
National Transmission Corporation ("TransCo")	**1,727,488**	1,465,212
PEMC Multilateral Agreements	**1,137,262**	1,137,262
National Grid Corporation of the Philippines ("NGCP")	**179,076**	374,000
Philippine Electricity Market Corporation ("PEMC")	**75,752**	65,519
Others	**119,092**	71,170

(Forward)

	2021	2020 (As restated)
Related party		
Others (Note 29)	**₱149,175**	₱137,346
Other Receivables		
Third party	**1,008,996**	1,037,197
Related party (Note 29)	**261,627**	90,144
	8,880,659	7,865,106
Allowance for impairment loss	**181,599**	180,726
	8,699,060	7,684,380
Less: Noncurrent portion	**2,093,042**	1,933,892
Current portion	**₱6,606,018**	₱5,750,488

Trade Receivables
Trade receivables mainly represent receivables from IEMOP, TransCo, PEMC, and NGCP 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 Note 22).

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

Noncurrent trade receivables include refundable amount from the 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. NorthWind also recorded collections amounting to ₱115.08 million in relation to the Multilateral Agreement. Collections are presented as "Trade payables" under "Other noncurrent liabilities" (see Note 20). Noncurrent trade receivables also include FIT system adjustments that are expected to be realized beyond 12 months after end of reporting period. FIT system adjustments are discounted using the PHP BVAL Reference rates on transaction date ranging from 2.06% - 2.45%.

Other receivables from third party mainly pertain to the noninterest-bearing receivable from NGCP for 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.

Other receivable also includes advances to employees and advance payments to suppliers and deposits to distribution utilities.

Notes receivable
This account consists of development, debt replacements and other loans receivable from related parties and third parties:

	2021	2020 (As restated)
Development loan		
Third party	**₱2,847,976**	₱3,037,701
Related party (Note 29)	**12,701,668**	3,458,910
Debt replacement		
Related party (Note 29)	**17,253,756**	7,283,299
Other loan		
Third party	**1,060,868**	403,037
	33,864,268	14,182,947
Less: Noncurrent portion	**9,586,187**	4,100,427
Current portion	**₱24,278,081**	₱10,082,520

Receivables from related parties includes various development and debt replacements loans from ACEIC and the Group's joint ventures and associates. It also includes receivable from Term Loan Facility with Greencore Power Solutions 3, Inc. ("Greencore") (see Note 29).

Development loans to third parties includes the interest-bearing loans receivable from UPC Renewables Asia Pacific Holdings (URAPHL), from BIM Energy Holdings (BIMEH), and from BEHS Joint Stock Company (BEHS). It also includes interest-bearing term loan facility from Provincia Investments Corporation ("PIC"). First drawdown on the loan facility to PIC was made on July 2, 2021 amounting to ₱150.00 million. Interests together with the principal amount are payable on or before July 2, 2026 (see Note 9).

Other loans receivable from third parties includes long term loan receivables from Caltrans, Lantrans and Acetrans used for land acquisitions.

Accrued interest receivable:
This account consists of accrued interest receivable from related parties and third parties, and from other financial assets at amortized cost:

	2021	2020 (As restated)
Development loan		
Third party	**₱118,898**	₱84,214
Related party (Note 29)	**305,360**	106,377
Debt replacement		
Third party	**5,786**	–
Related party (Note 29)	**1,033,005**	186,013
Redeemable preferred shares		
Related party (Note 29)	**946,559**	₱319,253
Convertible loan		
Related party (Note 29)	**1,421,565**	554,868
Other loan		
Third party	**100,557**	12,564
Trade receivables		
Third party	**5,553**	21,391
	3,937,283	1,284,680
Less: Noncurrent portion	**1,512,085**	505,969
Current portion	**₱2,425,198**	₱778,711

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

	2021		
	Trade	**Others**	**Total**
Balances at beginning of year	**₱94,742**	**₱85,984**	**₱180,726**
Provisions - net (Note 24)	**873**	**–**	**873**
Reclassification	**1,116**	**(1,116)**	**–**
Balances at end of year	**₱96,731**	**₱84,868**	**₱181,599**

	2020 (As restated)		
	Trade	Others	Total
Balances at beginning of year	₱94,742	₱86,016	₱180,758
Reversal	–	(32)	(32)
Balances at end of year	₱94,742	₱85,984	₱180,726

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

6. Fuel and Spare Parts

	2021	2020 (As restated)
Fuel	**₱700,165**	₱671,527
Spare parts - at cost	**292,618**	310,899
Spare parts - at net realizable value	**497,776**	408,914
	₱1,490,559	₱1,391,340

Fuel charged to “Costs of sale of electricity” in the consolidated statements of income amounted to ₱4,787.98 million, ₱3,070.82 million and ₱2,655.41 million in 2021, 2020 and 2019, respectively (see Note 23).

For the years ended 2021, 2020 and 2019, no provision for impairment, both for fuel and spare parts was recognized by the Group. As at December 31, 2021 and 2020, the allowance for inventory obsolescence amounted to ₱6.96 million.

7. Other Current Assets

	2021	2020 (As restated)
Advances to contractors	**₱270,265**	₱264,979
Derivative asset (Note 34)	**241,744**	46,968
Prepaid expenses	**223,264**	186,404
Others	**36,433**	4,957
	771,706	503,308
Less allowance for impairment loss	**27,437**	49,884
	₱744,269	₱453,424

Advances to contractors pertain to advance payments for services and supply of repairs and maintenance.

Derivative asset pertains to the foreign exchange forward contracts maturing within 12-month period (see Notes 17, 18 and 34). ACEN had realized ₱41.80 million gain, ₱3.41 million and ₱6.85 million loss from matured forex forwards in 2021, 2020 and 2019, respectively (see Note 26).

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 13). The ₱22.45 million reversal arise from subsequent collection and reassessment of collectability (Note 26).

8. Noncurrent Assets Held for Sale

ACEN
In 2021, The Group classified the power barge assets as noncurrent assets held for sale under PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, as result of the assessment that the assets' carrying amount will be recovered principally through a sale transaction rather than through continuing use. Power Barge ("PB") 101 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.

On August 20, 2021, the Parent Company's Executive Committee approved the sale of PB 101 to Prime Strategic Holdings Inc. or its designated affiliate or subsidiary, and PB 102 and PB 103 to SPC Power Corporation or its designated affiliate or subsidiary.

On September 16, 2021, the Asset Purchase Agreement for the sale of PB 102 and 103 with SPC Island Power Corporation was signed. Impairment loss amounting to ₱8.71 million and ₱270.53 million was recognized for the year ended December 31, 2021 and 2020 respectively, to bring down to its estimated net realizable value.

On December 21, 2021, ACEN signed the Asset Purchase Agreement for the sale of PB 101 to MORE Power Barge, Inc. The Deed of Absolute sale was executed by the parties on January 21, 2022. Impairment loss amounting to ₱69.15 million and nil was recognized for the year ended December 31, 2021 and 2020 respectively, to bring down to its estimated net realizable value.

Impairment Losses
PB 102 located in Barrio Obrero, Iloilo City, accidentally discharged fuel oil on July 3, 2020. Based on investigation, an explosion in one of the barge's fuel tanks ruptured the hull of the barge which resulted in the oil spill. The Group assessed and determined that the incident raised impairment indication that the asset's carrying amount exceeded its estimated recoverable amount. The Group recognized net impairment of ₱2.74 million, ₱270.53 million and nil in 2021, 2020 and 2019, respectively (see Notes 13, 24 and 26).

As at December 31, 2021, the carrying value of the power barges (PB101 to P103) amounted to ₱193.53 million.

BSEI
In 2021, tools identified as salable were classified as noncurrent assets held for sale from property, plant and equipment, with its related impairment reversal amounting to ₱14.89 million (see Notes 13 and 26), ₱4.96 million of these were sold during the year. As at December 31, 2021, the carrying value of the remaining tools amounted to ₱9.93 million and these are available for immediate sale in its present condition although nothing yet has been finalized, management has been actively looking for interested buyers.

9. Investments in Associates and Joint Ventures

The Group's investments in associates and interest in joint ventures as at December 31 are as follows:

	Percentage of ownership		Carrying amount	
	2021	2020 (As restated)	**2021**	2020 (As restated)
Investments in associates:				
Star Energy Geothermal (Salak-Darajat) B.V. ("Salak-Darajat")	**19.80**	19.80	**₱10,652,033**	₱9,330,436
Maibarara Geothermal, Inc. ("MGI")	**25.00**	25.00	**785,042**	739,076
Negros Island Biomass Holdings, Inc. ("NIBHI")	–	45.12	–	224
Others[1]	**Various**	Various	**631**	25,728
			11,437,706	10,095,464
Interest in joint ventures:				
Philippine Wind Holdings Corp.("PhilWind")	**69.81**	69.81	**₱5,765,677**	₱5,853,561
BIM Renewable Energy Joint Stock Company ("BIMRE")	**30.00**	30.00	**1,597,533**	1,380,194
Ingrid Power Holdings, Inc. ("Ingrid")	**50.00**	–	**1,210,658**	–
UPC-AC Energy Australia (HK) Ltd. ("UPC-ACE Australia")	**50.00**	50.00	**903,333**	1,008,899
AMI AC Renewables Corporation ("AAR")	**50.00**	50.00	**275,573**	288,355
BIM Energy Joint Stock Company ("BIME")	**30.00**	30.00	**111,825**	111,792
UPC Renewables Asia III Ltd. ("UPC Asia III")	**10.00**	10.00	**47,035**	56,591
Natures Renewable Energy Devt. (NAREDCO) Corporation	**45.00**	–	**8,250**	–
Others[2]	**Various**	Various	**711**	232
			9,920,595	8,699,624
			₱21,358,301	₱18,795,088

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

	2021	2020 (As restated)
Investment in associates and joint ventures		
Acquisition costs:		
Balance at beginning of year	**₱18,015,097**	₱14,482,086
Interest retained in former subsidiary	**980,900**	–
Additions	**536,189**	2,853,713
Divestment	**(186,738)**	–

(Forward)

	2021	2020 (As restated)
Cumulative translation adjustment	**₱562,682**	(₱900,297)
Effect of a business combination under common control (Note 2)	**–**	1,579,595
Balance at end of year	**19,908,130**	18,015,097
Accumulated equity in net earnings (losses):		
Balance at beginning of year	**1,197,907**	2,228,523
Equity in net earnings	**1,952,753**	1,490,192
Dividends received	**(1,693,682)**	(2,003,931)
Divestment	**(34,971)**	–
Effect of business combinations under common control	**–**	(516,877)
Balance at end of year	**1,422,007**	1,197,907
Accumulated share in other comprehensive income:		
Balance at beginning of year	**(229,844)**	(168,154)
Unrealized fair value gain (loss) on derivative instruments designated as hedges - net of tax	**104,994**	(32,997)
Remeasurement loss on defined benefit plans - net of tax	**(54,608)**	(28,693)
Effect of business combinations under common control	**209,181**	–
Balance at end of year	**29,723**	(229,844)
Accumulated impairment losses		
Balance at beginning of year	**(188,072)**	(1,559)
Divestment	**186,513**	–
Provision for impairment (Notes 26)	**–**	(186,513)
Balance at end of year	**(1,559)**	(188,072)
Total investments	**₱21,358,301**	₱18,795,088

Investments in Associates

Salak-Darajat

In 2017, the Group acquired an interest in Salak-Darajat, an investment holding company incorporated in Netherlands, with project companies located in Indonesia that have continuing interest in Chevron's geothermal assets and operations in Indonesia. The Indonesia assets and operations pertain to the Darajat and Salak geothermal fields in West Java, Indonesia, with a combined capacity of 637 MW of steam and power.

Dividends declared by Salak-Darajat amounted to US$6.93 million (₱336.41 million) and US$29.70 million (₱1,426.67 million) in 2021 and 2020.

The Group has significant influence over Salak-Darajat by virtue of its approval rights over key decision areas and material transactions through various reserved matters that are considered relevant activities.

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.

The Parent Company received dividends amounting to ₱20.00 million and ₱17.50 million in 2021 and 2020, respectively.

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

NIBHI, a joint venture development holding company with Zabaleta group, has signed binding agreements to divest its shareholdings in three biomass-fired power plants in the Visayas. Subject to certain conditions precedent, NIBHI would sell its equity stake to its partner, the Singapore-based ThomasLloyd CTI Asia Holdings Pte Ltd ("TLCTI Asia") which indirectly already owns over 90% of the economics of the equity ownership of the biomass-fired power plants and currently has a portfolio totaling 63.44 MW in generation capacity from biomass.

NIBHI issued irrevocable proxies to TLCTI Asia over the biopower shares on June 15, 2021 on the basis of the Heads of Terms Agreement signed on May 11, 2021. The Share Purchase Agreement between NIBHI and TLCTI Asia, as well as the Deeds of Absolute Sale, were executed on June 22, 2021.

In 2021, prior to the effectivity of the sale of NIBHI to TLCTI Asia, the Group recognized equity in net income of NIBHI amounting to ₱104.52 million and received dividends from NIBHI amounting to ₱69.32 million. Pursuant to the above transaction and agreement, the Group recovered cash proceeds from the redemption of redeemable preferred shares held by ACE Endevor amounting to ₱31.85 million and has sold of the remaining shares held by ACE Endevor to various stakeholders for a consideration of ₱40.98 million. After considering the cash proceeds from redemption and sale of shares in NIBHI, the Group recognized net gain from the divestment amounting to ₱37.64 million (see Note 26).

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.

(1) Others consists of investment in The Blue Circle Pte. Ltd., Negros Island Biomass Holdings, Inc., and Asia Coal Corporation (Asia Coal).

<u>Interest in Joint Ventures</u>
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%.

On October 18, 2021, the BOD of ACEN approved the acquisition, directly or through its nominated affiliate, of the ownership interest of UPC Philippines Wind Investment Co. BV (“UPC Philippines”) and Stella Marie L.Sutton in NLR. This will be acquired together with BWPC and other development special purpose vehicles for an aggregate consideration of up to ₱4.5 billion (subject to adjustments), subject to agreed conditions precedent including required partner, financing, and regulatory approvals, and subject further to execution of definitive documentation.

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 amounted to ₱1,062.16 million and ₱270.51million in 2021 and 2020.

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

On October 4, 2021, the 88 MW Ninh Thuan wind farm started commercial operations. Located in South Central Vietnam, the US$155 million wind farm features 22 units of GE Renewable Energy’s Cypress turbines.

In 2020, the Group entered into an Amendment and Supplement to Share Subscription Agreement for additional Common Shares, Class A Preferred Shares and Class B Preferred Shares for 30% ownership in BIMRE. As at December 31, 2020, the Group made a subscription deposit of US$5.63 million (₱280.41 million) for common shares and $3.96 million (₱190.11 million) for Class A and B Preferred Shares. Deposits for Class A and Class B Preferred Shares are classified under “Other financial assets at amortized cost”.

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

Dividends declared by BIMRE and BIME amounted US$4.06 million (₱205.79 million) and US$6.02 million (₱289.25 million) in 2021 and 2020.

Ingrid
On July 23, 2020, ACEIC, ACEN and ACED signed a Shareholders' Agreement with APHPC and Marubeni Corporation for the development, construction and operation of the 150 megawatt (MW) highspeed, diesel-fueled power plant under Ingrid. Under the Agreement, APHPC will acquire 50% of the voting shares and 50% of the economic rights in Ingrid while ACEN will hold 50% of the voting shares and 45% of the economic rights with ACE Endevor having a 5% share of the economic rights in Ingrid.

On November 24, 2020, the Philippine Competition Commission issued a decision confirming that the transaction "will not likely result in substantial lessening of competition and resolving to take no further action with respect to the transaction.

On March 18, 2021, the Parent Company 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. On August 10, 2021, Ingrid received the SEC's approval of Ingrid's amended Articles of Incorporation, and the Certificate of Approval of Increase in ACS, both issued on August 4, 2021. Following the subscription of APHPC, Ingrid will have a total subscribed capital of ₱1.97 billion.

On October 12, 2021, Ingrid and APHPC executed the second Subscription Agreement for the subscription by APHPC to an additional 112,000 Redeemable Preferred F Shares with a par value of ₱100 per share and 1,034,000 Redeemable Preferred G Shares with a par value of ₱100 per share to be issued out of the unissued ACS of Ingrid, to maintain the 50% interest in the shares and in the economic rights as provided in the 2020 Agreement.

Ingrid is among the Parent Company's wholly owned subsidiaries which were acquired from ACEIC in exchange for ACEN's own shares in 2020. Following the Shareholders' Agreement and the SEC's approval of Ingrid's increase in ACS, the Group loses control and recognizes the investment retained in the former subsidiary. The retained interest is remeasured upon deconsolidation of Ingrid's assets and liabilities from the consolidated statement of financial position and recognized a gain amounting to ₱21.81 million (see Note 26) in the consolidated statements of income. ACEN, ACED and APHPC have joint control with Ingrid over key decision areas and material transactions through various reserved matters.

In 2021, Ingrid started commercial operation of 150MW high-speed, diesel-fueled power plant project following the issuance of the Notice to Proceed (NTP) in December 2019. Ingrid's registered office address is 4th Floor, 6750 Building, Ayala Avenue, San Lorenzo, Makati City.

UPC-ACE Australia
On May 23, 2018, ACEIC participated in the Australian renewables market through a joint venture with international renewable energy developer, UPC Renewables. The Group has invested US$30.00 million (₱1,519.1 million) for 50% ownership in UPC's Australian business and is also providing US$200.0 million facility to fund project equity. Additional investments were made in 2021 amounting to US$5.75 million (₱278.60 million) for funding the NESF.

On October 18, 2021, the Parent Company's BOD approved to acquire the remaining 51.6% stake in UPC-AC Renewables Australia joint venture. This transaction will raise ACEN's ownership in the renewables development platform to 100%.

ACEN, through its subsidiary ACRI, will acquire the interest of its joint venture partners UPC Renewables Asia Pacific Holdings and Mr. Anton Rohner ("the Sellers") in UPC-AC Renewables Australia for a total consideration of US$243.3 million, subject to adjustments. The Sellers will in turn subscribe to up to 942 million common shares of ACEN with a subscription price of ₱11.32/share, subject to adjustments. The acquisition is subject to satisfaction of agreed conditions precedent, and consents and regulatory approvals, including the consent or non-objection of the Foreign Investment Review Board of Australia.

Moreover, on December 15, 2021, the stockholders of ACEN approved the issuance of up to 942 million Common Shares to the owners, affiliates, and/or partners of UPC Renewables Asia Pacific Holdings Pte Limited and Mr. Anton Rohner and the listing of the shares to be issued.

UPC Renewables Asia Pacific Holdings Pte Limited	880,369,204
Anton Rohner	61,630,796
Total ACEN shares to be issued	942,000,000
Subscription price per share	₱11.32
Total subscription price *(subject to adjustment)*	₱10,663,440,000

This material action was initially approved by the BOD of ACEN on October 18, 2021.

UPC Renewables Australia is developing the 1,000MW Robbins Island and Jim’s Plain solar project in Northwest Tasmania and the 700MW New England Solar Farm (NESF) located near Uralla in New South Wales. UPC Renewables Australia also has a further development portfolio of another 3000MW’s located in NSW, Tasmania and Victoria.

AAR
In 2018, the Group entered into a 50-50 joint venture agreement with AMI Renewables Energy Joint Stock Company to develop, construct, and operate renewable power projects in Vietnam. The joint venture company, New Energy Investments Corporation (NEI) is a holding company that holds direct ownership interest in the project companies. Its principal place of business and country of incorporation is in Vietnam. On December 27, 2018, NEI changed its business name to AMI AC Renewables Corporation.

On November 17, 2021, the 252 MW wind farm in Quang Binh, Vietnam has reached commercial operations. This is the third joint project of ACEN and AMI Renewables following the 50 MW Khanh Hoa and 30 MW Dak Lak solar farms which started operations in 2019.

UPC Asia III
In 2017, the Group signed investment agreements with UPC Renewables Indonesia Ltd to develop, construct and operate a wind farm in Sidrap, South Sulawesi, Indonesia (the “Sidrap Project”). The project was developed through PT UPC Sidrap Bayu Energi, a special purpose company based in Indonesia. The Sidrap Project, with generating capacity of 75 MW, started commercial operations in April 2018 and is the first utility-scale wind farm project in Indonesia. UPC Asia III’s principal place of business and country of incorporation is Hong Kong.

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

NAREDCO
On October 18, 2021, the BOD of ACEN approved ACEN’s joint venture with CleanTech Global Renewables, Inc. ("CleanTech"). CleanTech has assigned its rights and obligations under the joint venture to its wholly-owned subsidiary, CleanTech Renewable Energy 4 Corp. (“CREC4”).

NAREDCO, ACEN's joint venture project with CREC4, is a special purpose vehicle for the development of the proposed 200MWdc Lal-lo Solar Power Project in Lal-lo, Cagayan (the "Lal-lo Solar Power Project"). The planned capacity of Phase 1 is 100MWdc.

On December 17, 2021, ACEN and ACE Endevor signed subscription agreements with NAREDCO for the subscription to an aggregate of 82,500 common shares in NAREDCO with a par value of ₱100 per share for a total par value of ₱8,250,000. The subscribed shares is composed of (a) 45,000 common shares to be issued from NAREDCO's unissued capital stock, and (b) 37,500 common shares to be issued out of the increase in NAREDCO's ACS.

UPC AC Energy Solar Ltd.
In July 2020, ACEN, through its joint venture UPC-AC Energy Solar, issued a notice-to-proceed for a 140 MWdc solar plant ("Sitara Solar project") in Rajasthan, a desert state with the highest irradiation in India. The project utilizes Risen Energy monocrystalline panels.

In May 2021, despite the worsening pandemic situation in India, the 140 MWdc Sitara Solar project in Rajasthan started commercial operations. The project supplies energy to the Solar Energy Corporation of India. UPC-AC Energy Solar won the power supply agreement for Sitara Solar via a competitive bid at INR 2.48 per kWh, fixed over a 25-year period.

In October 2020, ACEN, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for a 70 MWdc solar plant ("Paryapt Solar project")in Gujarat, one of the first states to develop solar generation capacity in India and with its own target to set up 8,000MW of solar power by 2022. The Paryapt Solar Farm uses Jinko monocrystalline solar panels.

In April 2021, UPC-AC Energy Solar achieved a significant milestone with the start of commercial operations of its 70 MWdc Paryapt Solar project located in the State of Gujarat, India. The project is supplying energy to Gujarat Urja Vikas Nigam Ltd. UPC-AC Energy Solar won the power supply agreement for the project via a competitive bid at INR 2.55 per kWh, fixed over a 25-year period.

The development of these 210 MWp maiden solar farms in India involved an investment of around US$100 million. the solar farms are comprised of more than 466,000 solar panels which are capable to produce around 358 GWh annually, or an estimated 323,990 metric tonnes of CO2e avoided.

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 of Greencore 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 Citicore Solar Energy Corporation ("CSEC"), and Greencore, for the development, construction, and operation of the Project. On the same date, ACEN and ACE Endevor 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, respectively, to be issued out of the unissued ACS of Greencore. ACEN and ACE Endevor have fully paid their subscriptions.

The Project started construction in 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 of up to ₱2.68 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. Total amount drawn in 2021 amounted to ₱2.08 billion.

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 Solar Philippines Central Luzon Corporation ("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 ACS of SPCLC.

On June 25, 2021, ACEN signed an Omnibus Loan and Security Agreement with PIC (the "Borrower") and SP (the "Sponsor") for the financing of the various acquisition of project sites for solar power projects.

Under the Agreement, ACEN, as Lender, will be extending a term loan facility to the Borrower in the amount of up to ₱1.00 billion. The loan will be secured by (1) a real estate mortgage over the Borrower's and third-party mortgagors' title to, or rights and interests over, real assets in favor of ACEN, and (2) a mortgage and pledge over the shareholding of the Sponsor in one of its fully-owned subsidiaries. As at December 31, 2021, PIC has drawn ₱150.00 million from the facility (see Note 2).

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 December 31, 2021, commercial operations have not yet been achieved.

SPCLC was incorporated and registered with the Philippine SEC, primarily to develop and own solar projects, mainly in Central Luzon. The registered office address and principal place of business is at 20th Floor, Philamlife Tower, Makati City.

(2) Others consists of investment in UPC-AC Energy Solar Limited, PT UPC Sidrap Bayu Energi (formerly AC Energy International RE1), Masaya Solar Energy Pvt Ltd., Asian Wind Power 1 HK Ltd., Dai Phong Development, Investment Joint Stock Company, Asian Wind Power 2 HK Ltd., Indochina Wind Pte. Ltd., Vietnam Wind Energy Limited, AC Energy International RE 1 Pte. Ltd., Greencore Power Solutions 3, Inc. (Greencore) and Solar Philippines Central Luzon Corporation ("SPCLC").

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

2021 (Amounts in millions, except otherwise stated)

	PhilWind	Ingrid	UPC-ACE Australia	AAR	Salak-Darajat	BIMRE
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Associate	Joint venture
Functional currency	PHP₱	PHP₱	US$	VND (in billions)	US$	VND (in billions)
Dividends received	₱1,062.16	₱–	US$–	₫–	$6.93	₫33.48
Summarized Statements of Financial Position:						
Current assets	₱1,856.92	₱1,057.81	$ 2.60	₫979.21	$360.53	₫ 722.00
Noncurrent assets	7,252.95	1,293.16	207.27	9,056.26	2,501.69	5,703.73
Total assets	9,109.87	2,350.97	$209.87	₫10,035.47	$2,862.22	₫6,425.73
Current liabilities	596.32	458.89	11.17	471.15	88.22	1,329.41
Noncurrent liabilities	4,930.89	42.19	178.20	9,473.99	1,724.76	3,994.03
Equity	₱3,582.66	₱1,849.89	$ 20.50	₫ 90.33	$1,049.24	₫1,102.29
Share in equity	₱2,501.05	924.95	$10.25	(₫14.39)	$ 207.75	₫330.69
Notional goodwill	3,264.62	285.71	7.54	73.91	2.04	363.00
Others	–	–	–	–	–	–
Carrying value of investments in functional currency	₱5,765.68	₱1,210.66	$17.79	₫59.52	$209.79	₫693.69
Carrying value of investments in Philippine Peso	₱5,765.68	₱1,210.66	847.86	₱0.26	₱10,046.10	₱1.51
CTA	–	–	55.47	0.01	605.93	0.09
Carrying value of investments in reporting currency	₱5,765.68	₱1,210.66	₱903.33	₱0.28	₱10,652.03	₱1.60
Summarized Statements of Comprehensive Income:						
Revenue	₱2,892.55	451.08	$-	₫525.07	$349.70	₫1,165.48
Cost and expenses	1,127.22	483.99	15.70	554.65	234.61	704.23
Net income (loss)	1,765.33	(32.91)	(15.70)	(29.58)	115.09	461.25
Other comprehensive income	648.77	–	(1.82)	–	(5.54)	–
Total comprehensive income (loss) at functional currency	₱2,414.10	(₱32.91)	($17.52)	(₫29.58)	$109.54	₫461.25
Group's share in total comprehensive income (loss) at functional currency	₱974.01	(₱16.46)	($8.76)	(₫14.79)	$21.69	₫138.37
Total comprehensive income (loss) in Philippine Peso	₱2,414.10	(₱32.91)	(₱880.36)	(₱0.07)	₱5,504.25	₱1.06
Group's share in total comprehensive income (loss) in Philippine Peso	₱974.01	(₱16.46)	(₱439.64)	(₱0.02)	₱1,052.08	₱0.32

2020 (Amounts in millions, except otherwise stated)

	PhilWind	UPC-ACE Australia	AAR	Salak-Darajat	BIMRE
Classification	Joint venture	Joint venture	Joint venture	Associate	Joint venture
Functional currency	PHP₱	US$	VND (in billions)	US$	VND (in billions)
Dividends received	₱270.51	US$–	₫–	$29.70	₫139.87
Summarized Statements of Financial Position:					
Current assets	₱1,624.63	$2.93	₫1,068.40	$295.15	₫764.11
Noncurrent assets	7,542.68	94.83	2,096.12	2,473.35	5,989.20
Total assets	9,167.31	97.76	3,164.52	2,768.50	6,753.31
Current liabilities	445.95	2.31	301.08	55.25	1,655.87
Noncurrent liabilities	5,219.87	66.76	1,500.21	1,741.80	4,312.56
Equity	₱3,501.48	$28.69	₫1,363.23	$971.45	₫784.88
Share in equity	₱2,444.38	($10.45)	(₫36.33)	$192.00	₫573.19
Fair value adjustment on land	–	–	–	15.00	–
Notional goodwill	3,409.18	31.45	164.72	–	41.25
Others	–	–	–	(12.76)	0.05
Carrying value of investments	₱5,853.56	$21.00	₫128.39	$194.24	₫614.49
Carrying value of investments in Philippine Peso	₱5,853.56	₱1,018.39	₱0.33	₱10,282.41	₱1.42
CTA	–	(9.49)	(0.04)	(951.98)	(0.04)
Carrying value of investments in reporting currency	₱5,853.56	₱1,008.90	₱0.29	₱9,330.44	₱1.38

	PhilWind	UPC-ACE Australia	AAR	Salak-Darajat	BIMRE
Summarized Statements of Comprehensive Income:					
Revenue	₱ 2,826.10	$0.61	₫258.27	$338.24	₫1,052.16
Cost and expenses	1,293.27	2.16	298.85	266.47	610.90
Net income	1,532.83	(1.55)	(40.58)	71.77	441.26
Other comprehensive loss	–	–	–	1.89	–
Total comprehensive income at functional currency	₱1,532.83	($1.55)	(₫40.58)	$73.66	₫441.26
Group's share in total comprehensive income at functional currency	₱826.04	($0.78)	(₫20.29)	$14.58	₫132.38
Total comprehensive income in Philippine Peso	₱1,532.83	(₱77.08)	(₱82.72)	₱3,538.38	₱991.11
Group's share in total comprehensive income in Philippine Peso	₱826.04	(₱308.62)	(₱41.36)	₱667.90	₱284.02

2019 (Amounts in millions, except otherwise stated)

	PhilWind	UPC-ACE Australia	AAR	Salak-Darajat	BIMRE
Classification	Joint venture	Joint venture	Joint venture	Associate	Joint venture
Functional currency	PHP₱	US$	VND (in billions)	US$	VND (in billions)
Summarized Statements of Comprehensive Income:					
Revenue	₱1,885.15	$0.18	₫158.36	$332.27	₫702.63
Cost and expenses	1,071.29	5.38	168.15	247.41	421.40
Net income	813.86	(5.20)	(9.79)	84.86	281.23
Other comprehensive loss	(2.30)	–	–	(21.12)	–
Total comprehensive income at functional currency	₱811.56	($5.20)	(₫9.79)	$63.74	₫281.23
Group's share in total comprehensive income at functional currency	₱242.26	($2.60)	(₫4.90)	$12.62	₫84.37
Total comprehensive income in Philippine Peso	₱811.56	(₱263.87)	(₱21.35)	₱3,234.42	₱484.10
Group's share in total comprehensive income in Philippine Peso	₱242.26	(₱131.93)	(₱10.68)	₱640.42	₱145.23

Aggregate net income (loss) of immaterial associate and joint ventures as of December 31, 2021 and 2020 amounted to ₱136.95 million and (₱366.10) million, respectively.

10. Other Financial Assets at Amortized Cost

This account consists of:

	2021	2020 (As restated)
Redeemable preferred shares and subscription deposits	**₱12,766,483**	₱8,181,268
Convertible loans	**13,319,476**	7,115,837
Balance at end of year	**₱26,085,959**	₱15,297,105

Investment in redeemable preferred shares and subscription deposits

The rollforward analysis of this account follows:

	2021	2020 (As restated)
Balances at beginning of year	**₱8,181,268**	₱3,374,289
Subscription deposits	**3,150,370**	2,087,275
Conversion of subscription deposits	**(3,416,093)**	–
Subscription to redeemable preferred shares	**866,258**	2,899,776
Conversion to redeemable preferred shares	**3,417,430**	–
Cumulative translation adjustment	**567,250**	(180,072)
Balances at end of year	**₱12,766,483**	₱8,181,268

Investments in redeemable preferred shares

Investment in UPC Asia III
UPC Asia III owns 75 MW Wind Farm in South Sulawesi, Indonesia. Redeemable Class A preference shares in UPC Asia III are non-voting shares and are redeemable at the holder's option within 30 days from earlier of July 15, 2035 or date as soon as funds are realized by UPC Asia III or its subsidiaries. The shares are entitled to dividends at fixed, cumulative, and compounding rate annually, commencing from January 11, 2017.

As at December 31,2021 and 2020, investment in Redeemable Class A preferred shares amounted to US$21.86 million (₱1,110.14 million) and US$21.86 million (₱1,050.28 million), respectively. Interest income amounted to US$4.08 million (₱201.85 million), US$4.18 million (₱207.25 million) and US$4.64 million (₱222.88 million) 2021, 2020 and 2021, respectively.

Investment in AAR
AAR owns a combined 80 MW of Solar Farm in Khan Hoa and Dak Lak Province, Vietnam. Redeemable Class A and Class B preference shares in AAR are entitled to dividends at fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

In 2021, the Group converted its subscription deposits to Class A preferred shares for a total of US$55.84 million (₱2,835.19 million). In 2020, the Group subscribed to Class A preferred shares for a total of US$46.37 million (₱2,.227.27 million).

As at December 31, 2021 and 2020, investment in Redeemable Class A and B preferred shares amounted to US$122.16 million (₱6,202.34 million) and US$66.32 million (₱3,185.57 million), respectively. Interest income amounted to US$11.73 million (₱580.14 million), US$4.66 million (₱228.07 million) and US$2.24 million (₱107.86 million) in 2021, 2020 and 2019, respectively.

Investment in BIMRE
BIMRE owns 300 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, the Group converted deposit for future equity in BIMRE into 3,437,000 redeemable Class A preferred shares and 3,437,000 redeemable Class B preferred shares. The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.

In 2021, the Group subscribed to redeemable Class B for a total of US$0.01 million (₱0.03 million), while US$3.96 million (₱192.12 million) subscription deposits were converted to redeemable Class A and Class B preferred shares.

As at December 31, 2021 and 2020, investment in Redeemable Class A and Class B preferred shares amounted to US$24.39 million (₱1,238.21 million) and US$20.43 million (₱981.30 million), respectively. Interest income amounted to US$3.17 million (₱156.61 million), US$2.75 million (₱136.18 million) and US$2.34 million (₱112.55 million) in 2021, 2020 and 2021, respectively.

Investment in BIME
BIME owns 30 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, the Group converted deposit for future equity in BIME into 343,700 redeemable Class A preferred shares and 343,700 redeemable Class B preferred shares The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.

In 2021, The Group subscribed to redeemable Class B for a total of US$0.01 million (₱0.06 million).

As at December 31, 2021 and 2020, investment in Redeemable Class A and Class B preferred shares amounted to US$4.26 million (₱216.05 million) and US$4.25 million (₱204.34 million), respectively. Interest income amounted to US$0.55 million (₱27.44 million), US$0.56 million (₱27.58 million) and US$0.29 million (₱14.16 million) in 2021, 2020 and 2019, respectively.

Investment in UPC Solar
UPC Solar is currently developing solar farms with combined capacity of 210 MW in the Provinces of Rajasthan and Gujarat, India. During the years ended December 31, 2021 and 2020, the Group entered into different Share Subscription Agreement with UPC Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations.

In 2021 and 2020, the Group subscribed to Class A Redeemable preferred shares for a total of $17.50 million (₱866.17 million) and $14.00 million (₱672.50 million), respectively.

As at December 31, 2021 and 2020, investment in Class A Redeemable Preferred shares amounted to US$31.50 million (₱1,599.38 million) and US$14.00 million (₱672.50 million), respectively. Interest income amounted to US$2.54 million (₱125.54 million), US$0.25 million (₱12.28 million) and nil in 2021, 2020 and 2019, respectively.

Investment in BIM Wind
BIM Wind owns and operates an 88 MW wind project in the Province Ninh Thuan, Vietnam. The wind farms began operations on September 2021. The redeemable preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations.

In 2021, the Group converted its subscription deposits to redeemable preferred shares for a total of $7.68 million (₱390.11 million).

As at December 31, 2021 and 2020, investment in Redeemable preferred shares amounted to US$7.68 million (₱390.11 million) and nil, respectively. Interest income amounted to US$1.22 million (₱60.31 million) in 2021 and nil in 2020 and 2019, respectively.

Subscription Deposits

Subscription to BIMRE
The Group entered into an Amendment and Supplement to Share Subscription Agreement for additional Common Shares, Class A Preferred Shares and Class B Preferred Shares for 30.00% ownership in BIMRE. In 2020, the Group made subscription deposit amounting to $3.96 million (₱190.11 million) which was subsequently converted in 2021. As at December 31, 2021 and 2020, remaining unconverted subscriptions deposit amounted to nil and $3.96 million (₱190.11 million).

Subscription to AAR
On April 16, 2020, the Group entered into a Share Subscription and Deposit Agreement for additional Class A Preferred Shares of AAR. In 2021 and 2020, the Group subscribed to future Class A Preferred Shares amounting to $50.59 million (₱2,508.05 million) amounting to $7.52 million (₱361.41 million), respectively. Subscriptions amounting to $55.85 million (₱2,835.87 million) were partially converted to Class A Redeemable Preferred Shares of AAR in 2021, while nil in 2020. As at December 31, 2021 and 2020, remaining unconverted subscription deposit amounted to $2.26 million (₱114.88 million) and $7.52 million (₱361.41 million), respectively.

Subscription to BIM Wind
On July 7, 2020, the Group entered into a Share Subscription and Deposit Agreement for non-interest deposit with BIM Wind. In 2021 and 2020, the Group made subscription deposit amounting to $13.04 million (₱642.32 million) and $31.97 million (₱1,535.75 million), respectively. Subscriptions amounting to $7.68 million (₱390.11 million) was partially converted in 2021, while nil in 2020. As at December 31, 2021 and 2020, remaining unconverted subscription deposit amounted to $37.33 million (₱1,895.36 million) and $31.97 million (₱1,535.75 million), respectively.

Convertible loans

The rollforward analysis of this account follows:

	2021	2020 (As restated)
Balance at beginning of year	**₱7,115,837**	₱–
Additions	**6,542,561**	5,983,388
Redemptions	**(791,328)**	–
Cumulative translation adjustment	**452,406**	(63,841)
Reclassified from receivables from related parties	–	1,196,290
Balance at end of year	**₱13,319,476**	₱7,115,837

Investment in UPC Australia
On April 22, 2020, the Group entered into an agreement with UPC-ACE Australia, to make available a convertible term loan facility in an aggregate principal amount of $48.50 million (₱2,350.55 million) for NESF Project. On January 6, 2021, the Group entered an amended the convertible loan facility to increase the principal amount by $111,500,000 for Facility B Limit and $160,000,000 for Facility C limit. The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 30 years of drawn down date.

On June 30, 2020, the Group entered into an agreement with UPC-ACE Australia, to make available a convertible term loan facility in an aggregate principal amount of US$275.00 million (₱13,327.88 million) for Project Trace. The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 30 years of drawn down date.

In 2021, total amount drawn from the loan amounted to US$129.72 million (₱6,501.94 million) while total redemptions amounted to US$16.33 million (₱791.33 million).

On March 10, 2021, the outstanding convertible loan related to Project Trace was fully paid.

As at December 31, 2021 and 2020, outstanding balance of the convertible loan amounted to US$178.20 million (₱9,047.96 million) and US$64.81 million (₱3,113.09 million). Interest income amounted to US$12.15 million (₱600.20 million), US$1.95 million (₱94.78 million) and nil in 2021, 2020 and 2019, respectively.

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

Amounts drawn in 2021 and 2020 amounted to nil and US$38.00 million (₱1,825.37 million).

As at December 31, 2021 and 2020, outstanding balance of the convertible loan amounted to US$38.00 million (₱1,929.41 million) and US$38.00 million (₱1,825.37 million). Interest income amounted to US$4.90 million (₱242.27 million), US$2.87 million (₱140.70 million) and nil in 2021, 2020 and 2019.

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

As at December 31, 2021 and 2020, outstanding balance of the convertible loan amounted to US$24.58 million (₱1,247.77 million) and US$24.58 million (₱1,180.48 million), respectively. Interest income amounted to US$3.46 million (₱170.72 million), US$5.41 million (₱271.06 million) and US$1.96 million (₱94.17 million) in 2021, 2020 and 2019, respectively. In 2020, this was reclassified as “Other Financial Asset at Amortized Cost” upon reassessment of the features of the instrument.

Investment in Asian Wind Power 2 HK Ltd (Asian Wind 2)
On March 25, 2020, the Group entered into an agreement with Asian Wind 2, to make available a convertible term loan facility in an aggregate amount not exceeding US$23.00 million (₱1,114.70 million). The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A redeemable preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years of drawn down date.

In 2021 and 2020, total amount drawn from the loan amounted to US$0.80 million (₱40.62 million) and US$20.75 million (₱996.89 million).

As at December 31, 2021 and 2020, outstanding balance of the convertible loan amounted to US$21.55 million (₱1,094.33 million) and US$20.75 million (₱996.89 million). Interest income amounted to US$2.71 million (₱133.74 million), US$1.73 million (₱85.31 million) and nil in 2021, 2020 and 2019.

Convertible loan facilities bear interest ranging from 8.50% to 12.00% per annum.

11. Financial Assets at FVTPL

Compulsory Convertible Debenture of Masaya Solar Energy Private Limited (“Masaya Solar”)
On November 16, 2021 and December 9, 2021, the Group subscribed to 21,561,291 and 32,799,307, respectively, Compulsorily Convertible Debentures (CCDs) of Masaya Solar. Masaya Solar is currently constructing the 420MWp solar farm in the Central Indian state of Madhya Pradesh. Total cost of subscription amounted to $8.01 million (₱402.68 million).

The CCDs are unsecured and have a maturity date of 28 years from the date of allotment. Unless earlier converted, CCDs shall be converted into equity shares immediately after maturity date. Prior to maturity, Masaya Solar, has the option to convert the CCDs into equity shares in the ratio of 1:1.”

As at December 31, 2021, financial assets at FVTPL amounted to ₱406.74 million.

Investments in Infigen Energy Ltd. (“Infigen”)
On various dates in April, May and July 2020, the Group acquired 194,130,203 shares in Infigen which represents 20.00% ownership interest in Infigen. Infigen is an Australia-based renewable energy company that owns, develops and operates renewable energy generation assets. The shares of Infigen are listed and actively traded in the Australian Securities Exchange.

Total cost of the investment amounted to AU$159.61 million (₱5,672.10 million), inclusive of AU$5.56 million (₱197.54 million) directly attributable cost.

On September 9, 2020, the Group sold its 20.00% ownership interest at AU$0.92 per share resulting to realized mark-to-market gain of AU$24.54 million (₱867.07 million) presented under “Gain on sale of investments” account (see Note 26). The gain was subjected to corporate income tax of AU$5.56 million (₱197.68 million).

Investments in PHINMA Solar
On June 19, 2019, the Parent Company sold its remaining 50% interest in PHINMA Solar to PHINMA Corporation for ₱218.3 million which resulted in a gain of ₱1.38 million (see Note 26). The Parent Company recognized a share in PHINMA Solar's net loss amounting to ₱0.03 million for the period January 1 to June 19, 2019.

12. **Financial Assets at FVOCI**

	2021	2020 (As restated)
Current:		
AYC Finance Limited (AYCFL)	**₱–**	₱12,620,756
Noncurrent:		
UPC Sidrap HK Limited	**₱353,657**	₱379,957
Golf club shares	**1,190**	1,190
Listed shares of stock	**21**	21
	₱354,868	₱381,168

On May 14, 2019, the Group subscribed to 41.22 million redeemable preference shares at par value of US$10 per share in AYCFL, an unconsolidated affiliate of the Group. The subscribed redeemable preferred shares amounting to $412.20 million (₱21,186.00 million) are cumulative, non-voting and redeemable by AYCFL, at its sole option, at price and terms to be determined by its directors.

On September 14, 2020, the BOD of AYCFL approved to redeem a total of 15.00 million redeemable preferred shares at US$10.00 per share for a total of US$150.00 million (₱7,275.90 million) which took effect on September 18, 2020. Total unrealized fair value gain that was reclassified to retained earnings upon redemption is at US$0.23 million (₱11.10 million).

On April 21, 2021, the BOD of AYCFL approved to redeem the remaining 26.22 million redeemable preferred shares at US$10.00 per share for a total of US$262.20 million (₱12,687.86 million) which took effect on April 23, 2021.

The movements in net unrealized (loss) gain on financial assets at FVOCI for the year ended are as follows:

	2021	2020 (As restated)
Balance at beginning of year	**₱143,625**	(₱26,546)
Unrealized (loss) gain recognized during the year	**(44,909)**	92,821
Reversal of unrealized fair value gain upon redemption	**(25,906)**	(11,105)
Effect of business combinations under common control (Note 32)	**(162,899)**	88,455
Balance at end of year	**(₱90,089)**	₱143,625

In 2021, 2020 and 2019, dividend income earned from UPC Sidrap amounted to ₱11.73 million ($0.24 million), ₱14.03 million ($0.29 million) and ₱15.75 million ($0.29 million).

13. **Property, Plant and Equipment**

The details and movements of this account for the years ended December 31 are shown below:

	2021							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	₱1,202,277	₱8,270,052	₱25,179,237	₱86,949	₱339,436	₱192,269	₱6,080,900	₱41,351,120
Additions	42,877	77,775	973,074	34,733	208,637	51,719	4,159,620	5,548,435
Transfer to noncurrent assets held for sale	–	(26,618)	(677,477)	(2,988)	(16,191)	(4,620)	–	(727,894)
Transfer from right-of-use assets	–	–	672,133	–	–	–	–	672,133
Transfer from investment property	438,374	–	–	–	–	–	–	438,374
Transfer from advances to contractors	–	–	2,207	–	–	–	127,393	129,600
Transfer to intangibles	–	–	–	–	(243)	–	–	(243)
Deconsolidation	–	–	–	(2,433)	–	–	(588,264)	(590,697)
Disposals and retirement	–	–	(645)	(10,079)	–	(610)	(464)	(11,798)
Reclassification	(77,010)	(73,150)	5,370,423	(3,412)	296,117	(22,880)	(5,490,088)	–
Balance at end of year	1,606,519	8,248,059	31,518,952	102,770	827,755	215,878	4,289,097	46,809,030
Accumulated depreciation								
Balance at beginning of year	16,773	1,693,436	7,045,930	47,736	101,853	90,299	–	8,996,027
Depreciation (Notes 23 and 24)	14,683	357,125	1,058,964	4,699	90,760	47,956	–	1,574,187
Transfer to noncurrent assets held for sale (Note 8)	–	(3,426)	(236,203)	(2,988)	(202)	(3,379)	–	(246,198)
Transfer to intangibles (Note 16)	–	–	–	–	(27)	–	–	(27)
Deconsolidation (Note 9 and 26)	–	–	–	(463)	–	–	–	(463)
Disposals and retirement	–	–	–	(7,405)	–	(469)	–	(7,874)
Reclassifications	–	(12,184)	(209,764)	(2,728)	237,229	(12,553)	–	–
Balance at end of year	31,456	2,034,951	7,658,927	38,851	429,613	121,854	–	10,315,652
Accumulated impairment loss								
Balance at beginning of year	–	–	352,064	–	14,890	–	150,189	517,143
Provision for impairment loss (Note 24)	–	–	77,858	–	–	–	223,555	301,413
Reversals (Note 26)	–	–	(75,118)	–	(14,890)	–	–	(90,008)
Retirement	–	–	(464)	–	–	–	–	(464)
Transfer to noncurrent assets held for sale (Note 8)	–	–	(273,269)	–	–	–	–	(273,269)
Balance at end of year	–	–	81,071	–	–	–	373,744	454,815
Net Book Value	₱1,575,063	₱6,213,108	₱23,778,954	₱63,919	₱398,142	₱94,024	₱3,915,353	₱36,038,563

	2020 (As restated)							
	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost								
Balance at beginning of year	₱1,177,004	₱8,033,011	₱23,024,374	₱66,048	₱199,444	₱153,047	₱426,124	₱33,079,052
Step acquisition of ISLASOL and SACASOL (Note 31)	283,450	384,724	1,264,699	896	180,884	5,143	–	2,119,796
Additions	25,683	32,929	581,841	26,541	33,922	49,253	5,702,253	6,452,422
Transfer to investment property (Note 12)	(283,860)	–	–	–	–	–	–	(283,860)
Transfer from right-of-use assets (Note 14)	–	12,685	–	–	–	–	12,142	24,827
Transfer from development costs	–	–	–	–	–	–	7,297	7,297
Transfer from noncurrent assets held for sale (Note 8)	–	–	3,547	–	–	–	–	3,547
Transfers from advances to contractors (Note 7)	–	–	–	–	–	–	14,593	14,593
Insurance claims	–	–	–	–	–	–	(35,282)	(35,282)
Disposals and retirement	–	(20,719)	–	(8,412)		(2,384)	–	(31,515)
Reclassification	–	(172,578)	304,776	1,876	(74,814)	(12,790)	(46,227)	243
Balance at end of year	1,202,277	8,270,052	25,179,237	86,949	339,436	192,269	6,080,900	41,351,120
Accumulated depreciation								
Balance at beginning of year	4,703	1,574,440	5,647,718	40,505	118,634	118,038	–	7,504,038
Depreciation (Note 24)	12,070	332,392	1,102,321	15,091	21,266	33,457	–	1,516,597
Disposals and retirement	–	(14,453)	–	(8,412)	–	(1,743)	–	(24,608)
Reclassifications	–	(198,943)	295,891	552	(38,047)	(59,453)	–	–
Balance at end of year	16,773	1,693,436	7,045,930	47,736	101,853	90,299	–	8,996,027
Accumulated impairment loss								
Balance at beginning of year	–	933	81,536	–	–	–	53,569	136,038
Provision for impairment loss (Note 24)	–	–	270,528	–	14,890	–	96,620	382,038
Reversals (Note 26)	–	(933)	–	–	–	–	–	(933)
Balance at end of year	–	–	352,064	–	14,890	–	150,189	517,143
Net Book Value	₱1,185,504	₱6,576,616	₱17,781,243	₱39,213	₱222,693	₱101,970	₱5,930,711	₱31,837,950

Significant Additions During the Year
In 2021, the Group invested significant capital expenditures related to the following projects:
- ₱1,186.19 million for its 160 MW Balaoi and Caunayan wind power project in Pagudpud, Ilocos Norte through its subsidiary, BWPC;
- ₱963.49 million for its 40-MW battery energy storage system (BESS) project in Alaminos, Pangasinan through its subsidiary, Giga Ace 4;
- ₱572.02 million for its 120 MW solar farm project in Alaminos, Laguna through its subsidiary, SolarAce1;
- ₱408.61 million for its 60 MW solar power project in Palauig, Zambales through its subsidiary, Gigasol 3;
- ₱158.10 million for its 4.375 MWdc Renewable Energy Laboratory Facility with Energy Storage System Project in Mariveles Bataan through its subsidiary, BSEI.
- ₱109.91 million for its purchase of parcels of land located at Barrio Poonbato, Botolan, Zambales through its subsidiary, BCHC; and,
- ₱68.84 million for its purchase of generator rotor for its Unit 2 122 MW thermal plant in Calaca, Batangas through its subsidiary, SLTEC.

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;
- ₱464.75 million for its 150 MW diesel-fired power facility in Pililia, Rizal through its subsidiary, Ingrid.
- ₱1,657.69 million for its 60 MW solar power project in Palauig, Zambales through its subsidiary, Gigasol 3;
- ₱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.

In 2021 and 2020, the Group acquired assets with a total cost of ₱5,548.43 million and ₱6,452.42 million, respectively, excluding property, plant and equipment acquired through business combinations. The net book value of assets acquired through the business combination with SACASOL and ISLASOL amounted to ₱618.94 million and ₱1,500.86 million, respectively (see Note 31).

Non-cash component in the total additions amounted to ₱33.33 million and ₱192.96 million in 2021 and 2020, respectively (see Note 37).

Disposals
Assets (other than those classified as held for sale) with a net book value of ₱3.92 million and ₱6.91 million were disposed by the Group during 2021 and 2020, respectively. This resulted in a net gain of ₱1.10 million and net loss of ₱4.28 million in 2021 and 2020, respectively (see Note 26).

Impairment Losses
In 2021, provision for impairment include ₱77.86 million for ACEN PB 101 and 102, ₱219.53 million for BSEI's construction-in-progress, and ₱4.02 million other various construction-in-progress. Reversals during the year include ₱75.12 million for ACEN PB 102 and 103 and ₱14.89 million for BSEI's tools and miscellaneous assets which were subsequently reclassified to assets held for sale (see Notes 8 and 26).

In 2020, provision for impairment include ₱270.53 million for ACEN PB 102 and 103, while other provisions amounting to ₱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.

The Bataan Project's impairment of assets is consistent with the Group's assessment as at December 31, 2021 and 2020, respectively (see Note 3).

Mortgaged Property and Equipment
Guimaras Wind's wind farm with carrying value of ₱3,702.37 million and ₱3,909.77 million as at December 31,2021 and 2020, respectively, included under "Machinery and Equipment" account is mortgaged as security for the long-term loan. (see Note 19).

Pledges of Shares, Assignment of Receivables and all Material Contracts
As security for the timely payment, discharge, observance and performance of the secured obligations, ACEN, and APHPC, to the extent of their ownership interests in SLTEC, pledged shares owned by it, whether now owned or existing or hereafter acquired to the Security Trustee for the benefit of the Lenders and the Security Trustee.

In addition, SLTEC, and ACEN and/or APHPC, as the relevant Sponsor under the New Omnibus Agreement, have assigned, conveyed and transferred unto the Security Trustee, for the benefit of the Lenders and the Security Trustee, all of its respective rights, title and interest in, to and under the following: (i) all monies standing in the cash flow waterfall accounts, with respect to SLTEC; (ii) all project receivables, with respect to SLTEC; (iii) the proceeds of any asset and business continuity insurance obtained by SLTEC; (iv) any advances or subordinated loans, if any, granted by any of ACEN and APHPC to SLTEC; and (v) the proceeds, products and fruits of those provided under items (i) to (iv) hereof.

SLTEC, as continuing security for the timely payment and discharge of the secured obligations, has also assigned, conveyed and transferred to the Security Trustee all of its rights, title and interests in and to the Project Agreements to which it is a party. Project agreements include: (i) power purchase agreements; (ii) all fuel oil purchase agreements, together with corresponding performance guarantees and bonds having a total amount of at least ₱25.00 million per agreement; (iii) all operations and maintenance agreements, together with corresponding performance guarantees and bonds, for the operation and maintenance of the power plant; (iv) all asset and business continuity insurance obtained in relation to the power plant and its operation; (v) government approvals obtained by SLTEC in relation to the ownership, operation and maintenance of the power plant, except governmental approvals covered by excluded assets; and (vi) any and all other material contracts as may be agreed upon by SLTEC and the Lenders.

Insurance Claims
In 2020, SLTEC recognized a claim amounting to ₱35.28 million as compensation for the property damage covered by industrial all risk insurance. This was deducted from the construction-in progress.

Total depreciation charged to operations amounted to ₱1,495.08 million, ₱1,673.65 million and ₱958.83 million in 2021, 2020 and 2019, respectively. The amount charged to "General and administrative expenses" account amounted to ₱79.10 million, ₱41.58 million and ₱4.60 million in 2021, 2020 and 2019, respectively (see Note 24).

The Group has no significant property, plant and equipment which are temporarily idle as at December 31, 2021 and 2020.

The Group's fully depreciated property, plant and equipment which are still in use as at December 31, 2021 and 2020 amounted to ₱1,912.45 million and ₱1,769.08 million, respectively.

14. Right-of-Use Assets and Lease Liabilities

The rollforward analysis of these accounts follows:

	2021						
	Right-of-Use Assets						
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Leasehold Rights	Total	Lease Liabilities
As at January 1, 2021	**₱357,573**	**₱1,923,002**	**₱43,112**	**₱19,717**	**₱–**	**₱2,343,404**	**₱1,916,629**
New lease agreements	**27,269**	**196,100**	**1,010,393**	**7,346**	**1,615**	**1,242,723**	**1,150,838**
Amortization expense (Notes 23 and 24)	**(9,157)**	**(142,690)**	**(118,145)**	**(1,433)**	**(538)**	**(271,963)**	**–**
Transfers to Property, Plant, and Equipment (Note 13)	**–**	**(672,133)**	**–**	**–**	**–**	**(672,133)**	**–**
Reclassifications	**(221,251)**	**(8,771)**	**–**	**230,022**	**–**	**–**	**–**
Remeasurement due to lease modification	**–**	**(8,114)**	**–**	**–**	**–**	**(8,114)**	**(31,119)**
Capitalized Amortization/ Interest Expense	**(88)**	**(3,438)**	**–**	**(22,055)**	**–**	**(25,581)**	**1,780**
Deconsolidation (Note 9)	**–**	**(468,444)**	**–**	**–**	**–**	**(468,444)**	**(78,051)**
Interest expense (Note 25)	**–**	**–**	**–**	**–**	**–**	**–**	**164,416**
Payments	**–**	**–**	**–**	**–**	**–**	**–**	**(450,271)**
Foreign exchange adjustments	**–**	**–**	**–**	**(4,413)**	**–**	**(4,413)**	**22,030**
As at December 31, 2021	**₱154,346**	**₱815,512**	**₱935,360**	**₱229,184**	**₱1,077**	**₱2,135,479**	**₱2,696,252**

	2020						
	Right-of-Use Assets						
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Leasehold Rights	Total	Lease Liabilities
As at January 1, 2020	₱376,269	₱522,786	₱31,742	₱12,184	₱8,769	₱951,750	₱981,538
Acquired from SACASOL (Note 31)	–	588,380	–	–	–	588,380	523,006
Acquired from ISLASOL (Note 31)	–	407,721	–	–	–	407,721	367,798
New lease agreements	191	658,495	46,441	8,530	–	713,657	251,478
Amortization expense (Note 24)	(18,887)	(121,264)	(22,386)	(997)	(8,769)	(172,303)	–
Transfers to Property, Plant, and Equipment (Note 13)	–	(12,142)	(12,685)	–	–	(24,827)	–
Lease termination	–	(4,864)	–	–	–	(4,864)	–
Remeasurement due to lease modification		(116,110)	–	–	–	(116,110)	(116,110)
Interest expense (Note 25)	–	–	–	–	–	–	171,097
Payments	–	–	–	–	–	–	(239,767)
Foreign exchange adjustments	–	–	–	–	–	–	(22,411)
As at December 31, 2020	₱357,573	₱1,923,002	₱43,112	₱19,717	₱–	₱2,343,404	₱1,916,629

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.
- ACES – rental of office in BGC PSE Tower with 7 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 rights of way use to connect to the grid.
- SACASOL - lease of land for its solar power facility and office building.
- MONTESOL - lease of land for its solar power facility.
- NorthWind - lease of land for its wind power facility (Phase I-II) in Bangui, Ilocos Norte and rental of office space with parking slots in 22nd Floor of Ayala Tower.

- 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

SLTEC's lease agreement was terminated effective May 31, 2020.

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 Parent Company recognized the related right-of-use asset and lease liability amounting to ₱1,024.86 million and ₱1,024.35 million, respectively, arising from this lease agreement, which are treated as non-cash items in the consolidated statement of cash flows (see Note 37).

For the year ended December 31, 2021 and 2020, the total cash outflow in respect of leases amounted to ₱450.27 million and ₱239.78 million, respectively. Interest expense in relation to lease liabilities in 2021, 2020 and 2019 amounted to ₱164.42 million, ₱171.10 million and ₱57.22 million, respectively, and is presented as part of "Interest and Other Finance Charges" in the consolidated statements of income (see Note 25).

In 2021, BCHC remeasured its lease liability due to annual increase of rental fee to annual inflation rate (CPI). ISLASOL recognizes the present value of the obligation to dismantle the plant and capitalizes the present value of this cost as part of the balance of the right-of-use assets, which are being depreciated and amortized on a straight-line basis over the shorter of their estimated useful life and lease term. These restoration activities include dismantling and removing structure, dismantling the operation facilities, closure of the plant restoration and revegetation of affected area. In this regard, ISLASOL established an obligation to recognize its estimated liability for asset retirement. For SACASOL and MONTESOL, the actual dismantlement and removal cost could vary substantially from this year estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment and/or actual time required to complete all dismantlement and removal activities. Adjustment, if any, to the estimated amount will be recognized prospectively as they become known and reliably estimable. SACASOL and MONTESOL has remeasured its asset retirement obligation as of December 31, 2021 which is a deduction to ROU asset.

Moreover, the Group recognized amortization expense for its right-of-use asset amounting to ₱271.96 million, ₱172.30 million and ₱91.25 million and is presented as part of Depreciation and amortization in the consolidated statements of income in 2021, 2020 and 2019, respectively (see Notes 23 and 24).

There was no indication of impairment on the right-of-use asset of the Group as at December 31, 2021 and 2020.

15. **Investment Properties**

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

In 2021, ₱438.38 million were reclassified to property, plant and equipment as the properties were being used by the ACEN's subsidiaries, SCSE, Giga Ace 9, and SolarAce2 in the ongoing construction of power plant facilities.

As at December 31, 2021, the remaining balance in investment properties pertains to BCHC's land amounting to ₱13.09 million.

In 2021 and 2020, BCHC purchased a 1.92-hectare land located in Botolan, Zambales amounting to ₱109.91 million and a 1.79-hectare land in located in Binugao, Toril, Davao City amounting to ₱44.60 million, respectively. 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 in the account in 2020 included a reclassification from property, plant and equipment of a land owned by BCHC amounting to ₱283.86 million with the Group's intention to lease out.

16. **Goodwill and Other Intangible Assets**

Changes in goodwill and other intangible assets for the year ended December 31, 2021 and 2020 are as follows:

	2021				
	Goodwill	**Deferred Exploration Costs**	**Leasehold and Water Rights**	**Other Intangible Assets**	**Total**
Cost:					
Balance at beginning of year	**₱246,605**	**₱121,975**	**₱185,104**	**₱2,191,814**	**₱2,745,498**
Additions/Cash calls	–	**19,766**	–	**1,998**	**21,764**
Reclass from PPE (Note 13)	–	–	**243**	–	**243**
Balance at end of year	**246,605**	**141,741**	**185,347**	**2,193,812**	**2,767,505**
Accumulated amortization:					
Balance at beginning of year	–	–	**32,610**	**113,696**	**146,306**
Amortization (Notes 23 and 24)	–	–	**8,120**	**151,595**	**159,715**
Reclass from PPE (Note 13)	–	–	**27**	–	**27**
Balance at end of year	–	–	**40,757**	**265,291**	**306,048**
Accumulated impairment:					
Balance at beginning of year	–	**62,098**	–	–	**62,098**
Impairment (Note 24)	–	**23,379**	–	–	**23,379**
Balance at end of year	–	**85,477**	–	–	**85,477**
Net book value	**₱246,605**	**₱56,264**	**₱144,590**	**₱1,928,521**	**₱2,375,980**

	2020 (As restated)				
	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 (Notes 23 and 24)	–	–	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. On January 1, 2019, the leasehold rights were reclassified as right-of-use assets.

Solienda, Inc. ("Solienda") holds leasehold rights on its contracts of lease with San Carlos Sun Power, Inc., San Carlos Biopower Inc. and SACASOL. As at December 31, 2021 and 2020, the carrying amount of the leasehold rights amounted to ₱137.24 million and ₱144.69 million, respectively.

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

Water Supply Contract

HDP holds a water supply contract with San Carlos Bioenergy, Inc with a remaining useful life of 16 years. The carrying amount as at December 31, 2021 and 2020 amounted to ₱7.35 million and ₱7.81 million respectively.

Other Intangible Assets

Intangible assets amounting to ₱2,191.81 million arising from an identifiable FIT contract with remaining useful life of 13 years was recognized from the acquisition of SACASOL. The carrying amount as at December 31, 2021 and 2020 amounted to ₱1,928.52 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. This requires an estimation of the value in use of the related CGU. The value in use calculation requires the Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Key assumptions used in the value-in-use calculations
The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Forecasted revenue growth - Revenue forecasts are management's best estimates considering factors such as historical/industry trend, target market analysis, government regulations and other economic factors.
- EBITDA margin - It is a measure of a firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation, interest expenses and changes in net working capital and maintenance capital expenditures in arriving the free cash flow.
- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

An increase of 100 basis points in the Group's pre-tax discount rate will not result in an impairment of goodwill.

Management used an appropriate discount rate for cash flows which is consistent with the valuation practice. The management used the weighted average cost of capital (WACC) wherein the source of the cost of equity and debt financing are weighted. The post-tax discount rates of 8.4% to 10.4% and 7.7% to 9.7% were used in 2021 and 2020. The Group used a capital structure of 46.3% and 53.7% debt/equity (DE) ratio based on industry-comparable weights and the growth rate used in extrapolating cash flows beyond the period covered by the Group's recent budget was 3% in 2021 and 2020.

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

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

	2021	2020
Petroleum and gas:		
SC 55 (Southwest Palawan)	**₱55,677**	₱36,639
SC 6 (Northwest Palawan)		
Block A	**23,966**	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
	141,741	121,975
Allowance for impairment loss	**(85,477)**	(62,098)
Net book value	**₱56,264**	₱59,877

Below is the rollforward analysis of the deferred exploration costs:

	2021	2020
Cost:		
Balances at beginning of year	**₱121,975**	₱108,139
Additions - cash calls	**19,766**	13,836
Balance at end of year	**141,741**	121,975
Allowance for a probable loss:		
Balances at beginning of year	**62,098**	62,098
Provision for probable loss	**23,379**	–
Balance at end of year	**85,477**	62,098
Net book value	**₱56,264**	₱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, from which, ACEX holds 7.78% participating interests. SC 6A does not have any commercial operations. Provision for probable loss was recognized for SC 6A amounting to ₱23.4 million. In the fourth quarter of 2021, SC 6A consortium paid its outstanding financial obligations to the DOE in full as required for the DOE's approval of the relinquishment of the service contract. Write-off of SC 6A will be done upon receipt of DOE approval.

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

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

17. Other Noncurrent Assets

	2021	2020 (As restated)
Advances to suppliers	**₱2,531,010**	₱850,384
Development costs	**428,074**	309,395
Deposits	**165,164**	105,337
Derivative asset (Notes 7, 18 and 34)	**–**	35,046
Others	**40,979**	3,598
	₱3,165,227	₱1,303,760

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.

Derivative asset includes non-current portion of foreign exchange forward contracts.

18. Accounts Payable and Other Current Liabilities

	2021	2020 (As restated)
Trade	**₱2,534,044**	₱1,183,743
Accrued expenses	**1,274,403**	641,683
Output VAT - net	**1,022,706**	946,529
Nontrade (Note 20)	**425,619**	2,729,529
Due to related parties (Note 29)	**286,870**	629,902
Derivative liability (Notes 7 and 34)	**241,744**	3,300
Accrued interest expenses	**196,177**	203,972
Retention payables	**136,075**	74,974
Accrued directors' and annual incentives (Note 29)	**23,352**	30,574
Contract liabilities	–	4,132
Others	**139,839**	41,852
	₱6,280,829	₱6,490,190

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

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

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.

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 ₱2.04 billion which was paid in 2021.

Derivative liability pertains to foreign exchange forward contracts maturing within 12-month period (see Notes 7 and 34).

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

19. **Loans**

Long-term loans
This account consists of:

	2021	2020 (As restated)
SLTEC long-term loans	**₱9,812,500**	₱10,587,500
ACEN long-term loans	**7,968,550**	8,128,347
NorthWind loan	**2,092,540**	2,233,530
Guimaras Wind term-loan facility	**1,280,524**	1,410,268
BWPC long-term loans	**–**	135,383
	21,154,114	22,495,028
Less unamortized debt issue costs	**211,893**	240,873
	20,942,221	22,254,155
Less current portion of long-term loans (net of unamortized debt issue costs)	**824,488**	707,782
Noncurrent portion	**₱20,117,733**	₱21,546,373

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

	2021	2020 (As restated)
As at beginning of year	**₱240,873**	257,071
Additions	**7,970**	28,500
Amortization/accretion (Note 25)	**(36,950)**	(44,698)
As at end of year	**₱211,893**	₱240,873

SLTEC

On April 29, 2019, SLTEC entered into an Omnibus Loan and Security Agreement (the "New Omnibus Agreement") with the following:

a) BDO, SBC and Rizal Commercial Banking Corporation ("RCBC") as the Lenders;
b) AC Energy, ACEN, and APHC as the Sponsors;
c) BDO Capital & Investment Corporation as the Mandated Lead Arranger and Sole Bookrunner;
d) RCBC Capital Corporation and SB Capital Investment Corporation as the Lead Arrangers; and,
e) 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 SLTEC as permitted by law and other agreements to which SLTEC is a party and to fund its general corporate requirements. Tenor of the loan in 12 years from initial drawdown date.

SLTEC incurred deferred financing costs amounting to ₱188.70 million in connection with the credit facility obtained from creditor banks.

On May 7, 2019, SLTEC paid-off the outstanding loans payable from the old Omnibus Agreement amounting to ₱10,950.00 million using the proceeds from the New Omnibus Agreement with principal amount of ₱11,000.00 million received on the same date. SLTEC accounted for the transaction as an extinguishment of a financial liability. The difference between the carrying amount of the old loan and the total consideration paid amounting to ₱78.10 million was charged to interest expense.

Consequently, SLTEC also paid prepayment penalties amounting to ₱25.36 million which was recorded as other financing charge. Furthermore, SLTEC paid additional gross receipts tax due to the pre-termination of the old loan of ₱161.18 million which was as other financing charge.

Details of the loan are as follows:

a) Interest

SLTEC 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. Interest rates range from 4.44% to 7.11% for the New Omnibus Agreement and 4.49% to 6.60% for the old Omnibus Agreement.

b) Repayment

The principal amount shall be paid in consecutive semi-annual installments on each of the repayment dates as specified in the New Omnibus Agreement, adjusted to coincide with the relevant interest payment date occurring in the same month (each, a “Repayment Date”) with a final repayment date falling on the last day of the initial term. Provided it is not in default in the payment of any sum due, SLTEC may, at its option, prepay the loan in part or in full on any Interest Payment Date together with accrued interest thereon up to and including the date immediately preceding the date of prepayment, subject to prepayment penalties ranging from nil to 1.25%.

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.

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.

On May 7, 2021, SLTEC made a partial Cash Sweep Prepayment of ₱500.00 million on its loan. The remaining principal balance of the loan is ₱9,950.00 million.

SLTEC, as the relevant Sponsor under the New Omnibus Agreement, had assigned, conveyed and transferred unto the Security Trustee, for the benefit of the Lenders and the Security Trustee, all of its respective rights, title and interest in, to and under the following:
(i) all monies standing in the cash flow waterfall accounts, with respect to SLTEC;
(ii) all project receivables, with respect to SLTEC;
(iii) the proceeds of any asset and business continuity insurance obtained by SLTEC;
(iv) any advances or subordinated loans, if any, granted by any of ACEIC, ACEN and APHPC to SLTEC; and
(v) the proceeds, products and fruits of those provided under items (i) to (iv) hereof.

SLTEC, as continuing security for the timely payment and discharge of the secured obligations, has also assigned, conveyed and transferred to the Security Trustee all of its rights, title and interests in and to the Project Agreements to which it is a party. Project agreements include:

(i) power purchase agreements;
(ii) all fuel purchase agreements, together with corresponding performance guarantees and bonds having a total amount of at least 25.00 million per agreement;
(iii) all operations and maintenance agreements, together with corresponding performance guarantees and bonds, for the operation and maintenance of the power plant;
(iv) all asset and business continuity insurance obtained in relation to the power plant and its operation;
(v) government approvals obtained by SLTEC in relation to the ownership, operation and maintenance of the power plant, except governmental approvals covered by excluded assets; and any and all other material contracts as may be agreed upon by SLTEC and the Lenders.

ACEN

The relevant terms of the long-term loans of the Parent Company are as follows:

Description	Interest Rate (per annum)	Terms	2021	2020
₱5.00 billion loan with Banco De Oro Unibank, Inc. (BDO)	5.0505% per annum for the first 5 years; repricing for the succeeding 5 years is the average of the 5-year BVAL, three (3) days prior to Repricing Date, plus a margin of ninety basis points per annum (0.90%), with the sum divided by 0.95	Availed on November 15, 2019, payable in semi-annual installment within 10 years with final repayment on November 14, 2029; contains negative pledge	**₱4,859,633**	₱4,901,881
₱7.00 billion loan with China Banking Corporation (CBC)	Fixed at a rate of 5.00% per annum which shall be payable at the end of the interest period of six months	Availed on July 10,2020. First and second drawdown amounting to ₱500 million and ₱1,000 million have 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 eighteenth (18th) month from the initial drawdown date; contains negative pledge.	**1,490,093**	1,489,118
₱4.50 billion loan with Development Bank of the Philippines (DBP)	Availed as a Floating Rate Trance, on each Interest Payment Date at a rate equivalent to the average of the 6-month BVAL for the 3 Banking Days immediately preceding the Drawdown Date at end of each applicable Interest Period thereafter plus a margin of 1.00% per annum or the BSP Lending Rate plus a margin of 0.25% per annum, whichever is higher	Availed on March 30, 2021, payable in semi-annual installments within 10 years to commence 6 months after Drawdown Date with final repayment on March 30, 2031; ; contains negative pledge.	**799,380**	–
₱1.18 billion loan with Security Bank Corporation (SBC)	Fixed at a rate of 6.50% per annum which shall be payable at the end of the interest period of six months	Availed on January 11, 2017 payable in semi-annual installments within 12.5 years to commence 6 months after the Drawdown Date and every 6 months thereafter with final repayment on July 11, 2029; contains negative pledge	**766,504**	837,640

(Forward)

Description	Interest Rate (per annum)	Terms	2021	2020
₱1.18 billion loan with DBP	Fixed at a rate of 6.00% for the first 7 years; repricing for the last 5.5 years, the higher of 5-year PDST-R2 plus a spread of 1.625% or 6.25%	Availed on January 10, 2017 payable in semi-annual installments within 12.5 years to commence 6 months after the Drawdown Date and every 6 months thereafter with final repayment on July 10, 2029; contains negative pledge	**₱–**	₱837,680
Carrying value (net of unamortized debt issue costs and embedded derivatives of ₱52.94 million and ₱62.03 million as at December 31, 2021 and 2020, respectively)			**₱7,915,610**	₱8,066,319

In 2021 and 2020, principal repayments made relative to ACEN's loans amounted to ₱964.80 million and ₱2,006.47 million, respectively. ACEN paid ₱11.25 million debt issue costs for the additional loans availed in 2021 (nil in 2020).

In accordance with the terms of the Fixed Rate Corporate Notes Facility Agreement, ACEN prepaid in full its ₱500 million corporate note with BDO on October 30, 2020 and its ₱1,500 million corporate note with CBC on December 14, 2020. ACEN was able to get consent from both lenders to allow prepayment before the 7th anniversary of each respective corporate note 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.

On March 30, 2021, ACEN prepaid in full its ₱1,175.00 million term loan facility with DBP. ACEN was granted consent by DBP for the prepayment of the loan without premium or penalty.

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 (30th) 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. ACEN has the option to convert the interest rate to fixed on any semi-annual payment date up to the second (2nd) anniversary from the initial drawdown on the facility. ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan. The management assessed that the embedded derivatives are not for bifurcation because the interest floor rate is considered clearly and closely related with the loan and the exercise price of the prepayment option approximates the amortized cost of the loan.

ACEN's Loan Agreement with China Banking Corporation ("CBC")
On July 10, 2020, the Parent Company entered into a new loan agreement with CBC for a maximum principal amount of ₱7.00 billion. The ₱7.00 billion shall be released in a maximum of seven (7) advances.

First drawdown was made on July 15, 2020 amounting to ₱500.00 million and the second drawdown was on August 24, 2020 amounting to ₱1,000.00 million. Both loans have 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 eighteenth (18th) 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 facility contains a prepayment provision which allows the Parent Company to make an optional prepayment, wholly or partially, starting the fifth (5^{th}) anniversary of the initial drawdown date and on every interest payment date thereafter. The amount payable to CBC shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax (“GRT”) as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

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.

ACEN was in compliance with loan covenants as at December 31, 2021. 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>NorthWind</u>

Bank of the Philippines Islands (BPI)
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.

The loan facility contains a prepayment provision which allows NorthWind to make optional prepayment, wholly or partially, any time during the term of the loan. The amount payable to BPI shall be the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any additional taxes, including additional gross receipts tax (“GRT”) as a result of such prepayment, and prepayment penalty as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by NorthWind’s Land, Wind Turbine Generator, Building and Machinery and Equipment account under “Property, plant and equipment” with a carrying amount of ₱2,263.20 million and ₱2,279.57 million as at December 31,2021 and 2020 (see Note 13).

Debt issuance costs are incidental costs incurred in obtaining the loan, which include documentary stamp tax (“DST”), transfer tax, chattel mortgage and real estate mortgage registration, professional fees and other out of the pocket expenses. In 2020, ₱15.78 million (nil in 2021), are presented as deduction to the loans payable account and will be amortized over the life of the loan using EIR method.

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 December 31, 2021 and 2020, NorthWind is compliant with its loan covenants.

Guimaras Wind

On December 18, 2013, Guimaras Wind entered into a ₱4.30 billion Term Loan Facility with Security Bank Corporation ("SBC") and Development Bank of the Philippines ("DBP"). The proceeds were used to partially finance the 54 MW San Lorenzo Wind Farm composed of 272 MW wind turbine generators and related roads, jetty, substations, transmission line facilities and submarine cable to connect to the grid. 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 15 years with semi-annual interest payments starting on the date on which the loan is made. The Tranche A's interest is to be fixed at the higher of 10-year PDS Treasury Fixing ("PDST-F") plus a spread of 1.625% or a minimum interest rate of 6.25% for the first 10 years, to be repriced at higher of existing rate or 5-year PDST-F plus a spread of 1.25% for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread of 1.625% or a minimum interest rate of 6.5%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. The Group did not recognize any derivative liability arising from the bifurcated interest floor rate since the fair value is not significant.

On April 1, 2015, the publication of PDST-F rates ceased pursuant to the memo of the Bankers Association of the Philippines ("BAP") dated January 8, 2015. Subsequently, the parties agreed to adopt PDST-R2 and BVAL rates as benchmark rate in lieu of PDST-F rates. BVAL rates were adopted starting October 29, 2018 when BAP launched its new set of reference rates to replace the current set of PDST Reference Rates, PDST-R1 and PDST-R2.

The loan facility also contains a prepayment provision which allows Guimaras Wind to make optional prepayment for both Tranche A and Tranche B in the amount calculated by the facility agent as accrued interest and other charges on the loan up to the prepayment date plus, the higher of (a) the principal amount of the loan being prepaid, or (b) the amount calculated as the present value of the remaining principal amortizations and interest payments on the loan being prepaid, discounted at the comparable benchmark tenor as shown in the Philippine Dealing and Exchange Corporation ("PDEx") Market Page, Reuters and the PDS website (www.pds.com.ph) at approximately 11:16 am on the business day immediately preceding the prepayment date. In addition, Guimaras Wind is allowed to prepay the Tranche A loan, without penalty or breakfunding cost, on the interest re-pricing date. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

On April 28, 2016, Guimaras Wind prepaid ₱150.50 million of its long-term debt in accordance with the terms of the Agreement as follows:

- Guimaras Wind shall effect a mandatory prepayment of the loan, without premium or penalty, within three (3) business days from receipt by Guimaras Wind 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 Guimaras Wind controlled distribution account for further distribution to the Project Sponsor.

On December 20, 2016, the BOD resolved to amend the Omnibus Loan and Security Agreement (OLSA) to allow Guimaras Wind to prepay a portion of the long-term debt to SBC and DBP without penalties. On January 11, 2017, Guimaras Wind prepaid ₱2,350.00 million of its long-term debt.

Under the terms of the Agreement, ACEN, as the Project Sponsor, shall:

- Provide equity contributions equivalent to 30% of the project cost;
- Fund any cost overruns on the project and the required debt service reserve amount DSRA in the event of delays in obtaining FIT eligibility or Renewable Energy Payment Agreement; and,
- Redeem the loan in the event that Guimaras Wind defaults on the loan and titles to the project properties have not been issued to Guimaras Wind or notwithstanding such titles, lenders fail to acquire title to the project properties due to lack of annotation or third party claims.

The loan agreement provides loan disbursement schedule for the drawdown of the loan. Guimaras Wind made the following drawdowns during the years 2015 and 2014 with the corresponding carrying values as at December 31, 2021:

	Tranche A (DBP)		Tranche B (SBC)	
Drawdown date	Gross Amount[a]	Carrying Value[b]	Gross Amount[a]	Carrying Value[b]
February 14, 2014	₱92,317	₱92,235	₱92,317	₱91,741
May 27, 2014	163,788	163,290	163,788	162,899
August 5, 2014	163,788	163,851	163,788	162,939
September 2, 2014	148,898	148,684	148,898	148,166
July 30, 2015	71,471	69,134	71,471	69,116
	₱640,262	₱637,194	₱640,262	₱634,861

[a]*Net of prepayments made in 2016 and 2017*
[b]*Net of unamortized debt issue costs.*

Guimaras Wind made the following payments with their corresponding carrying values:

	Tranche A (DBP)		Tranche B (SBC)	
Payment date	Gross Amount	Carrying value	Gross Amount	Carrying value
February 14, 2019	27,173	25,466	27,173	26,225
August 14, 2019	29,332	27,784	29,332	28,479
February 14,2020	29,332	27,635	29,332	27,660
August 14,2020	31,401	30,497	31,401	30,498
February 14,2021	31,401	31,401	31,401	30,718
August 14,2021	33,471	33,099	33,471	32,815
	₱182,110	₱175,882	₱182,110	₱176,395

The loan's principal repayment is variable amount payable semi-annually; amount of principal repayment to be determined during the due diligence stage based on the required debt service coverage ratio ("DSCR") and financial projections using the Financial Model validated by an independent financial model auditor. Any incremental revenue resulting from a subsequent increase in the applicable FIT rate shall be applied to principal repayment of the loan in the inverse order of maturity. Incremental revenue is the difference in the revenue based on existing FIT rate of ₱7.40/kwh and a new base rate as defined by the relevant government agency excluding annual adjustments to account for inflation and foreign exchange movements.

Under the loan facility agreement, Guimaras Wind must maintain a debt service account into which will be paid the maximum interest forecasted to be due and payable for the next two following payment dates that will fall within the construction period and the amount of debt service after the construction period. The funds in the debt service reserves can be used by Guimaras Wind provided that thirty (30) days prior to payment, the fund is replenished. Debt service reserves are included in the consolidated statement of financial position under "Cash and cash equivalents" (see Note 4).

The loan facility is secured by Guimaras Wind's wind farm, included in "Machinery and equipment" account under "Property, plant and equipment" with carrying values amounting to ₱3,909.77 million and ₱4,106.00 million as at December 31, 2020 and 2019, respectively (see Note 9). 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 December 31, 2021 and 2020. The compliance with the debt covenants is assessed annually by the lenders. Guimaras Wind 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>BWPC</u>

The outstanding loan balance to UPC Holdco amounted to ₱145.04 million as at December 31, 2020. The loan was used for the funding of the Balaoi and Caunayan Wind Power Project. BWPC availed loans from UPC Holdco amounting to ₱33.62 million and ₱17.28 million in 2021 and 2020, respectively. These loans are unsecured, due in five (5) years and bear 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 years ended December 31, 2021 and 2020 arising from the loans payable amounted to ₱53.14 million and ₱15.31 million. The outstanding interest payable amounted nil and ₱62.92 million as at December 31, 2021 and 2020 respectively.

In May 2021, the outstanding loan balance including interest payable was paid in full.

Total interest expense recognized on SLTEC's, ACEN's, NorthWind's, Guimaras Wind's and BWPC's long-term loans amounted to ₱1,324.12 million, ₱1,398.52 million and ₱867.43 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 25).

Principal payments made relative to the Group's long-term loans amounted to ₱2,188.81 million and ₱4,602.92 million for the year ended December 31, 2021 and 2020. The Group paid ₱7.97 million and ₱28.50 million debt issue costs for the relevant loans availed in for the current period 2021 and in 2020.

<u>Short-term loans</u>
This account consists of:

	2021	2020 (As restated)
Balance at begining of year	**₱4,635,000**	₱3,556
Availments	**3,000,000**	14,184,275
Loans assumed through business combination	**–**	395,388
Payments	**(7,635,000)**	(9,630,319
Foreign exchange adjustments	**–**	(317,900)
Balance at end of year	**₱–**	₱4,635,000

The Parent Company has outstanding short-term loans availed on various dates in September, October and December of 2020 from BDO, SBC, RCBC and CBC amounting to ₱2,000.00 million, ₱800.00 million, ₱500.00 million and ₱1,335.00 million, respectively.

Below are the pertinent details of the loans from BDO, SBC, CBC and RCBC that 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
RCBC	October 8, 2020	₱500,000,000	3.000%	April 6, 2021

In March 2021, Parent Company further availed a short-term loan from BDO and RCBC amounting to ₱1,000 million and a ₱2,000 million. These were fully paid on their maturity dates on March 26, 2021 and April 6, 2021.

As at December 31, 2021, all the outstanding short-term loans of the Parent Company were already paid.

In 2020, the Parent Company also availed short-term loans from Hongkong and Shanghai Banking Corporation (HSBC) amounting to ₱750.00 million which were also paid in the same year.

In 2020, ACRI availed short-term borrowings amounting to \$80 million (₱3,877.20 million), \$45 million (₱2,180.93 million) and \$50 million (₱2,423.25 million) from Sumitomo Mitsui Banking Corporation (SMBC), HSBC and Standard Chartered Bank (SCB), respectively. These were also paid in the same year for a total amount on \$175 million (₱8,481.38 million).

Total interest expense recognized on ACEN's short-term loans amounted to ₱52.73 million and ₱257.17 million for the year ended December 31, 2021 and 2020, respectively (see Note 25).

Loans assumed through business combination
Under a Deed of Assignment dated September 14, 2015, SACASOL assigned all its rights over its notes receivable from ISLASOL arising from the sale of Phases 2A and 2B solar power plant projects located in La Carlota City, Negros Occidental in the amount of ₱665.41 million to TLCTI Asia which was used to settle a portion of the liability of SACASOL.

On the same date, ISLASOL made various promissory notes with a total amount of ₱1,475.33 million payable to TLCTI Asia. ISLASOL may prepay the notes, in whole or in part, upon written notice to TLCTI Asia at least three (3) banking days prior to the date of payment. The promissory notes are noninterest-bearing and are payable subject to the terms of the Framework Agreement entered between PINAI and TLCTI Asia dated September 2, 2015.

On May 19, 2020, ISLASOL and TLCTI Asia signed a loan payment agreement where ISLASOL will pay its ₱2,140.73 million loan. TLCTI Asia shall use this payment to pay its subscription of ₱2,780.24 million. The excess over the amount shall be paid in full by TLCTI Asia. The application for increase in authorized capital stocks is still pending as at December 31, 2021. ISLASOL tendered full payment of the loan amount in 2020. Outstanding balance of the loan was nil as at December 31, 2020.

Notes payable

This account consists of:

	2021
Balance at begining of year	**₱–**
Availments	**20,383,600**
Unamortized debt issue cost	**(114,939)**
Cumulative translation adjustment	**(73,607)**
Balance at end of year	**₱20,195,054**

Medium Term Note (MTN) Programme
On August 31, 2021, ACEN Finance established its MTN Programme with an aggregate amount of US$1,500.00 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN Finance under its medium-term note Programme; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

As at December 31, 2021, ACEN Finance has issued US$400.00 million senior guaranteed undated notes (the "Notes") under the MTN Programme.

Senior guaranteed undated fixed-for-life notes under the MTN Programme
On September 8, 2021, ACEN Finance issued US$400.00 million (₱20,383.60 million) senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework.

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

The Philippine SEC confirmed that the Bonds comply with the requirements under the ASEAN Green Bonds Circular and qualify as an ASEAN Green Bond Issuance.

The net proceeds from the Bonds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects, in accordance with ACEN's Green Bond Framework (GBF), which sets out well-defined guidelines for the use of proceeds for renewable energy (RE) projects, with comprehensive monitoring and reporting commitments. These RE developments can be located in the Philippines and offshore.

Redemption at the option of the issuer
Subject to applicable law, ACEN Finance may redeem the Notes (in whole but not in part) on the First Redemption Date as specified in the applicable Pricing Supplement; or any Interest Payment Date falling after the First Redemption Date, by giving notice, at redemption price equal to the principal amount of the Notes plus any accrued but unpaid interest.

Covenants
For as long as the Notes remain outstanding, ACEN Finance and ACEN are required to comply with certain covenants including the creation and permission to subsist only the liens created in respect of the limited recourse project financing of any project company and maintain a maximum net debt to equity ratio of 2.5 to 1.0. These were complied with by the Group as at December 31, 2021.

Total interest expense and other financing charges recognized on notes payable amounted to US$5.19 million (₱263.05 million) in 2021. ACEN Finance paid US$2.46 million (₱125.43 million) debt issue costs for the notes payable availed during the year.

20. **Other Noncurrent Liabilities**

	2021	2020 (As restated)
Trade payable	**₱1,238,581**	₱1,123,511
Due to related parties (Note 29)	**536,212**	85,925
Contract liabilities	**338,489**	161,125
Accrued interest expenses	**252,742**	–
Deposit payable	**174,581**	167,593
Asset retirement obligation	**168,626**	137,407
Nontrade payable	**2,598**	15,048
Others	**25,091**	4,439
	₱2,736,920	₱1,695,048

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. NorthWind also recorded collections amounting to ₱115.08 million in relation to the Multilateral Agreement. Collections are presented as “Trade payables” under “Other noncurrent liabilities” (see Note 5).

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

Accrued interest expenses mainly accounts for the interest on Green bonds issued during the year (see Note 19)

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

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

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

21. Equity

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

	Number of Shares	
	2021	2020
Authorized capital stock - ₱1 par value	**48,400,000,000**	24,400,000,000
Issued shares:		
Balance at beginning of the year	**13,706,957,210**	7,521,774,922
Issuance of new shares	**24,631,569,964**	6,185,182,288
Balance at end of the year	**38,338,527,174**	13,706,957,210

The issued and outstanding shares as at December 31, 2021 and 2020 are held by 3,188 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
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00
2007	–	552,528,364	1.00
2008	–	4,713,558	1.00
2009	–	304,419	1.00
2010	–	2,022,535	1.00
2011	2,200,000,000	1,165,237,923	1.00
2012	4,200,000,000	2,027,395,343	1.00
2013	–	6,603,887	1.00
2014	–	1,283,332	1.00
2016	–	20,751,819	1.00
2017	–	3,877,014	1.00
2019	–	2,632,000,000	1.00
2020	16,000,000,000	6,185,182,288	1.00
2021	24,000,000,000	24,631,569,964	1.00

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

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

i) Amendment to the Seventh Article of the Articles of Incorporation:
   a. to increase the ACS 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

ii) Issuance of 4 billion shares to Arran Investment Pte Ltd. (Arran)

iii) Issuance of 1.58 billion primary common shares pursuant to the ACEN's FOO

iv) Issuance of 16,685,800,533 common shares to ACEIC in exchange for ACEIC's International Renewable Energy Assets and Investments
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
vi) Stock Ownership Plan to qualified officers, employees and consultants of the Group, and to allocate 960 million common shares from the unsubscribed portion of the ACEN's ACS for the Stock Ownership Plan.

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 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, 2,094,898,876 shares and 172,681,558 shares in first round and second round allocation, respectively, which were subsequently listed with the PSE on January 29, 2021.

Transaction costs include documentary stamp taxes, SEC fees and other costs 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 32).

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 was implemented through a combination of subscription to four billion primary shares (via a private placement) and purchase of secondary shares from ACEIC, priced at ₱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.

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.

On December 10, 2021, ACEIC sold 2,689,521,681 ACEN shares to Arran pursuant to a special block sale to implement the provisions of the Investment Agreement dated December 30, 2020. The price per share (as adjusted pursuant to a pricing mechanism) was agreed upon in the Investment Agreement and is independent of future price movements.

As at December 31, 2021, Arran owns 17.46% 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.

Follow-On Offering
On December 17, 2020, the BOD of ACEN 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 BOD, ACEN's Executive Committee approved an FOO price range of ₱6.00-₱6.50 per share for up to 2 billion 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.

On April 29, 2021, the Executive Committee approved the offer price of ACEN's FOO at ₱6.50 per share. This price was determined based on a book-building process which saw significant participation from leading global long-term institutional investors, resulting in multiple times oversubscription.

On May 5, 2021, ACEN received approvals from the PSE and obtained permit to sell from the SEC.

During the retail offer period for the FOO on May 3, 2021 to May 7, 2021, ACEN completed up to 2.01 billion common shares priced at ₱6.50 per share, consisting of 1.58 billion primary shares, 330.24 million secondary shares offered by ACEIC and Bulacan Power (the "Selling Shareholders"), and an over-subscription of 100.00 million secondary shares sold by ACEIC.

About 80% of the base offer shares was offered to qualified institutional buyers. The remaining 20% was placed out to eligible trading participants of the PSE.

The primary shares were listed on the PSE on May 14, 2021.

Transaction costs include documentary stamp taxes, SEC fees and other costs paid relevant to share issuance amounting to ₱189.48 million were charged to additional paid-in capital account.

Acquisition of ACEIC's offshore subsidiaries through share swap
On April 27, 2021, ACEN signed a Deed of Assignment with ACEIC for the subscription by ACEIC to, and the issuance to ACEIC of, 16,685,800,533 shares 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 ACE International (share swap transaction), which holds ACEIC's international renewable assets.

On June 7, 2021, the application for the increase from 24.4 billion shares to 48.4 billion shares in the ACS of ACEN was approved by the SEC. Consequently, the closing date of the share swap was on June 7, 2021.

The Parent Company has complied with all post-approval requirements for the listing of the shares subject of the share-for-share swap transaction as described above. The number of ACEN's listed common shares were accordingly adjusted on October 22, 2021 listing date.

Acquisition of non-controlling interest in MSPDC
On October 28, 2021, the Parent Company through BCHC, a wholly-owned subsidiary, acquired the 34.00% ownership interest of the minority stockholders of MSPDC at an aggregate amount ₱280.50 million. Effective October 31, 2021, MSPDC became a wholly-owned subsidiary of ACEN.

Acquisition of non-controlling interest in NorthWind
On October 18, 2021, the BOD of ACEN approved the acquisition of the 32.2% ownership interest of the minority stockholders of NorthWind (the "NW Minorities"). On November 12 and 15, 2021, the Share Purchase Agreement and Subscription Agreements, respectively, were signed by ACEN and the NW Minorities for a total of 90 million shares in ACEN at a price of ₱11.32 per share. Effective November 15, 2021, NorthWind became a wholly-owned subsidiary of ACEN.

The subscribed shares were issued to the above shareholders on November 29, 2021. ACEN is in the process of listing the primary shares to PSE as at year ended December 31, 2021.

Employee Stock Ownership Plan
At the Annual Stockholders' Meeting held on April 19, 2021, stockholders approved the allocation of 960 million common shares to the Employee Stock Ownership Plan (the "Plan") Plan out of the unsubscribed portion of the ACEN's capital stock, to be available to qualified employees upon achievement of the Group's goals and the determination of any variable compensation of grantee. This replaces ACEN's Stock Grants and Stock Options Plan which does not have any remaining life.

Under the Plan, qualified employees are awarded the option to subscribe to a specified number of ACEN shares based on discounted market price determined by the Personnel and Compensation Committee and are subjected to the Plan's vesting period. The subscription price is equal to the market price of the shares with a discount determined by the Personnel and Compensation Committee at the time of the grant of the option. Grants under the Plan are exercisable in three annual tranches. Any availment is payable within a maximum period of ten years.

The SEC granted the Plan's request for exemption from registration pursuant to Section 10.2 of the Securities Regulation Code (SRC) on March 4, 2022.

In 2021, stock options totaling 8,188,997 shares at a subscription price of ₱6.96 per share were granted under the Plan.

Total expense arising from the equity-settled share-based payment transaction (included under General and administrative expenses) amounted to ₱3.55 million. There were no grants and availments during 2020 and 2019.

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 ₱28.66 million and ₱40.93 million as at December 31, 2021 and 2020, respectively, and (b) undistributed earnings of subsidiaries, associates and joint ventures included in the Group's retained earnings amounted to ₱28,628.17 million and ₱23,888.85 million as at December 31, 2021 and 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 ₱1,197,602,259, paid on April 19,2021 to the shareholders on record as at April 5, 2021. ₱1,195,787,042 of the amounts declared was paid to the equity holders of the Parent Company.

On August 19, 2020, the BOD approved the declaration of cash dividends of four centavos (₱0.04) per share on the 13,692,457,210 issued and outstanding shares of the Parent Company, or a total dividend amount of ₱547,698,288, paid on September 17, 2020 to the shareholders on record as at September 3, 2020. ₱546,751,517 of the amounts declared was paid to the equity holders of the Parent Company.

Treasury Shares
Bulacan Power holds ACEN shares and are classified as treasury shares. During the year, Bulacan Power acquired 23,284,346 ACEN shares amounting to ₱55.18 million through its participation in SRO, of which, was part of the 30,248,617 ACEN shares amounting to ₱61.62 million reissued

subsequently through the secondary offer in FOO. The remaining 5,000 ACEN shares amounting to ₱5.84 million held by Bulacan Power were reissued on November 11, 2021.

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.

In 2020, 16.70 million ACEN shares held by Bulacan Power amounting to ₱15.43 million were reissued.

Non-controlling Interest (NCI)

The rollforward of this account is as follows:

	2021	2020 (As restated)
Balance at beginning of year	**₱50,398,831**	₱39,371,962
Net income attributable to NCI	**2,415,063**	2,114,049
OCI attributable to NCI	**4,152**	–
Capital infusions	**1,988**	9,776,936
Capital redemption	**(20,386,275)**	–
Dividends	**(2,231,038)**	(1,961,062)
Acquisition of NCI	**(313,598)**	–
Cumulative translation adjustments	**61,653**	(2,398)
Additions through business combination	**–**	1,099,344
Balance at end of year	**₱29,950,776**	₱50,398,831

Capital infusions
In 2021, UPC IV infused ₱1.80 million for its subscription to Solarace4, while UPC II infused ₱0.19 million to BWPC.

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 ACS, of which, as at report date, is pending approval by the SEC.

In 2020, additional infusions totaling to US$16.30 million (₱768.13 million) were made by UPC Renewables Australia Pty. Ltd. to UAC Energy Holdings Pty. Ltd. ("UACH") for the subscription of 25.20 million shares, while ACEFIL subscribed to additional redeemable preferred shares of ACEC for a total of $146 million (₱9,008.81 million).

Redemptions
On August 31, 2021, the Directors and Officer of UACH approved to return surplus cash through payment of dividend and capital return to shareholders. The non-controlling interest redeemed $16.31 million (₱830.98 million or AU$25.20 million) of capital for the year ended December 31, 2021.

On September 7, 2021, the BOD of ACEC approved the redemption of various redeemable preferred shares amounting to $400.00 million (₱19,507.79 million), of which are owned by ACEFIL, recognized as non-controlling interest.

In November 2021, pursuant to ACEN's acquisition of non-controlling interest in NorthWind (see Note 2), the NW Minorities have redeemed their NorthWind RPS held with redemption price of ₱47.51 million.

Dividends
On January 18, 2021, May 19, 2021, July 21, 2021 and October 27, 2021, the BOD of ACEC declared dividends to shareholders of its various redeemable preferred shares for a total of \$13.00 million (₱625.57 million), \$10.88 million (₱521.19 million), \$14.31 million (₱720.23 million) and \$5.52 million (₱280.12 million), respectively, as owned by ACEFIL.

On December 18, 2020, the BOD of ACEC declared dividends to shareholders of its various redeemable preferred shares for a total of \$38.03 million (₱1,827.94 million).

In 2021, the BOD of MSPDC approved three (3) declaration of cash dividends amounting to ₱15.00 million each, of which, ₱5.10 million was attributable to NCI. These were fully paid on March 6, 2021, June 28, 2021 and September 10, 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.

<u>Other Equity Reserves</u>

	2021	2020 (As restated, Note 32)
Effect of common control business combinations (a)	**(₱53,276,727)**	₱31,004,460
Effect of purchase of SLTEC's 20.00% share (b)	**(2,229,587)**	(2,229,587)
Effect of purchase of NorthWind's 32.21% share (c)	**(723,974)**	–
Effect of purchase of MSPDC's 34.00% share (d)	**(261,728)**	–
Effect of purchase of ACEX shares	**(130,854)**	(130,854)
Effect of distribution of property dividends - ACEX shares	**1,107**	1,107
Other equity reserves from joint venture	**17,231**	17,231
	(₱56,604,532)	₱28,662,357

(a) This represents the impact of the share swap transactions with ACEIC to acquire the latter's ownership interest in various offshore and onshore entities in exchange for ACEN's issuance of additional primary shares via a tax-free exchange (see Notes 1 and 32).

    Thru the share swap transaction, the Parent Company gains control of the 35% NCI in SLTEC.

(b) This represents the impact of the step business acquisition where ACEIC assigned to ACEN the purchase of the 20% interest in SLTEC thereby increasing ACEN's ownership in SLTEC to 65%.

(c) This represents the impact of the Group's acquisition of the 32.21% interest in NorthWind thereby making it a wholly-owned subsidiary (see Note2).

(d) This represents the impact of the Group's acquisition of the 34.00% interest in MSPDC thereby making it a wholly-owned subsidiary (see Note2).

22. Revenue from Sale of Electricity

The Group's revenue from different revenue streams are as follows:

	2021	2020 (As restated)	2019 (As restated)
Revenue from power supply contracts	**₱17,085,312**	₱13,612,505	₱13,217,501
Revenue from power generation and trading	**8,792,727**	6,670,798	2,879,048
	₱25,878,039	₱20,283,303	₱16,096,549

Meralco Baseload PSA
On October 22, 2019, MERALCO and ACEN filed with the ERC a joint application for approval of its baseload Power Supply Agreement ("PSA"). Under the PSA, ACEN will supply, at a fixed rate, 200 MW baseload capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval. Hearings were conducted on January 14, 21, and 28, 2020.

On January 31, 2020, ACEN received a copy of the Order from the ERC, provisionally approving the baseload PSA between MERALCO and ACEN (the "PA Order"). Under the PA Order, the ERC granted a rate of ₱4.2366/kWh regardless of the plant capacity factor and not subject to any escalation rate.

On February 7, 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, application of the proposed escalation rate, and retroactive application of the rates.

On May 13, 2020, ACEN received a copy of the Order of the ERC granting ACEN's Motion for Reconsideration ("Order Granting the MR"). The ERC, in its Order Granting the MR, approved a rate of ₱4.2366/kWh at 100% plant capacity factor, allowed 60% of the approved rate to escalate in accordance with ACEN's escalation schedule, and allowed a retroactive recovery of approved rate from December 26, 2019, among others. The Parties have already agreed on the amortization schedule and/or payment schedule for the collection of the retroactive differential adjustment amounting to ₱618.27 million (see Note 5).

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 at April 29, 2021, the amount of ₱158.50 million has already been fully collected (see Note 5).

FIT adjustment
On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index (CPI) and foreign exchange variations through Discounted Cash Flows (DCF) Model per Renewable Energy technology, covering for the years 2016, 2017, 2018, 2019 and 2020. The resolution was published in a newspaper of general circulation in the country on November 17, 2020.

The payment schedule which started in December 2020, follows a one billing month adjustment per payment date and billed sequentially starting for the January 2016 generation of 2015 entrants and onwards.

Renewable energy subsidiaries under the FIT system which include Guimaras Wind, MSEI, SACASOL, and NorthWind, accrued the retroactive net revenue adjustment amounting to ₱791.48 million. This will be recovered for a period of five (5) years.

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

On February 19, 2021, ERC clarified 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. Revenue in 2021 was based on 2020 approved FIT rates in the absence of the 2021 FIT rates. Currently, there's a moratorium on interest on the delayed payments. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

Pre-termination fees
Revenues from power supply contract in 2020 include customer pre-termination fees amounting to ₱289.08 million, nil in 2021.

23. **Costs of Sale of Electricity**

	2021	2020 (As restated)	2019 (As restated)
Costs of purchased power	**₱12,505,904**	₱6,395,200	₱10,314,073
Fuel (Note 6)	**4,787,976**	3,070,817	2,655,407
Depreciation and amortization (Notes 13, 14 and 16)	**1,806,363**	1,737,839	981,824
Repairs and maintenance	**713,507**	671,619	538,944
Taxes and licenses	**482,929**	458,701	218,014
Salaries and directors' fees	**396,608**	313,639	171,918
Insurance	**392,496**	446,728	192,775
Contractor's fee	**153,965**	125,385	–
Transmission costs	**84,201**	38,879	63,317
Rent	**33,971**	23,334	13,611
Filing fees	**19,687**	17,398	1,337
Communication	**17,030**	14,789	–
Pension and other employee benefits (Note 28)	**15,087**	12,567	4,496
Transportation and travel	**10,397**	7,036	18
Others	**49,612**	86,607	146,796
	₱21,469,733	₱13,420,538	₱15,302,530

24. **General and Administrative Expenses**

	2021	2020 (As restated)	2019 (As restated)
Taxes and licenses	**₱752,485**	₱488,508	₱269,964
Management and professional fees	**712,720**	898,167	98,274
Salaries and directors' fees	**469,000**	588,812	182,874
Provision for impairment of property, plant and equipment (Notes 8 and 13)	**301,413**	382,038	–
Depreciation and amortization (Notes 13, 14 and 16)	**199,502**	72,904	55,921
Insurance, dues and subscriptions	**63,059**	22,366	14,455
Corporate social responsibilities	**45,273**	33,216	2,300
Building maintenance and repairs	**30,127**	33,554	13,647
Contractor's fee	**28,308**	14,201	5,220
Advertisements	**27,781**	4,932	2,782
Provision for probable losses on deferred exploration costs (Note 16)	**23,379**	–	34,493
Pension and other employee benefits (Note 28)	**21,512**	10,602	7,271
Transportation and travel	**17,258**	14,270	9,045
Rent	**13,111**	15,703	954

(Forward)

	2021	2020 (As restated)	2019 (As restated)
Utilities	**₱7,489**	₱4,951	₱–
Office supplies	**5,450**	4,408	8,201
Communication	**5,215**	12,298	5,223
Meeting and conferences	**4,936**	2,703	4,082
Provision for credit losses (Note 5)	**873**	–	12,059
Provision for impairment of investment in an associate (Note 9)	**–**	186,513	–
Incidental expenses	**–**	105,479	–
Provision for impairment of advances to contractors (Note 7)	**–**	49,884	–
Bank charges	**–**	–	57,922
Provision for inventory obsolescence (Note 6)	**–**	–	5,611
Provisions for claims and professional fees	**–**	–	5,000
Donation and contribution	**–**	–	2,652
Entertainment, amusement and recreation	**–**	–	777
Plug and abandonment	**–**	–	318
Others	**56,658**	72,156	28,934
	₱2,785,549	₱3,017,665	₱827,980

25. **Interest and Other Finance Charges**

	2021	2020 (As restated)	2019 (As restated)
Interest expense on:			
Long-term loans* (Note 19)	**₱1,324,122**	₱1,398,522	₱867,429
Lease obligations (Note 14)	**164,416**	171,097	57,215
Discount in accounts payable	**72,533**	68,591	–
Short-term loans (Note 19)	**52,732**	257,171	11,196
Amortization of debt issue cost (Note 19)	**47,438**	44,698	18,014
Other finance charges	**33,139**	48,007	8,986
	₱1,694,380	₱1,988,086	₱962,840

**Net of accretion of interest expense of nil, ₱2.43 million, ₱1.82 million for the years ended December 31, 2021, 2020 and 2019, respectively, as an effect of amortization of embedded derivatives (see Note 19)*

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 18).

Other financing charges pertains to bank charges and interest expense on ARO Liability.

26. **Other Income - Net**

	2021	2020 (As restated)	2019 (As restated)
Interest and other financial income	**₱4,376,158**	₱2,060,084	₱696,686
Foreign exchange gain (loss) - net	**420,811**	14,722	(338,955)
Guarantee fee income (Note 38)	**254,405**	105,304	8,119
Claims on insurance	**161,942**	260,385	236,306
Reversal of allowance for impairment of property, plant and equipment (Note 13)	**90,008**	933	–
Tax credits on real property taxes	**69,154**	–	–
Gain (loss) on derivatives - net (Note 7)	**41,802**	(3,414)	(6,850)
Gain on divestment of an associate (Note 9)	**37,635**	–	–
Gain on sale of inventories and by-product	**24,733**	15,354	12,765
Gain on reversal of impairment of advances to contractors (Note 7)	**22,447**	–	–
Gain on deconsolidation (Note 9)	**21,808**	–	–
Gain (loss) on sale of property, plant and equipment (Note 13)	**1,095**	(4,280)	294,725
Gain on sale of investments (Note 11)	**–**	867,067	1,375
Advisory fees	**–**	121,685	–
Gain on bargain purchase (Note 31)	**–**	49,970	–
Reversal of allowance for credit losses (Note 5)	**–**	32	–
Discount on long-term receivable (Note 17)	**–**	(18,611)	–
Gain on sale of noncurrent assets held for sale (Note 8)	**–**	–	14,289
Others	**201,642**	82,658	29,324
	₱5,723,640	₱3,551,889	₱947,784

Interest and Other Financial Income

Interest and other financial income arise from cash in banks and short-term deposits, investments in redeemable preferred shares of associates and joint ventures, and from debt replacement and development loans and advances extended to associates and joint ventures.

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

	2021	2020 (As restated)	2019 (As restated)
Interest income on:			
Cash in banks and short-term deposits (see Note 4)	**₱129,553**	₱253,968	₱228,148
Receivables and others (Notes 5 and 29)	**1,947,792**	711,416	47,244
Investment income (Note 10)	**2,298,813**	1,094,700	390,452
Net gains on financial assets at FVTPL	–	–	30,842
	₱4,376,158	₱2,060,084	₱696,686

Guarantee fee income arise from guarantee recoveries billed to affiliates (see Note 38).

Claims on insurance includes claim for business interruptions due to temporary shutdown of the powerplant, as covered by an industrial all-risk (IAR) insurance covering both property damage/repair (PD) and loss of profits due to business interruption (BI). The account also includes property damage claims from the Parent Company, Gigasol3 and NorthWind.

Tax credits on real property taxes were granted to ISLASOL by its local government unit for its machineries and buildings in La Carlota, Negros Occidental in 2021.

Gain (loss) on settlement of derivatives pertain to maturities of foreign exchange forward contracts entered by ACEN with various banks and settlement of coal hedge contracts (see Notes 7,18 and 34).

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.

Advisory fees pertain to Macquarie's payment to the Parent Company when it availed a services agreement that facilitated the PINAI investment with ISLASOL, SACASOL, and PhilWind acquisitions.

27. **Income Taxes**

a. Current income tax pertains to the following:

	2021	2020 (As restated)	2019 (As restated)
RCIT	**₱271,134**	₱319,876	₱161,027
MCIT	**26,555**	84,177	337
	₱297,689	₱404,053	₱161,364

b. The components of the Group’s net deferred income tax assets (liabilities) as at December 31 are as follows:

Net deferred tax assets

	2021	2020 (As restated)
Income tax reported in consolidated statement of income		
Deferred income tax assets:		
Lease liability	**₱460,512**	₱579,598
Accrued expenses	**142,568**	72,845
MCIT	**88,800**	13,102
NOLCO	**88,062**	63,170
Allowance for doubtful accounts and credit losses	**31,333**	36,356
Deferred revenue	**28,107**	31,400
Pension and other employee benefits	**19,549**	20,046
Unrealized forex loss	**18,390**	157
Allowance for probable losses on deferred exploration costs	**11,372**	13,646
Unamortized discount on long-term receivable	**10,497**	991
Allowance for impairment on property and equipment	**3,814**	69,458
Asset retirement obligation	**3,396**	20,764
Unamortized past service cost	**2,664**	6,273
Allowance for inventory obsolescence	**1,741**	146
Impairment of Input VAT	**536**	536
Others	**4,361**	97
	915,702	928,585
Deferred income tax liabilities:		
Right-of-use assets	**319,241**	352,842
Unrealized foreign exchange gain 408	**16,674**	97,799
Accrual of bonus	**57,824**	–
Unamortized debt issue costs	**14,576**	18,608
Unamortized interest cost on payable to APHPC	**52**	21,822
Accrual of trading revenues	**–**	848
Unrealized fair value gains on FVTPL	**–**	18
Others	**186**	–
	408,553	491,937
	507,149	436,648
Income tax reported in consolidated statement of other comprehensive income		
Deferred tax asset:		
Remeasurement loss on defined benefit obligation	**5,134**	3,242
Derivative liability on forward contracts	**83**	990
Unrealized fair value losses on financial assets at FVOCI	**–**	77
	5,217	4,309

(Forward)

	2021	2020 (As restated)
Deferred tax liabilities -		
Derivative asset on hedging	**₱–**	₱24,604
	–	24,604
	5,217	(20,295)
Total deferred income tax assets - net	**₱512,366**	₱416,353

Net deferred tax liabilities

	2021	2020 (As restated)
Income tax reported in consolidated statement of income		
Deferred income tax assets:		
Lease liability	**₱96,391**	₱30,889
Allowance for credit losses	**181**	8,872
Unrealized forex loss	**17**	449
Pension and other employee benefits	**13**	723
Fair value adjustments	**–**	92,025
Accrued expenses	**–**	2,440
Excess of cost over fair value of power plant	**–**	2,421
Inventory obsolescence	**–**	258
Others	**13,092**	631
	109,694	138,708
Deferred income tax liabilities:		
Right-of-use asset	**169,626**	133,690
Excess of fair value over cost of power plant	**–**	67,748
Unamortized capitalized borrowing costs	**–**	12,242
Unearned revenues	**–**	1,387
Unrealized forex gain	**144**	3,234
Others	**14,346**	3,904
	184,116	222,205
	(74,422)	(83,497)
Income tax reported in consolidated statement of other comprehensive income		
Unrealized fair value gains on FVOCI	**–**	(47,484)
Total deferred income tax liabilities - net	**(₱74,422)**	(₱130,981)

The Group's temporary differences and unused NOLCO for which no deferred income tax assets were recognized in the consolidated statement of financial position are as follows:

	2021	2020
Allowance for impairment loss on property and equipment	**₱3,969,107**	₱3,969,107
NOLCO	**743,590**	453,578
Accrued expenses	**138,568**	138,568
Allowance for probable losses	**18,469**	18,469
Allowance for credit losses	**20,000**	20,000
Excess MCIT	**29,580**	3,180
Forex loss	**3,281**	3,281

As at December 31, 2021 and 2020, aside from the recognition of deferred tax asset (DTA) from NOLCO amounting to ₱88.06 million and ₱63.17 million, respectively, DTAs on various deductible temporary differences and unused NOLCO have not been recognized as management believes it is not probable that sufficient future taxable income will be available against which the related deferred income tax assets can be used.

Temporary differences on asset retirement cost and PFRS 16 adoption are expected to reverse during the income tax holiday period of ISLASOL, SACASOL, and MONTESOL.

As at December 31, 2021 and 2020, NOLCO totaling ₱1,095.84 million and ₱664.15 million, respectively, can be claimed as deduction from regular taxable income and MCIT amounting to ₱3.19 million and ₱3.18million, respectively, can be credited against future RCIT. The movement in NOLCO and MCIT is shown in the tables below:

Year Incurred	Beginning	Additions	NOLCO Application	Expiration	Ending	Expiry Date
2016[(a)]	₱129,030	₱116,549	(₱17,644)	(₱51,259)	₱176,676	2023
2017	176,676	470,941	–	(48,077)	599,540	2020
2018	599,540	1,449,379	–	(16,177)	2,032,742	2021
2019	2,032,742	1,080,806	–	(9,691)	3,103,857	2022
2020[(b)]	3,103,857	620,811	(2,589,582)	(470,941)	664,145	2025
2021[(b)]	664,145	431,693	–	–	1,095,838	2026

(a)NOLCO from renewable entities which can be carried over for the next 7 consecutive taxable years per RE Act of 2008
(b)RR-15-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five(5) consecutive years

Year Incurred	Beginning	Additions	MCIT Application	Expiration	Ending	Expiry Date
2018	₱9,559	₱–	(₱20)	₱–	₱9,539	2021
2019	9,539	748	–	(351)	9,936	2022
2020	9,936	2,648	(8,325)	(1,079)	3,180	2023
2021	3,180	26,400	–	–	29,580	2024

The reconciliation between the effective income tax rates and the statutory income tax rates follows:

	2021	2020 (As restated)	2019 (As restated)
Applicable statutory income tax rates	**25.00%**	30.00%	30.00%
Increase (decrease) in tax rate resulting from:			
Nondeductible expenses	**4.33**	0.88	2.21
Income of foreign subsidiary exempt from tax	**(14.83)**	(8.72)	(24.16)
Equity in net loss (income) of associates and joint ventures	**(6.28)**	(5.80)	(6.62)
Movement in temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized and others	**(3.71)**	(5.32)	(0.75)
Net loss (income) under tax holiday	**(1.52)**	(0.65)	(3.71)
Impact of CREATE on effective tax rates	**(0.75)**	–	–

(Forward)

	2021	2020 (As restated)	2019 (As restated)
Financial income subject to final tax	**(0.39)**	(0.51)	(4.62)
Dividend income exempt from tax	**(0.04)**	–	(0.61)
Effective income tax rates	**1.82%**	9.88%	(8.26%)

c. R.A. No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new tax law enacted.

The TRAIN changes the existing tax law and includes several provisions that generally affected businesses on a prospective basis. In particular, management assessed that amendment of Section 148 - Excise tax on manufactured oil and other fuels - which increases the excise tax rates of lubricating oil, diesel fuel oil and bunker fuel oil, among others that are used for the power plants, may have material impact to the operations of the Group. Management has considered the impact of TRAIN in managing the operation hours of its power plants.

d. On April 8, 2019, SLTEC submitted to the Board of Investments (BOI) an Application for Extension of Income Tax Holiday of Unit 1. The period applied for extension is from April 24, 2019 to April 23, 2020. SLTEC used the cost of indigenous raw (local coal) criterion wherein the ratio of indigenous raw materials to total raw materials used should not be lower than fifty percent (50%).

On August 13, 2019, the BOI approved the extension, subject to the following conditions:

1. At the time of the actual availment of the ITH bonus year incentive, the derived ratio of the cost of indigenous raw materials shall be at least 50% of the raw materials cost wherein SLTEC complied with a ratio of 75:25; and

2. SLTEC undertake Corporate Social Responsibilities (CSR) activities which shall be completed on the actual availment of the bonus year. The CSR activity shall be aligned with the priority programs/projects of the National Anti-Poverty Commission and/or other special laws such as R.A. 7942 or the Mining ACT and DOE Energy Regulation 1-94. Failure to complete the CSR activity shall mean forfeiture of the approved ITH bonus year. SLTEC undertook the required CSR activities in 2019.

e. Guimaras Wind is a duly registered renewable energy developer under Renewable Energy (RE) Act of 2008, It is entitled to income tax holiday (ITH) for the first seven years of its commercial operations on all its registered activities starting 2015. Under the RE Act, Guimaras Wind can avail a corporate tax rate of 10% after the ITH period. Since Guimaras Wind will avail the 10% after the ITH, the deferred tax asset expected to be reversed after the ITH period were set up at 10%.

f. ISLASOL is duly registered with the provisions of the Omnibus Investments Code of 1987 last March 29, 2017 which entitled the ISLASOL the incentive to avail ITH for seven years from March 2016, date of actual commercial operation under the administration of BOI. After 7 years of ITH, ISLASOL shall pay a corporate tax of ten percent (10%) on its net taxable income.

g. SACASOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 last April 7, 2016 which entitled the SACASOL the incentive to avail ITH for seven years from May 2014, date of actual commercial operations under administration of BOI.

After 7 years of ITH, SACASOL shall pay a corporate tax of ten percent (10%) on its net taxable income.

h. MONTESOL is duly registered in accordance with the provisions of the Omnibus Investments Code of 1987 last October 15, 2015 which entitled the MONTESOL the incentive to avail ITH for seven years from March 2016, date of actual commercial operations under administration of BOI. After 7 years of ITH, SACASOL shall pay a corporate tax of ten percent (10%) on its net taxable income.

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 Group 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 2021 consolidated statement of income.

28. Pension and Other Employee Benefits

The Group has a funded, noncontributory defined benefit retirement plan covering all of its regular and full-time employees. The fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan. The Retirement Plan meets the minimum retirement benefit specified under Republic Act 7641.

Pension and other employee benefits consist of:

	2021	2020
Pension liability	**₱67,542**	₱38,587
Vacation and sick leave accrual	**14,912**	14,183
	82,454	52,770
Less: current portion of vacation and sick leave accrual*	**2,032**	1,841
	₱80,422	₱50,929

**Included in "Accrued expenses" under "Accounts payable and other current liabilities".*

Pension and vacation and sick leave accrual included as part of pension and other employee benefits under "Cost of sale of electricity" and "General and administrative expenses" accounts in the consolidated statement of income, consist of the following:

	2021	2020	2019
Pension expense	**₱30,274**	₱21,360	₱19,160
Vacation and sick leave accrual (reversal)	**6,325**	1,809	(7,393)
	₱36,599	₱23,169	₱11,767

Net Defined Benefit Liability

Changes in net defined benefit liability of funded plan in 2021 are as follows:

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Net Defined Benefit Liability**
As at January 1, 2021	**₱136,828**	**₱98,241**	**₱38,587**
Net transferred obligation	**(170)**	**–**	**(170)**
Pension expense in consolidated statement of income:			
Current service cost	**73,717**	**–**	**73,717**
Net interest	**4,033**	**1,660**	**2,373**
Past service cost and other adjustments	**(7,003)**	**–**	**(7,003)**
	70,577	**1,660**	**68,917**
Remeasurements in OCI:			
Experience adjustments	**(2,210)**	**–**	**(2,210)**
Actuarial changes arising from changes in financial assumptions	**(21,817)**	**–**	**(21,817)**
Return on plan assets (excluding amount included in net interest)	**–**	**(6,590)**	**6,590**
	(24,027)	**(6,590)**	**(17,437)**
Benefits paid	**(9,172)**	**(4,049)**	**(5,123)**
Contributions	**–**	**17,402**	**(17,402)**
As at December 31, 2021	**₱174,206**	**₱106,664**	**₱67,542**

Changes in net defined benefit liability of funded plan in 2020, as restated, are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability
As at January 1, 2020	₱161,226	₱106,022	₱55,204
Pension expense in consolidated statement of income:			
Current service cost	18,947	–	18,947
Net interest	2,340	3,260	(920)
Settlement loss	3,333	–	3,333
	24,620	3,260	21,360
Remeasurements in OCI:			
Experience adjustments*	2,373	–	2,373
Changes in demographic assumption	(617)	–	(617)

(Forward)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability
Actuarial changes arising from changes in financial assumptions	(₱11,125)	₱–	(₱11,125)
Return on plan assets (excluding amount included in net interest)	–	(9,419)	9,419
	(9,369)	(9,419)	50
Benefits paid	(39,649)	(18,886)	(20,763)
Contributions	–	17,264	(17,264)
As at December 31, 2020	₱136,828	₱98,241	₱38,587

**Includes the current service cost of new hires amounting to ₱403,965, ₱77,572, and ₱52,403 from Bulacan Power, One Subic Power, and CIPP, respectively, as at December 31, 2020.*

The fair value of plan assets by each class as at December 31 follows:

	2021	2020
Investments	**₱106,693**	₱98,320
Receivables	**35**	–
Cash and cash equivalents	**1**	81
Liabilities	**(65)**	(160)
	₱106,664	₱98,241

Investments are diversified in government securities, mutual funds and UITFs that can be readily sold or redeemed and are assessed not to pose any concentration risk.

The cost of defined benefit pension plans and other post-employment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plans are shown below:

	2021	2020
Discount rate	**5.11%**	4.63%
Salary increase rate	**5.25%**	5.14%

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

		2021		2020	
		Increase (Decrease) in Pension Liability		Increase (Decrease) in Pension Liability	
Discount rate	(Actual + 1.00%)	**6.11%**	**(₱15,084)**	5.63%	(₱11,613)
	(Actual – 1.00%)	**4.11%**	**20,491**	3.63%	13,806
Salary increase rate	(Actual + 1.00%)	**6.25%**	**₱21,090**	6.14%	₱14,335
	(Actual – 1.00%)	**4.25%**	**(15,889)**	4.14%	(12,291)

Management performs an Asset-Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans.

The Group expects to contribute ₱35.39 million to the defined benefit pension plan in 2022.

There are no minimum funding standards in the Philippines.

The following table sets forth the expected future settlements by Plan of maturing defined benefit obligation as at December 31:

	2021	2020
Less than one year	**₱29,393**	₱15,578
More than one year to five years	**61,236**	63,575
More than five years to 10 years	**130,258**	64,341
More than 10 years to 15 years	**188,780**	96,482
More than 15 years to 20 years	**257,344**	127,815
More than 20 years	**861,992**	442,407

As at December 31, 2021 and 2020, the average duration of the expected benefit payments at the end of the reporting period ranges from 18.11 to 24.26 years and 16.30 to 25.08 years, respectively.

Vacation and Sick Leave

The following tables summarize the components of vacation and sick leave expense (income) recognized in the consolidated statement of income and the amounts recognized in the consolidated statement of financial position.

	2021	2020	2019
Current service costs	**₱5,639**	₱4,114	₱4,445
Interest costs	**636**	485	1,696
Actuarial loss (gain)	**50**	(2,790)	(13,534)
	₱6,325	₱1,809	₱7,393)

Changes in present value of the vacation and sick leave obligation are as follows:

	2021	2020
Balance at the beginning of year	**₱14,183**	₱22,734
Current service cost	**5,639**	4,114
Net interest	**636**	485
Actuarial gain	**50**	(2,790)
Benefits paid	**(5,596)**	(10,360)
Balance at the end of year	**₱14,912**	₱14,183

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.

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. Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year.

ACEN served as the guarantor for the US$400.00 million senior undated fixed-for-life (non-deferrable) Notes with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par, issued by ACEN Finance on September 8, 2021, under its medium-term note (MTN) Programme. Proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework (see Note 19).

The transactions and balances of accounts as at and for the year ended December 31, 2021 and 2020 with related parties are as follows:

a. Transaction with ACEIC, the Parent Company

Nature	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms
	2021	2020	2019	**2021**	2020	
Development loans	**₱–**	₱–	₱–	**₱9,596,286**	₱–	Interest bearing, unsecured
Interest income / receivable	**142,152**	–	–	**144,621**	–	30-day, non-interest bearing
Management fee income	**34,785**	387,138	–	**26,196**	14,890	30-day, non-interest bearing
Management fees (expense)	**456,026**	462,602	38,664	**(132,893)**	(305,350)	30-day, non-interest bearing
SAP IT support services	**–**	8,744	–	–	(7,530)	30-day, non-interest bearing
Lease assignment	**–**	50,767	–	–	(50,666)	30-day, non-interest bearing
Due from related parties	**–**	–	–	110,373	110,373	Due and demandable
Due to related parties	**–**	6,809	–	–	(6,809)	Due and demandable

Management Fees
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.

Loans Receivable
On May 14, 2021, ACEN and ACEIC entered into an uncommitted interest-bearing short-term loan facility. The interest- bearing loan has a total facility of US$265.00 million and bears an interest rate equivalent to the sum of (a) applicable average 5-day USD 1-year LIBOR rate immediately prior to the actual drawing; and (b) 2.00% - 2.25%. The principal and interest are payable within one year from the drawdown date. First drawdown was made on May 17, 2021.

Total drawdowns amounted to US$189.00 million (₱9,060.20 million) in 2021.

As at and for the year ending December 31, 2021, outstanding receivable from ACEIC is US$189.00 million (₱9,596.28 million) while interest income amounted to US$2.8million (₱144.62 million).

b. Development and Debt Replacement Loans Receivables

Nature	Related Party	Outstanding Balance		Terms
		2021	2020	
Development Loans				
	Greencore	**₱212,292**	₱–	Interest bearing, unsecured
	The Blue Circle (TBC)	**658,437**	467,775	Due on 2022, interest bearing
	UPC-AC Energy Solar Limited (UPC-ACE Solar)	**1,015,480**	744,558	Due on 2023, interest bearing
	Yoma Strategic Investments Ltd (Yoma)	**1,219,173**	1,153,683	Due on 2022, interest bearing
	UPC Renewables Australia Pty. Ltd.	–	1,092,894	Due on 2021, interest bearing
Debt Replacement Loans				
	Greencore	**2,078,400**	–	Interest bearing, unsecured
	BIM Wind Joint Stock Company (BIM Wind)	**4,325,183**	864,648	10 years, interest bearing
	BIMRE	**1,914,180**	1,666,849	12 months, interest bearing
	Asian Wind 1	**2,883,963**	2,728,445	Due on 2022, interest bearing
	VWEL	**3,637,879**	1,026,754	Due on 2022, interest bearing
	Asian Wind 2	**2,414,151**	996,603	25 years, interest bearing

Receivables from Greencore (Joint venture)
On February 4, 2021, ACEN signed an Omnibus Agreement with Greencore, ACE Endevor and CSEC for the financing of the PV Solar Power Plant in Arayat and Mexico, Pampanga, Philippines with an installed nominal capacity of 50 MWac (72MWdc) (the "Solar Project").

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.

Receivables from TBC (Associate)

In 2018, the Group and TBC entered into an interest-bearing loan agreement to fund the development costs for the pipeline projects of TBC. The development loan facility granted to TBC on April 26, 2018 with an initial aggregate principal amount of up to $10 million which was further extended to $20 million in February 2019. The loan receivable from an associate is a non-trade, interest-bearing loan, repayable in cash upon maturity on June 30, 2022.

Total drawdowns amounted to US$3.2 million (₱162.48 million) in 2021 while principal payments totaling US$12.14 million (₱583.14 million) were made in 2020.

Receivables from UPC-ACE Solar (Joint venture)

In 2019, the Group and UPC-ACE Solar entered into an interest-bearing loan agreement to fund the development and construction of renewable energy assets in Asia. The interest-bearing loan has a total facility of US$20.00 million and bears an annual fixed interest. The principal and the related interest are payable on January 31, 2023.

Total drawdowns and principal payments made in 2021 and 2020 amounted to US$13.3 million (₱679.29 million) and US$8.80 million (₱306.29 million), respectively.

As at December 31, 2021 and 2020, outstanding balance of the interest-bearing loan amounted to US$ 20.00 million (₱1,015 million) and US$15.50 million (₱744.56 million), respectively.

Receivables from Yoma (Affiliate)

In 2019, the Group and Yoma, signed a term sheet, which includes an interest-bearing loan for the development of Yoma Micro Power. The interest-bearing loan has a total facility of US$25.00 million and bears an annual fixed interest and payable upon maturity. The loan is covered by a Guarantee Agreement between the Group (as "Lender") and Yoma (as "Guarantor"). The Guarantee Agreement stands as security for the prompt and complete payment, where the Guarantor irrevocably and unconditionally undertake that in case of default, the Guarantor shall pay the Lender the guaranteed obligations as if the Guarantor instead of the Borrower were expressed to be the principal obligor without any further proof or condition and without any investigation or enquiry. The loan is repayable upon maturity on June 30, 2022.

As at December 31, 2021 and 2020, outstanding balance of the interest-bearing loan amounted to US$24.01 million (₱1,219.17 million) and US$24.02 million (₱1,153.63 million), respectively.

Receivables from UPC Renewables Australia Pty. Ltd. (Joint venture)

On December 9, 2020, the Group entered into a loan facility agreement with UPC Renewables Australia Pty for the implementation of the borrower's business plans amounting to US$20.96 million. The principal and interests were paid during the year.

As at December 31,2021 and 2020, outstanding balance of the interest-bearing loan amounted to nil and US$22.75 million (₱1,092.89 million), respectively.

Receivables from BIMRE (Joint venture)

In 2020, the Group and BIMRE entered into an interest-bearing loan agreement to partially fund the construction of the incremental project expansion. The interest-bearing loan has a total facility of US$40.00 million, bears an annual fixed interest and is payable 12 months from the drawdown date. First drawdown was made on June 9, 2020.

On January 4, 2021, the Group made another drawdown amounting to US$3.00 million (₱144.06 million).

As at December 31, 2021 and 2020, outstanding balance of the interest-bearing loan amounted to US$37.70 million (₱1,921.15 million) and US$34.70 million (₱1,666.85 million), respectively.

Receivables from Asian Wind I (Joint venture)

In 2020, the Group and Asian Wind 1 entered into an interest-bearing loan agreement to refinance the Preferred B Facility Agreement and to provide additional funding for the development, financing and construction of the Dai Phong Project. The interest-bearing loan has a total facility of US$61.00 million and bears an annual fixed rate and payable 12 months from the commissioning date. On December 29, 2021, the debt replacement facility maturity date was amended to June 30, 2022. For this loan agreement, drawdown was made on May 20, 2020.

As at December 31,2021 and 2020, outstanding balance of the interest-bearing loan amounted to US$56.80 million (₱2,883.96 million) and US$56.80 million (₱2,728.45 million), respectively.

Receivables from Vietnam Wind Energy Limited (Joint venture)

In 2020, the Group and Vietnam Wind Energy entered into an interest-bearing loan facility to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects. The interest bearing loan has a total facility of US$19.00 million and bears an annual fixed rate payable from the first utilization date. The loan is repayable on earlier of June 30, 2021 or 5 days from issuance of certificate of registration for Debt Replacement from State Bank of Vietnam. On June 25, 2021, the facility agreement was amended to increase the aggregate principal amount to $86.0 million and extend maturity date to December 31, 2021. On December 31, 2021, the loan facility was further amended to increase the principal aggregate amount to $89.0 million and extend the maturity date to June 30, 2022.

Total drawdowns for the year ended December 31, 2021 amounted to US$50.27 million (₱2,552.60 million).

As at December 31, 2021 and 2020, outstanding balance of the interest-bearing loan amounted to US$ 71.64 million (₱3,637.88 million) and US$21.37 million (₱1,026.75 million), respectively.

Receivables from Asian Wind 2 (Joint venture)

On April 14, 2020, the Group entered into an interest-bearing loan agreement with Asian Wind Power 2 HK to make available a Preferred B Facility in an aggregated amount not exceeding US$54.00 million (₱2,617.00 million) to finance the development and construction of Hong Phong 1 Project. The principal and interest are payable on earlier of 5 business days from the date of drawdown of Debt Replacement facility or 25th anniversary of drawdown date. First drawdown was made on September 8, 2020.

Total drawdowns made for the year ended December 31, 2021 amounted to US$26.80 million (₱1,360.74 million).

As at December 31, 2021 and 2020, outstanding balance of the interest-bearing loan amounted to US$ 44.85 million (₱2,285.36 million) and US$20.75 million (₱996.60 million), respectively. Interest income amounted to US$ 3.21 million (₱157.35 million), US$ 3.21 million (₱157.35 million) and US$ 0.03 million (₱1.39 million) in 2021, 2020 and 2019, respectively.

c. Interest Income and Receivable

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

Related Party	Amount/Volume 2021	2020	2019	Outstanding Balance Receivable (Payable) 2021	2020	Terms
AAR	**₱579,614**	₱224,102	₱107,860	**₱596,277**	₱127,869	30-day, non-interest bearing
AWP1	**379,669**	145,554	128,330	**363,006**	333,178	30-day, non-interest bearing
AWP2	**367,250**	83,383	–	**479,550**	96,767	30-day, non-interest bearing
BIMEH	**27,414**	26,713	14,160	**2,488**	40,852	30-day, non-interest bearing
BIMRE	**342,646**	132,037	112,550	**208,096**	55,768	30-day, non-interest bearing
BIM Wind	**308,590**	–	–	**140,212**	1,919	30-day, non-interest bearing
TBC	**56,572**	58,110	72,450	**74,101**	19,725	30-day, non-interest bearing
UPC Asia III	**201,669**	200,789	4,640	**55,789**	137,062	30-day, non-interest bearing
UPC ACE Solar	**205,636**	59,495	19,290	**276,126**	65,336	30-day, non-interest bearing
UPC-AC Energy Australia (HK) Ltd.	**600,597**	93,941	–	**494,156**	93,886	30-day, non-interest bearing
VWEL	**549,197**	138,140	–	**733,811**	160,412	30-day, non-interest bearing
Yoma	**48,324**	33,757	3,710	**84,490**	33,737	30-day, non-interest bearing
Greencore	**57,387**	–	–	**53,766**	–	30-day, non-interest bearing
	3,724,565	1,196,021	462,990	**3,561,868**	1,166,511	

Loan receivables from related parties bear interest ranging from 2.65% to 12.00% per annum.

d. Loans Payable

	Amount/Volume 2021	2020	2019	Outstanding Balance Receivable (Payable) 2021	2020	Terms
Bank of the Philippines Island						
Interest Expense/Interest Payable	**₱115,256**	₱–	₱–	**(₱9,533)**	(₱146,196)	30 days, unsecured
Long-term loans (Note 19)	–	–	–	**(2,079,133)**	(2,233,530)	12 years, interest bearing
UPC Holdco II						
Interest Expense/Interest Payable	–	15,308	–	–	(61,341)	30 days, unsecured
Long-term loans (Note 19)	–	–	–	–	(135,383)	5 years, interest bearing
		–	–			

e. Right of Use Assets / Lease Liabilities

The Group entered into lease agreements with Ayala Land, Inc, (ALI) and Fort Bonifacio Development Corporation (FBDC), affiliates, for the use of its office unit and parking spaces.

	Amortization / Interest Expense 2021	2020	2019	ROU (Lease Liabilities) 2021	2020	Terms
ALI						
Right of use Assets (Note 14)	**₱93,899**	₱13,998	₱3,645	**₱930,453**	₱21,617	10 years , unsecured
Lease Liabilities (Note 14)	**38,847**	1,270	454	**(990,107)**	(25,834)	10 years , unsecured
FBDC		–	–		–	
Right of use Assets (Note 14)	**9,227**	–	–	**11,500**	–	3 years , unsecured
Lease Liabilities (Note 14)	**435**	–	–	**(9,771)**	–	3 years , unsecured

f. Other Related Party Transactions

	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms
	2021	2020	2019	**2021**	2020	
Management fee income	**₱53,160**	₱35,290	₱–	**₱25,860**	₱14,499	30-days, unsecured
Rental ncome	**16,737**	3,376	–	**1,674**	563	30-days, unsecured
Cost of sale of electricity	**472,004**	116,378	758,974	**(94,110)**	(128,447)	30-days, unsecured
Due from related parties	3,465	–	–	**168,386**	70,556	On demand, Unsecured
Due to related parties	–	–	–	**(596,079)**	(155,683)	On demand, Unsecured

Management fee income pertains to service fees billed by the Group to its related parties under common control and joint venture & associates for providing a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/ bookkeeping services, human resources management, manpower related services and other related functions.

Rental income pertains to revenue from sublease agreement with Ingrid.

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

The amount due from a related company pertains mostly from advances including those for project development or reimbursement of expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

The amount due to a related parties pertains to advances, including those for development cost, utilities expense, professional services and other miscellaneous expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

g. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱78.36 million and ₱16.60 million as at December 31, 2021 and 2020, respectively, pertain to housing, car, salary and other loans granted to Group's officers and employees.

h. Payable to Directors and Stockholders

	Amount/Volume			Outstanding Balance Receivable (Payable)		Terms
	2021	2020	**2019**	**2021**	2020	
Accrued director's and annual incentives (Note 18)						
Directors' fee and annual incentives	**₱23,352**	₱30,574	₱8,993	**(₱23,352)**	(₱30,574)	On demand, Unsecured
Due to stockholders (Note 33)						
Cash dividends	**1,197**	547	89,718	**(16,585)**	(18,272)	On demand, Unsecured

i. Compensation of key management personnel

Compensation of key management personnel of the Group are as follows:

	2021	2020	2019
Short-term employee benefits	**₱64,215**	₱46,195	₱47,943
Post-employment benefits	**2,691**	2,532	4,405
	₱66,906	₱48,727	₱52,348

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.

30. Earnings Per Share

Basic and diluted EPS are computed as follows:

	2021	2020 (As restated)	2019 (As restated)
	(In Thousands, Except for Number of Shares and Per Share Amounts)		
(a) Net income (loss) attributable to equity holders of Parent Company	**₱5,250,972**	₱4,288,102	₱704,764
Common shares outstanding at beginning of year (Note 21)	**13,692,457,210**	7,521,774,922	4,889,774,922
Weighted average number of:			
Shares issued during the year	**15,719,838,696**	3,244,685,790	1,316,000,000
Shares buyback during the year	–	(10,428,664)	–
(b) Weighted average common shares outstanding	**29,412,295,906**	10,756,032,048	6,205,774,922
Basic/Diluted earnings (loss) per share (a/b)	**₱0.18**	₱0.40	₱0.11

On June 22, 2020, upon the SEC's approval of increase in ACS from 8.4 billion to 24.4 billion, 6,185,182,288 shares of ACEN were issued to ACEIC through the onshore share swap transaction.

On June 7, 2021, upon the SEC's approval of increase in ACS from 24.4 billion to 48.4 billion shares, 16,685,800,533 shares of ACEN were issued to ACEIC through the offshore share swap transaction (see Notes 1, 4 and 21).

The SRO enabled the then minority shareholders to increase their shareholdings on account of the dilution of their existing share ownership as a result of the ACEIC onshore share swap transaction (see Note 1 and 32).

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

31. Business Combinations and Asset Acquisitions

2020 Acquisitions

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.

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 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 (see Note 14).

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.

Following are the fair values of the identifiable assets and liabilities as at acquisition date:

Assets	
Cash and cash equivalents	₱232,560
Receivables [(a)]	113,812
Input value added tax	46,793
Other current assets	34,077
Property, plant and equipment (Note 9)	618,938
Right-of-use assets (Note 14)	588,380
Intangible assets (Note 13)	2,191,814
Deferred income tax assets - net	41,417
Other noncurrent assets	5,757
	3,873,548
Liabilities	
Accounts payable and other current liabilities	43,259
Current portion of lease liability	85,730
Income and withholding taxes payable	1,000
Lease liabilities - net of current portion	437,276
Other noncurrent liabilities	65,374
	632,639
Total identifiable net assets	3,240,909
Less: Cost of acquisition	3,088,109
Fair value of previously held interest	102,830
Gain on bargain purchase (Note 26)	₱49,970

[(a)] *Gross contractual accounts receivable*

The fair value of the receivables approximates their carrying amounts. None of the receivables have been impaired and it is expected that the full contractual amounts can be collected.

The acquisition resulted in a gain on bargain purchase which is recognized under “Other income” account in the consolidated statement of income (see Note 26). 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.

Net cash outflow on acquisition is as follows:

Cash consideration	₱3,088,109
Less cash acquired with the subsidiary[(a)]	232,560
Net cash outflow	₱2,855,549

[(a)]*Cash acquired with the subsidiary is included in cash flows from investing activities.*

If the acquisition had taken place at the beginning of 2020, revenue contribution for the year ended December 31, 2020 would have been ₱842.07 million. Since this is a step acquisition, the incremental contribution to the net income attributable to ACEN for the nine-month period ended December 31, 2020 amounted to ₱365.07 million from the date of acquisition. Moreover, had the transaction taken place at the beginning of 2020, the incremental contribution to the net income attributable to ACEN would have amounted to ₱450.63 million.

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

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

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 ACS. On the same date, Giga Ace 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 a letter of 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 paid the balance of the subscription price on December 20, 2021.

As discussed in Note 3, 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 of ₱26.06 million and considered in determining goodwill.

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.

Following are the fair values of the identifiable assets and liabilities as at acquisition date:

Assets	
Cash and cash equivalents	₱461,012
Receivables [(a)]	1,106,301
Fuel and spare parts	10,558
Input value added tax	44,339
Other current assets	33,023
Property, plant and equipment (Note 9)	1,500,858
Right-of-use assets (Note 14)	407,721
Deferred income tax assets - net	117,512
Other noncurrent assets	2,627
	₱3,683,951
Liabilities	
Accounts payable and other current liabilities	₱50,868
Income and withholding taxes payable	21
Short-term loans	395,388
Current portion of lease liability	19,325
Lease liabilities - net of current portion	348,473
Other noncurrent liabilities	121,516
	935,591
Total identifiable net assets	2,748,360
Less: Cost of acquisition	1,632,324
Fair value of previously held interest	29,145
Non-controlling interest	1,099,344
Goodwill arising on acquisition (Note 16)	₱12,453

[(a)] *Gross contractual accounts receivable*

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" account in the consolidated statements of the financial position. None of the goodwill recognized is expected to be deductible for income tax purposes. Consideration transferred was paid in cash on transaction date.

Net cash outflow on acquisition is as follows:

Cash consideration	₱1,632,324
Less cash acquired with the subsidiary[a]	461,012
Net cash outflow	₱1,171,312

[a] *Cash acquired with the subsidiary is included in cash flows from investing activities.*

If the acquisition had taken place at the beginning of 2020, revenue contribution for the year ended December 31, 2020 would have been ₱280.38 million. Since this is a step acquisition, the decremental contribution to the net income attributable to ACEN for the nine-month period ended December 31, 2020 amounted to ₱87.24 million from the date of acquisition. Moreover, had the transaction taken place at the beginning of 2020, the decremental contribution to the net income attributable to ACEN would have amounted to ₱92.83 million.

32. Business Combination of Entities under Common Control

Acquisition of ACEIC's offshore subsidiaries through share swap
During the regular meeting held on March 18, 2020, the BOD of ACEN approved the consolidation of ACEIC's international business and assets into ACEN via a tax free exchange, whereby ACEIC would transfer its shares of stock in AC Energy International, Inc. ("ACE International"), 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 at 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.

On March 18, 2021, the BOD of ACEN approved 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, for an issue price of ₱5.15 per ACEN share.

On the same date, the BOD of ACEN also approved and 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. This was subsequently approved by the stockholders of the Parent Company during the Annual Stockholders' Meeting held on April 19, 2021.

On April 26, 2021, ACEN signed a Deed of Assignment with ACEIC for the subscription by ACEIC to, and the issuance to ACEIC of, 16,685,800,533 shares 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 ACE International (share swap transaction), which holds ACEIC's international renewable assets.

On June 7, 2021, the application for the increase from 24.4 billion shares to 48.4 billion shares in the ACS of ACEN was approved by the SEC. Consequently, the closing date of the share swap was on June 7, 2021.

Effective June 7, 2021, ACEN acquired the entities listed below through the share swap transaction with ACEIC. Shares involved common and redeemable preferred shares. As the transaction is outside the scope of PFRS 3, 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 2020 figures. Likewise, no goodwill was recognized in the business combination (see Note 2).

The transfer was via a tax-free exchange under Section 40(C)(2) of the 1997 National Internal Revenue Code, as amended ("NIRC"), as amended by Republic Act No. 10963 (TRAIN Law) and Republic Act No. 11534 (CREATE Law), for which a request for ruling is no longer required to be filed with the BIR to confirm that the share swap transaction qualifies as a tax-free exchange.

The following are details of the entities transferred to the Parent Company through share swap:

Name of Entities to be Transferred	Ownership of AC Energy and Infrastructure Corporation Direct	Ownership of AC Energy and Infrastructure Corporation Indirect	ACEN's existing interest before share swap	ACEN's interest after share swap
AC Energy International, Inc. ("ACE International")	100.00	–	–	100.00
AC Energy Cayman (ACEC) [(a)]	–	100.00	–	100.00
ACE Investments HK Limited	–	100.00	–	100.00
AC Renewables International. Pte. Ltd. (ACRI)	–	100.00	–	100.00
ACEHI Netherlands B.V.	–	100.00	–	100.00
Star Energy Geothermal Salak-Darajat BV[(b)]	–	19.80	–	19.80
Star Energy Geothermal Salak Ltd[(b)]	–	19.80	–	19.80
Star Energy Geothermal Salak Pratama Ltd[(b)]	–	19.80	–	19.80
Star Energy Geothermal Darajat I Ltd[(b)]	–	19.80	–	19.80
Star Energy Geothermal Darajat II Ltd[(b)]	–	19.80	–	19.80
PT Star Energy Geothermal Suoh Sekincau[(b)]	–	18.81	–	18.81
PT Darajat Geothermal [(b)]	–	18.81	–	18.81
UPC Renewables Asia III Limited [(b) (c)]	–	51.00	–	51.00
UPC Sidrap Bayu Energi[(b)(c)]	–	36.72	–	36.72
UPC Sidrap (HK) Limited. [(b)]	–	11.00	–	11.00
UPC Sidrap Bayu Energi[(b)(c)]	–	2.31	–	2.31
AC Energy Vietnam Investments Pte Ltd.	–	100.00	–	100.00
BIM Wind Power Joint Stock Company[(b)]	–	30.00	–	30.00
AC Energy Vietnam Investments 2 Pte Ltd.	–	100.00	–	100.00
BIM Energy Joint Stock Company[(b) (c)]	–	30.00	–	30.00
BIM Renewable Energy Joint Stock Company[(b) (c)]	–	30.00	–	30.00
AMI AC Renewables Corp. [(b) (c)]	–	50.00	–	50.00
AMI Energy Khanh Hoa Joint Stock Company[(b)]	–	50.00	–	50.00
BMT Energy Renewable Joint Stock Company[(b)]	–	50.00	–	50.00
B&T Windfarm Joint Stock Company[(b)]	–	50.00	–	50.00
BT1 Windfarm Joint Stock Company	–	50.00	–	50.00
BT2 Windfarm Joint Stock Company	–	50.00	–	50.00
AC Energy Vietnam Investments 2 Pte Ltd.	–	100.00	–	100.00
Asian Wind Power 1 HK Ltd[(b)]	–	50.00	–	50.00
Dai Phong JSC[(b)]	–	50.00	–	50.00
Asian Wind Power 2 HK Ltd[(b)]	–	50.00	–	50.00
Hong Phong 1[(b)]	–	50.00	–	50.00
Vietnam Wind Energy Limited[(b)]	–	50.00	–	50.00
SME Energy Joint Stock Company[(b)]	–	47.37	–	47.37
Wind Power Lac Hoa Co. Ltd. [(b)]	–	47.37	–	47.37
Wind Power Hoa Dong Co. Ltd. [(b)]	–	47.37	–	47.37
The Blue Circle[(b)]	–	25.00	–	25.00
Asian Wind Power 1 HK Ltd[(b)]	–	12.50	–	12.50
Dai Phong JSC[(b)]	–	12.50	–	12.50
Asian Wind Power 2 HK Ltd[(b)]	–	12.50	–	12.50
Hong Phong 1[(b)]	–	12.50	–	12.50

Name of Entities to be Transferred	Ownership of AC Energy and Infrastructure Corporation Direct	Indirect	ACEN's existing interest before share swap	ACEN's interest after share swap
UPC-AC Energy Australia (HK) Ltd[(b)]	–	50.00	–	50.00
UPC Australia (HK) Limited[(b)]	–	48.50	–	48.50
UPC-AC Renewables Australia Pty Ltd.[(b)]	–	48.50	–	48.50
UPC North East Tasmania Pty Ltd.[(b)]	–	48.50	–	48.50
UPC Axedale Solar Farm Pty Ltd. (b)	–	48.50	–	48.50
UPC Robbins Island Pty Ltd.(b)	–	38.80	–	38.80
UPC New England Solar Farm Hold Co. Pty Ltd.[(b)]	–	48.50	–	48.50
NESF Pty Ltd.[(b)]	–	48.50	–	48.50
New England Solar Project Trust[(b)]	–	48.50	–	48.50
NESF Finco Pty Ltd.[(b)]	–	48.50	–	48.50
UPC Stubbo Solar Farm Pty Ltd. [(b)]	–	48.50	–	48.50
UPC Valley of the Winds Pty[(b)]	–	48.50	–	48.50
UPC South Australia Pty Ltd. [(b)]	–	48.50	–	48.50
Rise Renewables Pty Ltd[(b)]	–	24.74	–	24.74
Baroota Hydro Project Pty Ltd[(b)]	–	24.74	–	24.74
AC Energy Australia Pte. Ltd.	–	100.00	–	100.00
UAC Energy Holdings Pty. Ltd. ("UACH")	–	100.00	–	100.00
UAC Energy Subco Pty Ltd.	–	100.00	–	100.00
Arlington Mariveles Netherlands Holdings Cooperatie UA.	–	100.00	–	100.00
Arlington Mariveles Netherlands Holding B.V.	–	100.00	–	100.00
UPC AC Energy Solar Ltd. [(b)]	–	50.00	–	50.00
UPC AC Energy Solar Asia Ltd.[(b)]	–	50.00	–	50.00
UPC Solar India (HK) II Limited[(b)]	–	50.00	–	50.00
Paryapt Solar HoldCo Ltd[(a)]	–	50.00	–	50.00
Paryapt Solar Energy Pvt. Ltd. [(b)]	–	24.50	–	24.50
Sitara Solar HoldCo Ltd.[(a)]	–	50.00	–	50.00
Sitara Solar Energy Pvt. Ltd.[(b)]	–	24.50	–	24.50
UPC Solar India Pvt Ltd.	–	50.00	–	50.00
Calpine Subisco Solar Energy Pvt Ltd	–	50.00	–	50.00
Calpine Solar HoldCo Ltd	–	50.00	–	50.00
Calpine Solar Energy Pvt Ltd	–	50.00	–	50.00
Masaya Solar HoldCo Ltd.	–	50.00	–	50.00
Masaya Solar Energy Pvt. Ltd.[(b)]	–	24.50	–	24.50
AC Energy HK Ltd.	–	100.00	–	100.00
Masaya Solar Energy Pvt. Ltd.[(b)]	–	51.00	–	51.00
UPC-AC Energy Solar Pte. Ltd.	–	50.00	–	50.00
UPC-AC Energy Solar Asia Pte. Ltd.	–	50.00	–	50.00
UPC-AC Energy Solar India Pte. Ltd.	–	50.00	–	50.00
Calpine Solar HoldCo Pte. Ltd.	–	50.00	–	50.00
Calpine Subsisco Solar Energy Pvt Ltd	–	50.00	–	50.00

a. 100% common shares held by ACRI while redeemable preferred shares are 100% owned by AC Energy Finance International Limited ("ACEFIL"), recognized as non-controlling interest.

b. These companies are accounted for as joint ventures and associates by ACEN.

c. Difference between voting interests and economic interests in these companies pertain to redeemable preference shares which are accounted for as a liability.

Details of ACEN's consolidated balances and the balances of Offshore Companies' assets and liabilities as at December 31, 2020 and January 1, 2020 which were consolidated to the Group are as follows:

	ACEN consolidated balances as at December 31, 2020 (As previously reported)	Effect of the Offshore Companies' balances as at December 31, 2020	ACEN consolidated balances as at December 31, 2020 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	₱5,135,474	₱22,941,697	₱28,077,171
Accounts and notes receivables	6,095,019	10,516,700	16,611,719
Fuel and spare parts	1,391,340	–	1,391,340
Financial assets at fair value through other comprehensive income (FVOCI)	–	12,620,756	12,620,756
Current portion of:			
Input value added tax (VAT)	430,139	8,599	438,738
Creditable withholding taxes	649,271	–	649,271
Other current assets	453,233	191	453,424
Total Current Assets	14,154,476	46,087,943	60,242,419
Noncurrent Assets			
Investments in:			
Financial asset at FVOCI	1,211	379,957	381,168
Associates and joint ventures	6,593,492	12,201,596	18,795,088
Other financial assets at amortized cost	–	15,297,105	15,297,105
Property, plant and equipment	31,837,939	11	31,837,950
Right-of-use assets	2,343,404	–	2,343,404
Investment properties	341,549	–	341,549
Accounts and notes receivables - net of current portion		6,540,288	6,540,288
Goodwill and other intangible assets	2,537,094	–	2,537,094
Deferred income tax assets - net	416,353	–	416,353
Net of current portion:			
Input VAT	1,177,802	–	1,177,802
Creditable withholding taxes	601,840	–	601,840
Other noncurrent assets	3,570,160	(2,266,400)	1,303,760
Total Noncurrent Assets	49,420,844	32,152,557	81,573,401
TOTAL ASSETS	₱63,575,320	₱78,240,500	₱141,815,820
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	₱6,539,227	(₱49,037)	₱6,490,190
Short-term loans	9,438,600	(4,803,600)	4,635,000
Current portion of long-term loans	707,782	–	707,782
Current portion of lease liabilities	285,001	–	285,001
Income and withholding taxes payable	129,072	216,209	345,281
Due to stockholders	18,272	–	18,272
Total Current Liabilities	17,117,954	(4,636,428)	12,481,526
Noncurrent Liabilities			
Long term loans - net of current portion	21,682,924	(136,551)	21,546,373
Lease liabilities - net of current portion	1,631,628	–	1,631,628
Pension and other employee benefits	50,929	–	50,929
Deferred income tax liabilities - net	127,693	3,288	130,981
Other noncurrent liabilities	1,609,123	85,925	1,695,048
Total Noncurrent Liabilities	25,102,297	(47,338)	25,054,959
Total Liabilities	42,220,251	(4,683,766)	37,536,485

(Forward)

	ACEN consolidated balances as at December 31, 2020 (As previously reported)	Effect of the Offshore Companies' balances as at December 31, 2020	ACEN consolidated balances as at December 31, 2020 (As restated)
Equity			
Capital stock	₱13,706,957	₱–	₱13,706,957
Additional paid-in capital	8,692,555	–	8,692,555
Other equity reserves	(7,541,223)	36,203,580	28,662,357
Unrealized fair value (loss) gain on equity instruments at FVOCI	(8,169)	151,794	143,625
Unrealized fair value gain on derivative instruments designated as hedges	57,409	–	57,409
Remeasurement loss on defined benefit plans	(6,999)	–	(6,999)
Accumulated share in other comprehensive loss of associates and joint ventures	(2,723)	(227,121)	(229,844)
Cumulative translation adjustments	–	(3,453,708)	(3,453,708)
Retained earnings	5,167,685	1,181,397	6,349,082
Treasury shares	(40,930)	–	(40,930)
Total equity attributable to equity holders of the Parent Company	20,024,562	33,855,942	53,880,504
Non-controlling interests	1,330,507	49,068,324	50,398,831
Total Equity	21,355,069	82,924,266	104,279,335
TOTAL LIABILITIES AND EQUITY	₱63,575,320	₱78,240,500	₱141,815,820

	ACEN consolidated balances as at January 1, 2020 (As previously reported)	Effect of the Offshore Companies' balances as at January 1, 2020	ACEN consolidated balances as at January 1, 2020 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	₱9,593,248	₱30,037,048	₱39,630,296
Short-term investment	100,000	–	100,000
Accounts and notes receivables	3,122,386	4,294,826	7,417,212
Fuel and spare parts	938,459	–	938,459
Current portion of:			
Input value added tax (VAT)	186,337	4,479	190,816
Creditable withholding taxes	179,007	–	179,007
Other current assets	212,819	–	212,819
	14,332,256	34,336,353	48,668,609
Noncurrent assets held for sale	3,546	–	3,546
Total Current Assets	14,335,802	34,336,353	48,672,155
Noncurrent Assets			
Investments in:			
Financial asset at FVOCI	533,137	21,263,465	21,796,602
Associates and joint ventures	2,534,102	14,538,071	17,072,173
Other financial assets at amortized cost	–	3,374,290	3,374,290
Property, plant and equipment	25,438,929	48	25,438,977
Right-of-use assets	951,750	–	951,750
Investment properties	13,085	–	13,085
Accounts and notes receivables - net of current portion	–	2,389,231	2,389,231
Goodwill and other intangible assets	441,077	–	441,077
Deferred income tax assets - net	653,923	–	653,923

(Forward)

	ACEN consolidated balances as at January 1, 2020 (As previously reported)	Effect of the Offshore Companies' balances as at January 1, 2020	ACEN consolidated balances as at January 1, 2020 (As restated)
Net of current portion:			
Input VAT	₱372,917	₱–	₱372,917
Creditable withholding taxes	861,208	–	861,208
Other noncurrent assets	2,401,613	–	2,401,613
Total Noncurrent Assets	34,201,741	41,565,105	75,766,846
TOTAL ASSETS	₱48,537,543	₱75,901,458	₱124,439,001
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	₱4,199,576	(₱134,979)	₱4,064,597
Short-term loans	3,556	–	3,556
Current portion of long-term loans	905,931	–	905,931
Current portion of lease liabilities	128,796	–	128,796
Income and withholding taxes payable	41,208	62,153	103,361
Due to stockholders	16,594	–	16,594
Total Current Liabilities	5,295,661	(72,826)	5,222,835
Noncurrent Liabilities			
Long term loans - net of current portion	22,292,698	–	22,292,698
Lease liabilities - net of current portion	852,742	–	852,742
Pension and other employee benefits	71,034	–	71,034
Deferred income tax liabilities - net	350,487	–	350,487
Other noncurrent liabilities	3,289,902	–	3,289,902
Total Noncurrent Liabilities	26,856,863	–	26,856,863
Total Liabilities	32,152,524	(72,826)	32,079,698
Equity			
Capital stock	7,521,775	–	7,521,775
Additional paid-in capital	83,768	–	83,768
Other equity reserves	5,366,480	36,203,580	41,570,060
Unrealized fair value (loss) gain on equity instruments at FVOCI	(96,584)	70,038	(26,546)
Unrealized fair value gain on derivative instruments designated as hedges	(14,742)	–	(14,742)
Remeasurement loss on defined benefit plans	9,254	–	9,254
Accumulated share in other comprehensive loss of associates and joint ventures	(2,107)	(166,047)	(168,154)
Cumulative translation adjustments	–	96,227	96,227
Retained earnings	3,296,295	647,109	3,943,403
Treasury shares	(27,704)	–	(27,704)
Total equity attributable to equity holders of the Parent Company	16,136,435	36,850,907	52,987,341
Non-controlling interests	248,584	39,123,377	39,371,962
Total Equity	16,385,019	75,974,284	92,359,303
TOTAL LIABILITIES AND EQUITY	₱48,537,543	₱75,901,458	₱124,439,001

Below is the consolidated statements of income for the years ended December 31, 2020 and 2019, after considering the retroactive impact of the share swap transaction with ACEIC's Offshore Companies:

	Years Ended December 31			
	2020 (As previously reported)	2020 (As restated)	2019 (As previously reported)	2019 (As restated)
REVENUE				
Revenue from sale of electricity	₱20,283,303	₱20,283,303	₱16,096,549	₱16,096,549
Rental income	86,623	86,622	3,115	3,116
Dividend income	–	14,034	14,741	15,746
Other revenues	69,525	104,276	–	11,298
	20,439,451	20,488,235	16,114,405	16,126,709
COSTS AND EXPENSES				
Costs of sale of electricity	13,420,539	13,420,538	15,302,530	15,302,530
General and administrative expenses	2,585,290	3,017,665	767,840	827,980
	16,005,829	16,438,203	16,070,370	16,130,510
INTEREST AND OTHER FINANCE CHARGES	(1,879,868)	(1,988,086)	(976,029)	(962,840)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	898,513	1,490,192	206,985	739,073
OTHER INCOME - NET	908,028	3,551,889	736,249	947,784
INCOME BEFORE INCOME TAX	4,360,295	7,104,027	11,240	720,216
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	197,666	404,053	99,250	161,364
Deferred	293,116	297,923	(220,883)	(220,884)
	490,782	701,976	(121,633)	(59,520)
NET INCOME	₱3,869,513	₱6,402,051	₱132,873	₱779,736
Net Income (Loss) Attributable To:				
Equity holders of the Parent Company	₱3,753,813	₱4,288,102	₱57,654	₱704,764
Non-controlling interests	115,700	2,114,049	75,219	74,972
	₱3,869,513	₱6,402,151	₱132,873	₱779,736

The share swap transaction provides that ACEN shall issue its own shares equivalent to 16,685,800,533 common shares at ₱5.15 per share as consideration in exchange for ACEIC's interest in the aforementioned entities, giving rise to additional paid-in capital presented in the equity of the Parent Company as follows:

Equity instruments issued	16,685,800,533
Par value per share	₱1.00
Total value of common shares issued	₱16,685,800,533
Transfer value at ₱5.15 per share	85,931,872,745
Gross additional paid-in capital	69,246,072,212
Transaction costs	(398,290,347)
Additional paid-in capital	₱68,847,781,865

Transaction costs include documentary stamp taxes and SEC fees paid relevant to share issuance amounting to ₱398.29 million were charged to additional paid-in capital account.

Acquisition of ACEIC's onshore subsidiaries through share swap
On October 9, 2019, the Parent Company and ACEIC executed a Deed of Assignment whereby ACEIC agreed to transfer and convey to the Parent Company all its rights and interest in the Onshore Companies for and in consideration for the issuance by the Parent Company of 6,185,182,288 common shares at ₱2.37 per common share or a total transfer value of ₱14,658.88 million in favor of ACEIC.

On November 13, 2019, the Parent Company and ACEIC executed an Amended and Restated Deed of Assignment amending the Deed of Assignment dated October 9, 2019, to reflect the correct number of common shares of ACEIC in SLTEC, ACTA Power, and MSPDC.

On November 22, 2019, ACEN filed with the SEC its application to increase its capital stock from ₱8.40 billion, consisting of 8.4 billion common shares, to ₱24.40 billion, consisting of 24.4 billion common shares.

On December 26, 2019, a Supplement to the Deed of Assignment was executed to incorporate specific regulatory requirements for the application for tax free exchange ruling and confirm the percentage of ownership in MONTESOL.

On May 14, 2020, ACEN and ACEIC agreed to further amend and restate the Amended Agreement to update Schedule 1 thereof, with the effectivity of said amendment to retract to the execution of the Original Deed on October 9, 2019 following the approval of the SEC of increases in the capital stocks of ACE Endevor and ACE Renewables Philippines, Inc. (formerly Moorland Philippines Holdings, Inc) and to further integrate the provisions of the Supplement.

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 the entities listed below 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 transfer was via a tax-free exchange under Section 40(C)(2) of the 1997 National Internal Revenue Code, as amended ("NIRC"), for which a request for ruling was filed with the BIR on November 22, 2019.

On October 30, 2020, the BIR issued a ruling confirming that the share swap transaction qualifies as a tax-free exchange. The Parent Company has also obtained the Certificates Authorizing Registration ("CARs") covering the shares of the assets transferred. The Parent Company submitted to the SEC the corresponding stock certificates as proof of transfer following the issuance by the BIR of the CARs covering such shares, in compliance with SEC Memorandum Circular No. 14-2013. In compliance with the standard post-transaction submission of proof that the transfer values of the shares have been attained, the Parent Company also submitted a special audit report to the SEC.

The following are details of the entities transferred to the Parent Company through share swap:

Name of Entities Transferred	Ownership of ACEIC Direct	Ownership of ACEIC Indirect	ACEN's existing interest before share swap	ACEN's interest after share swap
Monte Solar Energy, Inc.	96.00	4.00	–	100.00
ACE Endevor, Inc.	94.00	6.00	–	100.00
Visayas Renewables Corp.	–	100.00	–	100.00
San Julio Land Development Corporation	–	100.00	–	100.00
LCC Bulk Water Supply, Inc.	–	100.00	–	100.00
MCV Bulk Water Supply Inc.	–	100.00	–	100.00
SCC Bulk Water Supply Inc.	–	100.00	–	100.00
HDP Bulk Water Supply Inc.	–	100.00	–	100.00
Ingrid2 Power Corp.	–	100.00	–	100.00
Ingrid3 Power Corp.	–	100.00	–	100.00
Solienda Inc.	–	100.00	–	100.00
Gigasol 2, Inc.	–	100.00	–	100.00
Gigasol 1, Inc.	–	100.00	–	100.00
Gigasol 3, Inc.	–	100.00	–	100.00
Gigawind1 Inc.	–	100.00	–	100.00
Gigawind2 Inc.	–	100.00	–	100.00
Solarace1 Energy Corp.	–	100.00	–	100.00
Solarace2 Energy Corp.	–	100.00	–	100.00
Solarace3 Energy Corp.	–	100.00	–	100.00
Solarace4 Energy Corp.	–	100.00	–	100.00
AC Subic Solar, Inc.	–	100.00	–	100.00
AC Laguna Solar, Inc.	–	100.00	–	100.00
AC La Mesa Solar, Inc.	–	100.00	–	100.00
Bataan Solar Energy, Inc.	–	100.00	–	100.00
Santa Cruz Solar Energy, Inc.	–	100.00	–	100.00
Pagudpud Wind Power Corporation	–	100.00	–	100.00
Bayog Wind Power Corp.	–	60.00	–	60.00
Negros Island Biomass Holdings, Inc.[(a)]	–	45.12	–	45.12
San Carlos Biopower, Inc.	–	4.51	–	4.51
South Negros Biopower, Inc.	–	4.51	–	4.51
North Negros Biopower, Inc.	–	3.95	–	3.95
ACE Renewables Philippines, Inc.	100.00	–	–	100.00
Manapla Sun Power Development Corporation	36.37	29.63	–	66.00
NorthWind Power Development Corporation	19.52	48.27	–	67.79
Viage Corporation	100.00	–	–	100.00
Ingrid Power Holdings, Inc.	100.00	–	–	100.00
South Luzon Thermal Energy Corporation	35.00	–	65.00	100.00
ACTA Power Corporation[(b)]	50.00	–	50.00	100.00
Philippine Wind Holdings Corporation[(c)]	42.74	–	–	42.74
Ilocos Wind Energy Holding Co. Inc.	–	100.00	–	100.00
North Luzon Renewable Energy Corp.	–	66.70	–	66.70

[(a)] *NIBHI is accounted for as an investment in an associate (see Note 9)*
[(b)] *ACTA is consolidated as a subsidiary*
[(c)] *PhilWind is accounted for as an investment in a joint venture*

Details of ACEN's consolidated balances and the balances of Onshore Companies' assets and liabilities as at December 31, 2019 which were consolidated to the Group are as follows:

	ACEN consolidated balances as at December 31, 2019 (As previously reported)	Effect of the Onshore Companies' balances as at December 31, 2019	ACEN consolidated balances as at December 31, 2019 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	₱8,581,663	₱1,011,585	₱9,593,248
Short-term investments	100,000	–	100,000
Receivables	2,728,419	393,967	3,122,386
Fuel and spare parts	855,275	83,184	938,459
Current portion of:			
Input VAT	148,318	38,019	186,337
Creditable withholding taxes	123,700	55,307	179,007
Other current assets	139,915	72,904	212,819
	12,677,290	1,654,966	14,332,256
Noncurrent assets held for sale	3,546	–	3,546
Total Current Assets	12,680,836	1,654,966	14,335,802
Noncurrent Assets			
Property, plant and equipment	21,564,260	3,874,669	25,438,929
Investments in associates and joint venture	723,165	1,810,937	2,534,102
Financial assets at fair value through other comprehensive income	1,251	531,886	533,137
Investment properties	13,085	–	13,085
Goodwill and other intangible assets	280,193	160,884	441,077
Right-of-use assets	524,936	426,814	951,750
Deferred income tax assets - net	612,546	41,377	653,923
Net of current portion:			
Input VAT	335,759	37,158	372,917
Creditable withholding taxes	860,026	1,182	861,208
Other noncurrent assets	2,124,748	276,865	2,401,613
Total Noncurrent Assets	27,039,969	7,161,772	34,201,741
TOTAL ASSETS	₱39,720,805	₱8,816,738	₱48,537,543
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	₱3,787,713	₱411,863	₱4,199,576
Short-term loans	–	3,556	3,556
Current portion of long-term loans	593,847	312,084	905,931

(Forward)

	ACEN consolidated balances as at December 31, 2019 (As previously reported)	Effect of the Onshore Companies' balances as at December 31, 2019	ACEN consolidated balances as at December 31, 2019 (As restated)
Current portion of lease liabilities	₱33,542	₱95,254	₱128,796
Income and withholding taxes payable	41,208	–	41,208
Due to stockholders	16,594	–	16,594
	4,472,904	822,757	5,295,661
Noncurrent Liabilities			
Long-term loans - net of current portion	20,192,081	2,100,617	22,292,698
Lease liability - net of current portion	526,029	326,713	852,742
Pension and other employee benefits	60,503	10,531	71,034
Deferred income tax liabilities - net	187,624	162,863	350,487
Other noncurrent liabilities	3,176,846	113,056	3,289,902
Total Noncurrent Liabilities	24,143,083	2,713,780	26,856,863
Total Liabilities	28,615,987	3,536,537	32,152,524
Equity			
Capital stock	7,521,775	–	7,521,775
Additional paid-in capital	83,768	–	83,768
Other equity reserves	(2,342,103)	7,708,583	5,366,480
Unrealized fair value losses on equity instruments at FVOCI	(8,129)	(88,455)	(96,584)
Unrealized fair value losses on derivative instrument designated under hedge accounting	(14,742)	–	(14,742)
Remeasurement gains (losses) on defined benefit plan	(7,034)	16,288	9,254
Accumulated share in other comprehensive loss of a joint venture and associates	(2,107)	–	(2,107)
Retained earnings	2,922,514	373,781	3,296,295
Treasury shares	(27,704)	–	(27,704)
Total equity attributable to equity holders of the Parent Company	8,126,238	8,010,197	16,136,435
Non-controlling interests	2,978,580	(2,729,996)	248,584
Total Equity	11,104,818	5,280,201	16,385,019
TOTAL LIABILITIES AND EQUITY	₱39,720,805	₱8,816,738	₱48,537,543

Below is the consolidated statement of income for the year ended December 31, 2019, after considering the retroactive impact of the share swap transaction with ACEIC's Onshore Companies.

	Year Ended December 31, 2019	
	(As previously reported)	(As restated)
REVENUE		
Revenue from sale of electricity	₱15,297,719	₱16,096,549
Dividend income	7,585	14,741
Rental income	1,359	3,115
	15,306,663	16,114,405
COSTS AND EXPENSES		
Costs of sale of electricity	₱15,014,799	₱15,302,530
General and administrative expenses	667,215	767,840
	15,682,014	16,070,370
INTEREST AND OTHER FINANCE CHARGES	(881,963)	(976,029)
EQUITY IN NET INCOME (LOSS) OF ASSOCIATES AND A JOINT VENTURE	(24,461)	206,985
OTHER INCOME - NET	716,053	736,249
INCOME (LOSS) BEFORE INCOME TAX	(565,722)	11,240
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	68,673	99,250
Deferred	(217,492)	(220,883)
	(148,819)	(121,633)
NET INCOME (LOSS)	(₱416,903)	₱132,873
Net Income (Loss) Attributable To:		
Equity holders of the Parent Company	(₱331,011)	₱57,654
Non-controlling interests	(85,892)	75,219
	(₱416,903)	₱132,873

The share swap transaction provides that ACEN shall issue its own shares equivalent to 6,185,182,288 common shares at ₱2.37 per share as consideration in exchange for ACEIC's interest in the aforementioned entities as at July 1, 2019, giving rise to additional paid-in capital presented in the equity of the Parent Company as follows:

Equity instruments issued	6,185,182,288
Par value per share	₱1
Total value of common shares issued	₱6,185,182,288
Transfer value at ₱2.37 per share	14,658,882,023
Gross additional paid-in capital	8,473,699,735
Transaction costs	(94,782,260)
Additional paid-in capital	₱8,378,917,475

Transaction costs include documentary stamp taxes and SEC fees paid relevant to share issuance amounting to ₱94.78 million were charged to additional paid-in capital account.

As a result of the issuance of ACEN's shares, recognition of additional paid-in capital and updating of the transferred entities' assets and liabilities carrying values in June 2020, the other equity reserve initially recognized of ₱7,708.58 million credit decreased by ₱12,907.70 million resulting in ₱5,199.12 million debit (see Note 21).

The Deed of Assignment also gave ACEN the right to receive any dividends accruing to ACEI from the date of the assignment and are treated as price adjustment to the share swap transaction. In 2020, ACEN received cash amounting to ₱145.01 million and ₱13.46 million representing ACEI's dividend income from PhilWind and NorthWind, respectively. These were accounted for as increase in additional paid-in capital of ACEN.

The Parent Company acquired SLTEC's remaining NCI as it gained control of the 35% interest from the share swap transaction with ACEIC. This transaction has the following impact on the respective accounts: decrease in equity attributable to noncontrolling interest amounting to ₱2,962.80 million as at December 31, 2019 and contributed to net loss amounting to ₱79.00 million from July 1 to December 31, 2019. As at December 31, 2020, the other equity reserves attributable to the transfer of 35% interest in SLTEC amounted to ₱2,106.61 million.

Acquisition of SLTEC

The Parent Company gained control of SLTEC through purchase of APHPC's 20% interest in SLTEC. Pooling of interests was adopted for business combination involving entities under common control.

The carrying values of the identifiable assets and assumed liabilities arising as at July 1, 2019 (earliest period when the parties were under common control), the date the business combination was accounted for, follow:

Assets	
Cash and cash equivalents	₱1,967,463
Receivables - current portion	254,907
Inventories	611,090
Other current assets	526,920

(Forward)

Assets	
Property, plant and equipment	₱15,839,996
Receivables - net of current portion	91,453
Other noncurrent assets	304,977
	19,596,806
Liabilities	
Accounts payable and other current liabilities	798,933
Loans payable - current portion	254,047
Loans payable - net of current portion	10,560,408
Other noncurrent liabilities	635,424
	12,248,812
Total identifiable net assets	7,347,994
Less non-controlling interests	3,041,805
Net assets acquired	4,306,189
Cost of acquisition	(6,535,776)
Other equity reserves (Note 21)	(₱2,229,587)

From July 1 to December 31, 2019, SLTEC's contribution to revenue and net loss amounted to ₱2,420.99 million and ₱225.72 million, respectively, where the revenue is fully eliminated since the sale was made solely to the Parent Company. If the business combination had taken place at the beginning of 2019, SLTEC's contribution to revenue and net loss would have been ₱4,735.04 million and ₱458.24 million, respectively.

As discussed above, the Parent Company acquired SLTEC's remaining NCI as it gained control of the 35% interest from the share swap transaction with ACEIC in June 2020. SLTEC became a wholly-owned subsidiary of ACEN.

33. Significant Laws, Commitments and Contracts

Electric Power Industry Reform Act ("EPIRA")

R.A. No. 9136, the EPIRA, and the covering Implementing Rules and Regulations (IRR) provide for significant changes in the power sector which include, among others, the following:

(1) The unbundling of the generation, transmission, distribution and supply, and other disposable assets of the Group, including its contracts with independent power producers, and electricity rates;
(2) Creation of the WESM;
(3) Open and non-discriminatory access to transmission and distribution systems;
(4) Public listing of generation and distribution companies; and,
(5) Cross-ownership restrictions and concentrations of ownership.

The Group has assessed that it is in compliance with the applicable provisions of the EPIRA and its IRR.

Retail Competition and Open Access ("RCOA")

Upon meeting all conditions set forth in the EPIRA, the ERC promulgated the Transitory Rules for the RCOA, by virtue of ERC Resolution No. 16 Series of 2012.

Through RCOA, licensed Electricity Suppliers, such as the Group, are empowered to directly contract with Contestable Customers (bulk electricity users with an average demand of at least 1 MW). This major development in the Power Industry enabled the Group to grow.

Secondary Price Cap
Significant events in November and December 2013 resulted in a surge of electricity prices that affected the end-consumers, which led the ERC to impose a supplemental regulatory cap under the ERC Resolution 20, Series of 2014. The said resolution established a preemptive mitigating measure in the WESM meant to limit significant increases in the WESM prices.

This regulatory cap was made permanent and requires all trading participants in the WESM to comply. ACEN and its subsidiaries that sell to the WESM are subject to this cap.

Power Purchase Agreement / Contract to Purchase Generated Electricity
ACEN entered into contracts with MGI and third parties where the Parent Company will purchase the entire or a portion of the net electricity output of the power plants for a period ranging from three (3) to twenty (20) years at an agreed price, subject to certain adjustments.

Administration and Management Agreement ("AMA")
Executed on October 4, 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.

On 25 September 2020, One Subic Power and ACEN executed Letter Agreement No. 01 which amended Article 5 (Supply of Electricity and Fees) of the PAMA.

Wind Energy Service Contracts
Guimaras Wind was awarded 12 wind service contract areas with an aggregate capacity estimated at 400 MW. This includes the 54 MW San Lorenzo Wind Project ("SLWP") which started delivering power to the grid on October 7, 2014 and declared commercial operations on December 27, 2014. Guimaras Wind sells its generated electricity to the WESM under the FIT System.

Power Supply Agreement with MERALCO

Baseload Demand
On September 9, 2019, the bid submitted by ACEN was declared as one of the best bids of MERALCO's 1200 MW competitive selection process ("CSP"). The Parent Company will supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval of the ERC. The Parent Company received a copy of the provisional ERC approval for the contract on January 31, 2020 and the final approval on May 13, 2020 for the baseload.

Mid-merit Supply
On September 11, 2019, the bid submitted by ACEN was declared as one of the best bids of MERALCO's 500 MW CSP. Under the contract, the Parent Company will supply MERALCO a baseload demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of the ERC. The Parent Company received copies of the provisional and final ERC approvals for the contract on January 31, 2020 and June 1, 2020, respectively.

Other ESAs / CSEs with customers
ACEN signed contracts to supply the energy requirements of various bilateral and RES contestable customers with a duration ranging from one (1) to fifteen (15) years.

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.

Feed-in-Tariff ("FIT")

San Lorenzo Wind
On June 10, 2015, the San Lorenzo Wind project under Guimaras Wind was issued a Certificate of Endorsement ('COE") for FIT Eligibility by the DOE.

On December 1, 2015, Guimaras Wind received its COC from the ERC which entitles Guimaras Wind to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034. Outstanding receivable under the FIT system amounted to ₱507.51 million and ₱498.63 million as at December 31, 2021 and 2020, respectively.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the SLWP's FIT Rate starting 2020 shall be ₱8.59/kWh.

MONTESOL
On June 13, 2016, the DOE, through its issuance of the COE, certified the MONTESOL's Solar Farm Project as an eligible project under the FIT system.

On December 28, 2016, MONTESOL received another provisional authority to operate by the ERC dated December 8, 2016 but this time, as a RE generation company, which allows MONTESOL to be entitled to a FIT rate of ₱8.69 for a period of twenty (20) years from March 11, 2016.

On February 6, 2017, MONTESOL received the COC from ERC and accordingly, measured its revenue from energy sales using FIT rate.

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index (CPI) and foreign exchange variations through Discounted Cash Flows (DCF) Model per Renewable Energy technology, covering for the years 2016, 2017, 2018, 2019 and 2020. MONTESOL accrued the retroactive net revenue adjustment based on the adjusted FIT rates for the years 2016 (₱8.69/kWh), 2017 (₱8.71/kWh), 2018 (₱9.04/kWh), 2019 (₱9.41/kWh) and 2020 (₱9.82/kWh).

ISLASOL
On October 3, 2014, the Board of Investments ("BOI") approved ISLASOL's registration as an RE developer of an 18 MW solar power plant (Phase2A) under Republic Act No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, otherwise known as the Renewable Energy Act of 2008 (the "RE Act").

On October 7, 2014, the DOE issued the COE for FIT eligibility to endorse the 9MW Phase 1B solar power plant of ISLASOL as an eligible project under the FIT system pursuant to the provisions of the RE Act.

On November 4, 2015, the BOI approved ISLASOL's registration as an RE developer of a 14MW solar power plant (Phase2B) and a 48MW solar power plant (Phase3) under the Act.

The 14MW and 48MW solar power plants have been completed in 2016 and started commercial operations in March 2016.

SACASOL
On January 7, 2014, the BOI approved the SACASOL's registration as an RE developer of 22 Megawatt (MW) solar power plants (Phases 1A & 1B) under the Renewable Energy Act of 2008 (the Act).

On December 20, 2014, the BOI approved SACASOL's registration as an RE developer of 23MW solar power plants (Phases 1C & 1D) under the Act.

Pursuant to Section 7 of the RE Act and Section 5 of its IRR, the ERC adopts and promulgates the FIT Rules. All RE plants shall be deemed eligible upon issuance by the ERC of a COC authorizing them to operate as FIT-eligible RE plants. Eligible RE plants shall be entitled to the appropriate FITs as established.

On June 4, 2014, the DOE issued the COE for FIT eligibility to endorse the 13MW Phase 1A solar power plant of SACASOL as an eligible project under the FIT system pursuant to the provisions of the RE Act.

On February 9, 2015, the ERC granted the COC to Phase 1A solar power plant with a capacity of 13MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from May 15, 2014 until May 14, 2034. On the same date, ERC granted the COC to Phase 1B solar power plant with a capacity of 9MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from August 16, 2014 to August 15, 2034.

On September 11, 2015, the DOE issued the COE for FIT eligibility to endorse the 23MW Phases 1C and 1D solar power plants of SACASOL as an eligible project under the FIT system pursuant to the provisions of the Act.

On May 4, 2016, ERC granted the COC to Phases 1C and 1D solar power plants with a capacity of 23MW, which entitles SACASOL to the FIT rate of ₱8.69/kWh from September 6, 2015 to September 5, 2035.

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, SACASOL's FIT Rate starting 2020 shall be ₱11.28/kWh for Phase 1A and 1B and ₱10.12/kWh for Phase 1C and 1D solar power plants.

NLR
On December 11, 2014, the DOE, through its issuance of the COE, certified the NLR's wind farm project as an eligible project under the FIT system. On April 13, 2015, the ERC issued a COC, which entitles NLR to the FIT rate of ₱8.53 per kWh, as approved by the ERC from November 11, 2014 to November 10, 2034.

NorthWind
On July 31, 2007, NorthWind and the DOE entered into a Negotiated Commercial Contract ("NCC") covering the contract area located in Bangui, Ilocos Norte. As a holder of a valid and existing NCC, NorthWind is deemed provisionally registered as a RE Developer under RA 9513. The provisional authority shall subsist until the issuance by the DOE of a Certificate of Registration.

On February 26, 2013, the DOE granted NorthWind a Certificate of Registration under Wind Energy Service Contract No. 2012-07-058. The Certificate of Registration served as the basis for its application with the BOI for the grant of incentives under RA 9513. The approval grants an income tax holiday ("ITH") incentive of seven (7) years starting September 2014.

On October 10, 2014, the DOE granted NorthWind a COE for FIT Eligibility (COE-FIT No. 2014-10-001) for its Phase III expansion project. The endorsement was the basis for the ERC to issue a FIT COC on April 13, 2015.

The tariff on the generation of the original twenty (20) turbines (Phases I & II) is a FIT rate specific to the NorthWind of ₱5.76/kWh, as approved by the ERC in its decision dated June 30, 2014. In an Order dated November 7, 2017, the ERC granted NorthWind an increase of ₱0.20/kWh, in connection with a Motion for Partial Reconsideration of the Decision dated June 30, 2014, in ERC Case No. 2011-060RC filed by NorthWind on December 5, 2014, thereby increasing the FIT rate specific to Phases I & II from ₱5.76/kWh to ₱5.96/kWh.

The FIT rate specific to NorthWind is lower than the national FIT rate and is valid for twenty (20) years, less the actual years of operation as provided for under the FIT Rules.

The tariff on the six (6) turbines (Phase III) is at ₱8.53/kWh, subject to adjustments as may be approved by the ERC under the FIT rules. The FIT period on the six turbines shall be from October 10, 2014 to October 8, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, NPDC's rate starting 2020 shall be ₱6.52/kWh and ₱8.90/kWh for Phase I & 11 and Phase III, respectively.

The RE Act and FIT rules

On January 30, 2009, the RE Act became effective.

As provided for in the Act, developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the BOI, shall be entitled to the following incentives, among others:

(a) ITH - For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the national government;
(b) Duty-free importation of RE Machinery, Equipment and Materials - Within the first ten (10) years from issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;
(c) Special Realty Tax Rates on Equipment and Machinery - Any law to the contrary notwithstanding, 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 one and a half percent (1.5%) of their original cost less accumulated normal depreciation or net book value;
(d) Net Operating Loss Carry Over (NOLCO) - the NOLCO of the RE developer incurred during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss;
(e) Corporate Tax Rate - After seven (7) years of ITH, all RE developers shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the NIRC, as amended by Republic Act No. 9337;
(f) Accelerated Depreciation - If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;
(g) Zero Percent Value-Added Tax ("VAT") Rate - The sale of fuel or power generated from renewable sources of energy shall be subject to zero percent (0%) VAT;
(h) Cash Incentive of RE Developers for Missionary Electrification - An RE developer, established after the effectivity of the RE Act, shall be entitled to a cash generation-based incentive per kWh rate generated, equivalent to fifty percent (50%) of the universal charge for power needed to service missionary areas where it operates the same;
(i) Tax Exemption of Carbon Credits - All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and
(j) Tax Credit on Domestic Capital Equipment and Services - A tax credit equivalent to one hundred percent (100%) of the value of the VAT and customs duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the RE Act.

In addition, to accelerate the development of emerging RE resources, a FIT system for electricity produced from wind, solar, ocean, run-of-river hydropower and biomass will be promulgated which shall include, but not limited to, the following:

(a) Priority connections to the grid for electricity generated from emerging RE resources;
(b) The priority purchase and transmission of, and payment for, such electricity by the grid system operators; and
(c) The determination of the fixed tariff to be paid to electricity produced from each type of emerging RE resources and the mandated number of years for the application of these rates, which shall not be less than twelve (12) years.

The FIT to be set shall be applied to the emerging RE resource to be used in compliance with the renewable portfolio standard as provided for in the RE Act and in accordance with the rules to be promulgated by ERC in consultation with the National Renewable Energy Board.

RE developers and local manufacturers, fabricators and suppliers of locally-produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau (REMB). All certifications required to qualify RE developers to avail of the incentives provided for under the RE Act shall be issued by the DOE through the REMB upon registration.

On July 12, 2010, the ERC approved and issued the FIT Rules which provides for the rules and regulations for the determination of the FIT for emerging RE technologies such as biomass, solar, run-of-river hydropower, ocean and wind energy.

On December 16, 2013, the ERC approved Resolution No. 24 of 2013, A Resolution Adopting the Guidelines on the Collection of the Feed-In Tariff Allowance (FIT-All) and Disbursement of the FIT-All Fund.

Renewable Portfolio Standards

On December 22, 2017, the DOE issued a Department Circular Promulgating the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards for On-Grid Areas (the "RPS Rules"), which mandates electric power industry participants to source or produce a specified portion of their electricity requirements from eligible Renewable Energy ("RE") resources in order to develop indigenous and environmentally friendly energy sources, and establish a minimum annual RPS requirement. Under the RPS Rules, the mandated participants include:
a) Distribution Utilities for the captive customers;
b) Retail Electricity Suppliers for contestable customers;
c) Generating Companies to the extent of the demand of their directly-connected customers;
d) Other entities as may be recommended by the National Renewable Energy Board ("NREB") and approved by the DOE.

The RPS Rules include the establishment of a minimum annual RPS requirement which entails that the RE share of electricity coming from RE resources in the energy mix shall be based on an aspirational target of 35% in the generation mix expressed in MWh by 2030, subject to regular review and assessment by the DOE. The RPS Rules also include a minimum annual incremental RE percentage required to be sourced from eligible RE resources shall be no less than 1% of its annual energy demand over the next 10 years.

For the purpose of compliance with the RPS Rules for On-Grid Areas, the eligible RE facilities utilizing the following technologies and resources, provided that these were commissioned after the effectivity of the RE Act in 2008, shall be allowed to attribute the Renewable Energy Certificates ("REC")'s for the energy generated by the RE plant:
a) Biomass;
b) Waste-to-energy technology;
c) Wind energy;
d) Solar energy;
e) Run-of-river hydroelectric power systems;
f) Impounding hydroelectric power systems;
g) Ocean energy;
h) Hybrid systems as defined in the RE Act with respect to the RE component;
i) Geothermal energy;
j) Other RE technologies that may be later identified by the DOE.

The RPS Rules enable the creation of a RE Market where mandated participants comply with the minimum annual RPS requirement through the allocation, generation, purchase, or acquisition, generation from net metering arrangements, of REC's, where one certificate represents one MWh of generation produced from a registered eligible RE facility.

Solar Energy Service Contract of MONTESOL
On October 9, 2013, MONTESOL entered into Solar Energy Service Contract with DOE. Under the RE Act, the exclusive right to explore and develop a particular renewable energy area thereunder shall be through a Renewable Energy Service Contract. MONTESOL was appointed and constituted by DOE as the party having the exclusive right to explore, develop, and utilize the solar energy resources within the contract area. MONTESOL may pursue any additional investment or new investment within the contract area and shall be solely responsible for providing the necessary services, technology, equipment and financing for twenty-five (25) years.

Lease Commitments

One Subic Power's Facilities Lease Agreement ("FLA") with SBMA
One Subic Power has a lease contract with SBMA for a parcel of land and electric generating plant and facilities. The lease was originally entered on July 20, 2010 and was valid for five years. The agreement was amended on October 24, 2012 to extend the term of the lease to July 19, 2020 with an option to renew for another five years. On December 21, 2017, SBMA informed One Subic Power that its BOD has approved the amendments of the FLA extending the lease term until July 19, 2030. On April 3, 2018, the third amendments were signed and approved.

For the years ended December 31, 2021 and 2020, One Subic Power recognized finance charges on the lease liabilities amounting to ₱32.05 million and ₱34.47, respectively. "Finance charges" are part of "Interest and Other Finance Charges" account. One Subic Power also recognized variable rent expense amounting to ₱22.58 million and ₱16.82 million for the years ended December 31, 2020 and 2019, respectively. "Rent expense" is under "Cost of sale electricity".

Guimaras Wind's Lease Agreement with Various Land Owners
Guimaras Wind has entered into various lease agreements with individual land owners where the present value of the minimum lease payments does not amount to at least substantially all of the fair value of the leased assets, which indicates that the risks and rewards relates to the asset are retained with the land owners. These leases are classified as operating leases and have terms of twenty (20) to twenty-five (25) years. Guimaras Wind has also entered into various easements and right of way agreements for the Guimaras Wind Farm that will connect to the grid. These agreements convey to Guimaras Wind the right to control the use of the utility of the asset. Guimaras Wind's San Lorenzo Wind Power Project, with a carrying value of ₱3.70 billion and ₱3.91 billion and included under the "Machinery and equipment" account is mortgaged as security for its term loan as at December 31, 2021 and 2020, respectively.

For the years ended December 31, 2021, 2020 and 2019, Guimaras Wind recognized finance charges on the lease liabilities amounting to ₱17.88 million, ₱17.76 million and ₱30.83 million, respectively, included under "Interest and Other Finance Charges" account.

Easements and Right of Way Agreements
In 2014, Guimaras Wind also entered into various easements and right of way agreements with landowners in Guimaras for the erection of transmission lines that will connect the SLWP to the grid. One-off payments made by Guimaras Wind to various landowners to cover the 25-year easement and right of way agreements were recognized as prepaid rent in the consolidated statements of financial

position and amortized over the term of the lease. The amortization of the lease during the construction period was capitalized as part of the cost of the wind farm.

Guimaras Wind recognized rent expense of nil in 2021 and 2020, and ₱0.25 million in 2019, included in "Rent" account under "Cost of sale of electricity" (see Note 23).

The rent expense recognized for 2019 was from the short-term lease of Land Lot 1832-C-2 which expired on December 19, 2019.

ACEN's Agreement on Assignment of Contract of Lease
On November 20, 2019, the Parent Company, ACEIC, Ayala Land, Inc. (ALI) and Ayalaland Offices, Inc. entered an agreement on assignment of contract of lease. ACEIC assigned a portion of its office unit and parking slots effective September 1, 2019 to the Parent Company. The lease is until May 31, 2022. The lease is at a fixed monthly rate of ₱0.83 million and ₱0.01 million for the office unit and parking slots, respectively with an escalation rate of 5% every year, beginning on the second year.

SLTEC's Contract of Lease for Office Space
On December 19, 2019, SLTEC notified the lessor of their intent to pre-terminate their office lease contract effective March 31, 2020. Due to government restrictions in relation to COVID-19, on March 27, 2020, SLTEC notified the lessor of its inability and impossibility to vacate by March 31, 2020, and the parties agreed to terminate the lease effective May 31, 2020. SLTEC remeasured the lease liability and ROU asset as a result of the termination of the contract (see Note 14).

SACASOL's Contract of Lease for Land Phases 1A & 1B
On March 7, 2014, SACASOL entered into a lease agreement with San Julio Realty, Inc. (SJRI) for the lease of 35 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as site for the construction and operations of the Phase 1A and Phase 1B solar power plant projects. Upon execution of the agreement, SACASOL shall hold the land area delineated for Phase 1A for a period of 25 years. The area delineated for Phase 1B shall be held for the remaining term of the agreement upon the receipt of notice by SACASOL.

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

SACASOL's Contract of Lease for Land - Phases 1C and 1D
On October 21, 2014, SACASOL entered into a lease agreement with SJRI for the lease of 32.4214 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as site for the construction and operations of Phases 1C and 1D solar power plant projects. Upon execution of the agreement, SACASOL shall hold the land area for a period of 25 years.

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

ISLASOL's Contract of Lease for Land - Phases 2A & 2B
Part of ISLASOL's acquisition of certain solar power plant projects from SACASOL is the lease agreement between SACASOL and Roberto J. Cuenca, Sr. (the Lessor) for the La Carlota A Project

The lease of 24.4258 hectares of land located at La Carlota City, Negros Occidental was executed on June 5, 2014 as site for the construction and operations of Phases 2A and 2B solar power plant projects of ISLASOL. Upon issuance of the NTP to the contractor, ISLASOL shall hold the land area delineated for a period of 25 years therefrom.

ISLASOL's Contract of Lease for Land - Phase 3
On September 1, 2015, ISLASOL entered into a lease agreement with MSPDC (the Lessor) for the lease of approximately 638,193 sq.m. of land located in Barangay Sta. Teresa, Municipality of Manapla, Negros Occidental. The term of the lease shall be for a period of 25 years upon written notice served upon the Lessor by ISLASOL not earlier than one 1 year but not later than 3 months before the expiration of the original period of lease. Lease extension shall be in writing executed by both parties 3 months before the expiration of the original period of lease. ISLASOL has the sole option to extend the term of the lease.

MONTESOL's Contract of Lease for Land
On September 2, 2015, MONTESOL entered into a lease agreement with Montenegro Brothers Agricultural Corporation for 21.45 hectares of land located in Barrio Alanginlanan, Bais, Negros Oriental as site for the construction and operation of its solar power facility. The term of the lease shall be for a period of 25 years, with a monthly rental payment of P7.00 per square meter, exclusive of VAT, and subject to annual adjustment based on actual inflation rate covering subject period as published/ pronounced by the National Economic Development Authority or an equivalent agency. The period of lease may be extended, under the same terms and conditions, at the sole discretion of MONTESOL for up to another 25 years.

Solarace1's Contract of Lease for Land
On September 30, 2019, Solarace1 Energy Corp. ("Solarace1") entered into a lease agreement with ALI, Crimson Field Enterprises Inc., and Red Creek Properties Inc., for 106.59 hectares of land located in Barangay San Andres, Alaminos, Laguna as site for the construction and operation of its solar power facility. The term of the lease shall be for a period of 21 years, with a monthly rental payment of ₱15.45 per square meter, exclusive of VAT. The rental fee shall be subject to annual adjustment of whichever is higher between 3% per annum and the rate of increase of real property tax where the property is located. The period of lease may be extended, under the same terms and conditions, at the sole discretion of Solarace1 for up to another 21 years.

NorthWind's Contract of Lease for Rental of Office Space
In August 2017, NorthWind's Metro Manila Administrative Office transferred to Makati. A new contract of lease was signed on September 18, 2017 with 6750 Ayala Avenue Joint Venture (AAJV) for a period of 5 years by NLR, an affiliate of NorthWind.

An Agreement on the Assignment of Lease was signed between NLR and NorthWind on November 20, 2017. NLR assigned half of the lease premises of 123.8 sq. meters to NorthWind, with a monthly rental of ₱0.12 million subject to 5% annual escalation rate.

In January 2020, NorthWind assigned the contract of lease with 6750 AAJV to ACEN.

Ingrid's Contract of Lease for Land
In July 23, 2020 a Sublease Agreement was signed between Ingrid Power Holdings, Inc and ACEIC. to sublease a land with Tabangao Realty Inc (TRI) for an approximately 41,781.86 square meters of land located in in Brgy. Malaya, Pililla, Rizal as a site to develop, operate and maintain a 150MW modular diesel engine power plant primarily intended for the provision of ancillary services to the National Grid Corporation of the Philippines. The term of the sublease shall be for a period of 6 years, with a monthly rental payment of ₱25.00 per square meter, exclusive of VAT, subject to 3%

annual escalation rate. The period of lease may be extended, under the same terms and conditions to another 5 years.

BCHC's Contract of Lease for Land
In April 22, 2020 BCHC entered into a lease agreement with ACD Incorporated Inc. for 13.95 hectares of land located in Batangas II, Mariveles, Bataan as a site for the construction and operation of the Power Generating Facilities and its allied purposes. The term of the sublease shall be for a period of 25 years, with a monthly rental payment of ₱2.00 per square meter, exclusive of VAT. The period of lease may be extended, under the same terms and conditions at the sole discretion of BCHC for up to another 25 years.

On September 2, 2020, the property was subleased by BCHC to BSEI to develop, operate and maintain a 5MW RE Laboratory facility. The term of the sublease shall be for a period of 7 years, with a monthly rental payment of ₱2.10 per square meter, exclusive of VAT. The period of lease may be extended, under the same terms and conditions at the sole discretion of BSEI for up to another 25 years.

On November 20, 2020, an Agreement on the Deed of Assignment of Lease was signed between BCHC and AC Energy Inc. ACEI agreed to assign its rights and obligations for the land leased with Tabangao Realty Inc (TRI) entered in March 23, 2018 for an approximately 177,774 square meters situated in Brgy. Malaya, Pililla, Rizal.

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 14).

Loan facilities commitment
As at December 31, 2021, the Group through ACRI has outstanding commitments of $207.1 million ($127.9 million as at December 31, 2020) from the guarantees it provided to related parties.

34. **Financial Risk Management Objectives and Policies**

Objectives and Investment Policies
The funds of the entities are held directly by the Group and are managed by the Corporate Finance and Treasury Group ("CFT").

All cash investments of the Group are carried and governed by the following principles, stated in order of importance:

- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash. Under no circumstance will yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

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

CFT focuses on the following major risks that may affect its transactions:
- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations ("CPIR") focuses on the following major risks that may affect its transactions:
- Market risk
- Equity price risk

Commercial Operations focuses on commodity price risk.

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

Risk Management Process

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

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

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:

- Trading 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 December 31, 2021 and 2020 are as follows:

	December 31, 2021		December 31, 2020 (As restated)	
	U.S. Dollar (US$)	**Sing (S$)**	U.S. Dollar (US$)	Sing (S$)
Financial Assets				
Cash and cash equivalents	**$303,150**	**S$–**	$10,602	S$–
Other receivables	**677,566**	**–**	–	–
	$980,716	**S$–**	$10,602	S$–
Financial Liabilities				
Accounts payable and other current liabilities	**(18,516)**	**–**	(4,860)	(24)
Notes payable and loans-term loans	**(397,744)**	**–**	–	–
	($416,260)	**(S$–)**	($4,860)	(S$24)
Net foreign currency-denominated assets (liabilities)	**$564,456**	**S$–**	$5,742	(S$24)
Peso equivalent	**₱28,657,431**	**₱–**	₱275,846	(₱867)

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱50.77 to US$1.00 as at December 31, 2021 and ₱48.04 to US$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$)
December 31, 2021	**(₱0.50)**	**(₱282,228)**	₱–
	(1.00)	**(564,456)**	–
	0.50	**282,228**	–
	1.00	**564,456**	–
December 31, 2020	(₱0.50)	(₱2,871)	₱12
(As restated)	(1.00)	(5,742)	24
	0.50	2,871	(12)
	1.00	5,742	24

For subsidiaries with functional currency in US$, financial assets and liabilities are translated into Philippine peso, presentation currency of the Group using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated investments in associates and joint ventures, accounts and other payables, and notes payable with US$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average rate for the period. Assets and liabilities of ACEC, ACE HK and ACEN Finance which are in US$ functional currency was likewise translated to the Group's presentation currency.

The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments". See below for the carrying amounts.

	2021	
	Peso	**US$**
Cash and cash equivalents	**₱15,153,410**	**$298,448**
Receivables	**34,297,177**	**675,487**
Investments in:		
Associates and joint ventures	**41,569,737**	**818,721**
Other financial assets at amortized cost	**26,846,355**	**528,742**
Financial asset at FVTPL	**406,739**	**8,011**
	118,273,418	**2,329,409**
Accounts payable and other current liabilities	**(859,183)**	**(16,922)**
Notes payable	**(20,195,054)**	**(397,744)**
Net foreign currency position	**₱97,219,181**	**$1,914,743**

	2020 (As restated)	
	Peso	US$
Cash and cash equivalents	₱22,839,727	$475,471
Receivables	13,841,336	288,145
Investments in:		
Associates and joint ventures	12,201,596	254,009
Other financial assets at amortized cost	28,297,818	589,096
	77,180,477	1,606,721
Accounts payable and other current liabilities	(202,544)	(4,217)
Net foreign currency position	₱76,977,933	$1,602,504

The Philippine Peso - US Dollar exchange rate as at December 31, 2021 and 2020 used were ₱50.77 to US$1.00 and ₱48.04 to US$1.00.

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

		Increase (decrease) in Peso per foreign currency	**Effect on income before income tax**
December 31, 2021	**USD**	**($0.50)**	**(₱1,118,686)**
		(1.00)	**(2,237,372)**
		0.50	**1,118,686**
		1.00	**2,237,372**
December 31, 2020	USD	($0.50)	(₱801,252)
(As Restated)		(1.00)	(1,602,504)
		0.50	801,252)
		1.00	1,602,504

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

Credit or counterparty risk is managed through the following:

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

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

	2021					
	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	**₱470,270**	**₱3,315,917**	**₱2,130**	**₱1,679,530**	**₱82,980**	**₱5,550,827**
Due from related parties	**18,724,341**	**7,918**	**216,715**	**6,629,151**	**10,560**	**25,588,685**
Others	**609,083**	**207,906**	**627,037**	**809,039**	**84,608**	**2,337,673**
Noncurrent						
Trade receivables	**–**	**1,313,647**	**–**	**589,634**	**6,753**	**1,910,034**
Due from related parties	**8,484,028**	**–**	**–**	**–**	**–**	**8,484,028**
Receivables from third parties	**2,210,103**	**–**	**29,577**	**564,325**	**6,998**	**2,811,003**
	₱30,497,825	**₱4,845,388**	**₱875,459**	**₱10,271,679**	**₱191,899**	**₱46,682,250**

	2020 (As restated)					
	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	₱3,896,023	₱–	₱–	₱685,056	₱80,991	₱4,662,070
Due from related parties	9,158,284	2,158	–	217,807	–	9,378,249
Others	1,457,649	146,875	235,454	812,412	85,983	2,738,373
Noncurrent						
Trade receivables	810,021	–	–	1,106,706	13,752	1,930,479
Due from related parties	2,741,428					2,741,428
Receivables from third parties	1,812,366	–	–	69,768	–	1,882,134
	₱19,875,771	₱149,033	₱235,454	₱2,891,748	₱180,726	₱23,332,733

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 ₱354.87 million and ₱13,001.92 million as at December 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:

	2021	2020 (As restated)
Financial Assets at Amortized Cost (Portfolio 1)		
Cash and cash equivalents	**₱26,445,429**	₱28,077,171
Under "Receivables" account		
Current:		
Trade receivables	**5,550,827**	4,662,070
Due from related parties	**25,588,685**	9,378,249
Others	**2,337,633**	2,738,375
Noncurrent:		
Trade receivables	**1,910,035**	1,930,478
Due from related parties	**8,484,028**	2,741,428
Receivables from third parties	**2,210,103**	1,882,134
Other financial assets at amortized cost	**26,085,959**	15,297,105
Under "Other Noncurrent Assets" account		
Deposits	**165,164**	105,337
	₱99,378,763	₱66,812,347

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

	2021				
		Lifetime ECL			
Grade	**12-month Stage 1**	**Stage 2**	**Stage 3**	**Simplified Approach**	**Total**
High	**₱34,297,803**	**₱–**	**₱–**	**₱26,743**	**₱34,324,546**
Standard	**183**	**–**	**–**	**–**	**183**
Substandard	**–**	**–**	**–**	**–**	**–**
Default	**–**	**–**	**–**	**621**	**621**
Gross carrying amount	**34,297,986**	**–**	**–**	**27,364**	**34,325,350**
Less loss allowance	**181,599**	**–**	**–**	**–**	**181,599**
Carrying amount	**₱34,116,387**	**₱–**	**₱–**	**₱27,364**	**₱34,506,949**

	2020 (As restated)				
		Lifetime ECL			
Grade	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	Total
High	₱28,075,433	₱–	₱–	₱6,592,548	₱34,667,981
Standard	–	–	–	–	–
Substandard	–	–	–	–	–
Default	–	–	–	13,752	13,752
Gross carrying amount	28,075,433	–	–	6,606,300	34,681,733
Less loss allowance	–	–	–	180,726	180,726
Carrying amount	₱28,075,433	₱–	₱–	₱6,800,778	₱34,876,211

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.

	2021					
	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	₱2,163,882	₱76,624	₱293,538	₱1,238,581	₱–	₱3,772,625
Retention payable	–	–	136,075	–	–	136,075
Accrued expenses [a]	644,535	128,384	501,485	–	–	1,274,403
Accrued interest	169,053	27,124	101,236	252,742	–	550,155
Due to related parties	276,322	5,573	4,975	536,212	–	823,082
Others	18,270	987	120,582	–	–	139,839
Derivative Liability	–	–	241,744	–	–	241,744
Short-term loans	–	–	–	–	–	–
Due to stockholders	16,585		–	–	–	16,585
Lease liabilities [b]	–	112,360	226,672	1,401,896	3,566,932	5,307,860
Long-term loans [c]		230,879	1,774,699	8,374,528	18,727,675	29,107,782
Notes payable	–	–		20,195,054	–	20,195,054
Other noncurrent liabilities [d]	–	–		2,392,953	4,333,333	6,726,286
	₱3,288,647	₱581,931	₱3,401,006	₱34,391,966	₱26,627,940	₱68,291,490

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

	2020 (As restated)					
	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	₱2,452,185	₱–	₱–	₱3,913,272
Accrued expenses [a]	20,441	287,762	333,480	–	–	641,683
Accrued interest	–	193,201	10,771	–	–	203,972
Due to related parties	–	131,265	498,637	–	–	629,902
Retention payable	–	–	74,974	–	–	74,974
Derivative liability	–	3,300	–	–	–	3,300
Others	–	800	41,051	–	–	41,851
Short-term loans	–	3,549,370	1,085,630	–	–	4,635,000
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	8,597,483	80,163,617	90,748,772
Other noncurrent liabilities[d]	–	–	–	324,486	1,209,437	1,533,923
	₱524,961	₱5,469,907	₱6,392,218	₱9,825,610	₱84,528,002	₱106,740,698

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

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

	2021				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Over 12 Months**	**Total**
Loans and receivables:					
Current:					
Cash and cash equivalents	**₱26,445,429**	**₱–**	**₱–**	**₱–**	**₱26,445,429**
Short-term investments	**68,310**	**–**	**–**	**–**	**68,310**
Accounts and Notes Receivables:					
Accounts Receivables	**5,481,520**	**1,124,498**	**–**	**–**	**6,606,018**
Notes Receivables	**24,278,081**	**–**	**–**	**–**	**24,278,081**
Interest Receivables	**2,425,198**	**–**	**–**	**–**	**2,425,198**
Noncurrent:					
Receivables:					
Accounts Receivables	**–**	**–**	**–**	**2,093,042**	**2,093,042**
Notes Receivables	**–**	**–**	**–**	**9,586,187**	**9,586,187**
Interest Receivables	**–**	**–**	**–**	**1,512,085**	**1,512,085**
Derivative assets	**–**	**241,744**	**–**	**–**	**241,744**
Other financial assets at amortized cost	**–**	**–**	**–**	**26,085,959**	**26,085,959**
Financial assets at FVOCI:					
Quoted	**–**	**–**	**–**	**353,678**	**353,678**
Unquoted	**–**	**–**	**–**	**1,190**	**1,190**
	₱58,698,538	**₱1,366,242**	**₱–**	**₱39,632,141**	**₱99,696,921**

	2020 (As restated)				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
Current:					
Cash and cash equivalents	₱28,077,171	₱–	₱–	₱–	₱28,077,171
Receivables:					
Accounts Receivables	1,169,722	3,920,394	660,372	–	5,750,488
Notes Receivables	10,082,520	–	–	–	10,082,520
Interest Receivables	778,711	–	–	–	778,711
Noncurrent:					
Receivables					
Accounts Receivables	–	–	–	1,933,892	1,933,892
Notes Receivables	–	–	–	4,100,427	4,100,427
Interest Receivables	–	–	–	505,969	505,969
Derivative assets	–	46,968	–	–	46,968
Other financial assets at amortized cost	–	–	–	15,297,105	15,297,105
Financial assets at FVOCI:					
Quoted	–	–	–	379,978	379,978
Unquoted	–	–	–	1,190	1,190
	₱40,108,124	₱3,967,362	₱660,372	₱22,218,561	₱66,954,419

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2021 and 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:

<u>ACEN</u>
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 December 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.

<u>Guimaras Wind</u>
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.

<u>SLTEC</u>
On April 29, 2019 SLTEC entered into an Omnibus Loan and Security Agreement (the “New Omnibus Agreement”) with the following:
- BDO Unibank, Inc. (BDO), Security Bank Corporation (SBC) and Rizal Commercial Banking Corporation (RCBC) as the Lenders;
- ACEI, ACEN, and APHPC 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,
- BDO 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 SLTEC as permitted by law and other agreements to which SLTEC 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%. SLTEC 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.

NorthWind
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 nil million and ₱145.04 million as at December 31, 2021 and 2020, respectively, was used for the funding of the Balaoi and Caunayan Wind Power Project. BWPC availed loans from UPC Holdco amounting to ₱33.62 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.

In May 2021, outstanding loan balance including the interest payable were paid in full.

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

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

Commodity Price Risk

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

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

Only the Group's Chief Executive Officer 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 December 31, 2021							
Foreign exchange forward contracts							
Notional amount ($000)	**$–**	**$360**	**$270**	**$181**	**$273**	**$–**	**$1,084**
Average forward rate ($/₱)	**–**	**48.23**	**48.38**	**48.37**	**48.72**	–	
As at December 31, 2020 (As restated)							
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	$–

There were no additional fuel and coal commodity swap contracts entered into and the remaining coal contracts in 2021 were all settled as at December 31, 2021. The Group had fuel oil hedges entered in 2020 which were all settled also as at December 31, 2020.

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

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As at December 31, 2021				
Foreign exchange forward contracts	**$1,084**	**₱241,744**	**Other current assets;**	**₱241,744**
As at December 31, 2020 (As restated)				
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 are as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at December 30, 2021			
Highly probable forecast purchases	**(₱47,029)**	**₱6,228**	**₱–**
Highly probable forecast purchases	**241,744**	–	–
As at December 31, 2020 (As restated)			
Coal purchases	₱72,151	₱57,409	₱–
Highly probable forecast sale	(3,300)	–	–

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

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at December 31, 2021						
Foreign exchange forward contracts	**₱–**	**₱241,744**	**Other income (expense)**	**₱–**	**₱–**	**₱–**
Foreign exchange forward contracts	**(47,029)**	**–**	**Unrealized fair value gains on derivative instruments designated as hedges**	**–**	**–**	**–**
As at December 31, 2020 (As restated)						
Foreign exchange forward contracts	₱–	(₱3,300)	Other income (expense)	₱–	₱–	₱–
Commodity swap contracts - Coal	72,151	–	Unrealized fair value gains on derivative instruments designated as hedges	–	–	–

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Enterprise risk assessments are refreshed on an annual basis. Risk assessments at the plant level are also conducted for operational risks. Insurance coverage is also reviewed annually by the Insurance Committee.
- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and rechallenged based on current and forecasted developments on the financial and political events.
- Monthly management reports are submitted to the Operations Management Committee that includes updates from the various business and functional units, including market updates. This includes updates on financials, leverage, operations, health and safety, human resources, sustainability, and other risk areas.
- Annual planning sessions are conducted to set the targets for the Group, and these are revisited at midyear to review the progress and risks related to the accomplishment of these targets.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management

The primary objective of the Group's capital management 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.

	2021	2020 (As restated)
Short-term debt (Note 19)	**₱–**	₱4,635,000
Long-term debt (Note 19)	**41,137,275**	22,254,155
Total debt	**41,137,275**	26,889,155
Less:		
Cash and cash equivalent (Note 4)	**26,388,448**	27,864,929
Short-term investments	**68,310**	–
Restricted cash (Note 4)	**56,981**	212,242
Net debt	**14,623,536**	(1,188,016)
Total equity	**117,968,762**	104,279,335
Debt to equity	**34.87%**	25.79%
Net debt to equity	**12.40%**	(1.14%)

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.

35. **Fair Values**

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

	2021			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Financial assets at FVTPL	**₱406,739**	**₱–**	**₱406,739**	**₱–**
Financial assets at FVOCI	**354,868**	**21**	**354,847**	**–**
Other financial assets at amortized cost	**26,085,959**	**–**	**–**	**25,515,486**
Derivative asset*	**241,744**	**–**	**241,744**	**–**
Refundable deposits**	**165,164**	**–**	**–**	**167,953**
Trade receivables***	**2,052,268**	**–**	**–**	**2,081,941**
Receivables from third parties****	**75,752**	**–**	**–**	**75,752**
	₱29,382,494	**₱21**	**₱1,003,330**	**₱27,841,132**
Liabilities				
Notes payable	**₱20,195,054**	**₱–**	**₱–**	**₱20,447,789**
Long-term debt	**20,942,221**	**–**	**–**	**20,906,144**
Deposit payables and other liabilities*****	**174,581**	**–**	**–**	**203,399**
Derivative liability	**241,744**	**–**	**241,744**	**–**
Lease liabilities	**2,696,252**	**–**	**–**	**3,369,737**
	₱44,249,852	**₱–**	**₱241,744**	**₱44,927,069**

** 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"*
****** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.*

	2020 (As restated)			
		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	₱13,001,924	₱21	₱13,001,903	₱–
Other financial assets at amortized cost	15,297,105	–	–	16,363,101
Derivative asset*	82,014	–	82,014	–
Refundable deposits**	105,337	–	–	105,337
Trade receivables***	2,008,697	–	–	1,942,804
Receivables from third parties****	65,519	–	–	65,519
	₱30,560,596	₱21	₱13,083,917	₱17,410,765
Liabilities				
Long-term debt	₱22,254,155	₱–	₱–	₱22,800,565
Short-term loans	4,635,000	–	–	4,635,000
Deposit payables and other liabilities*****	167,593	–	–	167,793
Derivative liability	3,300	–	3,300	–
	₱27,060,048	₱–	₱3,300	₱27,603,358

** 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 FVTPL and FVOCI
Quoted market prices have been used to determine the fair values of quoted financial assets at FVOCI.

For unquoted financial assets at FVTPL and FVOCI, management uses the discounted cash flow technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity which is a related party investment company, management estimates the amount and timing of the future cash inflow arising from redemption of preferred shares.

Other Financial Assets at Amortized Cost
This includes investments in redeemable preferred shares and convertible loans. The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

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

Long-Term Loans
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 4.40% to 7.10% and 3.11% to 6.25% as at December 31, 2021 and 2020, respectively.

Notes Payable
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows is 4.40% as at December 31, 2021.

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.

36. 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 and 32).

- Parent and Others - represents operations of the Parent Company (excluding Retail Electricity Supply (RES) / Commercial Operations) and ACE Shared Services, Inc.

- Philippines, which includes:
  1. RES or Commercial Operations;
  2. Petroleum and exploration;
  3. Renewables - generation, transmission, distribution and supply of electricity using renewable sources such as solar, wind and geothermal resources;
  4. Thermal - generation, transmission, distribution and supply of electricity using conventional way of energy generation.
  5. Project development expenses incurred by ACE Endevor and SPVs; and
  6. Leasing, bulk water supply

- International - represents the operations of ACRI, which is the holding company for all offshore investments. This includes earnings from the international investments, as well as project development expenses for the various power projects in the pipeline, ACE International, ACEC and ACE HK.

The comparative segment information for the year ended December 31, 2020 and 2019 have 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 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 ₱7,023 million and ₱8,545 million in 2021 and 2020, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arise from sales in the Philippine Segment.

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

The following tables regarding operating segments present revenue and income information for the years ended December 31, 2021, 2020 and 2019 and assets and liabilities as at December 31, 2021, 2020, and 2019:

	For the year ended December 31, 2021			
	Philippines	**International**	**Parent and Others**	**Consolidated**
Revenues				
Revenue from sale of electricity	**₱25,878,039**	**₱–**	**₱–**	**₱25,878,039**
Rental income	**61,466**	–	–	**61,466**
Dividend income	–	**11,725**	–	**11,725**
Other revenues	**20,316**	**46,685**	**63,210**	**130,211**
	25,959,821	**58,410**	**63,210**	**26,081,441**
Costs and expenses				
Costs of sale of electricity	**21,469,733**	–	–	**21,469,733**
General and administrative expenses	**1,836,059**	**600,785**	**348,705**	**2,785,549**
	23,305,792	**600,785**	**348,705**	**24,255,282**
Interest and other finance charges	**(812,861)**	**(320,170)**	**(561,350)**	**(1,694,381)**
Equity in net income of associates and joint ventures	**1,126,943**	**825,810**	–	**1,952,753**
Other income - net	**401,132**	**4,937,000**	**385,508**	**5,723,640**
Net income (loss) before income tax	**3,369,243**	**4,900,265**	**(461,337)**	**7,808,171**
Provision for (benefit from) income tax	**277,183**	**37,625**	**(172,671)**	**142,137**
Segment net income (loss)	**₱3,092,060**	**₱4,862,640**	**(₱288,666)**	**₱7,666,034**
Other disclosures				
Depreciation and amortization	**1,856,163**	**51**	**149,651**	**2,005,865**
Capital expenditures	**5,005,192**	**256**	**723,308**	**5,728,755**
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	**301,413**	–	–	**301,413**

	As at December 31, 2021			
Operating assets	**₱64,282,801**	**₱90,206,146**	**₱16,672,440**	**₱171,161,387**
Operating liabilities	**₱18,064,751**	**₱21,165,040**	**₱13,962,834**	**₱53,192,625**
Other disclosures:				
Investments in associates and joint ventures	**₱7,762,008**	**₱13,596,293**	**₱–**	**₱21,358,301**
Pension & other employment benefits	**48,499**	–	**31,923**	**80,422**

	For the year ended December 31, 2020 (As restated)			
	Philippines	International	Parent and Others	Consolidated
Revenues				
Revenue from sale of electricity	₱20,283,303	₱–	₱–	₱20,283,303
Rental income	86,623	–	–	86,623
Dividend income	–	14,034	–	14,034
Other revenues	68,985	34,812	480	104,277
	20,438,911	48,846	480	20,488,237
Costs and expenses				
Costs of sale of electricity	13,420,539	–	–	13,420,539
General and administrative expenses	2,233,968	183,037	600,661	3,017,666
	15,654,507	183,037	600,661	16,438,205
Interest and other finance charges	(1,079,410)	(166,076)	(742,600)	(1,988,086)
Equity in net income of associates and joint ventures	898,513	591,679	–	1,490,192
Other income (expense) - net	250,603	2,962,795	338,491	3,551,889
Net income (loss) before income tax	4,854,110	3,254,207	(1,004,290)	7,104,027
Provision for (benefit from) income tax	980,369	29,147	(307,639)	701,877
Segment net income (loss)	₱3,873,742	₱3,225,060	(₱696,651)	₱6,402,150
Other disclosures:				
Depreciation and amortization	1,781,180	36	29,527	1,810,743
Capital expenditures	6,161,117	–	98,344	6,259,461
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	161,393	–	270,529	431,922

	As at December 31, 2020 (As restated)			
Operating assets	₱59,958,203	₱78,534,519	₱3,323,098	₱141,815,820
Operating liabilities	₱16,265,006	₱595,696	₱20,675,783	₱37,536,485
Other disclosures:				
Investments in associates and joint ventures	₱6,618,590	₱12,176,499	₱–	₱18,795,089
Pension & other employment benefits	31,617	–	19,312	50,929

	For the year ended December 31, 2019 (As restated)			
	Philippines	International	Parent and Others	Consolidated
Revenues				
Revenue from sale of electricity	₱16,096,549	₱–	₱–	₱16,096,549
Rental income	1,757	–	1,359	3,116
Dividend income	7,157	1,004	7,585	15,746
Other revenues	–	11,298	–	11,298
	16,105,463	12,302	8,944	16,126,709
Costs and expenses				
Costs of sale of electricity	15,302,530	–	–	15,302,530
General and administrative expenses	100,626	60,139	667,215	827,980
	15,403,156	60,139	667,215	16,130,510

(Forward)

	For the year ended December 31, 2019 (As restated)			
	Philippines	International	Parent and Others	Consolidated
Interest and other finance charges	(₱94,066)	₱13,189	(₱881,963)	(₱962,840)
Equity in net income of associates and joint ventures	231,445	532,089	(24,461)	739,073
Other income (expense) - net	20,196	211,535	716,053	947,784
Net income (loss) before income tax	859,882	708,976	(848,642)	720,216
Provision for (benefit from) income tax	81,025	62,114	(202,659)	(59,520)
Segment net income (loss)	₱778,857	₱646,862	(₱645,983)	₱779,736
Other disclosures:				
Depreciation and amortization	145,261	18	892,466	1,037,745
Capital expenditures	77,956	–	418,514	496,470
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	–	–	–	–

	As at December 31, 2019 (As restated)			
Operating assets	₱8,816,737	₱75,901,458	₱39,720,805	₱124,439,000
Operating liabilities	₱3,381,860	₱122,174	₱28,575,663	₱32,079,697
Other disclosures:				
Investments in associates and joint ventures	₱1,810,936	₱14,538,071	₱723,165	₱17,072,172
Pension & other employment benefits	–	–	71,034	71,034

Adjustments and Eliminations

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

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

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

Other income - Net includes interest and other financial income from investments in redeemable preferred shares of associates and joint ventures and from development loans and advances to these associates and joint ventures, guarantee fee income, reversal of allowance for impairment of advances to contractors and impairment of investments in joint venture, tax credits on real property taxes, gain (loss) on derivatives, gain on sale of by-product, claims on insurance, foreign exchange gain (loss), gain (loss) on sale of property, plant and equipment, mark-to market gains, fees on advisory services, and other miscellaneous income (expense) which are allocated to operating segments.

37. **Supplemental Cash Flows Information**

The non-cash investing activities of the Group for the year ended December 31, 2021 and 2020 are as follow:

	2021	2020 (As restated)
Non-cash additions to property, plant and equipment	**₱33,334**	₱192,961
Set-up of ROU assets from new lease agreements	**1,242,723**	713,657
Reclassifications to (from):		
Property, plant and equipment	**670,393**	(283,860)
Noncurrent assets held for sale	**283,168**	(3,546)
Other current assets	**35,046**	(14,593)
Goodwill and other intangible assets	**216**	–
Creditable withholding taxes	**(188,201)**	388,502
Investment properties	**(438,375)**	–
Right-of-use assets	**(672,133)**	(24,827)
Financial assets at FVOCI	**–**	20,358,370
Investments in other financial assets at amortized cost	**–**	4,506,738
Other noncurrent assets	**–**	(2,122,616)
Acquired through business combinations:		
Property, plant and equipment	**–**	2,119,796
Right-of-use assets	**–**	996,101
Other noncurrent assets	**–**	8,383

Movements in the Group's liabilities from financing activities for the year ended December 31, 2021 and 2020 are as follows:

	January 1, 2021 (As restated)	**Availments/ Proceeds**	**Payments**	**Others**	**December 31, 2021**
Current portion of:					
Short-term loans	**₱4,635,000**	**₱3,000,000**	**(₱7,635,000)**	**₱–**	**₱–**
Long-term loans	**707,782**	**–**	**(2,188,811)**	**2,305,517**	**824,488**
Lease liabilities	**285,001**	**–**	**(450,271)**	**702,220**	**536,950**
Interest payable	**203,972**	**–**	**(1,165,047)**	**1,409,994**	**448,919**
Due to stockholders	**18,272**	**–**	**(3,428,512)**	**3,426,825**	**16,585**
Noncurrent portion of:					
Notes payable	**–**	**20,383,600**	**–**	**(188,546)**	**20,195,054**
Long-term loans	**21,546,373**	**848,276**	**–**	**(2,276,916)**	**20,117,733**
Lease liabilities	**1,631,628**	**–**	**–**	**527,674**	**2,159,302**
Other noncurrent liabilities	**1,695,048**	**1,016,196**	**–**	**25,676**	**2,736,920**
Total liabilities from financing activities	**₱30,723,076**	**₱25,248,072**	**(₱14,867,641)**	**₱5,932,444**	**₱47,035,951**

	January 1, 2020 (As restated)	Availments/ Proceeds	Payments	Others	December 31, 2020 (As restated)
Current portion of:					
Short-term loans	₱3,556	₱14,184,275	(₱9,630,319)	₱77,488	₱4,635,000
Long-term loans	905,930	–	(4,602,920)	4,404,772	707,782
Lease liabilities	128,796	–	(239,767)	395,972	285,001
Interest payable	170,849	–	(1,682,101)	1,715,224	203,972
Dividends payable	–	–	(2,507,813)	2,507,813	–
Due from stockholders	16,594	–	–	1,678	18,272
Noncurrent portion of:					
Long-term loans	22,292,699	3,807,614	–	(4,553,940)	21,546,373
Lease liabilities	852,742	–	–	778,886	1,631,628
Other noncurrent liabilities	3,289,903	27,263	–	(1,622,118)	1,695,048
Total liabilities from financing activities	₱27,661,069	₱18,019,152	(₱18,662,920)	₱3,705,775	₱30,723,076

2020 restatement eliminated ₱5.12 billion proceeds of ACEN short-term loans from ACRI, and BWPC long-term loans from ACE International with carrying amount of ₱136.55 million.

38. **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 March 8, 2022, 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 Section 15 (c) of 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. On March 16, 2021, the CTA *en banc* issued a resolution granting NLR's Motion for Entry of Judgment. On July 26, 2021, the CTA *en banc* released the actual Entry of Judgment affirming the favorable decision of the CBAA dated 10 October 2017. As at December 31, 2021, the said CBAA decision is already final and executory.

   As at March 8,2022, the 2017 to 2021 RPT protest, regarding an aggregate amount of ₱369.37 million, are still pending decision with the Local Boards of Assessment Appeals of Ilocos Norte.

<u>Claims for tax refund</u>

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. In 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 was 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 Energy Corporation 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. The CTA denied NLR's appeal through its decision dated 19 February 2021. NLR filed a motion for reconsideration on March 16, 2021 and is awaiting for the CTA's decision.

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

d. On June 18, 2018, ISLASOL filed an appeal before the Local Board of Assessment Appeals (LBAA) of La Carlota when its request to the Office of the City Treasurer of La Carlota (the "Treasurer") to reduce the tax rate of the RPT from 2.5% to 1.5% as provided undersection 15 (c) of Republic Act No. 9153 or the Renewable Energy Act of 2008 (RE Law) was denied. On February 15, 2021, the LBAA issued a Resolution setting aside and annulling the Treasurer's letter of denial of the ISLASOL's request, directing the Treasurer to recompute the RPT due and apply the maximum special RPT tax rate of 1.5% less accumulated normal depreciation or net book value and ordering the Treasurer to refund to ISLASOL the amount of RPT paid for year 2017 in excess of the maximum specialty tax rate of 1.5%. On March 29, 2021, ISLASOL submitted a Letter of Intent to the Treasurer availing Tax Credit Certification for its RPT overpayment and requesting application of the Tax Credit Certificate to future RPT assessments of ISLASOL. On June 15, 2021, City Treasurer of La Carlota issued a Certificate of tax credit amounting to ₱69.15 million covering the overpayment from 2017 to 2020.

Power Barge 102 Oil Spill

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 at March 8, 2022, the Group has incurred ₱16.22 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 (PAB), 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 (MR). A technical conference was conducted by PAB on December 2, 2021 where the Parent Company manifested the pending MR. The Parent Company was then required by PAB to submit its Position Paper on an *ad cautelam* basis.

The Parent Company has received claims for compensation for property damages, loss of livelihood, and disturbance compensation 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 at March 8, 2022, the investigations are 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. In an Order promulgated on June 11, 2021, the ERC resolved to deny the motion for reconsideration filed by the PEMC and directed PEMC to submit its plan of action for the refund scheme. The Group monitors PEMC's action relative to the ERC's Decision and Order.

ACRI Guarantee Agreements

In, 2021, the Group entered into various guarantee agreements with the banks for a total of $48.5 million (2020: $39.8 million) for projects in India and Vietnam, of which $48.5 million (2020: $36.1 million) is outstanding as of year-end. The purpose of the guarantee is to secure various module and supply agreements of the projects.

Also, in 2021, the Group entered into various guarantee agreements with the bank for a total of INR 718.2 million ($9.5 million) as the guarantor for various solar projects in India, of which $5.5 million is outstanding as at December 31, 2021.

On January 15, 2021, the Group entered into a guarantee agreement with the bank for a total of AUD 260 million ($185.5 million) to guarantee the obligation of New England Solar Project to the project lender. As at December 31, 2021, total amount drawn from the loan was AUD98.98 million ($70.64 million). The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance

In 2020, the Group entered into various guarantee agreements with BT1 Windfarm JSC ("BT1 Wind") and BT2 Windfarm JSC ("BT2 Wind") to provide a Parent Company Guarantee (PCG) in favour of the contractors as security for the obligations of BT1 Wind and BT2 Wind. As at December 31, 2021, the guarantee has been released upon achievement of commercial operations date of the projects.

On September 30, 2020, the Group signed an agreement with the bank to guarantee BT1 Windfarm's payment obligation to the project lender on its loan amounting to $118.28 million. As at December 31, 2021, total amount drawn from the facility was $110.98 million. The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance

On October 12, 2018, the Group has entered into a guarantee agreement with the bank for a total of $37 million to guarantee the obligation of AMI Khan Hoa Solar project to the project lender. Subsequently on October 3, 2020, loan amounting to $33.71 million was drawn by AMI Khan Hoa. The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance.

For the years ended December 31, 2021, 2020 and 2019, the Group recognized corresponding guarantee fee income amounting to $5.18 million (₱254.41 million), $2.19 million (₱105.30 million) and to $0.16 million (₱8.12 million), respectively (see Note 26).

39. **Events After the Reporting Period**

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

Amendment of Administration and Management Agreement with SLTEC
On January 21, 2022, the BOD of ACEN approved the amendment to the Administration and Management Agreement with SLTEC to include, among others, the provision of operations and maintenance services by ACEN to SLTEC.

Sale of Power Barge 101
January 21, 2022, ACEN and MORE Power Barge, Inc. executed the Deed of Absolute Sale and Assignment implementing the sale of Power Barge 101, amounting to ₱126 million, inclusive of VAT.

ACEN and UPC Renewables to construct their largest solar project in India
On January 30, 2022, ACEN and UPC Solar Asia Pacific, commenced construction of their 300 MWac (420 MWp) Masaya Solar farm. Through their joint venture company, UPC-AC Energy Solar.

The Masaya Solar project is located in the Khandwa District, State of Madhya Pradesh, and is set to produce 691 GWh of renewable energy per year while avoiding approximately 635,720 MT of CO2 emissions annually. Once completed, the Masaya Solar farm will be UPC-AC Energy Solar's third and largest solar project in India to date.

UPC-AC Energy Solar is in the process of securing a 20-year loan from the State Bank of India to fund the project with an estimated project cost of US$220 million under a 75:25 debt-to-equity financing scheme, with the joint venture supplying electricity at INR 2.71 per kWh fixed over a 25-year period under a power supply agreement with the Solar Energy Corporation of India.

ACEN to acquire 49% interest in Vietnam solar platform of Super Energy Corporation
On January 31, 2022, ACEN through its wholly-owned subsidiary, AC Energy Vietnam Investments Pte. Ltd. ("ACEV") and Super Energy Corporation Public Company Limited ("SUPER"), through its subsidiary, Super Energy Group (Hong Kong) Co., Limited ("Super HK"), have signed an agreement to form a strategic partnership to develop, own and operate renewable energy projects across ASEAN.

ACEV signed a share purchase agreement (with conditions precedent) to acquire a 49% interest of Solar NT, owned by Super HK. SUPER is a premier Thai renewable energy developer and investor. The transaction will be via secondary shares acquisition for a total consideration of US$ 165 million.

Post-restructuring, Solar NT will own and operate nine solar power plants across Vietnam with a total capacity of approximately 837 megawatts.

The transaction is the beginning of a strategic partnership between ACEN and SUPER which will continue to expand their renewable footprints in Vietnam as well as exploring other Southeast Asian markets.

Subscription by ACEN to shares in BCHC
On February 14, 2022, ACEN signed a subscription agreement with BCHC for the subscription by ACEN to 3,015,000 common shares and 16,985,000 redeemable preferred shares (RPS), subject to the necessary regulatory approval by the SEC of the increase in ACS of BCHC. The additional capital will be used by BCHC to purchase real property required for various potential power projects.

ACEN powers up country's first hybrid solar and storage project
On February 23, 2022, the Group's Battery energy storage system through Giga Ace 4 has started operations. The pilot 40 MW (2x20 MW) energy storage project located in Alaminos, Laguna, adjacent to SolarAce1's operating 120 MW Alaminos Solar Farm

Sale of Power Barge 102
On February 23, 2022, ACEN and SPC Island Power Corporation executed the Deed of Absolute Sale and Assignment implementing the sale of PB 102. Conditions precedent to closing of the transaction is the approval of PSALM to the assignment of the Lease Agreement covering the mooring site of PB 102.

Declaration and payment of cash dividends to stockholders
On March 8, 2022, ACEN's BOD approved the declaration of cash dividends of ₱0.06 per share on the 38,315,838,177 outstanding shares of ACEN, to be paid on April 19, 2022 to the shareholders on record as of April 5, 2022.

AC ENERGY CORPORATION
AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FORM 17-A, ITEM 7

**These schedules are either not required, not applicable or the information required to be presented is included in the Company's consolidated financial statements or notes to consolidated financial statements.*

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
AC Energy Corporation
35th Floor, Ayala Triangle Gardens Tower 2
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of AC Energy Corporation (formerly AC Energy Philippines, Inc.) and subsidiaries, as at December 31, 2021 and 2020 and January 1, 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A and have issued our report thereon dated March 8, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

Benjamin N. Villacorte
Partner
CPA Certificate No. 111562
Tax Identification No. 242-917-987
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 1539-AR-1 (Group A)
March 26, 2019, valid until March 25, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-120-2022, January 20, 2022, valid until January 19, 2025
PTR No. 8854386, January 3, 2022, Makati City

March 8, 2022

Attachment I

AC ENERGY CORPORATION AND SUBSIDIARIES
Schedule A. Financial Assets
December 31, 2021

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial assets at FVTPL		₱406,738,633	₱406,738,633	₱–
Financial assets at FVOCI				
Tagaytay Midlands Golf Club, Inc.	1	600,000	600,000	–
Puerto Azul Golf & Country Club, Inc.	1	150,000	150,000	–
Capitol Hills Golf & Country Club, Inc.	1	150,000	150,000	–
Philam Tower Club	1	100,000	100,000	–
Camp John Hay	1	190,000	190,000	–
A. Soriano	179	1,073	1,073	–
PLDT Inc.		19,500	19,500	–
UPC Sidrap HK Limited		353,657,847	353,657,847	–
		354,868,420	354,868,420	–
Financial Assets at Amortized Cost				
Redeemable preferred shares and subscription deposits				
Investment in UPC Asia III		1,110,141,018	1,091,534,448	201,851,267
Investment in AAR		6,317,222,141	6,276,756,742	580,139,611
Investment in BIMRE		1,238,208,520	1,278,658,959	156,614,858
Investment in BIME		216,053,019	224,173,944	27,439,212
Investment in UPC Solar		1,599,381,000	1,538,671,000	125,538,676
BIM Wind		2,285,477,070	2,178,068,303	60,310,691
Convertible loans				
Investment in UPC Australia		9,047,961,158	8,821,090,643	600,198,123
Investment in Vietnam Wind Energy Limited		1,929,412,000	1,825,368,000	242,267,559
Investment in Asian Wind Power 1 HK Ltd		1,247,771,050	1,243,961,371	170,716,526
Investment in Asian Wind Power 2 HK Ltd		1,094,332,022	1,037,202,713	133,736,516
		26,085,958,998	25,515,486,123	2,298,813,040
Loans and Receivables				
Cash and Cash Equivalents		26,445,428,891	26,445,428,891	129,552,968
Short-term investments		68,310,124	68,310,124	–
Trade and Other Receivables		46,500,611,427	46,500,641,102	244,454,918
Long-term Receivables		2,247,256,542	2,247,256,542	1,703,337,147
		75,261,606,985	75,261,636,659	2,077,345,033
Derivative Assets		241,743,868	241,743,868	–
		₱102,350,916,903	**₱101,780,473,702**	**₱4,376,158,073**

AC ENERGY CORPORATION AND SUBSIDIARIES
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2021

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non Current	Balance at End of Period
			Amount Collected	Amount Written-Off			
Not Applicable:	The Company has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2021 equal to or above the established threshold of the Rule.						

Attachment I

AC ENERGY CORPORATION AND SUBSIDIARIES
Schedule C. Accounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2021

Name and Designation of Debtor	Balance at Beginning of Period, As Restated	Additions	Deductions		Current	Non-Current	Balance at End of Period
			Amount Collected	Amount Written-Off			
Subsidiaries:							
SolarAce1, Inc.	₱2,011,751,526	₱338,873,353	(₱2,349,152,443)	₱–	₱1,472,436	₱–	₱1,472,436
Gigasol3, Inc.	1,940,821,911	2,252,337,746	(4,190,951,003)	–	2,208,654	–	2,208,654
One Subic Power Generation Corporation	681,147,701	43,354,084	(723,624,939)	–	876,846	–	876,846
Ingrid Power Holdings, Inc.	299,415,873	36,662,344	–	–	336,078,217	–	336,078,217
Giga Ace 4, Inc.	285,991,031	145,612,344	(255,010,125)	–	176,593,250	–	176,593,250
Gigasol2, Inc.	95,116,531	100,239,292	(95,391,479)	–	99,964,344	–	99,964,344
ACE Endevor, Inc.	93,247,515	681,777,965	(774,034,167)	–	991,313	–	991,313
Bulacan Power Generation Corporation	90,387,372	7,079,051	(95,687,685)	–	1,778,738	–	1,778,738
South Luzon Thermal Energy Corporation	76,040,253	2,174,375,460	(2,189,874,881)	–	60,540,832	–	60,540,832
Palawan55 Exploration and Production Corporation	44,260,870	4,913,479	(418,200)	–	48,756,149	–	48,756,149
Buendia Christiana Holdings Corp.	43,402,283	511,656,031	–	–	555,058,314	–	555,058,314
Pagudpud Wind Power Corp.	40,696,730	88,750,212	(129,330,042)	–	116,900	–	116,900
CIP II Power Corporation	34,078,317	2,869,880	(35,378,629)	–	1,569,568	–	1,569,568
Guimaras Wind Corporation	26,328,407	172,404,555	(184,902,524)	–	13,830,438	–	13,830,438
Sta Cruz Solar Energy, Inc.	20,308,318	678,572,061	(168,821,790)	–	530,058,589	–	530,058,589
GigaWind1, Inc.	10,439,798	18,179,731	(6,160,939)	–	22,458,590	–	22,458,590
Negros Island Solar Power, Inc.	5,736,157	1,660,825	(7,107,474)	–	289,508	–	289,508
Monte Solar Energy, Inc..	3,894,803	–	(5,266,120)	–	(1,371,317)	–	(1,371,317)
San Carlos Solar Energy, Inc.	2,594,618	51,041,675	(3,965,934)	–	49,670,359	–	49,670,359
Bataan Solar Energy Inc	971,749	161,433,350	(14,303,620)	–	148,101,479	–	148,101,479
ACE Enexor, Inc.	118,000	625,011	(111,775)	–	631,236	–	631,236
Others	2,751,201	997,597,932	(873,517,675)	–	126,831,458	–	126,831,458
	₱5,809,500,964	**₱8,470,016,381**	**(₱12,103,011,444)**	**₱–**	**₱2,176,505,901**	**₱–**	**₱2,176,505,901**

Attachment I

AC ENERGY CORPORATION AND SUBSIDIARIES
Schedule D. Long-Term Debt
December 31, 2021

	Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Periodic Payments	Maturity Date
ACEN	China Bank Corporation	₱1,000,000,000	₱12,000,000	₱988,000,000	5.00%	20 semi-annual payments	August 24, 2030
	China Bank Corporation	500,000,000	6,000,000	494,000,000	5.00%	20 semi-annual payments	July 15, 2030
	BDO Unibank Inc.	4,894,736,842	52,631,579	4,842,105,263	5.05%	20 semi-annual payments	November 14, 2029
	Development Bank of the Philippines	805,000,000	–	805,000,000	2.75%	25 semi-annual payments	March 30, 2031
	Security Bank Corporation	768,812,675	76,388,439	692,424,236	6.50%	25 semi-annual payments	July 11, 2029
	Total	7,968,549,517	147,020,018	7,821,529,500			
	Unamortized debt issue costs	(52,939,492)	(5,421,942)	(47,517,550)			
		7,915,610,025	141,598,076	7,774,011,949			
Guimaras Wind	Development Bank of the Philippines	640,262,100	69,010,825	571,251,275	5.80%-6.25%	25 semi-annual payments	February 14, 2029
	Security Bank Corporation	640,262,100	69,010,825	571,251,275	6.08%-6.68%	25 semi-annual payments	February 14, 2029
	Total	1,280,524,200	138,021,650	1,142,502,550			
	Unamortized debt issue costs	(8,468,278)	(1,919,706)	(6,548,572)			
		1,272,055,922	136,101,944	1,135,953,978			
SLTEC	BDO Unibank Inc.	2,972,741,477	124,968,750	2,847,772,727	5.71%%-7.05%	24 semi-annual payments	May 7, 2031
	BDO Unibank Inc.	2,972,741,477	124,968,750	2,847,772,727	6.98%	24 semi-annual payments	May 7, 2031
	Rizal Commercial Banking Corporation	1,487,485,795	62,531,250	1,424,954,545	5.71%%-7.05%	24 semi-annual payments	May 7, 2031
	Rizal Commercial Banking Corporation	1,487,485,795	62,531,250	1,424,954,545	6.98%	24 semi-annual payments	May 7, 2031
	Security Bank Corporation	892,045,455	37,500,000	854,545,455	6.98%	24 semi-annual payments	May 7, 2031
	Total	9,812,500,001	412,500,000	9,400,000,000			
	Unamortized debt issue costs	(137,077,288)	(14,930,275)	(122,147,013)			
		9,675,422,712	395,826,330	9,279,596,382			
NorthWind	Bank of the Philippine Islands	2,092,540,000	153,180,000	1,939,360,000	5.13%	24 semi-annual payments	May 29, 2032
	Unamortized debt issue costs	(13,407,289)	(2,218,118)	(11,189,171)			
		2,079,132,711	150,961,882	1,928,170,829			
	Long-term Loans	**₱20,942,221,371**	**₱824,488,232**	**₱20,117,733,138**			
ACEN Finance	Green bonds	$400,000,000	₱–	₱20,383,600,000	4.00%	Senior undated fixed-for-life (non-deferrable) Notes with fixed coupon of 4.00% for life, with no step-up and no reset, priced at par.	
	Unamortized debt issue costs	(2,255,998)	–	(114,938,824)			
	Cumulative translation adjustment	–	–	(73,607,206)			
		397,744,002	–	20,195,053,970			
	Notes payable	**$397,744,002**	**₱–**	**₱20,195,053,970**			

Attachment I

AC ENERGY CORPORATION AND SUBSIDIARIES
Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2021

Name of related party	Balance at Beginning of Period	Balance at End of Period
Bank of the Philippine Islands	₱2,233,530,000	₱2,092,540,000
	₱2,233,530,000	**₱2,092,540,000**

Attachment I

AC ENERGY CORPORATION AND SUBSIDIARIES
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2021

Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee

Not Applicable: The Company has no guarantees of securities of other issuers as at December 31, 2021.

Attachment I

AC ENERGY CORPORATION AND SUBSIDIARIES
Schedule G. Capital Stock
December 31, 2021

Title of Issue	Number of Shares Authorized	Number of Shares Issued	Treasury Shares	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of shares held by:		
						Related parties	Directors, Officers and Employees	Others
Common stock	48,400,000,000	38,330,338,177	(14,500,000)	38,315,838,177	1,020,301,331	31,461,243,453	761,017,314	6,093,577,410

Attachment II

AC ENERGY CORPORATION

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

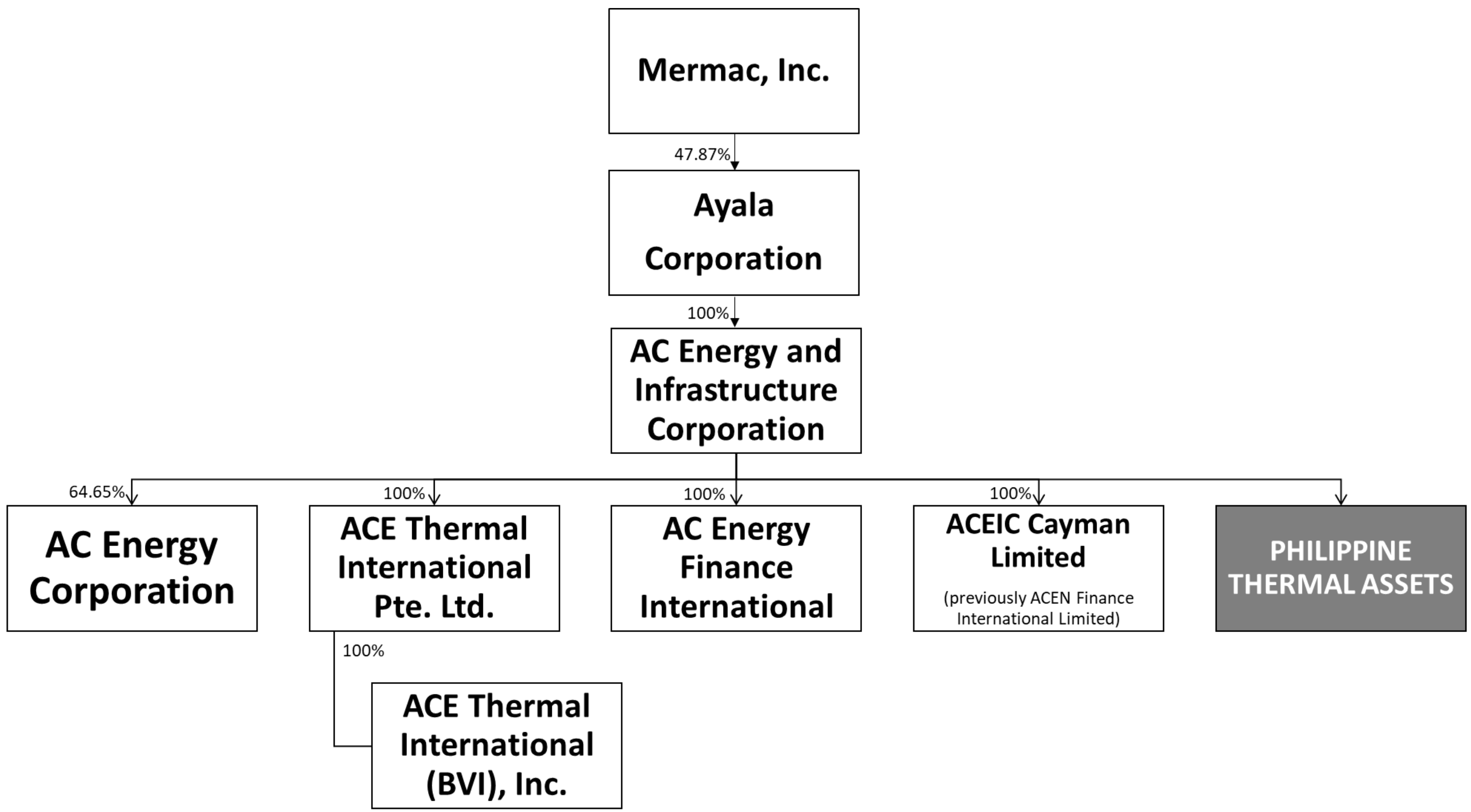
December 31, 2021
(Amounts in Thousands)

Retained earnings, beginning, as restated	₱5,230,267
Adjustment:	
Deferred income tax asset as at December 31, 2020	(451,735)
Unrealized FV gain of FVPL as at December 31, 2020	–
Derivative asset as at December 31, 2020	(82,014)
Retained earnings, beginning, as adjusted to amount available for dividend declaration, beginning	4,696,517
Add: Net income actually realized during the year	
Net income during the year closed to retained earnings	1,200,882
Add (deduct):	
Movement of recognized deferred income tax assets	(70,911)
Unrealized fair value loss on financial asset through FVPL and derivative assets	(159,730)
Net income actually realized during the year	5,666,759
Less: Dividends declared during the year	1,197,602
Treasury shares	28,657
Retained earnings available for dividend declaration, end	**₱4,440,500**

Attachment III

AC ENERGY CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

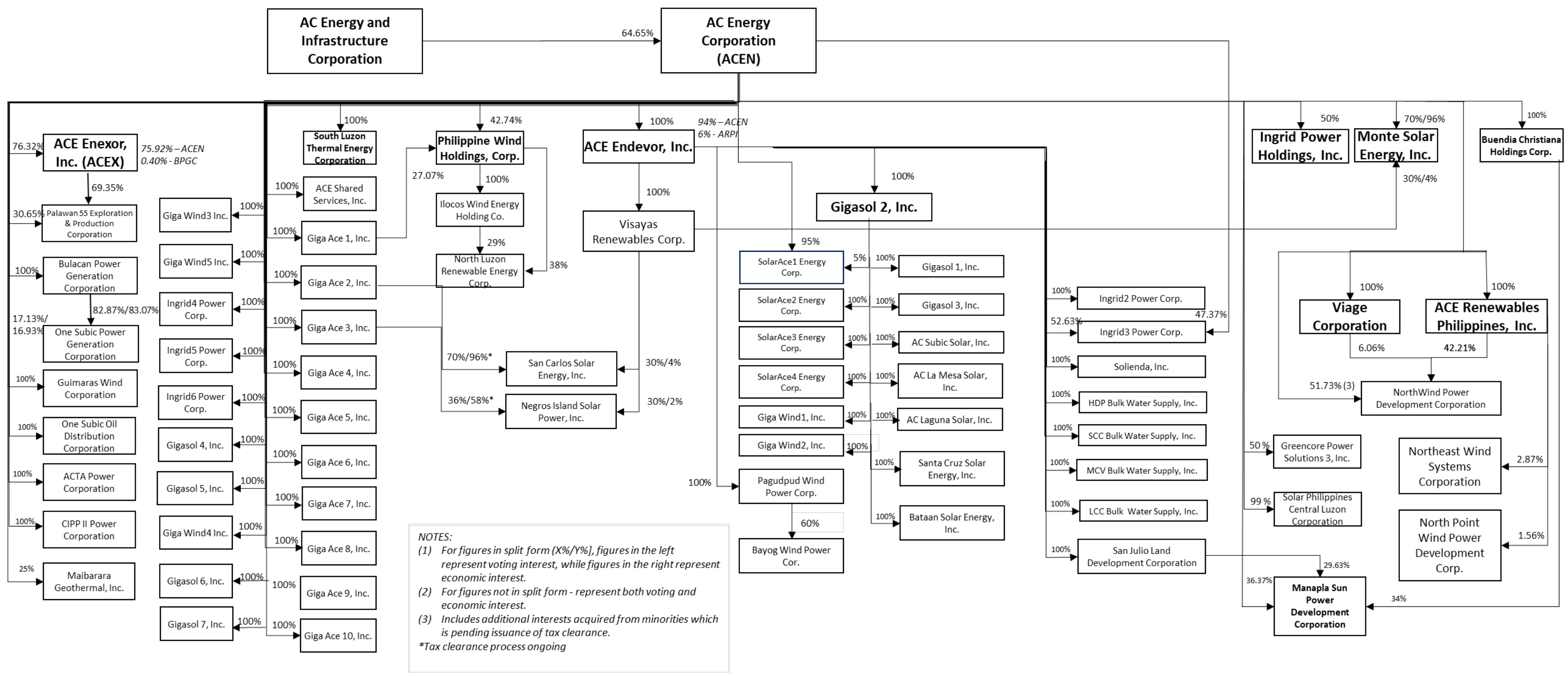
Conglomerate Map
As of December 31, 2021



Attachment III

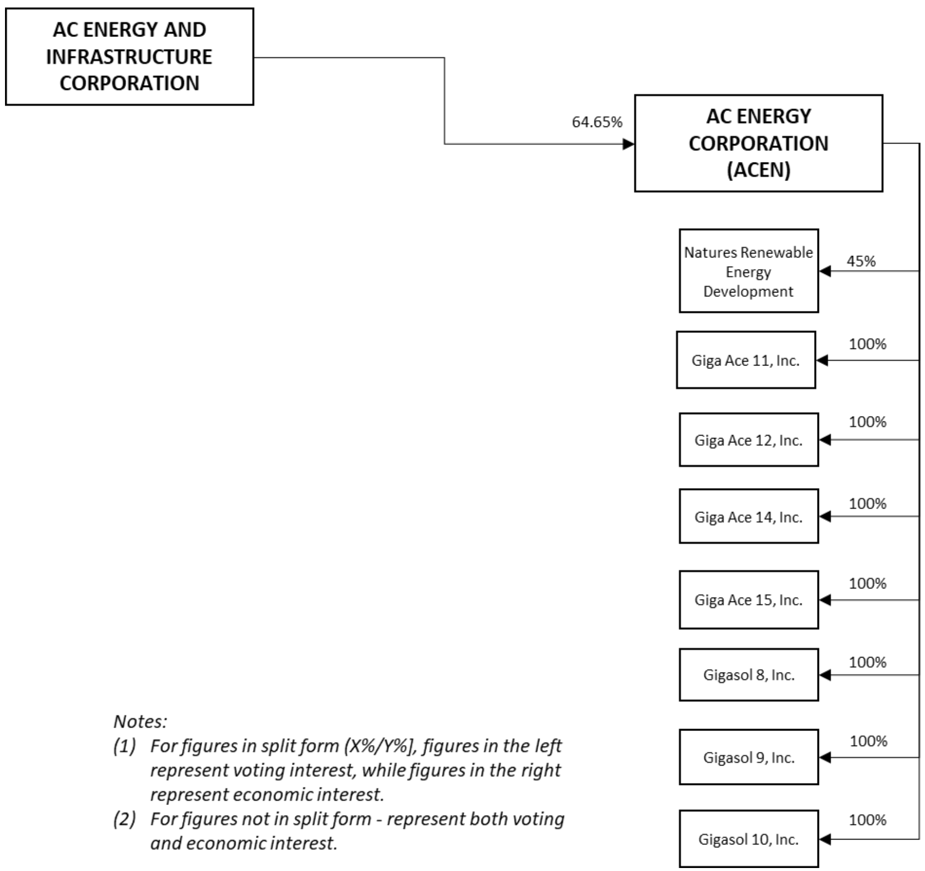
AC ENERGY CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2021



AC ENERGY CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

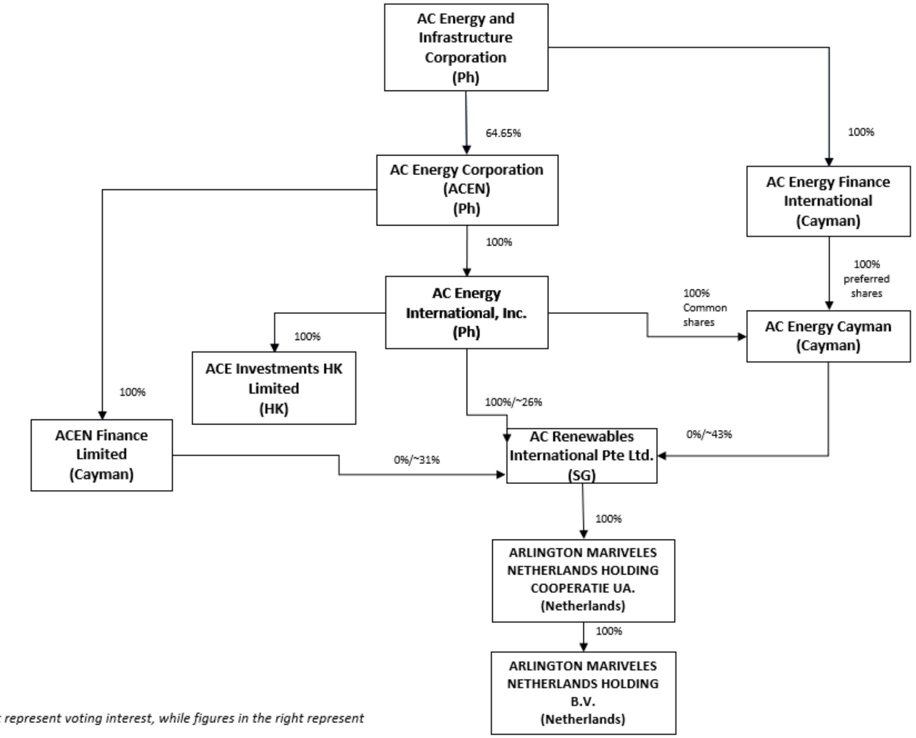
Conglomerate Map
As of December 31, 2021



Notes:
1. *For figures in split form (X%/Y%], figures in the left represent voting interest, while figures in the right represent economic interest.*
2. *For figures not in split form - represent both voting and economic interest.*

AC ENERGY CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2021



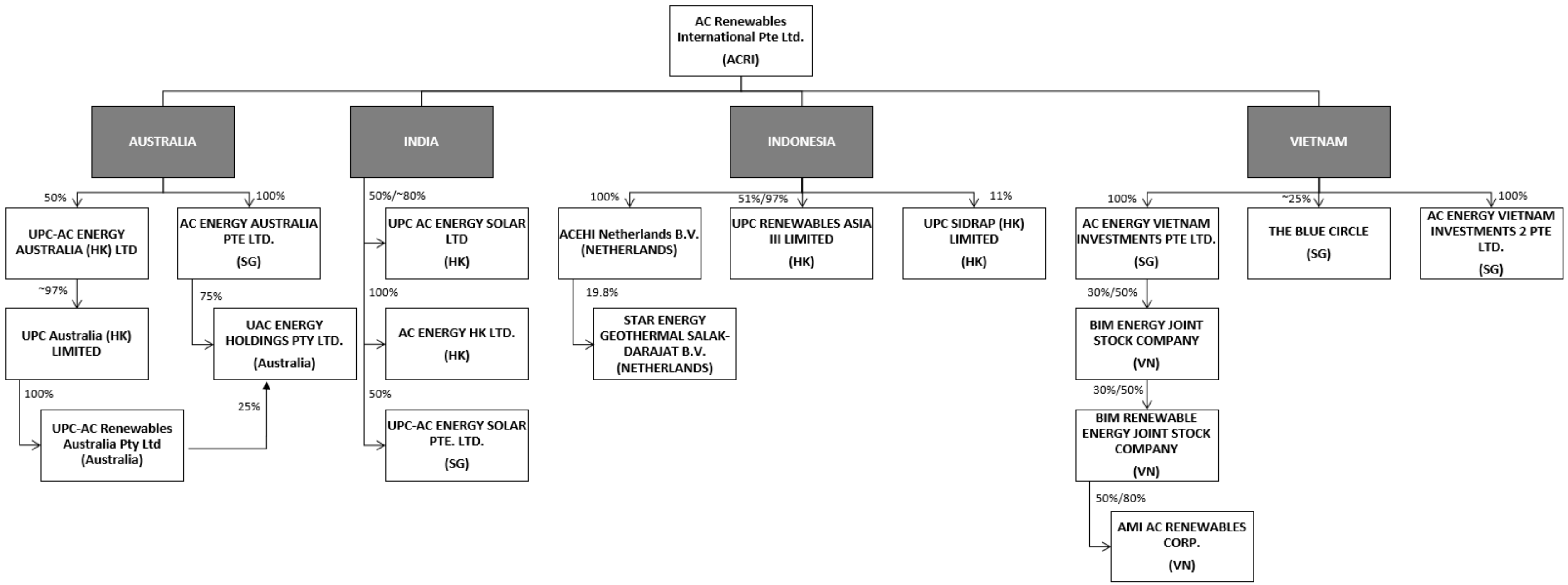
Notes:

(1) For figures in split form (X%/Y%), figures in the left represent voting interest, while figures in the right represent economic interest.

(2) For figures not in split form - represent both voting and economic interest.

AC ENERGY CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2021



Notes:
1. *For figures in split form (X%/Y%), figures in the left represent voting interest, while figures in the right represent economic interest.*
2. *For figures not in split form - represent both voting and economic interest.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
AC Energy Corporation
35th Floor, Ayala Triangle Gardens Tower 2
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of AC Energy Corporation (formerly AC Energy Philippines, Inc.) and subsidiaries, as at December 31, 2021 and 2020 and January 1, 2020, and for each of the three years in the period ended December 31, 2021 and have issued our report thereon dated March 8, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte

Benjamin N. Villacorte
Partner
CPA Certificate No. 111562
Tax Identification No. 242-917-987
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 1539-AR-1 (Group A)
March 26, 2019, valid until March 25, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-120-2022, January 20, 2022, valid until January 19, 2025
PTR No. 8854386, January 3, 2022, Makati City

March 8, 2022

Attachment IV

AC ENERGY CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Key Performance Indicator	Formula	31-Dec-21 Audited	31-Dec-20 As restated	Increase (Decrease) Amount	Increase (Decrease) %
Liquidity Ratios					
Current Ratio	Current assets / Current liabilities	**8.21**	4.83	3.38	70%
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**7.64**	4.59	3.05	66%
Solvency Ratios					
Debt/Equity ratio	Total liabilities / Total equity	**0.45**	0.36	0.09	25%
Asset-to-equity ratio	Total assets / Total equity	**1.45**	1.36	0.09	7%
Interest Coverage Ratio	Earnings before interest & tax (EBIT) / Interest expense	**5.61**	4.57	1.04	23%
Net bank Debt to Equity ratio	Short & long-term loans - Cash & Cash Equivalents / Total Equity	**0.12**	(0.01)	0.13	(1300%)

Profitability Ratios		31-Dec-21 Audited	31-Dec-20 As restated	Increase (Decrease) Amount	Increase (Decrease) %
Return on equity	Net income after tax attributable to equity holders / Average stockholders' equity	**7.40%**	8.03%	(0.63%)	(8%)
Return on assets	Net income after taxes / Average total assets	**4.90%**	4.81%	0.09%	2%
Asset Turnover	Revenues / Average total assets	**16.67%**	15.39%	1.28%	8%

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
   Mar 31, 2022
2. SEC 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
   Makati City, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City
   Postal Code
   1226
8. Issuer's telephone number, including area code
   (02) 7730 6300
9. Former name or former address, and former fiscal year, if changed since last report
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	39,644,772,107

11. Are any or all of registrant's securities listed on a Stock Exchange?
   (●) Yes ( ) No
   If yes, state the name of such stock exchange and the classes of securities listed therein:
   Philippine Stock Exchange - Common Shares
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC 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 that the registrant was required to file such reports)

- [x] Yes
- [ ] No

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

- [x] Yes
- [ ] No

ACEN

AC Energy Corporation
ACEN

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2022
Currency (indicate units, if applicable)	In thousand pesos

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2022	Dec 31, 2021
Current Assets	65,159,684	64,271,969
Total Assets	190,840,072	171,161,387
Current Liabilities	11,429,338	7,828,772
Total Liabilities	60,439,273	53,192,625
Retained Earnings/(Deficit)	9,112,328	8,707,301
Stockholders' Equity	130,400,799	117,968,762
Stockholders' Equity - Parent	100,412,842	88,017,986
Book Value per Share	2.58	3.38

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	7,402,606	5,727,844	7,402,606	5,727,844
Gross Expense	8,153,104	4,828,214	8,153,104	4,828,214
Non-Operating Income	1,564,279	1,590,861	1,564,279	1,590,861
Non-Operating Expense	-504,313	-428,679	-504,313	-428,679

Income/(Loss) Before Tax	309,468	2,061,812	309,468	2,061,812
Income Tax Expense	-442,978	128,377	-442,978	128,377
Net Income/(Loss) After Tax	752,446	1,933,435	752,446	1,933,435
Net Income Attributable to Parent Equity Holder	405,027	1,272,255	405,027	1,272,255
Earnings/(Loss) Per Share (Basic)	0.01	0.08	0.01	0.08
Earnings/(Loss) Per Share (Diluted)	0.01	0.08	0.01	0.08

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.17	0.46
Earnings/(Loss) Per Share (Diluted)	0.17	0.46

Other Relevant Information
-

Filed on behalf by:

Name	Alan Ascalon
Designation	Vice President/ Asst. Corporate Secretary

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)*

3 5 T H F L O O R , A Y A L A T R I A N G L E
G A R D E N S T O W E R 2 , P A S E O D E
R O X A S C O R N E R M A K A T I A V E N U E ,
M A K A T I C I T Y 1 2 2 6

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	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)
3,188	04/25	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

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

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

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

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, 2022**

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

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	**39,636,584,010 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 16, 2022.

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, 2022
and for the Three Months Period Ended
March 31, 2022 and 2021
(With comparative figures as at
December 31, 2021)

AC ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

March 31, 2022 (With Comparative Balances as at December 31, 2021)
(Amounts in Thousands)

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6 and 33)	**₱27,697,266**	₱26,445,429
Short-term investment (Note 6)	**196,712**	68,310
Accounts and notes receivable (Notes 7, 30 and 33)	**31,603,834**	33,309,297
Fuel and spare parts (Note 8)	**1,663,322**	1,490,559
Current portion of:		
Input value added tax (VAT)	**1,840,884**	1,173,169
Creditable withholding taxes	**998,203**	837,472
Other current assets (Notes 9 and 33)	**1,040,284**	744,269
	65,040,505	64,068,505
Noncurrent assets held for sale (Note 10)	**119,179**	203,464
Total Current Assets	**65,159,684**	64,271,969
Noncurrent Assets		
Investments in:		
Associates and joint ventures (Note 11)	**29,200,652**	21,358,301
Other financial assets at amortized cost (Note 12)	**28,669,031**	26,085,959
Financial assets at fair value through profit or loss (FVTPL; Note 13)	**1,211,227**	406,739
Financial assets at FVOCI (Note 14)	**352,408**	354,868
Property, plant and equipment (Note 15)	**37,998,678**	36,038,563
Right-of-use assets (Note 16)	**1,972,345**	2,135,479
Investment properties (Note 17)	**13,085**	13,085
Accounts and notes receivable – net of current portion (Notes 7, 30 and 33)	**16,998,207**	13,191,314
Goodwill and other intangible assets (Note 18)	**2,433,909**	2,375,980
Net of current portion:		
Input VAT	**612,102**	524,733
Creditable withholding taxes	**709,584**	726,804
Deferred income tax assets - net (Note 29)	**1,176,429**	512,366
Other noncurrent assets (Notes 19 and 33)	**4,332,731**	3,165,227
Total Noncurrent Assets	**125,680,388**	106,889,418
TOTAL ASSETS	**₱190,840,072**	₱171,161,387

(Forward)

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 20, 30 and 33)	**₱6,926,631**	₱6,280,829
Short-term loans (Notes 21 and 33)	**3,237,020**	–
Current portion of long-term loans (Notes 21, 33 and 34)	**830,995**	824,488
Current portion of lease liabilities (Notes 16, 33 and 34)	**192,637**	536,950
Income and withholding taxes payable	**225,470**	169,920
Due to stockholders (Note 30)	**16,585**	16,585
Total Current Liabilities	**11,429,338**	7,828,772
Noncurrent Liabilities		
Notes payable (Notes 21, 33 and 34)	**20,676,392**	20,195,054
Long-term loans – net of current portion (Notes 21, 33 and 34)	**22,038,315**	20,117,733
Lease liabilities – net of current portion (Notes 16, 33 and 34)	**2,384,690**	2,159,302
Pension and other employee benefits	**94,194**	80,422
Deferred income tax liabilities – net (Note 29)	**243,745**	74,422
Other noncurrent liabilities (Note 22)	**3,572,599**	2,736,920
Total Noncurrent Liabilities	**49,009,935**	45,363,853
Total Liabilities	**60,439,273**	53,192,625
Equity		
Capital stock (Notes 1 and 23)	**39,659,273**	38,338,527
Additional paid-in capital (Notes 1 and 23)	**107,281,663**	98,043,831
Other equity reserves (Note 23)	**(56,715,021)**	(56,604,532)
Unrealized fair value (loss) gain on equity instruments at FVOCI (Note 14)	**(103,546)**	(90,089)
Unrealized fair value gain on derivative instruments designated as hedges (Note 33)	**56,320**	6,228
Remeasurement loss on defined benefit plans	**(25,191)**	(24,436)
Accumulated share in other comprehensive gain (loss) of associates and joint ventures (Note 11)	**69,551**	29,723
Cumulative translation adjustments	**1,106,122**	(359,910)
Retained earnings (Note 23)	**9,112,328**	8,707,301
Treasury shares (Note 23)	**(28,657)**	(28,657)
Total equity attributable to equity holders of the Parent Company	**100,412,842**	88,017,986
Non-controlling interests (Note 23)	**29,987,957**	29,950,776
Total Equity	**130,400,799**	117,968,762
TOTAL LIABILITIES AND EQUITY	**₱190,840,072**	₱171,161,387

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Figures)

	Three-Month Period Ended March 31 (Unaudited)	
	2022	2021 (As restated, Note 5)
REVENUE		
Revenue from sale of electricity (Note 24)	**₱7,358,378**	₱5,688,775
Rental income	**17,053**	13,663
Dividend income (Note 14)	**3,635**	6,549
Other revenues	**23,540**	18,857
	7,402,606	5,727,844
COSTS AND EXPENSES		
Costs of sale of electricity (Note 25)	**7,868,135**	4,433,444
General and administrative expenses (Note 26)	**284,969**	394,770
	8,153,104	4,828,214
INTEREST AND OTHER FINANCE CHARGES (Note 27)	**(504,313)**	(428,679)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES (Note 11)	**344,473**	576,409
OTHER INCOME - NET (Note 28)	**1,219,806**	1,014,452
INCOME BEFORE INCOME TAX	**309,468**	2,061,812
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)		
Current	**41,722**	135,201
Deferred	**(484,700)**	(6,824)
	(442,978)	128,377
NET INCOME	**₱752,446**	₱1,933,435
Net Income Attributable To:		
Equity holders of the Parent Company	**₱405,027**	₱1,272,255
Non-controlling interests	**347,419**	661,180
	₱752,446	₱1,933,435
Basic/Diluted Earnings Per Share (Note 31)	**₱0.01**	₱0.08

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Per Share Figures)

	Three-Month Period Ended March 31 (Unaudited)	
	2022	2021 (As restated, Note 5)
NET INCOME	**₱752,446**	₱1,933,435
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		
Cumulative translation adjustment	**1,460,272**	883,700
Unrealized fair value gain on derivative instruments designated as hedges - net of tax (Note 33)	**92,199**	41,555
	1,552,471	925,255
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 14)	**(13,457)**	(180)
Remeasurement loss on defined benefit plans, net of tax	**(755)**	(17,437)
	(14,212)	(17,617)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES (Note 11)		
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		
Unrealized fair value gain on derivative instruments designated as hedges - net of tax	**15,490**	–
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		
Remeasurement loss on defined benefit plans, net of tax	**24,338**	57,082
TOTAL OTHER COMPREHENSIVE INCOME - NET OF TAX	**1,578,087**	964,720
TOTAL COMPREHENSIVE INCOME	**₱2,330,533**	₱2,898,155
Total Comprehensive Income Attributable To:		
Equity holders of the Parent Company	**₱1,946,767**	₱2,236,975
Non-controlling interests	**383,766**	661,180
	₱2,330,533	₱2,898,155

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 23)	Additional Paid-in Capital	Other Equity Reserves	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI (Note 14)	Unrealized Fair Value Gain on derivative instruments designated as hedges (Note 33)	Remeasurement Loss on Defined Benefit Plans	Accumulated Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures	Cumulative Translation Adjustments	Retained Earnings (Note 23)	Treasury Shares (Note 23)	Total	Non-controlling Interests (Note 23)	Total Equity
	For the three-month period ended March 31, 2022 (Unaudited)												
Balances at January 1, 2022	**₱38,338,527**	**₱98,043,831**	**(₱56,604,532)**	**(₱90,089)**	**₱6,228**	**(₱24,436)**	**₱29,723**	**(₱359,910)**	**₱8,707,301**	**(₱28,657)**	**₱88,017,986**	**₱29,950,776**	**₱117,968,762**
Net income (loss)	–	–	–	–	–	–	–	–	**405,027**	–	**405,027**	**347,419**	**752,446**
Other comprehensive income (loss)	–	–	–	**(13,457)**	**50,092**	**(755)**	**39,828**	**1,466,032**	–	–	**1,541,740**	**36,347**	**1,578,087**
Total comprehensive income (loss)	–	–	–	**(13,457)**	**50,092**	**(755)**	**39,828**	**1,466,032**	**405,027**	–	**1,946,767**	**383,766**	**2,330,533**
Dividends declared (Note 23)	–	–	–	–	–	–	–	–	–	–	–	**(352,344)**	**(352,344)**
Issuance of capital stock (Notes 1 and 23)	**1,320,746**	**9,237,832**	–	–	–	–	–	–	–	–	**10,558,578**	–	**10,558,578**
Non-controlling interest arising from a business combination	–	–	–	–	–	–	–	–	–	–	–	**(9,381)**	**(9,381)**
Acquisition of non-controlling interest in a subsidiary (Note 23)	–	–	**(110,489)**	–	–	–	–	–	–	–	**(110,489)**	**15,140**	**(95,349)**
	1,320,746	**9,237,832**	**(110,489)**	–	–	–	–	–	–	–	**10,448,089**	**(346,585)**	**10,101,504**
Balances at March 31, 2022	**₱39,659,273**	**₱107,281,663**	**(₱56,715,021)**	**(₱103,546)**	**₱56,320**	**(₱25,191)**	**₱69,551**	**₱1,106,122**	**₱9,112,328**	**(₱28,657)**	**₱100,412,842**	**₱29,987,957**	**₱130,400,799**

	Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 23)	Additional Paid-in Capital	Other Equity Reserves	Unrealized Fair Value Gain (Loss) on Equity Instruments at FVOCI (Note 14)	Unrealized Fair Value Gain on derivative instruments designated as hedges (Note 33)	Remeasurement Loss on Defined Benefit Plans	Accumulated Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures	Cumulative Translation Adjustments	Retained Earnings (Note 23)	Treasury Shares (Note 23)	Total	Non-controlling Interests (Note 23)	Total Equity
For the three-month period ended March 31, 2021 (Unaudited)													
Balances at January 1, 2021	₱13,706,957	₱8,692,555	₱28,662,357	₱143,625	₱57,409	(₱6,999)	(₱229,844)	(₱3,453,708)	₱6,349,082	(₱40,930)	₱53,880,504	₱50,398,831	₱104,279,335
Net income (loss)	–	–	–	–	–	–	–	–	1,272,255	–	1,272,255	661,180	1,933,435
Other comprehensive income (loss)	–	–	–	(180)	41,555	(17,437)	57,082	883,700	–	–	964,720	–	964,720
Total comprehensive income (loss)	–	–	–	(180)	41,555	(17,437)	57,082	883,700	1,272,255	–	2,236,975	661,180	2,898,155
Dividends declared (Note 23)	–	–	–	–	–	–	–	–	(1,197,602)	–	(1,197,602)	(629,971)	(1,827,573)
Issuance of capital stock	6,267,581	10,986,585	–	–	–	–	–	–	–	–	17,254,166	1,800	17,255,966
Stock issuance costs	–	(92,613)	–	–	–	–	–	–	–	–	(92,613)	–	(92,613)
Acquisition of treasury shares	–	–	–	–	–	–	–	–	–	(55,184)	(55,184)	–	(55,184)
	6,627,581	10,893,972	–	–	–	–	–	–	(1,197,602)	(55,184)	15,908,767	(628,171)	15,280,596
Balances at March 31, 2021	₱19,974,538	₱19,586,527	₱28,662,357	₱143,445	₱98,964	(₱24,436)	(₱172,762)	(₱2,570,008)	₱6,423,735	(₱96,114)	₱72,026,246	₱50,431,840	₱122,458,086

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Three-Month Period Ended March 31 (Unaudited)	
	2022	2021 (As restated, Note 5)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱309,466**	₱2,061,812
Adjustments for:		
Depreciation and amortization (Notes 25 and 26)	**554,262**	435,509
Interest and other finance charges (Note 27)	**504,313**	428,679
Foreign exchange losses - net	**87,276**	5,494
Pension and other employee benefits	**13,017**	(445)
Dividend income (Note 14)	**(3,635)**	(6,549)
Equity in net income of associates and joint ventures (Note 11)	**(344,473)**	(576,409)
Interest and other financial income (Note 28)	**(1,094,251)**	(812,920)
Provision for (reversal of):		
Impairment loss on:		
Property, plant and equipment - net (Notes 15, 26 and 28)	**26,485**	(86,890)
Advances to contractors (Notes 7 and 26)	**(5,462)**	–
Probable losses on deferred exploration costs (Notes 16 and 26)	**584**	23,379
Expected credit losses (Notes 7, 26 and 28)	**(32,807)**	873
Tax assessments	–	246,191
Loss (gain) on:		
Sale of inventories and by-product (Note 28)	**60,359**	(7,403)
Sale of noncurrent assets held for sale (Note 28)	**4,200**	–
Foreign loan settlement	–	62,200
Sale of property and equipment (Notes 15 and 28)	–	470
Settlement of derivatives (Note 28)	–	(41,700)
Operating income before working capital changes	**79,334**	1,732,291
Decrease (increase) in:		
Accounts receivable	**4,462,285**	2,004,446
Fuel and spare parts	**(301,620)**	58,616
Other current assets	**(995,500)**	198,584
Other noncurrent assets	–	(134,529)
Increase in accounts payable and other current liabilities	**679,179**	585,282
Cash generated from operations	**3,923,678**	4,444,690
Interest received	**469**	10,271
Income and withholding taxes paid	**(3,401)**	(98,775)
Net cash flows from operating activities	**3,920,746**	4,356,186
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Loans to related parties (Note 30)	**(15,867,255)**	(5,908,600)
Investments in associates and joint venture, net (Note 11)	**(7,485,347)**	(554,345)
Property, plant and equipment (Note 15)	**(2,422,209)**	(347,913)
Investments in redeemable preferred shares (Note 12)	**(1,824,745)**	(603,775)
Financial assets at FVTPL (Note 13)	**(786,366)**	–
Short-term investments	**(128,401)**	–
Subscription deposits (Note 12)	**(50,548)**	–
Investments in subsidiaries, net of cash acquired (Note 4)	**(5,167)**	–
Deferred exploration costs (Note 18)	**(775)**	(8,622)
Issuance of convertible loans	–	(2,826,174)
Investment properties	–	(108,911)

(Forward)

	Three-Month Period Ended March 31 (Unaudited)	
	2022	2021
Proceeds from:		
Collection of loans to related parties (Note 30)	**₱10,425,626**	₱4,914,376
Sale of noncurrent assets held for sale (Note 10)	**148,598**	
Redemption of convertible loan (Note 12)	–	790,359
Sale of property, plant and equipment	–	117
Dividends received from:		
Investments in associates and joint ventures (Note 11)	**233,650**	593,734
Financial assets at FVOCI (Note 14)	**3,635**	6,549
Interest received	**691,107**	517,563
Increase in other noncurrent assets, non-current portion of input VAT and CWT (Note 33)	**(1,226,577)**	(341,963)
Net cash flows used in investing activities	**(18,294,774)**	(3,877,605)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Issuance of capital stock (Note 23)	**10,558,577**	17,254,166
Availment of short-term debts (Notes 21 and 36)	**3,237,020**	3,000,000
Availment of long-term debts (Notes 21 and 36)	**2,000,000**	823,125
Capital infusion of non-controlling interest in subsidiaries (Note 23)	–	1,800
Reissuance of treasury shares	–	–
Payments of:		
Interest on short-term and long-term loans (Note 36)	**(492,178)**	(464,331)
Cash dividends (Note 23)	**(352,344)**	(635,159)
Long-term loans (Notes 21 and 36)	**(114,136)**	(939,135)
Acquisition of non-controlling interest (Notes 1, 4 and 23)	**(95,350)**	–
Interest on lease liabilities (Notes 16 and 36)	**(56,514)**	(9,948)
Debt issue cost (Note 21)	**(15,000)**	(6,038)
Lease liabilities (Notes 16 and 36)	**(4,530)**	(55,455)
Stock issuance costs (Note 23)	–	(92,613)
Capital redemption of non-controlling interest in a subsidiary (Note 22)	–	–
Short-term loans (Notes 21 and 36)	–	(10,000,800)
Treasury shares (Note 23)	–	(55,184)
Decrease in due to stockholders	–	(16,731)
Increase in other noncurrent liabilities	**618,375**	81,880
Net cash flows from financing activities	**15,283,920**	8,885,577
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**341,945**	189,395
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,251,837**	9,553,553
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**26,445,429**	28,077,170
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 6)	**₱27,697,266**	₱37,630,723

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

AC ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except When Otherwise Indicated)

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.

As at March 31, 2022, AC Energy and Infrastructure Corporation ("ACEIC") directly owns 62.50% 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 as at December 31, 2021 is 47.87% 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 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."

On December 15, 2021, during a Special Stockholders' Meeting, stockholders representing at least 2/3 of the ACEN's outstanding capital stock, approved the following:

i) Amendment to the Articles of Incorporation ("Articles") to change the corporate name from "AC Energy Corporation" to "ACEN Corporation";
ii) Amendment to the Articles to remove oil exploration, mining and related businesses from the Primary Purpose and Secondary Purposes and to specify retail electricity supply and provision of guarantees as part of the Primary Purpose;
iii) Amendment to the Articles to change the principal office of the Parent Company from "4th Floor, 6750 Office Tower, Ayala Avenue, Makati City 1226, Philippines," to "35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226, Philippines"

These material actions were initially approved by the BOD of ACEN on November 11, 2021, as endorsed by the Corporate Governance and Nomination Committee.

The changes to the Primary Purpose and Secondary Purposes are intended to remove the activities that place the Parent Company's business under the purview of the Philippine foreign investment negative list, and to explicitly specify the Parent Company's authority to provide guarantees in furtherance of its business.

Upon approval of the BOD, the principal office address of the Parent Company was changed from 4th Floor 6750 Office Tower, Ayala Avenue, Makati City to 35th Floor, Ayala Triangle Gardens

Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, awaiting the amendment of the Articles of Incorporation subject to the approval of the SEC.

Pursuant to the delegated authority from the Parent Company's BOD, on May 16, 2022, the Parent Company's Audit Committee approved and authorized the issuance of the Q1 2022 interim condensed consolidated financial statement.

The following are the significant transactions of the Group during the three-month period ended March 31, 2022:

ACEX Joint Venture with Red Holdings B.V.
On January 14, 2022, ACEX, BCEI and Gen X Energy executed the Shareholders' Agreement and Subscription Agreements implementing the transaction. ACEX will subscribe to a total of 150,002 shares in BCEI for a total subscription price of ₱150,219,040. Gen X Energy L.P. is a portfolio company of Blackstone Inc., the world's largest alternative asset manager (see Notes 3 and 11).

Amendment of Administration and Management Agreement with SLTEC
On January 21, 2022, the BOD of ACEN approved the amendment to the Administration and Management Agreement with SLTEC to include, among others, the provision of operations and maintenance services by ACEN to SLTEC (see Note 32).

Sale of Power Barge 101
January 21, 2022, ACEN and MORE Power Barge, Inc. executed the Deed of Absolute Sale and Assignment implementing the sale of Power Barge 101, amounting to ₱126 million, inclusive of VAT.

On February 23, 2022, ACEN and SPC Island Power Corporation executed the Deed of Absolute Sale and Assignment implementing the sale of PB 102. Conditions precedent to closing of the transaction is the approval of PSALM to the assignment of the Lease Agreement covering the mooring site of PB 102 (see Note 10).

ACEN and UPC Renewables to construct their largest solar project in India
On January 30, 2022, ACEN and UPC Solar Asia Pacific, commenced construction of their 300 MWac (420 MWp) Masaya Solar farm. Through their joint venture company, UPC-AC Energy Solar.

The Masaya Solar project is located in the Khandwa District, State of Madhya Pradesh, and is set to produce 691 GWh of renewable energy per year while avoiding approximately 635,720 MT of CO2 emissions annually. Once completed, the Masaya Solar farm will be UPC-AC Energy Solar's third and largest solar project in India to date.

UPC-AC Energy Solar is in the process of securing a 20-year loan from the State Bank of India to fund the project with an estimated project cost of US$220 million under a 75:25 debt-to-equity financing scheme, with the joint venture supplying electricity at INR 2.71 per kWh fixed over a 25-year period under a power supply agreement with the Solar Energy Corporation of India.

ACEN to acquire 49% interest in Vietnam solar platform of Super Energy Corporation
On January 31, 2022, ACEN through its wholly-owned subsidiary, AC Energy Vietnam Investments Pte. Ltd. ("ACEV") and Super Energy Corporation Public Company Limited ("SUPER"), through its subsidiary, Super Energy Group (Hong Kong) Co., Limited ("Super HK"), have signed an agreement to form a strategic partnership to develop, own and operate renewable energy projects across ASEAN.

ACEV signed a share purchase agreement (with conditions precedent) to acquire a 49% interest of Solar NT, owned by Super HK. SUPER is a premier Thai renewable energy developer and investor. The transaction will be via secondary shares acquisition for a total consideration of US$ 165 million.

Post-restructuring, Solar NT will own and operate nine solar power plants across Vietnam with a total capacity of approximately 837 megawatts.

The transaction is the beginning of a strategic partnership between ACEN and SUPER which will continue to expand their renewable footprints in Vietnam as well as exploring other Southeast Asian markets.

Subscription by ACEN to shares in Buendia Christiana Holdings Corp. ("BCHC")
On February 14, 2022, ACEN signed a subscription agreement with BCHC for the subscription by ACEN to 3,015,000 common shares and 16,985,000 redeemable preferred shares (RPS), subject to the necessary regulatory approval by the SEC of the increase in ACS of BCHC. The additional capital will be used by BCHC to purchase real property required for various potential power projects.

ACEN powers up country's first hybrid solar and storage project
On February 23, 2022, the Group's Battery energy storage system through Giga Ace 4 has started operations. The pilot 40 MW (2x20 MW) energy storage project located in Alaminos, Laguna, adjacent to SolarAce1's operating 120 MW Alaminos Solar Farm.

Declaration and payment of cash dividends to stockholders
On March 8, 2022, ACEN's BOD approved the declaration of cash dividends of ₱0.06 per share on the 38,315,838,177 outstanding shares of ACEN, to be paid on April 19, 2022 to the shareholders on record as of April 5, 2022.

Acquisition by ACEN of the effective ownership interest of UPC Renewables Asia Pacific Holdings Pte Limited ("UPCAPH") and Mr. Anton Rohner ("Rohner") in UPC-AC Energy Australia (HK) Ltd. ("UPC-ACE Australia")
On March 11, 2022, ACEN, through its subsidiary ACEN Renewables International Pte Ltd (formerly AC Renewables International Pte Ltd; "ACRI"), UPCAPH, and Mr. Rohner signed a Share Purchase Agreement for ACRI's acquisition of the effective ownership interest of UPCAPH and Mr. Rohner in UPC-ACE Australia.

On March 21, 2022, ACRI, UPCAPH, and Mr. Rohner signed separate Instruments of Transfer for the transfer to ACRI of UPCAPH's 7,150 ordinary shares in UPC-ACE Australia and Mr. Rohner's 1,000,054 ordinary class B shares in UPC-ACE Australia, thereby completing the first tranche of the acquisition. Completion of the second tranche of the acquisition is expected to occur in early 2023. ACEN will wholly own UPC-ACE Australia upon completion of the second tranche (see Note 11).

Acquisition by ACEN of the ownership interest of UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Stella Marie L. Sutton ("Sutton") in their Philippine renewable companies and businesses ("Target Companies")
On March 18, 2022, ACEN, it's wholly-owned subsidiary ACE Endevor, Inc ("ACE Endevor")., UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights in the following Target Companies to ACEN and ACE Endevor:

- North Luzon Renewable Energy Corp. ("NLR"), a joint venture between UPC Philippines Holdco I B.V., ACEN, and Luzon Wind Energy Holdings B.V. It is the owner and operator of an 81MW operating wind farm in Brgy. Caparispisan, Pagudpud, Ilocos Norte (see Note 11).

- Bayog Wind Power Corp.("BWPC"), is the owner of the 160MW Pagudpud Wind Farm that is currently under construction in Brgy. Balaoi, Pagudpud, Ilocos Norte. It is a joint venture between the Company through subsidiary ACE Endevor, Inc. and UPC Philippines Holdco II B.V. (see Notes 4 and 23).
- (a) Buduan Wind Energy Co. Inc., (b) Caraballo Mountains UPC Asia Corporation, are non-operating, development special purpose vehicles (SPV), and (c) Pangasinan UPC Asia Corporation ("Laguna Solar"), Laguna Solar has 1,500MW currently in the pipeline (see Note 4).
- (d) Sapat Highlands Wind Corporation, (e) Mindanao Wind Power Corp., (f) Itbayat Island UPC Asia Corporation, (g) Laguna Central Renewables, Inc., (h) Suyo UPC Asia Coporation and (i) SolarAce4 Energy Corp ("SolarAce4") have a combined pipeline of 800MW (see Note 4).

Subscription by UPC Philippines Group to Shares in ACEN
On March 22, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at a price of ₱8.2889 per share:

UPC Philippines Wind Partners Ltd	19,059,423
Wind City Inc.	142,668,634
Estanyol Holdings Ltd.	153,493,200
Tenggay Holdings Ltd.	70,525,763
Alan Kerr (collectively, the "UPC Philippines Group")	4,248,813
Total ACEN shares subscribed	389,995,833
Subscription price per share	₱8.2889
Total subscription price *(subject to adjustment)*	₱3,232,636,460

The transaction was approved by the BOD of ACEN on October 18, 2021. The issuance and listing of the ACEN common shares were approved by ACEN's stockholders on December 15, 2021. On March 8, 2022, the BOD of ACEN approved a revised list of subscribers constituting the UPC Philippines Group, including a re-allocation of some of the shares for subscription, which was presented to the stockholders for approval during the 2022 annual stockholders' meeting of ACEN on April 25, 2022.

Subscription by ACEN to shares in Natures Renewable Energy Devt. ("NAREDCO") Corporation
On March 24, 2022, ACEN, ACE Endevor, CleanTech Renewable Energy 4 Corp. ("CREC4"), and NAREDCO signed a Shareholders' Agreement to cover the ownership and management of NAREDCO, as well as the development and operation of the proposed 200MWdc Lal-lo Solar Power Project in Lal-lo, Cagayan (the "Lal-lo Solar Power Project") (see Note 11).

ACEN may provide NAREDCO short-term financing to allow early NTP. ACEN will be repaid from the proceeds of the third-party project finance or NAREDCO's issuance of additional RPS in favor of ACEN.

Subscription by ACEN to shares in ACRI
On March 30, 2022, ACEN signed a subscription agreement with its subsidiary ACRI for the subscription by the Company to 1,402,029 Class E redeemable preferred shares ("RPS") with a par value of US$ 100 per share for a total par value of US$ 140,202,900 (the "Subscription Price).

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 financial assets at FVTPL, FVOCI and derivative financial instruments 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, 2021.

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, 2021, except for the adoption of new standards effective as at January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. The amendments are not expected to have material impact to the Group.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the Group first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not applicable to the Group.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the Parent Company and the following subsidiaries of the Group as at March 31, 2022 and December 31, 2021:

		Percentage of Ownership (%)			
		March 31, 2022		December 31, 2021	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
AC Energy International, Inc. ("ACE International")bw	International investment holding	**100.00**	**–**	100.00	–
AC Renewables International Pte. Ltd.("ACRI")[a]	International investment holding	**–**	**100.00**	–	100.00
AC Energy Cayman ("ACEC") [b]	International investment holding	**–**	**100.00**	–	100.00
ACE Investments HK Limited ("ACE HK") [c]	International investment holding	**–**	**100.00**	–	100.00
ACEN Finance Limited ("ACEN Finance") [b]	Investment holding	**100.00**	**–**	100.00	–
Bulacan Power Generation Corporation ("Bulacan Power")	Power generation	**100.00**	**–**	100.00	–
CIP II Power Corporation ("CIPP")	Power generation	**100.00**	**–**	100.00	–
Guimaras Wind Corporation ("Guimaras Wind")	Wind power generation	**100.00**	**–**	100.00	–
One Subic Oil Distribution Corporation	Distribution of petroleum products	**100.00**	**–**	100.00	–
One Subic Power Generation Corporation ("One Subic Power")	Power generation	**–**	**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 ("SLTEC")	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. ("Giga Ace 3")	Power generation	**100.00**	**–**	100.00	–
Giga Ace 4, Inc. ("Giga Ace 4")	Power generation	**100.00**	**–**	100.00	–
Giga Ace 5, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 6, Inc.	Power generation	**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. ("Giga Ace 9")	Power generation	**100.00**	**–**	100.00	–
Giga Ace 10, Inc.	Power generation	**100.00**	**–**	100.00	–
Giga Ace 11, Inc. [d]	Power generation	**100.00**	**–**	100.00	–
Giga Ace 12, Inc. [d]	Power generation	**100.00**	**–**	100.00	–
Giga Ace 14, Inc. [e]	Power generation	**100.00**	**–**	100.00	–
Giga Ace 15, Inc. [e]	Power generation	**100.00**	**–**	100.00	–
Negros Island Solar Power, Inc. ("ISLASOL")	Solar power generation	**–**	**60.00**	–	60.00
San Carlos Solar Energy, Inc. ("SACASOL")	Solar power generation	**–**	**100.00**	–	100.00
Monte Solar Energy, Inc. ("MONTESOL")	Solar power generation	**96.00**	**4.00**	96.00	4.00
ACE Endevor, Inc. ("ACE Endevor")	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. ("Ingrid3")	Advisory/Consultancy	**–**	**100.00**	–	100.00
Ingrid4 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Ingrid5 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–
Ingrid6 Power Corp.	Advisory/Consultancy	**100.00**	**–**	100.00	–

		Percentage of Ownership (%)			
		March 31, 2022		December 31, 2021	
Subsidiaries	Principal Activities	**Direct**	**Indirect**	Direct	Indirect
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. ("Gigasol 3")	Power generation	**–**	**100.00**	–	100.00
Gigasol 4, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 5, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 6, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 7, Inc.	Power generation	**100.00**	**–**	100.00	–
Gigasol 8, Inc. [f]	Power generation	**100.00**	**–**	100.00	–
Gigasol 9, Inc. [f]	Power generation	**100.00**	**–**	100.00	–
Gigasol 10, Inc. [f]	Power generation	**100.00**	**–**	100.00	–
GigaWind1 Inc.	Power generation	**–**	**100.00**	–	100.00
GigaWind2 Inc.	Power generation	**–**	**100.00**	–	100.00
GigaWind3 Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind4 Inc.	Power generation	**100.00**	**–**	100.00	–
GigaWind5 Inc.	Power generation	**100.00**	**–**	100.00	–
SolarAce1 Energy Corp. ("SolarAce1")	Power generation	**95.00**	**5.00**	95.00	5.00
SolarAce2 Energy Corp. ("SolarAce2")	Power generation	**–**	**100.00**	–	100.00
SolarAce3 Energy Corp.	Power generation	**–**	**100.00**	–	100.00
SolarAce4 Energy Corp. ("SolarAce4")	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. ("BSEI")	Power generation	**–**	**100.00**	–	100.00
Santa Cruz Solar Energy, Inc. ("SCSE")	Power generation	**–**	**100.00**	–	100.00
Pagudpud Wind Power Corp. ("PWPC")	Investment holding	**–**	**100.00**	–	100.00
Bayog Wind Power Corp. ("BWPC")	Power generation	**40.00**	**60.00**	–	60.00
Manapla Sun Power Development Corporation ("MSPDC")	Leasing and land development	**36.37**	**63.63**	36.37	63.63
ACE Renewables Philippines, Inc.	Investment holding	**100.00**	**–**	100.00	–
NorthWind Power Development Corporation ("NorthWind")	Wind power generation	**51.73**	**48.27**	51.73	48.27
Viage Corporation	Investment holding	**100.00**	**–**	100.00	–
ACTA Power Corporation	Coal power generation	**100.00**	**–**	100.00	–
Buduan Wind Energy Co, Inc.	Power generation	**–**	**100.00**	–	–
Caraballo Mountains UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Pangasinan UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Sapat Highlands Wind Corporation	Power generation	**–**	**100.00**	–	–
Mindanao Wind Power Corporation	Power generation	**–**	**100.00**	–	–
Itbayat Island UPC Asia Corporation	Power generation	**–**	**100.00**	–	–
Laguna Central Renewables, Inc.	Power generation	**–**	**100.00**	–	–
Laguna West Renewables, Inc.	Power generation	**–**	**100.00**	–	–
Suyo UPC Asia Corporation	Power generation	**–**	**100.00**	–	–

[a] *Incorporated in Singapore*
[b] *Incorporated in Cayman Islands*
[c] *Incorporated in Hong Kong*
[d] *Incorporated on October 26, 2021*
[e] *Incorporated on October 28, 2021*
[f] *Incorporated on November 11, 2021*

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

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

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 including the impact of COVID-19. Judgments and estimates used in the interim consolidated financial statements are consistent with the annual consolidated financial statements.

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:

Asset Acquisitions and Business Combinations
Where asset is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Otherwise, corporate acquisitions are accounted for as business combinations. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

The Group's acquisitions of ownership interest of UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Stella Marie L. Sutton ("Sutton") in their Philippine renewable companies and businesses ("Target Companies") have been accounted for as business combinations (see Notes 1 and 4).

Assessment of Joint Control
The Group's investments in joint ventures (see Note 11) are structured in separate incorporated entities. Even though the Group holds various percentages of ownership interests on these arrangements, their respective joint arrangement require unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the term of the contractual agreements. 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).

The joint venture with Red Holdings B.V will be through a special purpose vehicle company, Batangas Clean Energy, Inc. (BCEI), where ACEX and Gen X Energy will each own a fifty percent (50%) interest, subject to satisfaction of agreed conditions precedent and execution of definitive documents. 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 (see Notes 1 and 11).

Determination of Transaction Price from Sale of Electricity
The adjustment of the FIT rate for the delivered energy is a variable consideration which shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five years starting January 1, 2021. In 2021 and 2022, while waiting for the approval of the 2021 FIT rates, management assessed that the approved 2020 FIT rates represent the best estimate of the transaction price the Group will be entitled to in exchange of the delivered energy.

Classification of Noncurrent Assets Held for Sale
The Group classified the power barge assets as noncurrent assets held for sale under PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, as result of the assessment that the assets' carrying amount will be recovered principally through a sale transaction rather than through continuing use (Note 10).

The following criteria are met as of the financial reporting date:
a. The power barges are available for immediate sale as evidenced signed purchase agreement on August 20, 2021. While the transaction is still subject to certain conditions precedent, the requirements under PFRS 5 are deemed to have been satisfied in so far as the assets to be sold are concerned.
b. The power barges are measured at the lower or the carrying amount and fair value less costs to sell.
c. Depreciation of the assets ceased upon its classification as held for sale
d. The sale is highly probable to be completed within 12 months from end of period date.

<u>Management's Use of Estimates</u>
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.

Impairment of PB 102 and PB 103
In 2020, following the fuel oil discharge accident (Notes 10 and 37), the Parent Company recognized full provision for impairment of PB 102 and PB 103 amounting to ₱270.53 million as the assets are not operational as at December 31, 2020 and there are no existing ancillary service contracts to utilize the assets for income generation. The Group reassessed the depreciation policies of its property, plant and equipment and estimated that their useful lives will not be affected following this decision.

The recoverable amounts of PB 102 and PB 103 amounting to nil as at December 31, 2020 were determined based on the calculation of fair value less costs of disposal using estimated scrap value with reference to recent sales, adjustments to weight of the scrap and deduction for costs of disposal. As a result of this analysis, the Group has recognized an impairment charge of ₱270.53 million in 2020 against the related property, plant and equipment. The provision for impairment loss on property, plant and equipment is included in "General and administrative expenses" in the consolidated statements of income (see Notes 10 and 26).

Further details on investments in associates and joint ventures, plant, property, and equipment, right-of-use assets, investment properties and leasehold rights are provided in Notes 11,15, 16, 17 and 16, respectively.

4. Business Combination

Acquisition by ACEN of the ownership interest of UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Stella Marie L. Sutton ("Sutton") in their Philippine renewable companies and businesses ("Target Companies")

On March 18, 2022, ACEN, it's wholly-owned subsidiary ACE Endevor, Inc ("ACE Endevor")., UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights in the following Target Companies to ACEN and ACE Endevor:

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- (a) Buduan Wind Energy Co. Inc., (b) Caraballo Mountains UPC Asia Corporation, are non-operating, development special purpose vehicles (SPV), and (c) Pangasinan UPC Asia Corporation ("Laguna Solar"), Laguna Solar has 1,500MW currently in the pipeline. (d) Sapat Highlands Wind Corporation, (e) Mindanao Wind Power Corp., (f) Itbayat Island UPC Asia Corporation, (g) Laguna Central Renewables, Inc., (h) Suyo UPC Asia Coporation and (i) SolarAce4 Energy Corp ("SolarAce4") have a combined pipeline of 800MW.

On March 8, 2022, the BOD of ACEN approved a revised list of Subscribers constituting the UPC Philippines group, including a re-allocation of some of the shares for subscription, which was presented to the stockholders for approval during the 2022 annual stockholders' meeting of ACEN on April 25, 2022.

The issuance and listing of the ACEN common shares were presented to the stockholders for approval on December 15, 2021 during a special stockholders' meeting. Stockholders representing at least a majority of the authorized capital stock of ACEN voted to approve the said share issuance and listing.

ACEN paid an aggregate amount of ₱2,386,516,255 for the Sellers' shares and/or subscription rights in the Target Companies.

The acquisition of interest in BPWC and SolarAce4 resulted into a ₱110.49 million goodwill booked in other equity reserves account (see Note 23).

The carrying amount as at March 31, 2022 were used as provisional fair values for the identifiable net assets of the non-operating, development special purpose vehicles Target Companies, of which, amounted to (₱87.97) million, and resulted into a ₱93.38 million goodwill (see Note 18).

5. Business Combination of Entities under Common Control

Acquisition of ACEIC's offshore subsidiaries through share swap
On June 7, 2021, the application for the increase from 24.4 billion shares to 48.4 billion shares in the ACS of ACEN was approved by the SEC. Consequently, the closing date of the share swap was on June 7, 2021.

Effective June 7, 2021 (date when ACEN and the Offshore Companies became related parties under the common control of ACEIC), ACEN acquired these entities through the share swap transaction with ACEIC. Shares involved common and redeemable preferred shares. As the transaction is outside the scope of PFRS 3, 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 2020 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, 2021	
	(Unaudited, as previously reported)	(Unaudited, as restated)
REVENUES		
Revenue from sale of electricity	₱5,688,775	₱5,688,775
Rental income	13,663	13,663
Other revenue	10,741	18,856
Dividend income	–	6,549
	5,713,179	5,727,843
COSTS AND EXPENSES		
Costs of sale of electricity	4,433,444	4,433,444
General and administrative expenses	376,341	394,770
	4,809,785	4,828,214
INTEREST AND OTHER FINANCE CHARGES	(414,530)	(428,679)
EQUITY IN NET INCOME OF ASSOCIATES AND JOINT VENTURES	400,741	576,408
OTHER INCOME – NET	106,348	1,014,451
INCOME BEFORE INCOME TAX	995,953	2,061,809

PROVISION FOR INCOME TAX		
Current	142,490	135,201
Deferred	(6,823)	(6,824)
	135,667	128,377
NET INCOME	₱860,286	₱1,933,432
Net Income Attributable To:		
Equity holders of the Parent Company	₱829,320	₱1,272,252
Non-controlling interests	30,966	661,180
	₱860,286	₱1,933,432

6. Cash and Cash Equivalents

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash on hand and in banks	**₱27,361,848**	₱22,990,899
Short-term deposits	**335,418**	3,454,530
	₱27,697,266	₱26,445,429

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, 2022 and 2021, amounted to ₱11.55 million and ₱10.86 million, respectively (see Note 28).

Short-term deposits include SLTEC's debt service accrual account (DSAA) amounting to nil and ₱ 56.98 million as at March 31, 2022 and December 31, 2021, respectively. This pertains to cash deposits earmarked to cover future debt service payments that bears interest from 0.13% to 0.50% for 2021 and 0.13% to 0.63% for 2020 and have a maturity period of two to six months. DSAA with maturities of more than three (3) months amounting to ₱196.71 million and ₱56.98 as at March 31, 2022 and December 31, 2021, respectively, is presented separately as Short-term Investment in the statement of financial position. These funds are restricted solely for payment of the principal amortization and interest from loans.

The DSAA meets the definition of cash and cash equivalents and short-term investments since the Company has control over the said funds until the repayment dates (see Note 21).

7. Accounts and Notes Receivable

This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Accounts receivable	**₱ 8,373,291**	₱8,880,659
Notes receivable (Note 30)		
Development loan	**18,763,109**	15,549,644
Debt replacement loan	**16,340,484**	17,253,756
Other loan	**933,990**	1,060,868
Accrued interest receivable	**4,339,958**	3,937,283
	48,750,832	46,682,210
Allowance for impairment loss	**148,792**	181,599
	₱48,602,041	₱46,500,611

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

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Trade receivables		
Third party		
Independent Electricity Market Operator of the Philippines ("IEMOP")	**₱1,944,814**	₱2,219,536
RES Buyer	**1,552,447**	2,002,655
National Transmission Corporation ("TransCo")	**1,658,810**	1,727,488
PEMC Multilateral Agreements	**1,137,262**	1,137,262
National Grid Corporation of the Philippines ("NGCP")	**141,889**	179,076
Philippine Electricity Market Corporation ("PEMC")	**252,543**	75,752
Others	**214,849**	119,092
Related party		
Others (Note 30)	**113,005**	149,175
Other Receivables		
Third party	**847,486**	1,008,996
Related party (Note 30)	**510,186**	261,627
	8,373,292	8,880,659
Allowance for impairment loss	**148,792**	181,599
	8,224,500	8,699,060
Less: Noncurrent portion	**2,091,729**	2,093,042
Current portion	**₱6,132,771**	₱6,606,018

Trade Receivables
Trade receivables mainly represent receivables from Independent Electricity Market Operator of the Philippines ("IEMOP"), National Transmission Corporation ("TransCo"), PEMC, and NGCP 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 Note 24).

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

Noncurrent trade receivables include refundable amount from the 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. NorthWind also recorded collections amounting to ₱115.08 million in relation to the Multilateral Agreement. Collections are presented as "Trade payables" under "Other noncurrent liabilities" (see Note 22). Noncurrent trade receivables also include FIT system adjustments that are expected to be realized beyond 12 months after end of reporting period. FIT system adjustments are discounted using the PHP BVAL Reference rates on transaction date ranging from 2.06% - 2.45%.

Other receivables from third party mainly pertain to the noninterest-bearing receivable from NGCP for 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.

Other receivable also includes advances to employees and advance payments to suppliers and deposits to distribution utilities.

Notes receivable
This account consists of development, debt replacements and other loans receivable from related parties and third parties:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Development loan		
Third party	**₱5,563,762**	₱2,847,976
Related party (Note 30)	**13,199,347**	12,701,668
Debt replacement		
Related party (Note 30)	**16,340,484**	17,253,756
Other loan		
Third party	**925,990**	1,060,868
Related party (Note 30)	**8,000**	–
	36,037,583	33,864,268
Less: Noncurrent portion	**13,160,768**	9,586,187
Current portion	**₱22,876,816**	₱24,278,081

Receivables from related parties includes various development and debt replacements loans from ACEIC and the Group's joint ventures and associates. It also includes receivable from Term Loan Facility with Greencore Power Solutions 3, Inc. ("Greencore") (see Note 30).

Development loans to third parties includes the interest-bearing loans receivable from UPC Renewables Asia Pacific Holdings (URAPHL), from BIM Energy Holdings (BIMEH), and from BEHS Joint Stock Company (BEHS). It also includes interest-bearing term loan facility from Provincia Investments Corporation ("PIC"). First drawdown on the loan facility to PIC was made on

July 2, 2021 amounting to ₱150.00 million. Interests together with the principal amount are payable on or before July 2, 2026 (see Note 11).

Other loans receivable from third parties includes long term loan receivables from Caltrans, Lantrans and Acetrans used for land acquisitions.

Accrued interest receivable:
This account consists of accrued interest receivable from related parties and third parties, and from other financial assets at amortized cost:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Development loan		
Third party	**₱36,576**	₱118,898
Related party (Note 30)	**482,441**	305,360
Debt replacement		
Third party	**–**	5,786
Related party (Note 30)	**769,713**	1,033,005
Redeemable preferred shares		
Related party (Note 30)	**1,179,291**	946,559
Convertible loan		
Related party (Note 30)	**1,759,784**	1,421,565
Other loan		
Third party	**109,740**	100,557
Related party (Note 30)	**87**	–
Trade receivables		
Third party	**2,325**	5,553
	4,339,958	3,937,283
Less: Noncurrent portion	**1,745,711**	1,512,085
Current portion	**₱2,594,247**	₱2,425,198

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

	March 31, 2022 (Unaudited)		
	Trade	**Others**	**Total**
Balances at beginning of period	**₱96,731**	**₱84,868**	**₱181,599**
Reversal	**(27,709)**	**(5,098)**	**(32,807)**
Balances at end of period	**69,022**	**79,770**	**148,792**

	December 31, 2021 (Audited)		
	Trade	Others	Total
Balances at beginning of year	₱94,742	₱85,984	₱180,726
Provisions – net (Note 24)	873	–	873
Reclassification	1,116	(1,116)	–
Balances at end of year	₱96,731	₱84,868	₱181,599

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 ₱1,287.33 million and ₱945.16 million for the three-month periods ended March 31, 2022 and 2021, respectively (see Note 25).

For the three-month periods, no provision for impairment, both for fuel and spare parts was recognized by the Group. As at March 31, 2022 and December 31, 2021, the allowance for inventory obsolescence amounted to ₱6.96 million.

9. Other Current Assets

	March 31, 2022 (Unaudited)	December 31 ,2021 (Audited)
Advances to contractors	**₱298,042**	₱270,265
Derivative asset (Note 33)	**199,025**	241,744
Prepaid expenses	**539,867**	223,264
Others	**25,325**	36,433
	1,062,259	771,706
Less allowance for impairment loss	**(21,975)**	(27,437)
	₱1,040,284	₱744,269

Advances to contractors pertain to advance payments for services and supply of repairs and maintenance.

Derivative asset pertains to the foreign exchange forward contracts and coal hedges maturing within 12-month period (see Note 34).

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 15). The ₱5.46 million reversal arise from subsequent collection and reassessment of collectability (Note 28).

10. Noncurrent Assets Held for Sale

ACEN

In 2021, The Group classified the power barge assets as noncurrent assets held for sale under PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, as result of the assessment that the assets' carrying amount will be recovered principally through a sale transaction rather than through continuing use. Power Barge ("PB") 101 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.

No impairment loss for the three-month period ended March 31, 2022 and 2021. Impairment loss amounting to ₱8.71 million was recognized for the year ended December 31, 2021, to bring down to its estimated net realizable value.

On December 21, 2021, ACEN signed the Asset Purchase Agreement for the sale of PB 101 to MORE Power Barge, Inc. The Deed of Absolute sale was executed by the parties on January 21, 2022. No impairment loss for the three-month period ended March 31, 2022 and 2021. Impairment loss amounting to ₱69.15 million was recognized for the year ended December 31, 2021, to bring down to its estimated net realizable value.

On January 21, 2022, ACEN and MORE Power Barge, Inc. executed the Deed of Absolute Sale and Assignment implementing the sale of Power Barge 101, amounting to ₱126 million, inclusive of VAT. Total proceeds amounted to ₱112.5 million were received during the period.

On February 23, 2022, ACEN and SPC Island Power Corporation executed the Deed of Absolute Sale and Assignment implementing the sale of PB 102. Conditions precedent to closing of the transaction is the approval of PSALM to the assignment of the Lease Agreement covering the mooring site of PB 102. Total proceeds amounted to ₱35.0 million were received, recognizing ₱4.2 million loss on sale.

Impairment Losses
PB 102 located in Barrio Obrero, Iloilo City, accidentally discharged fuel oil on July 3, 2020. Based on investigation, an explosion in one of the barge’s fuel tanks ruptured the hull of the barge which resulted in the oil spill. The Group assessed and determined that the incident raised impairment indication that the asset’s carrying amount exceeded its estimated recoverable amount.

As at March 31, 2022 and December 31, 2021, the carrying value of the power barges amounted to ₱109.25 million and ₱193.54 million, respectively.

<u>BSEI</u>
As at March 31, 2022 and December 31, 2021, the carrying value of the remaining tools amounted to ₱9.93 million and these are available for immediate sale in its present condition although nothing yet has been finalized, management has been actively looking for interested buyers.

11. Investments in Associates and Joint Ventures

The Group's investments in associates and interest in joint ventures as at March 31, 2022 and December 31, 2021 are as follows:

	Percentage of ownership		Carrying amount	
	2022	2021	**2022**	2021
Investments in associates:				
Star Energy Geothermal (Salak-Darajat) B.V. ("Salak-Darajat")	19.80	19.80	**₱11,154,594**	₱10,652,033
Maibarara Geothermal, Inc. ("MGI")	25.00	25.00	**793,261**	785,042
Others(1)	Various	Various	**631**	631
			11,948,486	11,437,706
Interest in joint ventures:				
Philippine Wind Holdings Corp.("PhilWind")	69.81	69.81	**₱8,045,123**	₱5,765,677
BIM Renewable Energy Joint Stock Company ("BIMRE")	30.00	30.00	**1,700,335**	1,597,533
Ingrid Power Holdings, Inc. ("Ingrid")	50.00	50.00	**1,195,049**	1,210,658
UPC-AC Energy Australia (HK) Ltd. ("UPC-ACE Australia")	50.00	50.00	**4,761,347**	903,333
UPC Australia (HK) Limited ("UPC Australia")	80.00	–	**486,417**	–
NEFIN Holding Limited ("NEFIN")	50.00	–	**519,600**	–
AMI AC Renewables Corporation ("AAR")	50.00	50.00	**232,168**	275,573
Batangas Clean Energy, Inc. ("BCEI")	50.00	50.00	**123,280**	–
BIM Energy Joint Stock Company ("BIME")	30.00	30.00	**114,556**	111,825
UPC Renewables Asia III Ltd. ("UPC Asia III")	10.00	10.00	**65,173**	47,035
Natures Renewable Energy Devt. (NAREDCO) Corporation	45.00	45.00	**8,250**	8,250
Others(2)	Various	Various	**867**	711
			17,252,165	9,920,595
			₱29,200,651	₱21,358,301

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

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Investment in associates and joint ventures		
Acquisition costs:		
Balance at beginning of period	**₱19,908,130**	₱18,015,097
Interest retained in former subsidiary	**–**	980,900
Additions	**7,485,347**	536,189
Divestment	**–**	(186,738)
Cumulative translation adjustment	**206,352**	562,682
Balance at end of period	**27,599,829**	19,908,130
Accumulated equity in net earnings (losses):		
Balance at beginning of period	**1,422,007**	1,197,907
Equity in net earnings	**344,473**	1,952,753
Dividends received	**(233,650)**	(1,693,682)
Divestment	**–**	(34,971)
Balance at end of period	**1,532,830**	1,422,007
Accumulated share in other comprehensive income:		
Balance at beginning of period	**29,723**	(229,844)
Unrealized fair value gain (loss) on derivative instruments designated as hedges - net of tax	**15,490**	104,994
Remeasurement loss on defined benefit plans - net of tax	**24,338**	(54,608)
Effect of business combinations under common control	**–**	209,181
Balance at end of period	**69,551**	29,723
Accumulated impairment losses		
Balance at beginning of period	**(1,559)**	(188,072)
Divestment	**–**	186,513
Balance at end of period	**(1,559)**	(1,559)
Total investments	**₱29,200,651**	₱21,358,301

<u>Investments in Associates</u>

Salak-Darajat

In 2017, the Group acquired an interest in Salak-Darajat, an investment holding company incorporated in Netherlands, with project companies located in Indonesia that have continuing interest in Chevron's geothermal assets and operations in Indonesia. The Indonesia assets and operations pertain to the Darajat and Salak geothermal fields in West Java, Indonesia, with a combined capacity of 637 MW of steam and power.

Dividends declared by Salak-Darajat amounted to nil and US$6.93 million (₱336.41 million) in 2022 and 2021.

The Group has significant influence over Salak-Darajat by virtue of its approval rights over key decision areas and material transactions through various reserved matters that are considered relevant activities.

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.

The Parent Company received dividends amounting to nil and ₱20.00 million in 2022 and 2021, respectively.

<u>Interest in Joint Ventures</u>
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%.

On October 18, 2021, the BOD of ACEN approved the acquisition, directly or through its nominated affiliate, of the ownership interest of UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Stella Marie L.Sutton in NLR. This will be acquired together with BWPC and other development special purpose vehicles, subject to agreed conditions precedent including required partner, financing, and regulatory approvals, and subject further to execution of definitive documentation.

On March 18, 2022, ACEN, ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights in NLR to ACEN and ACE Endevor (see Note 1).

ACEN paid an aggregate of ₱2.29 billion in exchange for the 40% interest in common shares and 7% interest in preferred shares (see Note 4).

Following the acquisition, ACEN will have an effective economic interest of 78% in NLR.

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 amounted to ₱233.65 million and ₱1,062.16 million in 2022 and 2021.

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

On October 4, 2021, the 88 MW Ninh Thuan wind farm started commercial operations. Located in South Central Vietnam, the US$155 million wind farm features 22 units of GE Renewable Energy's Cypress turbines.

In 2020, the Group entered into an Amendment and Supplement to Share Subscription Agreement for additional Common Shares, Class A Preferred Shares and Class B Preferred Shares for 30% ownership in BIMRE. The Group made a subscription deposit of US$5.63 million (₱280.41 million) for common shares and $3.96 million (₱190.11 million) for Class A and B Preferred Shares. Deposits for Class A and Class B Preferred Shares are classified under "Other financial assets at amortized cost".

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

Dividends declared by BIMRE and BIME amounted nil and US$4.06 million (₱205.79 million) in 2022 and 2021.

Ingrid
On July 23, 2020, ACEIC, ACEN and ACED signed a Shareholders' Agreement with APHPC and Marubeni Corporation for the development, construction and operation of the 150 megawatt (MW) highspeed, diesel-fueled power plant under Ingrid. Under the Agreement, APHPC will acquire 50% of the voting shares and 50% of the economic rights in Ingrid while ACEN will hold 50% of the voting shares and 45% of the economic rights with ACE Endevor having a 5% share of the economic rights in Ingrid.

On November 24, 2020, the Philippine Competition Commission issued a decision confirming that the transaction "will not likely result in substantial lessening of competition and resolving to take no further action with respect to the transaction.

On March 18, 2021, the Parent Company 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. On August 10, 2021, Ingrid received the SEC's approval of Ingrid's amended Articles of Incorporation, and the Certificate of Approval of Increase in ACS, both issued on August 4, 2021. Following the subscription of APHPC, Ingrid will have a total subscribed capital of ₱1.97 billion.

On October 12, 2021, Ingrid and APHPC executed the second Subscription Agreement for the subscription by APHPC to an additional 112,000 Redeemable Preferred F Shares with a par value of ₱100 per share and 1,034,000 Redeemable Preferred G Shares with a par value of ₱100 per share to be issued out of the unissued ACS of Ingrid, to maintain the 50% interest in the shares and in the economic rights as provided in the 2020 Agreement.

Ingrid is among the Parent Company's wholly owned subsidiaries which were acquired from ACEIC in exchange for ACEN's own shares in 2020. Following the Shareholders' Agreement and the SEC's approval of Ingrid's increase in ACS, the Group loses control and recognizes the investment retained in the former subsidiary. The retained interest is remeasured upon deconsolidation of Ingrid's assets and liabilities from the consolidated statement of financial position and recognized a gain amounting to ₱21.81 million in the consolidated statements of income. ACEN, ACED and APHPC have joint control with Ingrid over key decision areas and material transactions through various reserved matters.

In 2021, Ingrid started commercial operation of 150MW high-speed, diesel-fueled power plant project following the issuance of the Notice to Proceed (NTP) in December 2019. Ingrid's registered office address is 4th Floor, 6750 Building, Ayala Avenue, San Lorenzo, Makati City.

UPC-ACE Australia and UPC Australia
On May 23, 2018, ACEIC participated in the Australian renewables market through a joint venture with international renewable energy developer, UPC Renewables. The Group has invested US$30.00 million (₱1,519.1 million) for 50% ownership in UPC's Australian business and is also providing US$200.0 million facility to fund project equity. Additional investments were made in 2021 amounting to US$5.75 million (₱278.60 million) for funding the NESF.

On October 18, 2021, the Parent Company's BOD approved to acquire the remaining 51.6% stake in UPC-AC Renewables Australia joint venture. This transaction will raise ACEN's ownership in the renewables development platform to 100%.

ACEN, through its subsidiary ACRI, will acquire the interest of its joint venture partners UPCAPH and Mr. Anton Rohner ("the Sellers") in UPC-ACE Australia for a total consideration of US$243.3 million, subject to adjustments. The Sellers will in turn subscribe to up to 942 million common shares of ACEN with a subscription price of ₱11.32/share, subject to adjustments. The acquisition is subject to satisfaction of agreed conditions precedent, and consents and regulatory approvals, including the consent or non-objection of the Foreign Investment Review Board of Australia.

On December 15, 2021, the stockholders of ACEN approved the issuance and listing of up to 942 million Common Shares to the owners, affiliates, and/or partners of UPCAPH and Mr. Rohner and the listing of the shares to be issued.

The approval of or non-objection by the Foreign Investment Review Board ("FIRB") of Australia., was received on February 16, 2022.

On March 11, 2022, ACRI, UPCAPH, and Mr. Rohner signed a Share Purchase Agreement for ACRI's acquisition of the effective ownership interest of UPCAPH and Mr. Rohner in UPC-ACE Australia.

The aggregate consideration paid for the first tranche is US$87,698,684. ACRI paid US$78,337,307 (₱4,070.41 million) for the 7,150 ordinary shares in UPC-ACE Australia and US$9,361,377 (₱486.22 million) for the 1,000,054 ordinary class B shares in UPC Australia (HK) Limited.

On March 21, 2022, ACEN signed Subscription Agreements with the following entities for the following number of shares in ACEN at price of ₱7.871 per share:

UPC Renewables Asia Pacific Holdings Pte Limited	869,119,204
Anton Rohner	61,630,796
Total ACEN shares to be issued	930,750,000
Subscription price per share	₱7.871
Total subscription price *(subject to adjustment)*	₱7,325,933,250

UPC Renewables Australia is developing the 1,000MW Robbins Island and Jim's Plain solar project in Northwest Tasmania and the 520MW New England Solar Farm (NESF) located near Uralla in New South Wales. UPC Renewables Australia also has a further development portfolio of another 8000MW's located in NSW, Tasmania, Victoria and South Australia.

NEFIN
NEFIN, a leading solar photovoltaic developer and investor in carbon neutrality solutions. ACEN and NEFIN will establish a 50/50 joint venture holding company that will develop, construct, and operate rooftop solar projects across Asia. The joint venture will own 21 MW of operating assets and has a robust near-term project pipeline.

During the period, the Group infused $10 million (₱515.59 million) to the joint venture.

AAR
In 2018, the Group entered into a 50-50 joint venture agreement with AMI Renewables Energy Joint Stock Company to develop, construct, and operate renewable power projects in Vietnam. The joint venture company, New Energy Investments Corporation (NEI) is a holding company that holds direct ownership interest in the project companies. Its principal place of business and country of incorporation is in Vietnam. On December 27, 2018, NEI changed its business name to AMI AC Renewables Corporation.

On November 17, 2021, the 252 MW wind farm in Quang Binh, Vietnam has reached commercial operations. This is the third joint project of ACEN and AMI Renewables following the 50 MW Khanh Hoa and 30 MW Dak Lak solar farms which started operations in 2019.

BCEI
On November 10, 2021, the ACEX BOD approved the joint venture between the ACEX and Red Holdings B.V. ("Gen X Energy"), a wholly owned subsidiary of Gen X Energy L.P., to develop a 1,100MW combined cycle power plant that will be able to use natural gas and/or green hydrogen as its fuel to provide firm power to the grid to meet the country's growing energy demand. The joint venture will be through a special purpose vehicle company, BCEI, where ACEX and Gen X Energy will each own a fifty percent (50%) interest, subject to satisfaction of agreed conditions precedent and execution of definitive documents.

On December 10, 2021, the ACEX BOD approved for the availment of a short-term loan from ACEN of up to ₱150 million to fund the initial subscription by ACEX to shares in BCEI and authorized ACEX to secure bank loans in an aggregate amount of up to ₱150 million to be guaranteed by ACEN subject to the payment of a guarantee fee. On December 13, 2021, the ACEN BOD approved the short-term loan up to ₱150 million in favor of ACEX.

As part of the transaction, Buendia Christiana Holdings Corp. (BCHC), an affiliate of the Company, shall assign to BCEI its option to lease the potential project site.

On January 14, 2022, ACEX, BCEI and Gen X Energy executed the Shareholders' Agreement and Subscription Agreements implementing the transaction. ACEX will subscribe to a total of 150,002 shares in BCEI for a total subscription price of ₱150,219,040. Gen X Energy L.P. is a portfolio company of Blackstone Inc., the world's largest alternative asset manager. As at March 31, 2022, ₱126.78 million was infused into the joint venture.

BCE shall file an application for the increase in its ACS with the SEC.

UPC Asia III
In 2017, the Group signed investment agreements with UPC Renewables Indonesia Ltd to develop, construct and operate a wind farm in Sidrap, South Sulawesi, Indonesia (the "Sidrap Project"). The project was developed through PT UPC Sidrap Bayu Energi, a special purpose company based in Indonesia. The Sidrap Project, with generating capacity of 75 MW, started commercial operations in April 2018 and is the first utility-scale wind farm project in Indonesia. UPC Asia III's principal place of business and country of incorporation is Hong Kong.

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

NAREDCO
On October 18, 2021, the BOD of ACEN approved ACEN's joint venture with CleanTech Global Renewables, Inc. ("CleanTech"). CleanTech has assigned its rights and obligations under the joint venture to its wholly-owned subsidiary, CleanTech Renewable Energy 4 Corp. ("CREC4").

NAREDCO, ACEN's joint venture project with CREC4, is a special purpose vehicle for the development of the proposed 200MWdc Lal-lo Solar Power Project in Lal-lo, Cagayan (the "Lal-lo Solar Power Project"). The planned capacity of Phase 1 is 100MWdc. NAREDCO will proceed with the construction the solar farm and transmission line, which has a potential expansion of up to 200 MW. The solar farm will be constructed on a 115-hectare flat land known for its high solar irradiance in Barangays Magapit and Sta. Maria, which will connect to the 69kV NGCP Lal-lo (Magapit) substation via a 3-km transmission line.

On December 17, 2021, ACEN and ACE Endevor signed subscription agreements with NAREDCO for the subscription to an aggregate of 82,500 common shares in NAREDCO with a par value of ₱100 per share for a total par value of ₱8,250,000. The subscribed shares is composed of (a) 45,000 common shares to be issued from NAREDCO's unissued capital stock, and (b) 37,500 common shares to be issued out of the increase in NAREDCO's ACS.

On March 24, 2022, ACEN, ACE Endevor, CREC4, and NAREDCO signed a Shareholders' Agreement to cover the ownership and management of NAREDCO, as well as the development and operation of the Lal-lo Solar Power Project.

After subscription by ACEN and Endevor to an aggregate of 82,500 common shares in NAREDCO on 17 December 2021 and subject to the necessary regulatory approvals from the SEC on the increase in authorized capital stock of NAREDCO, the ownership structure will be as follows: ACEN with 55%, Endevor with 5%, and CREC4 with 40% of the common shares.

UPC AC Energy Solar Ltd.
In July 2020, ACEN, through its joint venture UPC-AC Energy Solar, issued a notice-to-proceed

for a 140 MWdc solar plant ("Sitara Solar project") in Rajasthan, a desert state with the highest irradiation in India. The project utilizes Risen Energy monocrystalline panels.

In May 2021, despite the worsening pandemic situation in India, the 140 MWdc Sitara Solar project in Rajasthan started commercial operations. The project supplies energy to the Solar Energy Corporation of India. UPC-AC Energy Solar won the power supply agreement for Sitara Solar via a competitive bid at INR 2.48 per kWh, fixed over a 25-year period.

In October 2020, ACEN, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for a 70 MWdc solar plant ("Paryapt Solar project")in Gujarat, one of the first states to develop solar generation capacity in India and with its own target to set up 8,000MW of solar power by 2022. The Paryapt Solar Farm uses Jinko monocrystalline solar panels.

In April 2021, UPC-AC Energy Solar achieved a significant milestone with the start of commercial operations of its 70 MWdc Paryapt Solar project located in the State of Gujarat, India. The project is supplying energy to Gujarat Urja Vikas Nigam Ltd. UPC-AC Energy Solar won the power supply agreement for the project via a competitive bid at INR 2.55 per kWh, fixed over a 25-year period.

The development of these 210 MWp maiden solar farms in India involved an investment of around US$100 million. the solar farms are comprised of more than 466,000 solar panels which are capable to produce around 358 GWh annually, or an estimated 323,990 metric tonnes of CO_2e avoided.

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 of Greencore 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 Citicore Solar Energy Corporation ("CSEC"), and Greencore, for the development, construction, and operation of the Project. On the same date, ACEN and ACE Endevor 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, respectively, to be issued out of the unissued ACS of Greencore. ACEN and ACE Endevor have fully paid their subscriptions.

The Project started construction in 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 of up to ₱2.68 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. Total amount drawn in 2021 amounted to ₱2.08 billion.

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 Solar Philippines Central Luzon Corporation ("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 ACS of SPCLC.

On June 25, 2021, ACEN signed an Omnibus Loan and Security Agreement with PIC (the "Borrower") and SP (the "Sponsor") for the financing of the various acquisition of project sites for solar power projects.

Under the Agreement, ACEN, as Lender, will be extending a term loan facility to the Borrower in the amount of up to ₱1.00 billion. The loan will be secured by (1) a real estate mortgage over the Borrower’s and third-party mortgagors' title to, or rights and interests over, real assets in favor of ACEN, and (2) a mortgage and pledge over the shareholding of the Sponsor in one of its fully-owned subsidiaries. As at March 31, 2022 and December 31, 2021, PIC has drawn ₱150.00 million from the facility (see Note 7).

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 2022, commercial operations have not yet been achieved.

SPCLC was incorporated and registered with the Philippine SEC, primarily to develop and own solar projects, mainly in Central Luzon. The registered office address and principal place of business is at 20th Floor, Philamlife Tower, Makati City.

(2) Others consists of investment in UPC-AC Energy Solar Limited, PT UPC Sidrap Bayu Energi (formerly AC Energy International RE1), Masaya Solar Energy Pvt Ltd., Asian Wind Power 1 HK Ltd., Dai Phong Development, Investment Joint Stock Company, Asian Wind Power 2 HK Ltd., Indochina Wind Pte. Ltd., Vietnam Wind Energy Limited, AC Energy International RE 1 Pte. Ltd., Infenium 4 Energy, Inc, NEFIN Asset Management Pte.Ltd., Greencore Power Solutions 3, Inc. (Greencore) and Solar Philippines Central Luzon Corporation ("SPCLC").

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

March 31, 2022 (Unaudited, amounts in millions except otherwise stated)

	PhilWind	Ingrid	UPC-ACE Australia	AAR	Salak-Darajat	BIMRE
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Associate	Joint venture
Functional currency	PHP₱	PHP₱	US$	VND (in billions)	US$	VND (in billions)
Dividends received	₱233.65	₱–	–	–	–	–
Summarized Statements of Financial Position:						
Current assets	₱3,114.02	₱1,223.44	$39.29	₫1,082.51	$2,546.10	₫985.66
Noncurrent assets	9,294.50	1,260.00	306.22	8,949.21	395.78	5,642.04
Total assets	12,408.52	2,483.43	345.52	10,031.72	2,941.88	6,627.70
Current liabilities	633.49	622.57	–	–	100.94	461.24
Noncurrent liabilities	4,927.15	42.19	172.39	9,974.00	1,728.79	4,841.80
Equity	₱6,847.88	₱1,818.67	$173.12	₫57.72	$1,112.15	₫1,324.66
Share in equity	₱4,780.50	₱909.34	$86.56	₫28.86	$220.21	₫397.40
Others	3,264.62	285.71	6.45	69.55	(9.89)	325.47
Carrying value of investments in functional currency	8,045.12	1,195.05	93.01	98.41	210.32	722.87
Carrying value of investments in Philippine Peso	8,045.12	1,195.05	4,832.85	0.22	10,928.03	1.66
CTA			(71.46)	0.01	226.50	0.04
Carrying value of investments in reporting currency	₱8,045.12	₱1,195.05	$4,761.40	₫0.23	$11,154.54	₫1.70
Summarized Statements of Comprehensive Income:						
Revenue	₱782.76	₱480.42	$0.42	₫96.54	$85.58	₫350.40
Cost and expenses	309.67	511.64	5.83	139.34	58.49	256.10
Net income (loss)	473.10	(31.22)	(5.42)	(42.80)	27.09	94.30
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income (loss) at functional currency	473.10	(31.22)	(5.42)	(42.80)	27.09	94.30
Group's share in total comprehensive income (loss) at functional currency	227.10	(15.61)	(2.71)	(21.40)	5.36	28.29
Total comprehensive income (loss) in Philippine Peso	473.10	(31.22)	(282.03)	(0.10)	1,410.63	0.22
Group's share in total comprehensive income (loss) in Philippine Peso	₱227.10	(₱15.61)	($140.94)	(₫0.05)	$251.71	₫0.07

December 31, 2021 (Audited)

	PhilWind	Ingrid	UPC-ACE Australia	AAR	Salak-Darajat	BIMRE
Classification	Joint venture	Joint venture	Joint venture	Joint venture	Associate	Joint venture
Functional currency	PHP₱	PHP₱	US$	VND (in billions)	US$	VND (in billions)
Dividends received	₱1,062.16	₱–	US$–	₫–	$6.93	₫33.48
Summarized Statements of Financial Position:						
Current assets	₱1,856.92	₱1,057.81	$ 2.60	₫979.21	$360.53	₫ 722.00
Noncurrent assets	7,252.95	1,293.16	207.27	9,056.26	2,501.69	5,703.73
Total assets	9,109.87	2,350.97	$209.87	₫10,035.47	$2,862.22	₫6,425.73
Current liabilities	596.32	458.89	11.17	471.15	88.22	1,329.41
Noncurrent liabilities	4,930.89	42.19	178.20	9,473.99	1,724.76	3,994.03
Equity	₱3,582.66	₱1,849.89	$ 20.50	₫ 90.33	$1,049.24	₫1,102.29
Share in equity	₱2,501.05	924.95	$10.25	(₫14.39)	$ 207.75	₫330.69
Notional goodwill	3,264.62	285.71	7.54	73.91	2.04	363.00
Others	–	–	–	–	–	–
Carrying value of investments in functional currency	₱5,765.68	₱1,210.66	$17.79	₫59.52	$209.79	₫693.69
Carrying value of investments in Philippine Peso	₱5,765.68	₱1,210.66	847.86	₱0.26	₱10,046.10	₱1.51
CTA	–	–	55.47	0.01	605.93	0.09
Carrying value of investments in reporting currency	₱5,765.68	₱1,210.66	₱903.33	₱0.28	₱10,652.03	₱1.60
Summarized Statements of Comprehensive Income:						
Revenue	₱2,892.55	451.08	$-	₫525.07	$349.70	₫1,165.48
Cost and expenses	1,127.22	483.99	15.70	554.65	234.61	704.23
Net income (loss)	1,765.33	(32.91)	(15.70)	(29.58)	115.09	461.25
Other comprehensive income	648.77	–	(1.82)	–	(5.54)	–
Total comprehensive income (loss) at functional currency	₱2,414.10	(₱32.91)	($17.52)	(₫29.58)	$109.54	₫461.25
Group's share in total comprehensive income (loss) at functional currency	₱974.01	(₱16.46)	($8.76)	(₫14.79)	$21.69	₫138.37
Total comprehensive income (loss) in Philippine Peso	₱2,414.10	(₱32.91)	(₱880.36)	(₱0.07)	₱5,504.25	₱1.06
Group's share in total comprehensive income (loss) in Philippine Peso	₱974.01	(₱16.46)	(₱439.64)	(₱0.02)	₱1,052.08	₱0.32

March 31, 2021 (Unaudited)

	PhilWind	UPC-ACE Australia	AAR	Salak-Darajat	BIMRE
Classification	Joint venture	Joint venture	Joint venture	Associate	Joint venture
Functional currency	PHP₱	US$	VND (in billions)	US$	VND (in billions)
Summarized Statements of Comprehensive Income:					
Revenue	₱974.38	$ -	₫ 20.90	$ 78.60	₫ 312.19
Cost and expenses	254.43	3.63	57.46	55.65	163.47
Net income	719.95	(3.63)	(36.56)	22.94	148.72
Other comprehensive loss	0.65	–	–	0.13	–
Total comprehensive income at functional currency	₱720.60	($1.82)	(₫36.56)	$ 23.07	₫148.72
Group's share in total comprehensive income at functional currency	₱ 503.05	($2.60)	(₫18.28)	$ 4.57	₫44.62
Total comprehensive income in Philippine Peso	₱ 720.60	(₱176.48)	(₱0.08)	₱ 1,120.75	₱ 0.31
Group's share in total comprehensive income in Philippine Peso	₱ 503.05	(₱88.24)	(₱0.04)	₱ 221.91	₱ 0.09

12. Other Financial Assets at Amortized Cost

This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Redeemable preferred shares and subscription deposits	**₱15,038,433**	₱12,766,483
Convertible loans	**13,630,598**	13,319,476
Balance at end of period	**₱28,669,031**	₱26,085,959

Investment in redeemable preferred shares and subscription deposits

The roll forward analysis of this account follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balances at beginning of period	**₱12,766,483**	₱8,181,268
Subscription deposits	**50,548**	3,150,370
Conversion of subscription deposits	**(168,791)**	(3,416,093)
Subscription to redeemable preferred shares	**1,824,745**	866,258
Conversion to redeemable preferred shares	**168,791**	3,417,430
Cumulative translation adjustment	**396,657**	567,250
Balances at end of period	**₱15,038,433**	₱12,766,483

Investments in redeemable preferred shares

Investment in UPC Asia III
UPC Asia III owns 75 MW Wind Farm in South Sulawesi, Indonesia. Redeemable Class A preference shares in UPC Asia III are non-voting shares and are redeemable at the holder's option within 30 days from earlier of July 15, 2035 or date as soon as funds are realized by UPC Asia III or its subsidiaries. The shares are entitled to dividends at fixed, cumulative, and compounding rate annually, commencing from January 11, 2017.

As at March 31, 2022 and December 31,2021, investment in Redeemable Class A preferred shares amounted to US$21.86 million (₱1,136.07 million) and US$21.86 million (₱1,110.14 million), respectively. Interest income amounted to US$1.00 million (₱51.49 million) and US$1.01 million (₱49.23 million) for the three-month periods ended March 31, 2022 and 2021 respectively.

Investment in AAR
AAR owns a combined 80 MW of Solar Farm in Khan Hoa and Dak Lak Province, Vietnam. Redeemable Class A and Class B preference shares in AAR are entitled to dividends at fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

In 2022 and 2021, the Group converted its subscription deposits to Class A preferred shares for a total of US$3.25 million (₱168.79 million) and US$55.84 million (₱2,835.19 million), respectively.

As at March 31, 2022 and December 31, 2021, investment in Redeemable Class A and B preferred shares amounted to US$125.40 million (₱6,516.01 million) and US$122.16 million (₱6,202.34 million), respectively. Interest income amounted to US$3.75 million (₱193.61 million) and US$2.04 million (₱98.89 million) for the three-month periods ended March 31, 2022 and 2021 respectively.

Investment in BIMRE
BIMRE owns 300 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, the Group converted deposit for future equity in BIMRE into 3,437,000 redeemable Class A preferred shares and 3,437,000 redeemable Class B preferred shares. The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.

In 2021, the Group subscribed to redeemable Class B for a total of US$0.01 million (₱0.03 million), while US$3.96 million (₱192.12 million) subscription deposits were converted to redeemable Class A and Class B preferred shares.

As at March 31, 2022 and December 31, 2021, investment in Redeemable Class A and Class B preferred shares amounted to US$24.39 million (₱1,267.13 million) and US$24.39 million (₱1,238.21 million), respectively. Interest income amounted to US$0.78 million (₱40.31 million) and US$0.82 million (₱40.01 million) for the three-month periods ended March 31, 2022 and 2021 respectively.

Investment in BIME
BIME owns 30 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, the Group converted deposit for future equity in BIME into 343,700 redeemable Class A preferred shares and 343,700 redeemable Class B preferred shares The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.

In 2021, The Group subscribed to redeemable Class B for a total of US$0.01 million (₱0.06 million).

As at March 31, 2022 and December 31, 2021 and 2020, investment in Redeemable Class A and Class B preferred shares amounted to US$4.26 million (₱221.10 million) and US$4.26 million (₱216.05 million), respectively. Interest income amounted to US$0.14 million (₱7.05 million) and US$0.14 million (₱6.64 million) for the three-month periods ended March 31, 2022 and 2021 respectively.

Investment in UPC Solar
UPC Solar is currently developing solar farms with combined capacity of 210 MW in the Provinces of Rajasthan and Gujarat, India. In 2021 and 2020, the Group entered into different Share Subscription Agreement with UPC Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations.

In 2021, the Group subscribed to Class A Redeemable preferred shares for a total of $17.50 million (₱866.17 million).

As at March 31, 2022 and December 31, 2021, investment in Class A Redeemable Preferred shares amounted to US$66.00 million (₱3,429.36 million) and US$31.50 million (₱1,599.38 million), respectively. Interest income amounted to US$1.42 million (₱73.13 million) and US$0.57 million (₱27.64 million) for the three-month periods ended March 31, 2022 and 2021 respectively.

Investment in BIM Wind
BIM Wind owns and operates an 88 MW wind project in the Province Ninh Thuan, Vietnam. The wind farms began operations on September 2021. The redeemable preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations.

In 2021, the Group converted its subscription deposits to redeemable preferred shares for a total of $7.68 million (₱390.11 million).

As at March 31, 2022 and December 31, 2021, investment in Redeemable preferred shares amounted to US$7.68 million (₱399.23 million) and US$7.68 million (₱390.11 million), respectively. Interest income amounted to US$0.08 million (₱4.04 million) and nil for the three-month periods ended March 31, 2022 and 2021 respectively.

Subscription Deposits

Subscription to BIMRE
The Group entered into an Amendment and Supplement to Share Subscription Agreement for additional Common Shares, Class A Preferred Shares and Class B Preferred Shares for 30.00% ownership in BIMRE. In 2020, the Group made subscription deposit amounting to $3.96 million (₱190.11 million) which was subsequently converted in 2021. There are no remaining unconverted subscriptions deposit as at March 31, 2022 and December 31, 2021.

Subscription to AAR
On April 16, 2020, the Group entered into a Share Subscription and Deposit Agreement for additional Class A Preferred Shares of AAR. In 2022 and 2021, the Group subscribed to future Class A Preferred Shares amounting to $0.99 million (₱50.55 million) and $50.59 million (₱2,508.05 million), respectively. Subscriptions amounting to $3.25 million (₱168.79 million) were partially converted to Class A Redeemable Preferred Shares of AAR in 2021, while $55.85 million (₱2,835.87 million) in 2021. As at March 31, 2022 and December 31, 2021 and 2020, remaining unconverted subscription deposit amounted to nil and $2.26 million (₱114.88 million), respectively.

Subscription to BIM Wind
On July 7, 2020, the Group entered into a Share Subscription and Deposit Agreement for non-interest deposit with BIM Wind. In 2021, the Group made subscription deposit amounting to $13.04 million (₱642.32 million). Subscriptions amounting to $7.68 million (₱390.11 million) was partially converted in 2021. As at March 31, 2022 and December 31, 2021, remaining unconverted subscription deposit amounted to $37.33 million (₱1,939.64 million).

Convertible loans

The rollforward analysis of this account follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	**₱13,319,476**	₱7,115,837
Additions	–	6,542,561
Redemptions	–	(791,328)
Cumulative translation adjustment	**311,122**	452,406
Balance at end of period	**₱13,630,598**	₱13,319,476

Investment in UPC Australia
On April 22, 2020, the Group entered into an agreement with UPC-ACE Australia, to make available a convertible term loan facility in an aggregate principal amount of $48.50 million (₱2,350.55 million) for NESF Project. On January 6, 2021, the Group entered an amended the convertible loan facility to increase the principal amount by $111,500,000 for Facility B Limit and $160,000,000 for Facility C limit. The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 30 years of drawn down date.

On June 30, 2020, the Group entered into an agreement with UPC-ACE Australia, to make available a convertible term loan facility in an aggregate principal amount of US$275.00 million

(₱13,327.88 million) for Project Trace. The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 30 years of drawn down date.

In 2021, total amount drawn from the loan amounted to US$129.72 million (₱6,501.94 million) while total redemptions amounted to US$16.33 million (₱791.33 million).

On March 10, 2021, the outstanding convertible loan related to Project Trace was fully paid.

As at March 31, 2022 and December 31, 2021, outstanding balance of the convertible loan amounted to US$178.20 million (₱9,259.31 million) and US$178.20 million (₱9,047.96 million). Interest income amounted to US$3.78 million (₱194.24 million) and US$2.06 million (₱100.17 million) for the three-month periods ended March 31, 2022 and 2021 respectively.

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

Amounts drawn in 2021 and 2020 amounted to nil and US$38.00 million (₱1,825.37 million).

As at March 31, 2022 and December 31, 2021, outstanding balance of the convertible loan amounted to US$38.00 million (₱1,974.48 million) and US$38.00 million (₱1,929.41 million), respectively. Interest income amounted to nil and US$1.21 million (₱58.75 million) for the three-month periods ended March 31, 2022 and 2021, respectively.

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

As at March 31, 2022 and December 31, 2021, outstanding balance of the convertible loan amounted to US$24.58 million (₱1,276.92 million) and US$24.58 million (₱1,247.77 million), respectively. Interest income amounted to US$0.88 million (₱45.43 million) and US$0.84 million (₱40.72 million) for the three-month periods ended March 31, 2022 and 2021, respectively.

Investment in Asian Wind Power 2 HK Ltd (Asian Wind 2)
On March 25, 2020, the Group entered into an agreement with Asian Wind 2, to make available a convertible term loan facility in an aggregate amount not exceeding US$23.00 million (₱1,114.70 million). The Group, from time to time until 25th anniversary of drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A redeemable preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years of drawn down date.

In 2021 total amount drawn from the loan amounted to US$0.80 million (₱40.62 million).

As at March 31, 2022 and December 31, 2021, outstanding balance of the convertible loan amounted to US$21.55 million (₱1,119.89 million) and US$21.55 million (₱1,094.33 million), respectively. Interest income amounted to US$0.89 million (₱45.53 million) and US$0.64 million (₱31.01 million) for the three-month periods ended March 31, 2022 and 2021, respectively.

Convertible loan facilities bear interest ranging from 8.50% to 12.00% per annum.

13. Financial Assets at FVTPL

Compulsory Convertible Debenture of Masaya Solar Energy Private Limited ("Masaya Solar")
On November 16, 2021 and December 9, 2021, the Group subscribed to 21,561,291 and 32,799,307, respectively, Compulsorily Convertible Debentures (CCDs) of Masaya Solar. Masaya Solar is currently constructing the 420MWp solar farm in the Central Indian state of Madhya Pradesh. Total cost of subscriptions in 2022 and 2021 amounted to $15.30 million (₱786.37 million) and $8.01 million (₱402.68 million).

The CCDs are unsecured and have a maturity date of 28 years from the date of allotment. Unless earlier converted, CCDs shall be converted into equity shares immediately after maturity date. Prior to maturity, Masaya Solar, has the option to convert the CCDs into equity shares in the ratio of 1:1."

As at March 31, 2022 and December 31, 2021, financial assets at FVTPL amounted to ₱1,211.23 million and ₱406.74 million, respectively.

14. Financial Assets at FVOCI

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Noncurrent:		
UPC Sidrap HK Limited	**₱351,268**	₱353,657
Golf club shares	**950**	1,190
Listed shares of stock	**190**	21
	₱352,408	₱354,868

On May 14, 2019, the Group subscribed to 41.22 million redeemable preference shares at par value of US$10 per share in AYCFL, an unconsolidated affiliate of the Group. The subscribed redeemable preferred shares amounting to $412.20 million (₱21,186.00 million) are cumulative, non-voting and redeemable by AYCFL, at its sole option, at price and terms to be determined by its directors.

On September 14, 2020, the BOD of AYCFL approved to redeem a total of 15.00 million redeemable preferred shares at US$10.00 per share for a total of US$150.00 million (₱7,275.90 million) which took effect on September 18, 2020. Total unrealized fair value gain that was reclassified to retained earnings upon redemption is at US$0.23 million (₱11.10 million).

On April 21, 2021, the BOD of AYCFL approved to redeem the remaining 26.22 million redeemable preferred shares at US$10.00 per share for a total of US$262.20 million (₱12,687.86 million) which took effect on April 23, 2021.

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

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	**(₱90,089)**	₱143,625
Unrealized (loss) gain recognized during the period	**(13,457)**	(44,909)
Reversal of unrealized fair value gain upon redemption	**–**	(25,906)
Effect of business combinations under common control (Note 5)	**–**	(162,899)
Balance at end of period	**(₱103,546)**	(₱90,089)

For the three-month period ended March 31, 2022 and 2021, dividend income earned from UPC Sidrap amounted to ₱3.64 million ($0.07 million) and ₱6.55 million ($0.14 million).

15. **Property, Plant and Equipment**

Acquisitions and disposals
During the three-month period ended March 31, 2022, the Group acquired assets with a cost of ₱2,443.32 million (year ended December 31, 2021: ₱5,548.43 million), excluding property, plant and equipment acquired though business combination (see Note 4).

Non-cash component in the total additions amounted to ₱33.33 million in March 31, 2022 and December 31, 2021 (see Note 36).

Significant Additions During the Period

For the three-month period ended March 31, 2022, the Group invested significant capital expenditures related to the following projects:
- ₱1,517.90 million for its 160 MW Balaoi and Caunayan wind power project in Pagudpud, Ilocos Norte through its subsidiary, BWPC;
- ₱147.74 million for its 238MW DC Solar Energy Power Plant Project located in Brgy. Sta. Fe San Marcelino, Zambales through its subsidiary, SCSE;
- ₱93.13 million for the construction in progress of Tower 2 Makati office;

In 2021, the Group invested significant capital expenditures related to the following projects:

- ₱1,186.19 million for its 160 MW Balaoi and Caunayan wind power project in Pagudpud, Ilocos Norte through its subsidiary, BWPC;
- ₱963.49 million for its 40-MW battery energy storage system (BESS) project in Alaminos, Pangasinan through its subsidiary, Giga Ace 4;
- ₱572.02 million for its 120 MW solar farm project in Alaminos, Laguna through its subsidiary, SolarAce1;
- ₱408.61 million for its 60 MW solar power project in Palauig, Zambales through its subsidiary, Gigasol 3;
- ₱158.10 million for its 4.375 MWdc Renewable Energy Laboratory Facility with Energy Storage System Project in Mariveles Bataan through its subsidiary, BSEI.
- ₱109.91 million for its purchase of parcels of land located at Barrio Poonbato, Botolan, Zambales through its subsidiary, BCHC; and,
- ₱68.84 million for its purchase of generator rotor for its Unit 2 122 MW thermal plant in Calaca, Batangas through its subsidiary, SLTEC.

Disposals
Assets (other than those classified as held for sale) with a net book value of ₱3.92 million were disposed by the Group for the three-month period ended March 31, 2021. This resulted in nil and net loss of ₱0.47 million (see Note 28).

Impairment Losses
In 2021, provision for impairment include ₱77.86 million for ACEN PB 101 and 102, ₱219.53 million for BSEI's construction-in-progress, and ₱4.02 million other various construction-in-progress. Reversals during the year include ₱75.12 million for ACEN PB 102 and 103 and ₱14.89 million for BSEI's tools and miscellaneous assets which were subsequently reclassified to assets held for sale (see Notes 8 and 26).

In 2020, provision for impairment include ₱270.53 million for ACEN PB 102 and 103, while other provisions amounting to ₱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.

The Bataan Project's impairment of assets is consistent with the Group's assessment as at March 31, 2022 and December 31, 2021, respectively (see Note 3).

Mortgaged Property and Equipment
Guimaras Wind's wind farm with carrying value of ₱3,650.50 million and ₱3,702.37 million as at March 31, 2022 and December 31,2021, respectively, included under "Machinery and Equipment" account is mortgaged as security for the long-term loan. (see Note 19).

Pledges of Shares, Assignment of Receivables and all Material Contracts
As security for the timely payment, discharge, observance and performance of the secured obligations, ACEN, and APHPC, to the extent of their ownership interests in SLTEC, pledged shares owned by it, whether now owned or existing or hereafter acquired to the Security Trustee for the benefit of the Lenders and the Security Trustee.

In addition, SLTEC, and ACEN and/or APHPC, as the relevant Sponsor under the New Omnibus Agreement, have assigned, conveyed and transferred unto the Security Trustee, for the benefit of the Lenders and the Security Trustee, all of its respective rights, title and interest in, to and under the following: (i) all monies standing in the cash flow waterfall accounts, with respect to SLTEC; (ii) all project receivables, with respect to SLTEC; (iii) the proceeds of any asset and business continuity insurance obtained by SLTEC; (iv) any advances or subordinated loans, if any, granted by any of ACEN and APHPC to SLTEC; and (v) the proceeds, products and fruits of those provided under items (i) to (iv) hereof.

SLTEC, as continuing security for the timely payment and discharge of the secured obligations, has also assigned, conveyed and transferred to the Security Trustee all of its rights, title and interests in and to the Project Agreements to which it is a party. Project agreements include: (i) power purchase agreements; (ii) all fuel oil purchase agreements, together with corresponding performance guarantees and bonds having a total amount of at least ₱25.00 million per agreement; (iii) all operations and maintenance agreements, together with corresponding performance guarantees and bonds, for the operation and maintenance of the power plant; (iv) all asset and business continuity insurance obtained in relation to the power plant and its operation; (v) government approvals obtained by SLTEC in relation to the ownership, operation and maintenance of the power plant, except governmental approvals covered by excluded assets; and (vi) any and all other material contracts as may be agreed upon by SLTEC and the Lenders.

Insurance Claims
In 2020, SLTEC recognized a claim amounting to ₱35.28 million as compensation for the property damage covered by industrial all risk insurance. This was deducted from the construction-in progress.

Total depreciation charged to operations amounted to ₱447.16 million and ₱1,495.08 million for the three-month periods ended March 31, 2022 and 2021. The amount charged to “General and administrative expenses” account amounted to ₱26.98 million and ₱79.10 million for the three-month periods ended March 31, 2022 and 2021 (see Note 24).

The Group has no significant property, plant and equipment which are temporarily idle as at March 31, 2022 and December 31, 2021.

16. **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.
- ACES – rental of office in BGC PSE Tower with 7 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 rights of way use to connect to the grid.
- SACASOL - lease of land for its solar power facility and office building.
- MONTESOL - lease of land for its solar power facility.
- NorthWind - lease of land for its wind power facility (Phase I-II) in Bangui, Ilocos Norte and rental of office space with parking slots in 22nd Floor of Ayala Tower.
- 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

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 Parent Company recognized the related right-of-use asset and lease liability amounting to ₱1,024.86 million and ₱1,024.35 million, respectively, arising from this lease agreement, which are treated as non-cash items in the consolidated statement of cash flows (see Note 36).

For the three-month period ended March 31, 2022 and 2021, the total cash outflow in respect of leases amounted to ₱61.04 million and ₱65.40 million, respectively. Interest expense in relation to lease liabilities in the current period 2022 and 2021 amounted to ₱56.51 million and ₱9.95 million, respectively, and is presented as part of "Interest and Other Finance Charges" in the consolidated statements of income (see Note 27).

In 2021, BCHC remeasured its lease liability due to annual increase of rental fee to annual inflation rate (CPI). ISLASOL recognizes the present value of the obligation to dismantle the plant and capitalizes the present value of this cost as part of the balance of the right-of-use assets, which are being depreciated and amortized on a straight-line basis over the shorter of their estimated useful life and lease term. These restoration activities include dismantling and removing structure, dismantling the operation facilities, closure of the plant restoration and revegetation of affected area. In this regard, ISLASOL established an obligation to recognize its estimated liability for asset retirement. For SACASOL and MONTESOL, the actual dismantlement and removal cost could vary substantially from this year estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment and/or actual time required to complete all dismantlement and removal activities. Adjustment, if any, to the estimated amount will be recognized prospectively as they become known and reliably estimable. SACASOL and MONTESOL has remeasured its asset retirement obligation as of December 31, 2021 which is a deduction to ROU asset.

Moreover, the Group recognized amortization expense for its right-of-use asset amounting to ₱40.19 million and ₱27.80 million and is presented as part of Depreciation and amortization in the consolidated statements of income for the three-month period ended March 31, 2022 and 2021, respectively (see Notes 25 and 26).

There was no indication of impairment on the right-of-use asset of the Group as at March 31, 2022 and December 31, 2021.

17. **Investment Properties**

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

As at March 31, 2022 and December 31, 2021, the remaining balance in investment properties pertains to BCHC's land amounting to ₱13.09 million.

In 2021 and 2020, BCHC purchased a 1.92-hectare land located in Botolan, Zambales amounting to ₱109.91 million and a 1.79-hectare land in located in Binugao, Toril, Davao City amounting to ₱44.60 million, respectively. 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.

18. Goodwill and Other Intangible Assets

Changes in goodwill and other intangible assets for the period ended March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022 (Unaudited)				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of period	₱246,605	₱141,741	₱185,347	₱2,193,812	₱2,767,505
Additions/Cash calls	93,385	775		4,279	98,440
Reclass from PPE (Note 13)	–	–	–	–	–
Balance at end of period	339,990	142,516	185,347	2,198,092	2,865,945
Accumulated amortization:					
Balance at beginning of period	–	–	40,757	265,291	306,048
Amortization (Notes 23 and 24)	–	–	2,030	37,899	39,929
Reclass from PPE (Note 13)	–	–	–	–	–
Balance at end of period	–	–	42,787	303,190	345,977
Accumulated impairment:					
Balance at beginning of period	–	85,477	–	–	85,477
Impairment (Note 24)	–	584	–	–	584
Balance at end of period	–	86,061	–	–	86,061
Net book value	₱339,990	₱56,455	₱142,560	₱1,894,902	₱2,433,907

	December 31, 2021 (Audited)				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	₱246,605	₱121,975	₱185,104	₱2,191,814	₱2,745,498
Additions/Cash calls	–	19,766	–	1,998	21,764
Reclass from PPE (Note 13)	–	–	243	–	243
Balance at end of year	246,605	141,741	185,347	2,193,812	2,767,505
Accumulated amortization:					
Balance at beginning of year	–	–	32,610	113,696	146,306
Amortization (Notes 23 and 24)	–	–	8,120	151,595	159,715
Reclass from PPE (Note 13)	–	–	27	–	27
Balance at end of year	–	–	40,757	265,291	306,048
Accumulated impairment:					
Balance at beginning of year	–	62,098	–	–	62,098
Impairment (Note 24)	–	23,379	–	–	23,379
Balance at end of year	–	85,477	–	–	85,477
Net book value	₱246,605	₱56,264	₱144,590	₱1,928,521	₱2,375,980

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. On January 1, 2019, the leasehold rights were reclassified as right-of-use assets.

Solienda, Inc. ("Solienda") holds leasehold rights on its contracts of lease with San Carlos Sun Power, Inc., San Carlos Biopower Inc. and SACASOL. As at March 31, 2022 and December 31, 2021, the carrying amount of the leasehold rights amounted to ₱135.13 million and ₱137.24 million, respectively.

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

Water Supply Contract
HDP holds a water supply contract with San Carlos Bioenergy, Inc with a remaining useful life of 16 years. The carrying amount as at March 31, 2022 and December 31, 2021 amounted to ₱7.23 million and ₱7.35 million respectively.

Other Intangible Assets
Intangible assets amounting to ₱2,191.81 million arising from an identifiable FIT contract with remaining useful life of 13 years was recognized from the acquisition of SACASOL. The carrying amount as at March 31, 2022 and December 31, 2021 amounted to ₱1,894.90 and ₱1,928.52 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. This requires an estimation of the value in use of the related CGU. The value in use calculation requires the Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.
Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:
- Forecasted revenue growth - Revenue forecasts are management’s best estimates considering factors such as historical/industry trend, target market analysis, government regulations and other economic factors.
- EBITDA margin - It is a measure of a firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation, interest expenses and changes in net working capital and maintenance capital expenditures in arriving the free cash flow.
- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

An increase of 100 basis points in the Group’s pre-tax discount rate will not result in an impairment of goodwill.

Management used an appropriate discount rate for cash flows which is consistent with the valuation practice. The management used the weighted average cost of capital (WACC) wherein the source of the cost of equity and debt financing are weighted. The post-tax discount rates of 8.4% to 10.4% were used in 2022 and 2021. The Group used a capital structure of 46.3% debt/equity (DE) ratio based on industry-comparable weights and the growth rate used in extrapolating cash flows beyond the period covered by the Group’s recent budget was 3% in 2022 and 2021.

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, 2022 and December 31, 2021.

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

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Petroleum and gas:		
SC 55 (Southwest Palawan)	**₱56,439**	₱55,677
SC 6 (Northwest Palawan)		
Block A	**23,963**	23,966
Block B	**4,908**	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
	142,516	141,741
Allowance for impairment loss	**(86,061)**	(85,477)
Net book value	**₱56,455**	₱56,264

Below is the rollforward analysis of the deferred exploration costs:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost:		
Balances at beginning of period	**₱141,741**	₱121,975
Additions - cash calls	**775**	19,766
Balance at end of period	**142,516**	141,741
Allowance for a probable loss:		
Balances at beginning of period	**85,477**	62,098
Provision for probable loss	**584**	23,379
Balance at end of period	**86,061**	85,477
Net book value	**₱56,455**	₱56,264

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, from which, ACEX holds 7.78% participating interests. SC 6A does not have any commercial operations. Provision for probable loss was recognized for SC 6A amounting to ₱23.4 million. In the fourth quarter of 2021, SC 6A consortium paid its outstanding financial obligations to the DOE in full as required for the DOE's approval of the relinquishment of the service contract. Write-off of SC 6A will be done upon receipt of DOE approval.

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

No impairment was recognized for SC 55 as at March 31, 2022 and December 31, 2021 as there were no indicators for impairment.

19. Other Noncurrent Assets

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Advances to suppliers	**₱2,801,997**	₱2,531,010
Development costs	**1,325,410**	428,074
Deposits	**164,700**	165,164
Others	**40,624**	40,979
	₱4,332,731	₱3,165,227

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.

Derivative asset includes non-current portion of foreign exchange forward contracts.

20. Accounts Payable and Other Current Liabilities

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Trade	**₱2,594,851**	₱2,534,044
Accrued expenses	**1,604,788**	1,274,403
Output VAT - net	**1,389,320**	1,022,706
Nontrade (Note 20)	**437,981**	425,619
Accrued interest expenses	**341,905**	196,177
Due to related parties (Note 30)	**226,940**	286,870
Retention payables	**157,445**	136,075
Accrued directors' and annual incentives (Note 30)	**26,629**	23,352
Derivative liability (Notes 9 and 33)	**–**	241,744
Others	**146,772**	139,839
	₱6,926,631	₱6,280,829

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

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

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.

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 ₱2.04 billion which was paid in 2021.

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

Derivative liability pertains to foreign exchange forward contracts maturing within 12-month period (see Notes 9 and 33).

21. Loans

Long-term loans
This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
SLTEC long-term loans	**₱9,812,500**	₱9,812,500
ACEN long-term loans	**9,921,355**	7,968,550
NorthWind loan	**2,092,540**	2,092,540
Guimaras Wind term-loan facility	**1,213,582**	1,280,524
Pangasinan UPC Asia long-term loans	**49,308**	–
	23,089,2845	21,154,114
Less unamortized debt issue costs	**219,975**	211,893
	22,869,310	20,942,221
Less current portion of long-term loans (net of unamortized debt issue costs)	**830,995**	824,488
Noncurrent portion	**₱22,038,315**	₱20,117,733

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

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
As at beginning of period	**₱211,893**	₱240,873
Additions	**15,000**	7,970
Amortization/accretion (Note 25)	**(6,918)**	(36,950)
As at end of period	**₱219,975**	₱211,893

SLTEC

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.

ACEN

On February 28, 2022, ACEN availed ₱2 billion loan from DBP with a term of 9 years.

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.

ACEN was in compliance with loan covenants as at December 31, 2021. 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.

NorthWind

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, 2022 and December 31, 2021, NorthWind is compliant with its loan covenants.

Guimaras Wind

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 ₱3,754.17 million and ₱3,909.77 million as at September 30, 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 September 30, 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.

Total interest expense recognized on SLTEC's, ACEN's, NorthWind's and Guimaras Wind's long-term loans amounted to ₱394.43 million and ₱294.65 million for the three-month periods ended March 31, 2022 and 2021, respectively (see Note 27).

Principal payments made relative to the Group's long-term loans amounted to ₱2,000.00 million and ₱823.13 million for the three-month periods ended March 31, 2022 and 2021, respectively. The Group paid ₱15.00 million and ₱6.04 million debt issue costs for the relevant loans availed in for the current period 2022 and in 2021.

Short-term loans
This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at begining of period	**₱–**	₱4,635,000
Availments	**3,237,020**	3,000,000
Payments	–	(7,635,000)
Balance at end of period	**₱3,237,020**	₱–

In 2022, ACEN availed of a $62 million Promissory Note from BPI, of which, was paid in April 1, 2022.

Total interest expense recognized on ACEN's short-term loans amounted to ₱1.00 million and ₱55.00 million for the three-months period ended March 31,2022 and 2021, respectively (see Note 27).

Loans assumed through business combination

On May 19, 2020, ISLASOL and TLCTI Asia signed a loan payment agreement where ISLASOL will pay its ₱2,140.73 million loan. TLCTI Asia shall use this payment to pay its subscription of ₱2,780.24 million. The excess over the amount shall be paid in full by TLCTI Asia. The application for increase in authorized capital stocks is still pending as at March 31, 2022. ISLASOL tendered full payment of the loan amount in 2020.

Notes payable

This account consists of:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at begining of period	**₱20,195,054**	₱–
Availments	–	20,383,600
Unamortized debt issue cost	**(105,408)**	(114,939)
Cumulative translation adjustment	**586,746**	(73,607)
Balance at end of period	**₱20,676,392**	₱20,195,054

Medium Term Note (MTN) Programme
On August 31, 2021, ACEN Finance established its MTN Programme with an aggregate amount of US$1,500.00 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN Finance under its medium-term note Programme; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

As at March 31, 2022 and December 31, 2021, ACEN Finance has issued US$400.00 million senior guaranteed undated notes (the "Notes") under the MTN Programme.

Senior guaranteed undated fixed-for-life notes under the MTN Programme
On September 8, 2021, ACEN Finance issued US$400.00 million (₱20,383.60 million) senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework.

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

The Philippine SEC confirmed that the Bonds comply with the requirements under the ASEAN Green Bonds Circular and qualify as an ASEAN Green Bond Issuance.

The net proceeds from the Bonds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects, in accordance with ACEN's Green Bond Framework (GBF), which sets out well-defined guidelines for the use of proceeds for renewable energy (RE) projects, with comprehensive monitoring and reporting commitments. These RE developments can be located in the Philippines and offshore.

Redemption at the option of the issuer
Subject to applicable law, ACEN Finance may redeem the Notes (in whole but not in part) on the First Redemption Date as specified in the applicable Pricing Supplement; or any Interest Payment Date falling after the First Redemption Date, by giving notice, at redemption price equal to the principal amount of the Notes plus any accrued but unpaid interest.

Covenants
For as long as the Notes remain outstanding, ACEN Finance and ACEN are required to comply with certain covenants including the creation and permission to subsist only the liens created in respect of the limited recourse project financing of any project company and maintain a maximum net debt to equity ratio of 2.5 to 1.0. These were complied with by the Group as at March 31, 2022 and December 31, 2021.

Total interest expense and other financing charges recognized on notes payable amounted to US$4.10 million (₱210.34 million) and nil for the three-months period ended March 31, 2022 and 2021, respectively. ACEN Finance has not paid any debt issue costs for the notes payable in the current period 2022 and in 2021.

22. Other Noncurrent Liabilities

	March 31, 2022 (Audited)	December 31, 2021 (Audited)
Due to related parties (Note 30)	**₱1,343,725**	₱536,212
Trade payable	**1,238,581**	1,238,581
Contract liabilities	**330,534**	338,489
Derivative liability (Note 34)	**216,452**	–
Asset retirement obligation	**170,484**	168,626
Deposit payable	**160,187**	174,581
Accrued interest expenses	**46,187**	252,742
Nontrade payable	**1,750**	2,598
Others	**64,699**	25,091
	₱3,572,599	₱2,736,920

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. NorthWind also recorded collections amounting to ₱115.08 million in relation to the Multilateral Agreement. Collections are presented as "Trade payables" under "Other noncurrent liabilities" (see Note 5).

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

Derivative liability pertains to the foreign exchange forward contracts and fuel hedges (see Note 34).

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

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

Accrued interest expenses mainly accounts for the interest on Green bonds issued in 2021 (see Note 21).

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

23. Equity

Capital Stock

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

	Number of Shares	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Authorized capital stock - ₱1 par value	**48,400,000,000**	48,400,000,000
Issued shares:		
Balance at beginning of the period	**38,338,527,174**	13,706,957,210
Issuance of new shares	**1,320,745,833**	24,631,569,964
Balance at end of the period	**39,659,273,007**	38,338,527,174

The issued and outstanding shares as at March 31, 2022 and December 31, 2021 are held by 3,188 equity holders.

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

Year Approval	No. of shares Registered	No. of shares Issued	Par Value
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00
2007	–	552,528,364	1.00
2008	–	4,713,558	1.00
2009	–	304,419	1.00
2010	–	2,022,535	1.00
2011	2,200,000,000	1,165,237,923	1.00
2012	4,200,000,000	2,027,395,343	1.00
2013	–	6,603,887	1.00
2014	–	1,283,332	1.00
2016	–	20,751,819	1.00
2017	–	3,877,014	1.00
2019	–	2,632,000,000	1.00
2020	16,000,000,000	6,185,182,288	1.00
2021	24,000,000,000	24,631,569,964	1.00

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

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 ₱28.66 million as at March 31, 2022 and December 31, 2021, and (b) undistributed earnings of subsidiaries, associates and joint ventures included in the Group's retained earnings amounted to ₱29,298.09 million and ₱28,628.17 million as at March 31, 2022 and December 31, 2021, 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 ₱1,197,602,259, paid on April 19,2021 to the shareholders on record as at April 5, 2021. ₱1,195,787,042 of the amounts declared was paid to the equity holders of the Parent Company.

Treasury Shares
Bulacan Power holds ACEN shares and are classified as treasury shares. In 2021, Bulacan Power acquired 23,284,346 ACEN shares amounting to ₱55.18 million through its participation in SRO, of which, was reissued subsequently through the secondary offer in FOO, comprising the 30,248,617 ACEN shares amounting to ₱61.62 million. The remaining 5,000 ACEN shares amounting to ₱5.84 million held by Bulacan Power were reissued on November 11, 2021.

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, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	**₱29,950,776**	₱50,398,831
Net income attributable to NCI	**347,419**	2,415,063
OCI attributable to NCI	**42,107**	4,152
Capital infusions	**–**	1,988
Capital redemption	**–**	(20,386,275)
Dividends	**(352,344)**	(2,231,038)
Acquisition of NCI	**15,140**	(313,598)
Cumulative translation adjustments	**(5,760)**	61,653
Additions through business combination	**(9,381)**	–
Balance at end of period	**₱29,987,957**	₱29,950,776

Capital infusions
In 2021, UPC IV infused ₱1.80 million for its subscription to Solarace4, while UPC II infused ₱0.19 million to BWPC.

Redemptions

	in US$	In Ph₱
2021		
UACH	$16,307	₱830,976
ACEC	400,000	19,507,793
NorthWind	–	47,506
	$416,307	₱20,386,275

On August 31, 2021, the Directors and Officer of UACH approved to return surplus cash through payment of dividend and capital return to shareholders. The non-controlling interest redeemed $16.31 million (₱830.98 million or AU$25.20 million) of capital for the year ended December 31, 2021.

On September 7, 2021, the BOD of ACEC approved the redemption of various redeemable preferred shares amounting to $400.00 million (₱19,507.79 million), of which are owned by ACEFIL, recognized as non-controlling interest.

In November 2021, pursuant to ACEN's acquisition of non-controlling interest in NorthWind, the NW Minorities have redeemed their NorthWind RPS held with redemption price of ₱47.51 million.

Dividends

	in US$	In PhP
2022		
ACEC	$6,871	₱352,344
2021		
ACEC	$43,705	₱2,141,568
MSPDC	–	15,300
NorthWind	–	74,170
	$416,307	₱2,231,038

In 2022, the BOD of ACEC declared dividends to shareholders of its various redeemable preferred shares for a total of $6.87 million (₱352.34 million), which was paid during the period.

On January 18, 2021, May 19, 2021, July 21, 2021 and October 27, 2021, the BOD of ACEC declared dividends to shareholders of its various redeemable preferred shares for a total of $13.00 million (₱625.57 million), $10.88 million (₱521.19 million), $14.31 million (₱720.23 million) and $5.52 million (₱280.12 million), respectively, as owned by ACEFIL.

In 2021, the BOD of MSPDC approved three (3) declaration of cash dividends amounting to ₱15.00 million each, of which, ₱5.10 million was attributable to NCI. These were fully paid on March 6, 2021, June 28, 2021 and September 10, 2021.

Acquisition of non-controlling interest in BWPC
On March 18, 2022, ACEN acquired the 40.00% ownership interest of the minority stockholders of BWPC at an aggregate amount ₱93.55 million. Effective March 18, 2022, BWPC became a wholly-owned subsidiary of ACEN (see Notes 1 and 4).

The excess of consideration over carrying amount of non-controlling interest, recognized under other equity reserves, amounted to ₱110.42 million.

Acquisition of non-controlling interest in SolarAce4
On March 18, 2022, ACEN, through it's wholly-owned subsidiary ACE Endevor, Inc ("ACE Endevor"), acquired the 30.00% ownership interest of the minority stockholders of SolarAce4 at an aggregate amount ₱1.80 million. Effective March 18, 2022, SolarAce4 became a wholly-owned subsidiary of ACEN (see Notes 1 and 4).

The excess of consideration over carrying amount of non-controlling interest, recognized under other equity reserves, amounted to ₱0.07 million.

Acquisition of non-controlling interest in MSPDC
On October 28, 2021, BCHC acquired the 34.00% ownership interest of the minority stockholders of MSPDC at an aggregate amount ₱280.50 million. Effective October 31, 2021, MSPDC became a wholly-owned subsidiary of ACEN.

The excess of consideration over carrying amount of non-controlling interest, recognized under other equity reserves, amounted to ₱261.73 million.

Acquisition of non-controlling interest in NorthWind
On October 18, 2021, the BOD of ACEN approved the acquisition of the 32.2% ownership interest of the minority stockholders of NorthWind (the "NW Minorities") for up to ₱1.093 billion. Moreover, the BOD approved the issuance of up to 90 million of ACEN common shares to the owners, affiliate, and/or partners of the NW Minorities at up to ₱11.32 per share.

On November 12 and 15, 2021, the Share Purchase Agreement and Subscription Agreements, respectively, were signed by ACEN and the NW Minorities for 90.00 million shares in ACEN at a price of ₱11.32 per share:

Effective November 15, 2021, NorthWind became a wholly-owned subsidiary of ACEN. The subscribed shares were issued to the above shareholders on November 29, 2021.

The excess of consideration over carrying amount of non-controlling interest, recognized under other equity reserves, amounted to ₱723.97 million.

Acquisition of non-controlling interest in BWPC
On October 18, 2021, the BOD of ACEN approved the acquisition, directly or through its nominated affiliate, of the ownership interest of UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Stella Marie L. Sutton in BWPC, the owner of the 160MW Pagudpud Wind that is currently under construction in Brgy. Balaoi, Pagudpud, Ilocos Norte. This will be acquired together with NLR and other development special purpose vehicles for an aggregate consideration of up to ₱4.5 billion (subject to adjustments), subject to agreed conditions precedent including required partner, financing, and regulatory approvals, and subject further to execution of definitive documentation. The Sellers will in turn subscribe to up to 942 million common shares of ACEN with a subscription price of ₱11.32/share, subject to adjustments.

Moreover, on December 15, 2021, the stockholders of ACEN approved the issuance of up to 390 million common shares of ACEN to the owners, affiliates, and/or partners of UPC Philippines Wind Investment Co. BV.

Non-controlling interest arising from a business combination
On March 18, 2022, ACEN, through it's wholly-owned subsidiary ACE Endevor, UPC Philippines, UPC Philippine Wind Partners Ltd., and Ms. Sutton signed an agreement for the sale and purchase of UPC Philippines' and Ms. Sutton's shares and/or subscription rights in various non-operating, development special purpose vehicles (SPV) to ACE Endevor. The acquisition of control resulted to recognition of NCI amounting to ₱9.38 million (see Notes 1 and 4).

Other Equity Reserves

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Effect of common control business combinations (a)	**(₱53,276,727)**	(₱53,276,727)
Effect of purchase of SLTEC's 20.00% share (b)	**(2,229,587)**	(2,229,587)
Effect of purchase of NorthWind's 32.21% share (c)	**(723,974)**	(723,974)
Effect of purchase of MSPDC's 34.00% share (d)	**(261,728)**	(261,728)
Effect of purchase of ACEX shares	**(130,854)**	(130,854)
Effect of purchase of BWPC's 40% share (e)	**(110,423)**	–
Effect of purchase of SolarAce4's 30% share (e)	**(65)**	–
Effect of distribution of property dividends - ACEX shares	**1,107**	1,107
Other equity reserves from joint venture	**17,231**	17,231
	(₱56,715,020)	(₱56,604,532)

(a) This represents the impact of the share swap transactions with ACEIC to acquire the latter's ownership interest in various offshore and onshore entities in exchange for ACEN's issuance of additional primary shares via a tax-free exchange (see Note 5).

Thru the share swap transaction, the Parent Company gains control of the 35% NCI in SLTEC.

(b) This represents the impact of the step business acquisition where ACEIC assigned to ACEN the purchase of the 20% interest in SLTEC thereby increasing ACEN's ownership in SLTEC to 65%.

(c) This represents the impact of the Group's acquisition of the 32.21% interest in NorthWind thereby making it a wholly-owned subsidiary.

(d) This represents the impact of the Group's acquisition of the 34.00% interest in MSPDC thereby making it a wholly-owned subsidiary.

(e) This represents the impact of the Group's acquisition of the 40.00% interest in BWPC and 30.00% in SolarAce4 thereby making it a wholly-owned subsidiary (see Notes 1 and 4).

24. Revenue from Sale of Electricity

The Group's revenue from different revenue streams are as follows:

	For the three-month period ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
Revenue from power supply contracts	**₱4,531,802**	₱3,568,459
Revenue from power generation	**2,826,575**	2,120,316
	₱7,358,377	₱5,688,775

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 and 2022 generation billing. Revenue in 2021 and 2022 was based on 2020 approved FIT rates in the absence of the 2021 FIT rates. Currently, there's a moratorium on interest on the delayed payments. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

Pre-termination fees
Revenues from sale of electricity is net of ₱605 million buy-out fees upon termination of a RES customer contract.

25. Costs of Sale of Electricity

	For the three-month period ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
Costs of purchased power	**₱5,399,347**	₱2,362,900
Fuel (Note 8)	**1,287,326**	945,157
Depreciation and amortization (Notes 15, 16 and 18)	**525,476**	396,148
Repairs and maintenance	**183,468**	138,457
Taxes and licenses	**175,505**	333,646
Insurance	**100,772**	89,693
Salaries and directors' fees	**94,675**	80,038
Contractor's fee	**41,292**	36,369
Transmission costs	**18,039**	9,926
Rent	**14,490**	5,877
Pension and other employee benefits	**5,261**	3,374
Communication	**3,993**	3,497
Filing fees	**3,264**	6,150
Transportation and travel	**2,229**	2,612
Others	**12,997**	19,600
	₱7,868,134	₱4,433,444

26. General and Administrative Expenses

	For the three-month period ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
Management and professional fees	**₱52,474**	₱72,657
Taxes and licenses	**44,370**	141,723
Corporate social responsibilities	**41,947**	3,849
Salaries and directors' fees	**39,636**	65,001
Depreciation and amortization (Notes 15, 16 and 18)	**28,786**	39,361
Provision for impairment of property, plant and equipment (Note 15)	**26,485**	4,116
Contractor's fee	**6,461**	3,312
Insurance, dues and subscriptions	**6,373**	3,759
Pension and other employee benefits (Note 28)	**5,354**	3,835
Advertisements	**4,127**	3,356
Transportation and travel	**3,528**	9,152
Office supplies	**3,005**	1,210
Building maintenance and repairs	**2,152**	12,565
Rent	**1,924**	2,933
Meeting and conferences	**1,595**	547
Communication	**1,519**	979
Utilities	**610**	1,442
Provision for probable losses on deferred exploration costs (Note 16)	**584**	23,379
Provision for credit losses (Note 5)	**–**	873
Others	**14,038**	721
	₱284,968	₱394,770

27. Interest and Other Finance Charges

	For the three-month period ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
Interest expense on:		
Long-term loans (Note 21)	**₱394,431**	₱294,650
Lease obligations (Note 16)	**56,514**	9,948
Short-term loans (Note 21)	**999**	55,897
Amortization of debt issue cost (Note 21)	**26,935**	16,731
Discount on accounts payable	**–**	23,243
Other finance charges	**25,434**	28,210
	₱504,313	₱428,679

Other financing charges pertains to bank charges and interest expense on ARO Liability.

28. Other Income - Net

	For the three-month period ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
Interest and other financial income	**₱1,094,251**	₱812,920
Guarantee fee income	**86,150**	24,539
Foreign exchange gain - net	**60,049**	83,383
Reversal of impairment for credit losses (Note 7)	**32,807**	–
Claims on insurance	**25,809**	–
Reversal of impairment of advances to contractors (Note 9)	**5,462**	–
(Loss) gain on sale of inventories and by-product	**(60,359)**	7,403
Loss on sale of noncurrent assets held for sale	**(4,200)**	–
Reversal of allowance for impairment of property, plant and equipment (Note 13)	–	86,890
Gain on derivatives - net (Note 7)	–	41,700
Loss on foreign loan settlement	–	(62,200)
Loss on sale of property, plant and equipment (Note 15)	–	(470)
Others	**(20,164)**	20,287
	₱1,219,805	₱1,014,452

Interest and Other Financial Income

Interest and other financial income arise from cash in banks and short-term deposits, investments in redeemable preferred shares of associates and joint ventures, and from debt replacement and development loans and advances extended to associates and joint ventures.

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

	For the three-month period ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
Interest income on:		
Cash in banks and short-term deposits (see Note 4)	**₱11,552**	₱10,863
Receivables and others (Notes 5 and 29)	**427,879**	307,072
Investment income (Note 10)	**654,820**	494,985
	₱1,094,251	₱812,920

Guarantee fee income arise from guarantee recoveries billed to affiliates (see Note 38).

Claims on insurance includes claim for business interruptions due to temporary shutdown of the powerplant, as covered by an industrial all-risk (IAR) insurance covering both property damage/repair (PD) and loss of profits due to business interruption (BI). The account also includes property damage claims from the Parent Company, Gigasol3 and NorthWind.

Gain (loss) on settlement of derivatives pertain to maturities of foreign exchange forward contracts entered by ACEN with various banks and settlement of coal hedge contracts (see Notes 7,18 and 34).

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.

29. 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	
	2022 (Unaudited)	2021 (As Restated)
Current	**₱41,722**	₱135,201
Deferred	**(484,700)**	(6,824)
Provision for income tax	**(₱442,978)**	₱128,377

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.

Net deferred income tax assets and net deferred income tax liabilities amounted to ₱1,176.43 million and ₱243.75 million, respectively, as at March 31, 2022 and ₱512.37 million and ₱74.42 million, respectively, as at December 31, 2021.

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.

30. Related Party Transactions

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

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements and electricity supply. Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year.

ACEN served as the guarantor for the US$400.00 million senior undated fixed-for-life (non-deferrable) Notes with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par, issued by ACEN Finance on September 8, 2021, under its medium-term note (MTN) Programme. Proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework (see Note 21).

The transactions and balances of accounts as at and for the period ended March 31, 2022 and December 31, 2021 with related parties are as follows:

a. Transaction with ACEIC, the Parent Company

Nature	Amount/Volume		Outstanding Balance Receivable (Payable)		Terms
	March 31		March 31		
	2021	2020	**2021**	2021	
Development loans	**₱–**	₱–	**₱9,820,440**	₱9,596,286	Interest bearing, unsecured
Interest income / receivable	**59,023**	–	**207,506**	144,621	30-day, non-interest bearing
Management fee income	**–**	17,089	**26,196**	26,196	30-day, non-interest bearing
Management fees expense	**15,510**	46,797	**(132,893)**	(132,893)	30-day, non-interest bearing
Due from related parties	**–**	–	**110,373**	110,373	Due and demandable

Management Fees

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.

Loans Receivable

On May 14, 2021, ACEN and ACEIC entered into an uncommitted interest-bearing short-term loan facility. The interest- bearing loan has a total facility of US$265.00 million and bears an interest rate equivalent to the sum of (a) applicable average 5-day USD 1-year LIBOR rate immediately prior to the actual drawing; and (b) 2.00% - 2.25%. The principal and interest are payable within one year from the drawdown date. First drawdown was made on May 17, 2021.

Total drawdowns amounted to US$189.00 million (₱9,060.20 million) in 2021.

As at and for the period ending March 31, 2021, outstanding receivable from ACEIC is US$189.00 million (₱9,820.44 million) while interest income amounted to US$1.2 million (₱59.02 million).

b. Notes Receivables

Nature	Related Party	Outstanding Balance		Terms
		March 31, 2022	December 31, 2021	
Development Loans				
Joint venture				
	Greencore	**₱212,292**	₱212,292	Due in 2023, interest bearing
	NAREDCO	**128,460**	–	12 months, interest bearing
	UPC-AC Energy Solar Limited (UPC-ACE Solar)	**1,039,200**	1,015,480	Due in 2023, interest bearing
Associate				
	The Blue Circle (TBC)	**751,030**	658,437	Due in 2022, interest bearing
Affiliate				
	Yoma Strategic Investments Ltd (Yoma)	**1,247,926**	1,219,173	Due in 2022, interest bearing
		3,378,907	3,105,382	
Debt Replacement Loans				
Joint venture				
	Greencore	**2,595,700**	2,078,400	Due in 2023 interest bearing
	BIM Wind Joint Stock Company (BIM Wind)	**4,426,213**	4,325,183	10 years, interest bearing
	BIMRE	**–**	1,914,180	12 months, interest bearing
	Asian Wind 1	**2,951,328**	2,883,963	Due in 2022, interest bearing
	Vietnam Wind Energy Limited (VWEL)	**3,816,390**	3,637,879	Due in 2022, interest bearing
	Asian Wind 2	**2,550,853**	2,414,151	25 years, interest bearing
		₱16,340,484	₱17,253,756	

Receivables from Greencore
On February 4, 2021, ACEN signed an Omnibus Agreement with Greencore, ACE Endevor and CSEC for the financing of the PV Solar Power Plant in Arayat and Mexico, Pampanga, Philippines with an installed nominal capacity of 50 MWac (72MWdc) (the “Solar Project”). 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.

Receivables from UPC-ACE Solar
In 2019, the Group and UPC-ACE Solar entered into an interest-bearing loan agreement to fund the development and construction of renewable energy assets in Asia. The interest-bearing loan has a total facility of US$20.00 million and bears an annual fixed interest. The principal and the related interest are payable on January 31, 2023.

Total drawdowns and principal payments made in 2022 and 2021 amounted to nil and US$13.3 million (₱679.29 million), respectively.

As at March 31, 2022 and December 31, 2021, outstanding balance of the interest-bearing loan amounted to US$ 20.00 million (₱1,039 million) and US$ 20.00 million (₱1,015 million), respectively.

Receivables from TBC
In 2018, the Group and TBC entered into an interest-bearing loan agreement to fund the development costs for the pipeline projects of TBC. The development loan facility granted to TBC on April 26, 2018 with an initial aggregate principal amount of up to $10 million which was further extended to $20 million in February 2019. The loan receivable from an associate is a non-trade, interest-bearing loan, repayable in cash upon maturity on June 30, 2022.

Total drawdowns amounted to US$5.6 million (₱290.98 million) while principal payments totaling US$4.1 million (₱213.76 million) were made in 2022.

Receivables from Yoma
In 2019, the Group and Yoma, signed a term sheet, which includes an interest-bearing loan for the development of Yoma Micro Power. The interest-bearing loan has a total facility of US$25.00 million and bears an annual fixed interest and payable upon maturity. The loan is covered by a Guarantee Agreement between the Group (as "Lender") and Yoma (as "Guarantor"). The Guarantee Agreement stands as security for the prompt and complete payment, where the Guarantor irrevocably and unconditionally undertake that in case of default, the Guarantor shall pay the Lender the guaranteed obligations as if the Guarantor instead of the Borrower were expressed to be the principal obligor without any further proof or condition and without any investigation or enquiry. The loan is repayable upon maturity on June 30, 2022.

As at March 31, 2022 and December 31, 2021, outstanding balance of the interest-bearing loan amounted to US$24.01 million (₱1,247.95 million) and US$24.01 million (₱1,219.17 million), respectively.

Receivables from BIM Wind
In 2020, the Group and BIM Wind entered into an interest-bearing loan agreement to fund the pre-development costs and turbine reservation fees of BIM Wind Project. The loan is repayable upon maturity on 5 months from initial utilisation date. On May 19, 2021, the short-term debt replacement facility was refinanced to a long-term facility with an aggregate principal amount of $91.0 million and a 10-year maturity from the utilization date. On August 12, 2021, the long-term debt replacement facility was amended to increase in aggregate principal amount to $102.0 million.

As at March 31, 2022 and December 31, 2021, outstanding balance of the interest-bearing loan amounted to US$ 85.19 million (₱4,426.21 million) and US$ 85.19 million (₱4,325.18 million) , respectively.

Receivables from BIMRE
In 2020, the Group and BIMRE entered into an interest-bearing loan agreement to partially fund the construction of the incremental project expansion. The interest-bearing loan has a total facility of US$40.00 million, bears an annual fixed interest with maturity in January 2022.

In 2022, the Group made another drawdown amounting to US$2.3 million (₱119.51 million) and principal payments of US$40.0 million (₱2,078.40 million) .

As at March 31, 2022 and December 31, 2021, outstanding balance of the interest-bearing loan amounted to nil and US$37.70 million (₱1,914.18 million), respectively.

Receivables from Asian Wind I
In 2020, the Group and Asian Wind 1 entered into an interest-bearing loan agreement to refinance the Preferred B Facility Agreement and to provide additional funding for the development, financing and construction of the Dai Phong Project. The interest-bearing loan has a total facility of US$61.00 million and bears an annual fixed rate and payable 12 months from the commissioning date. On December 29, 2021, the debt replacement facility maturity date was amended to June 30, 2022.

As at March 31, 2022 and December 31, 2021, outstanding balance of the interest-bearing loan amounted to US$56.80 million (₱2,951.38 million) and US$56.80 million (₱2,883.96 million) , respectively.

Receivables from VWEL
In 2020, the Group and Vietnam Wind Energy entered into an interest-bearing loan facility to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects. The interest bearing loan has a total facility of US$19.00 million and bears an annual fixed rate payable from the first utilization date. The loan is repayable on earlier of June 30, 2021 or 5 days from issuance of certificate of registration for Debt Replacement from State Bank of Vietnam. On June 25, 2021, the facility agreement was amended to increase the aggregate principal amount to $86.0 million and extend maturity date to December 31, 2021. On December 31, 2021, the loan facility was further amended to increase the principal aggregate amount to $89.0 million and extend the maturity date to June 30, 2022.

Total drawdowns for the period ended March 31, 2022 amounted to US$1.8 million (₱93.53 million).

As at March 31, 2022 and December 31, 2021, outstanding balance of the interest-bearing loan amounted to US$73.45 million (₱3,816.39 million) and US$ 71.64 million (₱3,637.88 million), respectively.

Receivables from Asian Wind 2
On April 14, 2020, the Group entered into an interest-bearing loan agreement with Asian Wind Power 2 HK to make available a Preferred B Facility in an aggregated amount not exceeding US$54.00 million (₱2,617.00 million) to finance the development and construction of Hong Phong 1 Project. The principal and interest are payable on earlier of 5 business days from the date of drawdown of Debt Replacement facility or 25th anniversary of drawdown date. First drawdown was made on September 8, 2020.

As at March 31, 2022 and December 31, 2021, outstanding balance of the interest-bearing loan amounted to US$ 49.02 million (₱2,550.85 million) and US$ 47.55 million (₱2,414.15 million), respectively

c. Interest Income and Receivable

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

Related Party	Interest Income		Interest Receivable		Terms
	March 31, 2022	March 31, 2021	**March 31, 2022**	December 31, 2021	
	In thousands				
Joint venture					
AAR	**₱193,327**	₱96,736	**₱805,312**	₱596,277	30-day, non-interest bearing
VWEL	**18,231**	108,046	**769,470**	733,811	various dates
AWP1	**103,625**	87,061	**476,447**	363,004	30-day, non-interest bearing
AWP2	**67,024**	74,196	**414,343**	479,550	various dates
BIMRE	**49,887**	83,157	**56,868**	208,096	30-day, non-interest bearing
BIM Wind	**98,856**	33,984	**153,846**	140,212	30-day, non-interest bearing
Greencore	**38,735**	–	**91,894**	53,766	30-day, non-interest bearing
BIMEH	**7,038**	6,494	**9,649**	2,488	30-day, non-interest bearing
NAREDCO	**2,856**	–	**2,763**	–	30-day, non-interest bearing
Infineum 4 Energy, Inc.	**102**	–	**87**	–	30-day, non-interest bearing
Associate					
TBC	**14,915**	11,607	**6,951**	74,101	30-day, non-interest bearing
UPC Asia III	**51,416**	48,163	**13,536**	55,789	30-day, non-interest bearing
UPC ACE Solar	**94,770**	43,381	**381,778**	276,126	various dates
UPC-AC Energy Australia (HK) Ltd.	**194,605**	97,986	**702,095**	494,156	various dates
Affiliate					
Yoma	**10,494**	11,305	**98,772**	84,490	30-day, non-interest bearing
	₱945,882	₱702,117	**₱4,063,924**	₱3,561,866	

Loan receivables from related parties bear interest ranging from 2.65% to 12.00% per annum.

d. Loans Payable

	Amount/Volume		Outstanding Balance Receivable (Payable)		Terms
	March 31, 2022	March 31, 2021	**March 31, 2022**	December 31, 2021	
Bank of the Philippines Island					
Interest Expense/Interest Payable	**₱27,800**	₱29,308	**(₱9,533)**	**(₱9,533)**	30 days, unsecured
Long-term loans (Note 19)	–	–	**(2,079,693)**	**(2,079,133)**	12 years, interest bearing
Short-term loans (Note 19)	–	–	**(3,237,020)**	–	12 months,interest bearing

e. Right of Use Assets / Lease Liabilities

The Group entered into lease agreements with Ayala Land, Inc, (ALI) and Fort Bonifacio Development Corporation (FBDC), affiliates, for the use of its office unit and parking spaces.

	Amortization / Interest Expense			ROU (Lease Liabilities)		Terms
	March 31, 2022	March 31, 2021		**March 31, 2022**	December 31, 2021	
ALI						
Right of use Assets (Note 14)	**₱29,364**	₱21,341		**₱907,688**	₱930,453	10 years , unsecured
Lease Liabilities (Note 14)	**9,867**	8,472		**(974,475)**	(990,107)	10 years , unsecured
FBDC		–				
Right of use Assets (Note 14)	**2,307**	–		**9,193**	11,500	3 years , unsecured
Lease Liabilities (Note 14)	**64**	–		**(7,450)**	(9,771)	3 years , unsecured

f. Other Related Party Transactions

	Amount/Volume		Outstanding Balance Receivable (Payable)		Terms
	March 31, 2022	March 31, 2021	**March 31, 2022**	December 31, 2021	
Management fee income	**₱13,533**	₱-	**₱477**	₱25,860	30-days, unsecured
Rental income	**3,490**	21,970	**3,829**	1,674	30-days, unsecured
Cost of sale of electricity	**103,160**	370,861	**(87,112)**	(94,110)	30-days, unsecured
Due from related parties	–	–	**292,237**	168,386	On demand, Unsecured
Due to related parties	–	–	**(1,359,858)**	(596,079)	On demand, Unsecured

Management fee income pertains to service fees billed by the Group to its related parties under common control and joint venture & associates for providing a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/ bookkeeping services, human resources management, manpower related services and other related functions.

Rental income pertains to revenue from sublease agreement with Ingrid.

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

The amount due from a related company pertains mostly from advances including those for project development or reimbursement of expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

The amount due to a related parties pertains to advances, including those for development cost, utilities expense, professional services and other miscellaneous expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

g. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱86.77 million and ₱78.36 million as at March 31, 2022 and December 31, 2021, respectively, pertain to housing, car, salary and other loans granted to Group's officers and employees.

h. Payable to Directors and Stockholders

	Amount/Volume		Outstanding Balance Receivable (Payable)		Terms
	March 31, 2022	March 31, 2021	**March 31, 2022**	December 31, 2021	
Accrued director's and annual incentives (Note 18)					
Directors' fee and annual incentives	**₱3,277**	₱25,537	**(₱26,629)**	(₱23,352)	On demand, Unsecured
Due to stockholders (Note 33)					
Cash dividends	**-**	1,197	**(16,585)**	(16,585)	On demand, Unsecured

i. Compensation of key management personnel

Compensation of key management personnel of the Group amounted to ₱21.68 million and ₱20.73 million for the three-month period ended March 31, 2022 and 2021, respectively.

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.

31. Earnings Per Share

Basic and diluted EPS are computed as follows:

(In Thousands, Except for Number of Shares and Per Share Amounts)

	For the three-month period ended March 31	
	2022 (Unaudited)	2021 (Unaudited)
(a) Net income (loss) attributable to equity holders of Parent Company	**₱405,026**	₱1,272,255
Common shares outstanding at beginning of period (Note 21)	**38,324,027,174**	13,692,457,210
Weighted average number of:		
Shares issued during the period	**132,074,583**	2,114,693,405
Shares buyback during the period	**–**	–
(b) Weighted average common shares outstanding	**38,456,101,757**	15,807,150,615
Basic/Diluted earnings (loss) per share (a/b)	**₱0.01**	₱0.08

On March 22, 2022, ACEN issued the 1,320,745,833 shares, pursuant to the Subscription Agreements with the UPC Group (see Notes 1 and 11).

On January 29, 2021, ACEN issued the 2,267,580,434 shares, pursuant to stock rights offering (SRO), at an entitlement ratio of 1.11 shares. The SRO enabled the then minority shareholders to increase their shareholdings on account of the dilution of their existing share ownership as a result of the ACEIC onshore share swap transaction.

On March 18, 2021, ACEN issued the 4 billion common shares through a private placement.

Diluted earnings per share is the same as basic earnings per share for the three-month periods ended March 31, 2022 and 2021.

32. Significant Laws, Commitments and Contracts

Updates to certain contracts and commitments disclosed in the annual consolidated financial statements as at December 31, 2021 and new contracts entered during the three-month period ended March 31, 2022 are provided below:

Administration and Management Agreement ("AMA")
Executed on October 4, 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.

On January 21, 2022, the BOD of ACEN approved the amendment to the Administration and Management Agreement with SLTEC to include, among others, the provision of operations and maintenance services by ACEN to SLTEC (see Note 1).

Loan facilities commitment
As at March 31, 2022, the Group through ACRI has outstanding commitments of $207.1 million ($207.1 million as at December 31, 2021) from the guarantees it provided to related parties.

33. Financial Risk Management Objectives and Policies

Objectives and Investment Policies
The funds of the entities are held directly by the Group and are managed by the Corporate Finance and Treasury Group ("CFT").

All cash investments of the Group are carried and governed by the following principles, stated in order of importance:
- Preservation of invested cash
- Liquidity of invested cash; and
- Yield on invested cash. Under no circumstance will yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

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

CFT focuses on the following major risks that may affect its transactions:
- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations ("CPIR") focuses on the following major risks that may affect its transactions:
- Market risk
- Equity price risk

Commercial Operations focuses on commodity price risk.

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

Risk Management Process

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

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:
- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;

- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:

- Trading 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, 2022 and December 31, 2021 are as follows:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
	U.S. Dollar (US$)	U.S. Dollar (US$)
Financial Assets		
Cash and cash equivalents	**$531,162**	$303,150
Other receivables	**927,553**	677,566
	$1,458,715	$980,716
Financial Liabilities		
Accounts payable and other current liabilities	**(18,204)**	(18,516)
Short-term loans	**(62,298)**	
Notes payable and loans-term loans	**(838,088)**	(397,744)
	($1,089,590)	($416,260)
Net foreign currency-denominated assets (liabilities)	**$369,125**	$564,456
Peso equivalent	**₱19,179,759**	₱28,657,431

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱51.96 to US$1.00 as at March 31, 2022 and ₱50.77 to US$1.00 as at December 31, 2021.

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$
March 31, 2022	**(₱0.50)**	**(₱1,274,153)**
(Unaudited)	**(1.00)**	**(2.548,306)**
	0.50	**1,274,153**
	1.00	**2.548,306**
December 31, 2021	(₱0.50)	(₱282,228)
(As restated)	(1.00)	(564,456)
	0.50	282,228
	1.00	564,456

For subsidiaries with functional currency in US$, financial assets and liabilities are translated into Philippine peso, presentation currency of the Group using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated investments in associates and joint ventures, accounts and other payables, and notes payable with US$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average rate for the period. Assets and liabilities of ACEC, ACE HK and ACEN Finance which are in US$ functional currency was likewise translated to the Group's presentation currency.

The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments". See below for the carrying amounts.

	2022	
	Peso	**US$**
Cash and cash equivalents	**₱14,523,556**	**$279,514**
Receivables	**36,404,965**	**700,635**
Investments in:		
Associates and joint ventures	**39,610,449**	**762,326**
Other financial assets at amortized cost	**30,231,526**	**581,823**
Financial asset at FVTPL	–	–
	120,770,506	**2,324,298**
Accounts payable and other current liabilities	**(1,498,026)**	**(28,830)**
Notes payable	**(20,676,392)**	**(397,929)**
Net foreign currency position	**₱98,596,088**	**$1,897,539**

	December 31, 2021 (Audited)	
	Peso	US$
Cash and cash equivalents	₱15,153,410	$298,448
Receivables	34,297,177	675,487
Investments in:		
Associates and joint ventures	41,569,737	818,721
Other financial assets at amortized cost	26,846,355	528,742
Financial asset at FVTPL	406,739	8,011
	118,273,418	2,329,409
Accounts payable and other current liabilities	(859,183)	(16,922)
Notes payable	(20,195,054)	(397,744)
Net foreign currency position	₱97,219,181	$1,914,743

The Philippine Peso - US Dollar exchange rate as at March 31, 2022 and December 31, 2021 used were ₱51.96 to US$1.00 and ₱50.77 to US$1.00.

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

		Increase (decrease) in Peso per foreign currency	**Effect on income before income tax**
March 31, 2022	**USD**	**($0.50)**	**(₱948,769)**
		(1.00)	**(1,897,538)**
		0.50	**948,769**
		1.00	**1,897,538**
December 31, 2021	USD	($0.50)	(₱1,118,686)
(As Restated)		(1.00)	(2,237,372)
		0.50	1,118,686
		1.00	2,237,372

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

Credit or counterparty risk is managed through the following:

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

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

	March 31, 2022 (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	**₱1,171,058**	**₱263,310**	**₱190,597**	**₱3,314,954**	**₱60,433**	**₱5,000,351**
Due from related parties	**470,030**	**611,129**	**23,120,730**	**679,586**	**23,700**	**24,905,175**
Others	**1,292,947**	**31,637**	**24,282**	**49,615**	**434,868**	**1,833,349**
Noncurrent						
Trade receivables	**1,676,706**	**218,804**	**–**	**–**	**6,754**	**1,902,264**
Due from related parties	**862,224**	**6,014,510**	**38,913**	**2,541,515**	**–**	**9,457,163**
Receivables from third parties	**30,504**	**3,768,244**	**–**	**1,846,786**	**6,998**	**5,652,532**
	₱5,503,469	**₱10,907,635**	**₱23,374,522**	**₱8,432,456**	**₱532,752**	**₱48,750,833**

	December 31, 2021 (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	₱470,270	₱3,315,917	₱2,130	₱1,679,530	₱82,980	₱5,550,827
Due from related parties	18,724,341	7,918	216,715	6,629,151	10,560	25,588,685
Others	609,083	207,906	627,037	809,039	84,608	2,337,673
Noncurrent						
Trade receivables	–	1,313,647	–	589,634	6,753	1,910,034
Due from related parties	8,484,028	–	–	–	–	8,484,028
Receivables from third parties	2,210,103	–	29,577	564,325	6,998	2,811,003
	₱30,497,825	₱4,845,388	₱875,459	₱10,271,679	₱191,899	₱46,682,250

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 ₱352.41 and ₱354.87 million as at March 31, 2022 and December 31, 2021.

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, 2022 (Unaudited)	December 31, 2021 (Audited)
Financial Assets at Amortized Cost (Portfolio 1)		
Cash and cash equivalents	**₱27,697,266**	₱26,445,429
Under "Receivables" account		
Current:		
Trade receivables	**5,000,351**	5,550,827
Due from related parties	**24,905,175**	25,588,685
Others	**1,833,349**	2,337,633
Noncurrent:		
Trade receivables	**1,902,264**	1,910,035
Due from related parties	**9,457,163**	8,484,028
Receivables from third parties	**5,652,532**	2,210,103
Other financial assets at amortized cost	**28,669,031**	26,085,959
Under "Other Noncurrent Assets" account		
Deposits	**164,700**	165,164
	₱105,281,831	₱99,378,763

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

	March 31, 2022 (Unaudited)				
		Lifetime ECL			
Grade	**12-month Stage 1**	**Stage 2**	**Stage 3**	**Simplified Approach**	**Total**
High	**₱27,697,266**	**₱–**	**₱–**	**₱23,363**	**₱23,363**
Standard		**–**	**–**	**–**	
Substandard	**–**	**–**	**–**	**–**	**–**
Default	**700,633**	**–**	**–**	**254**	**700,886**
Gross carrying amount	**28,397,899**	**–**	**–**	**23,617**	**724,250**
Less loss allowance		**–**	**–**	**–**	
Carrying amount	**₱28,397,899**	**₱–**	**₱–**	**₱23,617**	**₱724,250**

	December 31, 2021 (Audited)				
		Lifetime ECL			
Grade	12-month Stage 1	Stage 2	Stage 3	Simplified Approach	Total
High	₱34,297,803	₱–	₱–	₱26,743	₱34,324,546
Standard	183	–	–	–	183
Substandard	–	–	–	–	–
Default	–	–	–	621	621
Gross carrying amount	34,297,986	–	–	27,364	34,325,350
Less loss allowance	181,599	–	–	–	181,599
Carrying amount	**₱34,116,387**	**₱–**	**₱–**	**₱27,364**	**₱34,506,949**

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, 2022 (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	**₱2,324,681**	**₱259,804**	**₱448,348**	**₱1,240,331**	**₱–**	**₱4,273,164**
Retention payable	**12,193**	**35,723**	**109,528**	**–**	**–**	**157,445**
Accrued expenses [a]	**236,268**	**976,710**	**391,810**	**–**	**–**	**1,604,788**
Accrued interest	**166,305**	**93,317**	**82,283**	**46,187**	**–**	**388,092**
Due to related parties	**178,037**	**2,926**	**45,977**	**1,343,725**	**–**	**1,570,666**
Others	**71,760**	**27,556**	**47,456**	**–**	**–**	**146,772**
Derivative Liability	**–**	**–**	**–**	**216,452**	**–**	**216,452**
Short-term loans	**3,237,020**	**–**	**–**	**–**	**–**	**3,237,020**
Due to stockholders	**16,585**	**–**	**–**	**–**	**–**	**16,585**
Lease liabilities [b]	**–**	**70,858**	**254,364**	**1,422,109**	**3,445,981**	**5,193,313**
Long-term loans [c]	**–**	**701,121**	**1,349,009**	**8,675,997**	**20,641,043**	**31,367,170**
Notes payable	**–**	**–**	**815,968**	**22,031,136**	**–**	**22,847,104**
Other noncurrent liabilities [d]	**–**	**–**	**–**	**395,370**	**–**	**395,370**
	₱6,242,849	**₱2,168,016**	**₱3,544,744**	**₱35,371,307**	**₱24,087,024**	**₱71,413,940**

[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, 2021 (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	₱2,163,882	₱76,624	₱293,538	₱1,238,581	₱–	₱3,772,625
Retention payable	–	–	136,075	–	–	136,075
Accrued expenses [a]	644,535	128,384	501,485	–	–	1,274,403
Accrued interest	169,053	27,124	101,236	252,742	–	550,155
Due to related parties	276,322	5,573	4,975	536,212	–	823,082
Others	18,270	987	120,582	–	–	139,839
Derivative Liability	–	–	241,744	–	–	241,744
Short-term loans	–	–	–	–	–	–
Due to stockholders	16,585		–	–	–	16,585
Lease liabilities [b]	–	112,360	226,672	1,401,896	3,566,932	5,307,860
Long-term loans [c]		230,879	1,774,699	8,374,528	18,727,675	29,107,782
Notes payable	–	–		20,195,054	–	20,195,054
Other noncurrent liabilities [d]	–	–		2,392,953	4,333,333	6,726,286
	₱3,288,647	₱581,931	₱3,401,006	₱34,391,966	₱26,627,940	₱68,291,490

[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, 2022 and December 31, 2021, the profile of financial assets used to manage the Group's liquidity risk is as follows:

	March 31, 2022 (Unaudited)				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Over 12 Months**	**Total**
Loans and receivables:					
Current:					
Cash and cash equivalents	**₱27,697,266**	**₱–**	**₱–**	**₱–**	**₱27,697,266**
Short-term investments	**196,712**	**–**	**–**	**–**	**196,712**
Accounts and Notes Receivables:					
Accounts Receivables	**4,366,695**	**1,766,076**	**–**	**–**	**6,132,771**
Notes Receivables	**22,876,816**	**–**	**–**	**–**	**22,876,816**
Interest Receivables	**2,594,247**	**–**	**–**	**–**	**2,594,247**
Noncurrent:					
Receivables:					
Accounts Receivables	**–**	**–**	**–**	**2,091,729**	**2,091,729**
Notes Receivables	**–**	**–**	**–**	**13,160,768**	**13,160,768**
Interest Receivables	**–**	**–**	**–**	**1,745,711**	**1,745,711**
Derivative assets	**–**	**199,025**	**–**	**–**	**199,025**
Other financial assets at amortized cost	**–**	**–**	**–**	**28,669,031**	**28,669,031**
Financial assets at FVOCI:					
Quoted	**–**	**–**	**–**	**351,268**	**351,268**
Unquoted	**–**	**–**	**–**	**950**	**950**
	₱57,731,736	**₱1,965,101**	**₱–**	**₱46,019,457**	**₱105,716,294**

	December 31, 2021 (Audited)				
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	Total
Loans and receivables:					
Current:					
Cash and cash equivalents	₱26,445,429	₱–	₱–	₱–	₱26,445,429
Short-term investments	68,310	–	–	–	68,310
Accounts and Notes Receivables:					
Accounts Receivables	5,481,520	1,124,498	–	–	6,606,018
Notes Receivables	24,278,081	–	–	–	24,278,081
Interest Receivables	2,425,198	–	–	–	2,425,198
Noncurrent:					
Receivables:					
Accounts Receivables	–	–	–	2,093,042	2,093,042
Notes Receivables	–	–	–	9,586,187	9,586,187
Interest Receivables	–	–	–	1,512,085	1,512,085
Derivative assets	–	241,744	–	–	241,744
Other financial assets at amortized cost	–	–	–	26,085,959	26,085,959
Financial assets at FVOCI:					
Quoted	–	–	–	353,678	353,678
Unquoted	–	–	–	1,190	1,190
	₱58,698,538	₱1,366,242	₱–	₱39,632,141	₱99,696,921

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, 2022 and December 31, 2021, 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 December 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:
- BDO Unibank, Inc. (BDO), Security Bank Corporation (SBC) and Rizal Commercial Banking Corporation (RCBC) as the Lenders;
- ACEI, ACEN, and APHPC 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,
- BDO 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 SLTEC as permitted by law and other agreements to which SLTEC 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%. SLTEC 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.

<u>NorthWind</u>
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.

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

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

Commodity Price Risk

<u>Cash flow hedges</u>
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, 2022							
Foreign exchange forward contracts							
Notional amount ($000)	**$16,701**	**$16,218**	**$648**	**$7,404**	**$–**	**$–**	**$40,971**
Average forward rate ($/₱)	**48**	**48.33**	**48.37**	**48.72**	**–**	**–**	
Fuel							
Notional amount (in Metric Tons)	**–**	**–**	**4,800**	**7,200**	**2,400**	**–**	**14,400**
Notional amount (in $000)	**$–**	**$–**	**$503**	**$914**	**$332**	**$332**	**$1,749**
Average hedged rate ($ per Metric ton)	**–**	**–**	**685**	**685**	**685**	**–**	**–**
Coal							
Notional amount (in Metric Tons)	**–**	**–**	**–**	**6,000**	**3,000**	**–**	**9,000**
Notional amount (in $000)	**$–**	**$–**	**$–**	**$606**	**$286**	**$–**	**$891**
Average hedged rate ($ per Metric ton)	**–**	**–**	**–**	**121.50**	**121.50**	**–**	**–**
As at December 31, 2021							
Foreign exchange forward contracts							
Notional amount ($000)	$–	$360	$270	$181	$273	$–	$1,084
Average forward rate ($/₱)	–	48.23	48.38	48.37	48.72	–	–

There were no additional fuel and coal commodity swap contracts entered into and the remaining coal contracts in 2021 were all settled as at December 31, 2021. The Group had fuel oil hedges entered in 2020 which were all settled also as at December 31, 2020.

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

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As at March 31, 2022				
Foreign exchange forward contracts	**$40,971**	**₱151,539**	**Other current assets**	**₱151,539**
Commodity swap contracts – Fuel	**1,749**	**(64,913)**	**Other noncurrent liabilities**	**(48,685)**
Commodity swap contracts – Coal	**891**	**47,487**	**Other current assets**	**35,615**
As at December 31, 2021				
Foreign exchange forward contracts	$1,084	241,744	Other current assets	241,744
Commodity swap contracts - Coal	–	–	Other current assets	–

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

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at March 31, 2022			
Highly probable forecast purchases	**(₱63,162)**	**(₱46,260)**	**₱–**
Highly probable forecast purchases	**151,539**	–	–
Fuel purchase	**(48,685)**	–	–
Coal purchase	**35,615**	–	–
As at December 31, 2021			
Highly probable forecast purchases	(₱47,029)	₱6,228	₱–
Highly probable forecast purchases	241,744	–	–

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

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at March 31, 2022						
Foreign exchange forward contracts	**₱–**	**₱151,539**	**Other income (expense)**	**₱–**	**₱–**	**₱–**
Foreign exchange forward contracts	**(63,162)**	–	**Unrealized fair value gains on derivative instruments designated as hedges**	–	–	–
Commodity swap contracts - Fuel	**(48,685)**	–	**Unrealized fair value gains on derivative instruments designated as hedges**	–	–	–
Commodity swap contracts - Coal	**35,615**	–	**Unrealized fair value gains on derivative instruments designated as hedges**	–	–	–

As at December 31, 2021						
Foreign exchange forward contracts	₱–	₱241,744	Other income (expense)	₱–	₱–	₱–
Foreign exchange forward contracts	(47,029)	–	Unrealized fair value gains on derivative instruments designated as hedges	–	–	–

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Enterprise risk assessments are refreshed on an annual basis. Risk assessments at the plant level are also conducted for operational risks. Insurance coverage is also reviewed annually by the Insurance Committee.
- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and rechallenged based on current and forecasted developments on the financial and political events.
- Monthly management reports are submitted to the Operations Management Committee that includes updates from the various business and functional units, including market updates. This includes updates on financials, leverage, operations, health and safety, human resources, sustainability, and other risk areas.
- Annual planning sessions are conducted to set the targets for the Group, and these are revisited at midyear to review the progress and risks related to the accomplishment of these targets.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management

The primary objective of the Group's capital management 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, 2022 (Unaudited)	December 31, 2021 (Audited)
Short-term debt (Note 21)	**₱3,237,020**	₱–
Long-term debt (Note 21)	**43,545,702**	41,137,275
Total debt	**46,782,722**	41,137,275
Less:		
Cash and cash equivalent (Note 6)	**27,697,266**	26,388,448
Short-term investments	**196,712**	68,310
Restricted cash (Note 6)	**–**	56,981
Net debt	**18,888,744**	14,623,536
Total equity	**130,400,799**	117,968,762
Debt to equity	**35.88%**	34.87%
Net debt to equity	**14.49%**	12.40%

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.

34. 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, 2022 and December 31, 2021:

	March 31, 2022 (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 FVTPL	**₱1,211,227**	**₱–**	**₱1,211,227**	**₱–**
Financial assets at FVOCI	**352,408**	**190**	**352,218**	**–**
Other financial assets at amortized cost	**28,669,031**	**–**	**–**	**34,369,140**
Derivative asset*	**199,025**	**–**	**199,025**	**–**
Refundable deposits**	**164,700**	**–**	**–**	**168,132**
Trade receivables***	**2,123,384**	**–**	**–**	**2,136,754**
Receivables from third parties****	**252,543**	**–**	**–**	**252,543**
	₱32,972,318	**₱190**	**₱1,762,470**	**₱36,926,569**
Liabilities				
Notes payable	**₱20,676,392**	**₱–**	**₱–**	**₱19,992,268**
Long-term debt	**22,869,310**	**–**	**–**	**22,008,229**
Deposit payables and other liabilities*****	**160,187**	**–**	**–**	**176,201**
Derivative liability	**–**	**–**	**–**	**–**
Lease liabilities	**2,577,328**	**–**	**–**	**3,242,466**
	₱46,283,217	**₱–**	**₱–**	**₱45,419,164**

** 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"*
****** Included under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" accounts.*

	December 31, 2021 (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 FVTPL	₱406,739	₱–	₱406,739	₱–
Financial assets at FVOCI	354,868	21	354,847	–
Other financial assets at amortized cost	26,085,959	–	–	25,515,486
Derivative asset*	241,744	–	241,744	–
Refundable deposits**	165,164	–	–	167,953
Trade receivables***	2,052,268	–	–	2,081,941
Receivables from third parties****	75,752	–	–	75,752
	₱29,382,494	₱21	₱1,003,330	₱27,841,132
Liabilities				
Notes payable	₱20,195,054	₱–	₱–	₱20,447,789
Long-term debt	20,942,221	–	–	20,906,144
Deposit payables and other liabilities*****	174,581	–	–	203,399
Derivative liability	241,744	–	241,744	–
Lease liabilities	2,696,252	–	–	3,369,737
	₱44,249,852	₱–	₱241,744	₱44,927,069

** 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 FVTPL and FVOCI
Quoted market prices have been used to determine the fair values of quoted financial assets at FVOCI.

For unquoted financial assets at FVTPL and FVOCI, management uses the discounted cash flow technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity which is a related party investment company, management estimates the amount and timing of the future cash inflow arising from redemption of preferred shares.

Other Financial Assets at Amortized Cost
This includes investments in redeemable preferred shares and convertible loans. The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

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

Long-Term Loans
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 5.56% to 5.89% and 4.40% to 7.10% as at March 31, 2022 and December 31, 2021 respectively.

Notes Payable
The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows is 4.52% and 4.40% as at March 31, 2022 and December 31, 2021 respectively.

Derivative asset
The fair value of the derivative asset 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.

35. **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, 4 and 5).

- Parent and Others - represents operations of the Parent Company (excluding Retail Electricity Supply (RES) / Commercial Operations) and ACE Shared Services, Inc. This also includes ACEN Finance Limited interest expense, the rest is classified under International.

- Philippines, which includes:
  1. RES or Commercial Operations;
  2. Petroleum and exploration;
  3. Renewables - generation, transmission, distribution and supply of electricity using renewable sources such as solar, wind and geothermal resources;

4. Thermal - generation, transmission, distribution and supply of electricity using conventional way of energy generation.
5. Project development expenses incurred by ACE Endevor and SPVs; and
6. Leasing, bulk water supply

- International - represents the operations of ACRI, which is the holding company for all offshore investments. This includes earnings from the international investments, as well as project development expenses for the various power projects in the pipeline, ACE International, ACEC and ACE HK. This also includes ACEN Finance Limited (excluding interest expense classified under Parent and Others).

The comparative segment information for the three-month period ended March 31, 2021 have 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 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 ₱2,095 million and ₱1,817 million for the three-month period ended March 31, 2022 and 2021, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arise from sales in the Philippine Segment.

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

The following tables regarding operating segments present revenue and income information for the three-month period ended March 31, 2022 and 2021 and assets and liabilities as at March 31, 2022 and December 31, 2021:

	For the three months ended March 31, 2022			
	Philippines	**International**	**Parent and Others**	**Consolidated**
Revenues				
Revenue from sale of electricity	**₱7,358,378**	**₱–**	**₱–**	**₱7,358,378**
Rental income	**17,053**	**–**	**–**	**17,053**
Dividend income	**–**	**3,635**	**–**	**3,635**
Other revenues	**7,797**	**6,339**	**9,404**	**23,540**
	7,383,228	**9,974**	**9,404**	**7,402,606**
Costs and expenses				
Costs of sale of electricity	**7,868,134**	**–**	**–**	**7,868,134**
General and administrative expenses	**220,030**	**29,064**	**35,876**	**284,970**
	8,088,164	**29,064**	**35,876**	**8,153,104**
Interest and other finance charges	**(243,217)**	**(22,552)**	**(238,545)**	**(504,314)**
Equity in net income of associates and joint ventures	**216,209**	**128,265**	**–**	**344,474**
Other income - net	**8,268**	**1,088,439**	**123,097**	**1,219,804**

Net income (loss) before income tax	**(723,676)**	**1,175,062**	**(141,920)**	**309,466**
Provision for (benefit from) income tax	**(295,945)**	**(21,163)**	**(125,870)**	**(442,978)**
Segment net income (loss)	**(₱427,731)**	**₱1,196,225**	**(₱16,050)**	**₱752,444**
Other disclosures				
Depreciation and amortization	**527,449**	**27**	**26,787**	**554,263**
Capital expenditures	**1,981,533**	**–**	**461,787**	**2,443,320**
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	**26,485**	**–**	**–**	**26,485**

	As at March 31, 2022			
Operating assets	**₱36,081,421**	**₱56,714,736**	**₱98,043,914**	**₱190,840,071**
Operating liabilities	**₱17,554,647**	**₱22,219,546**	**₱20,665,080**	**₱60,439,273**
Other disclosures:				
Investments in associates and joint ventures	**₱10,157,344**	**₱19,043,308**	**₱–**	**₱29,200,652**
Pension & other employment benefits	**(48,093)**	**–**	**(46,101)**	**(94,194)**

	For the three months ended March 31, 2021 (As restated)			
	Philippines	International	Parent and Others	Consolidated
Revenues				
Revenue from sale of electricity	₱5,688,775	₱–	₱–	₱5,688,775
Rental income	13,664	–	–	13,664
Dividend income	–	6,549	–	6,549
Other revenues	3,889	8,116	6,851	18,856
	5,706,328	14,665	6,851	5,727,844
Costs and expenses				
Costs of sale of electricity	4,433,444	–	–	4,433,444
General and administrative expenses	304,834	61,076	28,860	394,770
	4,738,278	61,076	28,860	4,828,214
Interest and other finance charges	(228,367)	(14,149)	(186,162)	(428,678)
Equity in net income of associates and joint ventures	400,740	175,668	–	576,408
Other income (expense) - net	81,101	870,899	62,452	1,014,452
Net income (loss) before income tax	1,221,524	986,007	(145,719)	2,061,812
Provision for (benefit from) income tax	167,524	(7,289)	(31,858)	128,377
Segment net income (loss)	₱1,054,000	₱993,296	(₱113,861)	₱1,933,435
Other disclosures:				
Depreciation and amortization	1,856,163	51	149,653	2,005,867
Capital expenditures	5,005,192	256	723,308	5,728,755
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	229,149	–	69,146	298,295

	As at December 31, 2021 (As restated)			
Operating assets	₱64,282,801	₱90,206,147	₱16,672,440	₱171,161,388
Operating liabilities	₱20,313,914	₱21,165,660	₱11,713,052	₱53,192,626
Other disclosures:				
Investments in associates and joint ventures	₱7,762,008	₱13,596,293	₱–	₱21,358,301
Pension & other employment benefits	(48,499)	–	(31,923)	(80,422)

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

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

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

Other income - Net includes interest and other financial income from investments in redeemable preferred shares of associates and joint ventures and from development loans and advances to these associates and joint ventures, guarantee fee income, reversal of allowance for impairment of advances to contractors and impairment of investments in joint venture, tax credits on real property taxes, gain (loss) on derivatives, gain on sale of by-product, claims on insurance, foreign exchange gain (loss), gain (loss) on sale of property, plant and equipment, mark-to market gains, fees on advisory services, and other miscellaneous income (expense) which are allocated to operating segments.

36. Supplemental Cash Flows Information

The non-cash investing activities of the Group for the three-month period ended March 31, 2022 and 2021 are as follow:

	Three-Month Period Ended March 31 (Unaudited)	
	2022	2021 (As restated)
Non-cash additions to property, plant and equipment	**₱33,334**	₱381,264
Set-up of ROU assets from new lease agreements	**–**	1,141,175
Reclassifications to (from):		
Property, plant and equipment	**9,420**	(292,976)
Noncurrent assets held for sale	**68,512**	14,890
Creditable withholding taxes	**(160,731)**	–

Movements in the Group's liabilities from financing activities for the three-month period ended March 31, 2022 and 2021 are as follows:

	January 1, 2022 (Audited)	**Availments/ Proceeds**	**Payments**	**Others**	**March 31, 2022 (Unaudited)**
Current portion of:					
Short-term loans	**₱–**	**₱3,237,020**	**₱–**	**₱–**	**₱3,237,020**
Long-term loans	**824,488**	**–**	**(114,136)**	**120,643**	**830,995**
Lease liabilities	**536,950**	**–**	**(61,044)**	**(283,269)**	**192,637**
Interest payable	**448,919**	**–**	**(492,178)**	**431,351**	**388,092**
Due to stockholders	**16,585**	**–**	**(352,344)**	**352,344**	**16,585**
Noncurrent portion of:					
Notes payable	**20,195,054**	**–**	**–**	**481,338**	**20,676,392**
Long-term loans	**20,117,733**	**2,000,000**	**–**	**(79,418)**	**22,038,315**
Lease liabilities	**2,159,302**	**–**	**–**	**225,388**	**2,384,690**
Other noncurrent liabilities	**2,736,920**	**618,375**	**–**	**217,304**	**3,572,599**
Total liabilities from financing activities	**₱47,035,951**	**₱5,855,395**	**(₱1,019,702)**	**₱1,465,681**	**₱53,337,325**

	January 1, 2021 (Audited)	Availments/ Proceeds	Payments	Others	March 31, 2021 (As restated)
Current portion of:					
Short-term loans	₱4,635,000	₱3,000,000	(₱10,000,800)	₱4,865,800	₱2,500,000
Long-term loans	707,782	–	(939,135)	891,153	659,800
Lease liabilities	285,001	–	(65,403)	129,803	349,401
Interest payable	265,313	–	(464,331)	442,659	243,641
Due to stockholders	18,272	–	(16,731)	1,197,602	1,199,143
Noncurrent portion of:		–	–		
Long-term loans	21,546,373	823,125	–	(878,999)	21,490,499
Lease liabilities	1,631,628	–	–	853,418	2,485,046
Other noncurrent liabilities	1,695,048	81,880	–	2,675	1,779,603
Total liabilities from financing activities	₱30,784,417	₱3,905,005	(₱11,486,400)	₱7,504,111	₱30,707,133

2021 restatement eliminated BWPC long-term loans from ACE International with carrying amount of ₱137.99 million.

37. 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 16, 2022, 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 Section 15 (c) of 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. On March 16, 2021, the CTA *en banc* issued a resolution granting NLR's Motion for Entry of Judgment. On July 26, 2021, the CTA *en banc* released the actual Entry of Judgment affirming the favorable decision of the CBAA dated 10 October 2017. As at December 31, 2021, the said CBAA decision is already final and executory.

As at May 16, 2022, the 2017 to 2021 RPT protest, regarding an aggregate amount of ₱369.37 million, are still pending decision with the Local Boards of Assessment Appeals of Ilocos Norte.

<u>Claims for tax refund</u>

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. In 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 was 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 Energy Corporation 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. The CTA denied NLR's appeal through its decision dated 19 February 2021. NLR filed a motion for reconsideration on March 16, 2021 and is awaiting for the CTA's decision.

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

d. On June 18, 2018, ISLASOL filed an appeal before the Local Board of Assessment Appeals (LBAA) of La Carlota when its request to the Office of the City Treasurer of La Carlota (the "Treasurer") to reduce the tax rate of the RPT from 2.5% to 1.5% as provided undersection 15 (c) of Republic Act No. 9153 or the Renewable Energy Act of 2008 (RE Law) was denied. On February 15, 2021, the LBAA issued a Resolution setting aside and annulling the Treasurer's letter of denial of the ISLASOL's request, directing the Treasurer to recompute the RPT due and apply the maximum special RPT tax rate of 1.5% less accumulated normal depreciation or net book value and ordering the Treasurer to refund to ISLASOL the amount of RPT paid for year 2017 in excess of the maximum specialty tax rate of 1.5%. On March 29, 2021, ISLASOL submitted a Letter of Intent to the Treasurer availing Tax Credit Certification for its RPT overpayment and requesting application of the Tax Credit Certificate to future RPT assessments of ISLASOL. On June 15, 2021, City Treasurer of La Carlota issued a Certificate of tax credit amounting to ₱69.15 million covering the overpayment from 2017 to 2020.

<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.

As at May 16, 2022, the Group has incurred ₱12.88 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 (PAB), 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 (MR). A technical conference was conducted by PAB on December 2, 2021 where the Parent Company manifested the pending MR. The Parent Company was then required by PAB to submit its Position Paper on an *ad cautelam* basis.

The Parent Company has received claims for compensation for property damages, loss of livelihood, and disturbance compensation 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 at May 16, 2022, the investigations are 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. In an Order promulgated on June 11, 2021, the ERC resolved to deny the motion for reconsideration filed by the PEMC and directed PEMC to submit its plan of action for the refund scheme. The Group monitors PEMC's action relative to the ERC's Decision and Order.

ACRI Guarantee Agreements
In, 2021, the Group entered into various guarantee agreements with the banks for a total of $48.5 million (2020: $39.8 million) for projects in India and Vietnam, of which $48.5 million (2020: $36.1 million) is outstanding as of year-end. The purpose of the guarantee is to secure various module and supply agreements of the projects.

Also, in 2021, the Group entered into various guarantee agreements with the bank for a total of INR 718.2 million ($9.5 million) as the guarantor for various solar projects in India, of which $5.5 million is outstanding as at December 31, 2021.

On January 15, 2021, the Group entered into a guarantee agreement with the bank for a total of AUD 260 million ($185.5 million) to guarantee the obligation of New England Solar Project to the project lender. As at December 31, 2021, total amount drawn from the loan was AUD98.98 million ($70.64 million). The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance

In 2020, the Group entered into various guarantee agreements with BT1 Windfarm JSC ("BT1 Wind") and BT2 Windfarm JSC ("BT2 Wind") to provide a Parent Company Guarantee (PCG) in favour of the contractors as security for the obligations of BT1 Wind and BT2 Wind. As at December 31, 2021, the guarantee has been released upon achievement of commercial operations date of the projects.

On September 30, 2020, the Group signed an agreement with the bank to guarantee BT1 Windfarm's payment obligation to the project lender on its loan amounting to $118.28 million. As at December 31, 2021, total amount drawn from the facility was $110.98 million. The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance

On October 12, 2018, the Group has entered into a guarantee agreement with the bank for a total of $37 million to guarantee the obligation of AMI Khan Hoa Solar project to the project lender. Subsequently on October 3, 2020, loan amounting to $33.71 million was drawn by AMI Khan Hoa. The group recognized guarantee income based on a fixed rate per annum applied to the outstanding loan balance.

For the three-month periods ended March 31, 2022 and 2021, the Group recognized corresponding guarantee fee income amounting to $1.65 million (₱86.15 million) and to $0.51 million (₱24.54 million), respectively (see Note 28).

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, 2022.

ib vogt and ACEN to set up 1,000 MW asset platform for solar in Asia
On April 4, 2022, ib vogt and ACEN have agreed to set up a platform to fund the construction and operation of large-scale solar power plants throughout Asia, subject to applicable regulatory approvals. The joint venture partners will focus on late-stage, shovel-ready projects in Indonesia, Vietnam, Malaysia, Laos, Bangladesh, and other countries in the region.

The majority of projects will stem from ib vogt's Asia development pipeline of more than 5,000 MW with initial projects planned to go into construction during 2022. The platform will also be open to acquire late-stage projects from local and regional developers.

ACEN and Citicore energize solar plant in Pampanga
On March 31, 2022, the Arayat-Mexico solar farm, a joint venture between Citicore and ACEN, Ayala group's listed energy platform, reached its full capacity last March 23, 2022 and is expected to add much needed capacity to the grid in time for the demand surge during the hot summer season.

After its successful energization, the National Grid Corporation of the Philippines (NGCP) will be conducting its own set of testing for grid compliance, which is expected to be completed by the second week of April.

ACEN and SLTEC signing of Amended and Restated Omnibus Loan and Security Agreement, Administration and Management Agreement, and Operations and Maintenance Agreement
ACEN, as share security grantor, and its subsidiary SLTEC, as borrower, signed today an Amended and Restated Omnibus Loan and Security Agreement ("OLSA") for the refinancing of the 2x135 MW SLTEC Circulating Fluidized Bed thermal power plant under an energy transition financing with the Bank of Philippine Islands and Rizal Commercial Banking Corporation as lenders.

ACEN and SLTEC also signed an Administration and Management Agreement for ACEN's administration, control, and management of the entire capacity of the SLTEC power plant, and an Operations and Maintenance ("O&M") Agreement.

The Amended and Restated OLSA increased the facility from ₱11 billion (₱9.8 billion of which is outstanding to date) to ₱13.7 billion, which will be used to refinance the existing loan, finance the partial redemption of SLTEC shares held by ACEN upon regulatory approval, and fund transaction-related costs.

Sale of Power Barge 103
On April 19, 2022, the Company and SPC executed the Deed of Absolute Sale and Assignment implementing the sale effective April 18, 2022, amounting to ₱39.2 million.

On August 20, 2021, the Executive Committee of the Company approved the sale of Power Barge (PB) 103 to SPC Island Power Corporation ("SIPC") or its designated affiliate or subsidiary.

ACEN enters partnership to repower wind farms in the US
On April 26, 2022, ACEN, announced the board approval on the company's plans to enter the United States renewable energy market through a newly formed strategic partnership with UPC Solar & Wind Investments LLC (UPC) and Pivot Power Management (PPM) to pursue opportunities to acquire operating wind projects in the US and explore strategies for extending their useful life through preventative maintenance and repowering. The transaction is subject to usual and customary conditions precedent to closing.

The new partnership will target the acquisition of operating wind projects across various geographies in the US. It will seek to upgrade and replace key components on target projects with the goal of extending project life and optimizing power generation.

AC acquires P14 billion ACEN shares
On May 10, 2022, AC, the intermediate parent company of ACEIC, completed its purchase of 1,861,000,000 ACEN common shares from ACEIC, following the AC BOD approval last April 29, 2022, via a block sale at ₱7.60 per share.

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, 2022, for the three-month period ended March 31, 2022 and 2021 and the audited consolidated financial statements as at December 31, 2021. The unaudited interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standards ("PAS") 34, *Interim Financial Reporting*.

Corporate Highlights:

- To help achieve its capacity expansion targets and return to a robust growth trajectory, ACEN recently entered into new partnerships. In March, the Group formed a joint venture with CleanTech Renewable Energy 4 Corporation to begin construction on a 133-MW solar farm and transmission line in Lal-lo, Cagayan, Philippines. The following month, ACEN and ib vogt, a German-based developer of tracking solar farms, have agreed to set up a 1,000-MW solar asset platform in Asia. Finally, in late April, ACEN announced the formation of a strategic partnership with United States-based firms Pivot Power Management and UPC Solar & Wind Investments LLC to pursue opportunities to acquire operating wind projects in the US and to explore strategies for extending their useful life through preventative maintenance and repowering.

Operating Highlights:

- Attributable output increased by 4% to 1,161 gigawatt-hours (GWh) in the first quarter of 2022. Although output grew as a result of new operating capacity opened in 2021, this was offset by the effects of the SLTEC maintenance outage, as well as curtailment in the Visayas.

- Output from International assets rose by a noteworthy 62%, reducing the impact of the decline in Philippine generation. Renewables' contribution to ACEN's output increased by a significant 52%, bringing RE's share to 76% of total energy production.

- ACEN currently has ~3,800 MW of pro forma attributable capacity in the Philippines and across the region, of which ~3,300 MW, or close to 90%, is renewable. This puts the Group in a strong position to reach its 5,000-MW target earlier than 2025, towards its vision of becoming the largest listed renewables platform in Southeast Asia.

Financial Highlights:

- The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to **₱405.03 million** for the first quarter of 2022 compared to **₱1,272.25 million** 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, 2022 and 2021.

Revenues

	Jan - Mar		Increase (Decrease)	
In thousand Pesos	2022	2021	Amount	%
Revenue from sale of electricity	7,358,378	5,688,775	1,669,603	29%
Rental income	17,053	13,663	3,390	25%
Dividend Income	3,635	6,549	(2,914)	(44%)
Other revenue	23,540	18,856	4,684	25%

- **Revenue from sale of electricity** registered 29% growth from last year mainly driven by the following: 1) revenue contribution from 600MWdc Palauig Solar Farm and 120MWdc Alaminos Solar Farm that started operations April 2021 and June 2021, respectively; 2) revenues generated by merchant plants at higher WESM prices this 2022 vs. 2021; 3) higher wind resource and plant availability from wind plants this year vs. lower generation due to outages in 2021; and 4) higher dispatch and dependable capacity from diesel plants. The growth is partly offset by SLTEC outages, RES customer contract buy-out fee, and curtailment of Visayas plants.
- **Rental income** increased mainly coming from BCHC.
- **Dividend income** came from UPC Sidrap, which is recognized as financial asset at FVOCI.
- **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	2022	2021	Amount	%
Cost of sale of electricity	7,868,135	4,433,444	3,434,691	77%
General and administrative	284,969	394,770	(109,801)	(28%)

- **Costs of sale of electricity** increased largely on higher costs of purchased power due to elevated spot market prices during a major preventive maintenance outage of the SLTEC thermal plant. Other operating costs also increased such as fuel cost with increasing oil prices as well as repairs following SLTEC outages during the quarter. The Group registered negative gross profit margin for the period ended March 31, 2022 of ₱509.76 million vs. ₱1,255.33 million gross profit contribution from same period last year with lower supply amidst increasing WESM prices as well as the ₱605 million buy-out fees.
- **General and administrative expenses** were lower than last year with higher development management and borrowing costs that were capitalized in the first quarter of 2022.

Other Income and Expenses

	Jan – Mar		Increase (Decrease)	
In thousand Pesos	2022	2021	Amount	%
Interest and other finance charges	(504,313)	(428,679)	(75,634)	18%
Equity in net income of associates and joint ventures	344,473	576,408	(231,935)	(40%)
Other income – net	1,219,804	1,014,451	205,353	20%

- **Interest and other finance charges** is higher due to increased volume of currently held long-term and short-term loans from period to period with additional availments during the quarter.
- Lower **equity in net income of associates and joint ventures** coming from NLR and ACRI, as well as income from NIBH in Q1 last year, none this year.
- **Other income** registered an increase vs. last year with higher interest income mainly coming from international loan receivables and investments in convertible loans and redeemable preferred shares.

Provision for (benefit from) income tax

In thousand Pesos	2022	2021	Increase (Decrease) Amount	%
Current	41,722	135,201	(93,479)	(69%)
Deferred	(484,700)	(6,824)	(477,876)	7,003%

- The increase in **Provision for income tax - current** was due to lower consolidated taxable income with sustained losses for the current period.
- **Benefit for deferred income tax** in 2022 increased with the additional set-up of DTA on NOLCO of ACEN Parent and SLTEC for the quarter.

Material changes in Consolidated Statements of Financial Position accounts

In thousand pesos	March 31, 2022	December 31, 2021	Increase (Decrease) Amount	%
Current Assets				
Cash and cash equivalents	**27,697,266**	26,445,429	1,251,837	5%
Short-term investments	**196,712**	68,310	128,402	188%
Accounts and notes receivable	**31,603,834**	33,309,297	(1,705,463)	(5%)
Fuel and spare parts	**1,663,322**	1,490,559	172,763	12%
Current portion of:				
Input value added tax (VAT)	**1,840,884**	1,173,169	667,715	57%
Creditable withholding taxes	**998,203**	837,472	160,731	19%
Other current assets	**1,040,284**	744,269	296,015	40%
Assets held for sale	**119,179**	203,464	(84,285)	(41%)
Noncurrent Assets				
Investments in:				
Associates and joint ventures	**29,200,652**	21,358,301	7,842,351	37%
Other financial assets at amortized cost	**28,669,031**	26,085,959	2,583,072	10%
Financial assets at FVTPL – Noncurrent	**1,211,227**	406,739	804,489	198%
Financial assets at FVOCI – Noncurrent	**352,408**	354,868	(2,460)	(1%)
Plant, property and equipment	**37,998,678**	36,038,563	1,960,115	5%
Right-of-use (ROU) assets	**1,972,345**	2,135,480	(163,135)	(8%)
Investments properties	**13,085**	13,085	–	–
Accounts and notes receivable - net of current portion	**16,998,207**	13,191,314	3,806,893	29%
Goodwill and other intangible assets	**2,433,909**	2,375,980	57,929	2%
Net of current portion:				
Input VAT - net of current portion	**612,102**	524,732	87,370	17%

In thousand pesos	March 31, 2022	December 31, 2021	Increase (Decrease) Amount	%
Creditable withholding tax - net of current portion	**709,584**	726,804	(17,220)	(2%)
Deferred income tax assets – net	**1,176,429**	512,367	664,062	130%
Other noncurrent assets	**4,332,731**	3,165,227	1,167,504	37%

- Increase in **Cash and cash equivalents** were mainly attributable to issuance of shares to UPC and its entities totaling to ₱10,558.58 million. This was partly offset by the Group's acquisition and additional investment in various associates and joint ventures totaling to ₱7,485.35 million (i.e. NLR, UPC entities, NEFIN Limited and BCEI), as well as additional capital expenditures, interest and dividend payments during the quarter.
- Decrease in **Accounts and notes receivable** with timely collection of accounts vs. last year when Bayanihan law was still effective which extended due dates of receivables.
- **Short-term investments** include cash placements to cover for expected loan principal and interest repayments upon maturity.
- **Fuel and spare parts** went up as a result of SLTEC's purchases of spare parts and other direct materials in preparation for maintenance works, coupled with the Group's purchases of fuel which have not yet been consumed as at March 31, 2022
- Increase in **current portion of input VAT** mainly driven by input tax from purchases of various materials needed for construction and maintenance of various plants and services procured.
- **Creditable withholding tax** went up due to improvement in collection of ACEN's receivable from retail customers and unutilized CWT.
- **Other current assets** increased primarily due to ACEN's fuel hedge valuation amounting to ₱199M and increase in the Group's prepaid insurance and prepaid taxes. Increase is partially offset by last year's derivative asset on forward contracts (₱241.74 million).
- **Assets held for sale** as of March 31, 2022 include Power Barge (PB) 103 valued at its fair value less cost to sell amount as well as building improvements, machineries, tools, and equipment of ACEN and BSEI that are available for immediate sale. Decrease from last year is due to disposal of PB 101 and PB 102 during the first quarter of 2022.
- **Investments in associates and joint ventures** increased mainly due to additional investment in UPC-ACE Australia (₱4,070.41 million) and Philwind/NLR (₱2,286.00 million). There are also new joint venture investments reported during the period such as Batangas Clean Energy, Inc., NEFIN Limited, and UPC Australia (HK) Limited. Accumulated equity in net earnings increased for the period largely coming from PhilWind/NLR (₱227.10 million) and Salak-Darajat (₱251.71 million) but reduced by ₱233.65 million total dividend payout coming from PhilWind/NLR.
- **Investments in other financial assets at amortized cost** include investments in redeemable preferred shares of, and convertible loans extended to associates and joint ventures. These increased with additional subscriptions into redeemable preferred shares of various international projects, as well as additional loan facilities extended.
- **Noncurrent financial assets at FVTPL** pertains to Compulsorily Convertible Debentures (CCDs) from Masaya Solar. Masaya Solar is currently constructing the 420MWp solar farm in the Central Indian state of Madhya Pradesh.
- **Noncurrent financial assets at FVOCI** are largely the investment in UPC Sidrap and also include golf club shares and listed equity instruments.
- **Plant, property and equipment's** increased mainly due to increase in capitalization for the construction of Solar Plant and Transmission Lines in Marcelino, Zambales (₱249 million), and Wind Farm in Balaoi and Caunayan Pagudpud, Ilocos Norte (₱1.52 billion). The Group also had ₱86.6 million capitalized borrowing costs from project companies during the year.
- **Right-of-use asset's** decrease came from amortizations of leases.

- **Investment properties** pertains to Bulacan Power's land amounting to ₱13.09 million.
- **Receivables - net of current portion** increased primarily due to non-current portion of loans and interest receivable of ACRI.
- **Goodwill & other intangible assets** increased mainly due to goodwill arising from control acquisition over various UPC PH development entities ₱93.38 and offset by amortizations of other intangibles for the period.
- Majority of the balance of **Deferred tax asset** came from recognition on accrued expenses, NOLCO, MCIT and lease liabilities.
- **Input VAT non-current** increased due to reclassification of input vat of Endevor entities from current to non-current.
- **Other non-current assets** include various advances to contractors for the ongoing project developments.

In thousand pesos	March 31, 2022	December 31, 2021	Increase (Decrease) Amount	%
Current Liabilities				
Accounts payable and other current liabilities	**6,926,631**	6,280,829	645,802	10%
Short-term loans	**3,237,020**	–	3,237,020	–
Current portion of long-term loans	**830,995**	824,488	6,507	1%
Current portion of lease liability	**192,637**	536,950	(344,313)	(64%)
Income and withholding taxes payable	**225,470**	169,920	55,550	33%
Due to stockholders	**16,585**	16,585	–	–
Noncurrent Liabilities				
Notes payable	**20,676,392**	20,195,054	481,338	2%
Long-term loans - net of current portion	**22,038,315**	20,117,733	1,920,582	10%
Lease liabilities - net of current portion	**2,384,690**	2,159,302	225,388	10%
Pension and other employment benefits	**94,194**	80,422	13,772	17%
Deferred tax income liabilities - net	**243,745**	74,422	169,322	228%
Other noncurrent liabilities	**3,572,599**	2,736,920	835,679	31%
Equity				
Capital Stock	**39,659,273**	38,338,527	1,320,746	3%
Additional paid-in capital	**107,281,663**	98,043,831	9,237,832	9%
Other equity reserves	**(56,715,021)**	(56,604,533)	(110,488)	0%
Unrealized fair value loss on equity instruments at FVOCI	**(103,546)**	(90,090)	(13,456)	15%
Unrealized fair value gain on derivative instruments designated under hedge accounting	**56,320**	6,228	50,092	804%
Remeasurement loss on defined benefit plan	**(25,191)**	(24,436)	(755)	3%
Accumulated share in other comprehensive loss of associates and a joint venture	**69,551**	29,723	39,828	134%
Cumulative translation adjustments	**1,106,123**	(359,911)	1,466,033	(407%)
Retained earnings	**9,112,328**	8,707,302	405,026	5%
Treasury shares	**(28,657)**	(28,657)	–	–
Non-controlling interests	**29,987,957**	29,950,776	37,181	0%

- **Accounts payable and other current liabilities** increased mainly on BWPC loan from ACEIC amounting to ₱785 million, as well as increase in output tax (current and deferred) and accrued expenses.

- **Short-term loans** increased from the Parent's availment during the period amounting to ₱3.23 billion from BPI.
- **Current portion of long-term loans** increased due to reclassifications of currently maturing principal within 12-month period, offset by repayments during the year.
- **Current portion of lease liability** decreased due to lease payments during the period.
- Increase in **income and withholding taxes payable** was mainly due to income tax provision for the period and increase in expanded withholding tax payable.
- **Notes payable** pertains to the US$400.0 million U.S. dollar-denominated senior guaranteed undated fixed-for-life (non-deferrable) Green Bonds (the Bonds) issued and listed in SGX-ST.
- **Long-term loans - net of current portion** increased to the new loans availed by ACEN (₱2.0 billion). The increase was offset by the principal payments made by ACEN (₱887.8 million) and GWC (₱66.9 million).
- **Lease Liabilities-net of current portion** increased mainly due to interest expense recognized during the period.
- **Pension and other employment benefits** increased due to accrual of retirement expense for the period.
- 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 ₱1.13 billion trade payables in relation to a Multilateral Agreement signed by the Group, PEMC and other WESM participants. These also include contract liabilities and asset retirement obligations related to solar operations.
- **Capital stock and additional paid in capital** increased by 1.32 billion shares at ₱7.87 and ₱8.29 per share from share issuance to UPC international and Philippine development entities, respectively.
- The movement in **other equity reserves** pertain to the impact of the share issuance to UPC Philippine development entities, mainly BWPC. Excess of consideration from acquisitions of non-controlling interest in BWPC amounted ₱110.42 million.
- The increase in **unrealized FV loss on equity instruments at FVOCI** came from mark-to-market loss for UPC Sidrap for the current period.
- **Unrealized fair value gain on derivative instruments designated as hedges** increased due to fuel hedge valuation.
- **Remeasurement loss on defined benefit plan** decreased parallel to various actuarial loss and loss on return on plan assets.
- The decrease in **accumulated share in other comprehensive loss of associates and joint ventures** came from share in remeasurement loss from defined benefit obligation of associate and joint venture.
- **Retained earnings** increased from resulting net income earned for the period.
- **Treasury shares** has no movement during the period.
- **Non-controlling interests** are mainly comprised of redeemable preferred shares (RPS) of ACE Cayman held by AC Energy Finance International Limited. Non-controlling interests' share in net income amounted to ₱347.42 million, which was offset by dividends totaling ₱352.42 million. The Group also acquired the non-controlling interest in BWPC with carrying amount of ₱16.87 million in BWPC.

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-22 (Unaudited)	31-Dec-21 (Audited)	Increase (Decrease) Amount	%
Liquidity Ratios					
Current Ratio	Current assets / Current liabilities	**5.70**	8.21	(2.51)	(31%)
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**5.21**	7.64	(2.43)	(32%)
Solvency Ratios					
Debt/Equity ratio	Total liabilities / Total equity	**0.46**	0.45	0.01	2%
Asset-to-equity ratio	Total assets / Total equity	**1.46**	1.45	0.01	1%
Interest Coverage Ratio	Earnings before interest & tax (EBIT) / Interest expense	**1.61**	4.57	(2.96)	(65%)
Net bank Debt to Equity ratio	Short & long-term loans - Cash & Cash Equivalents / Total Equity	**(0.01)**	(0.05)	0.04	(80%)
Profitability Ratios					
Return on equity	Net income after tax attributable to equity holders of the Parent Company / Average stockholders' equity	**1.72%**	6.04%	(4.32%)	(72%)
Return on assets	Net income after taxes / Average total assets	**1.66%**	4.09%	(2.43%)	(59%)
Asset Turnover	Revenues / Average total assets	**4.09%**	13.09%	(9.00%)	(69%)

Current ratio & Acid test ratio

Current ratio & acid test ratio decreased with increase in accounts payable and availment of short-term loans, which outpaced the increase in cash and other current assets.

Debt/Equity ratio & Asset-to-equity ratio

D/E ratio slightly increased with additional short-term and long-term loan availments, which were cushioned by the increase in paid-in capital and net income for the period. Asset-to-equity ratio also went up as the increase in total assets slightly outpaced the increase in equity.

Interest coverage ratio

Lower net income before interest and taxes coupled with higher interest expense following additional loan availments yield to lower interest coverage ratio for the current period.

Net bank debt to equity ratio

Higher cash and cash equivalents vs. short-term loans resulted to negative ratio for the current period.

Return on equity and assets

Return on equity dropped with lower net income generated for the period, coupled with increase in paid-in capital.

Asset turnover

Asset turnover decreased due to lower net revenues and increase in average total assets 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 Interim Consolidated Financial Statements.

- ACEN has material commitments to invest in capital expenditure projects mainly in the following:

  - 288MW solar project in Buguey and Lal-lo, Cagayan and the proposed 275MW expansion of Gigasol Palauig solar project in Zambales.
  - 120MWdc solar power project in Alaminos, Laguna through Solarace1;
  - 150MW diesel plant in Pililla, Rizal through Ingrid, 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;
  - 500MW solar power project in San Marcelino, Zambales through Santa Cruz Solar;
  - 2x20 MW Alaminos Battery Energy Storage System (BESS) Project through Giga Ace 4;
  - 160MW wind farm in Balaoi, Pagudpud, Ilocos Norte through BWPC, in partnership with UPC Renewables;
  - Investment into 4MW renewable energy laboratory in Bataan through BSEI;

- 521MWdc New England Solar Farm (NESF) and adjacent 50MW battery energy storage system located near Uralla in New South Wales through UPC-ACE Australia, a joint venture of ACEN and UPC Renewables Australia.
- Various Vietnam wind farms:
  - 252MW wind farm in Quang Binh through AMI Renewables Energy Joint Stock Company
  - 88MW wind farm in Ninh Thuan through BIM Energy Joint Stock Co.("BIME")
  - 40MW second phase of the Mui Ne Wind Farm in Binh Thuan through the partnership with the Blue Circle.
  - 60MW Lac Hoa & Hoa Dong wind farm in Soc Trang through a joint venture with UPC

- 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 2022.

- 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 2022)

1. January 12, 2022 – Submission of SEC Form 23-B of John Philip S. Orbeta
2. January 14, 2022 –Report of attendances of the Company's Directors in the meetings of calendar year 2021.
3. January 18, 2022 – Disbursement of Proceeds and Progress Report in connection with the proceeds generated from the Company's Stock Rights Offering (in compliance with the Notice of Approval from PSE dated December 18, 2020).
4. January 18, 2022 – Disbursement of Proceeds and Progress Report in connection with the proceeds generated from the Company's Follow-On Offering (in compliance with the Notice of Approval from PSE dated April 23, 2021).
5. January 19, 2022 – Change in Number of Issued and/or Outstanding Shares
6. January 19, 2022 – Public Ownership Report
7. January 20, 2022 – Amendment of Public Ownership Report
8. January 20, 2022 – List of Top 100 Stockholders for the period ended 31 December 2021
9. January 24, 2022 – Notice of Annual Stockholders' Meeting
10. January 24, 2022 – Change in Directors and/or Officers
11. January 24, 2022 – Material Information/Transactions – Matters approved at the special meeting held on 21 January 2022, via video conference:
    a. Schedule and agenda of the 2022 annual stockholders meeting;
    b. Amendment to the Administration and Management Agreement with South Luzon Thermal Energy Corp. ("SLTEC") to include, among others, the provision of operations and maintenance services by the Company to SLTEC;
    c. Appointment of Mr. John Eric T. Francia as the Company's proxy to vote the Company's shares at SLTEC's stockholders' meeting on 26 January 2022 (and any adjournment or rescheduling thereof);
    d. Resignation of Mr. Henry T. Gomez, Jr. as Chief Audit Executive effective 1 February 2022; and
    e. Appointment of Mr. Arnel A. Racelis as OIC Chief Audit Executive effective 1 February 2022.
12. January 25, 2022 – Update on Corporate Actions/Material Transactions – Signing of Asset Purchase Agreement in connection with the sale of Power Barge 101to MORE Power Barge, Inc.
13. January 27, 2022 – Amendment of the disclosure on the Executive Committee's approval of the sale of Power Barge (PB) 101 to Prime Strategic Holdings Inc. or its designated affiliate or subsidiary.

14. January 31, 2022 – Press Release on ACEN and UPC Renewables to construct their largest solar project in India.
15. February 02, 2022 – Press Release on ACEN to acquire 49% interest in Vietnam solar platforms of Super Energy Corporation.
16. February 02, 2022 – Certification on Participation of Directors and Officers in Corporate Governance Training for the year ended 31 December 2021
17. February 04, 2022 –Submission of SEC Form 23-A of Arnel A. Racelis
18. February 04, 2022 –Change in the Company's Business Address.
19. February 04, 2022 – Material Information/Transactions - Amendment of Disclosure on Matters approved at the special board meeting held on January 21, 2022, via video conference.
    a. Schedule and agenda of the 2022 annual stockholders meeting;

b. Amendment to the Administration and Management Agreement with South Luzon Thermal Energy Corp. (“SLTEC”) to include, among others, the provision of operations and maintenance services by the Company to SLTEC;
c. Appointment of Mr. John Eric T. Francia as the Company’s proxy to vote the Company’s shares at SLTEC’s stockholders’ meeting on 26 January 2022 (and any adjournment or rescheduling thereof);
d. Resignation of Mr. Henry T. Gomez, Jr. as Chief Audit Executive effective 1 February 2022; and
e. Appointment of Mr. Arnel A. Racelis as OIC Chief Audit Executive effective 1 February 2022.

20. February 09, 2022 – Update on Corporate Actions/Material Transactions – Property for shares swap between ACE Enexor, Inc. and AC Energy Corporations.
21. February 15, 2022 – Acquisition by the Company of shares in Buendia Christiana Holdings Corp.
22. February 22, 2022 – Submission of SEC Form 23-B of Jaime Augusto Zobel de Ayala.
23. February 23, 2022 – Press Release on ACEN powers up country’s first solar and storage project.
24. February 24, 2022 –Disposition of Power Barge 102.
25. February 28, 2022 – Submission of SEC Form 23-B of Ronald F. Cuadro
26. March 02, 2022 –Notice of Full Year 2021 Analyst and Investor Briefing on 09 March 2022.
27. March 09, 2022 – Matters approved at the regular board meeting held on March 08, 2022:
    a. Procurement of (i) additional omnibus credit lines of up to PhP7.5 billion from banks, and the co-use of these facilities with the Company’s subsidiaries, and (ii) additional term loan facilities of up to PhP23 billion;
    b. Declaration of cash dividends of six centavos (PhP0.06) per share on the 38,315,838,177 outstanding shares of the Company, to be paid on or before 19 April 2022 to stockholders of record as of 5 April 2022;
    c. Endorsement to the stockholders of the revised compensation of Directors;
    d. Revision to the list of subscribers to the 389,995,833 shares (UPC Philippines and affiliates) as approved by the stockholders on 15 December 2021 under Resolution No. S-2021-018;
    e. Amendment to the Agenda of the 25 April 2022 Annual Stockholders’ Meeting as follows:
       I. Call to Order
       II. Certification of Notice and Quorum
       III. Approval of Minutes of Previous Meeting
       IV. Annual Report of Management including the 2021 Audited Financial Statements
       V. Ratification of the Acts of the Board of Directors and Officers
       VI. Approval of Compensation of Directors
       VII. Issuance of up to 390 million shares to UPC Philippine Wind Partners and Affiliates
       VIII. Approval of the Management Agreement with South Luzon Thermal Energy Corporation
       IX. Election of Directors (Including Independent Directors)
       X. Appointment of External Auditor and Fixing of its Remuneration
       XI. Consideration of Such Other Business as May Properly Come Before the Meeting
       XII. Adjournment
    f. The Company’s 2021 Audited Financial Statements; and
    g. Re-appointment of SGV & Co. as the Company’s external auditor for 2022 subject to approval of the stockholders during the 2022 Annual Stockholders' Meeting.
28. March 09, 2022 – Amendment of Notice of Annual Stockholders’ Meeting
29. March 09, 2022 –Declaration and Payment of Cash Dividends to Stockholders.

30. March 14, 2022 – Update on Acquisition by ACEN of the effective ownership interest of UPC Renewables Asia Pacific Holdings Pte Limited ("UPCAPH") and Mr. Anton Rohner ("Rohner") in UPC-AC Renewables Australia.
31. March 15, 2022 – Acquisition by ACEN of the effective ownership interest of UPCAPH and Mr. Rohner UPC-AC Renewables Australia.
32. March 21, 2022 – Material Information/Transactions - Acquisition by ACEN of the ownership interest of UPC Philippines Wind Investment Co. BV ("UPC Philippines") and Stella Marie L. Sutton in their Philippine renewable energy companies and businesses.
33. March 21, 2022 – Amendment of Disclosure on Acquisition by ACEN of the ownership interest of UPC Philippines and Stella Marie L. Sutton in their Philippine renewable energy companies and businesses.
34. March 22, 2022 – Submission of SEC Form 23-B of Ronald F. Cuadro.
35. March 22 , 2022 – Update on Acquisition by ACEN of the effective ownership interest of UPCAPH and Mr. Rohner in UPC-AC Renewables Australia. =
36. March 22, 2022 – Material Information/Transactions – Subscription by UPCAPH Mr. Rohner to Shares in the Company.
37. March 22, 2022 – Amendment of Disclosure on Acquisition by ACEN of the effective ownership interest of UPCAPH and Mr. Rohner in UPC-AC Renewables Australia.
38. March 23, 2022 – Update on Acquisition by ACEN by the ownership interest of UPC Philippines and Stella Marie L. Sutton in their Philippine renewable energy companies and businesses.
39. March 23, 2022 – Material Information/Transactions – Subscription by UPC Philippines Group to shares in the company.
40. March 23, 2022 - Amendment of Disclosure on Acquisition by ACEN of the ownership interest of UPC Philippines and Stella Marie L. Sutton in their Philippine renewable energy companies and businesses.
41. March 25, 2022 – Acquisition by the Company of shares in Nature Renewable Energy Devt. (NAREDCO) Corporation.
42. March 25, 2022 –Approval of joint venture with Clean Tech Global Renewables, Inc.
43. March 28, 2022 – Press release on ACEN and CleanTech finalize Cagayan solar far joint venture.
44. March 28, 2022 – Amendment of Notice of Annual Stockholders' Meeting.
45. March 31, 2022 – Acquisition by the Company of shares in ACEN Renewables International.
46. April 04, 2022 – Press release on ib vogt and ACEN to set up 1,000 MW asset platform for solar in Asia.
47. April 04, 2022 –Company's Definitive Information Statement for the 2022 Annual Stockholders' Meeting.
48. April 05, 2022 – Press release on ACEN and Citicore energize solar plant in Pampanga.
49. April 06, 2022 –ACEN Executive Committee approval of sponsor documents for SLTEC Refinancing.
50. April 11, 2022 –ACEN and SLTEC signing of Amended and Restated Omnibus Loan and Security Agreement, Administration and Management Agreement, and Operations and Maintenance Agreement.
51. April 11, 2022 – Press release on ACEN pioneers' energy transition financing to enable more renewables.

ANNEX A
SUMMARY OF LEASE AGREEMENTS

Lessee	Lessor	Expiration Date of Lease	Total Amount of Lease Payments (for the year ended 31 December 2021)
Negros Island Solar Power, Inc.	Roberto J. Cuenca, Sr.; Manapla Sunpower Development Corp.	Nov-2039; Aug-2040	132,225,013
San Carlos Solar Energy, Inc.	San Julio Realty, Inc.	Apr-2038; Sep-2038; Oct-2039	136,253,071
One Subic Power Generation Corp.	Subic Bay Metropolitan Authority	19-Jul-2030	60,253,642
Solarace1 Energy Corp. (recorded as Construction in Progress)	Ayala Land, Inc., Crimson Field Enterprises Inc., and Red Creek Properties Inc., Power Sector Assets and Liabilities Management Corporation, AP Renewables, Inc.	29-Sep-2040	14,524,051
Monte Solar Energy Inc.	Montenegro Brothers Agricultural Corp.	1-Sep-2040	16,611,454
Guimaras Wind Corporation	Various landowners	17-Jul-2039	16,366,779
Buendia Christiana Holdings, Corp.	Tabangao Realty, Inc.	1-Feb-2043	26,369,688
AC Energy Corporation (now ACEN CORPORATION)	Ayala Land, Inc.	17-Jan-2031	95,070,721.94
AC Energy Shared Services	Fort Bonifacio Development Corporation	31-Mar-2023	8,680,177
Total			**₱506,354,598**

ANNEX B

List of Permits

Company and Subsidiaries[1]

A. ACEN CORPORATION (formerly AC Energy Corporation)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Approval of Increase of Capital Stock	Securities and Exchange Commision ("**SEC**")	June 7, 2021	N/A
2.	Amended Articles of Incorporation	SEC	July 20, 2022	N/A
3.	Amended By-laws	SEC	July 20, 2022	N/A
4.	Certificate of Incorporation	SEC	September 8, 1969	N/A
5.	Business Permit	Makati City	January 28, 2022	December 31, 2022
6.	Business Permit (Extension)	Makati City	January 28, 2022	December 31, 2022
7.	Registry of Establishment	Department of Labor and Employment ("**DOLE**")	December 16, 2019	N/A
8.	Certificate of Registration	DOLE	December 2, 2016	N/A
9.	Ancillary Services Procurement Agreement with National Grid Corporation of the Philippines ("**NGCP**")	NGCP	July 21, 2017	N/A
10.	Philippine Health Insurance Corporation ("**PhilHealth**") Certification on remittance of premiums	PhilHealth	November 18, 2019	N/A
11.	Retail Electricity Supplier's License (No. 11-2019-0057RS)	Energy Regulatory Commission ("**ERC**")	November 20, 2019	November 19, 2022
12.	Certificate of Registration	Bureau of Internal Revenue ("**BIR**")	July 8, 1998	N/A

[1] Subsidiaries as of March 31, 2022

B. South Luzon Thermal Energy Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	July 29, 2011	N/A
2.	Articles of Incorporation	SEC	July 29, 2011	N/A
3.	By-laws	SEC	July 29, 2011	N/A
4.	Amended Articles of Incorporation	SEC	November 15, 2013	N/A
5.	ECC No. 1001-0002 (135 MW Calaca Coal Power Plant and Associated Facilities)	Department of Environment and Natural Resources ("**DENR**") - Environmental Management Bureau ("**EMB**")	April 30, 2010	N/A
6.	ECC-R4A-1201-0013 (Ash Management Facility Component Project)	DENR- EMB	January 24, 2012	N/A
7.	ECC-R4A-2020-07-0088 (Ash Management Facility Expansion Project)	DENR- EMB	February 5, 2021	N/A
8.	ECC No. ECC-R4A-1507-0556 (1 Km 230KV Transmission Line Project)	DENR-EMB Regional Office No. IV CALABARZON	September 23, 2015	N/A
9.	Water Permit No. 024438 (other use – employees use)	National Water Resources Board ("**NWRB**")	April 23, 2018	N/A
10.	Water Permit No. 023483 (industrial)	NWRB	March 24, 2015	N/A
11.	Water Permit No. 023484 (industrial)	NWRB	March 24, 2015	N/A
12.	Certificate of Registration	Board of Investments ("**BOI**")	June 20, 2012	N/A
13.	Certificate of Registration	BOI	September 24, 2012	N/A
14.	Certificate of Compliance No. 21-07-S-01728L	ERC	July 21, 2021	July 20, 2026
15.	Certificate of Compliance No. 19-11-M-00047L	ERC	November 28, 2019	December 8, 2024
16.	Amended Certificate of Compliance No. 19-11-M-00047L	ERC	November 3, 2021	December 8, 2024
17.	Grid Impact Study	NGCP	February 2012	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
18.	Decision ERC Case No. 2014-114MC (point to point limited transmission facility)	ERC	June 28, 2016	N/A
19.	Certification of Non-Issuance of Notice of Coverage No. 210617-0303-NC (TCT No. 055-2014002499/ TD-ARP No. 06-0036-00180)	Department of Agrarian Reform ("**DAR**")	October 4, 2017	N/A
20.	Certification of Non-Issuance of Notice of Coverage No. 210617-0302-NC (TCT No. 055-2014002498)	DAR	October 4, 2017	N/A
21.	Order (exemption from CARP Coverage)	DAR Region IV-A CALABARZON	July 1, 2013	N/A
22.	Connection Agreement	NGCP	March 18, 2013	N/A
23.	Transmission Service Agreement	NGCP	May 15, 2015	N/A
24.	Metering Service Agreement	NGCP	December 12, 2014	N/A
25.	Approval of Wholesale Electricity Spot Market ("**WESM**") Registration (Letter)	Philippine Electricity Marketing Corporation ("**PEMC**")	May 19, 2014	N/A
26.	Market Participation Agreement	PEMC	May 28, 2014	N/A
27.	Approval of the Change in Registered Capacity (Letter)	Independent Electricity Market Operator of the Philippines	March 23, 2022	N/A
28.	Certificate of Non-Overlap	National Commission on Indigenous Peoples ("**NCIP**")	February 26, 2020	N/A
29.	Certificate of Registration	DOLE Region IV-A Batangas	October 22, 2014	N/A
30.	Certificate of Registration	PhilHealth	October 16, 2015	N/A
31.	Certification (as Employer)	Social Security System ("**SSS**")	January 9, 2019	N/A
32.	Endorsement of Barangay Puting Bato West	Barangay Puting Bato West, Calaca, Batangas	January 30, 2020	N/A
33.	Endorsement of Municipality of Calaca, Batangas	Calaca, Batangas	February 13, 2012	N/A
34.	Order (exemption from CARP Coverage)	DAR Region IV-A CALABARZON	August 6, 2013	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
35.	Order (exemption from CARP Coverage)	DAR Region IV-A CALABARZON	September 4, 2013	N/A
36.	Order (exemption from CARP Coverage)	DAR Region IV-A CALABARZON	July 12, 2013	N/A
37.	Certification	Office of the Municipal Planning & Development Coordinator of Province of Batangas, Municipality of Calaca	March 24, 2021	N/A
38.	Certificate of Registration	BIR	September 12, 2011	N/A

C. Guimaras Wind Corporation (formerly PHINMA Renewable Energy Corporation)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	September 2, 1994	N/A
2.	Amended Articles of Incorporation	SEC	April 30, 2020	N/A
3.	Amended By-Laws	SEC	April 30, 2020	N/A
4.	Barangay M. Chavez Endorsement	Brgy. M. Chavez, San Lorenzo, Guimaras	December 10, 2011	N/A
5.	Barangay Suclaran Endorsement	Brgy. Suclaran, San Lorenzo, Guimaras	December 1, 2011	N/A
6.	Barangay Cabano Endorsement	Brgy. Cabano, San Lorenzo, Guimaras	December 8, 2011	N/A
7.	Barangay Cabungahan Endorsement	Brgy. Cabungahan, San Lorenzo, Guimaras	November 19, 2011	N/A
8.	Municipality of San Lorenzo, Guimaras Endorsement	San Lorenzo, Guimaras	January 25, 2012	N/A
9.	Province of Guimaras Endorsement	Guimaras	January 30, 2013	N/A
10.	Wind Energy Service Contract No. 2009-10-009	Department of Energy (“**DOE**”)	October 23, 2009	Effective for 25 years from Effective Date
11.	ECC No. R6-0912-380-4220	DENR-EMB	February 18, 2010	N/A
12.	Certificate of Compliance No. 20-02-M-00029V	ERC	February 18, 2020	March 1, 2025
13.	Certificate of Non-Overlap	NCIP Region VI/VII	July 23, 2010	N/A
14.	ERC Case No, 2014-032MC Decision (point to point limited facilites)	ERC	October 15, 2014	N/A
15.	Market Participation Agreement	PEMC	October 31, 2014	N/A
16.	Connection Agreement	NGCP	November 4, 2013	N/A
17.	System Impact Study	NGCP	January 2013	N/A
18.	Confirmation of Commerciality No. WCC-2013-04-002	DOE	May 16, 2013	N/A
19.	Certificate of Registration	BIR	June 21, 2017	N/A
20.	Certificate of Registration	PhilHealth	July 20, 2017	N/A
21.	Letter on Approval of Registration as WESM Member	PEMC	October 28, 2014	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
22.	Market Participation Agreement	PEMC	TAREC - August 15, 2014 PEMC – October 31, 2014	N/A
23.	Renewable Energy Market Participation Agreement	PEMC	July 21, 2020	N/A
24.	Registry of Establishment	DOLE	December 18, 2015	N/A
25.	Transmission Service Agreement	NGCP	May 15, 2015	N/A
26.	Final Certificate of Approval to Connect	NGCP	May 4, 2015	N/A
27.	Metering Service Agreement	NGCP	May 4, 2015	N/A
28.	ERC Decision on Point-to-Point Trasmission Facilities to Connect	ERC	October 15, 2014	N/A
29.	Certificate of Employer's Registration	Pag-Ibig	March 16, 2021	N/A
30.	Certificate of Registration	SSS	March 17, 2021	N/A
31.	Business Permit	LGU San Lorenzo	January 14, 2022	December 31, 2022
32.	Safety Officer's Permit	DOE	February 21, 2022	February 21, 2023
33.	Accredited Occupational Safety and Health Practitioner	DOLE	November 2, 2021	November 2, 2024
34.	Certificate of Eletrical Inspection	DOLE	October 6, 2021	October 6, 2022
35.	Permit to Operate Internal Combustion Engine	DOLE	October 6, 2021	October 6, 2022
36.	Permit to Operate Manlift and Related Equipment	DOLE	October 6, 2021	October 6, 2022
37.	Permit to Operate Wind Turbine	DOLE	October 6, 2021	October 6, 2022
38.	Registry of Establishments - Regional Labor Office No. 6 (Rule 1020)	DOLE	January 13, 2021	(one time permit)
39.	Certificate of Compliance (for Self-Generating Facility)	ERC	May 31, 2021	May 30, 2026
40.	Conditonal Water Permit	NWRB	April 12, 2021	April 12, 2022

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
				With pending application for Water Permit
41.	Digital Certificate	PEMC (WESM)	March 5, 2022	Feb. 11, 2023
42.	Certificate of Registration	BOI	June 15, 2011	N/A

D. Bulacan Power Generation Corporation (formerly PHINMA Power Generation Corporation)

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 18, 1996	N/A
2.	Amended Articles of Incorporation	SEC	April 22, 2020	N/A
3.	Amended By-Laws	SEC	April 22, 2020	N/A
4.	Business Permit	City of Norzagaray, Bulacan	February 4, 2022	December 31, 2022
5.	ECC CO-9611-003-2017C for the construction and operation 83MW Diesel Engine (Bunker C-Fired) Power Plant	DENR	January 14, 1998	N/A
6.	Change of Name of ECC Grantee (ECC-CO-9611-003-2017C)	DENR	April 30, 2019	N/A
7.	Wastewater Discharge Permit No. DP-R03-22-00502	DENR-EMB	January 19, 2022	January 19, 2023
8.	Certificate of Accreditation No. 35100-2021G-03BU-0740	DENR-EMB	July 2, 2021	July 2, 2024
9.	Certificate of Compliance No. 18-06-M-00012L	ERC	June 20, 2018	August 4, 2023
10.	Transmission Service Agreement	NGCP	October 31, 2018	February 25, 2028
11.	Metering Service Agreement	NGCP	October 31, 2018	June 25, 2028
12.	Interim Connection Agreement	NGCP	July 31, 2002	N/A
13.	Amendment to the July 31, 2002 Interim Connection Agreement	NGCP	September 12, 2002	N/A
14.	Ancillary Services Procurement Agreement	NGCP	December 23, 2017	June 25, 2023

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
15.	Provisional authority of the Ancillary Services Procurement Agreement	ERC	May 17, 2018	N/A
16.	Certificate of Membership	SSS	November 4, 1997	N/A
17.	Certificate of Registration	PhilHealth	July 18, 2017	N/A
18.	Certificate of Registration No. R0301-1710-RE-052	DOLE - Bulacan Field Office	October 20, 2017	N/A
19.	Certificate of Registration No. 8RC0001033741E	BIR	June 8, 2017	N/A
20.	Market Participation Agreement	PEMC	September 8, 2006	N/A
21.	Supplemental Market Participation Agreement	PEMC, and Independent Electricity Market Operator of the Philippines, Inc. (“**IEMOP**”)	October 23, 2018	N/A
22.	Certification regarding registration as Direct WESM Member (Generator Category)	IEMOP	August 5, 2019	N/A
23.	Certification of No-Objection	Baranggay Matictic, Norzagaray	January 9, 1998	N/A
24.	Certification of No-Objection	Municipality of Norzagaray	January 8, 1996	N/A

E. **One Subic Power Generation Corporation**

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Amended Articles of Incorporation	SEC	June 19, 2017	N/A
2.	Certificate of Incorporation	SEC	August 4, 2010	N/A
3.	By-laws	SEC	August 4, 2010	N/A
4.	Certificate of Registration and Tax Exemption	Subic Bay Metropolitan Authority	November 25, 2021	November 24, 2024
5.	Wastewater Discharge Permit	DENR-EMB	January 7, 2022	January 7, 2023
6.	Water Rights Permit	NWRB	December 12, 2018	N/A
7.	Exemption Certificate	DENR-EMB	*Undated*	N/A
8.	Memorandum of Agreement between DOE and Udenna Management & Resources Corp.	DOE	*Date illegible*	N/A
9.	Certification as Registered Direct WESM Member (Generator Category)	PEMC	August 5, 2019	N/A
10.	Market Participation Agreement for Direct WESM Members	PEMC	September 3, 2014	N/A
11.	Supplemental Market Participation Agreement	PEMC	October 23, 2018	N/A
12.	Certification of Recognition of Assignment of the Transmission Services Agreement and Metering Services Agreement	NGCP	October 6, 2015	N/A
13.	Transmission Services Agreement between NGCP and One Subic Power Generation Corp.	NGCP	October 27, 2020	July 25, 2030
14.	Metering Services Agreement between NGCP and One Subic Power Generation Corp.	NGCP	October 27, 2020	July 25, 2030
15.	Connection Agreement between NGCP and One Subic Power Generation Corp.	NGCP	October 27, 2020	July 25, 2030
16.	Certification regarding compliance with all the technical requirements necessary for the connection of its power plant to the grid	NGCP	December 14, 2010	N/A

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
17.	Certificate of Approval to Connect	NGCP	December 6, 2010	N/A
18.	Certification as a registered Direct WESM Member (Generator Category)	IEMOP	August 5, 2019	N/A
19.	Ancillary Services Procurement Agreement	NGCP	December 23, 2017	June 25, 2023
20.	Permit to Operate Air Pollution Source and Control Installation	DENR-EMB Regional Office No. III	June 25, 2020	November 30, 2024
21.	Certificate of Registration	Pag-Ibig	March 4, 2011	N/A
22.	Certificate of Registration	PhilHealth	January 19, 2011	N/A
23.	Certificate of Registration	DOLE	April 11, 2011	N/A
24.	Certificate of Registration	BIR	June 12, 2017	N/A
25.	Certification re: Extension of Provisional Authority to Operate	ERC	January 31, 2021	January 30, 2022 (With Letter Request for Extension of PAO dated 13 December 2021)
26.	Certificate of Endorsement for the Renewal of the ERC Certificate of Compliance	DOE	September 21, 2021	N/A
27.	Environmental Compliance Certificate No. 9304-006-207C	DENR-EMB	August 11, 1993	N/A

F. **CIP II Power Corporation**

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 2, 1998	N/A
2.	Articles of Incorporation	SEC	June 2, 1998	N/A
3.	By-laws	SEC	June 2, 1998	N/A
4.	Amended Articles of Incorporation	SEC	August 29, 2014	N/A
5.	Amended By-Laws	SEC	May 16, 2012	N/A
6.	Business Permit	Bacnotan, La Union	January 18, 2022	December 31, 2022
7.	Environmental Compliance Certificate	DENR-EMB	August 2, 2010 Amended: February 21, 2011	N/A
8.	Wastewater Discharge Permit	DENR-EMB	July 3, 2018	July 2, 2023
9.	Endorsement of Sangguiniang Bayan (Bacnotan) Resolution No. 088-2012	Municipality of Bacnotan	August 14, 2012	N/A
10.	Certificate of Compliance	ERC	December 3, 2019	June 7, 2024
11.	Memorandum of Agreement between DOE and CIP II	DOE	March 29, 2012	N/A
12.	Certitification as a register Direct WESM Member (Generator Category)	PEMC	August 5, 2019	N/A
13.	Market Participation Agreement	PEMC	February 18, 2012	N/A
14.	Supplemental Market Participation Agreement	PEMC	October 23, 2018	N/A
15.	Grid Impact Study	NGCP	June 2011	N/A
16.	Transmission Services Agreement	NGCP	January 26, 2015	January 25, 2025
17.	Metering Services Agreement	NGCP	January 26, 2015	January 25, 2025
18.	Market Participation Agreement	WESM	February 16, 2012	N/A
19.	Supplemental Market Participation Agreement	WESM and IEMOP	October 23, 2018	N/A

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
20.	Ancillary Services Procurement Agreement (ASPA)	NGCP	January 5, 2017	August 25, 2022 (with Letter Agreement dated 25 August 2022 (LOA) to extend the validity of the ASPA for one month and renewable on a monthly basis; filed on 02 Sep 2022 a Manifestation with Urgent Motion for Extension for ERC to issue an Order confirming the terms in the LOA.
21.	Provisional Authority of the Ancillary Services Procurement Agreement	ERC	June 6, 2017	N/A
22.	Facility Study	NGCP	June 19, 2013	N/A
23.	Dispatchable Reserve Test Report	NGCP	October 17, 2019	N/A
24.	Generating Unit Capability Test Report	NGCP	October 17, 2019	N/A
25.	Permit to Operate Air Pollution Source and Control Installation	DENR-EMB	May 7, 2022	May 7, 2027
26.	Certificate of Non-Coverage	DENR EMB	June 25, 2013	N/A
27.	Certificate of Non-Overlap (Control No. RI-LU-CNO-2020-07-122)	NCIP	July 14, 2020	N/A
28.	Certificate of Membership	SSS	September 22, 1998	N/A
29.	Certificate of Employer Registration	Pag-Ibig	January 11, 2019	N/A
30.	Certificate of Registration	PhilHealth	January 11, 2019	N/A
31.	Certificate of Registration	DOLE	June 25, 2014	N/A
32.	Certificate of Registration	BIR	March 10, 2017	N/A

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
33.	Certification of Public Hearing/Consultation	Barangay Quirino, Municipality of Bacnotan	May 10, 2012	N/A
34.	Zoning Certification	Municipality of Bacnotan	March 19, 2021	N/A

G. ACE Enexor, Inc. (formerly PHINMA Petroleum and Geothermal, Inc.)

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Amended Articles of Incorporation	SEC	November 11, 2019	N/A
2.	Amended By-Laws	SEC	November 11, 2019	N/A
3.	Certificate of Incorporation	SEC	September 28, 1994	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	June 14, 2017	N/A
6.	Service Contract	DOE	September 1, 1973	Exploration period of 7 years from effective date, extendible for 3 years. An additional of 25 years may be added, renewable for a period not exceeding 15 years.

H. Palawan55 Exploration & Production Corporation

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 16, 2012	N/A
2.	Articles of Incorporation	SEC	November 16, 2012	N/A
3.	By-laws	SEC	November 16, 2012	N/A
4.	Certificate of Registration	BIR	December 14, 2012	N/A
5.	Service Contract	DOE	August 5, 2005	50 years from Effective Date
6.	Business Permit	Makati City	February 7, 2022	December 31, 2022

I. ACTA Power Corporation

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Approval of Increase of Capital Stock	SEC	December 29, 2017	N/A
2.	Amended Articles of Incorporation	SEC	December 29, 2017	N/A
3.	Certificate of Incorporation	SEC	February 9, 2012	N/A
4.	By-laws	SEC	February 9, 2012	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022
6.	Certificate of Registration	BIR	March 7, 2012	N/A

J. Monte Solar Energy, Inc.

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	July 25, 2014	N/A
2.	Certificate of Approval of Increase of Capital Stock	SEC	June 22, 2020	N/A
3.	Amended By-Laws	SEC	March 11, 2016	N/A
4.	Amended Articles of Incorporation (Amending Article III)	SEC	December 29, 2021	N/A
5.	Business Permit	City of Bais	February 23, 2022	December 31, 2022
6.	Termination of Business	San Carlos City, Negros Occidental	February 10, 2022	N/A
7.	Certificate of Compliance COC No. 17-02-M-00103V	ERC	February 6, 2017	July 13, 2021 (Application for renewal pending with the ERC.)
8.	Provisional Authority to Operate	ERC	July 7, 2022	July 13, 2022 (Application for renewal pending with the ERC)
9.	Certification (application for PAO extension or COC, pending updated WESM Registration	ERC	July 13, 2022	N/A
10.	Certificate of Registration (Rule 1020)	DOLE	February 9, 2017	N/A
11.	Certificate of Compliance	ERC	July 14, 2016	July 13, 2021 (Application for renewal pending with the ERC)
12.	Endorsement of the Sangguniang Barangay of Tamisu, City of Bais, Negros Oriental	Sangguniang Barangay of Tamisu	June 3, 2014	N/A
13.	Endorsement of the Sangguniang Panlungsod of the City of Bais	Sangguniang Panlungsod of City of Bais	September 17, 2014	N/A
14.	Interconnection Facilities Study	NGCP	February 16, 2016	N/A
15.	Certificate of Non-Overlap	NCIP	August 4, 2015	N/A
16.	Certification of Exclusion from DAR Coverage	DAR	September 7, 2015	N/A

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
17.	Memorandum of Agreement	DOE	October 10, 2016	N/A
18.	Environmental Compliance Certificate	DENR-EMB	December 2, 2014	N/A
19.	Metering Service Agreement	NGCP	February 26, 2016	February 25, 2026
20.	System Impact Study	NGCP	February 16, 2016	N/A
21.	Transmission Service Agreement	NGCP	February 26, 2016	February 25, 2026
22.	WESM Registration	PEMC	February 24, 2016	N/A
23.	Certificate of Registration	BIR	February 12, 2015	N/A
24.	Pag-IBIG Registration	Pag-Ibig	February 6, 2015	N/A
25.	PhilHealth Registration	PhilHealth	February 2, 2015	N/A
26.	SSS Employer Registration	SSS	December 2, 2015	N/A
27.	Certificate of Registration	BIR	March 14, 2017	N/A
28.	Certificate of Registration	BOI	October 14, 2015	October 13, 2025
29.	Market Participation Agreement	PEMC	February 16, 2016	N/A
30.	ERC Decision re: Approval of Operation of Point-to-Point Limited Facilities	ERC	June 6, 2017	N/A
31.	Certificate of Approval to Connect	NGCP	April 5, 2017	N/A
32.	Certificate of Endorsement No. 2016-08-001 (consistent with Power Development Plan)	DOE	October 3, 2016	N/A
33.	Certificate of Endorsement for Feed-in-Tariff Eligibility (COE-FIT)	DOE	03 June 2016	N/A
34.	Confirmation of Commerciality	DOE	December 9, 2015	N/A
35.	Certificate of Registration as an RE Developer	DOE	May 26, 2015	25 years from Effective Date
36.	Solar Energy Service Contract (SESC No. 2014-09-	DOE	September 15, 2014	25 years from Effective Date

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
	090) between DOE and SACASOL			
37.	DOE Approval of the Assignment of Solar Energy Service Contract (SESC No. 2014-09-090) between DOE and SACASOL to MONTESOL	DOE	May 20, 2015	N/A
38.	Amendment of ECC dated July 7, 2016	DENR	August 25, 2017	N/A
39.	Wastewater Discharge Permit	DENR	February 4, 2022	February 4, 2023
40.	Pollution Control Officer Accreditation	DENR	September 16, 2021	September 16, 2024
41.	Hazardous Waste Generator Certificate	DENR	October 07, 2021	N/A
42.	Safety Officer's Permit (SWEMD) 2021-030)	DOE	April 13, 2022	April 12, 2023
43.	Permit to Operate Air Pollution Source and Control Installations	DENR EMB Region VII	February 21, 2022	February 21, 2027
44.	Certificate of Electrical Inspection	DOLE Region VII	March 16, 2022	March 15, 2023
45.	Permit to Operate Internal Combustion Engine	DOLE Region VII	March 16, 2022	March 16, 2023

K. Visayas Renewables Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 24, 2015	N/A
2.	By-laws	SEC	June 24, 2015	N/A
3.	Amended Articles of Incorporation	SEC	February 9, 2017	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	October 3, 2018	N/A

L. Manapla Sun Power Development Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	December 16, 2014	N/A
2.	Articles of Incorporation	SEC	December 16, 2014	N/A
3.	By-Laws	SEC	December 16, 2014	N/A
4.	Certificate of Registration	BIR	February 12, 2015	N/A
5.	Business Permit	Bacolod City	January 21, 2022	December 31, 2022

M. Viage Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	August 22, 2005	N/A
2.	Articles of Incorporation	SEC	August 22, 2005	N/A
3.	By-Laws	SEC	August 22, 2005	N/A
4.	Amended Articles of Incorporation	SEC	July 20, 2007	N/A
5.	Certificate of Registration	BIR	November 15, 2005	N/A
6.	Business Permit	Makati City	January 30, 2022	December 31, 2022

N. Philippine Wind Holdings Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Amended Articles of Incorporation	SEC	December 5, 2013	N/A
2.	Amended By-Laws	SEC	December 5, 2013	N/A
3.	Business Permit	Taguig City	February 4, 2022	December 31, 2022
4.	Certificate of Registration	BIR	July 27, 2016	N/A

O. Ilocos Wind Energy Holding Co., Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	December 16, 2009	N/A
2.	Articles of Incorporation	SEC	December 16, 2009	N/A
3.	By-laws	SEC	December 16, 2009	N/A
4.	Amended Articles of Incorporation	SEC	January 5, 2011	N/A
5.	Certificate of Registration	BIR	January 20, 2010	N/A
6.	Business Permit	City of Taguig	February 4, 2022	December 31, 2022

P. North Luzon Renewable Energy Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	May 31, 2006	N/A
2.	Amended Articles of Incorporation	SEC	August 10, 2016	N/A
3.	Amended By-Laws	SEC	February 17, 2014	N/A
4.	ECC No. ECC-R1-0907-138-9999	DENR-EMB Regional Office No. 1	July 23, 2009 First Amendment dated July 26, 2013	N/A
5.	Hazardous Waste Generator Registration Certificate No. GR-R1-28-00016	DENR-EMB Regional Office No. 1	17 May 2017	N/A
6.	Wastewater Discharge Permit	DENR-EMB Regional Office No. 1	May 21, 2021	May 21, 2026
7.	Water Permit No. 024972 (other use – washing/firefighting)	NWRB	September 26, 2019	N/A
8.	Water Permit No. 024971 (other use – firefighting)	NWRB	September 26, 2019	N/A
9.	Endorsement of San Juan, Pasuquin, Ilocos Norte	Barangay San Juan, Pasuquin, Ilocos Norte	September 10, 2013	N/A
10.	Endorsement of Barangay 55-A Barit, Laoag, Ilocos Norte	Barangay 55-A Barit, Laoag, Ilocos Norte	January 5, 2013	N/A
11.	Endorsement of Barangay Santa Matilde	Barangay Sta. Matilde, Pasuquin, Ilocos Norte	September 21, 2013	N/A
12.	Endorsement of Barangay Tanap, Burgos, Ilocos Norte	Barangay Tanap, Burgos, Ilocos Norte	July 21, 2009	N/A
13.	Endorsement of Barangay 55-B Salet-Bulangon, Laoag, Ilocos Norte	Barangay 55-B Salet-Bulangon, Laoag, Ilocos Norte	June 9, 2009	N/A
14.	Endorsement of Barangay Caparispisan, Pagudpud, Ilocos Norte	Barangay Caparispisan, Pagudpud, Ilocos Norte	September 3, 2006	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
15.	Endorsement of Barangay Carusikin, Pasuquin, Ilocos Norte	Barangay Carusikin, Pasuquin, Ilocos Norte	September 16, 2013	N/A
16.	Endorsement of Barangay Santa Catalina	Barangay Santa Catalina, Pasuquin, Ilocos Norte	September 14, 2013	N/A
17.	Endorsement of Barangay Tadao	Barangay Tadao, Pasuquin, Ilocos Norte	September 21, 2013	N/A
18.	Endorsement of Municipality of Bacarra, Ilocos Norte	Bacarra, Ilocos Norte	October 1, 2009	N/A
19.	Endorsement of Municipality of Bangui, Ilocos Norte	Bangui, Ilocos Norte	June 15, 2009	N/A
20.	Endorsement of Municipality of Burgos, Ilocos Norte	Burgos, Ilocos Norte	December 11, 2006	N/A
21.	Endorsement of Pagudpud, Ilocos Norte	Pagudpud, Ilocos Norte	February 23, 2007	N/A
22.	Endorsement of Laoag, Ilocos Norte	Laoag, Ilocos Norte	June 26, 2013	N/A
23.	Endorsement of the Province of Ilocos Norte	Province of Ilocos Norte	August 11, 2014	N/A
24.	Provisional Authority to Operate	ERC	December 18, 2021	17 December 2022
25.	Market Participation Agreement	PEMC	August 6, 2014	N/A
26.	Supplemental Market Participation Agreement	PEMC and IEMOP	NLREC – October 17, 2018 PEMC – December 3, 2018 IEMOP – December 3, 2018	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
27.	Renewable Energy Market Participation Agreement	PEMC	July 21, 2020 Effectivity Date: April 30, 2020	N/A
28.	Grid Impact Study	NGCP	January 2009	N/A
29.	System Impact Study	NGCP	April 2014	N/A
30.	81MW Caparispisan Wind Energy Project Facilities Study Amendment	NGCP	June 30, 2014	N/A
31.	Transmission Service Agreement	NGCP	December 15, 2015 Effective Date: November 26, 2014	November 25, 2024
32.	Metering Service Agreement	NGCP	May 15, 2015 Effective Date; November 26, 2014	November 25, 2024
33.	Connection Agreement	NGCP	January 4, 2011	Until the 25th anniversary of the date of interconnection (February 28, 2012)
34.	Decision in ERC Case No 2013-057 MC – In the Matter of the Application for Authority to Develop, Own and Operate Dedicated Point-to-Point Facilities from Northern Luzon UPC Asia Corporation (NLUPC) Wind Energy Project in Pagudpud, Ilocos Norte to Laoag City Substation of the National Grid Corporation of the Philippines (NGCP), with Prayer for Provisional Authority	ERC	June 2, 2014	N/A
35.	Provisional Certificate of Approval to Connect	NGCP	November 7, 2014	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
36.	Certificate of Non-Overlap Control No. R1-IN-CNO-07-01-05	NCIP	January 15, 2007	N/A
37.	Certificate of Non-Overlap Control No. R1-IN-CNO-07-01-03	NCIP	January 15, 2007	N/A
38.	Certificate of Non-Overlap Control No. R1-IN-CNO-07-01-04	NCIP	January 15, 2007	N/A
39.	Certificate of Non-Overlap Control No. R1-IN-CNO-07-01-06	NCIP	January 15, 2007	N/A
40.	Certificate of Non-Overlap Control No. R1-IN-CNO-07-01-07	NCIP	January 15, 2007	N/A
41.	Certificate of Non-Overlap Control No. R1-INPO-CNO-07-04-13	NCIP	April 10, 2007	N/A
42.	Certificate of Non-Overlap Control No. R1-INPO-CNO-2009-11-22	NCIP	November 5, 2009	N/A
43.	Certificate of Non-Overlap No. R1-PPO-CNO-07-12-32	NCIP	December 12, 2007	N/A
44.	Forest Land Use Agreement No. 01-2009 Caparispisan	DENR	May 20, 2009	May 20, 2034
45.	Forest Landuse Agreement Transmission Line Right-of-Way (TLROW) (FLAg) No. 01-2010	DENR	June 11, 2010	June 10, 2035
46.	Forest Landuse Agreement Transmission Line Right-of-Way (TLROW) (FLAg) No. 01-2010 (Amended 1)	DENR	September 6, 2013	June 10, 2035
47.	Forest Landuse Agreement Transmission Line Right-of-Way (TLROW) (FLAg) No. 04-2013	DENR	September 24, 2013	September 25, 2038
48.	Wind Energy Service Contract No. 2009-09-005	DOE	September 14, 2009	Effective for 25 years from Effective Date

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
49.	Certificate of Registration WESC 2009-09-005	DOE	July 23, 2009	25 years from Effective Date
50.	Certificate of Registration WESC 2009-09-005	DOE	November 7, 2016	25 years from Effective Date
51.	Declaration of Commerciality	DOE	June 17, 2013	N/A
52.	Confirmation of Commerciality	DOE	July 2, 2013	N/A
53.	Certificate of Registration	SSS	October 17, 2019	N/A
54.	Certificate of Employer's Registration	Pag-IBIG	December 9, 2016	N/A
55.	Certificate of Registration	PhilHealth	June 16, 2014	N/A
56.	Certificate of Registration	DOLE	March 26, 2015	N/A
57.	Certificate of Registration	BIR	November 29, 2017	N/A
58.	Pollution Control Officer	DENR	November 20, 2022	November 19, 2023
59.	Certificate of Registration (Company Name)	IPO	December 17, 2015	December 17, 2025
60.	Certificate of Registration (Company Logo)	IPO	October 22, 2015	October 22, 2025
61.	Accreditation as Occupational Safety and Health Practitioner (Nino Ramon Christopher V. Cordova)	DOLE	March 25, 2021	February 22, 2024
62.	Digital Certificate	PEMC (WESM)	February 26, 2022	February 11, 2023
63.	Business Permit	Pagudpud, Ilocos Norte	January 19, 2022	December 31, 2022
64.	Certificate of Registration	BOI	June 21, 2011	N/A
65.	Network Station Radio License	NTC	September 23, 2021	September 22, 2023
66.	Permit to Purchase Radio Transmitters/Transceivers	NTC	September 23, 2021	September 22, 2023
67.	Restricted Radiotelephone Operator's Certificates	NTC	September 23, 2021	September 22, 2023

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
68.	Certificate of Registration (Company Name)	IPO	December 17, 2015	December 17, 2025
69.	Certificate of Registration (Company Logo)	IPO	October 22, 2015	October 22, 2025
70.	Permit to Operate Internal Combustion Engine	DOLE	October 21, 2021	October 2, 2022
71.	Permit to Operate Elevator (Passenger or Freight)	DOLE	October 21, 2021	October 2, 2022
72.	Certificate of Electrical Inspection	DOLE	October 21, 2021	October 2, 2022

Q. ACE Renewables Philippines, Inc. (formerly Moorland Philippine Holdings, Inc.)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Amended Articles of Incorporation	SEC	November 25, 2019	N/A
2.	Amended By-laws	SEC	November 25, 2019	N/A
3.	Certificate of Approval of Increase of Capital Stock	SEC	November 25, 2019	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	March 8, 2011	N/A

R. **NorthWind Power Development Corporation**

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 15, 2000	N/A
2.	Amended Articles of Incorporation	SEC	January 10, 2018	N/A
3.	Amended By-Laws	SEC	April 11, 2008	N/A
4.	ECC No. 010012-180036-1405	DENR Regional Officer No. 1 – San Fernando, La Union	December 18, 2000 First Amendment issued on March 4, 2013	N/A
5.	ECC No. R01-1311-0192	DENR-EMB Regional Office No 1, San Fernando, La Union	November 11, 2013	N/A
6.	Wastewater Discharge Permit No. DP-R01-19-03575	DENR-EMB Regional Office No. 1	November 8, 2019	November 8, 2024
7.	Special Permit to Construct	Philippine Ports Authority (“**PPA**”)	October 14, 2004	Not stated
8.	Endorsement of Barangay Masikil, Bangui, Ilocos Norte	Barangay Masikil, Bangui, Ilocos Norte	November 13, 2000	N/A
9.	Endorsement of Barangay Baruyen, Bangui, Ilocos Norte	Barangay Baruyen, Bangui, Ilocos Norte	November 13, 2000	N/A
10.	Endorsement of Barangay Taguiporo, Bangui, Ilocos Norte	Barangay Taguiporo, Bangui, Ilocos Norte	November 13, 2000	N/A
11.	Endorsement of Barangay Manayon, Bangui, Ilocos Norte	Barangay Manayon, Bangui, Ilocos Norte	November 13, 2000	N/A
12.	Endorsement of Barangay Abaca, Bangui, Ilocos Norte	Barangay Abaca, Bangui, Ilocos Norte	November 13, 2000	N/A
13.	Endorsement of the Municipality of Bangui, Ilocos Norte	Bangui, Ilocos Norte	October 29, 2013	N/A
14.	Endorsement of Municipality of Bangui, Ilocos Norte	Municipality of Bangui, Ilocos Norte	October 29, 2013	N/A
15.	Endorsement of the Province of Ilocos Norte	Province of Ilocos Norte	August 4, 2014	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
16.	Provisional Authority to Operate 33MW Phase I and II Bangui Bay Wind Farm	ERC	Effective Date: December 15, 2021 Issue Date: March 14, 2022	December 14, 2022
17.	Provisional Authority to Operate 18.9MW Phase III Bangui Bay Wind Farm	ERC	Effective Date: October 20, 2021 Issue Date: December 21, 2021	October 19, 2022
18.	Approval of WESM Registration of Additional Facility Ref No. MLO/PEMC-2014/718	PEMC	October 27, 2014	N/A
19.	Market Participation Agreement	PEMC	April 25, 2008	N/A
20.	Renewable Energy Market Participation Agreement	PEMC	21 July 2020	N/A
21.	Grid Impact Study	NTC	January 2008	N/A
22.	System Impact Study	NGCP	April 2014	N/A
23.	Facilities Study	NGCP	March 31, 2014	N/A
24.	Transmission Service Agreement	NGCP	December 16, 2015	November 25, 2024
25.	Transmission Service Agreement	NGCP	January 26, 2019	February 25, 2030
26.	Metering Services Agreement	NGCP	January 26, 2019	January 25, 2029
27.	Connection Agreement	NTC	April 5, 2005	N/A
28.	Connection Agreement	NGCP	November 17, 2014	Has a term of 10 years from date of execution

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
29.	Decision in ERC Case No. 2010- 062 MC	ERC	April 10, 2012	N/A
30.	Certificate of Non-Overlap	NCIP	July 18, 2013	N/A
31.	Foreshore Lease Agreement	DENR	September 19, 2003	Lease for 25 years from and including the 19th day of September 2003
32.	Wind Energy Service Contract No. 2012-07-058	DOE	February 26, 2013	Effective for 25 years from July 31, 2007
33.	Confirmation of Commerciality No. WCC-2013-10-008 (Phase III)	DOE	October 30, 2013	N/A
34.	Amended Confirmation of Commerciality No. WCC-2013-10-008-A (Phase III)	DOE	September 10, 2014	N/A
35.	Certificate of Registration No. WESC 2012-07-058	DOE	February 26, 2013	Effective for 25 years from July 31, 2007
36.	Certificate of Registration	DOLE	February 2016	N/A
37.	Certificate of Registration	BIR	December 12, 2008	N/A
38.	Wastewater Discharge Permit	DENR-EMB	November 8, 2019	November 8, 2024
39.	Certification	Pag-IBIG	November 6, 2019	N/A
40.	Certificate of Registration	PhilHealth	October 16, 2019	N/A
41.	Certificate of Registration	SSS	October 17, 2019	N/A
42.	Business Permit	Bangui, Ilocos Norte	January 17, 2022	December 31, 2022
43.	Certificate of Registration	BOI	September 20, 2004	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
44.	Certificate of Registration	BOI	January 10, 2014	N/A
45.	Safety Officer's Permit	DOE	February 4, 2022	February 4, 2023
46.	Permit to Operate Air Pollution Installation	DENR	March 16, 2022	December 11, 2024
47.	Pollution Control Officer Accreditation/Appointment	DENR	November 25, 2020	November 24, 2023
48.	OSH Practitioner	DOLE	October 7, 2021	October 7, 2024
49.	Certificate of Registration (Trademark)	IPO	December 22, 2019	December 22, 2029
50.	Certificate of Registration (Company Logo)	IPO	December 22, 2019	December 22, 2029
51.	Digital Certificate	PEMC (WESM)	February 10, 2022	February 10, 2023

S. San Julio Land Development Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 20, 2014	N/A
2.	By-Laws	SEC	June 20, 2014	N/A
3.	Amended Articles of Incorporation	SEC	March 6, 2015	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	October 3, 2018	N/A

T. LCC Bulk Water Supply, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	January 21, 2014	N/A
2.	Articles of Incorporation	SEC	January 21, 2014	N/A
3.	By-Laws	SEC	January 21, 2014	N/A
4.	Business Permit	San Carlos City, Negros Occidental	February 7, 2022	December 31, 2022
5.	ECC No. ECC-OL-R06-2018-0142	DENR-EMB	April 22, 2018	N/A
6.	Certificate of Registration	BIR	February 4, 2014	N/A
7.	Certificate of No Objection	Barangay Cubay, La Carlota City, Negros Occidental	January 22, 2018	N/A
8.	Employer Registration	SSS	July 22, 2020	N/A
9.	Zoning Certification	City of La Carlota, Negros Occidental	January 23, 2018	N/A
10.	Water Permit No. 025764	NWRB	December 9, 2021	N/A
11.	Water Permit No. 025765	NWRB	December 9, 2021	N/A
12.	Water Permit No. 025766	NWRB	December 9, 2021	N/A
13.	Certificate of Employer's Registration	Pag-IBIG	July 16, 2020	N/A
14.	Registry of Establishment	DOLE	October 8, 2020	N/A
15.	Certificate of Registration	PhilHealth	March 17, 2020	N/A

U. MCV Bulk Water Supply, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	January 21, 2014	N/A
2.	Articles of Incorporation	SEC	January 21, 2014	N/A
3.	By-Laws	SEC	January 21, 2014	N/A
4.	Business Permit	San Carlos City, Negros Occidental	February 7, 2022	December 31, 2022
5.	Endorsement of Brgy. Sta. Teresa, Manapla, Negros Occidental	Brgy. Sta. Teresa, Manapla, Negros Occidental	February 5, 2020	N/A
6.	ECC No. ECC-OL-R06-2018-0331	DENR-EMB	August 17, 2018	N/A
7.	Certificate of Registration	BIR	February 5, 2014	N/A
8.	Registry of Establishment	DOLE	January 27, 2020	N/A
9.	Certificate of No Objection	Santa Teresa, Manapla, Negros Occidental	February 5, 2018	N/A
10.	Certificate of Registration	Pag-Ibig	July 16, 2020	N/A
11.	Certificate of Registration	PhilHealth	November 28, 2019	N/A
12.	Employer Registration	SSS	March 23, 2021	N/A
13.	Zoning Certification	Municipality of Manapla	September 25, 2017	N/A
14.	Water Permit No.25486	NWRB	May 28, 2021	N/A
15.	Conditional Water Permit No. CWP No. 10-28-18-072	NWRB	October 28, 2019	October 28, 2020 (Application for water permit pending with the NWRB)

V. ACE Endevor, Inc. (formerly AC Energy Development Inc.)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Approval of Increase of Capital Stock	SEC	December 13, 2021	N/A
2.	Amended Articles of Incorporation	SEC	December 13, 2021	N/A
3.	Amended By-Laws	SEC	January 20, 2020	N/A
4.	Certificate of Registration	BIR	October 4, 2018	N/A
5.	Registry of Establishment	DOLE	October 17, 2018	N/A
6.	Certificate of Registration	SSS	July 22, 2020	N/A
7.	Certificate of Registration	PhilHealth	March 17, 2021	N/A
8.	Business Permit	Makati City	January 30, 2022	December 31, 2022

W. Pagudpud Wind Power Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	December 9, 2009	N/A
2.	By-laws	SEC	December 9, 2009	N/A
3.	Amended Articles of Incorporation	SEC	January 7, 2011	N/A
4.	Certificate of Registration	BIR	October 7, 2011	N/A

X. Bayog Wind Power Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	January 13, 2010	N/A
2.	Amended Articles of Incorporation	SEC	July 18, 2016	N/A
3.	Amended By-laws	SEC	July 18, 2016	N/A
4.	Business Permit	Taguig City	February 11, 2022	December 31, 2022
5.	Business Permit	Laoag City	January 5, 2022	December 31, 2022
6.	Business Permit	Municipality of Pagudpud, Ilocos Norte	January 6, 2022	December 31, 2022
7.	ECC No. ECC-OL-R01-2015-0049	DENR-EMB	November 20, 2015 – with first amendment dated August 15, 2016	N/A
8.	Certificate of Non-Coverage CNC-OL-R01-2015-11-07598	DENR-EMB	November 4, 2015	N/A
9.	ECC No. ECC-OL-R01-2016-0072	DENR-EMB	May 18, 2016	N/A
10.	ECC No. ECC-OL-R01-2021-0001	DENR-EMB	January 1, 2021	N/A
11.	Endorsement of Barangay Bacsil, Bangui, Ilocos Norte	Barangay Bacsil, Bangui, Ilocos Norte	November 6, 2015	N/A
12.	Endorsement of Barangay Ligaya, Pagudpud, Ilocos Norte	Barangay Ligaya, Pagudpud, Ilocos Norte	November 15, 2015	N/A
13.	Endorsement of Barangay Nagbalagan, Bangui, Ilocos Norte	Barangay Nagbalagan, Bangui, Ilocos Norte	November 16, 2015	N/A
14.	Endorsement of Barangay Caparispisan, Pagudpud, Ilocos Norte	Barangay Caparispisan, Pagudpud, Ilocos Norte	December 15, 2015	N/A
15.	Endorsement of Barangay Abaca, Bangui, Ilocos Norte	Barangay Abaca, Bangui, Ilocos Norte	December 28, 2015	N/A
16.	Endorsement of Barangay Poblacion No. 1, Pagudpud, Ilocos Norte	Barangay Poblacion No. 1, Pagudpud, Ilocos Norte	January 15, 2016	N/A
17.	Endorsement of Barangay San Lorenzo, Bangui, Ilocos Norte	Barangay San Lorenzo, Bangui, Ilocos Norte	January 18, 2016	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
18.	Endorsement of Barangay Saud, Pagudpud, Ilocos Norte	Barangay Saud, Pagudpud, Ilocos Norte	March 6, 2016	N/A
19.	Endorsement of Barangay Burayoc, Pagudpud, Ilocos Norte	Barangay Burayoc, Pagudpud, Ilocos Norte	March 20, 2016	N/A
20.	Endorsement of Barangay Poblacion 2, Pagudpud, Ilocos Norte	Barangay Poblacion 2, Pagudpud, Ilocos Norte	April 3, 2016	N/A
21.	Endorsement of Barangay Tarrag, Pagudpud, Ilocos Norte	Barangay Tarrag, Pagudpud, Ilocos Norte	May 22, 2016	N/A
22.	Endorsement of Barangay Caunayan, Pagudpud, Ilocos Norte	Barangay Caunayan, Pagudpud, Ilocos Norte	June 15, 2014	N/A
23.	Endorsement of Barangay Caunayan, Pagudpud, Ilocos Norte	Barangay Caunayan, Pagudpud, Ilocos Norte	August 16, 2015	N/A
24.	Endorsement of Barangay Subec, Pagudpud, Ilocos Norte	Barangay Subec, Pagudpud, Ilocos Norte	June 15, 2014	N/A
25.	Endorsement of the Municipality of Pagudpud, Ilocos Norte	Municipality of Pagudpud, Ilocos Norte	December 23, 2016	N/A
26.	System Impact Study	NGCP	August 1, 2016	N/A
27.	Facilities Study	NGCP	July 2016	N/A
28.	Connection Agreement	NGCP	January 25, 2017	January 25, 2027
29.	Certificate of Non-Overlap	NCIP	January 15, 2007	N/A
30.	Transfer of Forest Land use Agreement (Wind Energy Project) Flag No. 02-2009 issued to Northern Luzon Renewable Energy Corporation (NLREC) (Formerly Northern Luzon UPC Asia Corporation) in favor of Bayog Wind Power Corporation (BWPC) located in Balaoi, Pagudpud, Ilocos Norte, covering 277.17 hectares	DENR	April 18, 2016	N/A
31.	Forest Land Use Agreement (FLAg) No. 02-2016	DENR	June 24, 2016	June 24, 2041
32.	Forest Land Use Agreement (FLAg) No. 03-2016	DENR	June 24, 2016	June 24, 2041

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
33.	Forest Land Use Agreement (FLAg) No. 02-2009	DENR	May 20, 2009	May 20, 2034
34.	Wind Energy Service Contract (WESC No. 2014-06-073)	DOE	August 18, 2014	Until 25 years from Execution Date
35.	Wind Energy Service Contract (WESC No. 2010-02-038)	DOE	February 1, 2010 Assignment to Bayog Wind (from NLREC) approved by DOE on December 9, 2015	25 years from February 1, 2010
36.	Certificate of Registration No. WESC 2010-02-038	DOE	December 9, 2015	25 years from February 1, 2010
37.	Certificate of Registration No. WESC 2014-06-073	DOE	undated	Until 25 years from Effective Date (August 18, 2014)
38.	Certificate of Registration	BIR	March 12, 2010	N/A
39.	Amended Confirmation of Commerciality No. WCC-2013-10-010	DOE	December 23, 2019, as amended further on August 31, 2021	N/A
40.	Certificate of Registration	BOI	April 13, 2016	N/A
41.	Certificate of Employer's Registration	Pag-IBIG	March 5, 2020	N/A
42.	Certificate of Registration	PhilHealth	February 24, 2020	N/A
43.	Certificate of Registration	SSS	February 17, 2020	N/A
44.	Certificate of Registration	DOLE	November 12, 2018	N/A

Y. SCC Bulk Water Supply, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	September 9, 2015	N/A
2.	Articles of Incorporation	SEC	September 9, 2015	N/A
3.	By-Laws	SEC	September 9, 2015	N/A
4.	Business Permit	San Carlos City, Negros Occidental	February 7, 2022	December 31, 2022
5.	Water Permit	NWRB	September 21, 2005	N/A
6.	Certificate of Registration	BIR	October 9, 2015	N/A
7.	Registry of Establishment	DOLE	January 27, 2020	N/A
8.	Employer Registration	SSS	Received: March 4, 2018	N/A
9.	Certificate of Registration	PhilHealth	March 17, 2021	N/A
10.	Environmental Compliance Certificate	DENR	October 6, 2021	N/A

Z. Solienda Incorporated

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 29, 2016	N/A
2.	Articles of Incorporation	SEC	November 28, 2016	N/A
3.	By Laws	SEC	November 28, 2016	N/A
4.	Certificate of Registration	BIR	December 14, 2016	N/A
5.	Business Permit	San Carlos City	January 24, 2022	December 31, 2022

AA. HDP Bulk Water Supply Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 20, 2017	N/A
2.	Articles of Incorporation	SEC	October 20, 2017	N/A
3.	By-Laws	SEC	October 20, 2017	N/A
4.	Business Permit	San Carlos City, Negros Occidental	February 7, 2022	December 31, 2022
5.	Transferred Water Permit	NWRB	April 7, 2011	N/A
6.	Certificate of Registration	BIR	October 20, 2017	N/A
7.	Registry of Establishment	DOLE	May 17, 2018	N/A
8.	Certificate of Employer's Registration	Pag-IBIG	July 16, 2020	N/A
9.	Employer Data Record	PhilHealth	April 23, 2018	N/A
10.	Employer Registration	SSS	April 16, 2018	N/A
11.	Certificate of Registration	PhilHealth	April 23, 2018	N/A
12.	Environmental Compliance Certificate	DENR Region VI	December 15, 2021	N/A
13.	Resolution: In the Matter of Petition for Transfer of Transferred Water Permit No. 04-11-013-022406 from San Carlos Land Inc. to the Company	NWRB	September 1, 2020	N/A

BB. Gigasol2, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 13, 2017	N/A
2.	By-Laws	SEC	March 13, 2017	N/A
3.	Amended Articles of Incorporation	SEC	November 26, 2019	N/A
4.	Certificate of Approval of Increase of Capital Stock	SEC	November 26, 2019	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022
6.	Certificate of Registration	BIR	April 3, 2018	N/A

CC. SolarAce1 Energy Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 20, 2017	N/A
2.	By-laws	SEC	March 20, 2017	N/A
3.	Certificate of Approval of Increase of Capital Stock	SEC	October 15, 2020	N/A
4.	Amended Articles of Incorporation	SEC	October 15, 2020	N/A
5.	Barangay Certificate of No Objection	Barangay San Andres, Municipality of Alaminos, Province of Laguna	April 10, 2018	N/A
6.	Endorsement of Barangay San Andres, Municipality of Alaminos, Province of Laguna	Barangay San Andres, Municipality of Alaminos, Province of Laguna	February 19, 2018	N/A
7.	Barangay Certificate of No Objection	Barangay San Juan, Municipality of Alaminos, Laguna	April 8, 2018 and November 16, 2018 *(by new Punong Barangay)*	N/A
8.	Endorsement of Barangay San Juan, Municipality of Alaminos, Province of Laguna	Barangay San Juan, Municipality of Alaminos, Province of Laguna	April 8, 2018	N/A
9.	Endorsement of the Municipality of Alaminos, Province of Laguna	Office of the Sangguniang Bayan, Municipality of Alaminos, Province of Laguna	September 9, 2019	N/A
10.	Mayor's Permit	Office of the Mayor, Municipality of Alaminos, Laguna	January 20, 2022	December 31, 2022

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
11.	Business Permit	Makati City	February 7, 2022	December 31, 2022
12.	Certification/Local Environmental Clearance Certificate	Municipal Environment and Natural Resources Office (MENRO), Alaminos, Laguna	October 11, 2019	N/A
13.	Zoning Certification	Office of the Municipal Planning and Development Coordinator (OMPDC), Municipality of Alaminos, Laguna	March 16, 2018	N/A
14.	Zoning/Locational Clearance	OMPDC, Municipality of Alaminos, Laguna	January 20, 2020	N/A
15.	Fencing Permit	Office of the Building Official (OBO), Alaminos, Laguna	January 20, 2020	N/A
16.	Sanitary/Plumbing Permit, Eletrical Permit, Mechanical Permit, andElectronics Permit	OBO, Alaminos, Laguna	February 28, 2020	N/A
17.	Certificate of Use	OBO, Alaminos, Laguna	June 10, 2021	N/A
18.	ECC No. ECC-R4A-1807-0211	DENR-EMB	July 30, 2018	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
19.	Amended ECC No. ECC-R4A-1807-0211	DENR-EMB	March 2, 2020	N/A
20.	Amended ECC No. ECC-R4A-1807-0211	DENR-EMB	September 14, 2020	N/A
21.	Certificate of Accreditation for Pollution Control Officer	DENR-EMB	November 5, 2021	November 5, 2024
22.	Permit to Operate Air Pollution Source and Control Installations	DENR-EMB	September 23, 2021	September 23, 2026
23.	Certificate of Registration	BIR	April 3, 2018	N/A
24.	Certificate of Non-Overlap	NCIP	November 7, 2019	N/A
25.	Amended Certificate of Registration SEOC 2020-11-572-A (Formerly SESC 2019-09-527)	DOE	May 27, 2021	November 5, 2044
26.	Certificate of Endorsement	DOE-EPIMB	June 15, 2021	June 15, 2026
27.	Safety Officer's Permit	DOE-REMB-SWEMD	August 19, 2021	August 18, 2022
28.	Safety Officer’s Permit	DOE-REMB-SWEMD	August 16, 2022	August 18, 2023
29.	Confirmation of Site Validation and the Commercial Operation Date of Alaminos Solar Power Plant on 10 September 2021	DOE-REMB	November 6, 2021	N/A
30.	Provisional Authority to Operate	ERC	August 18, 2021	August 17, 2022 (Application for extension / renewal pending with the ERC)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
31.	Decision dated 24 March 2021 authorizing SolarAce1 to develop and own the dedicated point-to-point limited transmission facilities to connect its 120MW SPP to the Luzon Grid	ERC	Promulgated on May 31, 2021	N/A
32.	DAR Exemption Order	DAR	September 1, 2009	N/A
33.	Certificate of Finality	DAR - Bureau of Agrarian Legal Assistance	October 26, 2009	N/A
34.	Registry of Establishment	DOLE	January 28, 2020	N/A
35.	Permit to Operate Internal Combustion Engine	DOLE	October 21, 2021	October 21, 2022
36.	Certificate of Electrical Inspection	DOLE	March 14, 2022	March 13, 2023
37.	Certificate of Registration	SSS	January 30, 2020	N/A
38.	Certificate of Registration	PhilHealth	August 15, 2018	N/A
39.	Certificate of Registration	Pag-IBIG	February 14, 2020	N/A
40.	System Impact Study Report	NGCP	May 12, 2020	N/A
41.	Interconnection Facilities Study Report	NGCP	June 22, 2020	N/A
42.	Metering Service Agreement	NGCP	Took effect on May 26, 2021	May 25, 2031, unless earlier terminated in accordance with the Agreement
43.	Transmission Service Agreement	NGCP	Took effect on September 8, 2021	April 25, 2031, unless earlier terminated in accordance with the Agreement
44.	Plant Capability Certification	NGCP	November 5, 2021	N/A
45.	Final Certificate of Approval to Connect	NGCP	July 28, 2022	N/A
46.	Endorsement of the Sangguniang Bayan of Alaminos, Laguna	Sangguniang Bayan of Alaminos, Laguna	May 20, 1997	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
47.	Discharge Permit	LLDA	July 22, 2022	August 16, 2023
48.	Certificate of Accreditation for Pollution Control Officer	LLDA	December 6, 2021	N/A
49.	Discharge Permit	LLDA	July 22, 2022	August 16, 2023
50.	Certificate of Registration	BOC	September 27, 2021	September 26, 2022
51.	Certificate of Registration	BOI	February 4, 2020	N/A
52.	Registration Approval Form	IEMOP	Membership effective date: May 23, 2021 Facility registration effective date: June 15, 2021	N/A
53.	Approval of Start of WESM Commercial Operation	IEMOP	September 9, 2021	N/A

DD. SolarAce2 Energy Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 20, 2017	N/A
2.	Articles of Incorporation	SEC	March 20, 2017	N/A
3.	By-Laws	SEC	March 20, 2017	N/A
4.	Certificate of Registration	BIR	April 3, 2018	N/A
5.	Solar Energy Operating Contract	DOE	June 11, 2021	25 year term
6.	Certificate of Registration	DOE	June 11, 2021	Effective along with SEOC term
7.	Environmental Compliance Certificate	DENR	September 13, 2021	N/A
8.	Sangguniang Barangay-Endorsement	LGU	March 4, 2021	N/A
9.	Sangguniang Bayan – Endorsement	LGU	June 22, 2021	N/A
10.	Sangguniang Bayan Ordinance for Reclassification	LGU	June 22, 2021	N/A
11.	Business Permit	Makati City	January 30, 2022	December 31, 2022
12.	Order of Conversion No, LUCC-0522-0675	DAR	May 19, 2022	N/A
13.	DAR Certificate of Finality for Conversion Order No. LUCC-0522-0675	DAR	July 28, 2022	N/A

EE. Gigasol1, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 13, 2017	N/A
2.	Articles of Incorporation	SEC	March 13, 2017	N/A
3.	By-Laws	SEC	March 13, 2017	N/A
4.	Certificate of Registration	BIR	April 4, 2018	N/A
5	Business Permit	Makati City	January 30, 2022	December 31, 2022
6	DAR Conversion Order	DAR	May 25, 2022	N/A
7.	DAR Certificate of Finality to the Conversion Order	DAR	July 07, 2022	N/A

FF. Gigasol3, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 13, 2017	N/A
2.	Articles of Incorporation	SEC	March 13, 2017	N/A
3.	By-Laws	SEC	March 13, 2017	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Endorsement of the Sangguniang Barangay of Cauyan, Palauig, Zambales	Barangay Council of Barangay Cauyan, Palauig, Zambales	August 9, 2019	N/A
6.	Barangay Certificate of No Objection	Punong Barangay of Barangay Cauyan, Palauig, Zambales	August 9, 2019	N/A
7.	Endorsement of the Sangguniang Barangay of Salaza, Palauig, Zambales	Barangay Council of Barangay Salaza, Palauig, Zambales	August 16, 2019	N/A
8.	Barangay Certificate of No Objection	Punong Barangay of Barangay Salaza, Palauig, Zambales	August 16, 2019	N/A
9.	Endorsement of the Sangguniang Bayan of Municipality of Palauig, Zambales	Sangguniang Bayan of Municipality of Palauig, Zambales	November 13, 2019	N/A
10.	Municipal Ordinance No. 161 entitled "Reclassifying the Parcel of Land of Plan PSU-88898 and Covered by TCT No. 044-2014000145 with an Approximate Area of 34.2171 Hectares and of Lot 2 of Plan PSD-03-008892 Covered by TCT No. 044-02014000146 with an Approximate Area of 30.0000 Hectares, Situated at Barangay Salaza and Barangay Cauyan, Paluig, Zambales from Agricultural to Industrial Use"	Sangguniang Bayan, Municipality of Palauig, Zambales	November 27, 2019	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
11.	Resolution No. 2019-87 entitled “Resolution Favorably Endorsing to the DOE, DENR, DA, NIA, HLURB, and Other Relevant Government Agencies the Intent of Gigasol3, Inc. to Develop, Construct and Operate a 60MWp DC Solar Power Plant in Barangays Salaza and Cauyan, Palauig, Zambales”	Sangguniang Bayan, Municipality of Palauig, Zambales	November 13, 2019	N/A
12.	Mayor’s Permit and Business License (Business Permit No. 2022-037108000-0416)	Palauig, Zambales	March 11, 2022	December 31, 2022
13.	Resolution No. 2020-61 (Declaring Valid Palauig's Ordinance No. 161)	Sangguniang Panlalawigan, Province of Zambales	February 26, 2020	N/A
14.	Certification (that Sangguniang Bayan Ordinance No. 161 has been duly adopted by the Sangguniang Panlalawigan during their regular session on 26 February 2020)	Sangguniang Panlalawigan, Province of Zambales	February 28, 2020	N/A
15.	Building Permit	Office of the Building Official, Palauig, Zambales	June 30, 2020	N/A
16.	Decision on Zoning (Locational Clearance Granted)	Office of the Zoning Administrator, Palauig, Zambales	March 16, 2020	N/A
17.	ECC No. ECC-OL-R03-2020-0059 (50MW Solar Power Project in Palauig, Zambales)	DENR	January 27, 2020	N/A
18.	Permit to Operate Air Pollution Source and Control Installations	DENR-EMB Region III	June 29, 2021	June 29, 2026
19.	Certificate of Accreditation for Pollution Control Officer	DENR-EMB Region III	January 27, 2021	January 27, 2024
20.	Wastewater Discharge Permit	DENR-EMB Region III	August 9, 2022	July 9, 2023
21.	Certificate of Registration	DOE	February 27, 2020	February 26, 2045

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
22.	Amended Certificate of Registration	DOE	May 11, 2021	May 11, 2045
23.	Safety Officer's Permit	DOE-REMB-SWEMD	May 12, 2022	May 11, 2023
24.	Decision dated 16 June 2021 authorizing Gigasol3 to develop and own the dedicated point-to-point limited transmission facilities to connect its 63MWp PSPP to the Luzon Grid	ERC	Promulgated on October 18, 2021	N/A
25.	Certification (re new technical specifications of Gigasol3 Solar Power Plant)	ERC	May 31, 2022	N/A
26.	Provisional Authority to Operate	ERC	June 23, 2022	June 22, 2023
27.	Certificate of Registration	BOI	July 10, 2020	N/A
28.	Certificate of Registration	BIR	April 3, 2018	N/A
29.	Certificate of Registration	SSS	December 27, 2018	N/A
30.	Certificate of Registration	PhilHealth	August 15, 2018	N/A
31.	Employer Registration	Pag-IBIG	January 23, 2020	N/A
32.	Registry of Establishment	DOLE	January 28, 2020	N/A
33.	Certificate of Non-Overlap	NCIP	October 30, 2020	N/A
34.	System Impact Study	NGCP	October 28, 2020	N/A
35.	Provisional Certificate of Approval to Connect	NGCP	January 30, 2021	N/A
36.	Provisional Certificate of Approval to Connect	NGCP	February 12, 2021	N/A
37.	Provisional Certificate of Approval to Connect	NGCP	April 17, 2021	N/A
38.	Provisional Certificate to Connect	NGCP	April 17, 2021	N/A
39.	Provisional Certificate of Approval to Connect	NGCP	April 24, 2021	N/A
40.	Metering Service Agreement	NGCP	Executed on May 24, 2021; Took effect on December 26, 2021	December 25, 2030, unless earlier terminated in accordance with the Agreement

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
41.	Transmission Service Agreement	NGCP	Took effect on September 6, 2021	January 25, 2031, unless earlier terminated in accordance with the Agreement
42.	Plant Capability Certification	NGCP	May 26, 2022	N/A
43.	Order Granting the Application for Exclusion from CARP Coverage Involving a Parcel of Land Located at Brgy. Salaza, Palauig, Zambales with TCT No. T-33853	DAR	December 18, 2000	N/A
44.	Order Granting the Application for Exclusion from CARP Coverage Involving Two Parcels of Land Located at Brgy. Salaza, Palauig, Zambales	DAR	October 26, 1998	N/A
45.	Implementation Order	DAR	March 30, 2001	N/A
46.	Water Permit	NWRB	October 8, 2021	N/A
47.	Certification (that the parcels of land covered by the Plant are not within the Pampanga sugar milling district)	Department of Agriculture	September 9, 2019	N/A
46.	Business Permit	Makati City	January 30, 2022	December 31, 2022

GG. AC La Mesa Solar, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	September 20, 2016	N/A
2.	Articles of Incorporation	SEC	September 20, 2016	N/A
3.	By-Laws	SEC	September 20, 2016	N/A
4.	Solar Energy Service Contract	DOE	February 26, 2019	Effective for 25 years from Effective Date
5.	Certificate of Registration	DOE	February 26, 2019	Effective for 25 years from Effective Date
6.	Certificate of Registration	BIR	April 13, 2018	N/A
6.	Business Permit	Makati City	January 30, 2022	December 31, 2022

HH. AC Subic Solar, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	September 20, 2016	N/A
2.	Articles of Incorporation	SEC	September 20, 2016	N/A
3.	By-Laws	SEC	September 20, 2016	N/A
4.	Certificate of Registration	BIR	April 13, 2018	N/A
5.	Solar Energy Service Contract	DOE	December 23, 2019	Effective for 25 years from Effective Date
6.	Certificate of Registration	DOE	December 23, 2019	Effective for 25 years from Effective Date
7.	Certificate of Non-Overlap CNO-RIVA-RIZ-2021-09-014	NCIP	September 22, 2021	N/A
8.	SIS	NGCP	February 4, 2022	N/A
9.	Barangay Resolutions	2nd District, Jalajala	March 31, 2022	N/A
9.	Barangay Resolutions	3rd District, Jalajal	August 2022	N/A
10.	Business Permit	Makati City	January 30, 2022	December 31, 2022

II. AC Laguna Solar, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	September 20, 2016	N/A
2.	Articles of Incorporation	SEC	September 20, 2016	N/A
3.	By-Laws	SEC	September 20, 2016	N/A
4.	Certificate of Registration	BIR	April 13, 2018	N/A
5.	Solar Energy Service Contract	DOE	December 23, 2019	Effective for 25 years from Efective Date
6.	Certificate of Registration	DOE	December 23, 2019	Effective for 25 years from Efective Date
7.	Certificate of Non-Overlap CNO-RIVA-RIZ-2021-09-015	NCIP	September 22, 2021	N/A
8.	System Impact Study	NGCP	January 17, 2022	N/A
8.	Business Permit	Makati City	January 30, 2022	December 31, 2022

JJ. Bataan Solar Energy, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	July 27, 2016	N/A
2.	Articles of Incorporation	SEC	July 27, 2016	N/A
3.	By-Laws	SEC	July 27, 2016	N/A
4.	Business Permit	Makati City	January 26, 2022	December 31, 2022
5.	Certificate of Registration	BIR	August 23, 2016	N/A
6.	Endorsement of Barangay Batangas-II, Municipality of Mariveles, Province of Bataan	Barangay Batangas-II, Municipality of Mariveles, Province of Bataan	August 4, 2017	N/A
7.	Certificate of Non-Overlap	NCIP	July 26, 2019	N/A
8.	Certificate of Registration	DOE	September 14, 2017	Effective for 25 years from Efective Date
9.	Solar Energy Service Contract	DOE	September 14, 2017	Effective for 25 years from Effective Date
10.	Certificate of Non-Coverage	DENR	January 9, 2020	N/A
11.	Certificate of Registration	BOI	October 1, 2020	N/A
12.	Confirmation of Commerciality	DOE	June 26, 2020	N/A
13.	Amended Confirmation of Commerciality	DOE	June 18, 2021	N/A
14.	Distribution Impact Study Approval	Distribution Utility - PENELCO	May 21, 2018	N/A
15.	Sangguniang Bayan Resolution No. 146-2019	Sanggguniang Bayan of Municipality of Mariveles, Province of Bataan	September 24, 2019	N/A
16.	Municipal Ordinance No. 2019-152	Sanggguniang Bayan of Municipality of Mariveles, Province of Bataan	September 24, 2019	N/A
17.	Sangguniang Panlalawigan Resolution No. 5	Sangguniang Panlalawigan of Bataan	January 6, 2020	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
18.	Building Permit	Office of the Building Official, Municipality of Mariveles, Bataan	October 20, 2020	N/A
19.	Wastewater Discharge Permit	DENR	January 19, 2022	January 18, 2023
20.	Permit to Operate Air Pollution Source and Control Installations	DENR	January 7, 2022	January 7, 2027
21.	Connection Agreement	Distribution Utility – PENELCO	June 8, 2021	June 9, 2046
22.	Metering Service Agreement	NGCP	September 26, 2021	September 25, 2031
23.	Transmission Service Agreement	NGCP	November 10, 2021	September 25, 2031
24.	Distribution Wheeling Service Agreement	Distribution Utility – PENELCO	October 7, 2021	October 6, 2031
25.	Final Certificate of Approval to Connect	Distribution Utility – PENELCO	February 21, 2022	N/A
26.	Clearance to Energize PENELCO's Facilities as Load	NGCP	October 2, 2021	N/A
27.	Clearance to Energize Plant as Load	NGCP	October 16, 2021	N/A
28.	WESM Registration as Load	IEMOP	September 22, 2021	N/A
29.	WESM Registration as Generator (Testing and Commissioning)	IEMOP	October 29, 2021	N/A
30.	Approval of Start of WESM Commercial Operation	IEMOP	June 14, 2022	N/A
31.	Certificate of Registration	PhilHealth	August 2, 2021	N/A
32.	Certificate of Registration	SSS	September 28, 2021	N/A
33.	Provisional Authority to Operate	ERC	May 16, 2022	May 15, 2023

KK. Ingrid2 Power Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 14, 2019	N/A
2.	Articles of Incorporation	SEC	October 14, 2019	N/A
3.	By-Laws	SEC	October 14, 2019	N/A
4.	Certificate of Registration	BIR	October 14, 2019	N/A
5.	Business Permit	Makati City	January 28, 2022	December 31, 2022

LL. Ingrid3 Power Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 14, 2019	N/A
2.	Articles of Incorporation	SEC	October 14, 2019	N/A
3.	By-Laws	SEC	October 14, 2019	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	October 14, 2019	N/A

MM.ACE Shared Services, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	December 05, 2019	N/A
2.	By-laws	SEC	November 18, 2019	N/A
3.	Amended Articles of Incorporation	SEC	September 2, 2021	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	December 19, 2019	N/A
6.	Certificate of Registration	SSS	January 28, 2020	N/A
7.	Certificate of Registration	PhilHealth	January 22, 2020	N/A
8.	Employer Data Form	Pag-IBIG	February 13, 2020	N/A
9.	Registry of Establishment	DOLE	January 3, 2020	N/A

NN. Amihan Renewable Energy Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	January 16, 2017	N/A
2.	Articles of Incorporation	SEC	January 16, 2017	N/A
3.	By-Laws	SEC	January 16, 2017	N/A
4.	Certificate of Registration	BIR	January 16, 2017	N/A
5.	Business Permit	Pagudpud, Ilocos Norte	January 14, 2022	December 31, 2022
6.	Wind Energy Service Contract No. 2021-03-154	DOE	April 8, 2021	25 years from effective date
7.	Certificate of Registration No. WESC 2021-03-154	DOE	April 8, 2021	25 years from effective date
8.	System Impact Study	NGCP	December 14, 2015	N/A
9.	Feasibility Study	NGCP	May 12, 2017	N/A
10.	Connection Agreement	NGCP	March 18, 2021	N/A
11.	Barangay Resolution No. 13-2019 (Subec)	Barangay Subec, Pagudpud, Ilocos Norte	September 7, 2019	N/A
12.	Barangay Resolution No. 2019-08 (Caunayan)	Barangay Caunayan, Pagudpud, Ilocos Norte	September 7, 2019	N/A
13.	Barangay Resolution No. 05-2021 (Caparispisan)	Barangay Caparispisan, Pagudpud, Ilocos NorteNorte	July 5, 2021	N/A
14.	Environmental Compliance Certificate	DENR-EMB	April 21, 2022	N/A
15.	BOI Certificate of Registration 2022-038	BOI	April 5, 2022	N/A
16.	Municipal Resolution No. 2022B-011	Municipality of Pagudpud, Ilocos Norte	July 13, 2022	N/A

OO. Buendia Christiana Holdings Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	November 08, 2019	N/A
2.	Certificate of Incorporation	SEC	May 10, 2019	N/A
3.	Amended Articles of Incorporation	SEC	August 20, 2020	N/A
4.	Certificate of Approval of Increase of Capital Stock	SEC	August 20, 2020	N/A
5.	Certificate of Filing of Amended By-Laws	SEC	October 27, 2020	N/A
6.	Business Permit	Makati City	January 30, 2022	December 31, 2022

PP. Giga Ace 1, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	November 29, 2019	N/A
2.	Business Permit	Makati City	January 30, 2022	December 31, 2022
3.	Certificate of Incorporation	SEC	November 14, 2019	N/A
4.	Amended Articles of Incorporation	SEC	August 12, 2021	N/A
5.	Certificate of Approval of Increase of Capital Stock	SEC	August 12, 2021	N/A

QQ. Giga Ace 2, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	November 29, 2019	N/A
2.	Business Permit	Makati City	January 30, 2022	December 31, 2022
3.	Certificate of Incorporation	SEC	November 14, 2019	N/A
4.	Amended Articles of Incorporation	SEC	August 19, 2021	N/A
5.	Certificate of Approval of Increase of Capital Stock	SEC	August 19, 2021	N/A

RR. Giga Ace 3, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	November 29, 2019	N/A
2.	Business Permit	Makati City	January 30, 2022	December 31, 2022
3.	Certificate of Incorporation	SEC	November 14, 2019	N/A
4.	Amended Articles of Incorporation	SEC	August 20, 2021	N/A
5.	Certificate of Approval of Increase in Capital Stock	SEC	August 20, 2021	N/A

SS. Giga Ace 4, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	November 29, 2019	N/A
2.	Certificate of Incorporation	SEC	November 14, 2019	N/A
3.	Articles of Incoporation	SEC	November 14, 2019	N/A
4.	By-Laws	SEC	November 14, 2019	N/A
5.	Municipal Resolution	Sangguniang Bayan	July 6, 2019	N/A
6.	Sangguniang Barangay Resolution No. 5 Series of 2020	San Andres, Alaminos, Laguna Sanggunian	June 5, 2020	N/A
7.	Certificate of Non-Overlap	NCIP	July 1, 2020	N/A
8.	Environmental Compliance Certificate	DENR-EMB	September 09, 2020	N/A
9.	Amended Environmental Compliance Certificate	DENR-EMB	January 12, 2022	N/A
10.	Certificate of Registration	PhilHealth	October 6, 2020	N/A
11.	Registry of Establishment	DOLE	November 3, 2020	N/A
12.	LLDA Clearance	LLDA	November 22, 2021	N/A
13.	Provisional Authority to Operate	ERC	January 28, 2022	January 27, 2023
14.	Certificate of Endorsement	DOE-EPIMB	July 19, 2021	July 18, 2026
15.	System Impact Study Report	NGCP	March 18, 2021	N/A
16.	Business Permit	Makati City	January 26, 2022	December 31, 2022
17	Business Permit	Alaminos, Laguna	May 5, 2022	December 31, 2022
18	Approval of Start of WESM Commercial Operation	IEMOP	March 21, 2022	N/A

TT. Giga Ace 5, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	November 29, 2019	N/A
2.	Business Permit	Makati City	January 30, 2022	December 31, 2022
3.	Certificate of Incorporation	SEC	November 14, 2019	N/A
4.	Articles of Incorporation	SEC	November 14, 2019	N/A
5.	By-Laws	SEC	November 14, 2019	N/A
6.	Wind Energy Service Contract No. 2021-02-151	DOE	March 16, 2021	25 years from effective date
7.	Certificate of Registration No. 2021-02-151	DOE	March 16, 2021	25 years from effective date
8.	MDC Resolution no. 14 s. 2021: Endorsement for LiDAR & Met Mast Installation	Municipal Development Council of Real, Quezon	December 13, 2021	N/A
9.	Brgy. Masikap Kapasiyahan Blg. 023 at 024 T-2021: LiDAR & Met Mast Installation	Sangguniang Barangay, Masikap, Real, Quezon	December 16, 2021	N/A
10.	SB Resolution no. 392 s. 2021: LiDAR & Met Mast Installation	Sangguniang Bayan of Real, Quezon	December 20, 2021	N/A
11.	Certificate of Land Use Compatibility	Municipal Planning and Development Office, Real, Quezon	December 22, 2021	N/A
12.	Safety Officer’s Permit	DOE	September 2, 2022	September 1, 2023

UU. Giga Ace 6, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	November 29, 2019	N/A
2.	Certificate of Incorporation	SEC	November 14, 2019	N/A
3.	Articles of Incorporation	SEC	November 14, 2019	N/A
4.	By-Laws	SEC	November 14, 2019	N/A
5.	Wind Energy Service Contract No. 2021-02-149	DOE	March 9, 2021	25 years from effective date
6.	Certificate of Registration No. WESC 2021-02-149	DOE	March 9, 2021	25 years from effective date
7.	Safety Officer's Permit	DOE	March 3, 2022	March 2, 2023
8.	Kapasiyahan Blg. 26 T. 2021	Brgy. San Anotnio, Mun. Kalayaan, Province of Laguna	August 4, 2021	N/A
9.	SB Resolution No. 84 – 2021	Municipality of Kalayaan, Province of Laguna	November 22, 2021	N/A
10.	Certificate of No-Coverage (CNC OL R4A-2021-08-06393)	DENR	August 13, 2021	N/A
11.	Business Permit	Makati City	February 4, 2022	December 31, 2022

VV. Giga Ace 7, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 14, 2019	N/A
2.	Articles of Incorporation	SEC	November 14, 2019	N/A
3.	By-Laws	SEC	November 14, 2019	N/A
4.	Certificate of Registration	BIR	November 29, 2019	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022
6.	Wind Energy Service Contract No. 2021-05-159	DOE	June 18, 2021	25 years from effective date
7.	Certificate of Registration No. WESC 2021-05-159	DOE	June 18, 2021	25 years from effective date

WW. Giga Ace 8, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 14, 2019	N/A
2.	Articles of Incorporation	SEC	November 14, 2019	N/A
3.	By-laws	SEC	November 14, 2019	N/A
4.	Certificate of Registration	BIR	November 29, 2019	N/A
5.	Certificate of Registration	DOE	October 15, 2021	25 years from effective date
6.	Solar Energy Operating Contract (2021-09-590)	DOE	October 15, 2021	25 years from effective date
7.	Environmental Compliance Certificate R03-09072021-5134	DENR-EMB	September 13, 2021 July 12, 2022 (amended)	N/A
8.	Barangay Resolution No. 23, s2021	Barangay Salaza, Palauig, Zambales	July 6, 2021	N/A
9.	Barangay Resolution No. 017	Barangay Bulawen, Palauig, Zambales	June 5, 2021	N/A
10.	Municipal Resolution No. 2021-85	Municipality of Palauig	July 14, 2021	N/A
11.	Municipal Ordinance No. 165 – Reclassification of 137.2518 has	Municipality of Palauig	August 18, 2021	N/A
12.	Business Permit	Makati City	January 30, 2022	December 31, 2022
13.	Certificate of Registration	PhilHealth	April 7, 2021	N/A
14.	Certificate of Registration	SSS	April 22, 2021	N/A
15.	Registry of Establishment	DOLE	March 18, 2021	N/A
16.	Land Conversion Order LUCC-0522-0679	DAR	May 25, 2022	N/A
17.	Land Certificate of Finality LUCC-0522-0679	DAR	July 28, 2022	N/A
20.	Locational Clearance (Fencing) 26-2022	LGU	September 7, 2022	N/A

XX. Giga Ace 9, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 14, 2019	N/A
2.	Articles of Incorporation	SEC	November 14, 2019	N/A
3.	By-Laws	SEC	November 14, 2019	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	November 29, 2019	N/A
6.	Barangay Resolution No. 2, series of 2021	Barangay Binugao, Toril District, Davao City	January 20, 2021	N/A
7.	Barangay Resolution No. 8, series of 2021	Barangay Binugao, Toril District, Davao City	January 20, 2021	N/A
8.	Enironmental Compliance Certificate	DENR-EMB	May 31, 2022	N/A
9.	System Impact Study	NGCP	April 20, 2021	N/A
10.	Facility Study	NGCP	August 10, 2021	N/A

YY. Giga Ace 10, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 14, 2019	N/A
2.	Articles of Incorporation	SEC	November 14, 2019	N/A
3.	By-Laws	SEC	November 14, 2019	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	November 29, 2019	N/A

ZZ. SolarAce3 Energy Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 14, 2019	N/A
2.	Articles of Incorporation	SEC	October 14, 2019	N/A
3.	By-Laws	SEC	October 14, 2019	N/A
4.	Certificate of Registration	BIR	October 15, 2019	N/A
7.	Resolution No 2 Series of 2022 (Barangay Endorsement of the Solar Plant Project)	Barangay Santa Isabel, Municipality of Buguey, Province of Cagayan	March 19, 2022	N/A
11.	Resolution No. 02, Series of 2022 (Endorsement of the Solar Plant Project)	Barangay Tabbac, Municipality of Buguey, Province of Cagayan	March 19, 2022	N/A
10.	Business Permit	Makati City	January 30, 2022	December 31, 2022
11.	Registry of Establishment	DOLE	October 6, 2021	N/A
12.	Certificate of Registration	SSS	November 10, 2021	N/A
13.	Certificate of Registration	PhilHealth	October 1, 2021	N/A
14.	Certificate of Registration No. 2022-04-617	DOE	April 29, 2022	25 years from Effective Date
15.	Solar Energy Operating Contract No. 2022-04-617	DOE	April 29, 2022	25 years from Effective Date
16.	Resolution No. 064-2022 (Endorsement of the Solar Plant Project)	Municipality of Buguey, Cagayan	April 1, 2022	N/A
17.	Municipal Ordinance No. 006-2022 (Land Reclassification)	Municipality of Buguey, Cagayan	April 1, 2022	N/A
18.	Safety Officer's Permit No. SWEMD-2022-195	DOE	June 9, 2022	June 8, 2023

AAA. SolarAce4 Energy Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 14, 2019	N/A
2.	Articles of Incorporation	SEC	October 14, 2019	N/A
3.	By-Laws	SEC	October 14, 2019	N/A
4.	Certificate of Registration	BIR	October 14, 2019	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022

BBB. GigaWind1 Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	October 14, 2019	N/A
2.	Certificate of Incorporation	SEC	October 14, 2019	N/A
3.	Articles of Incporation	SEC	October 14, 2019	N/A
4.	By-Laws	SEC	October 14, 2019	N/A
5.	Certificate of Registration No. WESC 2020-09-116	DOE	January 11, 2021	25 years from effective date
6.	Wind Energy Service Contract No. 2020-09-116	DOE	January 11, 2021	Effective for 25 years from Effective Date
7.	SB Resolution No 2020-099	Mun. San Marcelino, Province of Zambales	October 14, 2020	N/A
8.	SB Resolution No 2020-097	Mun. San Felipe, Province of Zambales	December 9, 2020	N/A
9.	SB Resolution No 2020-17	Mun. San Narciso, Province of Zambales	April 28, 2021	N/A
10.	Business Permit	Makati City	January 30, 2022	December 31, 2022

CCC. GigaWind2 Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Registration	BIR	October 14, 2019	N/A
2.	Certificate of Incorporation	SEC	October 14, 2019	N/A
3.	Articles of Incporation	SEC	October 14, 2019	N/A
4.	By-Laws	SEC	October 14, 2019	N/A
5.	Wind Energy Service Contract No. 2021-07-166 (Zambales North)	DOE	August 25, 2021	25 years from effective date
6.	Certificate of Registration No. WESC 2021-07-166 (Zambales North)	DOE	August 25, 2021	25 years from effective date
7.	SB Resolution No. 84-2020 (Zambales North)	Mun. of Botolan, Province of Zambales	November 17, 2020	N/A
8.	SB Resolution No. 119 Series of 2020 (Zambales North)	Mun. of Iba, Province of Zambales	November 17, 2020	N/A
9.	SB Resolution No. 2020-111 (Zambales North)	Mun. of Palauig, Province of Zambales	December 16, 2020	N/A
10.	Wind Energy Service Contract No. 2021-08-169 (Pantabangan)	DOE	September 6, 2021	25 years from effective date
11.	Certificate of Registration No. WESC 2021-08-169 (Pantabangan)	DOE	September 6, 2021	25 years from effective date
12.	SB Resolution No. 059-2021 (Pantabangan)	Mun. of Pantabangan, Province of Nueva Ecija	November 22, 2021	N/A
13.	Business Permit	Makati City	January 30, 2022	December 31, 2022

DDD. San Carlos Solar Energy, Inc. (SACASOL)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 17, 2013	N/A
2.	Amended Articles of Incorporation	SEC	May 20, 2021	N/A
3.	Amended By-laws	SEC	October 5, 2015	N/A
4.	Certificate of Approval of Increase of Capital Stock dated October 5, 2015	SEC	October 5, 2015	N/A
5.	Mayor's Permit	San Carlos City	February 15, 2022	December 31, 2022
6.	Barangay Resolution	Barangay Punao, San Carlos City	February 21, 2013	N/A
7.	Sangguniang Panlungsod Resolution	Sangguniang Panlungsod, San Carlos City	March 7, 2013	N/A
8.	Certification	National Irrigation Administration ("**NIA**")	February 3, 1995	N/A
9.	Amended Environmental Compliance Certificate	DENR	September 23, 2013	N/A
10.	Environmental Compliance Certificate	DENR	July 11, 2013	N/A
11.	Building Permit	San Carlos City	October 29, 2013	N/A
12.	Letter of No Objection	Department of Public Works and Highways ("**DPWH**")	April 22, 2014	N/A
13.	Certificate of Registration	DOE	October 29, 2013	25 years from effective date
14.	Certificate of Endorsement	DOE	[2014]	N/A
15.	Letter of confirmation	DOE	February 25, 2014	N/A
16.	Certificate of Confirmation of Commerciality	DOE	March 3, 2014	N/A
17.	Letter of confirmation	DOE	May 7, 2014	N/A
18.	Certificate of Compliance	ERC	June 9, 2019	June 8, 2024

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
19.	Amended Confirmation of Commerciality	DOE	January 12, 2015 [last digit illegible]	N/A
20.	Memorandum of Agreement	DOE	May 16, 2014	N/A
21.	Certificate of Confirmation of Commerciality	DOE	March 3, 2014	N/A
22.	Amended Certificate of Confirmation of Commerciality	DOE	January 12, 2015 [last digit illegible]	N/A
23.	Certificate of Non-Overlap	NCIP	January 17, 2014	N/A
24.	Certificate of Compliance (1A)	ERC	September 8, 2019	September 7, 2024
25.	Provisional Authority to Operate (1CD)	ERC	March 14, 2022	January 23, 2023
26.	Certificate of Approval to Connect	NGCP	May 7, 2014	N/A
27.	Connection Agreement	NGCP	May 7, 2014	N/A
28.	Letter of Confirmation	DOE	May 7, 2014	N/A
29.	Certificate of Compliance	ERC	May 28, 2019	June 8, 2024
30.	Metering Service Agreement	NGCP	July 3, 2014	N/A
31.	Transmission Service Agreement	NGCP	June 2, 2014	N/A
32.	Certificate of Compliance (1B)	ERC	May 28, 2019	September 7, 2024
33.	Approval of WESM Registration	PEMC	May 20, 2014	N/A
34.	Market Participation Agreement	PEMC	March 4, 2014	N/A
35.	Barangay Resolution	Barangay Punao, San Carlos City	July 7, 2014	N/A
36.	Resolution of Sangguniang Panlungsod	Sangguniang Panlungsod, San Carlos City	August 14, 2014	N/A
37.	Environmental Compliance Certificate	DENR	August 29, 2014	N/A
38.	Confirmation of Commerciality	DOE	December 11, 2014	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
39.	Solar Energy Service Contract	DOE	October 30, 2013	Effective for 25 years from Effective Date
40.	Certificate of Endorsement	DOE	[2015] undated	N/A
41.	Confirmation of Commerciality	DOE	December 11, 2014	N/A
42.	Amendment to Grid Interconnection Agreement	Northern Negros Electric Cooperative, Inc.	May 27, 2015	N/A
43.	Transmission Service Agreement	NGCP	October 22, 2015	N/A
44.	Metering Service Agreement	NGCP	November 3, 2015	N/A
45.	Provisional Certificate of Approval to Connect	NGCP	August 18, 2015	N/A
46.	Certificate of Compliance	ERC	June 27, 2017	June 26, 2023
47.	Approval of WESM Registration	PEMC	September 17, 2015	N/A
48.	BIR Certificate of Registration	BIR	June 7, 2017	N/A
49.	Registry of Establishment	DOLE	[illegible]	N/A
50.	Certificate of Employer's Registration	Pag-IBIG	July 16, 2020	N/A
51.	Certificate of Registration	SSS	July 22, 2020	N/A
52.	Certificate of Non-Overlap	NCIP	May 18, 2015	N/A
53.	CENRO Certification that no trees will be affected	CENRO	September 7, 2015	N/A
54.	Certificate of Non-Coverage	DENR	September 11, 2015	N/A
55.	System Impact Study	NGCP	March 6, 2014	N/A
56.	ECC-2021-005R	Province of Negros Occidental	January 13, 2022	January 25, 2023
57.	ECC-2022-004R	Province of Negros Occidental	January 13, 2022	January 25, 2023
58.	Establishment Report	Regional Tripartite Wages and Productivity Board	January 26, 2018	
59.	Certificate of Accreditation of Pollution Control Officer	DENR	October 4, 2019	October 3, 2022
60.	BIR Importer Clearance Certificate	BIR	March 20, 2015	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
61.	Certificate of Registration	PhilHealth	March 17, 2021	N/A
62.	Hazardous Waste Generator Certificate	DENR	September 5, 2022	N/A

EEE. Negros Island Solar Power, Inc. (ISLASOL)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 5, 2014	N/A
2.	Amended Articles of Incorporation	SEC	January 11, 2016	N/A
3.	Amended By-laws	SEC	January 11, 2016	N/A
4.	Certificate of Approval of Increase of Capital Stock	SEC	January 11, 2016	N/A
5.	Barangay Resolution	Barangay Cubay, City of La Carlota, Province of Negros Occidental	December 3, 2014	N/A
6.	City Resolution	Office of the Sangguniang Panlungsod, City of La Carlota		N/A
7.	Barangay Resolution	Barangay Sta. Teresa, Municipality of Manapla, Province of Negros Occidental	May 5, 2014	N/A
8.	Barangay Resolution	Barangay Sta. Teresa, Municipality of Manapla, Province of Negros Occidental	May 5, 2015	N/A
9.	Municipality Resolution	Municipality of Manapla, Province of Negros Occidental	June 3, 2015	N/A
10.	Municipality Resolution	Municipality of Manapla	January 28, 2015	N/A
11.	Municipality Resolution	Municipality of Manapla	January 28, 2014	N/A
12.	Environmental Compliance Certificate	DENR	April 24, 2015	N/A
13.	Letter approval of amendment of project proponent in connection with Environmental Compliance Certificate dated April 24, 2015	DENR	July 27, 2016	N/A
14.	Environmental Compliance Certificate	DENR	July 11, 2014	N/A
15.	Letter approval of amendment of area of Environmental Compliance Certificate	DENR	January 30, 2015	N/A
16.	Letter approval of amendment of area of Environmental Compliance Certificate	DENR	May 28, 2015	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
17.	BIR Certificate of Registration	BIR	July 2, 2015	N/A
18.	DOE Certificate of Registration	DOE	September 11, 2015	N/A
19.	DOE Approval of Assignment of Solar Energy Service Contract from SACASOL to ISLASOL	DOE	August 27, 2015	N/A
20.	DOE Certificate of Endorsement on Capital Equipment Importation under R.A. No. 9513	DOE	November 5, 2015	N/A
21.	DOE Confirmation of Commerciality	DOE	December 9, 2015	N/A
22.	Certificate of Endorsement re: Consistency of Manapla Solar Power Plant with PDP	DOE	May 19, 2016	N/A
23.	Provisional Certificate of Apprroval to Connect ISLASOL re: 27.2 MWp AC “ISLASOL II” San Enrique Switching Station	NGCP	January 25, 2015	N/A
24.	Provisional Certificate of Apprroval to Connect ISLASOL re: 27.2 MWp AC “ISLASOL II” Solar Power Plant Project	NGCP	February 16, 2016	N/A
25.	Provisional Certificate of Apprroval to Connect ISLASOL re: 27.2 MWp AC “ISLASOL II” Solar Power Plant Project	NGCP	March 2, 2016	N/A
26.	Provisional Certificate of Apprroval to Connect ISLASOL re: 27.2 MWp AC “ISLASOL II” Solar Power Plant Project	NGCP	March 4, 2016	N/A
27.	Confirmation of Commerciality	DOE	March 14, 2016	N/A
28.	Confirmation of Commerciality	DOE	November 10, 2015	N/A
29.	Provisional Authority to Operate	ERC	February 16, 2022	December 14, 2022
30.	Connection Agreement between NGCP and ISLASOL	NGCP	[2015]	N/A
31.	Metering Service Agreement between NGCP and ISLASOL	NGCP	September 29, 2016	N/A
32.	Provisional Certificate of Approval to Connect ISLASOL III	NGCP	February 5, 2016	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
33.	Provisional Certificate of Approval to Connect ISLASOL III	NGCP	February 19, 2016	N/A
34.	Provisional Certificate of Approval to Connect ISLASOL III	NGCP	February 24, 2016	N/A
35.	Provisional Certificate of Approval to Connect ISLASOL III	NGCP	March 7, 2016	N/A
36.	Transmission Service Agreement between NGCP and ISLASOL	NGCP	October 20, 2016	N/A
37.	Approval of Registration of ISLASOL	PEMC	February 29, 2016	N/A
38.	Market Participation Agreement for Direct WESM Members	PEMC	February 16, 2016	N/A
39.	Approval of WESM Registration of ISLASOL III Solar Power Plant as Additional Facility of ISLASOL	PEMC	March 2, 2016	N/A
40.	Acknowledgment of Start of WESM Participation	PEMC	October 18, 2016	N/A
41.	Connection Agreement between NGCP and ISLASOL	NGCP	May 24, 2016	N/A
42.	Metering Service Agreement between NGCP and ISLASOL	NGCP	October 7, 2016	N/A
43.	Metering Service Agreement between NGCP and ISLASOL	NGCP	[2016]	N/A
44.	Transmission Service Agreement between NGCP and ISLASOL	NGCP	[2016]	N/A
45.	Transmission Service Agreement between NGCP and ISLASOL	NGCP	October 20, 2016	N/A
46.	Provisional Authority to Operate	ERC	October 6, 2021	July 13, 2022 (Application for renewal pending with the ERC)
47.	Provisional Certificate of Approval to Connect ISLASOL II	NGCP	January 15, 2016	N/A
48.	Provisional Certificate of Approval to Connect ISLASOL II	NGCP	January 16, 2016	N/A
49.	Provisional Certificate of Approval to Connect ISLASOL II	NGCP	March 2, 2016	N/A
50.	Provisional Certificate of Approval to Connect ISLASOL II	NGCP	March 4, 2016	N/A
51.	Certificate of Approval to Connect ISLASOL II	NGCP	July 22, 2016	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
52.	Certificate of Approval to Connect ISLASOL	NGCP	September 16, 2016	N/A
53.	Certificate of Approval to Connect ISLASOL II	NGCP	November 8, 2016	N/A
54.	Provisional Certificate of Approval to Connect ISLASOL III	NGCP	February 5, 2016	N/A
55.	Provisional Certificate of Approval to Connect ISLASOL III	NGCP	February 19, 2016	N/A
56.	Provisional Certificate of Apprroval to Connect ISLASOL III	NGCP	February 24, 2016	N/A
57.	Provisional Certificate of Approval to Connect ISLASOL III	NGCP	March 7, 2016	N/A
58.	Certificate of Approval to Connect ISLASOL	NGCP	February 22, 2017	N/A
59.	Certificate of Approval to Connect ISLASOL III	NGCP	August 2, 2017	N/A
60.	Certificate of Approval to Connect ISLASOL III	NGCP	January 25, 2018	N/A
61.	MARO Certification that lot is within Agro-Industrial Zone	DAR	August 19, 2015	N/A
62.	Certificate of Eligibility for Reclassification of Agricultural Lands	DAR	June 23, 2015	N/A
63.	PARO Clearance re: right of retention of landowners (Lot 321-B)	DAR	July 11, 2012	N/A
64.	PARO Clearance re: right of retention of landowners (Lot 322-B)	DAR	July 11, 2012	N/A
65.	Endorsement of Application for Land Conversion	Office of the Governor, Province of Negros Occidental	August 27, 2015	N/A
66.	MARO Letter of No Objection to Application for Conversion	DAR	August 18, 2015	N/A
67.	Endorsement of Application for Land Conversion	Office of Mayor, Municipality of Manapla	August 17, 2015	N/A
68.	PARO Letter of No Objection to Application for Conversion	DAR	August 19, 2015	N/A
69.	DAR Conversion Order	DAR	October 23, 2017	N/A
70.	BIR Certificate of Registration	BIR	July 2, 2015	N/A
71.	Business Permit	Municipality of Manapla	January 24, 2022	December 31, 2022

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
72.	Establishment Report	Regional Tripartite Wages and Productivity Board	January 26, 2018	N/A
73.	Certificate of Registration	Pag-IBIG	July 16, 2020	N/A
74.	Certificate of Registration	SSS	July 22, 2020	N/A
75.	City Ordinance No. 2014-007	Sangguniang Panlungsod of City of La Carlota	January 27, 2014	N/A
76.	Certificate of Registration	PhilHealth	March 17, 2021	N/A
77.	Certificate of Registration (Rule 1020)	DOLE	May 11, 2021	N/A

FFF. Solar Philippines Central Luzon Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 2, 2017	N/A
2.	Articles of Incorporation	SEC	March 2, 2017	N/A
3.	By-Laws	SEC	March 2, 2017	N/A
5.	Certificate of Registration	BIR	May 12, 2017	N/A
7.	Environmental Compliance Certificate	DENR-EMB	December 17, 2020	N/A
9.	Endorsement of Barangay Armenia, Tarlac	Sangguniang Barangay of Armenia	October 11, 2019	N/A
10.	Endorsement of Barangay Balanti, Tarlac	Sangguniang Barangay of Balanti, Tarlac	October 12, 2019	N/A
11.	Endorsement of the City of Tarlac	Sangguniang Panlungsod of Tarlac	January 15, 2019	N/A
12.	Business Permit	City of Makati	February 21, 2022	December 31, 2022

GGG. Ingrid4 Power Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	January 27, 2021	N/A
2.	Articles of Incorporation	SEC	January 27, 2021	N/A
3.	By-Laws	SEC	January 27, 2021	N/A
4.	Certificate of Registration	BIR	February 23, 2021	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022

HHH. Ingrid6 Power Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 9, 2021	N/A
2.	Articles of Incorporation	SEC	March 9, 2021	N/A
3.	By-Laws	SEC	March 9, 2021	N/A
4.	Business Permit	City of Makati	January 26, 2022	December 31, 2022

III. Gigasol4, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	May 26, 2021	N/A
2.	Articles of Incorporation	SEC	May 26, 2021	N/A
3.	By-laws	SEC	May 26, 2021	N/A
4.	Certificate of Registration	BIR	May 31, 2021	N/A
5.	Business Permit	Makati City	January 26, 2022	December 31, 2022

JJJ.Gigasol5, Inc

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 12, 2021	N/A
2.	Articles of Incorporation	SEC	April 12, 2021	N/A
3.	By-laws	SEC	April 12, 2021	N/A
4.	Certificate of Registration	BIR	May 12, 2021	N/A
5.	Business Permit	Makati City	January 28, 2022	December 31, 2022

KKK. Gigasol6, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 3, 2021	N/A
2.	Articles of Incorporation	SEC	June 3, 2021	N/A
3.	By-laws	SEC	June 3, 2021	N/A
4.	Certificate of Registration	BIR	July 16, 2021	N/A
5.	Business Permit	Makati City	January 26, 2022	December 31, 2022

LLL. Gigasol7, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 12, 2021	N/A
2.	Articles of Incorporation	SEC	April 12, 2021	N/A
3.	By-laws	SEC	April 12, 2021	N/A
4.	Certificate of Registration	BIR	May 12, 2021	N/A
5.	Business Permit	Makati City	February 7, 2022	December 31, 2022

MMM. Gigasol8, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 11, 2021	N/A
2.	Articles of Incorporation	SEC	November 11, 2021	N/A
3.	By-laws	SEC	November 11, 2021	N/A
4.	Certificate of Registration	BIR	November 25, 2021	N/A
5	Business Permit	Makati City	May 13, 2022	December 31, 2022

NNN. Gigasol9, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 11, 2021	N/A
2.	Articles of Incorporation	SEC	November 11, 2021	N/A
3.	By-laws	SEC	November 11, 2021	N/A
4.	Certificate of Registration	BIR	November 25, 2021	N/A
5.	Business Permit	Makati City	May 13, 2022	December 31, 2022

OOO. Gigasol10, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 11, 2021	N/A
2.	Articles of Incorporation	SEC	November 11, 2021	N/A
3.	By-laws	SEC	November 11, 2021	N/A
4.	Certificate of Registration	BIR	November 25, 2021	N/A
5.	Business Permit	Makati City	May 13, 2022	December 31, 2022

PPP. Giga Ace 11, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 26, 2021	N/A
2.	Articles of Incorporation	SEC	October 26, 2021	N/A
3.	By-laws	SEC	October 26, 2021	N/A
4.	Certificate of Registration	BIR	November 5, 2021	N/A
5.	Business Permit	Makati City	May 13, 2022	December 31, 2022

QQQ. Giga Ace 12, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 26, 2021	N/A
2.	Articles of Incorporation	SEC	October 26, 2021	N/A
3.	By-laws	SEC	October 26, 2021	N/A
4.	Certificate of Registration	BIR	November 5, 2021	N/A
5.	Business Permit	Makati City	May 13, 2022	December 31, 2022

RRR. Giga Ace 14, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 28, 2021	N/A
2.	Articles of Incorporation	SEC	October 28, 2021	N/A
3.	By-laws	SEC	October 28, 2021	N/A
4.	Certificate of Registration	BIR	November 5, 2021	N/A
5.	Business Permit	Makati City	May 13, 2022	December 31, 2022

SSS. Giga Ace 15, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 28, 2021	N/A
2.	Articles of Incorporation	SEC	October 28, 2021	N/A
3.	By-laws	SEC	October 28, 2021	N/A
4.	Certificate of Registration	BIR	November 5, 2021	N/A
5.	Business Permit	Makati City	May 13, 2022	December 31, 2022

TTT. GigaWind3, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 12, 2021	N/A
2.	Articles of Incorporation	SEC	April 12, 2021	N/A
3.	By-laws	SEC	April 12, 2021	N/A
4.	Certificate of Registration	BIR	August 12, 2021	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022

UUU. GigaWind4, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 7, 2021	N/A
2.	Articles of Incorporation	SEC	June 7, 2021	N/A
3.	By-laws	SEC	June 7, 2021	N/A
4.	Certificate of Registration	BIR	June 8, 2021	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022

VVV. GigaWind5, Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 12, 2021	N/A
2.	Articles of Incorporation	SEC	April 12, 2021	N/A
3.	By-laws	SEC	April 12, 2021	N/A
4.	Certificate of Registration	BIR	May 12, 2021	N/A
5.	Wind Energy Service Contract No. 2021-08-168	DOE	August 31, 2021	25 years from effective date
6.	Certificate of Registration	DOE	August 31, 2021	25 years from effective date
7.	Business Permit	Makati City	January 30, 2022	December 31, 2022

WWW. Buduan Wind Energy Co., Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	January 12, 2010	N/A
2.	By-laws	SEC	January 12, 2010	N/A
3.	Amended Articles of Incorporation	SEC	May 2, 2011	N/A
4.	Business Permit	Laoag City, Ilocos Norte	February 2, 2022	December 31, 2022
5.	Certificate of Registration	BIR	March 10, 2012	N/A

XXX. Caraballo Mountains UPC Asia Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 20, 2006	N/A
2.	By-laws	SEC	June 20, 2006	N/A
3.	Amended Articles of Incorporation	SEC	February 12, 2018	N/A
4.	Business Permit	Taguig City	January 21, 2022	December 31, 2022
5.	Certificate of Registration	BIR	June 26, 2006	N/A

YYY. Itbayat Island UPC Asia Corporation

No.	Permit / License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 14, 2006	N/A
2.	By-laws	SEC	June 14, 2006	N/A
3.	Amended Articles of Incorporation	SEC	February 9, 2018	N/A
4.	Certificate of Non-Coverage CNC-OL-R02-2021-10-01318	DENR-EMB	October 25, 2021	N/A
5.	Endorsement of the Municipality of Calayan, Cagayan	Municipality of Calayan, Cagayan	November 12, 2021	N/A
6.	Wind Energy Service Contract (WESC No. 2021-07-166)	DOE	July 29, 2021	25 years from Execution Date
7.	Certificate of Registration No. WESC 2021-07-166	DOE	July 29, 2021	25 years from Execution Date
8.	Business Permit	Taguig City	January 21, 2022	December 31, 2022
9.	Certificate of Registration	BIR	June 26, 2006	N/A

ZZZ. Laguna Central Renewables Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 17, 2016	N/A
2.	By-laws	SEC	November 17, 2016	N/A
3.	Amended Articles of Incorporation	SEC	February 9, 2018	N/A
4.	Certificate of Registration	BIR	December 1, 2016	N/A
5.	Solar Energy Service Contract	DOE	December 20, 2019	25 years from Execution Date
6.	Certificate of Registration (SESC No. 2019-11-542)	DOE	December 20, 2019	25 years from effective date
7.	Business Permit	City of Taguig	January 21, 2022	December 31, 2022

AAAA. Laguna West Renewables Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 17, 2016	N/A
2.	By-laws	SEC	November 17, 2016	N/A
3.	Amended Articles of Incorporation	SEC	February 9, 2018	N/A
4.	Certificate of Registration	BIR	February 7, 2022	N/A
5.	Solar Energy Service Contract (SESC No.2017-08-443)	DOE	December 20, 2019	25 years from Effective Date
6.	Certificate of Registration	DOE	December 20, 2019	25 years from effective date
7.	Business Permit	City of Taguig	January 21, 2022	December 31, 2022

BBBB. Sapat Highlands Wind Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 8, 2010	N/A
2.	By-laws	SEC	April 8, 2010	N/A
3.	Amended Articles of Incorporation	SEC	February 9, 2018	N/A
4.	Business Permit	Taguig City	January 7, 2022	December 31, 2022
5.	Certificate of Registration	BIR	May 26, 2010	N/A

CCCC. Suyo UPC Asia Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	November 3, 2006	N/A
2.	By-laws	SEC	November 3, 2006	N/A
3.	Amended Articles of Incorporation	SEC	February 9, 2018	N/A
4.	Business Permit	Taguig City	January 21, 2022	December 31, 2022
5.	Certificate of Registration	BIR	November 3, 2006	N/A

DDDD. UPC Mindanao Wind Power Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	March 18, 2021	N/A
2.	Articles of Incorporation	SEC	March 18, 2021	N/A
3.	By-laws	SEC	March 18, 2021	N/A
4.	Business Permit	Taguig City	January 21, 2022	December 31, 2022
5.	Certificate of Registration	BIR	March 23, 2021	N/A

EEEE. Pangasinan UPC Asia Corporation

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	September 1, 2006	N/A
2.	By-laws	SEC	September 1, 2006	N/A
3.	Amended Articles of Incorporation	SEC	February 9, 2018	N/A
4.	Certificate of Registration	BIR	September 01, 2006	N/A
5.	Solar Energy Service Contract (SESC No. 2017-08-444)	DOE	October 26, 2017	25 years from Efective Date
6.	Certificate of Registration	DOE	October 26, 2017	25 years from effective date
7.	Environmental Compliance Certificate R4A-2021-02-0037	DENR	February 26, 2021	February 25, 2026
8.	Certificate of Non-Overlap CNO-RIVA-RIZ-2021-08-010	NCIP	August 11, 2021	N/A
9.	Business Permit	City of Taguig	January 21, 2022	December 31, 2022
10.	Municipal Resolution	Municipality of Pililla, Rizal	February 23, 2021	N/A
11.	Barangay Resolution	Malaya, Pililla, Rizal	January 11. 2019	N/A
12.	Barangay Resolution	Niogan, Pililla. Rizal	December 15, 2018	N/A
13.	Barangay Resolution	Quisao, Pililla, Rizal	December 19, 2018	N/A
14.	System Impact Study	NGCP	July 22, 2020	N/A
15.	Facility Study	NGCP	June 30, 2021	N/A

FFFF. Ingrid5 Power Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 12, 2021	N/A
2.	Articles of Incorporation	SEC	April 12, 2021	N/A
3.	By-laws	SEC	April 12, 2021	N/A
4.	Certificate of Registration	BIR	May 18, 2021	N/A
5.	Business Permit	Makati City	January 30, 2022	December 31, 2022

GGGG. One Subic Oil Distribution Corp.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	July 2, 2007	N/A
2.	Amended Articles of Incorporation	SEC	September 20, 2017	N/A
3.	Amended By-laws	SEC	September 20, 2017	N/A
4.	Certificate of Registration	BIR	July 2, 2021	N/A

HHHH. AC Energy International, Inc. (formerly Presage Corporation)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	April 3, 2007	N/A
2.	Amended Articles of Incorporation	SEC	December 7, 2020	N/A
3.	By-Laws	SEC	December 7, 2020	N/A
4.	Business Permit	Makati City	January 30, 2022	December 31, 2022
5.	Certificate of Registration	BIR	February 24, 2021	N/A

IIII. ACEN Renewables International Pte. Ltd. (formerly AC Renewables International Pte. Ltd.) (SG)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate Confirming Incorporation of Company	Singapore Accounting and Corporate Regulatory Authority ("**ACRA**")	May 23, 2016	N/A
2.	Certificate Confirming Incorporation of Company	ACRA	August 19, 2019	N/A
3.	Certificate Confirming Incorporation of Company	ACRA	March 18, 2022	N/A
4.	Certificate of Residence for the Purpose of the Singapore-Philippines DTA	Inland Revenue Authority of Singapore	March 23, 2022	December 31, 2022

JJJJ. ACEN Cayman (formerly AC Energy Cayman) (Cayman Islands)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	Registrar of Companies of the Cayman Islands	December 9, 2016	N/A
2.	Tax Exemption Certificate	Cabinet Office of the Cayman Islands	January 10, 2017	January 9, 2037
3.	Certificate of Incorporation on Change of Name	Registrar of Companies of the Cayman Islands	March 7, 2022	N/A

KKKK. ACEN Investments HK Limited (formerly ACE Investments HK Limited) (Hong Kong)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	Hong Kong Companies Registry	October 4, 2019	N/A
2.	Business Registration Certificate	Hong Kong Inland Revenue Department	October 4, 2021	October 3, 2022
3.	Certificate of Change of Name	Hong Kong Companies Registry	March 7, 2022	N/A

LLLL. ACEN Finance Limited (Cayman Islands)

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	Registrar of Companies of the Cayman Islands	August 5, 2021	N/A
2.	Tax Exemption Certificate	Cabinet Office of the Cayman Islands	August 11, 2021	August 10, 2041

ANNEX B-1

List of Permits Relating to the Projects for the Use of Proceeds

A. Santa Cruz Solar Energy Inc.

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	July 13, 2016	N/A
2.	Articles of Incorporation	SEC	July 13, 2016	N/A
3.	By-Laws	SEC	July 13, 2016	N/A
4.	Amended Articles of Incorporation	SEC	December 10, 2019	N/A
5.	Certificate of Registration	BIR	July 13, 2016	N/A
6.	Solar Energy Service Contract	DOE	February 13, 2020	Effective for 25 years from Effective Date
7.	Certificate of Registration	DOE	February 13, 2020	Effective for 25 years from Effective Date
8.	Certificate of Registration	PhilHealth	March 15, 2021	N/A
9.	System Impact Study	NGCP	November 6, 2020	N/A
10.	Environmental Compliance Certificate (San Marcelino Solar Power Plant Project)	DENR	September 22, 2020	N/A
11.	Amendment to Environmental Compliance Certificate dated September 22, 2020	DENR	January 21, 2021	N/A
12.	Environmental Compliance Certificate (San Marcelino 230kV Transmission Line Project)	DENR	December 3, 2020	N/A
13.	Certificate of Non-Overlap No. RIII CNO-20-12-0054 (Zambales South Wind Mest Mast)	NCIP	December 18, 2020	N/A
14.	Special Land Use Permit No. R3-OCZ-SLUP-12092023-07 (Zambales South Wind Mest Mast)	DENR	December 10, 2020	December 9, 2023

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
15.	Certificate Of Non-Coverage No. CNC-OL-R03-2020-09-04789 (Zambales South Wind Mest Mast)	DENR	September 21, 2020	N/A
16.	Brgy. Resolution No. 005 Series of 2020 (Zambales South Wind Mest Mast)	Sangguniang Barangay of Sta. Fe	July 10, 2020	N/A
17.	SB Resolution No. 2019-101 (Zambales South Wind Mest Mast)	Sangguniang Bayan of San Marcelino	November 18, 2019	N/A
18.	Building Permit No. BPD 08-2020-24 (Zambales South Wind Mest Mast)	Mun. of San Marcelino, Province of Zambales	August 6, 2020	N/A
19.	Endorsement of Municipality of San Marcelino	Sangguniang Bayan of San Marcelino	November 6, 2020	N/A
20.	Endorsement of Barangay Sta. Fe	Sangguniang Barangay of Sta. Fe	October 9, 2020	N/A
21.	Endorsement of Barangay San Rafael	Sangguniang Barangay of San Rafael	October 12, 2020	N/A
22.	Endorsement of Barangay San Pablo	Sangguniang Barangay of San Pablo	October 6, 2020	N/A
23.	Endorsement of Barangay Aglao 200MWp	Sangguniang Barangay of Aglao	June 15, 2021	N/A
24.	Certificate of Registration IM0009435891	BOC	January 17, 2022	January 17, 2023
25.	Certificate of Registration	BOI	August 5, 2021	N/A
26.	Building Permit (Solar Site Phase 1)	San Marcelino Zambales	January 20, 2022	N/A
27.	Business Permit No. BP-2022-01542-0 (Solar Site)	San Carlos City	January 24, 2022	December 31, 2022
28.	Endorsement of Barangay Sta. Fe 500MWp (Solar Site)	Sangguniang Barangay of Sta. Fe	January 28, 2022	N/A
29.	Endorsement of Municipality of San Marcelino 500MWp (Solar Site)	Sangguniang Bayan of San Marcelino	March 24, 2022	N/A
30.	Endorsement of Municipality of Castillejos	Sangguniang Bayan of Castillejos	October 21, 2020	N/A
31.	Endorsement of Municipality of San Marcelino	Sangguniang Bayan of San Marcelino	September 16, 2021	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
32.	Endorsement of Barangay San Pablo (500 kV TL)	Sangguniang Barangay of San Pablo	February 8, 2022	N/A
33.	Endorsement of Municipality of Castillejos (500kV)	Sangguniang Bayan of Castillejos	February 23, 2022	N/A
34.	Endorsement of Barangay Pamatawan, Subic	Sagguniang Barangay of Pamatawan	April 8, 2022	N/A
35.	Certification of MPDO-Subic for existing land use plan	Office of the Municiapl Planning and development Coordinator	June 2, 2022	N/A
36.	Special Land Use Permit No. R3-OCZ-SLUP-(TLROW)-11042024-04	DENR	November 5, 2021	November 4, 2024
37.	Special Land Use Permit No. R3-OCZ-SLUP-(TLROW)-11042024-04 (Amendment)	DENR	November 5, 2021	November 4, 2024
38.	Locational Clearance	Office of the Zoning Administrator – San Marcelino	January 20, 2022	N/A
39.	Business Permit	Makati City	February 7, 2022	December 31, 2022
40.	Certificate of Registration	SSS	April 21, 2021	N/A
41.	Registry of Establishment	DOLE	November 23, 2020	N/A
42.	Certificate of Registration	PhilHealth	March 15, 2021	N/A
43.	Environmental Compliance Certificate (500kV Transmission Line)	DENR	June 16, 2022	N/A
44.	Special Land Use Permit No. R3-OCZ-SLUP-(TLROW)-08172025-05	DENR	August 18, 2022	August 17, 2025
45.	Certificate of No Objection to Importation (for LV AC Cables)	NTC	May 12, 2022	N/A
46.	Amendment to the Environmental Compliance Certificate (Solar Site)	DENR	May 17, 2022	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
47.	Certificate of Exemption (for earthing materials batch 1)	DTI ICC	May 21, 2022	N/A
48.	Certificate of Exemption NTC0812225746915 (for AC Main Cables)	NTC	August 12, 2022	N/A
49.	Certificate of Exemption (for earthing materials batch 2)	DTI ICC	July 22, 2022	N/A

B. **Greencore Power Solutions 3, Inc.**

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	October 17, 2018	N/A
2.	Certificate of Filing of Amended Articles of Incorporation	SEC	August 27, 2020	N/A
3.	Articles of Incorporation	SEC	July 25, 2018	N/A
4.	By-Laws	SEC	July 25, 2018	N/A
5.	Business Permit (Mayor's Permit) Business Permit No. 2022-035403000-0774	Municipality of Arayat, Pampanga	January 31, 2022	December 31, 2022
6.	Certificate of Registration	BIR	October 24, 2018	N/A
7.	Endorsement of Brgy. San Antonio, Arayat (Resolution No. 2020-4)	Barangay San Antonio, Arayat	February 19, 2020	N/A
8.	Endorsement of Brgy. San Antonio, Arayat (Resolution No. 2020-4)	Barangay San Antonio, Arayat	February 19, 2020	N/A
9.	Endorsement of Barangay Beunavista, Mexico (Resolution No. 20)	Barangay Buenavista, Mexico	June 29, 2020	N/A
10.	Environmental Compliance Certificate(ECC-OL-RO3-20221-0669)	DENR	November 18, 2021	N/A
11.	Endorsement of the Municipality of Arayat (Resolution No. 057 Series 2020)	Sangguniang Bayan, Municipality of Arayat	June 22, 2020	N/A
12.	Endorsement of the Municipality of Mexico (Resolution No. 082-2020, series of 2020)	Sangguniang Bayan, Municipality of Arayat	July 20, 2020	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
13.	Endorsement of the Province of Pampanga (Resolution No. 6409)	Sangguniang Panlalawigan, Pampanga	September 14, 2020	N/A
14.	Arayat Local Incentive Certificate	Arayat LGU Municipal Investment Incentive Board	April 15, 2021	N/A
15.	Certificate of Non-Overlap (Control No. RIII-CNO-20-09-0021)	NCIP	April 19, 2021	N/A
16.	Solar Energy ServiceContract (SESC No. 2019-12-558	DOE	December 23, 2019	25 years from effective date
17.	Certificate of Registration (COR) CCN: IM0009116575	BOC	April 5, 2022	05 April 2023
18.	Zoning Certificate, Arayat	Municipality of Arayat, Pampanga	February 6, 2020	N/A
19.	Zoning Certificate, Mexico	Office of the MPDC, Mexico	September 23, 2020	N/A
20.	Reclassification Ordinance, Mexico (Ordinance No. 010-2020)	Sangguniang Bayan, Arayat Pampanga	April 5, 2021	N/A
21.	Reclassification Ordinance, Arayat (Batch 1) (Municipal Ordinance 05, series of 2020)	Sangguniang Bayan, Arayat Pampanga	March 30, 2020	N/A
22.	Reclassification Ordinance, Arayat (Batch 2) (Municipal Ordinance No. 015, series of 2020)	Sangguniang Bayan, Arayat Pampanga	October 12, 2020	N/A
23.	Reclassification Ordinance, Arayat (Municipal Ordinance No. 01, series of 2022)	Sangguniang Bayan, Arayat Pampanga	January 31, 2022	N/A
24.	Reclassification Ordinance, Pampanga (Arayat Batch 1) (Resolution No. 6241)	Sangguniang Panglalawigan, Pampanga	June 16, 2020	N/A
25.	Reclassification Ordinance, Pampanga (Arayat Batch 2) (Resolution No. 6550)	Sangguniang Panglalawigan, Pampanga	November 23, 2020	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
26.	Reclassification Ordinance, Pampanga (Mexico) (Resolution No. 6485)	Sangguniang Panglalawigan, Pampanga	October 12, 2020	N/A
27.	Conversion Order (Batch 1) Docket No. DARCO Order No. LUCC 1220-0470, series of 2020	DAR	December 17, 2020	N/A
28.	Certificate of Finality of Conversion Order (Docket No. DARCO Order No. LUCC 1220-0470, series of 2020)	DAR	May 18, 2021	N/A
29.	Conversion Order (Batch 2) (Docket No. LUCC 0321-0541, series of 2021)	DAR	March 29, 2021	N/A
30.	Certificate of Finality of Conversion Order (Docket No. LUCC 0321-0541, series of 2021)	DAR	October 11, 2021	N/A
31.	System Impact Study (Net Access-KAP-RRA-2020-07-178)	NGCP	June 20, 2020	N/A
32.	Facility Study (NetAccess-KAP-RRA-2020-11-001)	NGCP	November 6, 2020	N/A
33.	Provisional Authority to Operate	ERC	June 21, 2022	June 20, 2023
34.	WESM Notice of Operations	IEMOP	July 26, 2022	
35.	Transmission Service Agreement	NGCP	April 21, 2022	July 25, 2031
36.	Metering Service Agreement	NGCP	July 26, 2021	July 25, 2031
37.	Connection Agreement	NGCP	April 21, 2022	July 25, 2031
38.	Endorsement of Brgy. San Antonio, Arayat (Resolution No. 2021-003)	Barangay San Antonio, Arayat, Pampanga	August 15, 2021	N/A
39.	Endorsement of Barangay Beunavista, Mexico (Resolution No. 22)	Barangay Buenavista, Mexico, Pampanga	August 31, 2021	N/A
40.	Environmental Compliance Certificate (ECC-OL-RO3-20221-0669)	DENR	November 18, 2021	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
41.	Endorsement of the Municipality of Arayat (Resolution No. 029 Series 2021)	Sangguniang Bayan, Municipality of Arayat	September 27, 2021	N/A
42.	Endorsement of the Municipality of Mexico (Resolution No. 107-2021)	Sangguniang Bayan, Municipality of Arayat	October 11, 2021	N/A
43.	Endorsement of the Province of Pampanga (Resolution No. 7129)	Sangguniang Panlalawigan, Pampanga	December 6, 2021	N/A
44.	Arayat Local Incentive Certificate	Municipal Investment Incentive Board, Municipality of Arayat, Pampanga	April 15, 2021	N/A
45.	Certificate of Non-Overlap (Control No. CNO-III-2022-0068)	NCIP	June 10, 2022	N/A
46.	Solar Energy Operating Contract	DOE	May 5, 2022	04 May 2047 (25 years)
47.	Certificate of Registration (COR) (Certificate of Registration No. 2022-109)	BOI	July 26, 2022	N/A
48.	Zoning Certificate, Arayat	Municipality of Arayat, Pampanga	October 28, 2021	N/A
49.	Zoning Certificate, Mexico	Office of the MPDC, Mexico, Pampanga	May 17, 2022	N/A
50.	Reclassification Ordinance, Mexico (Ordinance No. 011-2021)	Sangguniang Bayan, Arayat, Pampanga	October 11, 2021	N/A
51.	Reclassification Ordinance, Arayat (Batch 1) (Municipal Ordinance 04 S 2021)	Sangguniang Bayan, Arayat, Pampanga	September 14, 2021	N/A
52.	Reclassification Ordinance, Pampanga (Arayat Batch 1) (Resolution No. 7082)	Sangguniang Panglalawigan, Pampanga	November 15, 2021	N/A
53.	Reclassification Ordinance, Pampanga (Mexico) (Resolution No. 7104)	Sangguniang Panglalawigan, Pampanga	November 22, 2021	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
54.	Conversion Order (Batch 1) Mexico (Docket No. 304-102621 LUCF No. 2021-212)	DAR	October 29, 2021	N/A
55.	Conversion Order (Batch 2) Mexico (Docket No. 304-102621 LUCF No. 2021-215)	DAR	October 29, 2021	N/A
56.	Conversion Order (Batch 3) (Docket No. 304-102621 LUCF No. 2021-210)	DAR	October 29, 2021	N/A
57.	Certificate of Finality of Conversion Order (Mexico Lots) (DARRO3-LEGAL-QF-01)	DAR	March 1, 2022	N/A
58.	Conversion Order (Arayat Lots) (DARCO Order No. LUCC 0622-0701 Series of 2022)	DAR	June 21, 2022	N/A
59.	System Impact Study	NGCP	February 2022	N/A
60.	Facility Study	NGCP	March 2022	N/A
61.	Certificate of Finality of DAR Conversion Order (Arayat Lots) ((DARCO Order No. LUCC 0622-0701 Series of 2022)	DAR	July 28, 2022	N/A

C. **Natures Renewable Energy Devt. (NAREDCO) Corporation**

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
1.	Certificate of Incorporation	SEC	June 25, 2015	N/A
2.	Articles of Incorporation	SEC	June 25, 2015	N/A
3.	By-Laws	SEC	June 25, 2015	N/A
4.	Certificate of Registration	BIR	July 31, 2015	N/A
5.	Certificate of Registration – Lal-lo Branch	BIR	August 4, 2022	N/A
6.	Certificate of Registration No. SESC 2016-03-294	DOE	June 24, 2016	25 years from Effective Date
7.	Solar Energy Service Contract No. 2016-03-294	DOE	June 24, 2016	25 years from Effective Date
8.	Certificate of Confirmation of Commerciality No. SCC-2021-06-102	DOE	July 1, 2021	N/A
9.	Barangay Resolution No. 7, Series of 2015 (Endorsement of the Solar Power Project)	Barangay Magapit, Municipality of Lal-lo, Cagayan	September 12, 2015	N/A
10.	Barangay Resolution No. 11, Series of 2015 (Endorsement of the Solar Power Project)	Barangay Sta. Maria, Municipality of Lal-lo, Cagayan	September 13, 2015	N/A
11.	Municipal Resolution No. 175, Series of 2015 (Endorsement of the Solar Power Project)	Municipality of Lal-lo, Cagayan	September 28, 2015	N/A
12.	Environmental Compliance Certificate No. ECC-R02-1711-0020	DENR	December 6, 2017	N/A
13.	Amending Environmental Compliance Certificate No. ECC-R02-1711-0020 A	DENR	June 1, 2022	N/A
14.	Certificate of Non-Coverage No. CNC-OL-R02-2022-03-00339	DENR	March 17, 2022	N/A

No.	Permit or License	Approving or Issuing Government Agency	Issue Date	Expiration
15.	Certificate of Non-Overlap	NCIP	August 22, 2016	N/A
16.	Certificate of Registration No. 2017-309	BOI	November 21, 2017	N/A
17.	Certification (entitlement to Zero-Percent VAT)	BOI	February 22, 2022	N/A
18.	Certificate of Registration	BOC	December 20, 2021	December 20, 2022
19.	Order of Conversion DARCO Order No. LUCC-0622-0700, Series of 2022	DAR	June 21, 2022	N/A
20.	Certificate of Finality DARCO Order No. LUCC-0622-0700	DAR	September 6, 2022	N/A
21.	System Impact Study	NGCP	August 16, 2019	N/A
22.	Facilities Study	NGCP	August 11, 2020	N/A
23.	Supplemental Facilities Study	NGCP	April 8, 2022	N/A
24.	Ordinance No. 49, Series of 2021 (Land Reclassification)	Municipality of Lal-lo, Cagayan	November 24, 2021	N/A
25.	Safety Officer Permit No. SWEMD-2022-125	DOE	February 24, 2022	February 23, 2023
26.	Certificate of Accreditation as Pollution Control Officer COA No. 2022-R02-0148	DENR	July 15, 2022	July 1, 2025
27.	Registry of Establishment	DOLE	August 9, 2022	N/A
28.	Certificate of Employer’s Registration	Pag-Ibig	January 20, 2017	N/A
29.	Certificate of Registration	PhilHealth	November 19, 2021	N/A
30.	Certificate of Registration	SSS	November 10, 2016	N/A

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