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**Agreed-Upon Procedures Report on the Annual Progress Report on the Application of Proceeds from Initial Public Offering**

**The Board of Directors and Shareholders**
Alternergy Holdings Corporation
Level 3B, Paseo de Roxas Building
Paseo de Roxas Avenue corner Legazpi Street
Legaspi Village, Makati City

**Purpose of this Agreed-upon Procedures Report**

We have performed the procedures which were agreed to by Alternergy Holdings Corporation (the "Company") and enumerated below with respect to the Annual Progress Report on the Application of Proceeds from the Initial Public Offering ("IPO") of the Company on March 24, 2023 ("Subject Matter"). Our report is solely for the purpose of assisting the Company in complying with the requirements of the Philippine Stock Exchange ("PSE") relating to the use of proceeds from the Company's IPO, and this may not be suitable for another purpose.

**Restriction on Use**

This agreed-upon procedures report ("AUP Report") is intended solely for the information and use of the Company and PSE and is not intended to be and should not be used by anyone else.

**Responsibilities of the Company**

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company.

**Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

*Professional Ethics and Quality Management*

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines (Code of

Ethics). We are not required to be independent for the purpose of this engagement. We are the independent auditor of the Company and complied with the independence requirements of the Code of Ethics that apply in the context of the financial statement audit.

Our firm applies Philippine Standard on Quality Management 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Procedures and Findings**
We have performed the procedures described below, which were agreed upon with the Company in the terms of engagement dated April 13, 2023, on the Subject Matter.

We report our findings below:

1. We obtained from management the Annual Progress Report as at December 31, 2023 and for the period from March 24, 2023 to December 31, 2023 showing the following information:
   a. Total proceeds as at March 24, 2023
   b. Amount of disbursements for the period from March 24, 2023 to December 31, 2023; and
   c. Balance of net proceeds as at December 31, 2023

   *Table 1. Annual Progress Report*

| Purpose | Actual Net Proceeds | Disbursements for the Period from March 24, 2023 to December 31, 2023 | Reallocation | Balance for Disbursement as at December 31, 2023 |
|---|---|---|---|---|
| Development and construction of the projects under development | ₱564,000,000 | (₱149,554,518) | (₱88,000,000) | ₱326,445,482 |
| Payment of accrued liabilities on the acquired shares of Kirahon Solar Energy Corporation (KSEC) | 522,186,500 | (522,186,500) | – | – |
| Pre-development expenses of pipeline projects | 155,000,000 | (178,572,027) | 88,000,000 | 64,427,973 |
| General corporate requirements | 127,224,072 | (105,648,846) | – | 21,575,226 |
| Working capital to operationalize Retail Electricity Supply | 30,000,000 | – | – | 30,000,000 |
| Total | ₱1,398,410,572 | (₱955,961,891) | ₱– | ₱442,448,681 |

2. We checked the mathematical accuracy of the above Annual Progress Report. We did not note any exception.

3. We obtained and checked the mathematical accuracy of the Detailed Schedule of Disbursements during the year. We compared the disbursements as indicated in the Annual Progress Report to the Detailed Schedule of Disbursements during the year. We did not note any exception.

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See details below:

*Table 2. Detailed Schedule of Disbursements*

| Date | Description | | Amount |
|---|---|---|---|
| | **Development and Construction of the Projects under Development** | | ₱149,554,518 |
| Various dates | Advances to Solana Solar Alpha Inc. (an affiliate) for the Solana Solar Project | 149,554,518 | |
| | **Payment of accrued liabilities on the acquired shares of KSEC** | | 522,186,500 |
| March 27, 2023 | Full payment to the previous shareholders of KSEC: | | |
| | Sant Charitable Foundation, Inc. | 279,771,496 | |
| | Josan Farms, Inc. | 93,817,948 | |
| | QBL Eco Corporation | 93,817,948 | |
| March 27, 2023 | Payment of the related capital gains tax | 54,779,108 | |
| | **Pre-development Expenses of Pipeline of Projects** | | 178,572,027 |
| Various dates | Advances to Alabat Wind Power Corporation (an affiliate) for the Alabat Wind Project | 87,463,240 | |
| Various dates | Advances to Alternergy Tanay Wind Corporation (a subsidiary) for the Tanay Wind Project | 80,088,787 | |
| Various dates | Advances to Ibulao Mini Hydro Corporation (an affiliate) for the Ibulao Mini Hydro Project | 11,020,000 | |
| | **General Corporate Requirements** | | 105,648,846 |
| October 17, 2023 | Advances to an affiliate for future projects | 50,000,000 | |
| March 31, 2023 | Partial payment of loan to Oversea-Chinese Banking Corporation, Limited (OCBC) | 25,609,152 | |
| Various dates | Payment of professional fees for services obtained related to the IPO | 18,536,425 | |
| June 7, 2023 | Interest payments to Rizal Commercial Banking Corporation | 4,446,750 | |
| Various dates | Payment for software licenses and support | 2,477,315 | |
| June 23, 2023 | Payment of legal services for the Kiangan Mini Hydro Project | 1,597,680 | |
| April 5, 2023 | Document stamp tax on IPO shares | 1,265,000 | |
| July 6, 2023 | Payment for financial model for the five renewable energy projects of the Company's subsidiaries | 570,588 | |
| July 6, 2023 | Payment for tax services for the application of Certificate Authorizing Registration at the Bureau of Internal Revenue | 504,000 | |
| September 5, 2023 | Payment for the agreed-upon procedures on use of IPO proceeds | 246,400 | |
| July 12, 2023 | Advertising expense | 245,536 | |
| September 5, 2023 | Payment for the consultancy services for Alternergy history book manuscript project - Alternergy 15th Anniversary book | 150,000 | |
| | | | ₱955,961,891 |

We traced the amounts of all disbursements in the Detailed Schedule of Disbursements to the applicable supporting documents such as the check vouchers, validated deposit slips, official receipts, acknowledgement receipts or tax payment forms and bank statements.

4. We obtained a complete list of bank accounts where the IPO proceeds are maintained and traced interbank transfers to bank statements. We noted the following:

First Quarter of 2023

- The IPO proceeds were initially maintained in a trust savings account but the remaining balance amounting to ₱876.22 million, after the disbursements related to the payment of accrued liabilities on acquisition of KSEC shares totaling to ₱522.19 million, was transferred in March 2023 to the Company's separate Philippine Peso (PHP) current account maintained in the same bank. We traced the interbank transfer to the bank statement of the receiving PHP current account and noted no exception.

- Also, in March 2023, the Company transferred ₱207.15 million from its PHP current account to its US Dollar (USD) savings account maintained in a different bank. We traced the interbank transfer to the bank statements of the receiving USD savings account and noted no exception.

Second Quarter of 2023

- In April 2023, the Company transferred ₱5.00 million from its current account to a savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving savings account and noted no exception.

- In May and June 2023, the Company transferred ₱5.59 million from its PHP savings account to its USD savings account maintained in the same bank and another ₱0.50 million to another PHP savings account maintained in a different bank. We traced the interbank transfer to the bank statements of the receiving USD and PHP savings accounts and noted no exception.

Third Quarter of 2023

- In July 2023, the Company transferred ₱1.00 million from its PHP savings account in one bank to a PHP savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving savings account and noted no exception.

- In August 2023, the Company transferred $1.00 million (₱56.42 million) from its US Dollar (USD) savings account to a PHP savings account both maintained in the same bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

- Also, in August 2023, the Company transferred ₱9.10 million from its PHP trust account to a current account both maintained in the same bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

- In September 2023, the Company transferred ₱50.00 million from its current account to a PHP savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving savings account and noted no exception.

Fourth Quarter

- In October 2023, the Company transferred ₱1.00 million from its PHP savings account to another PHP savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

- Also, in October 2023, the Company transferred ₱100.00 million from its PHP current account to a PHP savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

- In November 2023, the Company transferred ₱80.00 million from its PHP current account to a PHP savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

- In December 2023, the Company transferred ₱2.00 million from its PHP savings account to another PHP savings account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

- Also, in December 2023, the Company transferred $0.25 million (₱13.83 million) from its USD savings account to its PHP savings account maintained in the same bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

- Additionally, in December 2023, the Company transferred ₱600.00 million from its PHP savings account to a PHP current account maintained in a different bank. We traced the interbank transfer to the bank statement of the receiving PHP savings account and noted no exception.

5. We traced the remaining balance of the net proceeds as at December 31, 2023 to the bank statements as of the same period. We noted that the balances per bank statements are higher than the balances in the table above as these include beginning balances and interest income earned, net of final withholding taxes, general and administrative expense, collection of receivables and related party transactions which are not part of the proceeds from the IPO.

6. We compared the nature and amounts of disbursements in the Annual Progress Report as at December 31, 2023 and for the period from March 24, 2023 to December 31, 2023 to the use of proceeds section of the Offering Circular. We did not note any exception. Refer to Tables 1 and 2 above.

7. We obtained minutes of meetings of the Board of Directors (BOD) for the year and inspected if there were reallocations or changes in the schedule of planned use of proceeds from the Offering and noted the following:

   A. During the Regular Meeting of the BOD held on May 10, 2023, the Company's BOD approved the reallocation of a portion of the IPO proceeds amounting to ₱226.0 million originally intended for the development of the Lamut Hydro Project to be used for the development of the Solana Solar Project as follows:

| Project | Use of Proceeds per IPO | Reallocation | Use of Proceeds after Reallocation |
|---|---|---|---|
| Solana Solar Project* | ₱250,000,000 | ₱226,000,000 | ₱476,000,000 |
| Lamut Hydro Project* | 314,000,000 | (226,000,000) | 88,000,000 |
| | ₱564,000,000 | ₱– | ₱564,000,000 |

** These projects are both considered as projects under development for purpose of the IPO Use of Proceeds.*

   B. During the Regular Meeting of the BOD held on October 5, 2023, the Company's BOD approved the additional reallocation of a portion of the IPO proceeds as follows:

| Project | Use of Proceeds per IPO | Reallocation | Use of Proceeds after Reallocation |
|---|---|---|---|
| Tanay Wind Project** | ₱50,000,000 | ₱63,000,000 | ₱113,000,000 |
| Alabat Wind Project** | 20,000,000 | 80,000,000 | 100,000,000 |
| Offshore Wind Projects (Calavite and Tablas)** | 60,000,000 | (55,000,000) | 5,000,000 |
| Lamut Hydro Project* | 88,000,000 | (88,000,000) | – |
| | ₱218,000,000 | ₱– | ₱218,000,000 |

** This project is considered as project under development for the purpose of the IPO Use of Proceeds. Furthermore, the amount in the "Use of Proceeds per IPO" column is after the reallocation approved on May 10, 2023 as discussed in item A above.*

*** These projects are considered as pipeline projects for the purpose of the IPO Use of Proceeds.*

As a result, there was a net reallocation of ₱88.00 million from "Development and construction of the projects under development" to "Pre-development expenses of pipeline projects" as presented in the Annual Progress Report above.

**Explanatory Paragraph**
The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform, and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures. Furthermore, we have not performed any procedures with respect to the preparation or verification of any of the source documents. We have no responsibility for the verification of any underlying information upon which we relied in forming our findings.

This AUP report relates only to the Annual Progress Report as at December 31, 2023 and for the period from March 24, 2023 to December 31, 2023, as specified above and do not extend to the financial statements of the Company, taken as a whole.

We undertake no responsibility to update this AUP Report for events and circumstances occurring after the AUP Report is issued.

SYCIP GORRES VELAYO & CO.

Leovina Mae V. Chu

Leovina Mae V. Chu
Partner
CPA Certificate No. 99910
Tax Identification No. 209-316-911
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-096-2023, September 12, 2023,
valid until September 11, 2026
PTR No. 10079918, January 5, 2024, Makati City

January 30, 2024