

COVER SHEET

C	S	2	0	0	9	0	9	2	3	3
---	---	---	---	---	---	---	---	---	---	---

S.E.C. Registration Number

A	L	T	E	R	N	E	R	G	Y		H	O	L	D	I	N	G	S											
C	O	R	P	O	R	A	T	I	O	N																			

(Company's Full Name)

L	E	V	E	L		3	B	,		1	1	1		P	A	S	E	O		D	E		R	O	X	A	S		
B	U	I	L	D	I	N	G	,		P	A	S	E	O		D	E		R	O	X	A	S						
A	V	E	N	U	E		C	O	R	N	E	R		L	E	G	A	Z	P	I		S	T	R	E	E	T	,	
L	E	G	A	S	P	I		V	I	L	L	A	G	E	,		M	A	K	A	T	I		C	I	T	Y		

(Business Address: No./Street/City/Town/Province)

MARIA CARMEN G. DIAZ

Contact Person

(+632) 8813 4678

Company's Telephone Number

0 6

Month

3 0

Day

Fiscal Year

1 7 - Q

Form Type

1 2

Month

1 3

Day

Annual Meeting

Not applicable

(Secondary License Type, If Applicable)

MSRD

Dept. Requiring this Doc.

Total No. of
Stockholders

1,013

Total No. of
Stockholders

Amended Articles Number/Section

Total Amount of Borrowings

X

Domestic

X

Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--	--

File Number

LCU

--	--	--	--	--	--	--	--	--	--	--

Document I.D.

Cashier

STAMPS

Remarks = Pls. use black in for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended September 30, 2024
2. SEC Identification Number CS200909233 3. BIR Tax Identification No. 007-315-916
4. Exact name of issuer as specified in its charter ALTERNERGY HOLDINGS CORPORATION
5. Metro Manila, Philippines (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. Level 3B 111 Paseo de Roxas Building, Paseo de Roxas
Avenue corner Legazpi Street, Legaspi Village Makati City1229
Address of principal office Postal Code
8. +632 8813-4678
Issuer's telephone number, including area code
9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Common Shares	Number of Shares of Common Stock 3,933,840,480 Common
Preferred Shares	Number of Shares of Preferred Stock 370,398,637 Perpetual Preferred 1 100,000,000 Perpetual Preferred 2 – Series A
	Outstanding and Amount of Debt Outstanding None registered in the Philippine SEC and listed in PDEX/others
11. Are any or all of these securities listed on a Stock Exchange.

Yes [X] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange – Common Shares and Perpetual Preferred 2 – Series A

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 ☐

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to “Annex A” attached.

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

Please refer to “Annex B” attached.

PART II – OTHER INFORMATION

Please refer to “Annex C” attached.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALTERENERGY HOLDINGS CORPORATION



GERRY P. MAGBANUA

President



MARIA CARMEN G. DIAZ

Chief Financial Officer and Chief Sustainability Officer

Date: 5 November 2024

ANNEX A

Alternergy Holdings Corporation and Subsidiaries

Consolidated Financial Statements
As at September 30, 2024 and June 30, 2024
and for the Three-Month Periods Ended
September 30, 2024 and 2023

COVER SHEET

for
SEC FORM 17-Q

SEC Registration Number

C	S	2	0	0	9	0	9	2	3	3
---	---	---	---	---	---	---	---	---	---	---

COMPANY NAME

A	L	T	E	R	N	E	R	G	Y		H	O	L	D	I	N	G	S		C	O	R	P	O	R	A	T	I	O
N																													

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

L	E	V	E	L		3	B	,		1	1	1		P	A	S	E	O		D	E		R	O	X	A	S		B
U	I	L	D	I	N	G	,		P	A	S	E	O		D	E		R	O	X	A	S		C	O	R	N	E	R
	L	E	G	A	Z	P	I		S	T	R	E	E	T	,		L	E	G	A	S	P	I		V	I	L	L	A
G	E	,		M	A	K	A	T	I		C	I	T	Y															

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

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

Secondary License Type, If Applicable

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
contact@alternergy.com	(632) 8813-4678	N/A
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
-	Second Wednesday of December	9/30

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
Maria Carmen G. Diaz	carmen.diaz@alternergy.com	(632) 8813-4678	N/A

CONTACT PERSON's ADDRESS

Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas corner Legazpi Street, Legazpi Village, 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.

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2024 (With Comparative Audited Figures as of June 30, 2024)

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱942,642,133	₱2,559,074,243
Trade and other receivables (Note 5)	80,922,010	145,554,089
Restricted cash and placements (Note 4)	437,257,286	418,350,485
Due from related parties (Note 14)	664,077,644	575,160,491
Prepayments and other current assets	22,846,815	18,037,837
Total Current Assets	2,147,745,888	3,716,177,145
Noncurrent Assets		
Property, plant and equipment (Note 6)	2,861,147,106	1,739,749,071
Intangible assets (Note 8)	1,907,748,952	2,057,554,451
Contract asset	—	—
Investments in and advances to associates and joint ventures (Note 7)	124,183,074	120,711,869
Right-of-use assets	342,523,419	347,967,212
Other noncurrent assets	1,319,203,779	762,605,131
Total Noncurrent Assets	6,554,806,330	5,028,587,734
TOTAL ASSETS	₱8,702,552,218	₱8,744,764,879
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loan (Note 11)	₱249,252,078	₱248,780,784
Current portions of:		
Long-term debt (Note 12)	81,062,544	118,602,987
Lease liabilities	27,943,678	28,082,850
Accounts payable and accrued expenses	152,916,521	105,170,263
Advances from a third party (Note 10)	214,000,000	214,000,000
Dividend payable (Note 9)	6,250,000	6,250,000
Due to related parties (Note 14)	24,990,005	9,688,488
Income tax payable	1,283,248	14,840,472
Total Current Liabilities	751,448,074	745,415,844
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 12)	3,312,179,485	3,352,360,239
Lease liabilities - net of current portion	320,776,117	322,279,131
Deferred tax liabilities - net	21,519,691	21,600,738
Asset retirement obligation	5,487,681	5,403,349
Retirement benefit obligation	1,080,874	1,080,874
Total Noncurrent Liabilities	3,661,043,848	3,702,724,331
Total Liabilities	4,412,491,922	4,448,140,175

(Forward)

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
Equity		
Capital stock (Note 13)	₱440,423,912	₱440,423,912
Additional paid-in capital (Note 13)	3,035,119,971	3,035,119,971
Share in remeasurement loss on retirement benefit obligation of an associate (Note 9)	(15,557)	(15,557)
Cumulative translation adjustment (Note 2)	4,370,075	8,596,053
Equity reserve (Note 9)	3,435,427	3,435,427
Retained earnings (Deficit)	69,467,706	67,183,056
Equity Attributable to Equity Holders of the Parent Company	3,554,742,862	3,554,742,862
Non-controlling Interests	737,258,762	741,881,842
Total Equity	4,290,060,296	4,296,624,704
TOTAL LIABILITIES AND EQUITY	₱8,702,552,218	₱8,744,764,879

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three-Month Periods Ended September 30	
	2024	2023
REVENUE FROM SALE OF ELECTRICITY (Note 15)	₱97,678,940	₱43,308,386
COST OF SALE OF ELECTRICITY	39,549,545	10,968,487
GROSS PROFIT	58,129,395	32,339,899
EQUITY IN NET LOSSES OF ASSOCIATES (Note 7)	3,471,205	(272,422)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 16)	25,307,342	18,122,737
OTHER INCOME (CHARGES)		
Finance costs (Notes 11, 12, and 16)	(26,607,644)	(15,269,553)
Interest income (Note 4)	14,826,018	7,126,708
Net foreign exchange gains (losses)	(6,838,858)	4,923,094
Advisory fees (Note 14)	885,000	810,000
Project cost recovery (Note 22)	-	86,255,857
Construction revenue (Note 22)	-	36,447,708
Construction costs (Note 22)	-	(36,447,708)
	(17,735,484)	83,846,106
INCOME BEFORE INCOME TAX	18,557,774	97,790,846
BENEFIT FROM (PROVISION FOR) INCOME TAX	1,110,945	814,220
NET INCOME	17,446,829	96,976,626
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Cumulative translation adjustment (Note 2)	(24,011,238)	11,898,084
TOTAL COMPREHENSIVE INCOME	(₱6,564,409)	₱108,874,710
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	(₱1,941,329)	₱22,001,899
Non-controlling interests	(4,623,080)	86,872,811
	(₱6,564,409)	₱108,874,710
Basic/Diluted Earnings (Loss) per Share (Note 17)	(₱0.01)	₱0.01

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

	Capital Stock		Additional	Deposit for	Share in Re-measurement	Cumulative	Equity	Retained	Equity	Non-	Total
	Preferred	Common	Paid-in Capital	Future Stock Subscription	Loss on Retirement Benefit Obligation of an Associate	Translation Adjustment	Reserve	Earnings (Deficit)	Attributable to Equity Holders of the Parent Company	controlling Interests	
At July 1, 2024	₱47,039,864	₱393,384,048	₱3,035,119,971	₱-	(₱15,557)	₱8,596,053	₱3,435,427	₱67,183,056	₱3,554,742,862	₱741,881,842	₱4,296,624,704
Total comprehensive income	-	-	-	-	-	(4,225,978)	-	2,284,649	(1,941,329)	(4,623,080)	(6,564,409)
At September 30, 2024	₱47,039,864	₱393,384,048	₱3,035,119,971	₱-	(₱15,557)	₱4,370,075	₱3,435,427	₱69,467,705	₱3,552,801,533	₱737,258,762	₱4,290,060,295
At July 1, 2023	₱37,039,864	₱393,384,048	₱1,643,742,189	₱-	(₱15,557)	₱4,110,513	₱3,435,427	(₱568,660)	₱2,081,127,824	₱643,046,707	₱2,724,174,531
Total comprehensive income	-	-	-	-	-	1,691,421	-	20,310,468	22,001,889	86,872,811	108,874,700
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	(14,559,018)	(14,559,018)
At September 30, 2023	₱37,039,864	₱393,384,048	₱1,643,742,189	₱-	(₱15,557)	₱5,801,934	₱3,435,427	₱19,741,808	₱2,103,129,713	₱715,360,500	₱2,818,490,213

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three-Month Periods Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱18,557,774	₱97,790,846
Adjustments for:		
Depreciation and amortization (Notes 6 and 16)	32,217,238	7,405,587
Finance costs (Notes 11, 12, and 16)	26,607,644	15,269,553
Interest income (Note 4)	(14,826,018)	(7,126,708)
Net unrealized foreign exchange losses (gains)	6,838,858	2,382,579
Equity in net losses (earnings) of associates (Note 7)	(3,471,205)	272,422
Income before working capital changes	65,924,291	115,994,279
Decrease (increase) in:		
Trade and other receivables (Note 5)	64,632,079	(78,265,250)
Restricted cash and cash equivalents	(18,906,801)	–
Prepayments and other current assets	(4,808,978)	36,108,314
Other noncurrent assets	(556,598,648)	(8,739,858)
Increase (decrease) in accounts payable and accrued expenses	47,749,543	4,087,735
Net change in accounts with related parties	(73,615,636)	(10,341,279)
Cash from (used in) operations	(475,624,150)	58,843,941
Interest received	14,826,018	7,126,708
Income tax paid	(13,557,224)	(6,056,776)
Net cash flows from (used in) operating activities	(474,355,356)	59,913,873
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment (Note 6)	(1,048,845,172)	(1,823,373)
Project development costs (Notes 8 and 22)	(9,687,503)	(148,916,962)
Contract asset (Note 22)	–	(36,447,708)
Cash dividends received	–	40,000,603
Acquisition of non-controlling interests (Note 9)	–	(2,506,632)
Net cash flows used in investing activities	(1,058,532,675)	(149,694,072)

(Forward)

Three-Month Periods Ended September 30		
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Long-term debts (Note 12)	(P37,540,443)	P-
Interest (Notes 11 and 12)	(26,607,644)	(21,744,108)
Deferred financing charges (Note 12)	(7,911,172)	999,973
Dividends	(6,250,000)	(3,750,000)
Lease liability	(1,642,186)	2,111,263
Others	471,294	-
Net cash flows from (used in) financing activities	(79,480,151)	(22,382,872)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(4,063,928)	(2,382,579)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,616,432,110)	(114,545,650)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
(Note 4)	2,559,074,243	1,238,986,852
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	P942,642,133	P1,124,441,202

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ALTERNERGY HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Alternergy Holdings Corporation ("ALTER"; the "Parent Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission ("SEC") on June 18, 2009 primarily to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose real and personal property of every kind and description in particular, shares of stocks, voting trust certificate, bonds, debentures, notes, evidence of indebtedness, associations, domestic or foreign, including those of Government of the Republic of the Philippines, or any of its instrumentalities, without being a stockholder or dealer, and to issue in exchange therefore shares of the capital stock, bonds, notes or other obligations of the Group and while the owner thereof, to exercise all the rights, powers and privileges of ownership, including the right to vote any shares of stock or voting trust certificates so owned, and to do every act and thing that may generally be performed by entities known as "holding companies" except as broker and dealer of securities.

The Parent Company's registered address and principal place of business is Level 3B 111 Paseo de Roxas Building, Paseo de Roxas corner Legazpi Street, Legaspi Village, Makati City.

The ultimate parent of the Parent Company is Vespers Holdings Corporation ("VHC"), a company incorporated in the Philippines.

On April 26, 2022, the Parent Company's Board of Directors ("BOD") and shareholders approved the change of the Parent Company's fiscal year from the first day of January ending on the last day of December each year to the first day of July ending on the last day of June of the following year. On May 27, 2022, the SEC approved the change in the Parent Company's fiscal year and accounting period. On June 20, 2022, the Bureau of Internal Revenue ("BIR") approved the change in the Parent Company's accounting period from calendar year ending December 31 to fiscal year ending June 30, effective July 1, 2022. Accordingly, the Group prepared the consolidated financial statements as at June 30, 2022 and for the six-month period ended June 30, 2022 (see Note 3).

On February 10, 2023 and February 14, 2023, the SEC and Philippine Stock Exchange, Inc. ("PSE"), respectively, approved the application of the Parent Company for the listing and trading of all its issued and outstanding common shares. On March 24, 2023, the Parent Company completed its initial public offering ("IPO") and was listed in the PSE under the stock symbol "ALTER".

The unaudited interim consolidated financial statements as at September 30, 2024 and June 30, 2024 and for the three-month periods ended September 30, 2024 and 2023 were approved and authorized for issuance by the BOD on November 5, 2024.

2. Group Information

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (collectively referred to as “the Group”). The following are the subsidiaries as of September 30, 2024 and June 30, 2024:

	Nature of Business	September 30, 2024		June 30, 2024	
		Direct	Indirect	Direct	Indirect
Alternergy Wind Holdings Corporation (“AWHC”, formerly Pililla AVPC Corporation) ^(D)	Investment holding	100	-	100	-
Alternergy Tanay Wind Corporation (“ATWC”) ^{(A)(F)}	Power generation	-	100	-	100
Abra De Ilog Wind Power Corporation (“ADIWPC”) ^(A)	Power generation	-	100	-	100
Alabat Wind Power Corporation (“AWPC”) ^(A)	Power generation	-	100	-	100
Liberty Solar Energy Corporation (“LSEC”) ^{(A)(B)}	Power generation	60	-	60	-
Alternergy Hydro Partners Corporation (“AHPC”)	Investment holding	100	-	100	-
Alternergy Mini Hydro Holdings Corporation (“AMHHC”)	Investment holding	-	100	-	100
Ibulao Mini Hydro Corporation (“IMHC”) ^(A)	Power generation	-	100	-	100
Lamut Mini Hydro Corporation (“LAMHC”) ^(A)	Power generation	-	100	-	100
SolarPacific Energy Corp (“SPEC”) ^(D)	Investment holding	60	-	60	-
Kirahon Solar Energy Corporation (“KSEC”)	Power generation	50	13	50	13
Liwanag Renewable Energy Corporation (“LREC”) ^(A)	Power generation	-	100	-	100
Sienna Solar Power Corporation (“SSPC”) ^(A)	Power generation	-	100	-	100
Solar Pacific Pristine Power Inc. (“SPPP”) ^{(A)(C)}	Power generation	10	12	10	12
Solana Solar Alpha Incorporation (“SSAI”) ^(A)	Power generation	-	100	-	100
Olympia Solar Power Corporation (“OSPC”) ^{(A)(E)}	Power generation	75	-	75	-
Green Energy Supply Solutions Inc. (“GESSI”) ^(A)	Energy retail supplier	100	-	100	-

(A) No commercial operations as of September 30, 2024

(B) LSEC became a subsidiary of ALTER effective June 23, 2023.

(C) Voting interest of ALTER is 5.6% (direct) and 60% thru SPEC (indirect) as of September 30, 2024 and June 30, 2024

(D) On March 26, 2024, the SEC approved the change of name from Pililla AVPC Corporation to Alternergy Wind Holdings Corporation.

(E) On June 11, 2024, the Parent Company subscribed to 75% of OSPC's available common shares resulting to a control over OSPC. The impact of the business combination arising from the acquisition of OSPC is not significant.

(F) On March 14, 2024, the Parent Company sold 100% of its shares in ATWC to AWHC for a total consideration of ₱0.05 million. Since both ATWC and AWHC are wholly owned subsidiaries of the Parent Company, the transaction was accounted for as a common control business combination. Consequently, the Parent Company no longer directly owns ATWC as of September 30, 2024.

All of the foregoing subsidiaries are incorporated and registered with the Philippine SEC and operate in the Philippines except for SPPP that is incorporated in the Republic of Palau. SPPP's functional currency is US Dollar.

3. Basis of Preparation, Basis of Consolidation, Statement of Compliance and Summary of Significant Accounting Policies

Basis of Preparation

The unaudited interim consolidated financial statements of the Company as of September 30, 2024 and for the three-month periods ended September 30, 2024 and 2023 have been prepared in accordance with Philippine Accounting Standard (“PAS”) 34, *Interim Financial Reporting*. The unaudited interim 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 Company's annual financial statements as at June 30, 2024.

The accompanying unaudited interim consolidated financial statements of the Group have been prepared using the historical cost basis and are presented in Philippine Peso (₱), the Group's functional currency. All amounts are rounded off to the nearest peso unless otherwise indicated.

Basis of Consolidation

The interim consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries as of September 30, 2024 and June 30, 2024 and for the three-month periods ended September 30, 2024 and 2023.

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

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

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss.

The interim financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

Transactions with Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the equity attributable to equity holders of the parent. Transactions with non-controlling interests are accounted for as equity transactions. On acquisitions of non-controlling interests, the difference between the consideration and the book value of the share of the net assets acquired is reflected as being a transaction between owners and recognized directly in equity. Gain or loss on disposals of non-controlling interest is also recognized directly in equity.

Statement of Compliance

The unaudited interim consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (“PFRSs”) as issued by the Philippine Financial Reporting Standards Council and adopted by the Philippine SEC.

Summary of Significant Accounting Policies

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual consolidated financial statements as of and for the year ended September 30, 2024.

4. **Cash and Cash Equivalents and Restricted Cash and Placements**

a. Cash and Cash Equivalents

	September 30, 2024	June 30, 2024
Cash in banks and on hand	₱532,236,429	₱1,799,923,000
Cash equivalents	410,405,704	759,151,243
	₱942,642,133	₱2,559,074,243

b. Restricted Cash and Placements

Restricted cash and placements amounting to ₱437.26 million and ₱418.35 million as of September 30, 2024 and June 30, 2024, respectively, pertain to debt reserve accounts which are periodically maintained in the Group’s project trust accounts set aside for principal and interest payments of long-term debts (see Note 18). Restricted cash and placements amounting to ₱337.58 million and ₱335.16 million as at September 30, 2024 and June 30, 2024 are presented as part of noncurrent assets.

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group.

5. Trade and Other Receivables

	September 30, 2024	June 30, 2024
Trade (see Note 22)	₱73,294,947	₱79,457,486
Advances to employees	6,966,807	4,380,286
Non-trade receivables from third parties	-	37,655,405
Dividend receivable	-	21,250,301
Others	660,256	2,810,611
	₱80,922,010	₱145,554,089

Trade receivables represent receivables arising from sale of electricity and are within normal credit term of 30 days.

Advances to employees represents cash advances used for expenditures in relation to the project development costs of certain subsidiaries. These are subject for liquidation within 30 days.

Others substantially pertain to unliquidated cash advances made to the Group's suppliers for various administrative expenses of the Group.

6. Property, Plant and Equipment

	Land	Solar Power Plant	Office Equipment	Furniture and Fixtures	Computer Software	Transportation Equipment	Construction in Progress	September 30, 2024 Total
Cost								
At July 1	P515,841,764	P539,223,088	P1,801,159	P885,913	P3,054,053	P-	P741,288,840	P1,802,094,817
Additions	14,500,000	-	175,382	2,711,957	939,725	4,067,857	1,025,532,442	1,047,927,362
Reclassification (see Note 8)	-	-	-	-	-	-	81,051,044	81,051,044
At June 30	530,341,764	539,223,088	1,976,541	3,597,870	3,993,778	4,067,857	1,847,872,325	2,931,073,223
Accumulated Depreciation								
At July 1	-	60,310,138	1,192,323	123,002	720,283	-	-	62,345,746
Depreciation (see Note 16)	-	6,781,704	76,563	333,107	255,625	133,372	-	7,580,371
At June 30	-	67,091,842	1,268,886	456,109	975,908	133,372	-	69,926,117
Net Book Values	P530,341,764	P472,131,246	P707,655	P3,141,761	P3,017,870	P3,934,485	P1,847,872,325	P2,861,147,106

	Land	Solar Power Plant	Office Equipment	Furniture and Fixtures	Computer Software	Construction in Progress	June 30, 2024 Total
Cost							
At July 1	P512,241,765	P539,223,088	P1,671,063	P31,759	P249,331	P-	P1,053,417,006
Additions	3,599,999	-	130,096	854,154	2,804,722	73,634,479	81,023,450
Reclassification (see Note 8)	-	-	-	-	-	667,654,361	667,654,361
At June 30	515,841,764	539,223,088	1,801,159	885,913	3,054,053	741,288,840	1,802,094,817
Accumulated Depreciation							
At July 1	-	30,967,429	1,058,207	30,221	245,833	-	32,301,690
Depreciation (see Note 16)	-	29,342,709	134,116	92,781	474,450	-	30,044,056
At June 30	-	60,310,138	1,192,323	123,002	720,283	-	62,345,746
Net Book Values	P515,841,764	P478,912,950	P608,836	P762,911	P2,333,770	P741,288,840	P1,739,749,071

7. Investments in and Advances to Associates and Joint Ventures

	September 30, 2024	June 30, 2024
Cost		
At beginning of period	₱138,272,970	₱94,203,880
Additions	-	44,269,094
Redemption	-	(200,004)
At end of period	138,272,970	138,272,970
Accumulated Equity in Net Earnings (Losses)		
At beginning of period	(22,338,235)	43,272,299
Equity in net earnings for the year	3,471,205	5,290,459
Dividends	-	(70,900,993)
At end of period	(18,867,030)	(22,338,235)
Share in remeasurement loss on retirement benefit obligation of an associate	(15,577)	(15,577)
	115,919,158	115,919,158
Advances to associates	4,792,711	4,792,711
	₱124,183,074	₱120,711,869

The Group's associates and joint ventures and the corresponding percentage of equity ownership as of September 30, 2024 and June 30, 2024 are as follows:

	Nature of Business	Ownership Interest
KMHC	Power generation	30.00
SPCC	Power generation	15.00
PWPC	Power generation	5.00
SWPC	Power generation	5.00
DMHC	Power generation	7.80
CPWPC	Power generation	60.00
TSOWPC	Power generation	61.00

The principal place of business and country of incorporation of the Group's associates are in the Philippines. Investments in associates are accounted for using the equity method.

All ownership percentages presented in the table above are indirect ownership of the Group. The direct ownership of SPEC in SPCC is 25% while, the Group's direct ownership of SPEC is 60% (see Note 2) resulting to the Group's effective ownership in SPCC of 15%.

KMHC

KMHC owns, operates and manages the Kiangnan Mini Hydro Project with a combined net sellable capacity of 18 megawatt ("MW") located in the Municipality of Kiangnan, Province of Ifugao. KMHC was incorporated on November 14, 2014.

Starting in 2022, AMHHC discontinued the recognition of its share in the losses of KMHC. The accumulated losses in KMHC reduced the carrying value of AMHHC's investment in KMHC to zero. Once KMHC subsequently reports profits, AMHHC will resume recognizing its share on these profits if AMHHC's share on the cumulative unrecognized net profits exceeded the cumulative unrecognized net losses.

In March 2022, AMHHC made advances for future subscription of shares in KMHC amounting to ₱40.01 million and subsequently subscribed to various classes of shares in KMHC in December 2022 for a total subscription price of ₱40.01 million proportionate to the additional shares subscribed by the other shareholders. This was recorded as advances for future subscription of shares as of June 30, 2023. On August 24, 2023, the SEC approved KMHC's application of valuation of advances to be applied as payment for the additional shares. Consequently, the shares have been issued to AMHHC.

On December 22, 2023, AMHHC received the amount of ₱0.20 million from KMHC for the redemption of the 200,004 redeemable preferred F shares at ₱1.00 per share.

SPCC

SPCC owns, operates and manages the following projects with a combined sellable capacity of 4,069.68 kilowatt ("kW") direct current ("DC"). SPCC was incorporated on June 26, 2015.

Project	Location	Capacity	Commercial Operations Date
CM Kabankalan SPP	Kabankalan, Negros Occidental	604.80 kW DC	09/25/18
CM Tagum SPP	Tagum City, Davao del Norte	1,110.00 kW DC	09/25/18
CM Victorias SPP	Victorias City, Negros Occidental	634.88 kW DC	09/25/18
CM Dumaguete SPP	Dumaguete City, Negros Oriental	265.60 kW DC	09/25/18
CM Boracay SPP	Malay, Aklan	362.56 kW DC	09/25/18
CM Kalibo SPP	Kalibo, Aklan	218.84 kW DC	09/25/18
CM Mandalagan SPP	Bacolod City, Negros Occidental	635.00 kW DC	04/12/19
CM Dau SPP	Angeles City, Pampanga	238.00 kW DC	05/29/19

PWPC

PWPC owns, operates and manages the Pililla Rizal Wind Project wind power facility and related transmission line with a net sellable capacity of 54 MW located in the Municipality of Pililla, Province of Rizal. PWPC was incorporated on June 29, 2011. On March 15, 2024, the SEC approved the change of name from Alternergy Wind One Corp. to Pililia Wind Power Corporation.

The Pililla Rizal Wind Project has been commercially operating since June 9, 2015.

SWPC

SWPC owns, operates and manages the Sembrano Wind Project wind power facility and related transmission line with a net sellable capacity of 80.4 MW located in the Municipality of Pililla, Province of Rizal and Municipality of Mabitac, Province of Laguna. SWPC was incorporated on August 25, 2011. On April 4, 2024, the SEC approved the change of name from Alternergy Sembrano Wind Corp to Sembrano Wind Power Corporation.

Starting in 2018, the Parent Company discontinued the recognition of its share in the losses of SWPC. The accumulated losses in SWPC reduced the carrying value of the Parent Company's investment in SWPC to zero. Once SWPC subsequently reports profits, the Parent Company will resume recognizing its share on these profits if the Parent Company's share on the cumulative unrecognized net profits exceeded the cumulative unrecognized net losses. Net cumulative unrecognized net losses amounted to ₱1.88 million, ₱1.64 million and ₱1.40 million as of June 30, 2024, 2023 and June 30, 2022, respectively.

In 2024, AWHC subscribed to additional shares in SWPC proportionate to the additional shares subscribed by the other shareholders for a total consideration of ₱4.26 million.

DMHC

DMHC owns, operates and manages the Dupinga Mini Hydro Project with a net sellable capacity of 4.86 MW located within Barangays Ligaya and Malanao, in the Municipality of Gabaldon, Province of Nueva Ecija. DMHC was incorporated on February 7, 2014.

In March 2023, AMHHC acquired additional shares in DMHC amounting to ₱8.49 million in proportion to the additional shares subscribed by the other shareholders.

CPWPC

CPWPC is a 60%-owned joint venture of the Group through AWHC, and 40%-owned by Shell Overseas Investments B.V. ("Shell"), which was organized in the Kingdom of Netherlands. CPWPC was incorporated in the Philippines on December 15, 2021 to engage in the business of developing renewable energy. CPWPC's principal office address is Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas Legaspi Village San Lorenzo, Makati City.

In September 2022, CPWPC issued new shares at ₱1.00 per share to a third party, resulting in a reduction in the ownership of ALTER (through AWHC) in CPWPC. Consequently, CPWPC ceased to be a subsidiary of the Parent Company.

TSOWPC

TSOWPC is a 61%-owned joint venture of the Group through AWHC, and 39%-owned by Shell. TSOWPC was incorporated in the Philippines on January 6, 2022 to engage in the business of developing renewable energy TSOWPC's principal office address is Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas Legaspi Village San Lorenzo, Makati City.

In September 2022, TSOWPC issued new shares at ₱1.00 per share to a third party, resulting in a reduction in the ownership of ALTER (thru AWHC) in TSOWPC. Consequently, TSOWPC ceased to be a subsidiary of the Parent Company.

8. Intangible Assets

	Service Concession Right	Project Development Costs	Goodwill	Customer Off-take Agreement	September 30, 2024 Total
Cost					
At beginning of period	₱1,301,036,599	₱271,716,800	₱238,423,078	₱283,172,980	₱2,094,349,457
Additions	–	10,072,158	–	–	10,072,158
Reclassifications	–	(81,051,044)	–	–	(81,051,044)
At end of period	1,301,036,599	200,737,914	238,423,078	283,172,980	2,023,370,571
Accumulated Amortization					
At beginning of period	34,245,464	–	–	30,444,167	64,689,631
Amortization during the period	14,825,584	–	–	3,701,901	18,527,485
At end of period	49,071,048	–	–	34,146,068	83,217,116
Allowance for Impairment Losses					
At beginning of period	–	40,887,332	–	–	40,887,332
Provision during the period	–	–	–	–	–
At end of period	–	40,887,332	–	–	40,887,332
Cumulative translation adjustment	8,482,829	–	–	–	8,482,829
	₱1,260,448,380	₱159,850,582	₱238,423,078	₱249,026,912	₱1,907,748,952

	Service Concession Right	Project Development Costs	Goodwill	Customer Off-take Agreement	June 30, 2024 Total
Cost					
At beginning of period	P=	P350,883,196	P238,423,078	P283,172,980	P872,479,254
Additions	–	588,487,965	–	–	588,487,965
Reclassifications	1,301,036,599	(667,654,361)	–	–	633,382,238
At end of period	1,301,036,599	271,716,800	238,423,078	283,172,980	2,094,349,457
Accumulated Amortization					
At beginning of period	–	–	–	15,636,561	15,636,561
Amortization during the period	34,245,464	–	–	14,807,606	49,053,070
At end of period	34,245,464	–	–	30,444,167	64,689,631
Allowance for Impairment Losses					
At beginning of period	–	2,163,722	–	–	2,163,722
Provision during the period	–	38,723,610	–	–	38,723,610
At end of period	–	40,887,332	–	–	40,887,332
Cumulative translation adjustment	68,781,957	–	–	–	68,781,957
	P1,335,573,092	P230,829,468	P238,423,078	P252,728,813	P2,057,554,451

Service Concession Right

SPPP completed the construction of its Project and started its commercial operations on December 31, 2023. Accordingly, the contract asset amounting to P1,369.82 million as of December 30, 2023 was reclassified to intangible asset.

Project Development Costs

Project development cost pertains to the costs incurred to conduct the assessment and field verification for the financing, construction and operation of the Projects.

Goodwill

Goodwill arose from the acquisition of SSAI in 2019 and KSEC in 2022. Goodwill acquired through business combinations have been attributed to each business considered as cash-generating unit.

The Group acquired SSAI as its first major step into the Luzon utility scale solar market as it expands its investment portfolio in solar energy. It acquired KSEC to be an anchor as a third leg in its “triple play” renewable energy portfolio strategy. Goodwill is attributable to the expected synergies arising from the acquisitions of SSAI and KSEC.

Impairment of Intangible Assets

The recoverable amounts of the Group’s intangible assets have been determined based on value-in-use calculation using cash flow projections based on financial budgets approved by management covering the expected useful lives of the related project assets.

Following are the key assumptions used:

- *Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) Margin*
The EBITDA margin represents the operating margin achieved in the period immediately before the budget period and on estimated future development in the market. Committed operational efficiency programs are taken into consideration. Changes in the outcome of these initiatives may affect future estimated EBITDA margin.

- **Discount Rate**
Discount rate reflects the current market assessment of the risk specific to each CGU. The discount rate is based on the average percentage of the Group's weighted average cost of capital. This rate is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted.
- **Growth Rate**
Average growth rates in revenues are based on the Group's expectation of market developments and the changes in the environment in which it operates.

There is no recognition of provision for impairment loss on project development costs and goodwill for the three-month periods ended September 30, 2024 and 2023.

9. Material Partly Owned Subsidiaries

Financial information of subsidiaries that have material non-controlling interests ("NCI") is provided below:

Proportion of equity interest held by NCI as of September 30, 2024 and June 30, 2024:

Company Name	Principal Place of Business	Ownership Interest
KSEC	Minergy Business Park, PHIVIDEDEC Industrial Estate, Iligan-Cagayan de Oro-Butuan Road, Sitio Kirahon, Barangay San Martin, Villanueva, Misamis Oriental	35.01%
SPEC	Level 3B, 111 Paseo de Roxas Bldg., Paseo de Roxas Ave. cor. Legazpi St., Legaspi Village, Makati City	40.00%
SPPP	P.O. Box 1860, Idid Hamlet, Koror, Republic of Palau 96940	82.40%
LSEC	Level 3B, 111 Paseo de Roxas Bldg., Paseo de Roxas Ave. cor. Legazpi St., Legaspi Village, Makati City	60.00%
		September 30, 2024
		June 30, 2024
Accumulated balances of material non-controlling interest:		
KSEC	₱302,329,572	₱280,154,952
SPEC	34,010,925	41,994,947
SPPP	440,054,791	426,212,408
Total comprehensive income allocated to material non-controlling interest:		
KSEC	7,763,334	31,000,381
SPEC	(3,193,609)	(145,557)
SPPP	11,406,124	89,806,832

Change in Non-controlling Interests

- In April 2022, SPPP issued 6,763,370 new shares at \$1.00 per share to ALTER, SPEC, SANT, QBL and Kea US LLC for a total consideration of \$6.76 million (₱349.46 million) resulting to a change in the economic ownership of SPEC from 100% to 12.67%. The change in the ownership did not result to a loss of control as the Group still holds majority of the BOD

seats and voting rights as agreed with the new shareholders as stipulated in the Shareholders' Agreement. Non-controlling interests comprise 43% of voting rights.

Hence, the transaction was accounted for as an equity transaction resulting to a recognition of non-controlling interest amounting to ₱286.67 million and equity reserve amounting to ₱13.02 million.

- b. In August 2022, certain shareholders sold a portion of their common shares in SPEC to the Parent Company resulting to the increase in the latter's ownership in SPEC to 60%. The transaction was accounted for as an equity transaction resulting to a reduction in equity reserve by ₱9.58 million.

The purchase of SPEC shares by the Parent Company resulted to the decrease in the effective equity interest held by non-controlling interests in KSEC and SPPP.

10. Advances from a Third Party

In March 2022, Exeter Portofino (Export) Holdings Inc. ("Exeter"), a third party, signified its intent to invest in LAMHC's hydro project. As part of the Investment Framework Agreement ("IFA") entered into by ALTER and AMHHC with Exeter, LAMHC received ₱214.00 million from Exeter as deposit for future subscription in LAMHC's shares for a 40% economic ownership stake. Under the IFA, the change in capital structure of LAMHC should be done 1 year from March 15, 2022. This has been extended until June 15, 2023 and further extended until September 30, 2024. It has been extended again until January 31, 2025 or the date of issuance of Notice of Award by DOE, whichever comes later. As of September 30, 2024 and June 30, 2024, the deposit is lodged as "Advances from a third party" account in the consolidated statement of financial position pending LAMHC's increase in authorized capital stock and confirmation by either the Group or a third party as equity partner in LAMHC for the remaining 60% economic ownership stake.

11. Short-term Loan

On December 8, 2022, ALTER signed a one-year promissory note with Rizal Commercial Banking Corporation ("RCBC") amounting to ₱250.00 million for bridge financing and general working capital requirements. The loan is payable in full at the end of the term. This was subsequently renewed on February 29, 2024 for another one year.

Interest is payable quarterly at a simple fixed interest rate per annum until the maturity of the loan. As of September 30, 2024 and June 30, 2024, the interest payable amounted to ₱1.72 million and ₱1.62 million, respectively and unamortized portion of the debt transaction costs amounted ₱0.74 million and ₱1.22 million as of September 30, 2024 and June 30, 2024, respectively.

Interest expense on short-term loan amounted to ₱ 4.75 million and ₱5.1 million for the three months ended September 30, 2024 and 2023, respectively.

12. Long-term Debts

Long-term debts of the Group consist of the following:

	September 30, 2024	June 30, 2024
Banco de Oro Unibank Inc. ("BDO")	₱2,000,000,000	₱2,000,000,000
Export Finance Australia ("EFA")	983,326,500	1,028,605,500
RCBC	458,825,424	499,178,793
	3,442,151,924	3,527,784,293
Less deferred financing charges	48,909,895	56,821,067
	3,393,242,029	3,470,963,226
Less current portion	81,062,544	118,602,987
	₱3,312,179,485	₱3,352,360,239

a. BDO

On May 29, 2024, the Parent Company entered into a ₱2.0 billion Green Corporate Loan with BDO Unibank, Inc. to partially fund its investments in renewable energy projects including projects won in the Green Energy Auction Program and with off-take agreements. The loan is secured by shares of the Parent Company held by the Share Security Grantor (as defined under the loan agreement) which constitute 13.87% of the total issued and outstanding capital stock of the Parent Company and assignment by way of security of all the rights, title, interests and benefits of the Parent Company in and to certain cash accounts (Assigned Collateral) specified under the loan agreement. As of September 30, 2024 and June 30, 2024, Assigned Collateral amounted to ₱520.00 million.

On May 31, 2024, the Parent Company availed the Green Corporate Loan in a single drawdown. The loan will mature on May 28, 2032, with the first principal installment due six months after the 4th anniversary from initial drawdown date. The loan is payable semi-annually. The interest rate is fixed based on the 4-year BVAL reference rate for the first 4-year period plus 200 basis points and subject to repricing for the remaining 4-year period prior to maturity date.

Debt Covenants

The Parent Company is required to comply with certain covenants such as maintaining a current ratio of at least 1.25x, a net debt-to-equity ratio of not more than 1.50x and a debt service coverage ratio of at least 1.20x, among others.

As of September 30, 2024 and June 30, 2024, the Parent Company is compliant with the financial loan covenants of the agreement.

As of September 30, 2024 and June 30, 2024, the Group has accrued interest related to this loan amounting to ₱43.60 million and ₱14.22 million, respectively, which was capitalized as part of the costs of the Alabat and Tanay wind projects. Interest payable amounting to ₱57.82 million and ₱14.22 million as of September 30, 2024 and June 30, 2024, respectively, are presented under "Accounts payable and accrued expenses" account.

b. RCBC

On February 27, 2015, KSEC signed an Omnibus Agreement with RCBC for a project finance facility of up to ₱786.11 million to finance all project costs incurred in connection with the

construction of the Project in the Municipality of Villanueva, Province of Misamis Oriental with gross installed capacity of up to 12.5 MWp.

On March 12, 2015 and August 26, 2015, KSEC received the first and second drawdown, respectively, of the loan facility amounting to ₱493.42 million and ₱265.68 million, respectively. On November 16, 2016, KSEC received the third drawdown of the loan facility amounting to ₱27.00 million. As of this date, the project loan facility has been fully drawn by KSEC. The interest rates on the drawdowns are fixed but are subject to repricing on March 12, 2022 and fixed for the period from the repricing date until maturity date. On March 11, 2022, KSEC and RCBC signed the Second Amendment to the Omnibus Agreement fixing the interest rate for the period from March 12, 2022 until the second interest repricing date on March 12, 2026. The repayment period of the loan shall be every six months starting September 12, 2017 until March 12, 2030.

Interest payable amounted to ₱1.34 million and ₱8.87 million as of June 30, 2024 and 2023, respectively.

The loan is secured by the capital stock of KSEC amounting to ₱320.01 million and property, plant and equipment with net book value of ₱602.07 million and ₱610.69 million as of September 30, 2024 and June 30, 2024, respectively. KSEC is obligated to comply with certain covenants with respect to maintaining at least 72:28 debt-to-equity and 1.05:1.00 minimum debt service coverage ratios, as set forth in its agreement with RCBC. As of September 30, 2024 and June 30, 2024, KSEC is compliant with the financial loan covenants of the project finance facility.

c. Export Finance Australia ("EFA")

On January 31, 2022, SPPP entered into a Project Facility Agreement ("PFA") wherein EFA, the Export Credit Agency of the Government of the Commonwealth of Australia, represented by the Department of Foreign Affairs and Trade ("DFAT"), agreed to provide funding to the Palau Project in the amount up to \$18.00 million.

The first and second drawdowns amounting to \$9.00 million each were made on April 14 and July 11, 2022. The loan will mature on October 14, 2038 with first installment payment due in April 2024. The loan is payable semi-annually.

From drawdown to July 30, 2023, interest is payable semi-annually at the sum of the Margin (as defined under the PFA) plus LIBOR for the relevant interest period every 14th day of April and October of each year of the covered period. From July 31, 2023 to maturity date, the loan is subject to a fixed interest rate per annum.

The loan is secured by the equity capital of SPPP amounting to \$6.77 million, which is fully represented by the shares issued in respect of it. In addition, it is also secured by SPPP's major contracts, mortgage on assets owned at the time of execution of the agreement and thereafter, assignment of receivables and land lease as well as, security on SPPP's waterfall accounts. As of September 30, 2024 and June 30, 2024, total assets of SPPP amounted to ₱1,577.92 million and ₱1,721.14 million, respectively.

Debt Covenants

SPPPI is obligated to comply with certain covenants with respect to maintaining at least 75% gearing ratio.

As of September 30-, 2024 and June 30, 2024, SPPP is compliant with the covenants of the PFA.

- d. The rollforward analysis of the deferred financing charges is as follows:

	September 30, 2024	June 30, 2024
At July 1	P56,821,067	P34,367,853
Additions	–	26,660,521
Amortization during the period	(1,812,108)	(5,940,497)
Translation adjustment	(6,099,065)	1,733,190
At June 30	P48,909,895	P56,821,067

- e. Total interest expense on these long-term debts amounted to P11.93 million and P10.1 million for the three months ended September 30, 2024 and 2023, respectively.

13. Equity

Capital Stock and Additional Paid-in Capital

Details on the movement of the Group's capital stock as of September 30, 2024 and June 30, 2024 are as follows:

	Number of Shares	Amount
Common stock - P0.10 par value		
Authorized	10,406,291,160	
Issued and outstanding	3,933,840,480	P393,384,048
Preferred stock - P0.10 par value		
Authorized	–	
Issued and outstanding	–	P–
Redeemable preferred shares (RPS) 1 - P0.10 par value		
Authorized	1,181,594,548	
Issued and outstanding	370,398,637	37,039,864
RPS 2 Series A - P0.10 par value		
Authorized	100,000,000	
Issued and outstanding	100,000,000	10,000,000
RPS 2 Series B - P0.10 par value		
Authorized	100,000,000	
Issued and outstanding	–	–
RPS 2 Series C - P0.10 par value		
Authorized	100,000,000	
Issued and outstanding	–	–
		P47,039,864

All common and preferred shares of ALTER shall have full voting rights, with the holder of such shares being entitled to one vote per share on all matters upon which shareholders are entitled to vote.

Preferred Stock

The dividend rate for preferred shares shall be cumulative from year to year as determined by the members of the BOD, and subject to the existence of retained earnings, which shall in no case be less than the minimum rate of eight percent (8%) of the par value of the preferred share. Preferred shares are non-participating in any residual dividends after the declaration of dividends to common shares.

On August 4, 2023, the BOD approved the creation of a new class of preferred shares by way of reclassifying a portion of the existing preferred shares such that the current 1,481,594,548 preferred shares shall be subdivided as: (1) 1,181,594,548 preferred shares known as Redeemable Preferred Shares 1 ("RPS 1") with a par value of ₱0.10 per share which shall have the same rights as the current preferred shares of the Parent Company.

The remaining 300,000,000 preferred shares are known as Redeemable Preferred Shares 2 ("RPS 2") with a par value of ₱0.10 per share. The RPS 2 are further sub-divided into 100,000,000 RPS 2 – Series A shares, 100,000,000 RPS 2 – Series B, and 100,000,000 RPS 2 – Series C.

The new RPS 1 shall have the same rights as the current preferred shares of the Parent Company. All the current issued and outstanding preferred shares shall be reclassified as RPS 1. Meanwhile, the new RPS 2 shall have the following features:

- a. With dividend rate to be determined by the BOD at the time of issuance;
- b. Cumulative in terms of payment of current and unpaid back dividends;
- c. Non-voting (except in matters mandatorily required by law);
- d. Non-participating in (1) any other further cash, property or stock dividends beyond that specifically determined at the time of issuance, and (2) distribution of corporate assets beyond the issue price specifically determined at the time of issuance;
- e. Non-convertible to common shares;
- f. With issue value to be determined by the BOD at the time of issuance;
- g. Redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of issuance;
- h. With preference over holders of common shares in the distribution of corporate assets and in the payment of dividends at the rate specified at the time of issuance;
- i. With no pre-emptive rights to any issue of shares, whether common or preferred;
- j. Re-issuable under such terms as the BOD may approve at the time of re-issuance; and
- k. May be transferred to foreign citizens, corporations or associations.

Equity Transactions

In 2009, the Parent Company issued 10,000 common shares and 15,000 preferred shares both with a par value of ₱1.00 for a total consideration of ₱25,000.

In June 2018, the Parent Company issued 9,203 common shares with a par value of ₱1.00 for a total consideration of ₱440.87 million. The excess of par value of the shares issued was recognized as additional paid in capital amounting to ₱440.87 million.

In March 2022, the Parent Company issued 2,146 common shares with a par value of ₱1.00 for a total consideration of ₱2,146.

On April 26, 2022, the Parent Company's BOD and shareholders approved the decrease in the par value of the Parent Company's common shares from ₱1.00 per share to ₱0.10 per share, thereby increasing the authorized capital stock of the Parent Company from 100,000 shares divided into 40,000 common shares and 60,000 preferred shares to 460,000 shares divided into 400,000 common shares and 60,000 common shares. The SEC approved the decrease in par value of common shares on June 21, 2022.

On April 26, 2022, the Parent Company's BOD and shareholders approved the conversion of the Parent Company's outstanding debt from its shareholders amounting to ₱260.15 million into equity equivalent to 2,601,472,790 shares subject to SEC's approval of the increase in authorized common stock for the issuance of said shares.

On June 10, 2022, the BOD and shareholders approved the amendment of the Articles of Incorporation of the Parent Company to reflect the decrease in the par value of its preferred shares from ₱1.00 to ₱0.01 per share thereby increasing the authorized preferred shares of the Parent Company from 60,000 to 600,000 preferred shares.

On June 10, 2022, the Parent Company's BOD and shareholders approved the increase in the Parent's authorized capital stock from ₱100,000 divided into 400,000 common shares with par value of ₱0.10 per share and 600,000 preferred shares with par value of ₱0.10 per share to ₱1,188.79 million, divided into 10,406,291,160 common shares with par value of ₱0.10 per share and 1,481,594,548 preferred shares with par value of ₱0.10 per share.

Of the 1,040,589,116 increase in authorized common shares, 260,147,279 have been actually subscribed and paid by way of conversion of outstanding debt to equity in June 2022. Of the 148,099,455 increase in authorized preferred shares, 37,024,864 have been actually subscribed and paid in cash by VHC in June 2022. On November 16, 2022, the SEC approved the increase in the Parent Company's authorized capital stock, including conversion of debt to equity amounting to ₱297.88 million, and the decrease in the par value of the Parent Company's preferred stock.

On August 26, 2022, the Parent Company issued 2 common shares with a par value of ₱0.10 for a total consideration of ₱2.00. The excess in par value of shares issued was recognized as additional paid-in capital.

On November 18, 2022, the Parent Company issued shares amounting to ₱303.89 million and recognized additional paid-in capital amounting to ₱24.19 million, net of transaction costs amounting to ₱5.44 million.

On March 24, 2023, the Parent Company completed its IPO and was listed in the PSE. In connection with its IPO, the Parent Company issued 1,265,000,000 common shares with a par value of ₱0.10 per share for a total consideration of ₱1,619.00 million. This resulted to additional paid-in capital amounting to ₱1,425.04 million, net of transaction costs amounting to ₱67.46 million.

On November 7, 2023, the Parent Company and the Government Service Insurance System ("GSIS") entered into and signed a subscription agreement for the former's Perpetual Preferred Shares 2 Series A amounting to ₱1,450.00 million. On December 22, 2023, the Parent Company issued 100,000,000 Perpetual Preferred Shares 2 Series A to GSIS with an issue price of ₱14.50 per share, for a total subscription amount of ₱1,450.00 million. The said shares have a par

value of ₱0.10 per share, thus resulting to additional paid-in capital amounting to ₱1,433.65 million, net of transaction costs amounting to ₱6.35 million.

On March 5, 2024, the PSE approved the application of the Parent Company for the listing and trading of the Perpetual Preferred Shares 2 Series A issued to GSIS. Subsequently, on March 22, 2024, these shares have been listed at the PSE under the stock symbol "ALTP2".

Equity Restructuring

On June 10, 2022, the Parent Company's BOD approved the equity restructuring of the Parent Company by wiping out and eliminating its deficit amounting to ₱125.06 million as of December 31, 2021 by applying/ reclassifying/ offsetting the same against the Parent Company's additional paid-in capital of ₱440.87 million. The SEC approved the Parent Company's equity restructuring on August 26, 2022.

On January 20, 2023, the Parent Company's BOD approved the equity restructuring of the Parent Company by wiping out and eliminating its deficit amounting to ₱120.26 million by applying/ reclassifying/ offsetting the same against the Parent Company's additional paid-in capital. The SEC approved the Parent Company's equity restructuring on May 15, 2023.

On October 5, 2023, the BOD approved the equity restructuring of the Parent Company to wipe out and eliminate its deficit amounting to ₱42.27 million by applying/reclassifying/offsetting the same against the Parent Company's additional paid-in capital. The SEC approved the Parent Company's equity restructuring on June 20, 2024.

14. Related Party Transactions

The Group, in its regular conduct of business, has entered into transactions with related parties. Parties are considered to be related if, among others, 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, the parties are subject to common control or the party is an associate or a joint venture.

Affiliates are related entities of the Group by virtue of common ownership and representation to management where significant influence is apparent.

The outstanding accounts with related parties shall be generally settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The transactions of the Group with related parties are as follows:

	Transactions During the Three Months Ended September 30		Outstanding Balance as of		Terms	Conditions
	September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024		
Due from Related Parties						
Parent	₱-	₱-	₱-	₱3,328,000	On demand; noninterest- bearing	Unimpaired; Unsecured
Entities under common ownership	88,917,153	10,357,425	664,077,644	571,832,491	On demand; noninterest- bearing	Unimpaired; Unsecured
			₱664,077,644	₱575,160,491		

	Transactions During the Three Months Ended September 30		Outstanding Balance as of			
	2024	2023	September 30, 2024	June 30, 2024	Terms	Conditions
Due to Related Parties						
Entities under common ownership	P24,901,517	P–	P24,990,005	P9,688,488	On demand; noninterest- bearing	Unsecured

In the normal course of business, the Group has transactions with related parties as follows:

- SPEC entered into an advisory agreement with KSEC and SPCC. The advisory services, consist of administrative and support services.
- The Group entered into a one-year lease agreements with NAPI for the office spaces of certain subsidiaries until December 31, 2023. This had been subsequently renewed until December 31, 2024.
- The Group did not employ personnel for the three-month periods ended September 30, 2024 and 2023. In accordance with their respective service agreements, NAPI performs management, project development, technical, administrative and finance functions on behalf of the Group. NAPI performs day-to-day management services under the supervision and direction of the subsidiaries' BOD. Administrative and finance functions include, but are not limited to, treasury and cash management, accounting and bookkeeping and administrative services.

15. Disaggregated Revenue Information

The Group's disaggregation of revenue from sale of electricity by source, primary geographical market and timing of recognition is presented below for the three-month periods ended September 30, 2024 and 2023:

	2024	2023
Revenue from Contracts with Customers		
Power supply agreement ("PSA")	P45,710,204	P43,308,386
Power purchase agreement ("PPA")	51,968,736	–
	P45,710,204	P43,308,386
Primary Geographical Markets		
Philippines	P45,710,204	P43,308,386
Palau	51,968,736	–
	P97,678,940	P43,308,386
Timing of Revenue Recognition		
Transferred over time	P97,678,940	P43,308,386

16. General and Administrative Expenses

	For the Three-Month Periods Ended September 30	
	2024	2023
Outside services	₱9,817,061	₱3,850,167
Professional fees	4,224,840	2,972,686
Salaries and wages	4,084,405	2,628,380
Taxes and licenses	2,244,512	1,513,362
Depreciation and amortization (see Notes 6)	753,014	3,770,446
Subscription	651,276	—
Insurance	596,864	131,579
Advertising and promotions	573,419	982,564
Office supplies	391,813	245,580
Travel and transportation	267,506	291,323
Rental (see Note 22)	263,400	561,109
Communications	250,003	154,709
Staff Meeting	173,942	—
Bank Charges	141,324	—
Impairment loss	8,384	495,808
Others	888,384	525,024
	₱25,330,147	₱18,122,737

17. Earnings per Share

Earnings per common share amounts were computed as follows:

	Three-Month Periods Ended September 30	
	2024	2023
a. Net income attributable to equity holders of the parent	(₱1,941,329)	₱22,001,899
b. Weighted average number of common shares issued and outstanding	3,933,840,480	3,390,840,480
Earnings per common share (a/b)	(₱0.01)	₱0.01

There are no dilutive potential common shares for the three-month periods ended September 30, 2024 and 2023.

18. Operating Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group to make decisions about how resources are to be allocated to the segment and assess their performances, and for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately according to services provided, with each segment representing a strategic business segment. The Group's identified operating segments, which are consistent with the segments reported to the BOD, which is the Group, are as follows:

Segment	Nature of transactions
Wind Energy	Generation and supply of wind power to various customers under power supply contracts
Hydro Energy	Generation and supply of hydro power to various customers under power supply contracts
Solar Energy	Generation and supply of solar power to various customers under power supply contracts
Retail Energy Supplier ("RES")	Marketing and retail of electricity to various customers under power supply contracts

Financial information on the operations of the various business segments are summarized as follows:

September 30, 2024 (3 months)

	Parent	Wind	Hydro	Solar	RES	Total	Adjustments	Consolidated
Income/(Expenses)								
Revenue from sale of electricity	P-	P-	P-	P 97,678,940	P-	P 97,678,940	P-	97,678,940
Cost of sale of electricity	-	-	-	(37,893,620)	-	(37,893,620)	(1,655,925)	(39,549,545)
Equity in net earnings of associates	-	-	-	-	-	-	3,471,205	3,471,205
General and administrative expenses	(6,044,254)	(655,871)	(2,579,041)	(19,276,848)	(811,044)	(29,367,057)	4,059,715	(25,307,342)
Construction revenue	-	-	-	-	-	-	-	-
Construction costs	-	-	-	-	-	-	-	-
Finance costs	(49,675,204)	-	-	(20,536,352)	-	(70,211,555)	43,603,911	(26,607,644)
Net foreign exchange gain (loss)	(5,083,494)	(4,658,793)	3,298,316	(394,887)	-	(6,838,858)	-	(6,838,858)
Advisory fees	-	-	-	4,921,910	-	4,921,910	(4,036,910)	885,000
Interest income	11,006,412	192,414	1,208,483	2,417,572	1,136	14,826,018	-	14,826,018
Dividend income	-	-	-	-	-	-	-	-
Segment income (loss)	(49,796,540)	(5,122,249)	1,927,758	26,916,716	(809,908)	(26,884,223)	45,441,995	18,557,773
Provision for (benefit from) income tax	-	-	-	1,191,992	-	1,191,992	(81,048)	1,110,945
Net income (loss)	(P49,796,540)	(P5,122,249)	P1,927,758	P28,108,709	(P809,908)	(P25,692,230)	P45,360,948	P19,668,718
Other information								
Investment in and advances to associates	P-	P82,892,189	P48,990,194	P46,406,295	P-	P178,288,677	(P54,105,603)	P124,183,074
Property, plant and equipment	P3,013,075	P1,442,606,739	P155,060	P824,218,816	P-	P2,269,993,690	(P530,244,619)	P1,739,749,071
Segment assets	5,766,827,692	5,566,085,703	899,201,299	2,976,682,934	8,697,421	15,217,495,050	(6,514,942,833)	8,702,552,218
Segment liabilities	(P2,296,995,068)	(P5,362,484,723)	(P987,364,178)	(P1,994,053,663)	(P1,612,738)	(P10,642,510,370)	P5,670,304,058	(P4,972,206,312)
Depreciation and amortization	P430,298	P166,330	P21,371	P135,015	P-	P753,014	P-	P753,014

September 30, 2023 (3 months)

	Parent	Wind	Hydro	Solar	RES	Total	Adjustments	Consolidated
Income/(Expenses)								
Revenue from sale of electricity	P-	P-	P-	P43,308,386	P-	P43,308,386	P-	P43,308,386
Cost of sale of electricity	-	-	-	(13,014,463)	-	(13,014,463)	2,045,976	(10,968,487)
Equity in net earnings of associates	-	-	-	-	-	-	(272,422)	(272,422)
General and administrative expenses	(6,348,329)	(311,349)	(551,061)	(10,930,842)	(21,394)	(18,162,975)	40,238	(18,122,737)
Construction revenue	-	-	-	36,447,708	-	36,447,708	-	36,447,708
Construction costs	-	-	-	(36,447,708)	-	(36,447,708)	-	(36,447,708)
Project cost recovery	-	-	-	86,255,857	-	86,255,857	-	86,255,857
Finance costs	(5,110,987)	-	-	(10,158,566)	-	(15,269,553)	-	(15,269,553)
Net foreign exchange gain (loss)	7,304,162	(587,413)	(1,756,811)	(36,844)	-	4,923,094	-	4,923,094
Advisory fees	-	-	-	810,000	-	810,000	-	810,000
Interest income	5,222,804	1,520	610,121	1,292,260	3	7,126,708	-	7,126,708
Dividend income	-	40,000,603	-	-	-	40,000,603	(40,000,603)	-
Segment income (loss)	1,067,649	39,103,360	(1,697,750)	97,525,788	(21,391)	135,977,657	(41,717,284)	97,790,846
Benefit from (provision for) income tax	-	-	-	937,417	-	937,417	(123,197)	814,220
Net income (loss)	P1,067,649	P39,103,360	(P1,697,750)	P96,588,371	(P21,391)	P135,040,240	(P41,594,087)	P96,976,626
Other information								
Investment in and advances to associates	P-	P82,571,762	P-	P35,083,196	P-	P117,654,957	P24,335,106	P141,990,063
Property, plant and equipment	P-	P-	P132,209	P853,469,625	P-	P853,601,834	P161,229,796	P1,014,831,630
Segment assets	P2,291,694,848	P642,204,713	P458,435,477	P2,732,953,850	P1,455,640	P6,126,744,529	(P1,166,221,192)	P4,960,523,337
Segment liabilities	(P258,732,640)	(P434,033,461)	(P510,921,850)	(P1,787,375,669)	(P65,162)	(P2,991,128,780)	P849,095,657	(P2,142,033,124)
Depreciation and amortization	P-	P-	P1,526	P5,748,136	P-	P5,749,662	P1,655,925	P7,405,587

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and segment expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and segment expenses are consistent with the consolidated statements of comprehensive income. Interest expense and financing charges, depreciation and amortization expense and income taxes are managed on a per segment basis.

19. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, trade and other receivables, due from related parties, accounts payable and accrued expenses, due to related parties, short-term loan and long-term debt. The main purpose of these financial instruments is to finance the Group's operations.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to liquidity risk, credit risk and foreign currency risk from the use of its financial instruments.

The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. The Group maintains a level of cash deemed sufficient to finance its operations. As

part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The table below summarizes the maturity profile of the Group's financial assets and liabilities based on remaining undiscounted contractual obligations:

September 30, 2024				
	On demand	Within one year	More than 1 year but less than 5 years	Total
Financial Assets				
Cash and cash equivalents	P942,642,133	P–	P–	P942,642,133
Trade and other receivables	–	80,922,010	–	80,922,010
Restricted cash and placements ^(A)	–	437,257,286	337,584,001	774,841,287
Due from related parties	664,077,644	–	–	664,077,644
	P1,606,719,777	P518,179,296	P337,584,001	P2,462,483,074
Financial Liabilities				
Accounts payable and accrued expenses ^(B)	P–	P152,916,521	P–	P152,916,521
Advances from a third party	214,000,000	–	–	214,000,000
Dividend payable	–	–	–	–
Due to related parties	24,990,005	–	–	24,990,005
Short-term loan	–	251,726,736	–	251,726,736
Lease liabilities	–	12,687,579	658,970,104	671,657,683
Long-term debt ^(C)	–	244,282,776	1,592,367,636	1,836,650,412
	P238,990,005	P661,613,612	P2,251,337,740	P3,151,941,357

(A) The Security Trustee have the exclusive control over and the exclusive right of withdrawal from the Project Accounts.

(B) Excluding statutory liabilities

(C) Includes future interests

June 30, 2024				
	On demand	Within one year	More than 1 year but less than 5 years	Total
Financial Assets				
Cash and cash equivalents	P2,559,074,243	P–	P–	P2,559,074,243
Trade and other receivables	–	145,554,089	–	145,554,089
Restricted cash and placements ^(A)	–	418,350,485	335,157,334	753,507,819
Due from related parties	575,160,491	–	–	575,160,491
	P3,134,234,734	P563,904,574	P335,157,334	P4,033,296,642
Financial Liabilities				
Accounts payable and accrued expenses ^(B)	P–	P94,502,669	P–	P94,502,669
Advances from a third party	214,000,000	–	–	214,000,000
Dividend payable	–	6,250,000	–	6,250,000
Due to related parties	9,688,488	–	–	9,688,488
Short-term loan	–	262,313,194	–	262,313,194
Lease liabilities	–	12,687,579	658,970,104	671,657,683
Long-term debt ^(C)	–	251,800,633	1,592,367,636	1,844,168,269
	P223,688,488	P627,554,075	P2,251,337,740	P3,102,580,303

(A) The Security Trustee have the exclusive control over and the exclusive right of withdrawal from the Project Accounts.

(B) Excluding statutory liabilities

(C) Includes future interests

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities. The Group's maximum credit risk is equal to the carrying amount of the Group's financial assets such as cash in bank, cash equivalents, short-term investment and trade and other receivables.

The table below show the credit quality by class of financial assets based on the Company's rating system as at September 30, 2024 and June 30, 2024:

	Neither Past Due nor Impaired		Past Due		September 30, 2024 Total
	High Grade	Standard Grade	Unimpaired	Impaired	
Cash and cash equivalents ^(A)	P942,261,714	P-	P-	P-	P942,261,714
Trade and other receivables	-	80,922,010	-	-	80,922,010
Restricted cash and placements	437,257,286	-	-	-	437,257,286
Due from related parties	-	664,077,644	-	-	664,077,644
	P1,379,519,000	P744,999,654	P-	P-	P2,124,518,654

(A) Excluding cash on hand

	Neither Past Due nor Impaired		Past Due		June 30, 2024 Total
	High Grade	Standard Grade	Unimpaired	Impaired	
Cash and cash equivalents ^(A)	P2,558,617,534	P-	P-	P-	P2,558,617,534
Trade and other receivables	-	145,554,089	-	-	145,554,089
Restricted cash and placements	418,350,485	-	-	-	418,350,485
Due from related parties	-	575,160,491	-	-	575,160,491
	P2,976,968,019	P720,714,580	P-	P-	P3,697,682,599

(A) Excluding cash on hand

High Grade. This pertains to counterparty who is not expected by the Group to default in settling its obligation, thus, credit risk exposure is minimal. This normally includes large prime financial institutions. Credit quality was determined based on the credit standing of the counterparty.

Standard Grade. This pertains to accounts of debtors who have historically paid their accounts on time and who have the financial capacity to pay.

Aging analysis per class of financial assets that are past due but not impaired as of September 30, 2024 and June 30, 2024, are as follows:

	Neither past due nor impaired	Past due but not impaired				Impaired	September 30, 2024 Total
		Less than 30 days	31 to 60 Days	61 to 90 days	More than 90 Days		
Cash and cash equivalents ^(A)	P942,261,714	P-	P-	P-	P-	P-	P942,261,714
Trade and other receivables	80,922,010	-	-	-	-	-	80,922,010
Restricted cash and placements	437,257,286	-	-	-	-	-	437,257,286
Due from related parties	664,077,644	-	-	-	-	-	664,077,644
	P2,124,518,654	P-	P-	P-	P-	P-	P2,124,518,654

(A) Excluding cash on hand

	Neither past due nor impaired	Past due but not impaired				Impaired	June 30, 2024 Total
		Less than 30 days	31 to 60 Days	61 to 90 days	More than 90 Days		
Cash and cash equivalents ^(A)	₱2,558,617,534	₱–	₱–	₱–	₱–	₱–	₱2,558,617,534
Trade and other receivables	145,554,089	–	–	–	–	–	145,554,089
Restricted cash and placements	418,350,485	–	–	–	–	–	418,350,485
Due from related parties	575,160,491	–	–	–	–	–	575,160,491
	₱3,697,682,599	₱–	₱–	₱–	₱–	₱–	₱3,697,682,599

(A) Excluding cash on hand

Simplified Approach

- Trade receivables**

The Group applied the simplified approach under PFRS 9, using a 'provision matrix', in measuring expected credit losses which uses a lifetime expected loss allowance for receivables. The expected loss rates are based on the payment profiles of revenues/sales over a period of at least 24 months before the relevant reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of its sole customer to settle the receivables. The Group has identified the core inflation rate to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

Set out below is the information about the credit risk exposure of the Group's trade receivables using a provision matrix:

	September 30, 2024					
		Past Due				
	Current	0-30 days	31-60 days	61-90 days	Over 90 days	Total
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default	₱73,294,947	₱–	₱–	₱–	₱–	₱73,294,947
Expected credit loss	–	–	–	–	–	–
	June 30, 2024					
		Past Due				
	Current	0-30 days	31-60 days	61-90 days	Over 90 days	Total
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default	₱79,457,486	₱–	₱–	₱–	₱–	₱79,457,486
Expected credit loss	–	–	–	–	–	–

The Group has the following financial assets that are subject to the expected credit loss model under the general approach:

- Cash and cash equivalents and time deposits.** As of March 31, 2024 and June 30, 2023, the ECL relating to the cash and cash equivalents, and time deposit of the Group is minimal as these are deposited in reputable entities which have good bank standing and are considered to have a low credit risk.
- Due from related parties.** The Group did not recognize any allowance related to due from related parties as there was no history of default payments. This assessment is

undertaken each financial year through examination of the financial position of the related party and the markets in which the related party operates.

The table below summarizes the credit risk exposure to the Group's financial assets comprised of cash, cash equivalents, time deposits and due from related parties:

September 30, 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade*	₱942,261,714	₱–	₱–	₱942,261,714
Standard grade	–	664,077,644	–	664,077,644
Default	–	–	–	–
Gross carrying amount	942,261,714	664,077,644	–	1,606,339,358
Loss allowance	–	–	–	–
Carrying amount	₱942,261,714	₱664,077,644	₱–	₱1,606,339,358

*Excluding cash on hand

June 30, 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade*	₱2,558,617,534	₱–	₱–	₱2,558,617,534
Standard grade	–	575,160,491	–	575,160,491
Default	–	–	–	–
Gross carrying amount	2,558,617,534	575,160,491	–	3,133,778,025
Loss allowance	–	–	–	–
Carrying amount	₱2,558,617,534	₱575,160,491	₱–	₱3,133,778,025

* Excluding cash on hand

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. The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligation with floating interest rate. There is no effect on the consolidated income before income tax related to the long-term debt obligation with floating interest rate as the related interest expenses are capitalized. There is no further exposure to interest rate risk for the other interest-bearing borrowings as they contain fixed interest rates.

Foreign Currency Risk

The Group uses the Philippine Peso (₱) as its functional currency and is therefore exposed to foreign exchange movements, primarily in US dollar (\$) currencies. The Group follows a policy to manage its currency risk by closely monitoring its cash flow position and by providing forecasts on all other exposures in currencies other than the Philippine Peso.

The table below summarizes the Group's exposure to foreign currency risk. Included in the table are the Group's foreign currency-denominated financial assets and liabilities as of September 30, 2024 and June 30, 2024:

	September 30, 2024		June 30, 2024	
	Original Currency	Peso Equivalent	Original Currency	Peso Equivalent
Financial Assets				
Cash and cash equivalents	\$818,249	₱45,846,474	\$3,738,956	₱219,140,211
Due from related party	\$1,278,748	₱71,648,245	\$1,259,248	73,804,519
	\$2,096,997	₱ 117,494,718	\$4,998,204	₱292,944,730

As of September 30, 2024 and June 30, 2024, the exchange rates used were ₱56.03 and ₱56.24, per \$1, respectively.

The following table demonstrates the sensitivity to a reasonable possible change in US Dollar exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no other impact on the Group's equity other than those already affecting profit or loss.

	Change in ₱/\$ exchange rate	
	5% appreciation of \$ against ₱	5% depreciation of \$ against ₱
Increase (decrease) in income before income tax		
September 30, 2024	₱5,874,736	(₱5,874,736)
June 30, 2024	₱14,647,237	(₱14,647,237)

20. Fair Value Measurement

Fair Value and Category of Financial Instruments

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

Cash and Cash Equivalents, Due from/to Related Parties, Accounts Payable and Accrued Expenses, and Short-term Loan

The carrying amounts of these financial instruments approximate their fair values due to their short-term maturity. The fair value hierarchy as required by the amendments to PFRS 7 is not applicable since these financial instruments are carried at amortized cost.

Long-term Debts

The fair values of long-term debts were calculated based on the discounted value of future cash flows using the applicable risk-free rates for similar types of loans adjusted for credit risk (Level 3 of the fair value hierarchy).

Fair Value Hierarchy

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: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Those inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As of March 31, 2024 and June 30, 2023, the fair values of long-term debts fall under level 3 of the fair value hierarchy.

There were no transfers between Level 1 and Level 2 fair value measurement, and there were no transfers into and out of Level 3 fair value measurement.

Valuation Techniques Used to Derive Level 3 Fair Values

The table below presents the following for each class of the Group's long-term debts and lease liability:

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (e.g., Level 2 or Level 3) within which the fair value measurements are categorized in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement; and
- For Level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.

21. Capital Management

The Group ensures that the minimum capital infused by the shareholders is properly managed. The Group manages its capital structure and makes adjustments to it in the light of changes in business and economic conditions.

As of September 30, 2024 and June 30, 2024, the Group's total equity amounted to ₱4.29 billion and ₱4.3 billion, respectively. In order to sustain its operations, the Group may obtain additional advances and/or capital infusion from its shareholders. Certain companies in the Group are required to maintain certain level of equity as required by their loan agreements (see Note 13).

The Group considers the following as its core capital:

	September 30, 2024	June 30, 2024
Short-term loan	₱249,252,078	₱248,780,784
Long-term debts	3,393,242,029	3,470,963,226
Due to related parties	24,990,005	9,688,488
Capital stock	440,423,912	440,423,912
Additional paid-in capital	3,035,119,971	3,035,119,971
Retained earnings (Deficit)	69,467,706	67,183,056
	₱7,212,495,701	₱7,272,159,437

22. Significant Contracts, Agreements and Commitments

Solar Energy

SSAI

- *Service Contract of Hermosa Solar Power Project.* On December 23, 2015, SSAI was awarded SESC No. 2015-10-260 for the exclusive right to explore and develop the Hermosa Solar Power Project (the "Project"), wherein SSAI shall undertake exploration, assessment, harnessing, piloting, and other studies of the solar energy resources in Hermosa, Bataan.

The SESC is a two-year non-extendible pre-development stage contract from the effective date of the contract to conduct preliminary solar energy resources data gathering activities, and if warranted by the results, conduct of a full solar energy resources assessment. The

SESC further provides that if SSAI failed to accomplish the first six (6) months milestones indicated in the Work Program submitted to the Department of Energy ("DOE"), the contract term shall be considered expired. However, the submission of SSAI of a Declaration of Commerciality ("DOC") at any time during the pre-development stage and confirmation thereof by the DOE shall supersede the first six (6) months milestone requirement of the DOE.

- *Declaration and Confirmation of Commerciality.* On November 7, 2017, SSAI submitted to DOE a request to confirm DOC attaching the required documents. After a series of consultation with DOE, SSAI has been granted its Certificate of Confirmation of Commerciality ("COCOC") on September 30, 2019.

On February 13, 2020, SSAI submitted to the DOE a request for amendment of the contract area to reflect the change in the technical design and a Revised 5-Year Work Plan to implement the proposed project. On April 8, 2021, DOE has approved the contract area, revised 5-Year Work Plan, Solar Energy Operating Contract, and an amended certificate of registration.

On September 2, 2024, SSAI has issued the notice to proceed ("NTP") to the EPC contractor to signify the start of construction.

- *Power Supply Agreement ("PSA").* On May 30, 2023, the Company signed a PSA with Kratos RES, Inc. ("Kratos") for the supply of 10 MW up to 20 MW for 20 years after commencement of operations. Kratos is a retail electricity supplier providing electricity to commercial and industrial customers.

KSEC

- *Service Contract of Kirahon Solar Power Project.* On May 3, 2012, the DOE awarded SESC No. 2012-003-004 to CEPALCO for the exclusive right to explore and develop the Kirahon Solar Power Project located in the Municipalities of Villanueva and Tagaloan, Misamis Oriental for a period of 25 years.

On December 2, 2013, the SESC was assigned to KSEC and approved by the DOE on May 28, 2014, correspondingly the DOE Certificate of Registration as an RE Developer was issued, thereby KSEC is already the holder of the SESC of the Kirahon Solar Power Project and all materials, equipment, plant and other installations erected or placed on the contract area by KSEC shall remain the property of KSEC throughout the term of the contract and after its termination.

The SESC has a contract period of 25 years and will expire in 2037. Under the SESC, the DOE shall approve the extension of the SESC for another 25 years under the same terms and conditions, provided that KSEC is not in default in any material obligations under the contract and has submitted a written notice to the DOE for the extension of the contract not later than one (1) year prior to the expiration of the 25-year period.

- *PSA.* On November 21, 2013, KSEC entered into a PSA with CEPALCO where the former shall supply the electric power requirements of the latter with a gross installed capacity of 12.5 MWp and a net installed capacity of 10 MW AC for a cooperation period of 25 years beginning the date of commercial operations.

On October 22, 2014, the Energy Regulatory Commission (“ERC”) approved the PSA between KSEC and CEPALCO through ERC Case No. 2014-020 with modification on the generation rate to be used. Subsequently on January 21, 2015, CEPALCO filed a “Motion for Partial Reconsideration with Urgent Request for Recalculation” with the ERC for the adjustment on the generation rate to be used by KSEC. On May 4, 2015, the ERC granted the “Motion for Partial Reconsideration with Urgent Request for Recalculation” and approved the applicable generation rate, which shall be adjusted based on Feed-in Tariff Rules.

Starting October 25, 2020, the applicable generation rate was based on the final ERC PSA approval which provided adjustments in accordance with the ERC Resolution No. 16 Series of 2010, Resolution Adopting the Feed-in Tariff Rules.

A significant portion of KSEC’s revenue from contracts with customers, which is presented as “Revenue from sale of electricity” in the consolidated statements of comprehensive income, pertain to sale of electricity to CEPALCO under the PSA. The Group recognized revenue from the PSA amounting to ₱45.71 million and ₱43.31 million for the three-month period ended September 30, 2024 and 2023, respectively.

SPPP

- *Power Purchase Agreement (“PPA”).* On April 14, 2021, SPEC, the immediate parent company of SPPP, signed a PPA with Palau Public Utilities Corporation (“PPUC”) for the off-take of all electrical energy to be produced from the solar photovoltaic electric energy generating and battery storage facility with a solar PV total AC output capacity of 13.2 MW, a battery energy storage system total output capacity of 10.2 MWAC, and a BESS total energy storage capacity of 12.9 MWh. The tariff is fixed for a period of 20 years.

On April 8, 2022, SPEC, SPPP and PPUC entered into a Novation Agreement whereby SPPP substituted for SPEC under the PPA and other related agreements (“Project Agreements”) and SPEC ceased to be entitled to and bound by its rights and obligations under the Project Agreements. However, SPEC shall remain responsible to PPUC in respect of any claims, cost and/or liabilities under the Project Agreements during the period up to the financial close of the PFA whether or not such claims or liabilities are known at that date.

The project is located in Ngatpang State, Babeldaob Island, Palau. Starting July 2023 until December 30, 2023, SPPP started its testing and commissioning of the solar power plant. SPPP completed the testing and commissioning of the solar power plant on and started commercial operations on December 31, 2023. SPPP’s revenue from sale of electricity amounted to ₱51.97 million for the here-month period ended September 30, 2024.

Assets arising from the PPA amounting to ₱1,259.49 million and ₱1,411.37 million as at September 30, 2024 and June 30, 2024, respectively, had been mortgaged as security for SPPP’s loan.

- *Funding Agreement.* On January 31, 2022, SPPP entered into a Funding Agreement (“Funding Agreement”) with Commonwealth of Australia represented by DFAT in relation to funding under the Australian Infrastructure Financing Facility for the Pacific (“AIFFP”) to grant an amount of \$4.00 million for the purpose of funding of eligible project costs.

The DFAT agreement requires SPPP not to use the funds to acquire any assets other than for the project without the prior approval of DFAT.

On October 10, 2022 and March 3, 2023, SPPP made a drawdown from the Funding Agreement amounting to \$3.50 million and \$0.49 million, respectively. SPPP has elected to present the grant as a reduction in the carrying amount of the contract assets.

The DFAT agreement requires SPPP not to use the funds to acquire any assets other than for the project without the prior approval of DFAT.

SPEC

- *Standby Letter of Credit ("SBLC")*. In June 2022, SPEC applied for and was granted a credit line or accommodation in the form of a SBL with RCBC in the amount of \$1.00 million to be issued by RCBC as security for SPEC's obligations under the PPA that was executed between SPEC and PPUC for the Palau Project.

RCBC agreed to issue the SBLC on the condition that SPPP, a subsidiary of SPEC, shall assign in favor of SPEC all the rights, title, participation, interests and claims over the assigned receivables.

The SBLC is secured by a \$250,000 hold-out deposit and SPPP's rights, title, participation on the sums of money, receivables or proceeds now and/or hereafter due and receivable on the liquidated damages not exceeding \$750,000 under its Installation, Commissioning and Construction Services Agreement with a third-party contractor.

Hydropower Energy

AMHHC

- *Assignment of Project Assets to AMHHC*. On November 7, 2013, AMHHC entered into a Deed of Assignment of Project Assets with Moorland Investment Philippines, Inc. ("MPII") whereby MPII absolutely and unconditionally assign, transfer and convey unto AMHHC any and all of its rights, interests and obligations in and under the following contracts which MPII obtained from Enerhighlands Corporation (ELC) by virtue of a "Deed of Assignment of Contracts" dated October 10, 2013.

Contract Number	Project	Resource Area
HSC 2013-06-258	Kiangan Mini Hydro Project	Asin, Kiangan Ifugao
HSC 2013-06-261	Kiangan Mini Hydro Project	Ibulao I, Kiangan, Ifugao
HSC 2013-06-262	Ibulao Mini Hydro Project	Ibulao II, Kiangan, Ifugao
HSC 2013-06-263	Kiangan Mini Hydro Project	Hungduan, Kiangan, Ifugao
HSC 2013-06-264	Lamut-Asipulo Mini Hydro Project	Lamut, Kiangan, Ifugao

- *Project Development Agreement ("PDA") with ELC*. On November 26, 2013, AMHHC entered into a PDA with ELC whereby AMHHC and ELC agreed to work together for the further exploration, development and/or commercialization for an exclusive contract aimed at further development and commercialization of the seven (7) hydropower projects located in areas of Kiangan and Lamut, Province of Ifugao and in San Mariano, Isabela Province.

Included also in the PDA is the setting up of special purpose companies for the Projects, which shall possess all authority, rights and obligations for the development construction, financing and operations of relevant project assigned to it.

Under the Hydropower Service Contract ("HSC"), AMHHC is given a two-year non-extendible pre-development stage from the effective date of the contract to conduct preliminary hydropower resources data gathering activities, and if warranted by the results, conduct of a full hydropower resources assessment. The HSC further provides that if AMHHC failed to accomplish the first six months milestones indicated in the Work Program submitted to the DOE, the contract term shall be considered expired. However, the submission of AMHHC of a Declaration of Commerciality at any time during the pre-development stage and confirmation thereof by the DOE shall supersede the first six months milestone requirement of the DOE.

Upon submission of the Declaration of Commerciality by AMHHC and confirmation by the DOE through issuance of COCOC shall remain in force for a period of 25 years from the effective date of contract. One year before the expiration of the initial 25-year period, AMHHC may submit to the DOE an extension of the HSC for another 25 years under the same terms and conditions so long as AMHHC is not in default of any material obligations under the HSC.

LAMHC

In accordance with the PDA between AMHHC and ELC, LAMHC was established on December 12, 2016 to further develop and operate the Lamut-Asipulo Mini Hydro Project.

- *Assignment of Projects to LAMHC.* On November 26, 2013, AMHHC entered into a Deed of Assignment of Project Assets with ELC whereby ELC transfers, conveys and assigns all its assigns all its assets and liabilities in relation to certain HSCs. ELC shall ensure that all rights and benefits under existing contracts in respect of the HSC shall redound to the benefit of the special purpose company to which the contract shall be designated to.
- *Assignment of Project to LAMHC.* On June 28, 2017, AMHHC, ELC and LAMHC executed the Supplement to Deed of Assignment of Project Assets whereby LAMHC assumes all the rights and obligations, risks, liabilities, benefits, and interests of KMHC including all of the rights and obligations of AMHHC in respect to Lamut-Asipulo Mini Hydro Project under HSC 2013-06-264.

On August 8, 2017, LAMHC filed the request for the assignment of HSC 2013-06-264 with the DOE. On October 19, 2018, the DOE approved the assignment for HSC 2013-06-264, pursuant to the Deed of Assignment to LAMHC.

As of November 5, 2024, LAMHC has not yet started construction of the project.

Wind Energy

ATWC

The Wind Energy Service Contract ("WESC") is a two-year exclusive contract renewed for a period of one (1) year, to conduct preliminary wind energy resources data gathering activities, and if warranted by the results, conduct of a full wind energy resources assessment. The WESC provides that if ATWC failed to accomplish the first annual milestones indicated in the Work Program submitted to the DOE, the contract term shall be considered expired. However, the submission of ATWC of a Declaration of Commerciality at any time during the pre-

development stage and confirmation thereof by the DOE shall supersede the first annual milestone requirement of the DOE.

- *Declaration and Confirmation of Commerciality.* Upon submission of the Declaration of Commerciality and confirmation by the DOE through issuance of COCOC, the WESC shall remain in force for the balance of 25 years from the effective date of contract. One (1) year before the expiration of the initial 25-year period, ATWC may submit to the DOE an extension of the WESC for another 25 years under the same terms and conditions so long as ATWC is not in default of any material obligations under the WESC.

ATWC has the following WESCs as follows:

Contract Number	Resource Area	Status
WESC 2009-10-020	Abra de Ilog, Occidental Mindoro	Under moratorium due to unavailable market
WESC 2017-01-017	Tanay, Rizal	Under pre-development stage

On October 23, 2009, the DOE awarded the WESC 2009-10-020 to APHC, ATWC's affiliate, wherein, APHC shall provide the necessary technology for the wind energy exploration and conduct assessment, field verification, harnessing and feasibility studies for the financing, construction and operation of an appropriate wind power plant.

In June 2011, APHC assigned the rights, title, interest, benefits and obligations of the WESC 2009-10-020 to ATWC. APHC guarantees the performance by ATWC of the obligation under the said WESC.

On August 28, 2012, the DOE granted the request to temporarily suspend the development activities due to the pending completion of grid interconnection facilities linking Mindoro and Batangas. The development costs related to this WESC were impaired in 2016 since the grid interconnection facilities have not yet been established.

On January 17, 2017, the DOE awarded the WESC 2017-01-017 to ATWC, wherein ATWC shall provide the necessary technology for the wind energy exploration and conduct assessment, field verification, harnessing and feasibility studies for the financing, construction and operation of an appropriate wind power plant.

ATWC submitted to DOE a Declaration of Commerciality in March 2020, prior to the onset of the national health emergency. On February 11, 2022, ATWC filed a request with the DOE for the extension of the period for pre-development to be able to secure the remaining requirement of possessory rights over the Project site. ATWC, in the meantime, is currently in continuous and ongoing discussions with the Project site's registered owner to obtain possessory rights over the Project site.

On June 4, 2024, ATWC issued the NTP which signifies the start of construction of the Tanay Wind Project.

- *Turbine Supply Agreement ("TSA") and Full-Service Agreement ("FSA").* On February 1, 2024, ATWC awarded and signed the TSA and FSA for the Tanay wind project to Envision Energy International Trading Limited ("Envision"). The TSA entails the design, engineering,

manufacturing, delivery and installation supervision of the wind turbine generators and their wind turbine components. The FSA is a full-service scope which covers the service and maintenance of the wind turbine generators for the first 10 years of operations.

- *Balance of Plant ("BOP") Engineering, Procurement and Construction ("EPC") Contract.* On March 8, 2024, ATWC awarded the BOP EPC Contract to China Energy Engineering Group Guangdong Electric Power Design Institute Co. Ltd. ("GEDI"), along with its Philippine subsidiary GEDI Construction Development Corporation ("GCDC"), which will cover the design, engineering, supply of civil and electrical works, transportation of equipment, construction and installation of the Tanay wind project.

AWPC

- *Transfer of WESC from ATWC.* On December 23, 2019, the DOE awarded WESC 2019-09-134 to ATWC, wherein ATWC shall provide the necessary technology for the wind energy exploration and conduct assessment, field verification, harnessing and feasibility studies for the financing, construction and operation of an appropriate wind power plant.

The WESC is a two (2) year exclusive contract renewable for a period of one (1) year, to conduct preliminary wind energy resources data gathering activities, and if warranted by the results, conduct a full wind energy resources assessment. The WESC provides that if the Company failed to accomplish the first annual milestones indicated in the Work Program submitted to the DOE, the contract term shall be considered expired. However, the submission of the Company of a Declaration of Commerciality at any time during the pre-development stage and confirmation thereof by the DOE shall supersede the first annual milestone requirement of the DOE.

Upon submission of the Declaration of Commerciality and confirmation by the DOE through issuance of Certificate of Confirmation of Commerciality, the WESC shall remain in force for the balance of 25 years from the effective date of contract. One (1) year before the expiration of the initial 25-year period, the Company may submit to the DOE an extension of the WESC for another 25 years under the same terms and conditions so long as the Company is not in default of any material obligations under the WESC.

In December 2022, ATWC submitted a request to the DOE for an extension of the pre-development phase. On March 10, 2023, the DOE approved the request for extension covering the period December 23, 2022 to December 23, 2023.

On September 1, 2023, the Company entered into a Deed of Assignment with ATWC whereby ATWC transfers, conveys and assigns all its rights, title, interest and benefits in WESC 2019-09-134.

On April 26, 2024, AWPC issued the NTP which signifies the start of construction of the Alabat wind project.

- *Turbine Supply Agreement ("TSA") and Full-Service Agreement ("FSA").* On February 1, 2024, AWPC awarded and signed the TSA and FSA for the Alabat wind project to Envision. The TSA entails the design, engineering, manufacturing, delivery and installation supervision of the wind turbine generators and their wind turbine components. The FSA is a full-service scope which covers the service and maintenance of the wind turbine generators for the first 10 years of operations.

- *Balance of Plant ("BOP") Engineering, Procurement and Construction ("EPC") Contract.* On March 8, 2024, AWPC awarded the BOP EPC Contract to GEDI, along with its Philippine subsidiary GCDC, which will cover the design, engineering, supply of civil and electrical works, transportation of equipment, construction and installation of the Alabat wind project.

23. Renewable Energy Act of 2008

On January 30, 2009, Republic Act No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes, otherwise known as the "Renewable Energy Act of 2008" (the "Act"), became effective. The Act aims to:

- accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy;
- increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;
- encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and
- establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws.

As provided in the Act, Renewable Energy ("RE") developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the Board of Investments ("BOI"), shall be entitled to the following incentives, among others:

- Income Tax Holiday ("ITH") - For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the National Government;
- Duty-free Importation of RE Machinery, Equipment and Materials - Within the first ten (10) years upon issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;
- Special Realty Tax Rates on Equipment and Machinery - Any law to the contrary notwithstanding, realty and other taxes on civil works, equipment, machinery, and other improvements of a registered RE developer actually and exclusively used for RE facilities shall not exceed one and a half percent (1.5%) of their original cost less accumulated normal depreciation or net book value;
- NOLCO - the NOLCO of the RE developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross

- income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss;
- v. Corporate Tax Rate - After seven (7) years of ITH, all RE developers shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the National Internal Revenue Code of 1997, as amended by Republic Act No. 9337;
 - vi. Accelerated Depreciation - If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;
 - vii. Zero Percent VAT Rate - The sale of fuel or power generated from renewable sources of energy, the purchase of local goods, properties and services needed for the development, construction and installation of the plant facilities, as well as the whole process of exploration and development of RE sources up to its conversion into power shall be subject to zero percent (0%) VAT;
 - viii. Cash Incentive of RE Developers for Missionary Electrification - An RE developer, established after the effectivity of the Act, shall be entitled to a cash generation-based incentive per kilowatt-hour rate generated, equivalent to fifty percent (50%) of the universal charge for power needed to service missionary areas where it operates the same;
 - ix. Tax Exemption of Carbon Credits - All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and
 - x. Tax Credit on Domestic Capital Equipment and Services - A tax credit equivalent to one hundred percent (100%) of the value of the VAT and custom duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the Act. RE developers and local manufacturers, fabricators and suppliers of locally-produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau ("REMB"). Upon registration, a certification shall be issued to each RE developer and local manufacturer, fabricator and supplier of locally-produced renewable energy equipment to serve as the basis of their entitlement to the incentives provided for in the Act. All certifications required to qualify RE developers to avail of the incentives provided for under the Act shall be issued by the DOE through the REMB.

24. Other Matters

Repurchases, and Repayments of Debt and Equity Securities

There are no repurchases and repayments of debt and equity securities during the current period.

Changes in Estimates and Amounts Reported in Prior Financial Years

The key assumptions concerning the future and other key sources of estimation uncertainty used in preparation of the unaudited interim condensed financial statements are consistent with those followed in the preparation of the annual audited consolidated financial statements as of and for the year June 30, 2024.

Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Reporting Date

There are no material changes in the contingent liabilities or contingent assets since the last annual reporting date.

Changes in the Composition of the Group During the Interim Period

There were no material changes in the composition of the Group during the period.

ANNEX B

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

The following discussion and analysis of Alternergy's consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying schedules and disclosures.

Key Variable and Other Qualitative or Quantitative Factors

- a) Trends, demands, commitments, events, or uncertainties that have a material impact on the issuer's liquidity.

There have been no material trends, demands, commitments, events, or uncertainties that have had a material impact on the Group's liquidity.

- b) Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration or an obligation.

As of November 5, 2024, there were no other events which may trigger a direct or contingent financial obligation that is material to the Group.

- c) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

There were no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created as of November 5, 2024.

- d) Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures

As of period ended September 30, 2024, the Group has entered into agreements with contractors for its Tanay Wind Project, Alabat Wind Project and Solana Solar Project totaling ₱14.2 billion as project costs to be funded from a combination of debt and equity which have been secured.

- e) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the issuer's net sales/revenues/income from continuing operations.

As of September 30, 2024, there were no known trends, demands, commitments, events, or uncertainties that will have a material impact on the issuer's net sales/revenues/income from continuing operations.

- f) Any significant elements of income or loss that did arise from the issuer's continuing operations.

On December 31, 2023, the Group's Palau Solar and BESS Project started commercial operations.

- g) Causes for material changes in the consolidated financial statements.

See section below.

- h) Seasonal aspects that had a material effect on the financial condition or results of operations.

As of September 30, 2024, there were no seasonal aspects that had a material effect on the financial condition or results of operations.

FY2025 vs FY2024 Q1 Highlights

As at September 30, 2024 vs June 30, 2024 and for the three-month periods ended September 30, 2024 vs 2023

Corporate and Operations

Significant developments of the Group:

- On July 31, 2024, the Group broke ground the 28 MW_p Solana Solar Project in Hermosa, Bataan.
- Starting August 12, 2024, ALTER has been added to the Industrials Index of the Philippine Stock Exchange Sector Indices.
- On August 21, 2024, the Group entered into an EPC Agreement with GEDI for the construction of the Solana Solar Project.
- On September 2, 2024, the Group commenced the construction of the Solana Solar Project.
- On September 25, 2024, the BOD approved the consolidation of its land holdings through the recent acquisition of a newly established land holding company, Triple Play Land Corporation ("TPLC"). ALTER envisions TPLC as a means to consolidate ownership of land used as project sites for ALTER's various RE projects, whether wind, solar or run-of-river hydro.
- On October 11, 2024, ALTER completed the acquisition of Alternergy Solar Holdings Corporation ("ASHCo"). The move is part of the ongoing re-alignment of the Group to organize its portfolio of renewable energy technologies under separate intermediate holding companies. ASHCo will hold ALTER's solar projects similar to the currently existing Alternergy Wind Holdings Corporation ("AWHC") for wind projects and Alternergy Mini Hydro Holdings Corporation ("AMHHC") for run-of-river hydro projects.
- On October 29, 2024, ATWC successfully made its first drawdown from its long-term facility loan agreement with its lenders.
- On October 30, 2024, the DOE approved the increase in the registered capacity of the Tanay Wind Power Project from 112 MW to 128 MW.

- On November 5, 2024, the Board approved the declaration of dividends amounting to ₱40 million to be paid to holders of Perpetual Preferred Shares 1 and Perpetual Preferred Shares 2 – Series A.

Financials

The Group posted a consolidated net income of ₱17.45 million for the three-month period ended September 30, 2024, a decreased by 82% compared to the ₱97.0 million posted in the same period in 2024. The reduction is mainly because of the one-time project cost recovery from the Palau solar farm and battery project.

The Group's cash decreased by 58%% to ₱1.9 billion as of September 30, 2024 compared to ₱3.3 billion as of June 30, 2024. The decreased is primarily attributable to the payments made for project development costs and advances to related parties.

Consolidated assets of the Group stood at ₱8.70 billion as of September 30, 2024, down from ₱8.74 billion as of June 30, 2024. With a healthy cash position coming into the first quarter fiscal year 2025 allowed the Group to infuse funding to its subsidiaries and affiliates to accelerate the project development of the Tanay and Alabat Wind Projects, the Hermosa Solar Project, as well as continued support of the ongoing construction of the 4.6MW Dupinga and 7.6MW Ibulao 1 run-of-river power projects in Nueva Ecija and Kiangnan, respectively.

Key Performance Indicators

Total equity stood ₱4.29 billion, with the Group's consolidated debt-to equity ratio for the quarter improving to 0.86:1 as of September 30, 2024 from 1.21:1 as of June 30, 2024.

The Group's earnings before interest, taxes, depreciation and amortization ("EBITDA") for the three-month period ended September 30, 2024 was ₱77.38 million, lower from ₱120.5 million for the same period in 2023.

The 13.2 MW_{AC} Palau Solar and BESS Project started commercial operations on December 31, 2023.

Consolidated Statements of Comprehensive Income

Revenue from sale of electricity was significantly higher by 126%% at ₱97.68 million for the three-month period ended September 30, 2024 as compared to ₱43.31 million for the period in 2023. This increase was primarily due to revenues from the Group's Palau solar and BESS project.

Cost of sale of electricity increased from ₱10.97 million for the three-month period ended September 30, 2023 to ₱39.55 million for the same period ended in 2024.

Equity in net earnings of associates has turned around by ₱3.74 million to ₱3.47 million for the three-month period ended September 30, 2024 compared to the loss of ₱0.3 million loss in 2023.

General and administrative expenses was higher for the three-month period ended September 30, 2024 by ₱7.18 million, or 40%, from ₱18.12 million for the same period ended in 2023 mainly due to higher outside services, professional fees, subscription fees, and taxes and licenses.

Other loss – net is significantly lower at ₱17.74 million in 2024 from ₱114.5 million for the three-month period ended September 30, 2023, owing to higher finance costs. For the three-month period ended September 30, 2023, it is primarily composed of project cost recovery from the Palau solar farm project.

Consolidated Statements of Financial Position as at September 30, 2024 vs June 30, 2024

Current assets decreased by ₱1.6 billion from ₱3.7 billion as of June 30, 2024, to ₱2.1 billion as of September 30, 2024. The Group made significant investments to progress the construction of the Tanay and Alabat Wind Power Projects and the Hermosa Solar Power Project.

Noncurrent asset increased from ₱5.0 billion as of June 30, 2024 to ₱6.5 billion as of September 30, 2024 coming from capital infusions made by the Group for the ongoing construction of the Tanay and Alabat Wind Projects and the Hermosa Solar Power Project.

Current liabilities increased by ₱6.0 million from ₱745.4 million as of June 30, 2024 to ₱751.4 million as of September 30, 2024. This was mostly due to accrual of interest from long-term debt.

Noncurrent liabilities was lower as at September 30, 2024 at ₱3.7 billion by ₱41.7 million from ₱3.7 billion as at June 30, 2024.

Equity is healthier at ₱4.29 billion as at September 30, 2024 by ₱6.6 million from ₱4.3 billion as at June 30, 2024.

Financial Ratios

Ratio	Formula	September 30, 2024	June 30, 2024
Current ratio ⁽¹⁾	Dividing total current assets over total current liabilities	2.86	4.99
Acid test ratio	Dividing quick assets by the current liabilities	1.36	4.96
Solvency ratio	Dividing net income excluding depreciation over total debt obligations	0.01	0.06
Debt-to-equity ratio ⁽²⁾	Dividing total interest-bearing debts over stockholders' equity	0.86	0.87
Asset-to-equity ratio ⁽³⁾	Dividing total assets over total stockholders' equity	2.03	2.03
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	1.70	2.75
Return on equity (%) ⁽⁴⁾	Dividing the net income (annual basis) by total stockholders' equity (average)	0.41%	3.69%
Return on assets (%) ⁽⁵⁾	Dividing the net income (annual basis) by the total assets (average)	0.20%	1.90%
Net profit margin (%)	Dividing net income by the total revenue	17.25%	47.13%
EBITDA margin (%)	Dividing the EBITDA by the total revenue	76.50%	116.56

Notes:

- (1) Current ratio measures the Group's ability to pay short-term obligations
- (2) Debt to equity ratio measures the degree of the Group's financial leverage. The Group's total loans and borrowings includes interest-bearing bank loans and loans from third parties.
- (3) Asset to equity measures the Group's financial leverage and long-term solvency.
- (4) Average total shareholder's equity is calculated by taking the beginning and ending shareholder's equity then dividing by two.
- (5) Average total assets is calculated by taking the beginning and ending total assets then dividing by two.

ANNEX C

Reports on SEC Form 17-C

Date	Particulars
26-Sep-24	Material Information/Transactions
26-Sep-24	Acquisition or Disposition of Shares of Another Corporation
26-Sep-24	Acquisition or Disposition of Shares of Another Corporation
26-Sep-24	Annual Report
26-Sep-24	Acquisition or Disposition of Shares of Another Corporation
26-Sep-24	Acquisition or Disposition of Shares of Another Corporation
26-Sep-24	Acquisition or Disposition of Shares of Another Corporation
26-Sep-24	Acquisition or Disposition of Shares of Another Corporation
26-Sep-24	Press Release
26-Sep-24	Notice of Annual or Special Stockholders' Meeting
18-Sep-24	Notice of Analysts'/Investors' Briefing
13-Sep-24	Press Release
19-Aug-24	Change in Shareholdings of Directors and Principal Officers
12-Aug-24	Statement of Changes in Beneficial Ownership of Securities
31-Jul-24	Material Information/Transactions
29-Jul-24	[Amend-1]Public Ownership Report
26-Jul-24	Change in Shareholdings of Directors and Principal Officers
16-Jul-24	Disbursement of Proceeds and Progress Report
12-Jul-24	List of Top 100 Stockholders (Preferred Shares)
12-Jul-24	List of Top 100 Stockholders (Common Shares)
12-Jul-24	Public Ownership Report