

ACEN CORPORATION and Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements

As at March 31, 2024

and for the Three Months Period Ended

March 31, 2024 and 2023

(With comparative figures as at

December 31, 2023)

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

A C E N 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
1 7 Q		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
	(632) 7730-6300	
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,406	03/31	04/31

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
ATTY. ALAN T. ASCALON		(632) 7730-6300	

CONTACT PERSON'S ADDRESS

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

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)**SEC FORM 17-Q****QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal period ended **March 31, 2024**
2. Commission identification number **069-039274**
3. BIR Tax Identification No. **000-506-020-000**
4. Exact name of issuer as specified in its charter **ACEN CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's 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 **(632) 7730-6300**
9. Former name, former address and former fiscal year, if changed since last report **AC Energy Corporation**
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 | |
| Common | : 39,677,394,773 shares |
| Series A Preferred Shares | : 8,341,500 shares |
| Series B Preferred Shares | : 16,658,500 shares |
| Amount of debt outstanding | : Php10 billion – registered in the
Philippine SEC and listed in PDEX |
11. Are any or all of the securities listed on a Stock Exchange?
- Yes No
- Stock Exchange : Philippine Stock Exchange
Classes of Securities Listed : Common shares
12. Check whether the issuer:
- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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);
- Yes No
- (b) has been subject to such filing requirements for the past ninety (90) days.
- Yes No

SGVFS192173

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"

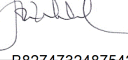
SIGNATURES

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 8, 2024.

ACEN CORPORATION

DocuSigned by:


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JOHN ERIC T. FRANCIA
President & Chief Executive Officer

DocuSigned by:


592747224675426...
JONATHAN P. BACK
Group Chief Finance Officer
and Group Chief Strategy Officer

DocuSigned by:


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ACEN CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONDENSED CONSOLIDATED****STATEMENTS OF FINANCIAL POSITION****As at March 31, 2024 (with Comparative Audited Figures as at December 31, 2023)****(Amounts in Thousands)**

	March 31, 2024 (Unaudited)	December 31 ,2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 25)	₱27,334,931	₱39,696,662
Current portion of:		
Accounts and notes receivable (Notes 5, 22 and 25)	26,821,312	26,065,692
Input value added tax (VAT)	1,889,947	2,059,734
Creditable withholding taxes	149,884	102,984
Financial assets at fair value through profit or loss (FVTPL) (Notes 5 and 25)	3,967,743	1,938,497
Fuel and spare parts - at cost	916,509	964,053
Other current assets (Notes 11 and 25)	1,254,160	750,493
Total Current Assets	62,334,486	71,578,115
Noncurrent Assets		
Investment in:		
Associates and joint ventures (Note 6)	33,514,241	30,098,617
Redeemable preferred shares and convertible loans (Note 7)	22,456,526	21,633,799
Financial assets at FVTPL (Note 25)	1,395,682	1,932,975
Financial assets at fair value through other comprehensive income (FVOCI) (Note 25)	5,950,823	5,799,323
Property, plant and equipment (Note 8)	93,781,309	88,928,251
Right-of-use assets (Note 9)	8,420,945	8,213,704
Goodwill and other intangible assets (Note 10)	23,484,015	23,165,368
Net of current portion:		
Accounts and notes receivable (Notes 5, 22 and 25)	13,341,166	12,689,042
Input VAT	3,543,412	3,120,200
Creditable withholding taxes	2,913,983	2,513,774
Deferred income tax assets - net (Note 21)	2,203,221	2,122,081
Other noncurrent assets (Notes 11 and 25)	15,923,464	13,138,251
Total Noncurrent Assets	226,928,787	213,355,385
TOTAL ASSETS	₱289,263,273	₱284,933,500

(Forward)

- 2 -

	March 31, 2024 (Unaudited)	December 31 ,2023 (Audited)
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 12, 22 and 25)	₱14,138,340	₱16,145,386
Short-term loans (Notes 13 and 25)	2,000,000	1,500,000
Current portion of:		
Long-term loans (Notes 13, 25 and 26)	648,135	1,289,104
Lease liabilities (Notes 9, 25 and 26)	1,083,472	850,953
Income and withholding taxes payable	599,276	241,667
Due to stockholders (Note 22)	16,572	16,585
Total Current Liabilities	18,485,795	20,043,695
Noncurrent Liabilities		
Notes payable (Notes 13, 25 and 26)	32,365,407	32,003,794
Noncurrent portion of:		
Long-term loans (Notes 13, 25 and 26)	65,581,743	44,485,573
Lease liabilities (Notes 9, 25 and 26)	7,288,510	7,505,848
Pension and other employee benefits	390,710	368,827
Deferred income tax liabilities - net (Note 21)	617,806	805,902
Other noncurrent liabilities (Note 14)	6,331,447	6,344,004
Total Noncurrent Liabilities	112,575,623	91,513,948
Total Liabilities	131,061,418	111,557,643
Equity		
Common shares (Notes 1 and 15)	39,691,895	39,691,895
Redeemable preferred shares (Notes 1 and 15)	25,000	25,000
Additional paid-in capital (Notes 1 and 15)	132,295,589	132,295,689
Other equity reserves (Note 15)	(59,450,345)	(59,450,345)
Unrealized fair value loss on equity instruments at FVOCI	(314,183)	(268,000)
Unrealized fair value gain on derivative instruments designated as hedges – net of tax (Note 25)	506,244	588,519
Remeasurement loss on defined benefit plans - net of tax	(46,460)	(32,821)
Accumulated share in other comprehensive gain (loss) of associates and joint ventures (Note 6)	58,545	(85,483)
Cumulative translation adjustments (Note 15)	8,168,266	5,864,713
Retained earnings (Note 15)	27,109,814	24,871,807
Treasury shares (Note 15)	(28,657)	(28,657)
Total equity attributable to equity holders of the Parent Company	148,015,708	143,472,317
Non-controlling interests (Note 15)	10,186,147	29,903,540
Total Equity	158,201,855	173,375,857
TOTAL LIABILITIES AND EQUITY	₱289,263,273	₱284,933,500

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

	Three-Month Period Ended	
	March 31 (Unaudited)	
	2024	2023
REVENUES		
Revenue from sale of electricity (Note 16)	₱9,766,096	₱9,023,014
Rental income	17,399	17,213
Other revenues	69,741	95,475
	9,853,236	9,135,702
COSTS AND EXPENSES		
Costs of sale of electricity (Note 17)		
Cost of purchased power	6,169,438	7,243,731
Depreciation and amortization	320,279	299,374
Fuel	107,587	169,685
Others	466,774	406,611
	7,064,078	8,119,401
General and administrative expenses (Note 18)		
Personnel costs, management and professional fees	752,985	578,221
Provision for impairment	315,670	237,615
Depreciation and amortization	114,861	121,449
Others	374,589	243,102
	1,558,105	1,180,387
	8,622,183	9,299,788
EQUITY IN NET INCOME OF ASSOCIATES AND		
JOINT VENTURES (Note 6)	355,302	978,485
OTHER INCOME (CHARGES)		
Interest and other financial income (Note 20)		
Cash in banks and short-term deposits	334,189	245,730
Accounts and notes receivable (Note 5)	551,771	601,532
Investments in redeemable preferred shares and convertible loans (Note 7)	793,331	745,335
	1,679,291	1,592,597
Interest and other finance changes (Note 19)	(692,275)	(664,414)
Other income - net (Note 20)		
Gain on disposal of assets	389,182	-
Others	(30,456)	481,588
	358,726	481,588
	1,345,742	1,409,771
INCOME BEFORE INCOME TAX	2,932,097	2,224,170
BENEFIT FROM INCOME TAX (Note 21)	(3,523)	(218,066)
NET INCOME	₱2,935,620	₱2,442,236
Net Income Attributable To:		
Equity holders of the Parent Company	₱2,719,927	₱2,025,906
Non-controlling interests	215,693	416,330
	₱2,935,620	₱2,442,236
Net income attributable to equity holders of Parent Company	₱2,719,927	₱2,025,906
Less cumulative preferred share dividends	481,920	-
Net income attributable to common shareholders of Parent Company	₱2,238,007	₱2,025,906
Basic/Diluted Earnings Per Share (Note 23)	₱0.06	₱0.05

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

	Three-Month Period Ended	
	March 31 (Unaudited)	
	2024	2023
NET INCOME	₱2,935,620	₱2,442,236
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>		
Cumulative translation adjustments	2,333,812	(2,845,913)
Unrealized fair value loss on derivative instruments designated as hedges - net of tax	(82,275)	(211,952)
	2,251,537	(3,057,865)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>		
Net changes in the fair value of equity instruments at FVOCI	(46,183)	(13,792)
Remeasurement (loss) gain on defined benefit plans - net of tax	(13,639)	51,727
	(59,822)	37,935
	2,191,715	(3,019,930)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES (Note 6)		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>		
Cumulative translation adjustment	112,953	-
Interest rate swap	24,739	-
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax	(2,891)	2,656
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>		
Remeasurement gain (loss) on defined benefit plans - net of tax	9,227	(5,752)
	144,028	(3,096)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	2,335,743	(3,023,026)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱5,271,363	(₱580,790)
Total Comprehensive Income (Loss) Attributable To:		
Equity holders of the Parent Company	₱5,025,411	(₱845,718)
Non-controlling interests	245,952	264,928
	₱5,271,363	(₱580,790)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ACEN CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company														Non-controlling Interests (Note 15)	Total Equity
	Common Shares (Note 15)	Additional Paid-in Capital - Common Shares (Note 15)	Redeemable Preferred Shares (Note 15)	Additional Paid-in Capital - Preferred Shares (Note 15)	Other Equity Reserves (Note 15)	Unrealized Fair Value (Loss) Gain on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on derivative instruments designated as hedge – net of tax	Remeasurement (Loss) Gain On Defined Benefit Plans – net of tax	Accumulated Share in Other Comprehensive (Loss) Income of Associates and Joint Ventures (Note 6)	Cumulative Translation Adjustments (Note 15)	Retained Earnings (Note 15)	Treasury Shares (Note 15)	Total			
For the three-month period ended March 31, 2024 (Unaudited)																
Balances at January 1, 2024	P39,691,895	P107,492,243	P25,000	P24,803,446	(P59,450,345)	(P268,000)	P588,519	(P32,821)	(P85,483)	P5,864,713	P24,871,807	(P28,657)	P143,472,317	P29,903,540	P173,375,857	
Net income	–	–	–	–	–	–	–	–	–	–	2,719,927	–	2,719,927	215,693	2,935,620	
Other comprehensive income (loss)	–	–	–	–	–	(46,183)	(82,275)	(13,639)	144,028	2,303,553	–	–	2,305,484	30,259	2,335,743	
Total comprehensive income (loss)	–	–	–	–	–	(46,183)	(82,275)	(13,639)	144,028	2,303,553	2,719,927	–	5,025,411	245,952	5,271,363	
Dividends declared	–	–	–	–	–	–	–	–	–	–	(481,920)	–	(481,920)	(210,876)	(692,796)	
Stock issuance costs	–	–	–	(100)	–	–	–	–	–	–	–	–	(100)	–	(100)	
Capital infusion of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	56,331	56,331	
Capital redemption of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	(19,808,800)	(19,808,800)	
	–	–	–	(100)	–	–	–	–	–	–	(481,920)	–	(482,020)	(19,963,345)	(20,445,365)	
Balances at March 31, 2024	P39,691,895	P107,492,243	P25,000	P24,803,346	(P59,450,345)	(P314,183)	P506,244	(P46,460)	P58,545	P8,168,266	P27,109,814	(P28,657)	P148,015,708	P10,186,147	P158,201,855	
For the three-month period ended March 31, 2023 (Unaudited)																
Balances at January 1, 2023	P39,691,895	P107,492,243	P–	P–	(P56,585,740)	(P114,566)	P326,676	(P43,910)	(P5,794)	P7,449,690	P19,551,839	(P28,657)	P117,733,676	P31,859,767	P149,593,443	
Net income	–	–	–	–	–	–	–	–	–	–	2,025,906	–	2,025,906	416,330	2,442,236	
Other comprehensive income (loss)	–	–	–	–	–	(13,792)	(211,952)	51,727	(3,096)	(2,694,511)	–	–	(2,871,624)	(151,402)	(3,023,026)	
Total comprehensive income (loss)	–	–	–	–	–	(13,792)	(211,952)	51,727	(3,096)	(2,694,511)	2,025,906	–	(845,718)	264,928	(580,790)	
Dividends Declared	–	–	–	–	–	–	–	–	–	–	–	–	–	(379,911)	(379,911)	
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	(2,864,605)	–	–	–	–	–	–	–	(2,864,605)	(1,860,077)	(4,724,682)	
	–	–	–	–	(2,864,605)	–	–	–	–	–	–	–	(2,864,605)	(2,239,988)	(5,104,593)	
Balances at March 31, 2023	P39,691,895	P107,492,243	P–	P–	(P59,450,345)	(P128,358)	P114,724	P7,817	(P8,890)	P4,755,179	P21,577,745	(P28,657)	P114,023,353	P29,884,707	P143,908,060	

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

	Three-Month Period Ended	
	March 31 (Unaudited)	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,932,097	₱2,224,170
Adjustments for:		
Interest and other finance charges (Note 19)	692,275	664,414
Depreciation and amortization (Notes 17 and 18)	435,140	420,823
Foreign exchange losses - net	22,705	164,593
Pension and other employee benefits	8,243	50,694
Interest and other financial income	(1,679,290)	(1,592,597)
Equity in net income of associates and joint ventures (Note 6)	(355,302)	(978,485)
Provision for impairment, net (Note 5, 7, 11 and 18)	315,670	237,615
Loss (gain) on:		
Early extinguishment of convertible loan (Note 20)	(389,182)	-
Fair value adjustment on financial asset at FVTPL (Note 20)	(17,560)	(84,966)
Settlement of derivatives (Note 20)	(14,067)	(2,767)
Sale of property and equipment (Note 20)	(7,247)	3,531
Sale of financial asset at FVTPL (Note 20)	26,371	(28,634)
Discount on long-term receivables	5,102	-
Settlement of development loan (Note 20)	-	(515,000)
Operating income before working capital changes	1,974,955	563,391
Decrease (increase) in:		
Accounts receivable	603,027	3,264,186
Fuel and spare parts	47,544	(223,995)
Other current assets	(977,875)	(131,642)
Increase in accounts payable and other current liabilities	(761,698)	(2,239,807)
Cash generated from operations	885,953	1,232,133
Interest received	439,406	255,484
Income and withholding taxes paid	(247,831)	(7,169)
Net cash flows from operating activities	1,077,528	1,480,448
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	(7,862,487)	(5,866,556)
Investments in associates and joint venture, net (Note 6)	(3,109,004)	(367,579)
Financial assets at FVTPL	(2,810,408)	(325,203)
Loans to related parties (Note 22)	(1,422,987)	(1,502,669)
Investments in redeemable preferred shares (Note 7)	(391,376)	(743,688)
Investments in financial assets at FVOCI	(105,203)	-
Subscription deposits (Note 7)	(57,362)	(27,320)
Other intangible assets (Note 10)	(35,242)	(13,439)
Investments in subsidiaries, net of cash acquired	-	(114,000)
Proceeds from:		
Sale of financial assets at FVTPL	752,166	130,076
Redemption of financial assets at FVTPL	587,989	-
Gain on early extinguishment of convertible loan (Note 20)	389,182	-
Redemption of investments in redeemable preferred shares (Note 7)	95,668	74,752
Sale of property, plant and equipment	20,337	-
Collection of loans to related parties (Note 22)	20,150	5,556,316

(Forward)

- 2 -

	Three-Month Period Ended	
	March 31 (Unaudited)	
	2024	2023
Dividends received from investments in associates and joint ventures (Note 6)	₱573,445	₱369,531
Interest received	385,244	413,616
Increase in other noncurrent assets, non-current portion of input VAT and CWT (Note 24)	(333,210)	(639,679)
Net cash flows used in investing activities	(13,303,098)	(3,055,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of long-term debts (Notes 13 and 27)	21,034,998	9,533,898
Availment of short-term debts (Notes 13 and 27)	3,000,000	2,300,000
Capital infusion of non-controlling interest in a subsidiary (Notes 2 and 15)	56,331	-
Payments of:		
Capital redemption of non-controlling interest in a subsidiary (Note 15)	(19,808,800)	-
Short-term loans (Notes 13 and 27)	(2,500,000)	(2,900,000)
Interest on short-term and long-term loans (Note 27)	(1,259,242)	(688,484)
Cash dividends (Notes 15 and 27)	(692,809)	(379,911)
Long-term loans (Notes 13 and 27)	(223,547)	(138,636)
Debt issue cost (Note 13)	(135,120)	(41,250)
Interest on lease liabilities (Notes 9 and 27)	(109,889)	(29,058)
Lease liabilities (Notes 9 and 27)	(83,280)	-
Stock issuance cost	(100)	-
Acquisition of non-controlling interest	-	(4,724,682)
Increase in other noncurrent liabilities	519,990	(524,679)
Net cash flows from (used in) financing activities	(201,468)	2,407,198
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	65,307	(497,936)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,361,731)	333,868
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	39,696,662	34,630,011
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	₱27,334,931	₱34,963,879

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

1. Corporate Information

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

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

The direct parent company (or intermediate parent company) of ACEN is AC Energy and Infrastructure Corporation (“ACEIC”), a wholly owned subsidiary of Ayala Corporation (“AC”). AC is a publicly listed company which is 47.86% owned by Mermac, Inc. (ultimate parent company), and the rest by the public. AC is a listed entity incorporated in the Philippines.

As at March 31, 2024, ACEIC owns 57.83% of ACEN’s total outstanding shares of stock.

The accompanying unaudited interim condensed consolidated financial statements of ACEN and its subsidiaries (“the Group”) as at March 31, 2024, and for the three-month periods ended March 31, 2024 and 2023 were approved and authorized for issuance by the Parent Company’s Audit Committee (pursuant to the authority delegated by the Parent Company’s Board of Directors (BOD)) on May 8, 2024.

2. Material Accounting Policy Information

Basis of Preparation

The unaudited interim condensed consolidated financial statements as at March 31, 2024 and for the three-month periods ended March 31, 2024 and 2023 have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), equity instruments at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The 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 values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2023.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards and amendments effective as at January 1, 2024. 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, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Group. For the three-month period ended March 31, 2024, the sole change in the Parent Company's ownership in its subsidiaries is:

<i>Subsidiary</i>	Principal Activity	Percentage of Ownership (%)			
		March 31, 2024		December 31, 2023	
		Direct	Indirect	Direct	Indirect
Paivatar Energy Corporation	Power generation	60.00	–	100.00	–

The following are the significant transactions of the Group during the three-month period ended March 31, 2024:

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

On January 2, 2024, the Group through ACRI completed its investment in URH by infusing US\$50.00 for acquisition of 50 shares of URH from UPC India Pte. On January 2, 2024, the Group through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI) completed its investment in URH by infusing US\$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. ("UPCI") and US\$2.67 million (₱150.39 million) for subscription for 2,674 ordinary shares of URH (Note 6).

ACEN and Barito enter new partnership in Indonesia wind projects

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

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

Following the signing of the respective Share Transfer Deeds, Barito Wind will own 51% of the three development assets, while ACEN HK will own the remaining 49%. Total investment cost amounted to US\$17.15 million (₱965.17 million) and accounted for as investment in associate.

Signing of Shareholders' and Investment Agreement with BrightNight APAC B.V for renewable energy projects in the Philippines

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

As at March 31, 2024, total capital infusions amounted to ₱56.33 million (see Note 15).

Disposition of land by Buendia Christiana Holdings Corp. ("BCHC") in exchange for shares of AREIT, Inc. ("AREIT") via property-for-share swap

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC to the Shares in exchange for a 276-hectare parcel of land located in Zambales property, subject to the approval of the Securities and Exchange Commission ("SEC"). The Transaction is implemented simultaneous to AREIT's transaction with Ayala Land, Inc. and its subsidiaries.

Upon issuance of the AREIT shares in exchange for the Property, Giga Ace 8, Inc., a wholly-owned subsidiary of ACEN, will lease the land from AREIT for 25 years at a guaranteed fixed rent with annual escalation and with the option to renew for another 25 years.

Transaction Price of approximately ₱6,769.72 million, equivalent to 199,109,438 primary common AREIT shares at a Share Price of ₱34.00 per share. The property was valued using the initial EBITDA over a capitalization rate of 6.92%. The Share Price was set at a 3.75% premium over AREIT's 30-day VWAP of PhP32.77 or the Market Price.

The property is not yet classified as held for sale as it is still subject to regulatory approval which is a substantive condition precedent making the property not yet available for immediate sale in its current state.

ACEN's acquisition of shares in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. ("MEM"), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares in RWEI and a Loan Assignment Agreement for the assignment of MEM's receivables from RWEI (see Note 6). As at March 31, 2024, total subscription paid amounted to ₱266.64 million (see Note 6).

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

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR's authorized capital stock. As at March 31, 2024, total subscription paid amounted to ₱304.00 million (see Note 6).

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 ("RPS A-3") at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million, to be issued out of the increase of PhilWind's ACS. As at March 31, 2024, total subscription paid amounted to ₱309.56 million (see Note 6).

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

3. Significant Accounting Judgment, Estimates and Assumptions

The preparation of the accompanying unaudited interim condensed 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.

Except as otherwise stated, the significant accounting policies, judgements, estimates and assumptions used in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements as at and for the year ended December 31, 2023.

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:

Classification of Government Grants

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

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

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

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

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

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

Assessment of Joint Control over Joint Ventures

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

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

Determination of Transaction Price from Sale of Electricity

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

Management's Use of Estimates

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

Fair Value Measurement of Commodity Options

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

Assessment of Contingencies

The Group is currently involved in various legal proceedings and assessments for local and national taxes (see Note 28). The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The final settlement of these may result in material adverse impact on the Group's consolidated financial statements. The Group also invokes limited disclosures on certain matters due to their prejudicial nature.

4. Cash and Cash Equivalents

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and in banks	₱14,355,757	₱13,769,005
Cash equivalents	12,979,174	25,927,657
	₱27,334,931	₱39,696,662

Cash in bank includes ₱8,207.83 million restricted cash in an escrow account as part of the proceeds from the issuance of preferred shares in 2023. Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures (the "Escrow Requirement").

Interest income from cash in banks and cash equivalents for the three-month period ended March 31, 2024 and 2023 amounted to ₱334.19 million and ₱245.73 million, respectively (see Note 20).

5. Accounts and Notes Receivable

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Accounts and other receivable	₱11,756,358	₱12,406,056
Notes receivable (Note 22)		
Bridge financing	13,684,524	13,440,859
Development loan	7,069,859	5,863,298
Other loan	2,341,161	2,130,751
Accrued interest receivable	7,046,980	6,206,348
	41,898,882	40,047,312
Allowance for expected credit losses	1,736,404	1,292,578
	40,162,478	38,754,734
Less noncurrent portion	13,341,166	12,689,042
Current portion	₱26,821,312	₱26,065,692

Accounts and other receivable

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables		
Third party		
Independent Electricity Market Operator of the Philippines (“IEMOP”)	₱5,755,591	₱6,459,485
National Transmission Corporation (“TransCo”)	1,938,899	1,915,230
RES Buyer	577,379	519,629
National Grid Corporation of the Philippines (“NGCP”)	95,015	91,670
Philippine Electricity Market Corporation (“PEMC”)	10,262	10,262
Others	342,845	423,084
Other receivables		
Third party	1,485,667	1,600,430
Related party (Note 22)	1,550,700	1,386,266
	11,756,358	12,406,056
Allowance for expected credit losses	152,751	152,312
	11,603,607	12,253,744
Less noncurrent portion	1,867,273	1,971,453
Current portion	₱9,736,334	₱10,282,291

Notes receivable

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Bridge financing - related party (Note 22)	₱13,684,524	₱13,440,859
Development loan:		
Third party	3,889,960	3,721,365
Related party (Note 22)	3,179,899	2,141,933
Other loans:		
Third party	1,750,073	1,742,382
Related party (Note 22)	591,088	388,369
	23,095,544	21,434,908
Allowance for expected credit losses (Note 18)	855,838	812,633
	22,239,706	20,622,275
Less noncurrent portion	6,898,382	6,745,824
Current portion	₱15,341,324	₱13,876,451

Bridge financing (previously referred to as debt replacement)

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

Bridge financing bear interest ranging from 7.00% to 15.00% per annum.

Development Loan

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

Development loans bear interest ranging from 4.00% to 10.85% per annum.

Other Loan

Other loans receivable from third parties includes long term loan receivables for land acquisitions. There are interest bearing and matures 1-2 years upon drawdown.

Other loans bear interest ranging from 3.00% to 12.00% per annum.

Accrued interest receivable:

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Bridge financing:		
Related party (Note 22)	₱1,569,438	₱1,446,884
Development loans:		
Third party	99,567	107,832
Related party (Note 22)	383,530	198,534
Investment in redeemable preferred shares and convertible loans – Related party (Note 22)		
Redeemable preferred shares	3,838,250	3,473,000
Convertible loans	959,032	761,760
Other loans:		
Third party	116,940	26,487
Related party (Note 22)	49,557	33,788
Trade receivables		
Third party	27,856	148,995
Related party (Note 22)	2,810	9,068
	7,046,980	6,206,348
Allowance for expected credit losses	727,815	327,633
	6,319,165	5,878,715
Less noncurrent portion	4,575,511	3,971,765
Current portion	₱1,743,654	₱1,906,950

Allowance for expected credit loss

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

For the three-month period ended March 31, 2024, the Group recognized additional allowance for expected credit losses amounting to:

1. US\$1.00 million (₱55.85 million) on principal from development loan with UPC-AC Energy Solar Limited (UPC-ACE Solar);
2. US\$0.45 million (₱25.38 million) on accrued interest of development loan with UPC-ACE Solar;
3. US\$0.45 million (₱25.04 million) on accrued interest of investment in redeemable preferred shares in UPC-ACE Solar (see Note 7); and
4. US\$3.74 million (₱208.28 million) on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) (see Note 7)

Total additional allowance for expected credit losses for the three-month period ended March 31, 2024 amounts to US\$5.64 million (₱314.56 million).

For the three-month period ended March 31, 2023, the Group recognized additional allowance for expected credit losses amounting to US\$4.45 million (₱243.84 million) on accrued interest receivable of investment in convertible loan to Vietnam Wind (see Note 7).

- 10 -

For the three-month period ended March 31, 2024, the Group recognized net provision of other credit losses amounted to ₱0.44 million and reversal of (₱6.62) million, respectively (Note 18).

As at March 31, 2024 and December 31, 2023, the aging analysis of receivables are as follows:

	March 31, 2024 (Unaudited)						Total
	Current	Past Due but not Impaired				Past Due Individually Impaired	
		<30 Days	30–60 Days	61–90 Days	More than 90 Days		
Trade receivables	₱6,137,690	₱97,027	₱210,967	₱595,109	₱1,611,309	₱67,887	₱ 8,719,989
Due from related parties	18,768,508	12,871	143,840	58,428	5,241,227	1,583,953	25,808,827
Others	4,418,124	16,548	68,268	662,285	2,120,277	84,564	7,370,066
	₱29,324,322	₱126,446	₱423,075	₱1,315,822	₱8,972,813	₱1,736,404	₱41,898,882

	December 31, 2023 (Audited)						Total
	Current	Past Due but not Impaired				Past Due Individually Impaired	
		<30 Days	30–60 Days	61–90 Days	More than 90 Days		
Trade receivables	₱5,157,767	₱860,863	₱43,162	₱325,041	₱2,966,400	₱66,127	₱9,419,360
Due from related parties	16,379,597	297,154	25,286	397,627	5,038,909	1,141,888	23,280,461
Others	4,421,489	31,758	56,266	802,098	1,951,318	84,562	7,347,491
	₱25,958,853	₱1,189,775	₱124,714	₱1,524,766	₱9,956,627	₱1,292,577	₱40,047,312

Interest income

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

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
<i>Bridge Financing</i>		
Related Party		
Greencore Power Solutions 3, Inc. (Greencore 3)	₱171,054	₱76,104
Wind Power Lac Hoa (Lac Hoa)	62,118	80,855
Wind Power Hoa Dong (Hoa Dong)	55,355	71,071
Asian Wind Power 1 HK (Asian Wind 1)	39,337	81,387
Asian Wind Power 2 HK (Asian Wind 2)	30,866	64,196
NEFIN Solar Asset Limited (NEFIN)	18,945	–
Vietnam Wind Energy Limited (Vietnam Wind)	12,820	7,359
Ingrid Power Holdings, Inc. (Ingrid)	8,975	22,280
BIM Wind	–	93,433
	399,470	496,685
<i>Development Loans</i>		
Third Party		
Huntington Renewables Investment Limited (Huntington)	57,984	–
Provincia Investments Corporation (Provincia)	3,864	2,959
AMI Renewables (Quang Binh)	1,041	–
BEHS Joint Stock Company (BEHS)	–	10,617
NEFIN Solar Asset Limited (NEFIN)	–	10,792
BIM Energy Holdings (BIMEH)	–	7,523
UPC Renewables Asia Pacific Holdings Ltd. (UPCAPH)	–	3,079

(Forward)

- 11 -

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Related Party		
UPC Solar Asia Pacific Ltd. (UPC-ACE Solar)	₱26,887	₱30,510
Yoma Strategic Investments (Yoma)	16,289	12,991
Others	5,083	–
	111,148	78,471
Accounts and other Receivables		
Third Party	19,541	23,907
Other Loans		
Third Party	6,585	878
Related Party		
Infineum 4 Energy, Inc. (Infineum 4)	1,552	857
BrightNight India B.V. (BrightNight)	13,475	734
	21,612	2,469
	₱551,771	₱601,532

6. Investments in Associates and Joint Ventures

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

	Percentage of ownership		Carrying amount	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Investments in associates:				
Solar NT Holdings Pte. Ltd. (SUPER)	49.00	49.00	₱2,628,088	₱2,558,351
Maibarara Geothermal, Inc. (MGI)	25.00	25.00	925,579	909,694
PT Puri Prakarsa Batam	40.00	40.00	169,626	166,026
Others	various	various	8,056	8,056
			3,731,349	3,642,127
Interests in joint ventures:				
ACEHI Netherlands B.V. (ACEHI Netherlands)	75.76	75.76	12,896,728	12,667,764
Philippine Wind Holdings Corporation (PhilWind)	69.81	69.81	6,332,388	5,987,605
North Luzon Renewable Energy Corp. (NLR)	33.30	33.30	2,822,686	2,492,401
UPC Power Solutions LLC (UPC Power)	83.33	83.33	2,206,477	562,624
BIM Renewable Energy Joint Stock Company (BIMRE)	30.00	30.00	1,922,426	1,861,039
Ingrid Power Holdings, Inc. (Ingrid)	50.00	50.00	894,148	968,535
BrightNight India, B.V. (BrightNight)	50.00	50.00	504,374	160,904
Greencore Power Solutions 3, Inc. (Greencore 3)	50.00	50.00	442,947	434,936
NEFIN Limited (NEFIN)	50.00	50.00	369,728	419,280
Real Wind Energy, Inc. (RWEI)	40.00	–	266,637	–
BIM Wind Energy Joint Stock Company (BIM Wind)	30.00	30.00	229,318	209,217
Monsoon Wind B.V. (Monsoon Wind)	25.00	25.00	196,195	163,339
Others	various	various	698,840	528,846
			29,782,892	26,456,490
			₱33,514,241	₱30,098,617

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

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Investment in associates and joint ventures		
Acquisition costs:		
Balance at beginning of period	₱28,081,331	₱22,557,032
Additions	3,109,004	4,592,106
Cumulative translation adjustment	380,819	(290,764)
Disposal / divestment (Note 20)	(84)	(2,260,215)
Gain from remeasurement	–	3,433,328
Return of capital	–	(228,312)
Others*	–	278,156
Balance at end of period	31,571,070	28,081,331
Accumulated equity in net earnings (losses):		
Balance at beginning of period	2,104,328	2,216,754
Equity in net income of associates and joint ventures	355,302	1,765,239
Dividends received	(573,445)	(1,362,464)
Divestment	–	(515,201)
Balance at end of period	1,886,185	2,104,328
Accumulated share in other comprehensive income (loss):		
Balance at beginning of period	(85,483)	(5,794)
Cumulative translation adjustment	112,953	(71,365)
Interest rate swap	24,739	14,596
Unrealized fair value gain on derivative instruments designated as hedges – net of tax	(2,891)	4,111
Remeasurement gain (loss) on defined benefit plans – net of tax	9,227	(27,031)
Balance at end of period	58,545	(85,483)
Accumulated impairment losses		
Balance at beginning and end of period	(1,559)	(1,559)
Total investments	₱33,514,241	₱30,098,617

*Others pertain to conversions from financial assets at FVTPL (₱276.30 million) and financial assets at amortized cost (₱1.86 million) (see Note 7) in 2023.

Capital call and subscription deposit

On various dates in January to March 31, 2024, the Group made investments equivalent to its proportionate share in the following investee companies:

- UPC Power of US\$30.44 million (₱1,691.22 million)
- NLR of ₱304.00 million
- PhilWind of ₱309.56 million
- BrightNight of ₱280.00 million
- RWEI ₱266.64 million
- Unlimited Renewables Holdings, Inc. of US\$2.69 million (₱151.02 million)
- Various totaling ₱106.56 million

Interest in Joint Ventures*Real Wind Energy Inc. (RWEI)*

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

On the same date, ACEN and MEM signed a Loan Assignment Agreement wherein MEM transferred and assigned to ACEN its loan receivables from RWEI amounting to US\$1.18 million (P66.15 million).

The Group received dividends amounting to:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
ACEHI Netherlands	P289,730	P-
PhilWind	257,363	311,000
NLR	26,352	58,531
	P573,445	P369,531

7. Investments in Redeemable Preferred Shares and Convertible Loans

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

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
<i>Redeemable preferred shares</i>		
AMI AC Renewables Corporation (AAR)	P7,052,743	P6,943,641
UPC-AC Energy Solar Limited (UPC-ACE Solar)	4,282,230	4,323,868
BIM Wind Joint Stock Company (BIM Wind)	2,267,369	2,232,294
NEFIN Limited (NEFIN)	1,740,291	1,713,369
Impact Wind Investments Limited (Impact Wind)	1,832,890	1,419,454
BIM Renewable Energy Joint Stock Company (BIMRE)	1,371,506	1,350,290
UPC Renewables Asia III Ltd. (UPC Asia III)	1,229,652	1,210,630
BIM Energy Joint Stock Company (BIME)	239,312	235,610
	20,015,993	19,429,156
<i>Subscription deposits</i>		
Beacon Capital Holdings Limited	1,377,880	1,356,565
UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)	169,883	110,740
	1,547,763	1,467,305
<i>Convertible loans</i>		
Vietnam Wind Energy Limited (Vietnam Wind)	2,112,850	2,113,578
Asian Wind Power 1 HK Ltd (Asian Wind 1)	914,699	900,549
Asian Wind Power 2 HK Ltd (Asian Wind 2)	882,237	868,589
	3,909,786	3,882,716
	25,473,542	24,779,177
Allowance for expected credit losses	3,017,016	3,145,378
Balance at end of period	P22,456,526	P21,633,799

- 14 -

Investments in redeemable preferred shares and subscription deposits

The rollforward analysis of this account follows:

	March 31, 2024 (Unaudited)		
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of period	P19,429,156	P1,467,305	P20,896,461
Additions	391,376	57,362	448,738
Redemption	(95,668)	–	(95,668)
Cumulative translation adjustment	291,128	23,096	314,224
	20,015,992	1,547,763	21,563,755
Allowance for impairment	904,165	–	904,165
Balances at end of period	P19,111,827	P1,547,763	P20,659,590

	December 31, 2023 (Audited)		
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	P17,357,156	P432,867	P17,790,023
Additions	2,433,046	1,467,305	3,900,351
Conversion	176,219	(176,222)	(3)
Redemption	(74,752)	(249,236)	(323,988)
Reclassification			
Financial asset at FVOCI	(353,340)	–	(353,340)
Investment in joint venture	(1,859)	–	(1,859)
Cumulative translation adjustment	(107,314)	(7,409)	(114,723)
	19,429,156	1,467,305	20,896,461
Allowance for impairment	878,429	–	878,429
Balances at end of year	P18,550,727	P1,467,305	P20,018,032

Convertible loans

The roll forward analysis of this account follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	P3,882,716	P4,755,293
Additions	–	1,807,639
Redemptions	–	(2,341,774)
Cumulative translation adjustment	27,070	(338,442)
	3,909,786	3,882,716
Allowance for impairment (Note 18)	2,112,850	2,266,949
Balance at end of period	P1,796,936	P1,615,767

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

For the three-month ended March 31, 2024, the Group recognized reversal allowance for impairment loss (\$2.77) million (P154.10 million) (nil in 2023).

Investments in redeemable preferred shares and convertible loans bear interest ranging from 8.50% to 14.00% per annum for both the three months period ended March 31, 2024, and 2023, respectively.

Interest income

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

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
<i>Redeemable preferred shares</i>		
AAR	₱219,370	₱217,927
UPC Solar	156,220	132,525
BIM Wind	78,214	73,907
UPC Asia III	66,756	61,324
BIMRE	44,240	42,865
NEFIN	42,459	24,934
IWIL	38,820	1,433
BIME	7,737	7,496
	653,816	562,411
<i>Convertible loans</i>		
Vietnam Wind	85,862	91,562
Asian Wind 1	27,311	46,607
Asian Wind 2	26,342	44,755
	139,515	182,924
	₱793,331	₱745,335

8. Property, Plant and Equipment

The Group invested significant capital expenditures related to the following projects amounting to ₱7,690.27 million and ₱28,034.53 million for the three months period ended March 31, 2024 and for the year ended December 31, 2023, respectively.

Project	Capacity (MW)	Location	% of Completion	
			March 31, 2024	December 31, 2023
			(Unaudited)	(Audited)
San Marcelino Solar (Phase 3)	200	Zambales, Philippines	2%	<1%
Palauig 2 Solar	300	Zambales, Philippines	51%	31%
Pangasinan Solar	60	Pangasinan, Philippines	89%	60%
Pagudpud Wind	160	Ilocos Norte, Philippines	99%	98%
Stubbo Solar	520	Central Western Tablelands, New South Wales, Australia	43%	23%
New England Solar Farm 1	521	Uralla, New South Wales, Australia	100%*	98%
San Marcelino Solar (Phase 1 and 2)	385	Zambales, Philippines	100%*	98%
Cagayan North Solar (Phase 1)	133	Lal-lo Cagayan, Philippines	100%*	98%

*Projects that are currently under testing and commissioning as of March 31, 2024

As at March 31, 2024 and 2023, unpaid property, plant and equipment acquisitions amounted to ₱477.05 million and ₱1,253.77 million, respectively.

Borrowing cost capitalized to property, plant, and equipment amounted to ₱527.74 million and ₱352.92 million for the three-month period ended March 31, 2024 and 2023, respectively (see Note 19). The capitalization rate used to determine the borrowing cost eligible for capitalization is 5.38% and 5.02% in 2024 and 2023, respectively.

For the three-month periods ended March 31, 2024 and 2023, depreciation charged to operations amounted to ₱241.90 million, and ₱229.23 million, respectively. The amount charged to general and administrative expenses account amounted to ₱72.76 million and ₱56.16 million, respectively (see Notes 17 and 18).

The Group's property, plant, and equipment with carrying value of ₱5,979.53 million, and ₱5,424.71 million as at March 31, 2024 and 2023, respectively, were mortgaged as security for the long-term loans of the Group. There are no other property, plant, and equipment that are used to secure the borrowings of the Group (see Note 13).

9. Right-of-Use Assets and Lease Liabilities

The roll forward of these accounts follows:

	March 31, 2024 (Unaudited)					
	Right-of-Use Assets					
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Total	Lease Liabilities
As at January 1, 2024	₱997,494	₱2,768,970	₱1,127,076	₱3,320,164	₱8,213,704	₱8,356,799
New lease agreements	1,478	–	16,159	16,374	34,011	32,533
Amortization expense (Notes 17 and 18)	(2,641)	(31,097)	(33,894)	(12,915)	(80,547)	–
Remeasurement	–	108,275	183,606	(17,430)	274,451	66,074
Interest expense (Note 19)	–	–	–	–	–	109,889
Capitalized interest (amortization)	(22,944)	(5,358)	(47,368)	(596)	(76,266)	85,434
Payments	–	–	–	–	–	(193,169)
Foreign exchange adjustments	–	–	53,167	2,425	55,592	(85,578)
As at March 31, 2024	₱973,387	₱2,840,790	₱1,298,746	₱3,308,022	₱8,420,945	₱8,371,982
Less current portion	–	–	–	–	–	1,083,472
Noncurrent portion	₱973,387	₱2,840,790	₱1,298,746	₱3,308,022	₱8,420,945	₱7,288,510

	December 31, 2023 (Audited)					
	Right-of-Use Assets					
	Land and Easement Rights	Land and Power plants	Office Space and Parking Slots	Land and Office Building	Total	Lease Liabilities
As at January 1, 2023	₱159,478	₱1,966,849	₱921,258	₱679,062	₱3,726,647	₱4,465,021
New lease agreements	856,214	535,823	381,739	2,357,117	4,130,893	3,913,668
Amortization expense (Notes 17 and 18)	(11,150)	(101,735)	(143,415)	(51,684)	(307,984)	–
Remeasurement	19	376,324	(4,685)	337,924	709,582	384,807
Reclassifications	10,573	–	–	(10,573)	–	–
Interest expense (Note 19)	–	–	–	–	–	250,092
Capitalized interest (amortization)	(17,640)	(8,291)	(27,446)	(66,521)	(119,898)	208,695
Payments	–	–	–	–	–	(773,325)
Foreign exchange adjustments	–	–	(375)	74,839	74,464	(92,157)
As at December 31, 2023	₱997,494	₱2,768,970	₱1,127,076	₱3,320,164	₱8,213,704	₱8,356,801
Less current portion	–	–	–	–	–	850,953
Noncurrent portion	₱997,494	₱2,768,970	₱1,127,076	₱3,320,164	₱8,213,704	₱7,505,848

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

10. Goodwill and Other Intangible Assets

The rollforward of this account follows:

	March 31, 2024 (Unaudited)				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of period	₱21,164,218	₱140,411	₱185,347	₱2,387,064	₱23,877,040
Additions/Cash calls	–	–	32,026	3,216	35,242
Cumulative translation adjustment	323,334	–	–	–	323,334
Balance at end of period	21,487,552	140,411	217,373	2,390,280	24,235,616
Accumulated amortization:					
Balance at beginning of period	₱–	₱–	₱56,997	₱568,614	₱625,611
Amortization (Notes 17 and 18)	–	–	2,030	37,899	39,929
Balance at end of period	–	–	59,027	606,513	665,540
Allowance for impairment:					
Balance at beginning and end of period	–	86,061	–	–	86,061
Net book value	₱21,487,552	₱54,350	₱158,346	₱1,783,767	₱23,484,015
	December 31, 2023 (Audited)				
	Goodwill	Deferred Exploration Costs	Leasehold and Water Rights	Other Intangible Assets	Total
Cost:					
Balance at beginning of year	₱21,190,542	₱143,212	₱185,347	₱2,301,466	₱23,820,567
Additions/Cash calls	–	55	–	85,598	85,653
Acquired from business combination	218,201	–	–	–	218,201
Recoveries from consortium partner	–	(2,856)	–	–	(2,856)
Cumulative translation adjustment	(244,525)	–	–	–	(244,525)
Balance at end of year	21,164,218	140,411	185,347	2,387,064	23,877,040
Accumulated amortization:					
Balance at beginning of year	₱–	₱–	₱48,877	₱416,886	₱465,763
Amortization (Notes 17 and 18)	–	–	8,120	151,728	159,848
Balance at end of year	–	–	56,997	568,614	625,611
Allowance for impairment:					
Balance at beginning and end of year	–	86,061	–	–	86,061
Net book value	₱21,164,218	₱54,350	₱128,350	₱1,818,450	₱23,165,368

11. Other Assets
Other current assets

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Prepaid expenses	P501,400	P340,170
Derivative asset	442,591	177,828
Advances to contractors	341,545	262,358
Other current assets	1,140	2,703
	1,286,676	783,059
Less allowance for impairment loss (Note 18)	32,516	32,566
	P1,254,160	P750,493

Other noncurrent assets

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Development costs	P7,022,609	P3,649,457
Derivative assets (Note 26)	5,700,826	6,269,689
Advances to suppliers	1,480,172	1,649,900
Advances for land acquisition	1,301,805	1,247,725
Others	418,052	321,480
	P 15,923,464	P13,138,251

Development costs include expenditures related to the development phase of renewable power plant project. These include direct expenses that will be reclassified 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. Development cost incurred for the three-month period ended March 31, 2024 is for the Isla Wind project of the Group.

12. Accounts Payable and Other Current Liabilities

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables	P3,862,563	P3,095,742
Nontrade payables	2,784,479	4,285,756
Due to related parties (Note 22)	2,718,111	3,195,376
Accrued expenses	2,007,176	2,782,479
Output VAT – net	1,225,707	1,294,739
Accrued interest expenses	703,003	853,578

(Forward)

- 19 -

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Retention payable	₱409,679	₱388,404
Accrued director's and annual incentives	230,327	191,792
Derivative liability (Note 25)	–	10,563
Others	197,295	46,957
	₱14,138,340	₱16,145,386

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

Short-term Loans

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
As at beginning of period	₱1,500,000	₱2,900,000
Availments	3,000,000	9,000,000
Payments	(2,500,000)	(10,400,000)
As at end of period	₱ 2,000,000	₱1,500,000

Interest range of short-term loan from local banks is 5.90% to 6.50% and 5.52% to 6.50% in March 31, 2024 and December 31, 2023, respectively.

Total interest expense recognized on short-term loans amounted to ₱28.65 million and ₱28.75 million for the three-month period ended March 31, 2024 and 2023.

Long-term Loans

This account consists of:

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ACEN								
₱1,500.00 million Loan A	₱1,175.00 million	January 11, 2017	July 11, 2029	6.50% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x* Based on ACEN consolidated year-end balances. Tested semi-annual *On August 24, 2022, lender approved amendment to financial covenants. Previously, covenant included minimum DSCR 1.00x; maximum DE ratio of 1.50x; and minimum current ratio of 1.00x. These changes were formalized in the Amended and Restated Term Loan Agreement executed subsequently on January 29, 2024.	₱563,570	₱611,313
₱5,000.00 million Loan B	₱5,000.00 million	November 15, 2019	November 14, 2029	5.0505% per annum for the first 5 years; repricing for the succeeding five (5) years is the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin, with the sum divided by 0.95	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	4,789,473	4,789,473

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
₱7,000.00 million Loan C	₱500.00 million	July 15, 2020	July 15, 2030	5.00% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x	₱6,865,000	₱6,907,000
	₱1,000.00 million	August 24, 2020	July 15, 2030	5.00% per annum	Principal and interest payable quarterly	Based on ACEN consolidated year-end balances.		
	₱1,000.00 million	June 10, 2022	July 15, 2030	5.066% per annum; repricing for the 4 th and 7 th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin		Tested semi-annual		
	₱2,000.00 million	November 15, 2022	July 15, 2030	7.1720% per annum; repricing for the 3 rd and 6 th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
	₱2,500.00 million	January 13, 2023	July 15, 2030	6.4580% per annum; repricing on the 4 th and 7 th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
₱4,500.00 million Loan D	₱805.00 million	March 30, 2021	March 30, 2031	7.2500% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	₱4,455,000	₱4,477,500
	₱2,000.00 million	February 28, 2022	March 30, 2031	7.2500% per annum				
	₱1,695.00 million	April 11, 2022	March 30, 2031	7.2500% per annum Floating interest rate repriced on every succeeding semi-annual period. Can be converted to fixed up to the 2 nd anniversary of initial drawdown.				
₱10,000.00 million Loan E	₱3,000.00 million	December 13, 2022	December 13, 2032	6.2481% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	6,000,000	6,000,000
	₱3,000.00 million	January 27, 2023	December 13, 2032	6.5826% per annum Floating interest rate repriced on every succeeding semi-annual period. Can be converted to fixed up to the 1 st anniversary of initial drawdown.				
₱10,000.00 million Loan F	₱250.00 million	August 17, 2023	August 17, 2033	7.0891% per annum for the first 2 years; repricing for the 2 nd , 4 th , 6 th , and 8 th anniversaries is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	247,375	250,000

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
₱5,000.00 million Loan G	₱500.00 million	October 24, 2023	October 24, 2033	6.5023% per annum Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown.	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	₱500,000	₱500,000
₱20,000.00 million Loan H	₱500.00 million	December 22, 2023	December 22, 2033	6.5000% per annum Floating interest rate can be converted to fixed up to 12 months from initial drawdown; subject to repricing after sixty (60) months from fixed interest setting date.	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on the ACEN consolidated year-end balances. Tested semi-annual	500,000	500,000
NorthWind								
₱2,300.00 million Loan	₱2,300.00 million	May 29, 2020	May 29, 2032	Fixed at a rate of 5.1250% for ten (10) years to be repriced after the 10 th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus an agreed spread	Principal and interest payable semi-annual	Minimum historical DSCR of 1.05 times Based on the stand-alone balances of the borrower. Tested semi-annually.	1,777,670	1,777,670
Guimaras Wind								
₱4,300.00 million Loan	₱4,300.00 million	February 14, 2014	February 14, 2029	6.31%-6.74% fixed rate	Principal and interest payable semi-annual	Minimum DSCR of 1.2x, a maximum Debt to equity ratio of 70:30. Based on the stand-alone balances of the borrower. Tested semi-annually.	904,070	987,746

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Monte Solar Energy, Inc. ("MONTESOL")								
₱600.00 million Loan	₱600.00 million	September 20, 2023	September 20, 2035	Fixed at a rate of 7.1542% for two (2) years to be repriced one business day prior to the 2 nd and 7 th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus an agreed spread, divided by the Interest Premium Factor, or (b) five hundred seventy-five basis points (5.50%), divided by the Interest Premium Factor, whichever is higher	Principal and interest payable semi-annual	Minimum historical DSCR of 1.05 times Distribution DSCR of 1.2 times. Based on the standalone balances of the Borrower. Tested semi-annually.	₱574,998	₱600,000
ACEN International, Inc. (ACEN International)								
₱7,000.00 million Loan	₱198.00 million	January 22, 2024	January 31, 2031	6.7817% per annum; repricing for the 36 th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95.	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	483,000	—
	₱285.00 million	February 16, 2024	January 31, 2031	6.9946% per annum; repricing for the 36 th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95.				

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ACEN Cayman Limited								
\$140.00 million Loan	\$140.00 million	January 23, 2024	January 23, 2027	5.3980% per annum	Principal payable on maturity date; interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	7,873,600	–
\$180.00 million Loan	\$180.00 million	January 19, 2024	January 19, 2029	5.3060% per annum	Principal and interest payable semi-annual	Maximum net DE ratio of 3.0x Based on ACEN consolidated year-end balances. Tested semi-annual	10,123,200	–
ACEN Australia Pty Ltd. (“ACEN Australia”)								
AU\$100 million Loan	AU\$34.54 million	August 18, 2022	August 18, 2027	5.2494% per annum	3 or 6 months with automatic rollover but not to exceed the maturity date	Net DE Ratio of 3.0x. Based on the ACEN Corp consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi annually, together with financial statements.	2,468,800	1,646,345
	AU\$0.344 million	February 21, 2023	August 18, 2027	5.2494% per annum				
	AU\$9.00 million	April 12, 2023	August 18, 2027	5.3554% per annum				
	AU\$0.504 million	May 22, 2023	August 18, 2027	5.6667% per annum				
	AU\$67.39 million	August 18, 2022	August 18, 2027	6.0725% per annum				
AU\$140 million Loan	AU\$28.36 million	September 16, 2022	September 16, 2027	4.884% per annum	Principal Repayment on Termination Date. Interest payments 3 or 6 months, or any	Net DE Ratio of 3.0x. Based on the ACEN Corp consolidated year-end balances.	3,618,611	2,810,380
	AU\$11.00 million	January 23, 2023	September 16, 2027	4.8683% per annum				

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	AU\$14.00 million	March 16, 2023	September 16, 2027	5.3615% per annum	other period greater than 1 month agreed with Lender.	Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi annually, together with financial statements.		
	AU\$5.00 million	May 18, 2023	September 16, 2027	5.5114% per annum				
	AU\$2.00 million	June 20, 2023	September 16, 2027	6.0016% per annum				
	AU\$15.00 million	September 4, 2023	September 16, 2027	5.7845% per annum				
	AU\$98.78 million	September 16, 2022	September 16, 2027	6.0245% per annum				
AU\$75.00 million Loan	AU\$0.38 million	October 28, 2022	October 28, 2027	6.4275% per annum	Principal Repayment on Termination Date. Interest payments 6 months, or any other period greater than 1 month as agreed with Lender.	Net DE Ratio of 3.0x. Based on the ACEN Corp consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi annually, together with financial statements.	1,552,351	1,571,556
	AU\$5.00 million	May 17, 2023	October 28, 2027	6.4275% per annum				
	AU\$7.00 million	August 24, 2023	October 28, 2027	6.4275% per annum				
	AU\$15.00 million	September 24, 2023	October 28, 2027	6.4275% per annum				
	AU\$15.00 million	November 5, 2023	October 28, 2027	6.4275% per annum				
	AU\$42.38 million	October 28, 2022	October 28, 2027	6.4275% per annum				

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
AU\$204.54 million Loan	AU\$157.78 million	February 11, 2021	December 22, 2025	2.25% per annum	Principal Repayment based on agreed schedule. Interest payments 3 or 6 months or any such shorter period agreed.	Default DSCR Ratio of 1.15x, 12 months backward and forward looking. Secured by Property Based on the ACEN consolidated year-end balances. Tested quarterly after conversion to operation term facility.	7,467,864	7,560,254
	AU\$6.125 million	January 22, 2023	December 22, 2025					
	AU\$0.699 million	February 22, 2023	December 22, 2025					
	AU\$6.00 million	March 16, 2023	December 22, 2025					
	AU\$0.610 million	March 22, 2023	December 22, 2025					
	AU\$18.00 million	April 24, 2023	December 22, 2025					
	AU\$2.50 million	May 18, 2023	December 22, 2025					
	AU\$2.406 million	June 22, 2023	December 22, 2025					
	AU\$5.00 million	September 4, 2023	December 22, 2025					
	AU\$2.844 million	September 22, 2023	December 22, 2025					
	AU\$0.953 million	October 23, 2023	December 22, 2025					
	AU\$0.931 million	November 22, 2023	December 22, 2025					

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	AU\$0.969 million AU\$203.85 million	December 22, 2023 February 11, 2021	December 22, 2025 December 22, 2025	2.903% per annum				
AU\$277.00 million Loan	AU\$2.64 million AU\$70.00 million AU\$0.86 million AU\$10.00 million AU\$20.00 million AU\$25.67 million AU\$4.322 million AU\$156.49 million	January 11, 2023 February 3, 2023 May 3, 2023 June 20, 2023 October 26, 2023 December 20, 2023 December 21, 2023 January 6, 2023	January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028 January 6, 2028	5.5217% per annum 5.0350% per annum 5.5740% per annum 5.8601% per annum 6.0326% per annum 6.0653% per annum 6.0633% per annum 6.0028% per annum	Principal Repayment on Termination Date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN Corp consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi annually, together with financial statements.	5,732,835	4,950,760
AU\$75 million	AU\$0.30	February 26, 2024	February 26, 2028	6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest	Net DE Ratio of 3.0x. Based on the ACEN Corp consolidated year-end balances.	10,990	–

- 29 -

Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
					periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi annually, together with financial statements.		
AU\$75 million	AU\$0.45	February 26, 2024	February 26, 2028	6.1849% per annum	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on the ACEN Corp consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia Pty Ltd level. Semi annually, together with financial statements.	16,486	–
Totals							P66,524,893	P45,939,997
Less unamortized debt issue cost							295,015	165,320
Less current portion							66,229,878	45,774,677
Long-term loans, net of current portion							P65,581,743	P44,485,573

- 30 -

The roll forward of this account follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
As at beginning of period	₱45,939,997	₱28,905,691
Availment	21,034,998	17,586,442
Payment	(223,547)	(541,690)
Cumulative translation adjustments	(226,555)	(10,446)
	66,524,893	45,939,997
Less unamortized debt issue cost	295,015	165,320
As at end of period	₱66,229,878	₱45,774,677

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

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
As at beginning of period	₱165,320	₱134,403
Additions	135,120	55,125
Amortization/accretion (Note 19)	(5,425)	(24,208)
As at end of period	₱295,015	₱165,320

Total interest expense and other financing charges recognized on long-term loans amounted to ₱616.49 million and ₱364.76 million for the three-month period ended March 31, 2024 and 2023, respectively.

Compliance with covenants

The Group has complied with the covenants required by the long-term loans payable as at March 31, 2024, and December 31, 2023.

As disclosed in Note 8, certain property, plant, and equipment are used as collateral to long-term loans.

Notes payable

The roll forward of this account follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Principal		
Balance at beginning and end of period	₱30,383,600	₱30,383,600
Debt issue cost		
Balance at beginning of period	134,704	198,773
Amortization (Note 21)	(4,620)	(64,069)
Balance at end of period	130,084	134,704
Cumulative translation adjustment	2,111,891	1,754,898
	₱32,365,407	₱32,003,794

For the three-months period ended March 31, 2024 and 2023, total interest expense and other financing charges recognized on the US dollar Green Bonds amounted to US\$4.13 million (₱231.26 million) and US\$4.31 million (₱236.28 million), respectively.

For the three-months ended March 31, 2024 and 2023, total interest expense and other financing charges recognized on the Peso Green Bonds amounted to ₱151.15 million and ₱150.99 million, respectively (see Note 19).

The prepayment option on all long-term loans were assessed to be embedded that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Compliance with covenants

The Group has complied with the covenants required by the notes payable as at March 31, 2024, and December 31, 2023.

14. Other Noncurrent Liabilities

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Unearned revenues	₱5,147,864	₱5,184,182
Asset retirement obligations	930,240	757,245
Provision for Employee Benefits / long service leave	81,088	39,694
Deposit payable	65,015	65,016
Contract liabilities	59,576	60,609
Retention payable	14,763	6,932
Derivative liability	12,096	12,437
Nontrade payable	1,222	133,351
Others	19,583	84,538
	₱6,331,447	₱6,344,004

15. Equity

Capital Stock

This account consists of:

Class of share	Common	Redeemable Preferred	Total
Authorized shares	48,300,000,000	100,000,000	48,400,000,000
Par value	₱1	₱1	₱1
Balances at December 31, 2022	39,691,894,773	–	39,691,894,773
Issuance of new shares	–	25,000,000	25,000,000
Balances at December 31, 2023 and March 31, 2024	39,691,894,773	25,000,000	39,716,894,773

- 32 -

The issued and outstanding shares are held by a number of equity holders below:

	March 31, 2024
Common shares	4,396
Redeemable preferred shares	10

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

Year Approval	No. of shares Registered	No. of shares Issued	Par Value
Prior to 2005*	1,000,000,000	**840,601,987	₱0.01/1.00
2005	1,000,000,000	264,454,741	1.00
2007	-	552,528,364	1.00
2008	-	4,713,558	1.00
2009	-	304,419	1.00
2010	-	2,022,535	1.00
2011	2,200,000,000	1,165,237,923	1.00
2012	4,200,000,000	2,027,395,343	1.00
2013	-	6,603,887	1.00
2014	-	1,283,332	1.00
2016	-	20,751,819	1.00
2017	-	3,877,014	1.00
2019	-	2,632,000,000	1.00
2020	16,000,000,000	6,185,182,288	1.00
2021	24,000,000,000	24,623,380,967	1.00
2022	-	1,361,556,596	1.00
Total	48,400,000,000	39,691,894,773	

*On April 7, 1997, par value was increased from ₱0.01 to ₱1.00.

**Equivalent number of shares at ₱1.00 par.

Additional Paid-in Capital

The roll forward of this account follows:

Class of share	Additional Paid-In Capital (Amount)		
	Common	Redeemable Preferred	Total
Balances at December 31, 2022	₱107,492,243,548	₱-	₱107,492,243,548
Issuance of capital stock	-	24,975,000,000	24,975,000,000
Share issuance cost	-	(171,554,704)	(171,554,704)
Balances at December 31, 2023	₱107,492,243,548	₱24,803,445,296	₱132,295,688,844
Share issuance cost	-	(100,000)	(100,000)
Balances at March 31, 2024	₱107,492,243,548	₱24,803,345,296	₱132,295,588,844

Cumulative Translation Adjustments

This account pertains to cumulative translation adjustments of subsidiaries with functional currency other than the Group's presentation currency (see Note 2). Exchange differences arising from translation of foreign operations for the period ended March 31, 2024 and December 31, 2023 follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ACRI	(\$122,969)	(\$153,098)
ACEN Cayman	(\$60,876)	(52,907)
Others	\$2	(23)
Consolidations and eliminations	\$9,567	25,955
	(\$174,276)	(\$180,073)
Attributable to:		
Equity holders of the Parent	(\$174,814)	(\$181,448)
Non-controlling interest	\$538	1,375
	(\$174,276)	(\$180,073)

Retained Earnings

Retained earnings represent the Group's accumulated earnings, net of dividends declared. The balance includes accumulated earnings of subsidiaries, joint venture and associates, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

Retained earnings not available for dividend declaration are included in the Group's retained earnings to the extent of (a) accumulated equity in undistributed net earnings of consolidated subsidiaries, and associates and joint ventures accounted for under equity method amounting to ₱40,644.10 million and ₱41,459.53 million as at March 31, 2024 and December 31, 2023, respectively and (b) the cost of treasury shares amounting to ₱28.66 million as at March 31, 2024 and December 31, 2023.

As at March 31, 2024 and December 31, 2023, deferred tax liabilities have not been recognized on undistributed earnings of and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group. Management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative translation adjustment amounted to US\$931.36 million (₱47,225.17 million) and US\$669.84 million (₱25,246.02 million) as at March 31, 2024 and December 31, 2023, respectively.

Dividends*Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) Series B Preferred Shares (ACENB)*

On February 8, 2024, the BOD of ACEN approved the declaration of the first quarter of 2024 cash dividends on the ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share
Dividends	₱148,750	₱333,170

Total dividends amounting to ₱481.92 million were paid on February 29, 2024.

Non-controlling Interest (NCI)

The roll forward of this account is as follows:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Balance at beginning of year	₱29,903,540	₱31,859,767
Net income attributable to NCI	215,693	1,710,534
Cumulative translation adjustments	30,259	76,149
Capital infusion of NCI in a subsidiary (Note 2)	56,331	–
Capital redemption of NCI in a subsidiary	(19,808,800)	–
Dividends	(210,876)	(1,882,833)
Acquisition of NCI	–	(1,860,077)
Balance at end of year	₱10,186,147	₱29,903,540

On January 23, 2024, ACEN Cayman through unanimous approval of its BOD redeemed US\$352.00 million (₱19,808.80 million) worth of redeemable preferred shares held by AC Energy Finance International Limited (ACEFIL). The redeemable preferred shares were subscribed by ACEFIL at par value of US\$1.00 each. Redemptions were made to the following shares:

- a. 280,000,000 Class A1 redeemable preferred shares with par value of US\$1.00 each;
- b. 12,000,000 Class A1-2 redeemable preferred shares with par value of US\$1.00 each; and
- c. 60,000,000 Class A3 redeemable preferred shares with par value of US\$1.00 each.

Dividends

For the three-month periods ended March 31, 2024 and 2023, ACEN Cayman declared dividends to its shareholder, AC Energy Finance International Limited, of US\$3.75 million (₱210.88 million) and US\$6.87 million (₱379.91 million), respectively.

Other Equity Reserves

This account consists of:

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Effect of:		
Common control business combinations	(₱53,269,303)	(₱53,269,303)
Purchase of:		
20% in UPC-ACE Australia shares	(2,864,605)	(2,864,605)
20% in SLTEC	(2,229,587)	(2,229,587)
32% in NorthWind	(723,974)	(723,974)
34% in MSPDC	(261,728)	(261,728)
Various interest in other subsidiaries	(119,486)	(119,486)
Others	18,338	18,338
	(₱59,450,345)	(₱59,450,345)

Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or acquire long-term debts. No changes were made in the objectives, policies, or processes for the three-month period ended March 31, 2024 and year ended December 31, 2023. The Group considers its total equity as capital.

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

16. Revenue from Sale of Electricity

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

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	(Unaudited)
Revenue from power supply contracts	₱5,749,707	₱4,900,238
Revenue from power generation	4,016,389	4,122,776
	₱9,766,096	₱9,023,014

17. Costs of Sale of Electricity

This account consists of:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	(Unaudited)
Costs of purchased power	₱6,169,438	₱7,243,731
Depreciation and amortization (Notes 8, 9 and 10)	320,279	299,374
Fuel	107,587	169,685
Others	466,774	406,611
Taxes and licenses	138,338	119,238
Repairs and maintenance	122,387	123,183
Salaries and directors' fees	63,479	39,496
Transmission costs	38,282	20,505
Insurance	28,073	30,843
Contractor's fee	25,916	23,772
Rent	12,306	16,365
Filing fees	5,559	1,413
Communication	3,326	3,208
Transportation and travel	2,483	2,640
Pension and other employee benefits	1,969	1,887
Others	24,656	24,061
	₱7,064,078	₱8,119,401

18. General and Administrative Expenses

This account consists of:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	(Unaudited)
Personnel costs, management and professional fees	₱752,985	₱578,221
Salaries and directors' fees	486,698	251,888
Management and professional fees	266,287	326,333
Depreciation and amortization (Notes 8, 9 and 10)	114,861	121,449
Provision for impairment (Notes 5, 7 and 11)	315,670	237,615
Others	374,589	243,102
Insurance, dues and subscriptions	92,515	26,845
Taxes and licenses	88,156	93,692
Transportation and travel	39,032	18,770
Utilities	10,420	487
Contractor's fee	18,908	9,217
Rent	12,169	8,918
Building maintenance and repairs	8,571	15,271
Training and commitment fees	8,315	1,069
Pension and other employee benefits	7,883	6,827
Corporate social responsibilities	6,792	5,641
Meeting and conferences	5,576	3,174
Communication	4,983	1,940
Advertisements	4,740	11,417
Office supplies	3,223	4,785
Others	63,306	35,049
	₱1,558,105	₱1,180,387

19. Interest and Other Finance Charges

This account consists of:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	(Unaudited)
Interest expense on:		
Long-term loans (Note 13)	₱616,494	₱364,760
Notes payable (Note 13)	382,412	387,274
Lease obligations (Note 9)	109,889	86,849
Short-term loans (Note 13)	28,654	28,751
Amortization of debt issue cost (Note 13)	10,045	10,326
Other finance charges	72,522	139,375
	1,220,016	1,017,335
Capitalized interest (Note 8)	527,741	352,921
	₱692,275	₱664,414

20. Interest and Other Financial Income and Other Income - Net

Interest and Other Financial Income

Interest and other financial income arises from cash in banks and short-term deposits, investments in redeemable preferred shares of associates and joint ventures, and from bridge financing (debt replacement) and development loans and advances extended to associates and joint ventures.

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

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	(Unaudited)
Interest income on:		
Cash in banks and short-term deposits (see Note 4)	₱334,189	₱245,730
Accounts and notes receivables (Notes 5 and 22)	551,771	601,532
Bridge financing (debt replacement)	399,470	474,406
Development loans	111,148	78,471
Accounts and other receivable	19,541	23,905
Other loans	21,612	24,750
Investments in redeemable preferred shares and convertible loans (Note 7)	793,331	745,335
Redeemable preferred shares	653,816	562,411
Convertible loans	139,515	182,924
	₱1,679,291	₱1,592,597

Other income account consists of:

	For the three-month period ended March 31	
	2024	2023
	(Unaudited)	(Unaudited)
Gain on disposal of assets	₱389,182	₱-
Gain on early extinguishment of convertible loan	389,182	-
Others	(30,456)	481,588
Gain on settlement of development loan	-	515,000
(Loss) gain on sale of financial asset at FVTPL	(26,371)	28,634
Guarantee fee income	25,959	24,416
Foreign exchange gain (loss) – net	23,830	(254,357)
Fair value adjustment on financial asset at FVTPL	17,560	84,966
Gain on settlement of derivatives	14,067	2,767
Gain (loss) on sale of property, plant and equipment	7,247	(3,531)
Others	(92,748)	83,693
	₱358,726	₱481,588

Gain on early extinguishment of convertible loan

On September 27, 2023, the Group entered into a Framework Agreement with The Blue Circle Pte. Ltd (TBC) to effectively reduce the Group's capital deployed in Dai Phong and Hong Phong 1 Wind projects in Vietnam. This is to effectively make the projects effectively a true 50-50 joint venture in terms of funding. Salient points of the agreement are as follows:

- 50% of outstanding principal and accrued interest of bridge loan facility will be repaid at carrying value.
- 50% of outstanding principal and accrued interest long-term convertible facility will be repaid at a premium of US\$7.00 million (₱398.18 million).
- Premium will be paid via redemption of common shares of ACEN Vietnam Investments 2 Pte. Ltd. (ACEV2), which is subject to regulatory approval coming from Vietnam Competition Commission. ACEV2 is the subsidiary of the Group that entered into a joint venture agreement with TBC to construct the Vietnam wind projects.

Principal and accrued interest of bridge loan and long-term convertible loan facility was repaid September 2023. The cost of common shares redeemed amounted to US\$0.002 million.

On March 6, 2024, the Vietnam Competition Commission issued its approval of shares redemption and transfer of common share ownership, consequently, gain on early extinguishment of convertible loan was recognized amounting to US\$6.97 million (₱389.18 million). The transfer of common share ownership occurred on March 22, 2024.

<i>In thousands</i>	In US\$	In PHP
Total consideration	\$38,921	₱2,173,391
Carrying value of convertible loan and accrued interest	31,952	1,784,209
Gain on sale	\$6,969	₱389,182

ACRI Guarantee Agreement and guarantee fee income

ACRI serves as a guarantor for the following borrowings entered into by its related parties which ACRI unconditionally and irrevocably guaranteed. Fees are charged for these guarantee agreements. ACRI assessed that the expected credit loss from its guaranteed obligation of the related parties is nil.

For the three-month period ended March 31, 2024 and 2023, the Group recognized corresponding guarantee fee income amounting to US\$ 0.46 million (₱25.96 million) and to US\$1.65 million (₱91.23 million), respectively.

21. Income Taxes

Current and deferred income taxes consist of:

	For the three-month period ended March 31	
	2024 (Unaudited)	2023 (Unaudited)
Current		
Regular corporate income tax (RCIT)	₱183,320	₱66,562
Minimum corporate income tax (MCIT)	19,417	33
Final income tax	45,094	4,650
Deferred	(251,354)	(289,311)
	(₱3,523)	(₱218,066)

Net deferred tax liabilities amounted to ₱617.81 million and ₱805.90 million as at March 31, 2024 and December 31, 2023, respectively.

Net deferred tax assets amounted to ₦2,203.22 million and ₦2,122.08 million as at March 31, 2024 and December 31, 2023, respectively.

22. Related Party Transactions

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

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

ACEN served as the guarantor for the US\$400.00 million senior undated fixed-for-life (non-deferrable) Notes with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par, issued by ACEN Finance on September 8, 2021, under its medium-term note (MTN) Programme. Proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework (see Note 13).

The balances as at March 31, 2024 and December 31, 2023 and transactions for the three months period ended March 31, 2024 and 2023 are as follows:

a. Transactions with ACEIC, the intermediate parent company

Nature	Amount / Volume		Outstanding Balance		Terms / Conditions
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023	
Management fee income	2,158	6,229	7,575	1,580	Unsecured; no impairment
Management fee (expense)	58,210	228,809	(280,247)	(280,247)	Non-interest bearing; due and demandable
Transfer of Employee	–	–	176,633	176,633	Non-interest bearing; due and demandable
Due from related parties	–	–	188,195	172,030	Non-interest bearing; due and demandable
Due to related parties	–	–	(130,344)	(77,806)	Non-interest bearing; due and demandable

- 40 -

b. Notes Receivables

Nature and Related Party	Amount / Volume		Outstanding Balance Receivable (Payable)		Terms / Conditions
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023	
Development loans					
<i>Joint Ventures</i>					
UPC-AC Energy Solar Limited (UPC-ACE Solar)	P24,477	P-	P855,839	P806,694	Due in 2023; interest bearing; unsecured; with impairment
ACEN-Silverwolf	2,114	-	7,529	5,415	Due in 2023; interest bearing; unsecured; no impairment
PT UPC Lombok Timur Bayu Energi	118,021	-	118,021	-	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Sidrap Bayu Energi Tahap Dua	435,489	-	435,489	-	Payable at the option of the lender; interest bearing; unsecured; no impairment
<i>(Forward)</i>					
PT UPC Sukabumi Bayu Energi	P238,306	P-	P238,306	P-	Payable at the option of the lender; interest bearing; unsecured; no impairment
<i>Affiliate</i>					
Yoma Strategic Investments Ltd ("Yoma")	194,891	-	1,524,715	1,329,824	Due in 2023; interest bearing; unsecured; no impairment
	P1,013,298	P-	P3,179,899	P2,141,933	
Bridge financing					
<i>Joint Ventures</i>					
Greencore 3	P104,600	P113,116	P4,579,136	P4,474,536	Due in 2024; interest bearing; unsecured; no impairment
Lac Hoa	41,247	-	2,666,397	2,625,150	Due in 2024; interest bearing; unsecured; no impairment
Hoa Dong	36,183	-	2,338,963	2,302,780	Due in 2024; interest bearing; unsecured; no impairment
Asian Wind 1	23,134	-	1,495,422	1,472,288	Due in 2035; interest bearing; unsecured; no impairment
Asian Wind 2	13,584	-	1,171,479	1,157,895	Due 2045 interest bearing; unsecured; no impairment
NEFIN Solar	12,437	-	803,951	791,514	Due in 2024; interest bearing; unsecured; no impairment
Ingrid	-	300,000	300,000	300,000	Due in 2024; interest bearing; unsecured; no impairment
Vietnam Wind	4,454	153,069	287,936	283,482	Due in 20 years from date of drawdown; interest bearing; unsecured; no impairment
PT Dewata ACEN Renewables Indonesiaa	8,116	-	41,240	33,214	Due in 2024; interest bearing; unsecured; no impairment
BIM Wind	-	-	-	-	Due in 2030 interest bearing; unsecured; no impairment
	P243,755	P566,185	P 13,684,524	P13,440,859	
Other Loans					
<i>Joint Venture</i>					
Infineum 4 Energy, Inc.	P-	P-	P77,826	P77,826	Due in 2024; interest bearing; unsecured; no impairment
BrightNight	202,719	309,991	513,262	310,542	Due in 2024; interest bearing; unsecured; no impairment
	P202,719	P309,991	P591,088	P388,368	

Except for the discussion above, the movement in the notes receivable from related parties are revaluation of US\$ denominated notes receivable to Philippine peso from December 31, 2023, to March 31, 2024.

c. Interest Income and Receivable

This account consists of:

Nature and Related Party	Amount / Volume		Outstanding Balance Receivable (Payable)		Terms / Conditions
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023	
Investments in redeemable preferred shares and convertible loans (Note 7)					
Redeemable preferred shares	₱653,816	₱562,411	₱3,838,250	₱3,473,000	various dates
Convertible loans	139,515	182,924	959,032	761,760	various dates
	₱793,331	₱745,335	₱4,792,282	₱4,234,760	
Development Loans					
Joint Ventures					
UPC-ACE Solar	₱26,887	₱30,510	₱363,388	₱327,633	various dates
UPC-ACE Australia	–	–	–	–	various dates
Associates					
ACEN-Silverwolf	–	–	400	206	various dates
The Blue Circle (TBC)	–	–	–	–	various dates
Affiliate					
Yoma	16,289	12,991	15,481	198,328	various dates
PT UPC Lombok Timur Bayu Energi	173	–	159	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Sidrap Bayu Energi Tahap Dua	2,628	–	2,497	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT UPC Sukabumi Bayu Energi	1,711	–	1,605	–	Payable at the option of the lender; interest bearing; unsecured; no impairment
	₱47,688	₱43,501	₱383,530	₱526,167	
Bridge financing					
Joint Ventures					
Vietnam Wind	12,820	7,359	485,695	465,726	various dates
Hoa Dong	55,355	71,071	446,109	439,074	various dates
Lac Hoa	62,118	80,855	505,451	387,030	various dates
NEFIN Solar	18,945	–	88,404	63,448	various dates
Greencore 3	171,054	76,104	–	57,797	30-day, non-interest bearing
Ingrid	8,975	22,280	42,312	33,337	30-day, non-interest bearing
PT Dewata ACEN Renewables Indonesia	–	–	1,466	472	various dates
Asian Wind 1	39,337	81,387	–	–	various dates
Asian Wind 2	30,866	64,196	–	–	various dates
BIM Wind	–	93,433	–	–	various dates
BIMRE	–	–	–	–	various dates
	₱339,470	₱496,685	₱1,569,437	₱1,446,884	
Other Loans					
BrightNight	₱13,475	₱734	₱43,385	₱29,693	30-day, non-interest bearing
Others	1,552	857	6,172	4,095	30-day, non-interest bearing
	₱15,027	₱1,591	₱49,557	₱33,788	
Trade Receivables					
Affiliates	₱–	₱10,071	₱2,810	₱9,068	30-day, non-interest bearing

Allowance for expected credit loss

For the three-month period ended March 31, 2024, the Group recognized net allowance for impairment loss in development loan to UPC-AC Energy Solar Limited (UPC-ACE Solar) for its principal and interest amounting to US\$0.80 million (₱43.21 million) and US\$0.61 million (₱35.75 million), respectively. The Group also recognized allowance for impairment loss in interest receivable of convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) amounting to US\$6.53 million (₱364.43 million) (nil in 2023) (see Notes 5 and 18).

Allowance for impairment loss

For the three-month ended March 31, 2024 and 2023, the Group recognized reversal allowance for impairment loss (\$2.77) million (₱154.10 million) and additional allowance for impairment loss of \$4.45 million (₱243.47 million) respectively, in convertible loan to Vietnam Wind (see Notes 7 and 18).

For the three-month ended March 31, 2024 and 2023, the Group recognized allowance for impairment loss \$0.46 million (₱25.74 million) and nil respectively, in redeemable preferred shares in UPC-ACE Solar (see Notes 7 and 18).

d. Loans Payable

Nature and Related party	Amount / Volume		Outstanding Balance Receivable (Payable)		Terms / Conditions
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023	
BPI					
Interest expense / Interest payable	₱48,630	₱28,374	(34,870)	(16,521)	30 days, unsecured
Long-term loans	–	–	(2,339,831)	(2,367,909)	12 years, interest bearing
Short-term loans	–	–	–	(1,500,000)	63 days, 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 units and parking spaces. Lease with FBDC ended on March 31, 2023.

Related Party	Amortization / Interest expense		Right-of-use assets / (Lease Liabilities)		Terms / Conditions
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023	
ALI					
Right of use Assets (Note 9)	₱37,017	₱33,346	₱1,401,399	₱1,448,350	10 years, unsecured
Lease Liabilities (Note 9)	14,837	10,681	(1,579,032)	(1,639,935)	10 years, unsecured

f. Other Related Party Transactions

Nature	Amount / Volume		Outstanding Balance Receivable (Payable)		Terms / Conditions
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023	
Management fee income	₱ 160,888	₱ 75,625	₱ 82,257	₱112,513	30-days, unsecured
Rental income	4,334	4,334	4,166	4,214	30-days, unsecured
Revenue from power supply contracts	127,331	123,983	–	–	30-days, unsecured
Dividend Receivable	–	369,531	–	–	On demand, Unsecured
Cost of sale of electricity	(244,207)	(246,416)	(83,309)	(103,650)	30-days, unsecured
Due from related parties	–	–	809,544	738,206	On demand, Unsecured
Due to related parties	–	–	2,276,743	2,733,673	On demand, Unsecured

Management fee income pertains to service fees billed by the Group to its related parties under common control and joint venture & 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

As at March 31, 2024 and December 31, 2023, receivables from officers and employees amounting to ₱303.22 million and ₱301.17 million 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 / Conditions
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023	
Accrued director's and annual incentives					
Directors' fee and annual incentives	₱–	₱3,302	(₱2,000)	(₱2,000)	On demand, Unsecured
Due to stockholders					
Cash dividends	481,920	–	(16,572)	(16,585)	On demand, Unsecured

Key Management Compensation

Compensation of key management personnel of the Group are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Short-term employee benefits	₱61,844	₱59,802
Post-employment benefits	–	27,750
	₱61,844	₱87,552

Identification, Review and Approval of Related Party Transactions

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

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

23. Earnings Per Share

Basic and diluted EPS are computed as follows:

	For the three-month period ended March 31	
	2024 (Unaudited)	2023 (Unaudited)
	(In Thousands, Except for Number of Shares and Per Share Amounts)	
Net income attributable to equity holders of Parent Company	₱2,719,927	₱2,025,906
Less cumulative preferred share dividends	481,920	–
(a) Net income attributable to common shareholders of Parent Company	₱2,238,007	₱2,025,906
Common shares outstanding at beginning of period (Note 15)	39,677,394,773	39,677,394,773
Weighted average number of: Shares issued during the period	–	–
(b) Weighted average common shares outstanding	39,677,394,773	39,677,394,773
Basic/Diluted earnings per share (a/b)	₱0.06	₱0.05

For the three-months ended March 31, 2024 and 2023, except for ESOWN, the Parent Company does not have any material potential common shares or other instruments that may entitle the holder to common shares. Consequently, diluted earnings per share is the same as basic earnings per share for the three-months ended March 31, 2024 and 2023.

24. 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.

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.

The Chief Financial Officer (CFO), together with the CFT focuses on the following major risks that may affect its transactions:

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations (“CPIR”) focuses on the following major risks that may affect its transactions:

- Market risk
- Equity price risk
- Commercial Operations (“CO”) focuses on commodity price risk

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

Risk Management Process

Foreign Exchange Risk

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

Foreign exchange risk is generally managed in accordance with the Natural Hedge principle and further evaluated through:

- Continual monitoring of global and domestic political and economic environments that have impact on foreign exchange;
- Regular discussions with banks to get multiple perspectives on currency trends/forecasts; and
- Constant updating of the foreign currency holdings gains and losses to ensure prompt decisions if the need arises.

In the event that a Natural Hedge is not apparent, the Group endeavors to actively manage its open foreign currency exposures through:

- Trading by spot conversions; or
- Entering into derivative forward transactions on a deliverable or non-deliverable basis to protect values.

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

	March 31, 2024	December 31, 2023
	U.S. Dollar (US\$)	U.S. Dollar (US\$)
Financial Assets		
Cash and cash equivalents	\$121,918	\$288,622
Other receivables	435,008	370,703
	556,926	659,325
Financial Liabilities		
Accounts payable and other current liabilities	(152,393)	(173,920)
Notes payable and loans-term loans	(770,389)	(722,412)
	(922,782)	(896,332)
Net foreign currency-denominated assets (liabilities)	(\$365,856)	(\$237,007)
Peso equivalent	(₱20,590,742)	(₱13,168,109)

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱56.28 to US\$1.00 March 31, 2024 and ₱55.57 to US\$1.00 as at December 31, 2023.

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

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate US\$	
March 31, 2024	(₱0.50)	182,928
(Unaudited)	(1.00)	365,856
	0.50	(182,928)
	1.00	(365,856)

- 47 -

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate US\$	
	December 31, 2023 (Audited)	(₱0.50)
	(1.00)	237,007
	0.50	(118,504)
	1.00	(237,007)

For subsidiaries with functional currency in US\$, financial assets and liabilities are translated into Philippine peso, presentation currency of the Group using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated investments in associates and joint ventures, accounts and other payables, and notes payable with US\$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average rate for the period. Assets and liabilities of ACEN Cayman Limited, ACEN HK and ACEN Finance which are in US\$ functional currency was likewise translated to the Group's presentation currency.

The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments". See below for the carrying amounts.

	March 31, 2024 (Unaudited)	
	Peso	US\$
Cash and cash equivalents	₱ 4,835,450	\$ 85,979
Receivables	21,824,321	388,057
Investments in:		
Associates and joint ventures	21,170,811	376,437
Redeemable preferred shares and convertible loans	22,456,526	399,298
Financial asset at FVTPL	7,341,586	130,540
	77,628,694	1,380,311
Accounts payable and other current liabilities	8,578,994	152,543
Notes payable	43,326,653	770,389
Net foreign currency position	₱25,723,047	\$ 457,379

	December 31, 2023 (Audited)	
	Peso	US\$
Cash and cash equivalents	₱13,762,449	\$248,554
Receivables	20,149,499	363,906
Investments in:		
Associates and joint ventures	19,083,118	344,647
Redeemable preferred shares and convertible loans	21,633,799	390,713
Financial asset at FVTPL	7,731,998	139,642
	82,360,863	1,487,462
Accounts payable and other current liabilities	9,629,365	173,909
Notes payable	39,999,949	722,412
Net foreign currency position	₱32,731,549	\$591,141

- 48 -

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, 2024	US\$	(\$0.50)	(P228,690)
(Unaudited)		(1.00)	(457,379)
		0.50	228,690
		1.00	457,379
December 31, 2023	US\$	(\$0.50)	(P295,571)
(Audited)		(1.00)	(591,141)
		0.50	295,571
		1.00	591,141

Credit or Counterparty Risk

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

Credit or counterparty risk is managed through the following:

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

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

	March 31, 2024 (Unaudited)					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	
	Class A	Class B	Class C			
Trade and other receivables						
<i>Current:</i>						
Trade receivables	P1,197,236	P763,411	P3,590,569	P1,905,663	P50,196	P7,507,075
Due from related parties	7,232,655	262	42,164	6,107,718	-	13,382,799
Others	4,639,508	1,524	71,247	1,269,355	449,290	6,430,924
<i>Noncurrent</i>						
Trade receivables	-	-	-	-	1,236,918	1,236,918
Due from related parties	11,379,705	112,337	92,867	817,115	-	12,402,024
Receivables from third parties	697,753	-	-	241,389	-	939,142
	P25,146,857	P877,534	P3,796,847	P10,341,240	P1,736,404	P41,898,882

- 49 -

	December 31, 2023 (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						
<i>Current:</i>						
Trade receivables	₱4,399,914	₱819,759	₱281,793	₱2,521,277	₱50,196	₱8,072,939
Due from related parties	6,028,005	234	5,032	5,685,385	–	11,718,656
Others	5,175,257	1,397	8,302	1,139,336	84,864	6,409,156
<i>Noncurrent</i>						
Trade receivables	–	–	–	132,295	1,157,518	1,289,813
Due from related parties	10,626,653	102,868	89,307	799,583	–	11,618,411
Receivables from third parties	696,763	–	–	241,574	–	938,337
	₱26,926,592	₱924,258	₱384,434	₱10,519,450	₱1,292,578	₱40,047,312

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 ₱5,950.82 million and ₱5,799.32 million as at March 31, 2024 and December 31, 2023, respectively.

- 50 -

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, 2024 (Unaudited)	December 31, 2023 (Audited)
<i>Financial Assets at Amortized Cost (Portfolio 1)</i>		
Cash and cash equivalents	₱27,334,931	₱39,696,662
Under "Receivables" account		
Current:		
Trade receivables	7,456,879	8,022,743
Due from related parties	13,382,799	11,718,656
Others	5,981,634	6,324,293
Noncurrent:		
Trade receivables	–	164,971
Due from related parties	12,402,024	11,585,735
Receivables from third parties	939,142	938,336
Investments in redeemable preferred shares and convertible loans	22,456,526	21,633,799
Under "Other Noncurrent Assets" account		
Deposits	186,051	161,373
	₱90,139,986	₱100,246,568

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

Grade	March 31, 2024 (Unaudited)					
	12-month Stage 1	Lifetime ECL			Simplified Approach	Total
		Stage 2	Stage 3			
High	₱23,796,616	₱–	₱–	₱ 5,625	₱ 23,802,241	
Standard	–	–	–	1,681,223	1,681,223	
Substandard	–	–	–	–	–	
Default	–	–	–	–	–	
Gross carrying amount	23,796,616	–	–	1,686,848	25,483,464	
Less loss allowance	–	–	–	–	–	
Carrying amount	₱23,796,616	₱–	₱–	₱1,686,848	₱25,483,464	

Grade	December 31, 2023 (Audited)					
	12-month Stage 1	Lifetime ECL			Simplified Approach	Total
		Stage 2	Stage 3			
High	₱20,536,109	₱–	₱–	₱459,036	₱20,995,145	
Standard	42,282	–	–	1,536,887	1,579,169	
Substandard	–	–	–	–	–	
Default	–	113,857	–	–	113,857	
Gross carrying amount	20,578,391	113,857	–	1,995,923	22,688,171	
Less loss allowance	–	–	–	–	–	
Carrying amount	₱20,578,391	₱113,857	₱–	₱1,995,923	₱22,688,171	

Simplified Approach

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

March 31, 2024 (Unaudited)						
	Current	Days Due				Total
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.64%	1.72%	2.12%	4.67%	6.04%	
Estimated total gross carrying amount at default	₱3,472,406	₱735,036	₱268,369	₱284,065	₱1,636,622	₱6,396,498
Expected credit loss	₱22,272	₱12,671	₱5,678	₱13,278	₱98,852	₱152,751

December 31, 2023 (Audited)						
	Current	Days Due				Total
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.64%	1.72%	2.12%	4.67%	6.04%	
Estimated total gross Carrying amount at default	₱3,472,406	₱735,036	₱268,369	₱284,065	₱1,629,354	₱6,389,230
Expected credit loss	₱22,272	₱12,671	₱5,678	₱13,278	₱98,413	₱152,312

Liquidity Risk

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

Liquidity risk is managed through:

- Asset and Liability Management principle. Short-term assets are used to fund short-term liabilities while major investments, capital expenditures and long-term assets are funded by long-term liabilities.
- Detailed cash flow forecasting and continuous monitoring of the weekly and monthly cash flows as well as frequent updates of the annual plans of the Group.
- Investment maturities being spread on a weekly, monthly, and annual basis as indicated in the Group's plans. Average duration of investments does not exceed one (1) year.
- Setting up working capital lines to address unforeseen cash requirements that may cause pressure to liquidity.

	March 31, 2024 (Unaudited)					Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱2,933,278	₱ 2,876,245	₱60,216	₱1,222	₱-	₱ 5,870,961
Retention payable	385,973	2,438	21,268	14,763	-	424,442
Accrued expenses ^a	2,311,121	2,741	470,249	368	-	2,784,479
Accrued interest	701,626	978	-	399	-	703,003
Due to related parties	2,187,148	518,192	57	12,714	-	2,718,111
Others	197,295	-	-	19,583	-	216,878
Derivative Liability	-	-	-	12,096	-	12,096
Short-term loans	-	2,000,000	-	-	-	2,000,000
Due to stockholders	16,572	-	-	-	-	16,572
Lease liabilities ^b	-	118,276	1,188,512	3,087,859	13,070,585	17,465,232
Long-term loans ^c	-	936,790	2,405,081	43,371,844	34,575,434	81,289,149
Notes payable	-	-	-	33,949,492	-	33,949,492
Other noncurrent liabilities ^d	-	-	-	5,260,415	12,040	5,272,455
	₱8,733,013	₱6,455,660	₱ 4,145,383	₱ 85,730,755	₱ 47,658,059	₱ 152,722,870

^a Excluding current portion of vacation and sick leave accruals.

^b Gross contractual payments.

^c Including contractual interest payments.

^d Excluding contract liabilities.

- 52 -

	December 31, 2023 (Audited)					Total
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year to 5 Years	More than 5 Years	
Accounts payable and other current liabilities:						
Trade and nontrade accounts payable	₱4,786,861	₱2,545,347	₱49,290	₱133,351	₱-	₱7,514,849
Retention payable	80,542	1,446	306,416	6,932	-	395,336
Accrued expenses ^a	3,522,924	1,521	303,245	159	-	3,827,849
Accrued interest	-	-	-	-	-	-
Due to related parties	2,245,231	725,675	224,470	15	-	3,195,391
Others	41,219	814	4,924	84,523	-	131,480
Derivative Liability	-	10,563	-	12,437	-	23,000
Short-term loans	-	1,500,000	-	-	-	1,500,000
Due to stockholders	16,585	-	-	-	-	16,585
Lease liabilities ^b	-	159,857	1,183,734	3,467,918	12,590,733	17,402,242
Long-term loans ^c	-	593,851	1,535,146	20,934,687	34,828,021	57,891,705
Notes payable	-	-	-	33,949,492	-	33,949,492
Other noncurrent liabilities ^d	-	-	-	5,249,198	-	5,249,198
	₱10,693,362	₱5,539,074	₱3,607,225	₱63,838,712	₱47,418,754	₱131,097,127

^a Excluding current portion of vacation and sick leave accruals.

^b Gross contractual payments.

^c Including contractual interest payments.

^d Excluding contract liabilities.

As at March 31, 2024 and December 31, 2023, the profile of financial assets used to manage the Group's liquidity risk is as follows:

	March 31, 2024 (Unaudited)				Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	
Loans and receivables:					
<i>Current:</i>					
Cash and cash equivalents	₱ 27,334,931	₱-	₱-	₱-	₱27,334,931
Accounts and Notes Receivables:					
Accounts and other receivable	8,679,483	501,771	690,138	-	9,871,392
Notes receivable	14,158,258	130,849	1,052,218	-	15,341,325
Interest receivable	1,996,984	19,833	91,265	-	2,108,082
<i>Noncurrent:</i>					
Receivables:					
Accounts and other receivable	-	-	-	1,884,964	1,884,964
Notes receivable	-	-	-	7,754,221	7,754,221
Interest receivable	-	-	-	4,938,899	4,938,899
Derivative assets	-	-	442,591	5,700,826	6,143,417
Investments in redeemable preferred shares and convertible loans	-	-	-	21,633,799	21,633,799
Financial assets at FVOCI:					
Quoted	-	-	-	4,619	4,619
Unquoted	-	-	-	300	300
	₱52,169,656	₱652,453	₱2,276,212	₱41,917,628	₱97,015,949

- 53 -

	December 31, 2023 (Audited)				Total
	On Demand	Less than 3 Months	3 to 12 Months	Over 12 Months	
Loans and receivables:					
<i>Current:</i>					
Cash and cash equivalents	₱39,696,662	₱–	₱–	₱–	₱39,696,662
Short-term investments	–	–	–	–	–
Accounts and Notes Receivables:					
Accounts and other receivable	7,451,131	1,204,573	1,761,647	–	10,417,351
Notes receivable	8,872,038	26,249	4,978,164	–	13,876,451
Interest receivable	1,806,672	15,519	84,759	–	1,906,950
<i>Noncurrent:</i>					
Receivables:					
Accounts and other receivable	–	–	–	1,988,705	1,988,705
Notes receivable	–	–	–	7,558,457	7,558,457
Interest receivable	–	–	–	4,299,398	4,299,398
Derivative assets	–	–	177,828	6,269,689	6,447,517
Investments in redeemable preferred shares and convertible loans	–	–	–	21,633,799	21,633,799
Financial assets at FVOCI:					
Quoted	–	–	–	–	–
Unquoted	–	–	–	300	300
	₱57,826,503	₱1,246,341	₱7,002,398	₱41,750,348	₱107,825,590

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2024 and December 31, 2023, the Group has fixed rate financial instruments measured at fair value.

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

Market Risk

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

Equity Price Risk

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

*Commodity Price Risk*Cash flow hedges

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

To manage Commodity Price Risk, the Group develops a Coal and Fuel Hedging Strategy aimed to:

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

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

Monitoring and assessment of the hedge effectiveness and Coal and Fuel Hedging Strategy are reviewed periodically by the Commercial Operations. Continuation, addition, reduction and termination of existing hedges are decided by the Head of CO and any material change in permissible hedging instrument, counterparties and limits are elevated to the BOD for approval.

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

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

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

The hedge ineffectiveness can arise from:

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

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

	Maturity						Total
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	
As at March 31, 2024							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$15,550	1,009	\$-	\$-	\$-	\$-	\$16,559
Average forward rate (\$/£)	55.35	54.91	-	-	-	-	
<i>Coal</i>							
Notional amount (in Metric Tons)	-	-	-	-	1,200	-	1,200
Notional amount (in \$000)	\$-	\$-	\$-	\$-	(\$89)	\$-	(\$89)
Average hedged rate (\$ per Metric ton)	\$-	\$-	\$-	\$-	\$168.22	\$-	
As at December 31, 2023							
<i>Foreign exchange forward contracts</i>							
Notional amount (\$000)	\$17,161	15,159	\$6,560	\$-	\$-	\$-	\$38,880
Average forward rate (\$/£)	55.47	55.42	55.43	-	-	-	
<i>Coal</i>							
Notional amount (in Metric Tons)	1,200	-	-	-	-	-	1,200
Notional amount (in \$000)	(\$95)	\$-	\$-	\$-	\$-	\$-	(\$95)
Average hedged rate (\$ per Metric ton)	\$168.22	\$-	\$-	\$-	\$-	\$-	

The impact of the hedging instruments on the consolidated statements of financial position 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, 2024				
Foreign exchange forward contracts	\$16,559	5,963	Other current assets	5,963
Commodity swap contracts – Coal	\$1,200	(4,396)	Other noncurrent liabilities	(4,396)
As at December 31, 2023				
Foreign exchange forward contracts	\$17,161	(10,563)	Accounts payable and other current liabilities	(10,563)
Commodity swap contracts – Coal	\$1,200	(5,277)	Other noncurrent liabilities	(3,958)

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

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at March 31, 2024			
Highly probable forecast purchases	₱5,963	₱-	₱-
Coal purchase	(4,396)	-	-
As at December 31, 2023			
Highly probable forecast purchases	(₱10,563)	₱-	₱-
Coal purchase	(3,958)	-	-

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

	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As at March 31, 2024						
Foreign exchange forward contracts	P-	P9,725	Other income	P-	P-	P-
Foreign exchange forward contracts	P18,459	-	Unrealized fair value gain on derivative instruments designated as hedges – net of tax	-	-	-
Commodity swap contracts - Coal	(3,702)	-	Unrealized fair value gain on derivative instruments designated as hedges – net of tax	-	-	-
As at December 31, 2023						
Foreign exchange forward contracts	P-	(P10,563)	Other income	P-	P-	P-
Commodity swap contracts - Coal	(3,958)	-	Unrealized fair value gain on derivative instruments designated as hedges – net of tax	-	-	-

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Enterprise risk assessments are refreshed on an annual basis. Risk assessments at the plant level are also conducted for operational risks. Insurance coverage is also reviewed annually by the Insurance Committee.
- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and rechallenged based on current and forecasted developments on the financial and political events.
- Monthly management reports are submitted to the Operations Management Committee that includes updates from the various business and functional units, including market updates. This includes updates on financials, leverage, operations, health and safety, human resources, sustainability, and other risk areas.
- Annual planning sessions are conducted to set the targets for the Group, and these are revisited at midyear to review the progress and risks related to the accomplishment of these targets.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it, in light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or acquire long-term debts.

- 57 -

Statutory debt consists of short-term and long-term debts of the Group. Net statutory debt includes short-term and long-term debts less cash and cash equivalents, short-term investments and restricted cash. The Group considers its total equity (including redeemable preferred shares) as capital.

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Short-term debt (Note 13)	₱2,000,000	₱1,500,000
Long-term debt (Note 13)	98,595,285	77,778,471
Total statutory debt	100,595,285	79,278,471
Less:		
Cash and cash equivalent (Note 4)	19,127,098	30,868,829
Restricted cash (Note 4)	8,207,833	8,827,833
Net statutory debt	73,260,354	39,581,809
Total equity	158,201,855	173,375,857
Debt to equity	63.59%	45.73%
Net debt to equity	46.31%	22.83%

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

25. 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 24, 2024 and 2023:

	March 31, 2024 (Unaudited)			
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investment in financial assets at FVTPL	₱5,363,425	₱160,785	₱5,202,640	₱-
Investment in financial assets at FVOCI	5,950,823	-	5,950,823	-
Investments in redeemable preferred shares and convertible loans	22,456,526	-	-	21,669,271
Derivative asset*	6,143,417	-	442,591	5,700,826
Refundable deposits**	186,051	-	-	192,918
Trade receivables***	738,798	-	-	779,816
Receivables from third parties****	10,262	-	-	10,262
	₱40,849,302	₱160,785	₱11,596,054	₱28,353,093
Liabilities				
Notes payable	₱32,365,407	₱-	₱-	₱29,467,454
Long-term debt	66,229,878	-	-	64,473,727
Deposit payables and other liabilities*****	65,015	-	-	65,015
Derivative liability*****	12,095	-	12,095	-
Lease liabilities	8,371,982	-	-	8,693,443
	₱107,044,377	₱-	₱12,095	₱102,699,639

* 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.

***** Included under "Other noncurrent Liabilities"

- 58 -

	December 31, 2023 (Audited)			
	Carrying Value	Fair Value		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investment in financial assets at FVTPL	P3,871,472	P501,822	P3,369,650	P-
Investment in financial assets at FVOCI	5,799,323	-	5,799,323	-
Investments in redeemable preferred shares and convertible loans	21,633,799	-	-	21,633,799
Derivative asset*	6,447,517	-	1,284,709	5,162,808
Refundable deposits**	167,101	-	-	161,373
Trade receivables***	738,798	-	-	779,816
Receivables from third parties****	10,262	-	-	10,262
	P38,668,272	P501,822	P10,453,682	P27,748,058
Liabilities				
Notes payable	P32,003,794	P-	P-	P29,589,780
Long-term debt	44,485,573	-	-	44,224,717
Deposit payables and other liabilities*****	65,016	-	-	65,016
Derivative liability	23,000	-	23,000	-
Lease liabilities	7,505,848	-	-	8,820,127
	P84,083,231	P-	P23,000	P82,699,640

* 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.

***** Included under "Other noncurrent Liabilities"

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

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

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

Cash and Cash Equivalents, Short-term Investment, Receivables, Accounts Payable and Other Current Liabilities and Due to Stockholders

The carrying amounts of cash and cash equivalents, short-term investment, receivables, accounts payable and other current liabilities and due to stockholders approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial Asset at FVTPL and FVOCI

Quoted financial assets at FVOCI and FVTPL, specifically for publicly traded shares held by the Group, were measured using market prices and classified as Level 1.

Quoted financial assets at FVTPL, specifically investments in unit investment trust funds (UITFs) held by the Group were measured using the funds' net asset value (NAV) and classified as Level 2.

The Group holds UITF amounting to P3,806.96 million and P1,436.68 million as at March 31, 2024 and December 31, 2023, respectively.

Unquoted financial assets at FVTPL and FVOCI, specifically debt and equity instruments held by the Group were measured using 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. Financial assets at FVTPL classified as Level 2 includes Compulsorily Convertible Debentures of Masaya Solar Energy Private Limited amounting to ₱1,395.68 million and ₱1,932.98 million as at March 31, 2024 and December 31, 2023, respectively. In 2024 and 2023, financial assets at FVOCI consists of new investments in Redeemable Preference Share in UPC-ACE Solar, BrightNight and PT Puri Prakarsa Batam amounting to US\$41.66 million (₱2,499.93 million), US\$51.00 million (₱2,830.20 million) and US\$6.04 million (₱318.99 million), respectively. The Group recognized financial assets at FVOCI classified as Level 2 amounting to ₱5,950.82 million and ₱5,799.32 million for the three months period ended March 31, 2024 and year ended December 31, 2023, respectively.

Investments in redeemable preferred shares and convertible loans

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 1.03 % to 8.65% and 1.03% to 8.88% as at March 31, 2024 and December 31, 2023, respectively.

Notes Payable

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows is 6.26% and 6.07% as at as at March 31, 2024 and December 31, 2023, respectively.

Derivative asset and liability

The fair value of the derivative asset and liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period. The following table gives information about how the fair values of derivative asset are determined (in particular, the valuation technique(s) and inputs used).

Derivative asset	Valuation technique
Long-term Energy Supply Agreement	Discounted cash flow. Valuation requires the use of long dated energy valuation volumes and long dated energy and LGC price curves
Interest rate swaps	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparts

There were no significant unobservable inputs used in the valuation of the derivative assets on Long-term Energy Supply Agreement and interest rate swaps.

There were no transfers between levels in the fair value hierarchy in 2024 and 2023.

26. Operating Segment Information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For management purposes, the Group is organized into the following business units:

- Philippines, which includes:
 1. Retail Electricity Supply (RES) and Commercial Operations (CO)
 2. Renewables – generation, transmission, distribution, and supply of electricity using renewable sources such as solar, wind, and geothermal resources
 3. Thermal – generation, transmission, distribution, and supply of electricity using conventional methods of energy generation
 4. Project development
 5. Leasing
 6. Bulk water supply - arising from previously owned biomass project (ACEN legacy projects)
 7. Petroleum and exploration – pursued via 75.92% owned subsidiary, ENEX Energy Corp.
- International represents the operations of ACRI, which is the holding company for all offshore investments, which includes businesses from Australia, Vietnam, Indonesia, India and rest of the world. This includes earnings from the operations of ACEN Australia, international renewable investments, as well as project development expenses, financing activities, and overhead expenses for the various renewable power projects in the pipeline.
- Parent and Others represents operations of the Parent Company (excluding Commercial Operations) including its financing entities such as ACEN Finance Limited and ACEN Cayman Ltd.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on (1) operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statement referred to by management as “Core Operating Earnings” and (2) selected attributable financial information, specifically attributable earnings before interest, taxes, depreciation, and amortization (EBITDA) and attributable debt of renewable energy projects.

Statutory EBITDA is the sum of the consolidated (1) revenues, (2) cost and expenses excluding depreciation and amortization and provision for impairment, (3) equity in net income of associates and joint ventures and (4) other income – net (excluding gain on previously held interest, unrealized foreign exchange gain/loss, fair value loss on financial asset at FVTPL).

Attributable EBITDA is the sum of (1) statutory EBITDA, and (2) nonconsolidated operating projects' EBITDA multiplied by ACEN's economic interest less (1) equity in net income of associates and joint ventures, and (2) less interest and other financial income from Investment in redeemable preferred shares and convertible loans (this is presented under other income (charges) in the consolidated statements of income). This is not equivalent to the statutory EBITDA of the Group.

Operating projects' EBITDA follows the same definition as statutory EBITDA.

Nonconsolidated projects are investments in associates and joint ventures and investment in redeemable preferred shares and convertible loans of the Group.

Statutory net debt is the sum of consolidated (1) short-term loans, (2) long-term loans, and (3) notes payable less consolidated cash and cash equivalents.

Attributable net debt is the sum of (1) statutory net debt and (2) nonconsolidated operating projects' net debt which is debt less cash multiplied by ACEN economic interest.

Statutory and attributable net debt includes recourse and non-recourse debt. Nonconsolidated operating projects' net debt excludes intercompany loans wherein the Group is the lender. These are Bridge financing, development loans and investment in redeemable preferred shares and convertible loans in the consolidated statements of financial position of the Group.

Revenue earned from a single external customer amounted to ₱2,770.09 million and ₱2,694.66 million for the three months period ended March 31, 2024 and 2023, respectively, which accounted for more than 10% of the consolidated revenues from external customers, arising from sales in the Philippine Segment.

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

- 62 -

The following tables regarding operating segments present revenue and income information for the three-month period ended March 31, 2024 and 2023 and assets and liabilities as at March 31, 2024 and December 31, 2023:

	For the three months ended March 31, 2024 (Unaudited)			
	Philippines	International	Parent and Others	Consolidated
Revenues				
Revenue from sale of electricity	₱8,811,325	₱954,771	₱–	₱9,766,096
Rental income	17,399	–	–	17,399
Other revenues	3,008	4,585	62,148	69,741
	8,831,732	959,356	62,148	9,853,236
Costs and expenses				
Costs of sale of electricity				
Cost of purchased power	6,154,888	14,550	–	6,169,438
Depreciation and amortization	320,279	–	–	320,279
Fuel	107,587	–	–	107,587
Others	466,774	–	–	466,774
	7,049,528	14,550	–	7,064,078
General and administrative expenses				
Personnel costs, management and professional fees	74,014	401,769	277,202	752,985
Provision for impairment	646	315,024	–	315,670
Depreciation and amortization	13,837	11,842	89,182	114,861
Others	159,907	95,523	119,159	374,589
	248,404	824,158	485,543	1,558,105
	7,297,932	838,708	485,543	8,622,183
Equity in net income of associates and joint ventures	₱292,596	₱62,706	₱–	₱355,302
Other income (charges)				
Interest and other financial income				
Cash in banks and short-term deposits	88,766	94,001	151,422	334,189
Accounts and notes receivable	210,095	341,625	51	551,771
Investment in redeemable preferred shares and convertible loans		793,331		793,331
	298,861	1,228,957	151,473	1,679,291
Interest and other finance charges	(162,951)	(195,970)	(333,354)	(692,275)
Other income - net				
Gain on disposal of assets	–	389,182	–	389,182
Others	64,664	(96,104)	983	(30,456)
	64,664	293,078	984	358,726
	200,574	1,326,065	(180,898)	1,345,742
Net income (loss) before income tax	2,026,976	1,509,419	(604,296)	2,932,097
Provision for (benefit from) income tax	144,210	(343,971)	196,238	(3,523)
Segment net income (loss)	₱1,882,766	₱1,853,390	(₱800,534)	₱2,935,620
Other disclosures:				
Depreciation and amortization	₱334,115	₱11,842	₱89,182	₱435,140
Capital expenditures	13,243,269	12,012,614	–	25,255,883
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	207	–	–	207
Statutory EBITDA	2,435,276	1,938,900	(302,727)	4,071,449
Attributable EBITDA	2,663,131	3,829,166	(302,727)	6,189,570
Statutory Cash	12,400,799	2,581,123	12,353,009	27,334,931
Statutory Debt	3,239,505	39,216,175	58,139,605	100,595,285
Statutory Net Debt (Cash)	(9,161,294)	36,635,052	45,786,596	73,260,354
Attributable Cash	13,571,931	8,594,702	12,353,009	34,519,642
Attributable Debt	10,785,355	92,515,026	58,139,605	161,439,986
Attributable Net Debt (Cash)	(2,786,576)	83,920,324	45,786,596	126,920,344

- 63 -

	As at March 31, 2024 (Unaudited)			
Operating assets	₱58,173,159	₱63,656,337	₱167,433,778	₱289,263,274
Operating liabilities	₱18,519,266	₱51,828,574	₱60,713,578	₱131,061,418
Investments in associates and joint ventures	₱11,495,151	₱22,019,090	₱-	₱33,514,241

The reconciliation of statutory and attributable EBITDA, cash, debt follows:

	Philippines	International	Parent and Others	Consolidated
Revenues	₱8,831,732	₱959,356	₱62,148	₱9,853,236
Cost and expenses (exc. Depreciation and amortization and provision for impairment)	(6,963,812)	(511,197)	(396,365)	(7,871,374)
Equity in net income of associates and joint ventures	292,596	62,706	-	355,302
Interest and other financial income				
Accounts and notes receivable	210,146	341,625	-	551,771
Investments in redeemable preferred shares and convertible loans	-	793,331	-	793,331
Other income - net	64,614	293,079	31,490	389,183
Statutory EBITDA	₱2,435,276	₱1,938,900	(₱302,727)	₱4,071,449

	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱2,435,276	₱1,938,900	(₱302,727)	₱4,071,449
Nonconsolidated operating projects' EBITDA	520,451	2,746,301	-	3,266,752
Equity in net income of associates and joint ventures	(292,596)	(62,706)	-	(355,302)
Interest and other financial income from				
Investments in redeemable preferred shares and convertible loans	-	(793,329)	-	(793,329)
Attributable EBITDA	₱2,663,131	₱3,829,166	(₱302,727)	₱6,189,570

	As at March 31, 2024 (Unaudited)			
	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱-	₱-	₱2,000,000	₱2,000,000
Long-term loans	3,239,505	39,216,175	23,774,198	66,229,878
Notes payable	-	-	32,365,407	32,365,407
Statutory debt	3,239,505	39,216,175	58,139,605	100,595,285
Statutory cash and cash equivalent	12,400,799	2,581,123	12,353,009	27,334,931
Statutory net debt (cash)	(₱9,161,294)	₱36,635,052	₱45,786,596	₱73,260,354

	As at March 31, 2024 (Unaudited)			
	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱9,161,294)	₱36,635,052	₱45,786,596	₱73,260,354
Statutory debt	3,239,505	39,216,175	58,139,605	100,595,285
Statutory cash and cash equivalents	12,400,799	2,581,123	12,353,009	27,334,931
Nonconsolidated operating projects'				
Attributable debt	7,545,850	53,298,851	-	60,844,701
Attributable cash	1,171,132	6,013,579	-	7,184,711
Gross attributable debt	10,785,355	92,515,026	58,139,605	161,439,986
Attributable net debt (cash)	(₱2,786,576)	₱83,920,324	₱45,786,596	₱126,920,344

- 64 -

As of March 31, 2024 limited recourse and non-recourse for statutory debt amounts to ₱14,823 million and ₱85,772 million, respectively. Some of the international attributable debt is covered by guarantees (see Note 20).

	For the three months ended March 31, 2023 (Unaudited)			
	Philippines	International	Parent and Others	Consolidated
Revenues				
Revenue from sale of electricity	₱8,965,569	₱57,445	₱–	₱9,023,014
Rental income	17,213	–	–	17,213
Other revenues	3,621	6,516	85,338	95,475
	8,986,403	63,961	85,338	9,135,702
Costs and expenses				
Costs of sale of electricity				
Costs of power purchased	7,243,731	–	–	7,243,731
Depreciation and amortization	299,374	–	–	299,374
Fuel	169,685	–	–	169,685
Others	406,611	–	–	406,611
	8,119,401	–	–	8,119,401
General and administrative expenses				
Personnel costs, management and professional fees	40,286	167,798	370,137	578,221
Provision for impairment	(5,986)	243,600	–	237,615
Depreciation and amortization	26,925	15,480	79,044	121,449
Others	104,756	76,328	62,019	243,102
	165,981	503,206	511,200	1,180,387
	8,285,383	503,206	511,199	9,299,788
Equity in net income of associates and joint ventures	462,042	516,443	–	978,485
Other income (charges)				
Interest and other financial income				
Cash in banks and short-term deposits	22,333	222,946	451	245,730
Accounts and notes receivable	120,715	480,814	3	601,532
Investments in redeemable preferred shares and convertible loans	–	745,336	–	745,335
	143,048	1,449,095	454	1,592,597
Interest and other finance charges	(119,710)	(5,813)	(538,891)	(664,414)
Other income (expense) - net				
Gain on disposal of assets	–	–	–	–
Others	123,998	(173,697)	531,287	481,588
				481,588
				1,409,771
Net income (loss) before income tax	1,310,398	1,106,890	(193,118)	2,224,170
Provision for (benefit from) income tax	51,161	(266,536)	(2,691)	(218,066)
Segment net income (loss)	₱ 1,259,237	₱ 1,373,426	(₱190,427)	₱2,442,236

Other disclosures:

	As at March 31, 2023 (Unaudited)			
Depreciation and amortization	₱326,299	₱15,480	₱79,044	₱420,823
Capital expenditures	5,866,556	–	–	5,866,556
Provision for impairment of property, plant and equipment, advances to contractors and investment in an associate	767	–	–	767
Statutory EBITDA	1,604,089	1,562,429	(346,817)	2,819,701
Attributable EBITDA	1,826,871	3,100,214	(346,817)	4,580,268

- 65 -

	As at December 31, 2023 (Audited)			
Statutory Cash	₱14,743,597	₱1,507,428	₱23,445,637	₱39,696,662
Statutory Debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory Net Debt (Cash)	(11,392,740)	17,031,867	33,942,682	39,581,809
Attributable Cash	15,524,271	6,593,490	23,445,637	45,563,398
Attributable Debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable Net Debt	(4,563,414)	65,429,822	33,942,682	94,809,090
Operating assets	41,772,249	85,942,407	157,218,844	284,933,500
Operating liabilities	18,550,582	32,530,461	60,476,600	111,557,643
Investments in associates and joint ventures	10,882,646	19,215,971	–	30,098,617

The reconciliation of statutory and attributable EBITDA, cash, debt follows:

	Philippines	International	Parent and Others	Consolidated
Revenues	₱8,986,402	₱63,962	₱85,338	₱9,135,702
Cost and expenses (exc. Depreciation and amortization and provision for impairment)	(7,965,070)	(244,126)	(432,155)	(8,641,351)
Equity in net income of associates and joint ventures	462,042	516,443	–	978,485
Interest and other financial income				
Accounts and notes receivable	120,715	480,814	–	601,529
Investment in redeemable preferred shares and convertible loans	–	745,336	–	745,336
Other income - net	–	–	–	–
Statutory EBITDA	₱1,604,089	₱1,562,429	(₱346,817)	₱2,819,701

	Philippines	International	Parent and Others	Consolidated
Statutory EBITDA	₱1,604,089	₱1,562,429	(₱346,817)	₱2,819,701
Nonconsolidated operating projects' EBITDA	684,824	2,799,564	–	3,484,388
Equity in net income of associates and joint ventures	(462,042)	(516,443)	–	(978,485)
Interest and other financial income from investment in redeemable preferred shares and convertible loans	–	(745,336)	–	(745,336)
Attributable EBITDA	₱1,826,871	₱3,100,214	(₱346,817)	₱4,580,268

	Philippines	International	Parent and Others	Consolidated
Short-term loans	₱–	₱–	₱1,500,000	₱1,500,000
Long-term loans	3,350,857	18,539,295	23,884,525	45,774,677
Notes payable	–	–	32,003,794	32,003,794
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809

	Philippines	International	Parent and Others	Consolidated
Statutory net debt (cash)	(₱11,392,740)	₱17,031,867	₱33,942,682	₱39,581,809
Statutory debt	3,350,857	18,539,295	57,388,319	79,278,471
Statutory cash and cash equivalent	14,743,597	1,507,428	23,445,637	39,696,662
Nonconsolidated operating projects'				
Attributable debt	7,610,000	53,484,017	–	61,094,017
Attributable cash	780,674	5,086,062	–	5,866,736
Gross attributable debt	10,960,857	72,023,312	57,388,319	140,372,488
Attributable net debt (cash)	(₱4,563,414)	₱65,429,822	₱33,942,682	₱94,809,090

As of December 31, 2023 limited recourse and non-recourse for statutory debt amounts to ₱12,815.90 million and ₱66,462.71 million, respectively. Some of the international attributable debt is covered by guarantees (see Note 20).

Adjustments and Eliminations

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

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

Other income - Net includes interest and other financial income from investments in redeemable preferred shares of associates and joint ventures and from development loans and advances to these associates and joint ventures, guarantee fee income, reversal of allowance for impairment of advances to contractors and impairment of investments in joint 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.

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.

27. Supplemental Cash Flows Information

The non-cash investing activities of the Group for the three-month period ended March 31, 2024 and 2023 are as follow:

	Three-Month Period Ended March 31 (Unaudited)	
	2024	2023
Non-cash additions to property, plant and equipment	₱477,052	₱-
Reclassifications to (from):		
Property, plant and equipment	(3,030,290)	2,982,377
Creditable withholding taxes	(46,900)	(342,454)
Other noncurrent assets	2,860,558	-
Investments in associates and joint ventures	-	27,320
Investments in redeemable preferred shares and convertible loans	-	(27,320)

Movements in the Group's liabilities from financing activities for the three-month period ended March 31, 2024 and 2023 are as follows:

	December 31, 2023 (Audited)	Availments/ Proceeds	Payments	Others	March 31, 2023 (Unaudited)
Current portion of:					
Short-term loans	₱1,500,000	₱3,000,000	(₱2,500,000)	₱–	₱2,000,000
Long-term loans	1,289,104	–	(223,547)	(417,422)	648,135
Lease liabilities	850,953	–	(193,169)	425,688	1,083,472
Interest payable	862,164	–	(1,230,589)	1,071,428	703,003
Due to stockholders	16,585	–	(692,809)	692,796	16,572
Noncurrent portion of:					
Notes payable	32,003,794	–	–	361,613	32,365,407
Long-term loans	44,485,573	21,034,998	–	61,172	65,581,743
Lease liabilities	7,505,848	–	–	(217,338)	7,288,510
Other noncurrent liabilities	6,344,004	–	(5,768,945)	5,756,388	6,331,447
Total liabilities from financing activities	₱94,858,025	₱24,034,998	(₱10,609,059)	₱7,734,325	₱116,018,289

	December 31, 2022 (Audited)	Availments/ Proceeds	Payments	Others	March 31, 2023 (Unaudited)
Current portion of:					
Short-term loans	₱2,900,000	₱2,300,000	(₱2,900,000)	₱–	₱2,300,000
Long-term loans	719,385	–	(138,636)	505,431	1,086,180
Lease liabilities	258,562	–	(29,058)	108,512	338,016
Interest payable	483,090	–	(688,484)	558,471	353,077
Due to stockholders	16,585	–	(379,911)	379,911	16,585
Noncurrent portion of:					
Notes payable	32,093,314	–	–	(538,437)	31,554,877
Long-term loans	28,051,903	9,533,898	–	(793,229)	36,792,572
Lease liabilities	4,206,459	–	–	392,973	4,599,432
Other noncurrent liabilities	827,643	–	(370,129)	183,441	640,955
Total liabilities from financing activities	₱69,556,941	₱11,833,898	(₱4,506,218)	₱797,073	₱77,681,694

28. Provisions and Contingencies

Tax assessments:

On August 20, 2014, ACEN distributed cash and property dividends in the form of shares in ENEX after securing SEC's approval of the registration and receipt of CAR from the BIR.

On October 22, 2014, ACEN received from the BIR a Formal Letter of Demand ("FLD"), assessing ACEN for a total donor's tax due of ₱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 8, 2024, the CIR’s motion for reconsideration has not been resolved by the CTA *en banc*.

Claims for tax refund

- a. On May 19, 2022, Guimaras Wind Corporation (“Guimaras Wind”) received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind’s Petition for Review for lack of merit. The CTA En Banc affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind’s claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16,149,514, out of the total amount claimed of ₱335,759,253, representing Guimaras Wind’s excess and unutilized input value-added tax for Q3 and Q4 of 2014 and Q1 and Q2 of 2015. Guimaras Wind filed its Motion for Reconsideration (MR) to the CTA En Banc on June 3, 2022.

On June 27, 2022, Guimaras Wind received a Resolution from the CTA En Banc directing Guimaras Wind to file its Comment to the MR filed by the Commissioner of Internal Revenue within five (5) days from receipt of the said Resolution. Consequently, Guimaras Wind complied with the Resolution and filed its Comment to the CTA En Banc on July 4, 2022.

On January 17, 2023, the CTA En Banc issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division’s Decision limiting Guimaras Wind’s entitlement to refund to a reduced amount of ₱16,149,514.

The CTA En Banc held that the Certificate of Endorsement (COE) from the Department of Energy (DOE) and the Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) are both required in order for Guimaras Wind to properly avail of VAT zero-rating incentives. The CTA En Banc also rejected Guimaras Wind’s position that its application for COC should be deemed “provisionally approved” six months from the filing of its application for a COC with the ERC.

On February 3, 2023, Guimaras Wind filed a Motion for Extension of Time to File Petition for Review on Certiorari with the Supreme Court. On March 6, 2023, the Company filed the Petition.

On January 24, 2024, the Supreme Court Third Division issued a Resolution requiring Guimaras Wind to file a Comment to the Petition for Review filed by the Commissioner of Internal Revenue within ten (10) days from receipt of the notice. Guimaras Wind filed the Comment on February 10, 2024. There is no decision or resolution as of date.

- b. On April 12, 2017, San Carlos Solar Energy Inc. (“SACASOL”) filed a Petition for Review with the CTA regarding the disallowed claim of 2015 input VAT amounting to ₱40.62 million. On February 3, 2021, the CTA denied SACASOL’s Petition for Review on the ground that SACASOL failed to establish that its sales qualify for VAT zero-rating because SACASOL did not present any proof that it was issued a DOE Certificate of Endorsement (“COE”), on a per transaction basis. On February 26, 2021, SACASOL filed a Motion for Reconsideration (“MR”), on the basis that there is no legal requirement for the COE to be on a per transaction basis for the VAT zero-rating of SACASOL’s sales, and the VAT zero-rated sales were never disputed considering the partial grant by the BIR of SACASOL’s claim for unutilized input VAT attributable to VAT zero-rated sales.

On May 6 and 20, 2021, SACASOL filed Supplemental Motions to admit additional evidence which included a DOE letter and certification confirming that a COR on a per transaction basis is not required for purposes of VAT zero-rating of RE Sales of RE Developers and such document is not actually being issued by the DOE. On September 22, 2021, CTA Third Division issued a resolution denying the Motion for Reconsideration.

On February 2, 2023, SACASOL filed a Petition for Review before the CTA En Banc. On April 27, 2023 CTA En Banc denied SACASOL Petition for Review on the basis of jurisdictional grounds. The CTA En Banc denied the Petition on the ground that the CTA Third Division purportedly has no jurisdiction to entertain the judicial claim for refund for being filed beyond the 120+30 day mandatory and jurisdictional period. The CTA En Banc counted the 120-day period from November 3, 2016 - the date when SACASOL filed its administrative claim for refund, and noted that the BIR only had until March 3, 2017 to decide the said claim. The CTA En Banc then held that since SACASOL did not receive an adverse decision from the BIR by March 3, 2017, the law considers the administrative claim as denied. According to the Decision, SACASOL had 30 days from March 3, 2017 or until April 3, 2017 to seek judicial redress. Since the Petition was only filed on April 12, 2017, the CTA is deprived of jurisdiction to hear the case.

On May 19, 2023, SACASOL filed its MR on the ground that (i) Sec 112(c) does not require that the BIR acts and the taxpayer receives the decision within the 120 days; and (ii) SACASOL should be able to file the judicial claim within 30 days from receipt of the decision, as long the decision was made within the 120-day period.

On January 12, 2024, SACASOL received CTA EN Banc Resolution denying the and reiterated its earlier ruling that CTA has no jurisdiction for failure of SACASOL to file its judicial claim for refund within the 120+30 days period from the filing of its administrative claim. The CTA En Banc ruled that the issues in the MR were already addressed, discussed and found wanting in its earlier Decision. On 25 January 2024, SACASOL filed Petition for Extension to File Petition for Review with the Supreme Court. As at May 8, 2024, SACASOL have not received any orders from the Supreme Court relating to the case.

Provisions and Contingencies

NorthWind Power Development Corporation (“NorthWind”) is a party to several cases involving the assessment and collection by the Provincial Treasurer of Ilocos Norte of real property tax (“RPT”) on the wind turbine generators, civil works, equipment, machinery, and transmission lines of NorthWind located in the Municipality of Bangui. NorthWind was assessed RPT at a rate of two percent (2%) or an aggregate amount of ₱147.23 million for years 2017 to 2021. NorthWind paid under protest the RPT thereon and filed a protest questioning the imposition of 2% tax rate on its Renewable Energy (“RE”) facilities. Under Republic Act 9513 or the RE Law, realty and other taxes on civil works, equipment, machinery, and other improvements of a Registered RE Developer actually and exclusively used for RE facilities shall not exceed 1.5% of their original cost less accumulated normal depreciation or net book value. All protests filed by NorthWind to the Provincial Treasurer from 2017 to 2023 were denied.

As at May 8, 2024, the 2017 to 2023 RPT protest, regarding an aggregate amount of ₱193.40 million, is still pending decision with the LBAA of Ilocos Norte.

Compliance with Must Offer Rule

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

On October 28, 2020 and August 17, 2021, the PEMC Board cleared CIP and found no breaches from August 2014 to December 2015. On June 3, 2022, the PEMC Board cleared One Subic Power and found no breaches for the period May- December 2014 period. In the May 2022 meeting, PEMC met with trading participants with pending investigations and discussed a shortened process in the investigation while at the same time ensuring due process for all participants. The shortened process will adopt the current PEMC process of frequently flagging the trading participant of the intervals under investigation and requesting for immediate replies and dispensing with lengthy discussions in its investigation reports.

On July 7, 2023, the PEMC Board issued a Notice on Investigation Report which approves the imposition of penalty amounting to ₱700,000 against One Subic Power for breach of MOR. The said breaches were broken down as follows: four breaches in 2014, one breach in 2015, one breach in 2016, and one breach in 2019.

In the May 5, 2023 PEM Board Action letter, the PEM Board cleared Bulacan Power of 10,821 trading intervals, and released its findings and found NO breaches for Bulacan Power for said trading intervals during the January 2015-December 2015 and January 2016-December 2016 investigation periods.

As for CIP II, no breach was found for all the trading intervals from 2014-2021. The PEMC Board issued a Certification dated 24 July 2023 certifying that the investigation cases have been closed and finally disposed of by PEMC.

Refund of Market Transaction Fee from PEMC

On July 9, 2020, the ERC issued its Decision on ERC Case 2015-160 RC ordering PEMC to refund the over collection in the Market Transaction Fee (MTF) in 2016 and 2017. The ERC determined the over collection by getting the variance between the MTF collected in 2016 and 2017, and the ERC-Approved Budget of PEMC for the same period. The total refund was determined at ₱433.20 million which shall be apportioned among all the Luzon and Visayas participants. The ERC has directed PEMC to implement the refund over twelve (12) months beginning the next billing month upon receipt of the relevant Decision.

The PEMC filed a motion for reconsideration with the ERC. In an Order promulgated on June 11, 2021, the ERC resolved to deny the motion for reconsideration filed by the. The market level fee approved by the ERC in its Decision of July 2020 was implemented by the Independent Electricity Market Operator of the Philippines for the WESM market fee collection for the calendar year 2021.

29. **Reclassification**

The consolidated statements of income for the three-month period ended March 31 2023 have be reclassified to conform to the three-month period ended March 31, 2024.

The following consolidated statements of income accounts were expanded to present additional components and/or reclassified as follows:

1. Cost of sale of electricity – expanded to present its components:
 - a. Cost of purchased power;
 - b. Depreciation and amortization;
 - c. Fuel; and
 - d. Others
2. General and administrative expenses – expanded to present its components:
 - a. Personnel cost, management and professional fees;
 - b. Provision for impairment;
 - c. Depreciation and amortization; and
 - d. Others
3. Other income (charges) – previously referred to as Other Income - Net
 - a. Interest and other financial income – previously presented under Other Income – net was expanded to present its components:
 - i. Cash in bank and short-term deposits
 - ii. Accounts and other receivables
 - iii. Investments in redeemable preferred shares and convertible loans
 - b. Interest and other finance charge – previously presented as a separate line item in the consolidated statement of income
 - c. Other Income – net – was expanded to present its components:
 - i. Gain on disposal of assets; and
 - ii. Others

The changes did not result to any change in the consolidated net income after tax of the Group for the three-month period ended March 31, 2023.

COSTS AND EXPENSES	
Costs of sale of electricity (Note 17)	
Cost of purchased power	₱7,243,731
Depreciation and amortization	299,374
Fuel	169,685
Others	406,611
	<u>8,119,401</u>
General and administrative expenses (Note 18)	
Personnel costs, management and professional fees	578,221
Provision for impairment	237,615
Depreciation and amortization	121,449
Others	243,102
	<u>1,180,387</u>
	<u>₱9,299,788</u>
OTHER INCOME (CHARGES)	
Interest and other financial income (Note 20)	
Cash in banks and short-term deposits	₱245,730
Accounts and notes receivable (Note 5)	601,532
Investment in redeemable preferred shares and convertible loans (Note 7)	745,335
	<u>1,592,597</u>
Interest and other finance changes (Note 19)	<u>(664,414)</u>
Other income - net (Note 20)	
Gain on disposal of assets	–
Others	481,588
	<u>481,588</u>
	<u>₱1,409,771</u>

Previously, these accounts were presented in the consolidated statement of income for the three-month period ended March 31, 2023 as follow:

COSTS AND EXPENSES	
Costs of sale of electricity (Note 17)	₱8,119,401
General and administrative expenses (Note 18)	1,180,387
	<u>9,299,788</u>
INTEREST AND OTHER FINANCE CHANGES (Note 19)	
	<u>(664,414)</u>
OTHER INCOME – NET*	<u>2,074,185</u>

* Other income – net is the sum of interest and other financial income of ₱1,592.60 million and other income – net of ₱481.59 million.

The consolidated statement of income for the three-month period ended March 31, 2023 has been updated to include an additional disclosure on net income attributable to common shareholders of the Parent Company to align with the consolidated statement of income for the three-month period ended March 31, 2024. Since the redeemable preferred shares amounting to ₱25,000.00 million were issued on September 1, 2023, net income attributable to equity holders of the Parent Company amounting to ₱2,025.91 million is equal to the net income attributable to common shareholders of the Parent Company for the three-month period ended March 31, 2023. The redeemable preferred shares are the issuance of the Group of Series A Preferred Shares amounting to ₱8,341.00 million and Series B Preferred Shares amounting to ₱16,658.50 million with dividend rate of 7.1330% and 8.000% per annum, respectively.

30. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at March 31, 2024:

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

On April 2, 2024, upon fulfillment of conditions precedent, ACRI, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT UPC Sidrap Bayu Energi, held through UPC Sidrap HK Limited and UPC Renewables Asia III Limited, to PT Barito Wind Energy.

ACEN secures US\$150M green term loan facility from SMBC

On April 15, 2024, ACEN, through its subsidiary ACRI, has signed a US\$150.00 million green term loan facility with Sumitomo Mitsui Banking Corporation Singapore Branch (SMBC). This strategic financial move is in line with ACEN's ongoing efforts to finance investments in renewable power projects across the region.

Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) Series B Preferred Shares (ACENB)

Pursuant to the November 16, 2023 approval of the BOD of ACEN for the schedule of 2024 dividends and payment dates for the Parent Company's Preferred shares, the Management approved on May 6, 2024, the declaration of the second quarter of 2024 cash dividends on the ACEN's outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB):

	ACENA	ACENB
Dividend Rate	¼ of 7.1330% per annum	¼ of 8.0000% per annum
Dividend Per Share	₱17.8325 per share	₱20.0000 per share

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 ACEN and its subsidiaries should be read in conjunction with the unaudited interim consolidated financial statements as at March 31, 2024, for the three-month period ended March 31, 2024 and 2023 and the audited consolidated financial statements as at March 31, 2024. The unaudited interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (“PAS”) 34, *Interim Financial Reporting*.

2024

Corporate Highlights:

- On January 3, 2024, transaction closing was achieved by ACEN Investments HK Limited, a subsidiary of ACRI, and Barito Renewables for the acquisition of three late-stage wind development assets with a combined potential capacity of 320 MW. The assets are located in South Sulawesi, Sukabumi, and Lombok provinces. The transaction was originally disclosed on December 15, 2023.
- On January 23, 2024, ACEN, together with its joint venture partners PivotGen and UPC Solar & Wind Investments, completed a purchase agreement with EDF Renewables North America for the lessee interests in the 38 MW Chestnut Flats operating wind project near Altoona, Pennsylvania. The purchase was made via the joint venture entity UPC Power Solutions. EDF Renewables will continue to provide asset management, operations, and maintenance services. This represents ACEN’s second project in North America, following the Stockyard Wind portfolio in 2023.
- In February 2024, ACEN’s subsidiary ACEN Australia announced that it secured a total of AUD 150 million in green term loans from Australia and New Zealand Banking Group (ANZ) and Westpac Banking Corporation, with each bank providing AUD 75 million. The green term loans represent ACEN’s commitment to the Australian market, where 1 GW is already in operations and under construction, with an additional development pipeline of more than 8 GW in renewables.
- In March 2024, ACEN Australia signed a cooperation agreement with Marubeni Corporation for the joint development of a 200 MW/400 MWh (2-hour) Battery Energy Storage System (BESS) in New South Wales, Australia. The signing ceremony for the Agreement took place at the Philippine Business Forum held in Melbourne, and was presented to the President of the Philippines, Ferdinand R. Marcos Jr. The agreement commits the parties to work together on the delivery of the New England 400 MWh BESS. The 50-50 partnership has a projected investment amount of AU\$ 250 million with a target completion by the end of 2025.
- Also in March 2024, ACEN announced its second partnership with BrightNight, to advance the development, construction, and operation of the latter's renewable power portfolio in the Philippines. The partnership plans to develop and construct 1 GWac of renewable energy projects in the Philippines with an estimated capital deployment of USD1.2 billion over the next five years. This is BrightNight and ACEN’s second partnership and builds on the success of the one

established in India in March 2023, which has already produced the 100 MW Maharashtra Hybrid Solar-Wind project.

- ACEN in March 2024 secured a “B” rating for its climate change disclosure through CDP, a global non-profit that runs the world’s leading environmental disclosure platform. This rating puts ACEN two levels higher than last year’s, underscoring ACEN’s dedication to decarbonization and adherence to the highest environmental standards. Since beginning its disclosures with CDP in 2022, ACEN has actively participated in the Climate Change questionnaire, contributing to the world’s most comprehensive inventory of self-reported environmental data. The company’s ongoing efforts align with the increasing demand for environmental transparency from financial institutions, customers and policymakers.

Operating Highlights:

- ACEN currently has 4,852 MW (megawatts) of attributable capacity from projects both operational and under construction in the Philippines and internationally, of which 4,784 MW, or 99%, is renewable. This puts the Group in a strong position to reach its 20-GW RE (gigawatt renewable) target by 2030.
 - Philippine assets net attributable capacity is 1,912 MW of which 1,844 MW is renewables; and
 - International assets net attributable capacity is at 2,941 MW which is 100% renewables.
- Operating status of 4,852 MW is:
 - 30% or 1,459 MW is under construction.
 - 65% or 3,177 MW is operating; and
 - 5% or 217 MW is partially operating. Partially operating refers to plants under construction that are already transmitting some power to the grid under energization, testing and commissioning, and/or awaiting key requirements.
- Geographical split of the 4,852 MW net attributable capacity is:
 - 39% or 1,912 MW - Philippines;
 - 21% or 1,041 MW - Australia;
 - 19% or 924 MW - Vietnam – Lao PDR;
 - 12% or 584 MW - India;
 - 3% or 156 MW - Indonesia;
 - 3% or 148 MW - United States
 - 1.8% or 88 MW – Others, primarily rooftop solar from the NEFIN partnership across several countries in East Asia.
- Technology split of the 4,852 MW net attributable capacity is:
 - 71% or 3,447 MW - Solar;
 - 23% or 1,110 MW - Wind;
 - 2% or 107 MW - Geothermal;
 - 2% or 80 MW - Hybrid Solar-Wind;
 - 1% or 68 MW - Diesel
 - 0.8% or 40 MW - Battery

- 3 -

- Renewables output reached 1,580 GWh which is +49% year-over-year driven by production from newly operational plants.
 - Philippines attributable generation output at 570 GWh which is +83% year-over-year from the commissioning of San Marcelino Solar Phase 1 and 2, Pagudpud Wind, Cagayan North Solar, and Arayat Mexico Solar.
 - International attributable generation output at 1,010 GWh which is +35% year-over-year from the ramp ups of New England Solar Farm 1 in Australia and Masaya Solar in India, in addition to new capacity from Solar NT in Vietnam.

Financial Highlights:

- The Group posted consolidated net income attributable to equity holders of the Parent Company amounting to ₱2,719.93 million for the first quarter of 2024 compared to ₱2,025.91 million net income in the same period last year. Consolidated net income attributable to common shareholders of Parent Company amounted to ₱2,238.01 million and ₱2,025.91 million for the first quarter of 2024 and 2023, respectively.
- The significant uplift in financial results is due to 35% year-over-year growth in renewables output with a full or near-full operationalization of San Marcelino Solar 1 & 2, Pagudpud Wind, Cagayan North Solar, Arayat-Mexico Solar, and New England Solar Farm 1. All are subsidiaries except for Arayat-Mexico Solar which is through an investment in joint venture by the Group.
- Philippines business continues to strengthen its net seller merchant position at 238 GWh following the contribution of new merchant renewable capacity. The increase in merchant volume was tempered by the lower Wholesale Electricity Spot Market (WESM) price environment compared to last year.
- The Group recognized non-recurring gains of US\$6.97 million (₱389.18 million) early extinguishment of convertible loan.
- Overhead expenses (general and administrative expenses in the consolidated statement of income) grow year-over-year due to development ramp up as execution continues on long term goals.

The tables below summarize the consolidated results of operations of the Group's revenues, costs and expenses for the first quarter ended March 31, 2024 and 2023.

- 4 -

Revenues

<i>In thousand Pesos</i>	Jan – Mar		Increase (Decrease)	
	2024	2023	Amount	%
Revenue from sale of electricity	₱9,766,096	₱9,023,014	743,082	8
Rental income	17,399	17,213	186	1
Other revenue	69,741	95,475	(25,734)	(27)
	₱9,853,236	₱9,135,702	717,534	8

- **Revenue from sale of electricity** increased as a result of higher retail electricity supply (RES) portfolio, higher net generation driven by new capacity mainly in the Philippines and Australia. Revenue includes sale of large-scale general certificates (LGCs) in Australia.
 - RES portfolio grew to 248 MW, up 54% year-on-year, with more commercial and industrial customers, and more contracts linked to DU rates
 - New volumes in the Philippines at 270GWh; new volumes in Australia at 262GWh
 - Low WESM price environment tempered the growth of revenue in the Philippines
 - LGC sale of AU\$10.49 million (₱390.92 million)
- **Rental income** mainly from land lease with third party.
- **Other revenue** consists of management fees earned by ACEN from its joint venture and bulk water sales.

Costs and Expenses

<i>In thousand Pesos</i>	Jan – Mar		Increase (Decrease)	
	2024	2023	Amount	%
Costs of sale of electricity				
Cost of purchased power	6,169,438	7,243,731	(1,074,293)	(15)
Depreciation and amortization	320,279	299,374	20,905	7
Fuel	107,587	169,685	(62,098)	(37)
Others	466,774	406,611	60,163	15
	7,064,078	8,119,401	(1,055,323)	(13)
General and administrative expenses				
Personnel costs, management and professional fees	752,985	578,221	174,764	30
Depreciation and amortization	114,861	121,449	(6,588)	(5)
Provision for impairment	315,670	237,615	78,055	33
Others	374,589	243,102	131,487	54
	1,558,105	1,180,387	377,718	33
	8,622,183	9,299,788	(677,605)	(7)

- **Cost of sale of electricity** decrease mainly due to lower WESM purchases attributed to lower demand consumption for the period. This reflects the impact of low WESM price environment. New plants specifically, San Marcelino Solar Phase 1 and 2, Pagudpud Wind, Cagayan North

- 5 -

Solar and New England Solar 1 are still under testing and commissioning and have not yet started to be depreciated as of March 31, 2024.

- **General and administrative expenses** include provision for expected credit losses on Investment in redeemable preferred shares and convertible loans and accrued receivables. The increase is mainly attributed to development ramp up.

Equity in Net Income of Associates and Joint Venture

<i>In thousand Pesos</i>	Jan – Mar		Increase (Decrease)	
	2024	2023	Amount	%
Philippines	292,597	462,042	(169,445)	(37)
USA	(53,416)	(59,837)	6,421	(11)
Vietnam	(46,997)	271,762	(318,759)	(117)
India	(79,150)	–	(79,150)	–
Indonesia	298,110	317,123	(19,013)	(6)
Others	(55,842)	(12,605)	(43,237)	(343)
Equity in net income of associates and joint ventures	355,302	978,485	(623,183)	(64)

Equity in net income of associates and joint ventures decrease mainly driven by:

- Philippines – lower wind regime in North Luzon Renewables Energy Corp.
- [Vietnam – normalized wind regime compared to last year, appreciation of USD vs VND that resulted to higher foreign exchange losses (project finance of selected Vietnam projects are in USD while functional currency of these projects are in VND).
- India – higher share in pre-operating losses as activities ramp up for projects under construction.
- USA, India and Others - higher share in pre-operating losses as activities ramp up for projects under construction.
- Indonesia – reflects the impact of Salak-Darajat partial divestment in September 2023

Other Income (Charges)

<i>In thousand Pesos</i>	Jan – Mar		Increase (Decrease)	
	2024	2023	Amount	%
Interest and other financial income				
Cash in banks and short-term deposits	334,189	245,730	88,459	36
Accounts and notes receivable	551,771	601,532	(49,761)	(8)
Redeemable preferred shares and convertible loans	793,331	745,335	47,996	6
	1,679,291	1,592,597	86,694	5
Interest and other finance changes	(692,275)	(664,414)	(27,861)	4

(Forward)

- 6 -

Other income - net (Note 20)				
Gain on disposal of assets	389,182	–	389,182	–
Others	(30,456)	481,588	(512,044)	(106)
	358,726	481,588	(122,862)	(26)
	1,345,742	1,409,771	(64,029)	(5)

- **Interest and other finance income** increased from:
 - **Cash in banks and short-term deposits** increased following continued placements of funds available from financing activities in 2023
 - **Accounts and notes receivables** decreased with maturity of bridge financing loan provided in Vietnam wind projects in 2023.
 - **Investment in redeemable preferred shares and convertible loans** at par with last year mainly from compounding features of the redeemable preferred shares
- **Interest and other finance charges** increased following availment of long-term loans from local banks by ACEN Cayman of US\$180.00 million (₱10,123.20 million) and US\$140.00 million (₱ 7,873.60 million) at 5.3980% and 5.3060%, respectively in January 2024. The proceeds of the long-term loans were used to redeem US\$352.00 million redeemable preferred shares in ACEN Cayman held by AC Energy Finance International Limited.
- **Other income** increased mainly from gain on early extinguishment on convertible loans related to wind power plants investment in Vietnam of US\$6.97 million (₱389.18 million).

Provision for (Benefit from) Income Tax

<i>In thousand Pesos</i>	Jan – Mar		Increase (Decrease)	
	2024	2023	Amount	%
Current	247,831	71,245	176,586	248
Deferred income tax	(251,354)	(289,311)	37,957	(13)
	(3,523)	(218,066)	214,543	(98)

- The increase in **provision for income tax - current** due to higher taxable income for the period from increase in business of the Group.
- **Deferred income tax benefit** mainly driven by the Group's DTA on NOLCO.

- 7 -

The table below bridges consolidated the statutory earnings before interest, taxes, depreciation, and amortization (EBITDA) to (i) attributable EBITDA and then (ii) core attributable EBITDA.

<i>In thousand Pesos</i>	Jan – Mar		Increase (Decrease)	
	2024	2023	Amount	%
Revenue	₱9,853,237	₱9,135,702	₱717,535	8
Cost and expenses	(8,622,182)	(9,299,788)	(677,605)	(7)
Depreciation expense	435,140	420,823	14,317	3
Provision for impairment	315,670	237,615	78,055	33
Equity in net income of associates and joint ventures	355,303	978,485	(623,182)	(64)
Interest income - investment in redeemable preferred shares and convertible loans	793,329	745,336	47,993	6
Value realization	389,182	--	389,182	--
Interest income - accounts and other receivables	551,773	601,532	(49,759)	(8)
Statutory EBITDA	4,071,450	2,819,704	1,251,746	44
Equity in net income of associates and joint ventures	(355,303)	(978,485)	(623,182)	(64)
Interest income - investment in redeemable preferred shares and convertible loans	(793,329)	(745,336)	47,994	6
Attributable EBITDA from joint ventures and associates	3,266,752	3,484,388	(217,636)	(6)
Attributable EBITDA	6,189,571	4,580,271	1,609,299	35
Value realization	(389,182)	--	(389,182)	--
Interest income - accounts and other receivables	(551,773)	(601,532)	49,759	(8)
Core Attributable EBITDA	₱5,248,616	₱3,978,740	₱1,269,876	32

Material changes in Consolidated Statements of Financial Position accounts

<i>In thousand pesos</i>	March 31,	December 31,	Increase (Decrease)	
	2024	2023	Amount	%
Current Assets				
Cash and cash equivalents	₱27,334,931	₱39,696,662	(₱12,361,731)	(31)
Current portion of:				
Accounts and notes receivable	26,821,312	26,065,692	755,620	3
Input value added tax (VAT)	1,889,947	2,059,734	(169,787)	(8)
Creditable withholding taxes	149,884	102,984	46,900	46
Financial assets at fair value through profit or loss (FVTPL)	3,967,743	1,938,497	2,029,246	105
Fuel and spare parts	916,509	964,053	(47,544)	(5)
Other current assets	1,254,160	750,493	503,667	67
Noncurrent Assets				
Investments in:				
Associates and joint ventures	33,514,241	30,098,617	3,415,624	11
Redeemable preferred shares and convertible loans	22,456,526	21,633,799	822,727	4

- 8 -

<i>In thousand pesos</i>	March 31, 2024	December 31, 2023	Increase (Decrease)	
			Amount	%
Financial assets at FVTPL	1,395,682	1,932,975	(537,293)	(28)
Financial assets at fair value through other comprehensive income (FVOCI)	5,950,823	5,799,323	151,500	3
Plant, property and equipment	93,781,309	88,928,251	4,853,058	5
Right-of-use assets	8,420,945	8,213,704	207,241	3
Goodwill and other intangible assets	23,484,015	23,165,368	318,647	1
Net of current portion:				
Accounts and notes receivable - net of current portion	13,341,166	12,689,042	652,124	5
Input VAT	3,543,412	3,120,200	423,212	14
Creditable withholding tax	2,913,983	2,513,774	400,209	16
Deferred income tax assets – net	2,203,221	2,122,081	81,140	4
Other noncurrent assets	15,923,464	13,138,251	2,785,213	21

- Decrease in **Cash and cash equivalents** is due to deployment of funds to projects under construction.
- Increase in **Accounts and notes receivable** is due to development loans provided to fund the development of renewable power plant projects in India.
- **Fuel and spare parts** went down due to lower bunker operations.
- **Financial Assets at FVTPL** increased mainly from subscription to UITFs from funds available on hand from financing activities in 2023.
- Decrease in **current portion of input VAT** mainly driven by application against output VAT arising from VATable commercial operations / RES energy sales in the Philippines.
- **Creditable withholding tax** went up with increase in revenues for the quarter.
- **Other current assets** increased primarily due to increase in prepayments for operating expenses in the Philippines and Australia.
- **Investments in associates and joint ventures** increased mainly from additional investments in UPC Power of US\$30.44 million (₱1,691.22 million); Capa Wind 2 through NLR and PhilWind of ₱304.00 million and ₱309.56 million, respectively, BrightNight of ₱280.00 million, and RWEI of ₱266.64 million.
- **Investments in redeemable preferred shares and convertible loans** include redeemable preferred shares and convertible loans . The increase is mainly due to the appreciation of the US dollar against the peso with a net impact of ₱341.29 million. There is also a recognition of impairment in redeemable preferred shares in UPC-AC Energy Solar Limited in the amount of ₱ 25.74 million. The decrease is offset by subscriptions in redeemable preferred shares of Impact Wind Investment in the amount of ₱391.37 million and subscription deposits of UPC Renewables in the amount of ₱57.36 million.
- **Noncurrent financial assets at FVTPL** pertains to Compulsorily Convertible Debentures (CCDs) from Masaya Solar. Masaya Solar has constructed the 420MWp solar farm in the Central Indian state of Madhya Pradesh. The decrease is mainly attributable to a redemption of outstanding Bridge financing.
- **Noncurrent financial assets at FVOCI** are largely the investment in UPC Sidrap, UPC-AC Energy, PT Puri, BrightNight and also include golf club shares and listed equity instruments. The increase is attributable to cumulative translation adjustment gain coming from the foreign investments.

- 9 -

- **Plant, property and equipment's** increase represents capitalization for the construction of Solar Plant and Transmission Lines in Marcelino, Zambales (P364.75 million), Wind Farm in Balaoi and Caunayan Pagudpud, Ilocos Norte (P340.80 million), Solar Farms in Australia (P3,999.36 million) and Solar Plant in Cagayan (P87.13 million). The Group also had P527.74 million capitalized borrowing costs from project companies during the period.
- **Right-of-use assets** increased due to new lease contracts and lease modifications in 2024, mainly in ACEN Australia.
- **Receivables - net of current portion** increased primarily due to accretion of long term interest receivables from international joint ventures and associates.
- **Goodwill & other intangible assets** increased due to cumulative translation adjustment gains on ACEN Australia.
- Majority of the balance of **Deferred tax asset** came from recognition of accrued expenses, net operating losses carry over (NOLCO), minimum corporate income tax (MCIT) and lease liabilities.
- **Input VAT non-current** increased due to large purchases of capital equipment for ongoing projects in the Philippines.
- **Other non-current assets** increase mainly from development costs incurred for the Isla Wind project in Real, Quezon in the Philippines.

<i>In thousand pesos</i>	March 31, 2024	December 31, 2023	<u>Increase (Decrease)</u>	
			Amount	%
Current Liabilities				
Accounts payable and other current liabilities	P14,138,340	P16,145,386	(P2,007,046)	12
Short-term loans	2,000,000	1,500,000	500,000	(33)
Current portion of:				
Long-term loans	648,135	1,289,104	(640,969)	50
Lease liabilities	1,083,472	850,953	232,519	(27)
Income and withholding taxes payable	599,276	241,667	357,609	(148)
Due to stockholders	16,572	16,585	(13)	-
Noncurrent Liabilities				
Notes payable	32,365,407	32,003,794	361,613	(1)
Noncurrent portion of:				
Long-term loans	65,581,743	44,485,573	21,096,170	(47)
Lease liabilities	7,288,510	7,505,848	(217,338)	3
Pension and other employee benefits	390,710	368,827	21,883	(6)
Deferred tax income liabilities - net	617,806	805,902	(188,096)	23
Other noncurrent liabilities	6,331,447	6,344,004	(12,557)	1
Equity				
Common shares	39,691,895	39,691,895	-	-
Redeemable preferred shares	25,000	25,000	-	-
Additional paid-in capital	132,295,589	132,295,689	(100)	(1)
Other equity reserves	(59,450,345)	(59,450,345)	-	-
Unrealized fair value loss on equity instruments at FVOCI	(314,183)	(268,000)	(46,183)	(17)

- 10 -

<i>In thousand pesos</i>	March 31, 2024	December 31, 2023	Increase (Decrease)	
			Amount	%
Unrealized fair value gain on derivative instruments designated as hedges – net of tax	506,244	588,519	(82,275)	14
Remeasurement loss on defined benefit plans – net of tax	(46,460)	(32,821)	(13,639)	(42)
Accumulated share in other comprehensive gain (loss) of associates and joint ventures	58,545	(85,483)	144,028	168
Cumulative translation adjustments	8,168,266	5,864,713	2,303,553	(39)
Retained earnings	27,109,814	24,871,807	2,238,007	(9)
Treasury shares	(28,657)	(28,657)	–	–
Non-controlling interests	10,186,147	29,903,540	(19,717,393)	66

- **Accounts payable and other current liabilities** decreased from settlement of payables related to projects under construction in the first quarter of 2024.
- **Short-term loans** are outstanding loans from local banks.
- **Current portion of long-term loans** movement mainly due to payment timing schedule.
- **Current portion of lease liability** movement mainly due to payment timing schedule of leased assets.
- Increase in **income and withholding taxes payable** was mainly due to withholding taxes payable from various purchases in the Philippines.
- **Notes payable** pertains to the ₱10 billion 5-year Green Bonds by ACEN and 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 due to the new loan availed by ACE Cayman of \$320 million and borrowings made by ACEN International to fund India projects. The US\$320.00 million loan was used to pay the US\$352.00 million green bonds that was infused in the Group through subscription to redeemable preferred shares issued by ACEN Cayman to AC Energy Finance Limited (ACEFIL). The difference between the redeemable preferred shares and loan proceeds was funded by cash on hand of the Group.
- **Lease Liabilities-net of current portion** decreased mainly due to lease payments during the period.
- Majority of the balance of **deferred income tax liabilities** came from recognition of unrealized foreign exchange gains and right-of-use assets of the Group as at period ended.
- **Other non-current liabilities** include contract liabilities and asset retirement obligations related to operating renewable power plant projects.
- The increase in **unrealized FV loss on equity instruments at FVOCI** came from mark-to-market loss for UPC Sidrap for the current period. Equity investment in UPC Sidrap is classified as FVOCI since this is not an instrument held for trading by the Group.
- **Unrealized fair value gain on derivative instruments** designated as hedges increased due to movement in the derivative related to Long Term Energy Service Agreements in Australia.
- **Remeasurement loss on defined benefit plan** increased mainly from current service costs.
- The increase in **accumulated share in other comprehensive income of associates and joint ventures** significantly came from other comprehensive income share in cumulative transaction adjustments of associates and joint ventures.
- **Retained earnings** increased from resulting net income earned for the period.
- **Treasury shares** had no movement during the period.

- 11 -

- **Non-controlling interests** decreased following redemption of ACEN Cayman of US\$352.00 million worth of redeemable preferred shares held by ACEFIL on January 23, 2024.

- 12 -

Key Performance Indicators

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

Key Performance Indicator	Formula	31-March-24	31-Dec-23	Increase (Decrease)	
				Amount	%
<i>Liquidity Ratios</i>					
Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	3.37	3.57	(0.20)	(6%)
Acid test ratio	$\frac{\text{Cash + Short-term investments + Accounts receivables + Other liquid assets}}{\text{Current liabilities}}$	3.14	3.38	(0.24)	(7%)
<i>Solvency Ratios</i>					
Debt/Equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.83	0.64	0.19	30%
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.83	1.64	0.19	12%
Interest Coverage Ratio	$\frac{\text{Statutory Earnings before interest \& tax (EBIT)}^{(1)}}{\text{Interest expense}^{(2)}}$	2.99	2.37	0.62	(26%)
Net bank Debt to Equity ratio	$\frac{\text{Short \& long-term loans} - \text{Cash \& Cash Equivalents}}{\text{Total Equity}}$	0.46	0.23	0.23	100%
<i>Profitability Ratios</i>					
Return on Equity *	$\frac{\text{Net income after tax attributable to equity holders of the Parent Company}}{\text{Average total stockholders' equity attributable to equity holders of the Parent Company}}$	6.12%	6.05%	0.07	1.16%
Return on Common Equity *	$\frac{\text{Net income after tax attributable to equity holders of the Parent Company (Common)}}{\text{Average Common equity attributable to equity holders of the Parent Company (Common)}}$	5.76%	5.71%	0.05	0.86%
Return on assets *	$\frac{\text{Net income after taxes}}{\text{Average total assets}}$	1.02%	0.94%	0.08	8.51%
Asset Turnover	$\frac{\text{Revenues}}{\text{Average total assets}}$	3.43%	14.10%	(10.67%)	(76%)

*computed on trailing 12-months net income after tax attributable to equity holders of the parent company and net income after tax attributable to equity holders of the parent company (common) for March 31, 2024 profitability ratios

(1) Statutory EBIT is Statutory EBITDA less depreciation and amortization expense.

(2) Cash interest expense is gross of capitalized borrowing cost of ₱527.74 million and of ₱1,852.97 million for the three month period ended March 31, 2024 and year ended December 31, 2023, respectively.

Current ratio & Acid test ratio

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

Debt/Equity ratio & Asset-to-equity ratio

D/E ratio slightly increased with additional short-term and long-term loan availments, which were cushioned by the increase 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

Increased from year-end 2023 due to additional availments of short-term and long-term loans.

Asset turnover

In spite of increase in revenues during the period, asset turnover decreased due higher 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 financial reporting.
- 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 financial reporting period.
- There were no material events that had occurred subsequent to the financial reporting close except for the events after the reporting period disclosed in Note 29 of the unaudited Interim Condensed 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 Endeavor 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 Endeavor 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;

- 14 -

- 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 cyclicity 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
ACEN CORPORATION (the "Company")**1ST QUARTER**

1. January 3, 2024 – ACEN and Barito enter new partnership in Indonesia wind projects
2. January 10, 2024 – Changes in percentage ownership of AC Energy and Infrastructure Corporation as of January 9, 2024
3. January 10, 2024 – List of Top 100 Stockholders as of December 31, 2023 (Common Shares)
4. January 10, 2024 – List of Top 100 Stockholders as of December 31, 2023 (ACENA Preferred Shares)
5. January 10, 2024 – List of Top 100 Stockholders as of December 31, 2023 (ACENB Preferred Shares)
6. January 15, 2024 – Disbursements of the proceeds generated from the Company's Preferred Shares Offering
7. January 15, 2024 – Issuance of Corporate Guarantee in support of ACEN Cayman
8. January 15, 2024 – Public Ownership Report as of December 31, 2023
9. January 15, 2024 – Amended Public Ownership Report as of December 31, 2023
10. January 16, 2024 – Acquisition of 128,568 common shares of Delfin Lazaro
11. January 16, 2024 – Acquisition of 887,384 common shares of Jose Rene Gregory D. Almendras
12. January 16, 2024 – Acquisition of 614,179 common shares of Solomon M. Hermosura
13. January 16, 2024 – Acquisition of 551,815 common shares of Cezar P. Consing
14. January 16, 2024 – Acquisition of 406,185 common shares of John Eric T. Francia
15. January 16, 2024 – Acquisition of 2,799 common shares of Mae Christine L. Go
16. January 16, 2024 – Acquisition of 141,474 common shares of Ma. Cecilia T. Cruzabra
17. January 16, 2024 – Acquisition of 96,824 common shares of Patrice R. Clause
18. January 16, 2024 – Acquisition of 677,089 common shares of John Philip S. Orbeta
19. January 16, 2024 – Acquisition of 3,871 common shares of Jaime Alfonso Antonio E. Zobel de Ayala
20. January 17, 2024 – Disbursements of the proceeds generated from the Company's Preferred Shares Offering
21. January 24, 2024 – Press release: UPC Power Solutions Completes Purchase of 38 MW Wind Project from EDF Renewables North America
22. February 8, 2024 – Changes in percentage ownership of AC Energy and Infrastructure Corporation as of February 8, 2024
23. February 8, 2024 – Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA)
24. February 8, 2024 – Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENB)
25. February 15, 2024 – Notice of Analysts' and Investors' Briefing on March 12, 2024
26. February 23, 2024 – Advances to ACEN CORPORATION from subsidiaries, Giga Ace 2, Inc. and Giga Ace 3, Inc.
27. February 26, 2024 – Resignation of Mr. Solomon M. Hermosura as the Corporate Secretary, effective February 26, 2024
28. February 27, 2024 – Issuance of Corporate Guarantee in Support of the Company's Australia Projects

29. February 27, 2024 – Submission of the latest 2023 General Information Sheet
30. February 28, 2024 – Press release: ACEN secures AU\$ 150M green term loan from ANZ and Westpac to fund renewables expansion in Australia
31. March 5, 2024 – Press release: ACEN Australia partners with Marubeni Asian Power Singapore to develop a 200 MW battery energy storage system in Australia
32. March 7, 2024 – Changes in percentage ownership of AC Energy and Infrastructure Corporation as of February 8, 2024. Amended SEC Form 23-B reflecting the correct number of shares disposed after reconciliation.
33. March 8, 2024 – Signing of Shareholders’ and Investment Agreement with BrightNight APAC B.V for renewable energy projects in the Philippines
34. March 11, 2024 – Press release: ACEN and BrightNight to develop 1 GW of renewables in the Philippines
35. March 12, 2024 – Matters approved at the regular board meeting held on March 11, 2024
 - a. Amendment of the Articles of Incorporation to remove “distribution” from the primary purpose
 - b. Schedule, mode of conduct, and agenda of the 2024 annual stockholders’ meeting (“ASM”)
 - c. Election of Corporate Secretary
 - d. Designation of proxy for ENEX Energy Corp.’s (“ENEX”) 2024 ASM
 - e. The Company’s procurement policy
 - f. Procurement of additional working capital lines
 - g. Updated use of proceeds of preferred shares issuance
 - h. 2023 key result areas performance of ACEN
 - i. Assignment of advances from subsidiaries to ACEN, conversion of ACEN group advances to ENEX into equity, and subscription by ACEN to additional equity in ENEX
 - j. The Company’s 2023 parent and consolidated audited financial statements
 - k. Issuance of letters of support to various ACEN subsidiaries
36. March 12, 2024 – Notice of Conduct of the Annual Stockholders’ Meeting
37. March 12, 2024 – Notice of Annual Stockholders’ Meeting
38. March 12, 2024 – Update on the Company’s Preferred Shares Offering and Issuance
39. March 12, 2024 – Disbursements of the proceeds generated from the Company’s Preferred Shares Offering
40. March 12, 2024 – Amendment to Articles of Incorporation
41. March 12, 2024 – Appointment of Ms. Franchette M. Acosta as Corporate Secretary effective 11 March 2024
42. March 12, 2024 – Press release: ACEN records P7.4 billion net income in 2023
43. March 12, 2024 – Press release: ACEN Australia and SmartestEnergy sign PPA for clean electricity generated from New England Solar
44. March 12, 2024 – Update on the Company’s Preferred Shares Offering and Issuance
45. March 12, 2024 – Amended Press release: ACEN records P7.4 billion net income in 2023
46. March 13, 2024 – Amended Notice of Annual Stockholders’ Meeting
47. March 14, 2024 – Submission of SEC Form 23-A of Maria Franchette M. Acosta as newly elected Corporate Secretary of the Company at the regular meeting of the Board of Directors held on 11 March 2024

- 3 -

48. March 14, 2024 – Press release: ACEN upgraded to “B” rating by CDP, reaffirms commitment to environmental transparency
49. March 20, 2024 – Amended Disposition of land by Buendia Christiana Holdings Corp. ("BCHC"), a wholly owned subsidiary of ACEN CORPORATION (“ACEN”), in exchange for shares of AREIT, Inc. (“AREIT”) via property-for-share swap.
50. March 21, 2024 – Amended 2023 General Information Sheet reporting the appointment of an officer effective March 11, 2024
51. March 22, 2024 – ACEN's acquisition of shares in Real Wind Energy, Inc.
52. March 26, 2022 – Loan Agreement with Gigasol1, Inc.
53. March 26, 2024 – Subscription by ACEN to shares in North Luzon Renewable Energy Corp.
54. March 26, 2024 – Subscription by ACEN to shares in Philippine Wind Holdings Corp.
55. March 27, 2024 – The Company's Definitive Information Statement will be uploaded at <https://acenrenewables.com/disclosures/2024-dis/>